
KOUGA
local municipality
Good Governance through Service Excellence
ORDINARY COUNCIL MEETING
AGENDA
Date : 28 MAY 2021
Time : 10:00
Venue : Virtual Meeting

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held on	**OKU KUKWAZISA** malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigaqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile	**KENNIS GESKIED HIERMEE** ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op
DATE: 28 May 2021	**UMHLA: 28 UCanzibe 2021**	**DATUM: 28 Mei 2021**
TIME: 10:00	**IXESHA: 10:00**	**TYD: 10:00**
H. BORNMAN **SPEAKER**	**H. BORNMAN** **USOMLOMO**	**H. BORNMAN** **SPEAKER**

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**

8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE**

None

10. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

None

11. **REPORT BACK: MUNIMEC**

None

12. **DECLARATION OF INTEREST**

13. **STATUTORY MATTERS**

14. **MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR INFORMATION**

14.1 Minutes of the Mayoral Committee Meeting held on 16 February 2021

Pages: 12 - 31

15. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING**

15.1 Minutes of the Ordinary Council Meeting held on 26 February 2021

Pages: 33 - 63

15.2 Minutes of the Special Council Meeting held on 31 March 2021

Pages: 64 - 92

15.3 Minutes of the Special Council Meeting held on 28 April 2021

Pages: 93 - 99

16. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

17. **REPORTS OF COMMITTEES OF COUNCIL**

17.1 **KOUGA AUDIT COMMITTEE**

21/05/KACC1 Minutes of the Kouga Audit Committee

Pages: 102 – 109

18. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

21/05/MM1 Council Resolutions for 26 February 2021, 31 March 2021 and 28 April 2021

Pages: 111 - 128

21/05/MM5 Report on the Progress of the Ward Development Fund as at 31 March 2021

Pages: 129 - 135

21/05/MM6 Public Participation Report: Third Quarter 2020/2021

Pages: 136 - 139

21/05/MM9 2019/20 Annual Report: Municipal Public Accounts Committee Oversight Report

Pages: 140 - 201

21/05/MM10 Annual Report (2019/2020)

Pages: 202 - 630

21/05/MM11 Review of the Draft Integrated Development Plan (IDP) for 2021/22
(2017-2022 5 Year Cycle)

(to be distributed under separate cover)

19. **REPORTS BY THE EXECUTIVE MAYOR**

19.1 **REPORTS BY THE PORTFOLIO CHAIPERSON: FINANCE**

21/05/F17 Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for the 2021/22 To 2023/24 Financial Years

Pages: 632 - 634

21/05/F18 Adoption of the Proposed Property Rates Tariffs for the 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F19 Revision of Fees and Charges for the 2021/22 Financial Year: Sports and Recreation

(to be distributed under separate cover)

21/05/F20 Revision of Fees and Charges for 2021/22 Financial Year: National Traffic, Licensing Services and Protection Services

(to be distributed under separate cover)

21/05/F21 Revision of Fees and Charges for the 2021/22 Financial Year: Fire Fighting Services

(to be distributed under separate cover)

21/05/F22 Revision of Fees and Charges for the Hiring of Municipal Facilities: 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F23 Community Services Directorate: Revision of Tariffs, Fees and Charges for the 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F24 Proposed Water and Sanitation Tariff Increases for 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F25 Fees and Charges for Electricity Services in respect of the 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F26 Finance Directorate: Revision of Fees and Charges for the 2021/22 Financial Year

(to be distributed under separate cover)

21/05/F27 Revision of Various Tariffs: Planning, Development and Tourism for the 2021/22 Financial Year

(to be distributed under separate cover)

19.2 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

21/05/I&E7 Report: Reduction in Electrical Augmentation Fees

Pages: 636 - 638

19.3 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

21/05/CS4 Environmental Health Evaluation of schools for Covid 19 Readiness 2021

Pages : 640 - 642

21/05/CS5 Oyster Bay Dune Rehabilitation Update

Pages: 643 - 645

21/05/CS6 St Francis Bay Revetment

Pages: 646 - 648

21/05/CS7 Keeping Kouga Clean and Green

Pages: 649 - 651

19.4 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

21/05/PD1 Progress Report: Alienation of 98 Wet Erven: Kruisfontein

Pages: 653 - 658

21/05/PD4 Monthly Progress Report on Human Settlements Grant Funded Pipeline Projects

Pages: 659 - 668

21/05/PD8 Authorization of the Draft Jeffreys Bay Central Business District (CBD) Precinct Plan for Public Participation

Pages: 669 - 822

21/05/PD9 Application: Alienation of Land and Purchase of Various Properties in Hankey: MGM Trust (Mr. Du Preez)

Pages: 823 - 830

21/05/PD10 Disposal and Closure of Long Street, Bokmakierie Street, Portion of Bloubok Street and Portion of Heron Street – Public Roads in the Industrial Area Humansdorp

Pages: 831 - 838

21/05/PD11 Land Swap: A Portion of Erf 6650 in Favour of Erf 6649, Jeffreys Bay: Mr. S. Stanley

Pages: 839 - 843

21/05/PD12 Funding Approval for the Installation of 990 Civil Services Infrastructure, Hankey

Pages: 844 - 849

20. **REPORTS FOR INFORMATION AND NOTING PURPOSES**

20.1 **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

(The items below were submitted to the Mayoral Committee meeting held on 28 April 2021)

21/04/MM1 Mayoral Resolutions: Actions Sheets – 16 February 2021

Pages: 851

21/04/MM2 Call Centre Report on Service Delivery Requests January to February 2020

Pages: 851

21/04/MM3 Report on Call Centre Service Delivery Requests not Resolved from 1 October 2017 to 30 October 2020

Pages: 852

21/04/MM4 Media Report: Third Quarter 2020/2021

Pages: 852

21/04/MM7 Report: Establishment of the Local Kouga Sports Council (KSC)

Pages: 852

21/04/MM8 Report: Establishment of the Local Drug Action Committee

Pages: 852

20.2 **REPORTS BY THE CHAIRPERSON: FINANCE**

(The items below were submitted to the Special Mayoral Committee meeting held on 13 May 2021)

21/05/F16 Report on the Performance (SDBIP) for Finance

Pages: 853

20.3 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

(The items below were submitted to the Mayoral Committee meeting held on 28 April 2021)

21/04/CORP2 Corporate Services Operational and Capital SDBIP Report as at 28 February 2021

Pages: 853

21/04/CORP3 Monthly Report for the Corporate Services Directorate: Administration Section as at end February 2021

Pages: 853

21/04/CORP4 HR Report for January 2021 to February 2021

Pages: 853

20.4 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

(The items below were submitted to the Special Mayoral Committee meeting held on 13 May 2021)

21/05/I&E1 Re: Progress on Grant Funding (MIG, WSIG & EPWP) as at end February 2021

Pages: 854

21/05/I&E2 Progress Report on the Road Resealing Program for 2020/2021 Financial Year

Pages: 854

21/05/I&E3 Re: Upgrading of Gravel Roads Programme – MIG Project

Pages: 854

21/05/I&E4 Re: Electrical Maintenance Reports: January 2021 and February 2021

Pages: 854

21/05/I&E5 Report: 200 Electrification Project: Progress and Spending up to date

Pages: 854

21/05/I&E6 Report: Replacement of the 66kv Overhead Line between Melkhout (Eskom) Substation to Jeffreys Bay Main Substation

Pages: 855

21/05/I&E9 Day to Day Operations of the Fleet Section during the period of January 2021 & February 2021

Pages: 855

21/05/I&E12 Report on the Performance Capital (SDBIP) and Operational Performance Reporting for Infrastructure & Engineering as at 31 March 2021

Pages: 855

20.5 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

(The items below were submitted to the Special Mayoral Committee meeting held on 13 May 2021)

21/05/CS1 Drinking water quality report for January – February 2021

Pages: 855

21/05/CS2 Covid 19 drinking water quality report January – February 2021

Pages: 855

21/05/CS10 Traffic Fine Revenue Income period January – February 2021

Pages: 856

21/05/CS11 Kouga Municipality in collaboration with Working on Fire initiative

Pages: 856

21/05/CS13 Monthly Report Community Services: February 2021

Pages: 856

21/05/CS14 Progress Report on the Implementation of the Service Delivery Budget Implementation Plan (SDBIP) as at 31 March 2021

Pages: 856

20.6 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

(The items below were submitted to the Special Mayoral Committee meeting held on 13 May 2021)

21/05/PD2 Report on the Unlawful Dwellers of the Aston Bay Caravan Park

Pages: 856 - 857

21/05/PD5 Land and Property: Progress Report: Quarter 3: January to March 2021

Pages: 857

21/05/PD6 Erf 554, Sea Vista: Subdivision, Rezoning & Closure of Public Open Space

Pages: 857

21/05/PD7 Institutional Performance Report: 2020 /2021 Financial Year: 3rd quarter period 1 January to 31 March 2021

Pages: 857

20.7 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

(The items below were submitted to the Special Mayoral Committee meeting held on 13 May 2021)

21/05/LED&T4 Report Sarah Baartman District Grant Funding

Pages: 858

21. **CLOSURE**

Distribution list:
Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MINUTES OF PREVIOUS MAYORAL COMMITTEE (FOR INFORMATION)

MINUTES OF A VIRTUAL MAYORAL COMMITTEE MEETING OF THE KOUGA MUNICIPALITY HELD ON TUESDAY, 16 FEBRUARY 2021 AT 09:00

Present:		
Councillors	H Hendricks	(Executive Mayor)
	H Bornman	(Speaker)
	B Rheeder	
	F Baxter	
	T Jantjes	
	W Gertenbach	
	B Williams	
	D Benson	
Councillors as Observers		
	L Vorster	
	M van Niekerk	
	F Campher	
	J Alexander	
	B Dhludhlu	
Officials	F Mabusela	(Acting Municipal Manager)
	K Moodley	(Director: Corporate Services)
	N Machelesi	(Director: Community Services)
	R Lorgat	(Chief Financial Officer)
	E Oosthuizen	(Acting Director: Infrastructure & Eng)
	L Opperman	(Manager: Legal Services)
	L Randall	(Media Liaison Officer)
	D de Jager	(Manager: Human Resources and Acting COO)
	F Jamal	(Manager: Risk and Internal Audit)
	A Jonck	(Manager: Office of the Mayor)
	B de Groot	(Senior Admin Officer: Committees)

1. **NOTICE OF MEETING**

The Executive Mayor read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Mayoral Committee Meeting will be held using the zoom platform.

2. **OPENING**

The Executive Mayor welcomed everyone present to the 1st Mayoral Committee meeting of 2021. He further advised that a decision was taken by the Mayoral Committee that observers attending the meeting will not be allowed any input at the Portfolio Committee meetings as well as at Mayoral Committee meetings and any questions of concern may be submitted in writing for further discussion. Cllr D Benson was requested to open the meeting with prayer.

The Executive Mayor stated that it was normal practice to open meetings with prayer and proposed that consideration be given that future meetings be opened with a moment of meditation to accommodate all religious denominations as it was the norm in Local Government.

3. **WITH LEAVE OF ABSENCE**

None

4. **PRESENTATIONS**

None

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Birthday wishes were extended to Cllr B Dhludhlu – 23 February 2021.

The Executive Mayor congratulated the Coalition Government in PE and Mr N Bhanga for retaining his seat as Executive Mayor at the Nelson Mandela Bay Metropolitan Municipality.

6. **STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**

The Executive Mayor stated that only 10 new active cases have been reported during the 2nd wave of Covid-19 which indicates that the public are adhering to the strict health protocols and social distancing. He further stated that the disaster volunteers are still enforcing the Regulations to ensure the safety of all residents and by doing so, to revive the tourism industry in Kouga. The collection rate is currently at 91% which indicates that residents are more disciplined in paying their accounts. The Executive Mayor commended the MM and CFO for implementing cost-cutting measures thereby keeping the Municipality operational and continuing with rollout allocations especially in respect of the upgrading of roads.

The Executive Mayor reported that engagements with Tavcor took place and the dealership is considering opening a branch in Kouga which indicates economic growth within the Kouga area. He further stated that the institution strives to deliver a service of excellence and will continue to reflect achievements with commitment irrespective of internal problems which exist, thereby becoming the best Municipality in South Africa. Resilience was shown in respect of the long drought experienced in the Kouga area as well as with dealing with the Covid-19 pandemic during 2020 and indicated that 2021 will be the time for revitalization of local businesses and the tourism industry. 2021 will be a municipal election year and with the goals set and achieved, votes by the residents will reflect the good governance of the Municipality.

7. **DECLARATION OF INTEREST**

None

8. **STATUTORY MATTERS**

9. CONFIRMATION OF MINUTES OF PREVIOUS MAYORAL COMMITTEE MINUTES

9.1 MINUTES OF THE MAYORAL COMMITTEE HELD ON 27 NOVEMBER 2020

MATTERS ARISING FROM THE MINUTES

Cllr W Gertenbach referred to page 12 and enquired whether any feedback has been forthcoming regarding the audit request of the suction tankers.

The Director: Corporate Services advised that currently the Manager: Administration and Internal Audit are compiling the audit on the suction tankers and once all documentation has been provided, an investigation will be proceeded with. The report on the billing section will be provided by internal audit for completion of the report and will be submitted to the next Mayoral Committee.

Cllr T Jantjes advised that a list of street names was provided to the Public Participation Officer which should have been directed to Planning & Development and stated that the list will be re-submitted.

The Speaker advised that communication to Ward Councillors was forwarded to submit street names in respective Wards and were also reminded that this is to be submitted to the Office of the Speaker.

The Executive Mayor advised that Ward Councillors are to follow the correct procedure by discussing the street names at Ward Committee meetings as per the Policy and those already submitted be completed by the respective Directorate.

Councillor Dhludhlu requested clarity on the current status of the Cultural Centre and requested that all the damages to the building be assessed.

The Executive Mayor requested that an audit be done on the assets and a damage report be submitted to Legal Services once all information has been received in respect of the condition of the building.

The Manager: Legal Services reported that currently a report is being compiled regarding the damage claims as well as a report in terms of the monetary value of the damage. Discussions with the Municipal Manager will be held in due course regarding criminal charges.

Resolved (16 February 2021)

1. That the minutes of the Mayoral Committee meeting held on 27 November 2020 be accepted.

Proposed: D Benson Seconded: B Williams

10. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

21/02/MM1 MAYORAL RESOLUTIONS FOR 27 NOVEMBER 2020

Cllr T Jantjes reminded all Directorates to complete the Action sheets comprehensively by indicating the status of completion and tasks performed.

Cllr B Williams commended Administration for ensuring the proper updating of resolutions and feedback on progress regarding outstanding matters.

The Executive Mayor enquired as to the progress made in respect of the establishment of a Website Steering Committee as the report indicates that a Technical Task Team was established to appoint a service provider to re-configure the website to address all shortcomings and to make the website more user-friendly.

The CFO advised that several meetings regarding the Kouga Website had been held and stated that should the appointment of a new Service Provider be considered, this would then need to go out on tender. It was established that the current background of the Kouga website was developed by Online Innovations and if a new service provider was to be appointed, the website will need to be re-designed to suit the needs of the Municipality. The CFO stated that nothing further had transpired since and undertook to follow-up with the relevant internal official.

The Executive Mayor requested feedback from the Acting Director: Infrastructure & Engineering as to the removal of equipment of radio network operators and the identification of other high sites for the erection of towers where other network operators can install their equipment.

The Executive Mayor stated that the feedback on the Telkom contract is outdated and requested that a full updated report be submitted to the next Mayoral Committee meeting.

The Director: Corporate Services advised that the Telkom Contract was extended and that the new tender that has been awarded to MTN has not been activated due to insurance issues on the devices that still needs to be resolved.

The Executive Mayor referred to page 33 (20/05/I&E3) and enquired as to which structure had been demolished. The Acting Director: Infrastructure & Engineering advised that it was the old structure at the Wastewater Treatment Works and further stated that the action sheets will be updated more comprehensively for clarity purposes.

The Executive Mayor referred to the appointment of an Estate Agent for the disposal of Council-owned properties. The Director: Planning, Development & Tourism advised that the item was deferred, and all information will be submitted to the next BSC meeting to establish whether a Municipality may appoint an Estate Agent for marketing Municipal land.

The Director: Planning, Development & Tourism advised that a few offers have been received for the high-water table erven, but some potential purchasers have requested that Council consider a payment method for those who cannot afford the entire purchase amount.

Resolved (16 February 2021)

1. That the updated Action Sheets reflecting resolutions of the Mayoral Committee meeting for 27 November 2020, be noted.

2. That it be noted that all resolutions are referred to Top Management meetings for discussion whereafter outstanding reports are submitted to their respective Portfolio Committee meetings.

3. That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion, and tasks performed.

21/02/MM2 CALL CENTRE REPORT ON SERVICE DELIVERY REQUESTS OCTOBER TO DECEMBER 2020

Cllr W Gertenbach stated that the emptying of sewerage tanks indicates 87% and 274 active requests which need to be taken into account when the audit is undertaken.

The Director: Corporate Services advised that 2100 requests were submitted during the specified period and at the time of the report being prepared, 274 requests were still being actioned/resolved.

Resolved (16 February 2021)

1. That the report on the Call Centre Service Delivery Requests October to December 2020 be noted.

2. That the Department Infrastructure and Engineering investigate or complete route cause analysis on the reoccurrence of Service Delivery requests reported.

3. That user departments who have been provided with Smartphones as a tool of trade to access the Link App, do so to monitor and report resolution of issues logged.

21/02/MM3 REPORT ON CALL CENTRE SERVICE DELIVERY REQUESTS NOT RESOLVED FROM 1 OCTOBER 2017 TO 30 OCTOBER 2020

The Director: Corporate Services reported that the table reflects outstanding service delivery requests which have not been resolved since 2017. At the previous meeting, not all resolved issues were indicated, and therefore all information was captured to compile the report.

The Executive Mayor urged that user departments attend to outstanding issues and submit an updated status report. He further mentioned that the report on the maintenance of roads should include the repair of potholes as it goes hand-in-hand with road maintenance.

Cllr W Gertenbach mentioned that reporting on every pothole repaired in the area is impossible. Cllr T Jantjes proposed that this be removed from the Call Centre report and that a separate report be submitted on road/maintenance repairs.

Resolved (16 February 2021)

1. That the report on call centre service delivery requests not resolved be noted.

2. That a report be extracted and submitted to relevant Managers and Directors weekly for resolution of matters.

21/02/MM4 CIRCULAR NO. 12 OF 2020: DEVELOPMENT OF THE REVISED IDP GUIDELINES FOR MUNICIPALITIES

The Executive Mayor stated that the Process Plan is outdated and is currently under review for finalization. The updated rollout/process plan will be received in due course from the relevant department for inclusion.

Resolved (16 February 2021)

1. That the content of Circular 11 of 2020 which outlines the revised IDP Guidelines for Municipalities be noted and actioned.

2. That the IDP section develops a comprehensive roll-out plan and such plan be submitted to the Executive Mayor and Municipal Manager.

3. That the report be submitted to the next Council meeting.

21/02/MM5 MEDIA REPORT: SECOND QUARTER 2020/2021

Resolved (16 February 2021)

1. That the media report for the second quarter of the 2020/2021 financial year be noted.

21/02/MM6 REPORT ON THE PROGRESS OF THE WARD DEVELOPMENT FUND AS AT 31 JANUARY 2021

The Executive Mayor stated that the progress on the expenditure of Ward Development Funds allocated to each Ward currently indicates capital expenditure at 10.1% and the operating expenditure at 44%. He further stated that funds will be adjusted and reallocated to capital projects if not spent on projects in respective Wards.

Resolved (16 February 2021)

1. That the report on the Progress of the Ward Development Fund be noted.

2. That the report be submitted to the next Council meeting.

21/02/MM7 PUBLIC PARTICIPATION REPORT- NOVEMBER 2020 TO JANUARY 2021

Resolved (16 February 2021)

1. That the Standard Operating Procedure for Public Participation be institutionalized through adoption as an annexure to the Public Participation Policy.

2. That Council procures vehicles *(LDV fitted with loud hailing system)* for the use of the Public Participation Unit.
3. That the integration between the LINK App and OVVIO System be approved to support the broader public participation communication strategy.

21/02/MM8 MID-YEAR INSTITUTIONAL PERFORMANCE REPORT: 2020/21 FINANCIAL YEAR: PERIOD 1 JULY 2020 TO 31 DECEMBER 2020

Resolved (16 February 2021)

1. That the content of the Mid-year Institutional Performance Report on the implementation of the 2020/21 Service Delivery and Budget Implementation Plan for the period 1 July 2020 to 31 December 2020 be noted.

2. That all areas of underperformance be discussed at the level of Portfolio Committees to determine corrective actions to ensure that the required targets are achieved by the end of the financial year.

3. That the report be submitted to the next Council meeting.

11. **REPORTS BY THE PORTFOLIO COMMITTEE CHAIRPERSONS**

11.1 **FINANCE**

21/02/F3 REVENUE REPORT: SUMMARY OF THE EQUITABLE SHARE ALLOCATIONS SERVICE AND WARD

Resolved (16 February 2021)

1. That the summary of the Equitable Share allocations per unit/service and ward for the period ending November 2020, be noted.

2. That a meeting is arranged with the Humansdorp Councillors, Infrastructure & Engineering, Finance & the Call Centre in response to the issues raised and that a report to be submitted to the next Finance Portfolio Committee meeting.

21/02/F5 **WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**

Cllr B Williams confirmed that the amount was to be written off against the provision for doubtful debts, per the Council's Indigent Policy which makes provision for writing off of debt of residents that qualify for indigent subsidies. The CFO advised that this is done monthly, and all details of the individual names are available for scrutiny.

Resolved (16 February 2021)

1. That the Equitable Share write-offs for the period December 2020, amounting to R1,099,906.18, be approved.

2. That the report be submitted to the next Council meeting.

21/02/F17 **BUDGET & TREASURY: VIREMENTS REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020**

Resolved (16 February 2021)

1. That the Finance Portfolio Committee notes the Municipal Manager's report on all virements approved during the quarter ended 31 December 2020.

2. That the respective Directorates arrange a meeting with their Portfolio Councillor to engage on the virements requested by the Department.

3. That the report be submitted to the next Council meeting.

21/02/F18 **PROGRESS REPORT ON THE VALUE ADDED TAX (VAT) REVIEW**

The CFO advised that MaxProf assisted the Municipality with monthly VAT returns and stated that fund returns from SARS exceeded payments made to SARS. When the audit is done, the past 3 years are scrutinized to verify all findings and further stated that the VAT returns have been paid to the Municipality. Cognizance that the budget is an exclusive VAT budget and therefore VAT is claimed.

The CFO further stated that the monthly VAT review undertaken by the Service Provider is unnecessary as BTO will automatically submit to National Treasury.

Resolved (16 February 2021)

1. That the report on MaxProf VAT Review progress be noted.

21/02/F19 **SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020**

Cllr B Williams stated that the BEC2 meetings were cancelled due to officials not attending which resulted in the committee not having a quorum for such meetings. He further stated that BEC meetings form a critical part of the procurement process.

The CFO undertook to investigate the matter of the non-attendance of officials and will submit feedback. He further stated that the norm is that should an item representative not be available at the said meeting, the item is not tabled for discussion.

The Executive Mayor stated that the cancellation of BEC2 meetings results in the risk of non-evaluation and awarding of tenders being delayed and advised that the matter will be discussed with the Municipal Manager with the possibility of implementing consequence management against officials.

Cllr B Williams requested that names of Item representatives submitting items to the Bid Committee Meetings be included on all future reports.

Cllr W Gertenbach enquired whether the Supply Chain Management Policy prescribes that BEC1 and BEC2 Committees be established.

The CFO advised that the Policy only refers to a Bid Evaluation Committee. He further advised that the establishment of the BEC1 is to evaluate infrastructure tenders and BEC2 evaluates all other tenders. The CFO indicated that the BEC's have been dissolved, and an Adhoc BEC structure has been established to evaluate individual tenders which has increased the turnaround time in evaluating and awarding tenders.

Resolved (16 February 2021)

1. That the report be submitted to Council and that the item be noted by the committee as per the reporting requirements.

2. That the names of all Item Representatives submitting items to the Bid Committee Meetings, be included on all future reports.

3. That the report be submitted to the next Council meeting.

21/02/F20 **REPORT ON THE PERFORMANCE (SDBIP) FOR FINANCE AS AT 31 DECEMBER 2020**

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as at 31 December 2020 be referred to MPAC for scrutiny and that a report be submitted to Council.

21/02/F21 **RE: LIST OF OBSOLETE EQUIPMENT (ASSETS) THAT WERE IDENTIFIED FOR AUCTION**

Resolved (16 February 2021)

1. That the report on the list of condemned/redundant equipment (assets) identified for auction be noted.

2. That the condemned/redundant equipment be disposed of through in terms of the Supply Chain Management Policy.

3. That list of condemned/redundant equipment be removed from the Fixed Asset Register.

4. That date for the intended public auction be determined following the required SCM procedures.

5. That the report be submitted to the next Council meeting.

11.2 **CORPORATE SERVICES**

21/02/CORP2 **CORPORATE SERVICES OPERATIONAL AND CAPITAL SDBIP REPORT AS AT 31 DECEMBER 2020**

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as at 31 December 2020 be referred to MPAC for scrutiny and that a report is submitted to Council.

21/02/CORP3 **MONTHLY REPORT FOR THE CORPORATE SERVICES DIRECTORATE: ADMINISTRATION SECTION AS AT END DECEMBER 2020**

Cllr T Jantjes stated that good progress has been made in the upgrading of Ward Offices and pointed out that the printing costs at the Humansdorp Offices had increased which was due to the temporary relocation of the Office of the Mayor during 2020.

The Executive Mayor commended the department on the upgrading as this reflects a good sense of the Municipality in respect of progress made.

Resolved (16 February 2021)

1. That the monthly report for the Corporate Services Directorate: Administration Section be noted.

2. That the report be submitted to the next Council meeting.

21/02/CORP4 **HR REPORT FOR OCTOBER 2020 TO DECEMBER 2020**

Cllr T Jantjes pointed that there has been a significant reduction in overtime claims over the past 6 months which reflects a positive trend, especially in the Community Services department.

Resolved (16 February 2021)

1. That the monthly HR report be noted.

2. That the concerted effort by user departments in reducing overtime costs be acknowledged.

21/02/CORP5 **OHS RISK ASSESSMENT**

Resolved (16 February 2021)

1. That the report be noted.

2. That all outstanding High-Risk areas be prioritized for immediate remedial action.

3. That the report be submitted to the next Council meeting.

21/02/CORP6 **INTERNAL COMMUNICATIONS REPORT: SECOND QUARTER 2020/2021**

Resolved (16 February 2021)

1. That the internal communications report for the second quarter of the 2020/2021 financial year be noted.

11.3 **INFRASTRUCTURE & ENGINEERING**

21/02/I&E1 **RE: PROGRESS ON OWN FUNDED CAPITAL PROJECTS TECHNICAL SERVICES - JANUARY 2021**

Cllr W Gertenbach presented the report and mentioned that the report reflects the progress on own funded expenditure on capital projects which does not indicate much progress as some of the projects were only recently awarded by the Bid Adjudication Committee.

The Executive Mayor stated that due to delays from November 2020 to January 2021, the report does not reflect positively on the department. He further stated that the report indicates gross under-performance and requested that a recovery plan be implemented by the relevant Directorate for internal capital projects for proper oversight of the projects.

Resolved (16 February 2021)

1. That the progress report be accepted.

2. That the Supply Chain Management process be expedited.

21/02/I&E2 STATUS AND PROGRESS WITH DROUGHT AUGMENTATION PROJECTS

Cllr W Gertenbach reported that Drought relief funds were allocated to Kouga Municipality with the amount of R151m and projects were implemented over two financial years. Approved roll-over funds were used to implement the project during the 2nd year.

Once the contractual process has been finalized for the augmentation of the Kruisfontein water supply, funds need to be secured and ringfenced to complete the project. The termination process of the contractor for Kruisfontein has commenced.

The Acting Director: Infrastructure & Engineering advised that engagements with the Service Provider for the pipes in Hankey will continue as to recover costs incurred by all parties with the replacement of failed pipes in Hankey. The damaged water pipes had been repaired and that an on-site inspection will be undertaken.

He further stated that an automatic valve system will be installed at the reservoir to reduce overtime claims and to avoid manual operation at night. Assurance was given that the borehole water in Hankey was fit for human consumption and advised that any saline found, will be under investigation.

Resolved (16 February 2021)

1. That the report be accepted.

21/02/I&E3 PROGRESS REPORT ON THE ROAD RESEALING PROGRAM FOR 2020/2021 FINANCIAL YEAR

Cllr W Gertenbach stated that the report is outdated and needs to be revised. The Acting Director: Infrastructure & Engineering advised that most roads have been completed but will submit an updated list with the commencement of the new budget.

Resolved (16 February 2021)

1. That the report be accepted.

2. That the report be submitted to the next Council meeting.

21/02/I&E4 REPORT ON THE STATUS OF THE UPGRADING OF THE HUMANSDORP: KWANOMZAMO WASTEWATER TREATMENT WORKS

Cllr W Gertenbach advised that the COVID-19 pandemic and lockdown regulations resulted in the contractor not being able to commence work on site. He further stated that an application was made to National Treasury for the rollover of funds but only an amount of R5,9m was approved for the project. The said budget provision is to be made on the 2020/21 Capital Adjustments Budget, as approved by Council.

Cllr W Gertenbach further stated that a compliance audit was received from the Department of Water & Sanitation which relates to the current status of the Kwanomzamo Wastewater Treatment Works in respect of non-compliance of the permit issued and requests that the facility be upgraded immediately.

The Acting Director: Infrastructure & Engineering stated that the contractor has been appointed and will be onsite on 17 February 2021 for a clarification meeting. Discussions will be based on short and medium-term plans for implementation and to address the current status of the project in line with the Business Plan submitted.

Cllr B Williams requested that the Acting Director: Infrastructure & Engineering prepare a report on all information in respect of timelines, status, and action plan of the project and to submit to the CFO, and on receipt thereof, he will submit further feedback.

Resolved (16 February 2021)

1. That cognizance of the report be taken and that the content thereof be accepted.

2. That engagement with the Department of Water and Sanitation continues with regard to possible funding.

21/02/I&E5 **KOUGA MUNICIPALITY ELECTRICITY: RENEWABLE ENERGY GENERATION APPLICATION TO THE MINISTER OF MINERAL & ENERGY RESOURCES**

Cllr W Gertenbach stated that the amended section of the Electricity Regulations will allow Municipalities to procure renewable energy as per the terms of the approved regulation. He further mentioned that the conditions for approval are that the Municipality must be in good standing with Eskom, financially sound, and must form part of the IDP. Due to the project not included in the IDP, Council's approval is sought to communicate with the Minister of Minerals & Energy as per the recommendation.

Resolved (16 February 2021)

1. That Council approves the request to the Minister of Minerals & Energy to grant Kouga Municipality permission to procure its Renewable energy plant through a request for proposals on the needs of the organization.

2. That the process of the letter being drafted be accepted.

3. That the report be submitted to the next Council meeting.

21/02/I&E6 **REPORT: 200 ELECTRIFICATION PROJECT: PROGRESS AND SPENDING TO DATE**

Cllr W Gertenbach stated that the department has been proactive with its approach to ensure spending of 50% by February 2021. He further

stated that access roads have been graded, poles planted, and it is envisaged that all beneficiaries will be on the allocated erven by the end of February 2021.

The Acting Director: Infrastructure & Engineering stated that the beneficiaries will drive the project further and indicated that 100% of the funding needs to be spent by June 2021. He further stated that the total funds transferred from DMRE to the Municipality is R3m and mentioned that 50% is to be spent by the end of February 2021. This will however be achieved due to the delivery of the transformers and cables which is expected during February 2021.

Resolved (16 February 2021)

1. That the report on the Kruisfontein 200 electrification project be noted.

2. That the report be submitted to the next Council meeting.

21/02/I&E10 RE: PROGRESS ON GRANT FUNDING (MIG & EPWP) DECEMBER 2020

Cllr W Gertenbach advised that the report had been updated since the Portfolio Committee Meeting held on 3 February 2021 and reported that MIG expenditure is at 42,17% of the total allocation and 64,74% of the amount transferred to date. The following projects were reported on: -

- Upgrading/Improvement of Sports Facilities in Kouga – Sea Vista. - A meeting was held with affected parties to discuss concerns raised and agreements have been reached.

- Upgrading/Improvement of Sports Facilities in Loerie. - The relevant Directorate is currently busy finalizing the drawings and tender documents. Preliminary drawings and construction drawings have been finalized.

- Upgrading/Improvement of Sports Facilities in Kouga – Kwanomzamo. - Tender documents were received, and the tender report was submitted to SCM on 23 November 2020. Currently awaiting the appointment of a contractor.

- Mini Fresh Food and Craft Markets in Jeffreys Bay & Hankey. - Budget verification for shortfall amount. Documents provided to do an evaluation.

- Upgrading of the Patensie Wastewater Treatment Works – Phase 2 Spillages at the Wastewater Treatment Works, which resulted in late completion due to availability of materials.

- Upgrading of the Sanitation System in Old Hankey – Tender

Phase 1: Tender documents were received from SCM in December 2020. The Evaluation report was submitted on 11 January 2021 for BEC's evaluation.

Phase 2: Tender documents received from SCM on 7 January 2021. Busy with the evaluation of tenders.

- Upgrading of Gravel Roads - Tender Re-advertised for a professional service provider. The tender closed on 10 December 2020. Currently busy with evaluation which started 04 January 2020.

Resolved (16 February 2021)

1. That the progress report be accepted.

21/02/I&E11 RE: UPGRADING OF GRAVEL ROADS PROGRAMME

The Acting Director: Infrastructure & Engineering advised that the BAC recommended the appointment of a consultant for the upgrading of the existing gravel roads to be surfaced including the piped stormwater. The tender also made provision to investigate the most feasible option for the upgrading of the roads. He further stated that the tender also includes the design of the roads and conducting all necessary environmental studies as well as topographical surveys.

The Director: Corporate Services advised that a project plan for the awarding of the design tender should be submitted by the user department and once the design phase is finalized by the appointed Service Provider, a proposed plan for the construction tender should be formulated.

The Acting Director: Infrastructure & Engineering was requested to submit a list of all priority roads to the Mayco/Exco meeting scheduled for 22 February 2021 indicating realistic commencement dates.

Resolved (16 February 2021)

1. That the report be accepted.

21/02/I&E15 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: PROGRESS FOR THE QUARTER ENDED 31 DECEMBER 2020

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as at 31 December 2020 be referred to MPAC for scrutiny and that a report be submitted to Council.

11.4 **COMMUNITY SERVICES**

21/02/CS9 BLUE FLAG STATUS AWARD – 2020/2021 SEASON

Resolved (16 February 2021)

1. That the achievement of the Blue flag Status/award for 2020/21 season be noted and supported.

2. That a successful and compliant Blue Flag Beach status be maintained throughout the Blue Flag season.

3. That the report be submitted to the next Council meeting.

21/02/CS11 PROGRESS REPORT ON REPAIRS AND MAINTENANCE ON KOUGA FACILITIES

Cllr B Williams referred to the standard of workmanship of repairs and maintenance work done at the Municipal facilities and enquired whether a professional person may be appointed to undertake oversight of quality work done.

Cllr W Gertenbach reported that the Kwanomzamo Hall was upgraded and vandalized during the past week and raised concern in respect of the transfer of the maintenance team to the Directorate: Corporate Services to undertake work at Municipal buildings and further enquired whether the remaining maintenance team in I&E were efficient to perform quality standard of work.

The Director: Corporate Services advised that when the maintenance team was transferred to Corporate Services, it was indicated that there was not much work and therefore the transfer took place.

The Director: Community Services reported that no vandalism had taken place at the Kwanomzamo Hall and that officials are busy with the upgrading of the facility. She further stated that when work is completed, the supervisor signs the job off, but a neutral professional person may be appointed for inspections in respect of the quality of work done.

Cllr D Benson reported that the new chipper machine is operational but at time problems are experienced due to the number of branches and large trees which need chipping.

He further stated that all upgrading/maintenance work is inspected, and defects are pointed out to rectify. SMME's have been approached to assist in the upgrading of facilities but their work also needs to be inspected in respect of quality workmanship.

Cllr W Gertenbach stated that when the chippers were purchased it was by a Council decision that mechanical issues are to be dealt with by the relevant department and that the Municipal workshop was to ensure that sufficient spare parts were available to attend to mechanical breakdowns.

Resolved (16 February 2021)

1. That the progress on repairs and maintenance/upgrades completed from October 2020 till December 2020 on all Kouga facilities be noted.

2. That the report be submitted to the next Council meeting.

21/02/CS14 TRAFFIC FINE REVENUE INCOME PERIOD OCTOBER- DECEMBER 2020

The Executive Mayor stated that an Action Plan has been developed to recover revenue and income in respect of traffic fines.

Cllr B Dhludhlu stated that when bookings are made for the renewal of licenses that are paid for, cancellations often happen due to group bookings and proposed that a refundable option be investigated and considered.

Cllr B Williams proposed that the fines issued are to be in line with the budget and that a report be submitted to the next Community Services Portfolio Committee meeting.

Resolved (16 February 2021)

1. That the Committee be informed of the revenue income from traffic fines, and the challenges to recover outstanding revenue due to lengthy court procedures and processes.

2. That an Action Plan be developed to recover revenue and income in respect of traffic fines issued in line with the budget.

21/02/CS15 PROGRESS REPORT ON THE IMPLEMENTATION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AS AT 30 DECEMBER 2020

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as of 31 December 2020 be referred to MPAC for scrutiny and that a report be submitted to Council.

21/02/CS16 REPORT ON THE OYSTER BAY FIRE THAT OCCURRED FROM 07 JANUARY 2021 TO 10 JANUARY 2021

Resolved (16 February 2021)

1. That the report on the Oyster Bay fire that occurred from 7 January 2021 to 10 January 2021, be noted.

2. That the report be submitted to the next Council meeting.

11.5 **PLANNING & DEVELOPMENT**

21/02/PD1 REVISION OF DRAFT INTEGRATED LAND USE SCHEME: PROGRESS REPORT

Resolved (16 February 2021)

1. That the progress report on the revision of the Draft Integrated Land Use Scheme for Kouga Municipality be noted.

2. That the report be submitted to the next Council meeting.

21/02/PD2 PROGRESS REPORT: ALIENATION OF 98 WET ERVEN: KRUISFONTEIN

Alderman Rheeder stated that Council decided to alienate 98 erven in Kruisfontein, by giving the people currently occupying erven the first option to buy the sites.

The Director: Planning, Development & Tourism advised that 38 residents are willing to buy the sites that they are currently occupying and have received offers on the said erven, but some potential purchasers have requested that Council consider a payment method for those who cannot afford the entire purchase amount.

The Executive Mayor stated that all monies generated from the sale of the erven be allocated for infrastructure projects.

Resolved (16 February 2021)

1. That Council takes note of the progress report on the alienation of the 98 wet erven in Kruisfontein.

2. That Council grants authorization to the Accounting Officer to appoint transferring conveyances and conclude Offer to Purchase agreements as the Grantor on behalf of the Municipality.

3. That it be noted that all monies generated from the sale of the erven be allocated for infrastructure projects.

4. That the report be submitted to the next Council meeting.

21/02/PD3 BUILDING CONTROL PROGRESS REPORT: OCTOBER TO DECEMBER 2020

Resolved (16 February 2021)

1. That the content of the Building Control progress report be noted.

21/02/PD4 **MONTHLY PROGRESS REPORT ON HUMAN SETTLEMENTS GRANT FUNDED PIPELINE PROJECTS**

Resolved (16 February 2021)

1. That the report on the human settlements grant funded projects be noted.

2. That the report be submitted to the next Council meeting.

21/02/PD5 **LAND AND PROPERTY: PROGRESS REPORT: QUARTER 2: OCTOBER TO DECEMBER 2021**

Resolved (16 February 2021)

1. That the content in the Land and Properties progress report be noted.

2. That the report be submitted to the next Council meeting.

21/02/PD6 **TOWN PLANNING PROGRESS REPORT: MUNICIPAL PLANNING TRIBUNAL (MPT): OCTOBER 2020 – DECEMBER 2020**

Resolved (16 February 2021)

1. That the content in the Town Planning progress report on the performance of the Municipal Planning Tribunal be noted.

21/02/PD7 **INSTITUTIONAL PERFORMANCE REPORT: 2020 /2021 FINANCIAL YEAR: 2ND QUARTER PERIOD 1 OCTOBER TO 31 DECEMBER 2020**

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as at 31 December 2020 be referred to MPAC for scrutiny and that a report be submitted to Council.

21/02/PD8 **REVIEW OF THE 2015 KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK: PROGRESS REPORT**

Resolved (16 February 2021)

1. That the progress made on the review of the Spatial Development Framework be noted.

2. That the report be submitted to the next Council meeting.

21/02/PD9 **STATUS REPORT ON THE CONSTRUCTION OF TEMPORARY HOUSES AND RELOCATION OF BENEFICIARIES**

The Director: Planning, Development & Tourism stated that a site office has been established at the Hankey Fire Station and that Eskom confirmed that the electrification of the houses will be finalized by end of March 2020.

Resolved (16 February 2021)

1. That the progress report on the Stofwolk housing & electrification project be noted.

2. That the report be submitted to the next Council meeting.

11.6 **LOCAL ECONOMIC DEVELOPMENT & TOURISM**

21/02/LED&T1 **2020/2021 ANNUAL WORK PLAN PROGRESS REPORT**

Resolved (16 February 2021)

1. That the progress report on the annual work plan 2020/2021 be noted.

21/02/LED&T2 **INSTITUTIONAL PERFORMANCE REPORT: 2020/2021 FINANCIAL YEAR: 2ND QUARTER PERIOD 1 OCTOBER TO 31 DECEMBER 2020**

Resolved (16 February 2021)

1. That the Operational and Capital SDBIP as at 31 December 2020 be referred to MPAC for scrutiny and that a report be submitted to Council.

12. **CLOSURE**

The Executive Mayor thanked all present for their valuable input and moved onto the confidential section of the agenda.

The meeting adjourned at 12:30

H HENDRICKS
EXECUTIVE MAYOR

28 April 2021

DATE

CONFIRMATION OF PREVIOUS COUNCIL MINUTES

MINUTES OF A VIRTUAL ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON FRIDAY, 26 FEBRUARY 2021

PRESENT: Councillors	H Bornman	(Speaker)
PRESENT: Councillors	H Bornman	(Speaker)
	H Hendricks	(Executive Mayor)
	B Williams	
	F Campher	
	D Benson	
	B Rheeder	
	Cllr F Baxter	
	B Dhludhlu	
	L Vorster	
	R Jantjies	
	T Jantjes	
	W Gertenbach	
	C August	
	M Biko	
	M van Niekerk	
	W Coenraad	
	J Alexander	
	M Dayimani	
	S Jujwana	
	S Makasi	
	M Peters	
	P Oliphant	
	J Mayoni	
	P Nkwalase	
	C Matroos	
	R Dennis	
	A Mabukane	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	K Moodley	(Director: Corporate Services)
	E Oosthuizen	(Acting Director: Infrastructure & Eng)
	N Machelesi	(Director: Community Services)
	F Mabusela	(Director: Planning, Dev & Tourism)
	S Abrahams	(Manager: Budget & Treasury)
	D De Jager	(HR Manager & Acting: COO)
	L Opperman	(Manager: Legal Services)
	A Jonck	(Manager: Office of the Mayor)
	C Venter	(Manager: Waste Management)
	M Basson	(Media Liaison Officer)
	B de Groot	(Senior Admin Officer: Committees)
IDIS Delegation	Peter de Vries	
	Benita Vermeulen	
	Annami Bruwer – Meritus International	
	Jan Barnard	
	Hein Wiese	

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held using the zoom platform.

2. **OPENING AND WELCOME**

The Speaker welcomed those present and requested Cllr C August to open with a prayer.

3. **ABSENT WITH LEAVE**

Cllr V Vumazonke
R Lorgat (Chief Financial Officer)

4. **ABSENT WITHOUT LEAVE**

Cllr E Februarie (via sms)

5. **PRESENTATION : INTERNATIONAL DIVERSE INNOVATION SOLUTIONS (IDIS) : MS B VERMEULEN**

Presented under item **21/02/MM10**

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr D Benson extended Birthday wishes to Cllr B Dhludhlu.

Cllr M Dayimani extended condolences to the Director: Community Services who had lost a family member. The caucus had not been aware of the passing initially and requested that the Director: Corporate Services devise a system to communicate such information in future.

The Speaker agreed that such a system be devised.

Cllr D Dhludhlu congratulated to Cllr D Benson on his 42nd wedding anniversary.

Cllr C August congratulated all matriculants who had passed their 2020 examinations.

Cllr P Oliphant extended condolences to colleagues and family members, of Mr Jan Fortuin from the Community Services department, who had been a long-standing and committed employee of the Municipality.

The Speaker also extended condolences to the Fortuin family and a moment of silence was observed.

7. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

The Speaker requested that Ward Councillors adhere to Covid-19 safety protocols when conducting Ward Committee meetings. He further stated that although Covid-19 cases in Kouga had decreased, he urged that all health and safety regulations continue to be maintained especially for those working with the public.

The Speaker stated that participants will only be allocated 2 mins per item for discussions.

8. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

The Executive Mayor welcomed those present and said that it gave him great pleasure to yet again table a billion-rand adjustment budget.

The 2020/21 adjustment budget amounted to R1.2 billion which comprised of just over a billion rand (R1,03 billion) for the Operating budget and R85 million for the Capital budget.

The operating adjustment budget had been increased by just over R45m to enable the Municipality to continue with the roads resealing project. After many years of neglect, the DA took over a backlog of road maintenance that amounted to R500m.

The additional R20.5m identified in the adjustment budget would ensure that several roads throughout Kouga will be resealed which would have a positive benefit on the cost of repairing potholes in the future. The fact that many roads in Kouga needed pothole repairs were not being ignored thus there was an additional R1.5m increase for roads maintenance.

Other operating expenditure will also increase by R 9,6m to cater for the hiring of additional suction tankers, for jetting trucks R5,5m, while the hiring of landfill site equipment amounts to an additional R1,5 m.

Major changes from the special adjustment budget were an increase of:-

- R2m for other materials;
- R1,5m for roads; and R1,2m for sewerage and water chemicals.

For contracted services, increases related to adjustments:-

- Clearing of grass and bush of R2m;
- Road maintenance of R18,5m;
- Security services of R1,5m; and
- Building and Equipment of R2,2 billion

The Capital budget has been increased from R77,8m to R85,1m due to unspent MIG and Water Services grants of R14,2m being rolled over from the 2019/20 financial year after receiving approval from the National Treasury.

Internal funding of R6,9m has been re-allocated from the Capital Budget to the adjusted Operating budget.

The budgeted collection rate had increased from 85% to 90 % in the adjustment budget. Gratitude was expressed to all Kouga residents for their continued payment of Municipal accounts despite the hardships experienced during the Covid-19 pandemic period.

With a significant increase of property transfers taking place in 2018 and 2019, the resultant upswing in property prices had ensured that the property rates budget increased by R 2,1 million to an adjusted amount of R 207,8 million.

The license and permits budget, had been adjusted by R4m due to an increase in revenue from the Traffic Department, despite the numerous challenges the department encountered.

Unfortunately, the anticipated budget for facility rentals such as community halls decreased due to Covid-19 regulations. A reduction of R 2,9 million in income during the remaining financial year was anticipated.

The amount of R10m budgeted for road maintenance had been spent as at end of February which brought the adjustment budget for roads to R35m. The adjustment budget focused on expenditure related to water & sanitation, security, and the safety of all communities.

Unlike many other Municipalities across the country, Kouga remains financially stable and in a position to continue paying creditors, paying the Eskom bill within 30 days, paying staff, and offering Covid-19 relief packages to those affected by the pandemic.

The budget adjustment reflected and confirmed that Kouga remained financially viable, and that good governance was firmly entrenched.

Cllr R Dennis raised a point of clarity and questioned whether the Executive Mayor was presenting on the Budget or making a statement.

The Speaker responded that it was the Executive Mayor's prerogative

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE**

21/02/SBDM1 SARAH BAARTMAN REPORT: MEETING HELD ON 9 DECEMBER 2020

Resolved (26 February 2021)

1. That the Sarah Baartman Report: Meeting held on 9 December 2020 be noted.

10. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

Cllr M Dayimani asked what the Executive Mayor's plan of engagement in IGR meetings with other government institutions were to deal with drug trafficking and gangsterism in Kruisfontein, Gill Marcus and Vaaldam.

The Executive Mayor stated the last IGR forum had to be abandoned due to a lack of attendance. Community Safety and Gangsterism was handled on an IGR level with all Kouga relevant stakeholders. The Public Safety Summit had been launched in September 2020 and the development of the Public Safety Strategy had continued since then. Keeping Kouga safe was one of the key goals of the municipality. The Strategy was being completed and gangsterism was included. Safety was a priority for Kouga and this programme had been an absolute priority for the Municipality.

Cllr D Dhludhlu stated that the Lungiso High School has been successful in addressing gangsterism and should be seen as an example to assist other schools.

Cllr R Dennis stated that the ANC Councillors were expected to deal with crime challenges but were not included in the launch of the Public Safety Summit for guidance and assistance.

Cllr D Dhludhlu raised a Point Of Order and advised that Councillor Vumazonke was present at the Public Safety Summit.

Cllr P Oliphant stated that the Executive Mayor be proactive in addressing challenges even though no IGR took place. The Lungiso community has set an example by enforcing law and order in the respective area which was done amicably.

The Speaker handed over to the Executive Mayor to respond to questions.

The Executive Mayor stated that the process of developing the Public Safety Plan had been very consultative. There was always an open invitation to the ANC to be involved in the strategy development. He would not take responsibility for a party that was ill-disciplined.

Cllr P Oliphant raised a point of order and asked that the Executive Mayor withdraw his statement about the ANC.

The Speaker requested that the Executive Mayor withdraw his statement.

The Executive Mayor withdrew his statement and stated that the ANC had not appeared for the budget workshop as well.

11. **REPORT BACK: MUNIMEC**

None

12. **DECLARATION OF INTEREST**

None

13. **MOTION**

Motion of No Confidence In The Executive Mayor

Cllr M Dayimani stated that the Notice of Motion was submitted in terms of Rule 29 of the Standing Rules of Order which was compliant but due to the nature of the Motion he requested that the voting procedures be done by secret ballot. He expressed his concern regarding the online voting procedure and creditability of the software which first needs to be reviewed in order to protect Councillors from undue exposure. Cllr M Dayimani advised that the Motion be withdrawn until clarity is obtained in respect of the processes in respect of a secret ballot.

The Speaker advised that the request to vote in confidence was received by Cllr M Dayimani before the commencement of the Council meeting and he explained that the online polling system can be used which will only show the total of votes cast and percentage of votes. The Speaker further advised that voters will not be exposed by using this polling system. He nevertheless stated that the withdrawal of Motion of No Confidence is accepted until further submission.

Cllr P Oliphant stated that the withdrawal of the Motion is supported until clarity is obtained on other options on-line secret ballots options.

He further requested that the Speaker consider calling for a contact Council meeting at which time the Motion will be resubmitted.

The Speaker undertook to discuss the matter with the Municipal Manager in terms of prescribed regulations and will advise accordingly on the outcome and way forward.

Resolved (26 February 2021)

1. That it be noted that the Motion of No Confidence be withdrawn.

Proposed: M Dayimani Seconded: P Oliphant

Cllr D Benson referred to Rule 30 of the Standing Rules of Order which reads as follows: -

"30. Motion of exigency

30.1 A member may direct the attention of Council to any matter which does not appear on the agenda and of which no previous notice has been given, by stating briefly the subject of the matter and without comment thereon moving 'that the motion to which attention has been directed be considered forthwith as a matter of exigency'.

30.2 Such motion is herein referred to as a motion of exigency.

30.3 If such motion is seconded and carried by a majority of the members present, the mover shall be permitted, without notice, to bring the matter under consideration by way of motion or question.

Cllr D Benson stated that in terms of the Standing Rules of Order, Rule 30 directs Council's attention to the matter of Cllr E Februarie who had appeared before a Court of Law.

Motion of Exigency

A Motion of Exigency was tabled by Cllr D Benson for acceptance.

Proposed: D Benson Seconded: R Jantjies

The Speaker advised that in terms of Rule 30 of the Standing Rules of Order the submission of a Motion of Exigency may be tabled as a matter of urgency which needs to be seconded and for acceptance by the full majority of Council required a voting procedure.

Cllr P Oliphant requested a 5 min caucus break at 11:57 and returned at 12:02

Cllr P Oliphant advised that the ANC Component will reserve input when the content of the Motion is discussed but are in agreement that the Motion of Exigency be tabled in terms of Rule 30 of the Standing Rules of Order. He further stated that the matter involving Cllr E Februarie was already in the public domain and indicated that the ANC Component was of the view that the Motion of Exigency was regarded as a reactionary submission that should have followed due procedures.

Resolved (26 February 2021)

1. That it be confirmed that the full majority of Council unanimously agreed that the Motion of Exigency be tabled and accepted.

Cllr D Benson submitted the Motion of Exigency and requested the Office of the Speaker to communicate with the Eastern Cape MEC for Cooperate Governance & Traditional Affairs (COGTA), to obtain a written directive regarding the way forward in respect of an ANC Councillor stepping aside.

Proposed: D Benson Seconded: R Jantjies

Cllr M Dayimani requested clarity on the content of the motion.

Content Of Motion

Cllr D Benson referred to a media statement which involved Cllr E Februarie who had appeared in a Court of Law. The Speaker is being requested to communicate with the Office of the MEC to obtain clarity and give direction and guidance in respect of Cllr E Februarie's situation as a Kouga Councillor as well as a Ward Councillor, as to whether he may still attend Council meetings especially when a Councillor steps aside.

Cllr M Dayimani stated that the content was unclear and stated that COGTA does not have policies on Councillors stepping aside as the stepping aside is a policy of the ANC. He further stated that the content of the motion is supported but requested that an additional point be included when communicating with the MEC:-

That COGTA investigates the possible involvement of DA Councillors and officials in the arrest of Cllr E Februarie by the Hawks which is regarded as corruption by a political party.

Cllr R Dennis stated that it is normal to have concerns regarding the matter but did not see the need to table a Motion of Exigency as clarity and guidance from the ANC Component with regards to *stepping aside* of a Councillor could be provided. He further stated that only the ANC may prevent Cllr E Februarie from engaging in organizational activities in his Ward.

The Executive Mayor stated that the Standing Rules of Order does not address the *stepping aside* issue but only leave of absence, therefore *stepping aside* is not regarded as leave of absence. He further stated that the media reported that Cllr E Februarie handed himself over to the Hawks and was not arrested publicly. Furthermore, the proposal by Cllr M Dayimani was not seconded and therefore the addition to the Motion is not recognized.

Cllr M Dayimani raised a Point of Order on the following:-

1. The statement made by the Executive Mayor that Cllr E Februarie handed himself over to the Hawks is incorrect;
2. The additional proposal to the Motion is still under discussion;
3. The investigation needs to be undertaken resulting in exposure of Councillors involvement in unlawful activities;

Cllr B Dhludhlu stated that the Motion of Exigency follows a charge of corruption which is serious and such Councillor should be suspended and removed from Council.

Cllr R Dennis raised a Point of Order in that Cllr E Februarie had not been found guilty of any offence and requested that Cllr B Dhludhlu withdraw the statement made.

The Speaker mentioned that only facts are being stated and agreed that Cllr E Februarie has at this stage not been found guilty.

The Executive Mayor raised a Point of Order in respect of the untruthful statement made by Cllr R Dennis as Cllr E Februarie had been found guilty by an internal investigation at the disciplinary hearing.

Disruption observed.

The Speaker stated that the Points of Order are unprocedural in terms of the Standing Rules of Order and are based on opinions, therefore the Motion of Exigency is not for discussion as there was a request for the Speakers office to communicate with the Office of the MEC for direction regarding Cllr E Februarie's continued role as a Councillor.

Cllr W Gertenbach stated that Cllr E Februarie had been found guilty based on the findings of the internal investigation and disciplinary hearing, as well as evidence submitted by MPAC.

Disruption observed – The Speaker silenced/muted the audio of all Councillors.

Cllr M Dayimani reiterated that the *stepping aside* of a Councillor is a policy of the ANC and requested that an additional point to the Motion of Exigency be included when communicating with the MEC: -

In addition to Motion of Exigency

That COGTA investigates the possible involvement of DA Councillors and officials in the arrest of Cllr E Februarie by the Hawks which is regarded as corruption by a political party that promotes non-corruption.

Proposed: M Dayimani *Seconded: P Oliphant*

Cllr M Dayimani stated that Cllr W Gertenbach was out of order in stating that Cllr E Februarie had been found guilty. Regardless of internal processes followed, such information has not been made available as proof of evidence.

Cllr M Dayimani again disrespected Cllr B Dhludhlu and was ruled out of order by the Speaker who requested Cllr M Dayimani to withdraw the statement. Cllr M Dayimani did not withdraw the statement.

The Speaker stated disrespect shown and made by Councillors on the media platform will not be tolerated and will therefore be dealt with internally following disciplinary procedures against those Councillors.

Content of Motion of Exigency

"That the Office of the Speaker communicate with the Eastern Cape MEC for Cooperate Governance & Traditional Affairs (COGTA) to obtain a written directive regarding the way forward in respect Cllr E Februarie's situation as a Kouga Councillor as well as a Ward Councillor and whether he may still attend Council meetings especially on the stepping aside of a Councillor."

Voting procedures followed: -

Cllr H Hendricks	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour

Cllr L Vorster	In favour
Cllr B Williams	In favour
Cllr J Alexander	In favour
Cllr H Bornman	In favour
Cllr M Dayimani	Not in favour
Cllr R Dennis	Not in favour
Cllr C Makasi	Not in favour
Cllr Z Mayoni	Not in favour
Cllr P Nkwalase	Not in favour
Cllr C Matroos	Not in favour
Cllr P Oliphant	Not in favour
Cllr M Peters	Not in favour
Cllr S Jujwana	Not in favour

In favour of the recommendation with amendment	=	17
Not in favour of the recommendation with amendment	=	9

That it be noted that Cllr A Mabukane, was not present at the time of voting.

The Speaker sought clarity from Cllr M Dayimani in that all Councillors were in agreement in accepting the submission of the Motion of Exigency and yet the ANC Component had voted against the Motion and therefore questioned whether this was procedurally correct.

Cllr M Dayimani stated that the ANC Component was in agreement with the submission of the Motion of Exigency but requested that an additional point of enquiry be included when communicating with the Office of the MEC.

Cllr D Benson requested a 5 min caucus which was granted. The caucus returned at 12:55.

The Speaker advised that consultation with Legal Services took place in respect of the procedural correctness of the additional proposal to the Motion of Exigency and was advised that the addition to the Motion of Exigency is to be submitted as a separate Motion as it does not form part of the Motion under discussion. Cllr M Dayimani opted to submit a separate Motion of Exigency to The Office of the MEC (COGTA).

Resolved (26 February 2021)

1. That it be noted that the Motion of No Confidence be withdrawn.

2. That by Council's full majority, it is agreed that the Motion of Exigency be tabled and accepted.

3. That the Office of the Speaker communicate with the Eastern Cape MEC for Cooperate Governance & Traditional Affairs (COGTA), to obtain a written directive on the way forward in respect of Cllr E Februarie's situation as a Kouga Councillor as well as a Ward Councillor and whether he may still attend Council meetings or step aside as a Councillor.

Proposed: D Benson Seconded: R Jantjies

14. **STATUTORY MATTERS**

15. **MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR NOTING**

15.1 Minutes of the Mayoral Committee Meeting held on 27 November 2020 were noted.

16. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

16.1 **MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 11 DECEMBER 2020**

Resolved (26 February 2021)

1. That the minutes of the Ordinary Council meeting held on 11 December 2020 be accepted.

Proposed: B Williams Seconded: B Rheeder

16.2 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 7 JANUARY 2021**

Resolved (26 February 2021)

1. That the minutes of the Special Council meeting held on 7 January 2021 be accepted.

Proposed: T Jantjes Seconded: C August

16.3 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 28 JANUARY 2021**

Resolved (26 February 2021)

1. That the minutes of the Ordinary Council meeting held on 28 January 2021 be accepted.

Proposed: R Jantjies Seconded: M van Niekerk

17. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

18. **REPORTS OF COMMITTEES OF COUNCIL**

None

19. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

21/02/MM1 COUNCIL RESOLUTIONS FOR 28 JANUARY 2021

Resolved (26 February 2021)

1. That the updated Action Sheets reflecting resolutions of the Ordinary Council meeting for 28 January 2021 be noted.

2. That it be noted that the Action Sheets are referred to Top Management meetings for discussion and progress reports are to be submitted to their respective Portfolio Committee meetings.

21/02/MM4 CIRCULAR NO. 12 OF 2020: DEVELOPMENT OF THE REVISED IDP GUIDELINES FOR MUNICIPALITIES

Resolved (26 February 2021)

1. That the content of Circular 11 of 2020 which outlines the revised IDP Guidelines for Municipalities be noted and actioned.

2. That the IDP section develops a comprehensive roll-out plan to–be submitted to the Executive Mayor and Municipal Manager within 7 days.

Proposed: B Williams Seconded: W Gertenbach

21/02/MM6 REPORT ON THE PROGRESS OF THE WARD DEVELOPMENT FUND AS AT 31 JANUARY 2021

Cllr R Dennis stated that not all projects were reflected in the report. Although priority projects were submitted, Ward Councillors had not spent the allocated funding and therefore urged further engagement as some projects reflected no movement or limited progress.

Cllr R Dennis further stated that there was interference from the Office of the Speaker in respect of Ward-based projects especially in the ANC Wards which had been identified by the respective Ward Committees.

The Speaker advised that his role was to approve all Ward priorities in line with the Ward Development Policy and available fund allocations. He further advised that the concerns raised by Cllr R Dennis will be followed-up with the respective official.

Cllr S Jujwana stated that Supply Chain processes are delayed and resulted in under expenditure on projects for the current financial year. He further requested that available funds per Ward be forwarded to each Ward Councillor as well as funds envisaged for roll-overs.

The Speaker stated that Ward Councillors are to become more involved in the projects and take the lead.

Resolved (26 February 2021)

1. That the report on the Progress of the Ward Development Fund be noted.

21/02/MM8 MID-YEAR INSTITUTIONAL PERFORMANCE REPORT: 2020/21 FINANCIAL YEAR: PERIOD 1 JULY 2020 TO 31 DECEMBER 2020

Resolved (26 February 2021)

1. That the content of the Mid-year Institutional Performance Report on the implementation of the 2020/21 Service Delivery and Budget Implementation for the period 1 July 2020 to 31 December 2020 be noted.

2. That all areas of underperformance be discussed at the level of Portfolio Committees to determine corrective action to ensure that the required targets are achieved by the end of the financial year.

21/02/MM9 APPROVAL OF TERMS OF REFERENCE FOR THE KOUGA MUNICIPALITY FINANCIAL MISCONDUCT DISCIPLINARY BOARD

Resolved (26 February 2021)

1. That Council approves the Terms of Reference for the Kouga Municipality Financial Misconduct Disciplinary Board.

2. That reporting procedures for persons to report allegations of financial misconduct and financial offenses on a confidential basis, be established.

3. That the reporting procedures be made public in accordance with Section 21(1)(a) and (b) of the Municipal Systems Act.

21/02/MM10 PRIVATE PROJECT FUNDING AGREEMENT PROPOSAL: IDIS CONSULTING & DEVELOPMENT

Ms Benita Vermeulen (IDIS) presented the Private Development Funding Programme (PDFP) – *complete presentation attached.*

Purpose of the PDFP

To unlock Foreign Direct Investment (FDI) for South Africa.

To FDI projects will: -

- Stimulate economic growth and job creation.
- Result in the delivery of social, economic, and physical infrastructure to communities.
- To mobilize the private sector to assist Municipalities to achieve their social and economic development goals and objectives.
- To unlock funding for large-scale development projects that will result in long-term stability for Municipalities.

What is new about the PDFP

It is a new instrument that Municipalities can use to unlock funding for Municipal projects. The PDFP is designed around agreements that IDIS has reached with international funders and was designed to work in the South African legal environment.

- It is now available to Municipalities in South Africa.
- The levels of funding on offer are significant.
- It leverages the existing assets of a municipality to unlock funding.
- It is not a loan instrument – there are no loans to be repaid by Municipalities.
- The PDFP is ready for roll-out in South Africa.

How does it work

- IDIS and a Municipality identify and agree on the projects that will be funded.
- IDIS and the Municipality conclude a Project Funding Agreement (PFA).
- IDIS unlocks FDI and receives funding in South Africa for the agreed projects.
- IDIS and the Municipality proceed through the prescribed procurement processes on a project by project basis.
- IDIS procures, funds and appoints private service providers, experts and developers to roll-out the agreed projects.
- Completed projects are transferred onto the asset register of a municipality as determined in a BOOTT, PPP or other agreements concluded during the procurement process.
- All Infrastructure developed to be transferred at no cost.

Funding that IDIS would unlock

R 2 billion of asset value would unlock an R10 billion investment. No change of ownership or transfer of assets to IDIS or the Fiduciary Manager. Only the value of assets needed to be pledged in return for funding and implementation of projects.

After the presentation, the Speaker asked if the ANC wanted a caucus before going ahead with the questions. The ANC welcomed this and was granted a ten-minute caucus break.

Cllr R Dennis asked whether it was a loan or a grant and asked for proof in writing that it was supported by National and Provincial government. He further questioned, who would oversee the procurement processes and if there were other municipalities where this proposal had been implemented. On section 48 MFMA and security, he stated that there was ambiguity about the Municipality not having to handover of assets as security. He questioned whether the proposal was too good to be true.

Mr Jan Barnard (IDIS) on the proposal being too good to be true, stated that IDIS had partnered with international partners which had access to international funders. These partners required IDIS to create an instrument that could deliver the money to the ground in the country and it in turn created the PDFP instrument. The money received came with rules which informed how IDIS structured deals. One of the critical rules was that funding would be given for projects where IDIS had agreed with the municipality.

On the procurement process, he stated that this began after the first agreement with the municipality on projects that would be put before funders. The funds came with the condition that IDIS accepted responsibility for the rollout and ensured that funds were not lost. It would also mobilise the private sector to assist it in delivery of the programme. IDIS was accountable for the funding therefore the selection and appointment of service providers for projects was within its domain. The procurement processes were structured according to this. To access the funding from the PDFP there first had to be an agreement on the projects by the municipality. Hereafter, the amount that could be unlocked would be determined. This was the first part of the project which did not involve risk. If IDIS failed after this then the municipality could request its pledge back.

On the distinction between the Division of Revenue Act (DORA) allocation and IDIS funds, he stated that the IDIS funds were Foreign Direct Investment. The funds would not have to be paid back and was not a loan. The funds would be translated into infrastructure that would be transferred to the municipality at no cost on the basis of a BOOTT or PPP agreement. This was the real benefit of the programme. It was not a loan nor a grant that went into the municipal account. The municipality's procurement responsibilities were not being given away as the municipality would still have an influence on projects as per the agreement. If

there was an agreement to do a project together on a BOOTT or PPP basis then the processes would have to go through normal procurement processes such as the Bid Adjudication Committee.

The issue would arise when it came to payment as the funds were not in the municipal environment. There were difficulties regarding procurement that had to be resolved but IDIS was engaging with COGTA, National Treasury, and the Department of Public Works (DPW). The DPW was engaging to change the rules from PPP and working towards BOOTT and these rules would take effect during rollout. Every procurement law would have to be complied with in the municipality, but problems would be addressed through engagement with National Treasury and COGTA. Therefore, the Municipality would play a key role in the procurement process going forward. The funds did not replace normal budgetary allocations.

On the letter from National Treasury and COGTA, he stated that IDIS could not do this as it was the municipality's responsibility.

Cllr B Williams enquired whether the requirements for utilizing 30% local SMMEs and local contractors will apply to Infrastructure projects.

Mr Barnard responded that it would apply. It applied across the board. It was a programme of localisation and there would be provisions for local capacity building.

Cllr Dennis requested a response on whether there were other municipalities IDIS was working with.

Mr Barnard stated that it was a new project, but it was engaging with 40 municipalities currently. He stated that IDIS had comfort that the money was available internationally and that there were other municipalities at more advanced stages of engagement. There would be proof of concept on the table before matters were concluded. There were no costs to the municipality even if things failed.

The Speaker thanked IDIS.

Cllr M Dayimani stated that the ANC had deliberated on the matter. The project appeared promising, but the processes had to go through the normal supply chain process with competitive bidding as there were other service providers with similar models. He proposed that a division of votes be held.

Cllr B Rheeder proposed that the recommendation as on page 7 of the supplementary agenda be accepted and was seconded by Cllr Dhludhlu.

The Speaker clarified that agreeing with the recommendations did not mean that the Municipality was going ahead with the IDIS

proposal but authorising the Municipal Manager to pursue it further and do vetting.

Cllr M Dayimani stated that vetting should be done for shortlisted providers that had been through a SCM process.

Division of Vote

Cllr H Hendricks	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour
Cllr J Alexander	In favour
Cllr H Bornman	In favour
Cllr M Dayimani	Not in favour
Cllr R Dennis	Not in favour
Cllr C Makasi	Not in favour
Cllr Z Mayoni	Not in favour
Cllr P Nkwalase	Not in favour
Cllr C Matroos	Not in favour
Cllr P Oliphant	Not in favour
Cllr M Peters	Not in favour
Cllr S Jujwana	Not in favour

In favour of the recommendation with amendment	=	17
Not in favour of the recommendation with amendment	=	9

That it be noted that Cllr A Mabukane, was not present at the time of the Division of Vote.

Resolved (26 February 2021)

1. That it be noted that the Municipality intends to pursue a Project Funding Agreement with IDIS (International Diverse Innovation Solutions (PTY) LTD).

2. That Council authorizes the Accounting Officer to engage IDIS (International Diverse Innovation Solutions (PTY) LTD) and report back to Council.

3. That Council authorizes the Accounting Officer to embark on a full vetting process into (International Diverse Innovation Solutions (PTY)

LTD) as well as the funding model proposed and which process will include discussions with National Treasury.

Proposed: B Rheeder Seconded: B Dhludhlu

20. **REPORTS BY THE EXECUTIVE MAYOR**

20.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

21/02/F5 WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE

Cllr M Dayimani requested that the write-off of equitable share be ward-based.

The Speaker stated that this had been requested previously and that the relevant department include such in future reports in respect of write-offs.

Resolved (26 February 2021)

1. That the Equitable Share write-offs for the period December 2020, amounting to R1,099,906.18, be approved.

2. That future reports indicate the area well as the Ward for the Equitable Share-write-offs.

21/02/F17 BUDGET & TREASURY: VIREMENTS REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

Resolved (26 February 2021)

1. That report on all virements approved during the quarter ended 31 December 2020 be noted.

2. That the respective Directorates arrange a meeting with their Portfolio Councillor to engage on the virements requested by the Department.

21/02/F19 SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020

Cllr P Oliphant stated that the report was appreciated but there were issues identified that were not included in the report. He requested an opportunity to table a submission on supply chain irregularities directly to the Speaker and Municipal Manager for investigation. The Speaker welcomed the request.

Cllr D Dhludhlu requested an additional recommendation. On Supply Chain processes and its potential for fraud, he recommended that companies were truly assessed, and company directors scrutinised to ensure total fair play.

The Speaker said that there was protocol for bidders to be vetted in the policy already.

Cllr R Dennis stated that there was no mention of the court case as he wanted to know the expenditure on this. Why were Councillors reduced to writing to the Municipal Manager? The Municipal Manager's voice had to be heard.

The Speaker stated that the Municipal Manager was welcomed to speak during the meeting.

The Municipal Manager stated that all deviations had to be submitted to Council for approval as it was audited and welcomed matters being brought to his attention.

Cllr P Oliphant stated that he had wanted to submit the matter in writing as it was of a sensitive nature.

Resolved (26 February 2021)

1. That the report be submitted to Council and that the item be noted by the committee as per the reporting requirements.

2. That names of all Item Representatives submitting items to the Bid Committee Meetings be included on all future reports.

21/02/F21 **RE: LIST OF OBSOLETE EQUIPMENT (ASSETS) THAT WERE IDENTIFIED FOR AUCTION**

Cllr B Williams on obsolete assets, stated that the administrative process had been completed but the date for the auction still had to be set. The CFO had indicated that it would be on the 30th of April.

Cllr B Dhludhlu recommended that the policy for the disposal of assets be revised and workshopped regarding the disposal of assets where staff were concerned.

The Speaker stated that he would drive the matter from a policy point of view.

Resolved (26 February 2021)

1. That the report on the list of condemned/redundant equipment (assets) identified for auction be noted.

2. That the condemned/redundant equipment be disposed of, in terms of the Supply Chain Management Policy.

3. That the list of condemned/redundant equipment be removed from the Fixed Asset Register.

4. That a date for the intended public auction be determined following the required SCM procedures.

5. That the Disposal of Obsolete Equipment (Assets) Policy be reviewed at a Policy Workshop.

21/02/F22 <u>2020/21 ADJUSTMENTS BUDGET</u>

Cllr B Williams stated that due to time constraints he would not rehash what the Executive Mayor had stated. He tabled the budget for approval.

Cllr M Dayimani stated that the ANC was not obligated to attend workshops. The ANC did not support a budget that did not speak to the plight of the poor and vehemently opposed the budget.

Cllr S Jujwana stated that the poorest of the poor were not considered in the budget. He stated that the ANC and DA Chief Whips had to meet and discuss the budget.

Cllr M Dayimani requested clarity on the change in amounts for the sewerage line project for Hankey which changed from R6 million to R12 million. He was concerned as there were three months of the current financial year left, but the budget had not been spent due to a "go slow" as collection rates were anticipated to decrease. Had procurement plans been submitted to the Executive Mayor to indicate that the budget would be spent on time? If there were, these had to be made available to Council. He requested that the Municipal Manager provide clarity on the possible loss of R10.2 million due to penalisation related to a MIG funding related issue. He added that the budget could not be supported as it was.

The Municipal Manager stated that the initial budget had been conservative as there was uncertainty about the effects of Covid-19. On the procurement plan, he stated that increases were part of the budget implementation plan as well as procurement plan. Items that had to go through a new tender process were not included and it had made sure that the additional funding could be spent in the current financial year. The procurement plan would be submitted to the Executive Mayor in a few days, but it could be sent to Council as well.

On MIG expenditure, he stated that it was a historical matter where the disaster project tenders amounted to a lower amount than expected and the remainder had to be returned. Small amounts of the MIG expenditure had been lost due to Supply Chain and tender related matters.

The ANC was not in support of the recommendation to approve the Adjustments Budget and therefore called for a Division of Vote:-

Cllr H Hendricks	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour
Cllr J Alexander	In favour
Cllr H Bornman	In favour
Cllr M Dayimani	Not in favour
Cllr R Dennis	Not in favour
Cllr C Makasi	Not in favour
Cllr Z Mayoni	Not in favour
Cllr P Nkwalase	Not in favour
Cllr C Matroos	Not in favour
Cllr P Oliphant	Not in favour
Cllr M Peters	Not in favour
Cllr S Jujwana	Not in favour

In favour of the recommendation = 17
Not in favour of the recommendation= 9

That it be noted that Cllr A Mabukane was not present at the time of the Division of Vote.

Resolved (26 February 2021)

1. The Executive Mayor recommends that the Council, by a resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2020/21 Adjustments Budget as set out in the following tables:

    - Table B1 Adjustments Budget Summary;
    - Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification);
    - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);
    - Table B4 Adjustments Financial Performance (revenue and expenditure by type);

- Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source;
- Table B6 Adjustments Budget Financial Position;
- Table B7 Adjustments Budget Cash Flows;
- Table B8 Cash backed reserves/accumulated surplus reconciliation;
- Table B9 Asset Management; and
- Table B10 Basic service delivery measurement.

20.2 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

21/02/CORP3 MONTHLY REPORT FOR THE CORPORATE SERVICES DIRECTORATE: ADMINISTRATION SECTION AS AT END DECEMBER 2020

Cllr T Jantjes tabled the item.

Cllr S Jujwana stated that the relevant department needs to engage with Ward Councillors when the office is renovated as not all upgrading at Ward Offices is attended to.

Cllr D Dhludhlu commended the Directorate: Community Services in respect of infrastructure and upgrading of facilities.

Cllr F Campher stated that his renovated office was not wheelchair accessible and called for better accessibility.

Cllr T Jantjes in response to Cllr F Campher responded that the point was noted and was in development. Feedback would be provided on the matter.

Resolved (26 February 2021)

1. That the monthly report for the Corporate Services Directorate: Administration Section be noted.

21/02/CORP5 OHS RISK ASSESSMENT

Resolved (26 February 2021)

1. That the report be noted.
2. That all outstanding High-Risk areas be prioritized for immediate remedial action.

20.3 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

21/02/I&E3 PROGRESS REPORT ON THE ROAD RESEALING PROGRAM FOR 2020/2021 FINANCIAL YEAR

Cllr W Gertenbach stated that the table on page 432 was incorrect as some projects had already been completed.

Cllr M Dayimani stated that a report regarding the investigation of the Director: Infrastructure was to have been made available. He requested an update on the matter.

The Executive Mayor stated that the investigation report had been completed but the Director: Infrastructure & Engineering had opted to resign and accepted a confidential settlement agreement. He further stated that other incumbents had also been revealed in the investigation report and were currently under investigation.

Cllr P Oliphant mentioned that since the Director: Infrastructure & Engineering had accepted a settlement agreement, the matter should no longer be regarded as confidential.

Cllr W Gertenbach raised a point of relevance as the Director: Infrastructure & Engineering is not under discussion.

The Speaker advised that the matter is not for discussion and that the correct process is to be followed in addressing a confidential settlement agreement.

Cllr M Peters expressed gratitude for the work done in respect of the resealing of roads in her Ward and requested that the process of constructing 2-speed bumps be expedited.

Cllr R Dennis enquired whether the same company who had done the resealing of Woltemade street was appointed for the resealing of roads program. The Speaker advised that it was not the same service provider.

Resolved (26 February 2021)

1. That the report be accepted.

21/02/I&E5 KOUGA MUNICIPALITY ELECTRICITY: RENEWABLE ENERGY GENERATION APPLICATION TO THE MINISTER OF MINERAL & ENERGY RESOURCES

Cllr W Gertenbach stated that the amended Electricity Regulations allows electricity to be purchased from Independent Power Producers, but permission had to be granted by the Minister first. There were three prerequisites to this, which were that it had to appear in the municipality's IDP, the municipality must be in good standing with Eskom and the municipality must be financially sound. If it was not included in the IDP, there had to be a Council decision that granted permission to write the Minister.

Cllr R Dennis asked if it not appearing in the IDP meant that the IDP processes would have to be followed to enter it.

Cllr W Gertenbach responded that the Minister could be written to whether it was in the IDP or not, but the intention was to include it in the IDP.

Cllr D Dhludhlu proposed that the recommendation be supported.

Cllr P Oliphant stated that the matter required more than a resolution for its support as there were multiple other processes such as feasibility studies and environmental impact assessments studies that had to commence. He asked if there would be a roadmap that had to be followed regarding processes that had to be followed.

He requested clarity on small-scale embedded energy and whether the same process be embarked upon apart from the renewable energy.

Cllr W Gertenbach responded that the initial road map Cllr P Oliphant had referred to could not be followed until there was a go ahead from the Minister. Once approval had been granted by the Minister a rollout plan could be created. The current priority was to get the go ahead from the Minister and thereafter have it included in the IDP.

Resolved (26 February 2021)

1. That the request to the Minister of Minerals & Energy to grant Kouga Municipality permission, to procure its Renewable Energy Plant through a request for proposals on the needs for the organization be approved.
2. That the process of the letter being drafted be accepted.

Proposed: W Gertenbach Seconded: B Dhludhlu

21/02/I&E6 <u>REPORT: 200 ELECTRIFICATION PROJECT: PROGRESS AND SPENDING UP TO DATE</u>

Cllr W Gertenbach stated that R5.2 million had been received from the Department of Energy but only R3 million had been received thus far and good progress on the electrification project has been made.

Resolved (26 February 2021)

1. That the report on the Kruisfontein 200 electrification project be noted.

20.4 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

21/02/CS9 BLUE FLAG STATUS AWARD – 2020/2021 SEASON

Cllr D Benson stated that the item was for noting.

Resolved (26 February 2021)

1. That the achievement of the Blue flag Status/award for 2020/21 season be noted.

2. That a successful and compliant Blue Flag Beach status be maintained throughout the Blue Flag season.

21/02/CS11 PROGRESS REPORT ON REPAIRS AND MAINTENANCE ON KOUGA FACILITIES

Resolved (26 February 2021)

1. That the progress on repairs and maintenance/upgrades completed from October 2020 till December 2020 on all Kouga facilities be noted.

21/02/CS16 REPORT ON THE OYSTER BAY FIRE THAT OCCURRED FROM 07 JANUARY TO 10 JANUARY 2021

Cllr R Dennis enquired about the financial implications incurred for the spotter plane used during the fire at Oyster Bay.

The Municipal Manager advised that all he did not have the information at hand but will obtain such and submit a full report to Council.

The Manager: Waste Management advised that the going rate was charged but she undertook to investigate whether there were lower rates.

Alderman B Rheeder advised that a helicopter, as well as a spotter plane, were used and due to long hours, aircrew were rotated which affected the total costs.

Cllr D Benson mentioned that the Sarah Baartman District Municipality had indicated that they would contribute to the total costs incurred which would relieve the financial burden placed on Kouga Municipality.

Resolved (26 February 2021)

1. That the report on the Oyster Bay fire that occurred from 7 January 2021 to 10 January 2021, be noted.

20.5 **REPORTS BY THE CHAIRPERSON: PLANNING AND DEVELOPMENT**

21/02/PD1 REVISION OF DRAFT INTEGRATED LAND USE SCHEME: PROGRESS REPORT

Cllr B Rheeder advised that the item addressed the review and progress report on the draft Integrated Land Use Scheme (ILUS) but was for noting purposes as item 21/02/PD10 on the agenda addressed the final ILUS for approval.

Resolved (26 February 2021)

1. That the progress report on the revision of the Draft Integrated Land Use Scheme for Kouga Municipality be noted.

21/02/PD2 PROGRESS REPORT: ALIENATION OF 98 WET ERVEN: KRUISFONTEIN

Cllr R Dennis proposed that Council consider either transferring the said erven to the relevant persons free of charge, or alternately at a flat rate of R10 for transfer fees be charged.

Cllr B Rheeder stated that should Council consider a fixed transfer fee for the said erven; this would require that the previous Council resolution must be rescinded.

The Speaker noted the proposal. Cllr R Dennis asked for a seconder for his proposal. The Speaker clarified that the proposal was not formal as it could cause a change to a Council decision.

Cllr P Oliphant supported Cllr R Dennis's proposal and requested that the previous resolution be rescinded.

Cllr R Dennis requested that consideration be given to the plight of the poor in respect of transfer costs for the erven purchased.

The Speaker advised that transfer fees were to be charged as it was a Council decision but a formal request to rescind the previous Council resolution may be submitted in writing for consideration.

Resolved (26 February 2021)

1. That the progress report on the alienation of the 98 wet erven in Kruisfontein be noted.
2. That authorization be granted to the Accounting Officer to appoint transferring conveyances and conclude Offer to Purchase agreements as the Grantor on behalf of the Municipality.
3. That it be noted that all monies generated from the proceeds of the sold erven be ringfenced for infrastructure projects.

21/02/PD4 MONTHLY PROGRESS REPORT ON HUMAN SETTLEMENTS GRANT FUNDED PIPELINE PROJECTS

Resolved (26 February 2021)

1. That the report on the Human Settlements Grant Funded Projects be noted.

21/02/PD5 LAND AND PROPERTY: PROGRESS REPORT: QUARTER 2: OCTOBER TO DECEMBER 2021

Resolved (26 February 2021)

1. That the content in the Land and Properties progress report be noted.

21/02/PD8 REVIEW OF THE 2015 KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK: PROGRESS REPORT

Resolved (26 February 2021)

1. That the progress made on the review of the Spatial Development Framework be noted.

21/02/PD9 STATUS REPORT ON THE CONSTRUCTION OF TEMPORARY HOUSES AND RELOCATION OF BENEFICIARIES

The Speaker advised that Eskom was on-site and electricity was being installed.

Cllr M Dayimani stated that it was unfair to give preferential treatment to certain communities in Stofwolk as communities in the informal settlements namely in Ward 14 & 15 relocated at their own expense and therefore requested that they be compensated.

Resolved (26 February 2021)

1. That the progress report on the Stofwolk housing & electrification project be noted.

21/02/PD10 APPROVAL AND ADOPTION OF THE KOUGA INTEGRATED LAND USE SCHEME IN TERMS OF SECTION (24) OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013

Cllr D Dhludhlu commended the Municipality as being one of the municipalities reaching the final process in tabling the Kouga SPLUMA for approval and adoption and requested that Council's resolution be forwarded to the Sarah Baartman District Municipality.

Cllr R Dennis stated that the Kouga SPLUMA needs to also address disadvantaged areas.

Alderman B Rheeder advised that all areas and communities were taken into consideration when the Kouga SPLUMA was drafted.

Cllr R Dennis suggested that there be a workshop on Kouga's spatial planning be added to the recommendations.

The Speaker stated that public participation processes were duly followed when drafting Kouga SPLUMA.

Resolved (26 February 2021)

1. That in terms of section 24 (1) of the Spatial Planning & Land Use Management Act, 2013 (Act No. 16 of 2013), Council approved and adopted the Integrated Land Use Scheme for Kouga.
2. That the Integrated Land Use Scheme (ILUS) be published on the Municipal Website, Kouga Express, as well as Provincial Gazette.
3. That, in terms of Section 27(3) of the Spatial Planning & Land Use Management Act, 2013 (Act No. 16 of 2013) the Integrated Land Use Scheme be submitted to the Premier for monitoring purposes.
4. That Section 27 (1) of SPLUMA, that the municipality may review its ILUS in-order to achieve consistency with the Municipal SDF be noted.

21/02/PD11 REVIEW OF THE 2015 KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK: ADOPTION

Resolved (26 February 2021)

1. That the Draft Spatial Development Framework for Kouga Municipality be adopted.
2. That the approved Spatial Development Framework be published on the Municipal Website, Kouga Express, as well as Provincial Gazette.
3. That a copy of the Kouga Spatial Development Framework be submitted to the Member of the Executive Council (MEC) in accordance with Section 8 of the Spatial Planning & Land Use Management By-law: Kouga Municipality, 2016.
4. That the next review of the approved Spatial Development Framework be in line with the Municipal Systems Act, Act 32 of 2000.

21/02/PD12 LAND SWAP: A PORTION OF ERF 6650 IN FAVOUR OF ERF 6649, JEFFREYS BAY: MR. S. STANLEY

Resolved (26 February 2021)

1. That in-principle approval for swapping a portion of erf 6650 equivalent to the land lost in respect of erf 6649, due to the encroachment of the turning circle of Salamander Street be granted.

2. That authorization to advertise the intended swap of the immovable property herein be granted.

3. That that the land is not needed to provide the minimum level of basic municipal services be confirmed.

4. That a 2.0m building line being observed along the western lateral boundary for possible future services.

5. That a 2.0m building line being observed along the eastern lateral boundary for access to the existing water main passing through the erf.

6. That the sub-division and consolidation processes of the land be concluded.

21/02/PD13 DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP

Alderman B Rheeder stated that Woodlands Diary had purchased the public roads and were no longer used for public transport purposes and therefore the application for closure of the said public roads.

Resolved (26 February 2021)

1. That an in-principle approval for the alienation and closure of erf 763 and a portion of erf 2077 Humansdorp by way of an Out-of-Hand process as the applicant will own all the adjoining erven be granted.

2. That the alienation be subject to the outcome of the application for formal closure of Long Street, a portion of Bloubok Street, Bokmakierie Street, and a portion of Heron Street.

3. That the Accounting Officer be authorized to advertise Council's intention to alienate the immovable property erf 763 and a portion of erf 2077 Humansdorp to the applicant.

4. That Council confirms that it has considered the fair market value and accepts the valuation of the immovable property herein, as follows:

PROPERTY DESCRIPTION	VALUATION
Long Street	R210 000.00
Pnt of Bloubok Street	R180 000.00
Bokmakierie Street	
Pnt of Heron Street	

5. That Council confirms that immovable property erf 763 and a portion of erf 2077 Humansdorp is not needed to provide the minimum level of basic municipal services.

6. That the 100mm diameter water pipeline which transverses erf 2078 and Bloubok Street be rerouted along Felix Street.

7. That a 6.0m servitude be observed along Bloubok Street to accommodate the 315mm diameter water pipeline in favor of Kouga Municipality.

8. That the overhead electrical line that transverses erf 2079 and along Bloubok Street be relocated to erf 1 that is to the north-boundary of erf 2079.

9. That the applicant be responsible for the cost associated with the closure of public roads and transfer of property.

21/02/PD14 <u>ESTABLISHMENT OF AN AUTISM CENTRE - APPLICATION FOR RIGHT TO USE/MANAGE MUNICIPAL LAND: ERF 5812 JEFFREYS BAY</u>

Cllr B Rheeder introduced the item.

Cllr W Gertenbach enquired on what would happen to the lease at the end of 25 years and if this information included in the contract. Had rezoning requirements been considered?

Cllr B Rheeder stated that due processes would have to be followed but the application was for Right of Use of erf 5812.

The Director Planning, Development and Tourism stated that it was an ongoing process. On what would happen at the end of the 25-year lease, she stated that the hope was that the project would be sustainable.

She stated that the site development plan had not been submitted but the organisation had indicated that it needed about one hectare of land to develop the facility. Therefore, there would be a need for a public participation process and the public-open space would have to be closed as well. The necessary relevant environmental studies would be completed, and this would be included with Land Use Applications.

Cllr R Dennis asked for clarity on the exact nature of the centre and who would be able to access it. He urged that there be caution when making land available.

The Executive Mayor stated that he fully supported the project and the initial assessment indicated that there was a need for centre.

Resolution (26 February 2021)

1. That in-principle approval rights to use, control or manage a Municipality owned immovable asset erf 5812, Jeffreys Bay to Centre of Grace Foundation for a period of 25 (twenty-five) years be granted.

2. That the land is not needed to provide the minimum level of basic municipal services be confirmed.

3. That the approval of the right to use, control, or manage a Municipality owned immovable asset erf 5812, Jeffreys Bay be subject to the said property being closed as a public place and rezoned to the appropriate zoning.

4. That the Accounting Officer be authorized to enter into a long-term consent use lease of erf 5812, Jeffreys Bay to Centre of Grace Foundation as a Non-Profit Organization to establish an Autism Centre.

20.6 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

21/02/LED&T3 GRANT IN AID APPLICATIONS FOR 2020/2021 FINANCIAL YEAR

Cllr F Baxter stated that the notice was published during 2020 and the closing date was on 31 August 2020. Only three applications had been received.

Resolved (26 February 2021)

1. That the grant-in-aid allocations be approved as follows:

Ukey No: 20200711024677
Humansdorp Museum Association: R 100 000.00

U-key No: 20200711023699
St Francis Bay Animal Rescue: R 80 000.00

U-key No: 20200711024679
NSRI: 261 000.00

21. **CLOSURE**

The Speaker thanked all present for their valuable input and moved onto the confidential section of the agenda.

The meeting closed at 15:30

_____ _____

H BORNMAN **DATE**
SPEAKER

MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON WEDNESDAY, 31 MARCH 2021 AT 10:10.

PRESENT: Councillors	H Bornman	(Speaker)
	H Hendricks	(Executive Mayor)
	B Williams	
	F Campher	
	D Benson	
	B Rheeder	
	F Baxter	
	B Dhludhlu	
	L Vorster	
	R Jantjies	
	T Jantjes	
	W Gertenbach	
	C August	
	M Biko	
	M van Niekerk	
	W Coenraad	
	J Alexander	
	M Dayimani	
	S Makasi	
	M Peters	
	P Oliphant	
	J Mayoni	
	P Nkwalase	
	C Matroos	
	R Dennis	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	K Moodley	(Director: Corporate Services)
	E Oosthuizen	(Acting Director: Infrastructure & Eng)
	F Mabusela	(Director: Planning, Dev & Tourism)
	L Opperman	(Manager: Legal Services)
	R Lorgat	(CFO)
	C Dreyer	(Manager: IDP)
	C Venter	(Manager: Waste Management)
	M Basson	(Senior Acting Media Liaison Officer)
	A Koegelenberg	(Manager: PMS)
	Nolusindiso Zode	(Acting Senior Committee Officer)
	M Julius	(Committee Clerk)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Special Council Meeting will be held using the zoom platform.

2. **OPENING AND WELCOME**

The Speaker apologised for the delayed start and requested that Cllr F Baxter open the meeting with a prayer. He welcomed those present.

Cllr R Dennis requested and was granted a five-minute caucus.

The Speaker enquired whether Cllr Dennis had anything to say after the caucus.

Cllr Dennis was inaudible.

The Speaker stated that there had been a meeting with the South African Municipal Workers Union (SAMWU) regional chairperson. The Speaker was thereafter inaudible.

Cllr Dennis stated that matters could not continue as normal. The Speaker had stated that there had been a meeting with the SAMWU regional chair but what had transpired was unknown. The South African Municipal Workers Union (SAMWU) matter had not been resolved as there were workers in front of the Municipal building. The ANC wanted the meeting to take place but not under the current circumstances.

The Speaker stated that the union had been consulted and the Municipality had given its stance on the matter as the employer. He stated that the matter had been dealt with and that the meeting would continue. The matter was not on the agenda for discussion. The Speaker was thereafter inaudible.

Cllr B Williams stated that IT had been called to address the Speaker's connectivity issue.

The Speaker stated that Cllr A Mabukane was not present, and this was perhaps due to treatment he was undergoing. He further indicated that he would mute those who raised the matter of SAMWU and striking.

3. **ABSENT WITH LEAVE**

Cllr E Februarie

4. **ABSENT WITHOUT LEAVE**

Cllr A Mabukane
Cllr S Jujwana
Cllr L Vumazonke

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

The Speaker thanked Ms Brenda De Groot for her dedication, hard work and commitment. He thanked her for all her years of dedication and said that she would be missed.

Ms De Groot greeted those present and expressed gratitude for all the support and guidance she had received whilst working at the Municipality. She stated that it had been a privilege to serve the Municipality.

Cllr P Oliphant thanked Ms De Groot for her services and long-term commitment to the Kouga Local Municipality and wished her well. He enquired as to who would be appointed in Ms De Groot's position.

The Speaker stated that Ms Nolusindiso Zode would act in the position and thanked her for her work as well.

Cllr D Benson stated that there were a few Birthdays he wished to convey as follows;

Cllr M Peters (16 March)
Cllr Februarie (21 March)
Cllr V Vumazonke (6 April)
Cllr M Dayimani (9 April)
Cllr S Jujwana (25 May)
Cllr C August (26 May)
Cllr S Makasi (10 June)

He wished everyone a Happy Birthday, and he further indicated that those who still have upcoming birthdays should take care of themselves and he wished them well.

Cllr Baxter stated that her Birthday was on the 3rd of April.

The Speaker conveyed birthday wishes to the Councillors.

Cllr Dayimani submitted a motion of sympathy to the households of the municipal workers who would go hungry due to the decision taken by the institution whilst all those workers had committed themselves during Covid-19, they were at the forefront of service delivery.

Cllr Dennis declared the ANC's solidarity with the suspended shop stewards and the workers who had been promised that they would be suspended.

Alderman B Rheeder raised a point of order and questioned the relevance of the statements made as the strike was not being discussed.

Cllr Jantjies congratulated Cllr Dennis on his position as shadow Mayor in the ANC caucus.

The Executive Mayor stated that he was covered by Cllr Jantjies.

Cllr Dhludhlu congratulated the Independent Municipal and Allied Trade Union (IMATU) for showing constraint and respecting the rule of law whilst awaiting the outcome on Covid-19 payments.

Cllr Oliphant raised a point of order and requested consistency on the ruling that the strike matter was not for further discussion.

The Speaker clarified that it was not a solidarity pledge but a congratulations.

Cllr Dayimani congratulated the youth that represented Kouga and SA internationally. Miss Tourism South Africa – Neliswa Maseti from Hankey would be representing in Jamaica. Four boys from Gamtoos Valley would represent Kouga and the country as well.

6. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

The Speaker informed Council that he would forward communication he had received from attorneys in Johannesburg that wanted to offer free services to residents.

He stated that Covid-19 was still ongoing and appealed to Councillors to utilise Ward Committee structures during this period especially concerning the IDP and budget. These platforms had to be utilised for communication during this period.

7. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

The Executive Mayor stated that he was dedicating his speech to Ms Brenda De Groot. On behalf of the ruling party in Kouga, he expressed his deepest gratitude for Ms De Groot's service. She had assisted growth over the last four years both for governance and the political party. She exemplified the vision of good governance through service excellence. Her value to the institution could not be undermined and her role would be remembered. She was humble and never asked for recognition. He wished her well and stated that her service and memory would remain as part of the institution.

Ms De Groot gave thanks.

8. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

9. **REPORTS OF COMMITTEES OF COUNCIL**

None

10. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

21/03/MM1 KOUGA MUNICIPALITY: 2ND DRAFT ANNUAL REPORT (2019/2020)

Cllr Williams stated that the last paragraph of page 7 mentioned the "first draft" instead of the "second draft" and this had to be corrected. He further indicated that there were other minor changes that had to be made in the report. He proposed that these minor changes or recommendations be submitted accordingly to the institution. He moved for recommendations.

The Speaker stated that he could not allow the ANC Councillors to speak as he had not received a speakers list. According to the rules of order the list had to be submitted 24 hours prior to the meeting. He further mentioned that he had allowed in the past for the speaker's list to be sent before Council began.

According to the rules of order the ANC Councillors were not allowed to speak as there was no speaker's list submitted prior to the commencement of the meeting. This also meant that the ANC Councillors agreed with all the items on the agenda.

Cllr Dayimani had to provide reasons as to why the ANC Councillors should be allowed to comment on the rest of the agenda.

Cllr Dayimani stated that he only realised now that the email he sent yesterday to the Speaker's PA which contained the list of the ANC speaker's list is still in his outbox messages. He further indicated that he had sent the speaker's list via WhatsApp that morning but was not sure if the Speaker had seen it.

The Speaker stated that he had received the WhatsApp message one minute ago.

Cllr Dayimani stated that he hoped it was due to network delays. He said he could "screengrab" what he had sent in the emails.

The Executive Mayor requested a caucus and was granted a 5-minute caucus.

The Speaker stated that all the rules had to be adhered to. As it was a crucial Council meeting, he would allow the speakers on the list submitted to speak on the budget but not on the other items.

The Executive Mayor stated that the Speaker did have discretionary powers in terms of the interpretation of the rules of order. There was a clause that allowed a rule to be suspended and if there was a rule that prevented the ANC from participating in the meeting, it could be suspended for the meeting. He advised that further legal advice be requested on the matter.

The Speaker thanked the Mayor for his advice but stated that he was comfortable with his ruling.

Cllr Dayimani thanked the Speaker for the consideration. He welcomed the Mayors proposal. He stated that there was an attempt to send the email, which had bounced but this could be submitted to prove a list had been sent.

The Speaker stated that the proof of the email had not been received yet.

Cllr Dennis raised a point of clarity and enquired whether the ANC Councillors could only speak on the budget but no other matters.

The Speaker responded that this was the case, as a courtesy.

Cllr Oliphant stated that it appeared that the Speaker was reluctant to allow Councillors to speak despite the Mayor's guidance. He stated that if there was a human or technical error regarding the email, the Speaker could not be punitive. The Speaker could not micromanage the Councillors. He requested a 3-minute caucus after which the ANC would return with its position on the matter at hand.

The Speaker stated that he was open to allowing the speakers if the proof was submitted. He welcomed debate but also had to adhere to the rules. He requested that the proof be sent.

Cllr Dayimani requested a caucus to submit the proof.

Cllr Oliphant requested a 3-minute caucus.

Cllr Oliphant stated that it be put on record that there was an apology for the message not reaching the Speaker on time. The Speaker's position was noted, which was being done despite the Mayor's guidance. The Caucus refused to openly participate only on the budget and not the other items. The Councillors refused to be statues in a meeting.

The ANC caucus took the position that they would leave the meeting and convene their own meeting on the Draft Budget. This would be done through the media and the office of the MEC COGTA would be informed.

The following ANC Councillors left the meeting at 11:34

- *Cllr P Oliphant*
- *Cllr R Dennis*
- *Cllr M Peters*
- *Cllr P Nkwalase*
- *Cllr Z Mayoni*

The Speaker stated that he still had not received the proof.

Cllr Dayimani stated that once the email was received by the Speaker then the caucus position of the ANC would be withdrawn.

The Executive Mayor stated that there was a caucus decision and based on the rules of caucus, members were bound by the caucus decision. The decision had to go back to a caucus if it were to be changed.

The Speaker stated that he would continue until proof had been received otherwise.

Cllr Williams stated he had recommended, that "first draft" in the last paragraph be changed to "second draft" and submissions of Councillors noting minor errors be sent to the Speaker. He moved for the recommendations.

The Speaker stated that he had received the email from Cllr Dayimani at that moment, but it was an email with a Speakers list sent during the meeting and therefore not proof that it had been sent the previous night. He required proof of the email which Councillor Dayimani said he sent yesterday, therefore his original ruling still stands.

The following ANC Councillors left the meeting at 11:36

- *Cllr M Dayimani*
- *Cllr C Matroos*

Cllr Gertenbach concurred with Cllr Williams. It could not be that Council had to wait until after the Auditor General's report was received to do oversight which caused a rush. This had to be noted by Treasury.

Cllr Benson requested clarity on whether the ANC would withdraw or participate.

The Speaker stated that his ruling stood as he did not have proof of the email being sent the previous night. It was up to the ANC caucus to determine whether they would participate.

Resolved (31 March 2021)

1. That the 2nd Draft Kouga Municipality Annual Report for the 2019/2020 be noted in terms of the provisions of Section 127 (2) of the Local Government Municipal Finance Management Act, 56 of 2003.

2. That the Municipal Manager be authorized to update the 2nd Draft 2019/20 Annual Report with the report by the Auditor General on the 2019/20 audit and by the insertion of the Audit Corrective Action Plan prior to the submission thereof to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs.

3. That the Municipal Manager submit copies of the minutes of the meeting of Council where the 2nd Draft of the 2019/20 Annual Report was noted, to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional

Affairs as required in terms of the provisions of Section 127(5)(b) of the Local Government Municipal Finance Act, 56 of 2003.

4. That the Municipal Manager, in terms of the provisions of Sections 127(5)(a)(ii) and (ii) make public the 2nd Draft 2019/20 Annual Report and invite representations from the local community on the Draft Annual Report.

5. That the 2nd Draft 2019/20 Annual Report be published on the Kouga Website.

6. That the Municipal Public Accounts Committee conduct the required oversight on the 2nd Draft 2019/20 Annual Report and submit an Oversight Report to Council as required in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003.

21/03/MM2 REVIEW OF THE DRAFT IDP FOR 2021/22

Resolved (31 March 2021)

1. That the **Draft 2021/22 IDP** of the 2017/22 Integrated Development Plan be accepted in terms of the provisions of Chapter 5, Section 25 of the Local Government Municipal Systems Act, 32 of 2000.

2. That the **Draft IDP 2021/22** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council in terms of Chapter 5, Section 32(1)(a) of the Municipal Systems Act, Act 32 of 2000.

3. That the **Draft 2021/22 IDP** be made public on the municipal website within 10 days of acceptance by the Council in terms of Chapter 4, Section (17)(2)(b) of the Municipal Systems Act, Act 32 of 2000.

4. That the public be invited to submit inputs and comments on the Draft IDP for 2021/22 in terms of Chapter 5, Section 21(1)(a)(b)(C) of the Municipal Systems Act, Act 32 of 2000.

21/03/MM3 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2019/20 FINANCIAL YEAR: AMENDMENT OF SDBIP TARGETS FOLLOWING THE MID-YEAR PERFORMANCE ASSESSMENT

Cllr Gertenbach was inaudible.

Resolved (31 March 2021)

1. That in terms of the provisions of Section 54(1)(c) of the MFMA, the proposed amendments to the institutional and operational targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure "E" be approved.

2. That in terms of the provisions of Section 54(1)(c) of the MFMA, the amendments to the financial targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure "B", that resulted from the adoption of the Adjustments Budget be noted.

3. That the Municipal Manager affects the required changes to the performance plans to ensure that the performance plans are aligned to the SDBIP targets for the 2019/20 year.

21/03/MM4 DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2021/22

Cllr Williams introduced the draft SDBIP and requested that it be noted.

Cllr Benson stated that the ANC withdrew from the meeting at 11.25 am except for Cllr Dayimani and Cllr Matroos who had withdrawn at 11.36 am. He wanted to it on record why they had withdrawn. Cllr Benson was inaudible.

The Speaker stated that there was a quorum. The Speaker was inaudible.

Cllr B Williams stated that the item had to be submitted according to the MFMA circular and the Draft SDBIP had to be noted. The actual 2021/22 SDBIP would be received 28 days after the adoption of the budget. The item had to be adopted as per the circular.

Resolved (31 March 2021)

1. That the Draft 2021/22 Service Delivery and Budget Implementation Plan be noted.

11. **REPORTS BY THE EXECUTIVE MAYOR**

11.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

21/03/F1 DRAFT ANNUAL BUDGET FOR 2021/22

Cllr Williams stated that there had been a Budget Workshop for both caucuses. There had to be a cap on employee related costs as well as on bulk electricity purchases which was expected to be at 14% going into the new year.

The actual tariffs would be discussed as the tariffs were still forthcoming from the National Energy Regulator of South Africa (NERSA). There were issues with electricity and water losses which had been highlighted by the Auditor General (AG) as well. The revenue collection rate had improved, and he thanked the Administration for the work done to achieve a 94% collection rate. He tabled the Draft Budget for Council to approve.

Cllr Gertenbach stated that he was concerned about recommendations 2.4 and 2.5 related to Infrastructure and Engineering as he felt it was not appropriate and unfair towards Infrastructure and Engineering as there are other Directorates who have reports to submit regarding delays and losses in their own sections. He further indicated that if this is allowed, he wanted to add other recommendations as well.

Cllr Williams stated that the recommendations referred to by Cllr Gertenbach were highlighted by the AG.

The CFO stated that the matters raised by Cllr Gertenbach had been raised in budget preparation meetings as well as in the Mayoral Committee meeting. The high losses reflected in the financial statements were discussed which would assist in enhancing revenue going forward. The matter was discussed previously therefore it had been included in the recommendations.

Cllr Gertenbach stated that the AG's report mentioned had not been received therefore it could not be referred to.

The Speaker stated that it was noted.

Cllr Williams requested that the correct procedures be followed when considering the Budget and tariff items.

The form of voting to be utilised was debated and it was determined that a "show of hands" with verbal confirmation would be utilised.

A vote was held for item 21/03/F1 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2021/22 – 2023/24 Draft Annual Budget, as set out in the following tables:

   a) Consolidated Budget Summary [Table A1]
   b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
   c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
   d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
   e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]

2. That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

   a. Budgeted Financial Position; [Table A6]
   b. Budgeted Cash Flows; [Table A7]
   c. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
   d. Asset management; [Table A9]
   e. Basic service delivery measurement. [Table A10]

3. That the tariffs be increased as follows, with effect from 1 July 2021:

Property rates	5.25%
Water	7.1%
Sanitation	6.5%
Refuse	6.5%
Electricity (average increase in electricity income)	14.59%
Environmental Management Fee	0%

a. Indicative tariffs for 2022/23 and 2023/24 will be increased as follows:

	2022/23	**2023/24**
Property rates	5.25%	5.25%
Water	7.1%	7.1%
Sanitation	6.5%	6.5%
Refuse	6.5%	6.5%
Electricity (average increase in electricity income)	6.25%	6.25%
Environmental Management Fee	0%	0%

4. That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce non-technical electricity losses.

5. That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce water losses.

6. That the Director: Community Services reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to collect outstanding traffic fines.

21/03/F2 **ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2021/22 FINANCIAL YEAR**

A vote was held for item 21/03/F2 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, levies the following rates in the Rand for the period 1 July 2021 to 30 June 2022, in respect of the various categories of properties as set out below:

CATEGORY	**PROPOSED TARIFFS FOR 2021/22 CENT/RAND**
Residential	0.009202
Industrial / Mining	0.009570
Business / Commercial	0.009570
Farms-Agricultural	0.002301
Farms-Other Business/Wind Farms and Other Industrial Purposes	0.009570
Farms-Residential	0.009202
Farms-Private Towns	0.009202
Smallholding-Agricultural	0.002301
State Owned	0.009202
Municipal	0.009202
Special Rating Area	0.002301

Private Towns	0.009202
Private Towns (Exempt)	0.009202
Formal and Informal Settlements	0.009202
Communal Land	0.009202
State Trust Land	0.009202
Restitution and Redistribution Properties	0.009202
Protected Areas	0.009202
National Monuments/Heritage Sites	0.009202
Public Benefit Organisation	0.009202
Multiple Purposes	0.009202
Public Service Infrastructure (P.S.I.)	0.009202

2. That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, grants the following rebates for the period 1 July 2021 to 30 June 2022, in respect of the following categories and owners of properties as set out below:

	Rebates for 2021/22
R15 000 on Residential Properties	R15 000
National Monuments/Heritage Sites	-100%
Provisions of Land Act	- 100%
Communal Property Association	-100%
Protected Areas	-100%
Welfare/Churches/Public Benefit Organisations	-100%
Municipal Properties	-100%
Rebates:	
Private Towns:	-20%
- Kromme River (Suburb 70010)	
- Air Park (Suburb 10001)	
- Gamtoos Mouth (Suburb 90003)	
- Edenglen (Suburb 40004)	
- St Francis Bay Links (Suburb 70009)	
- Marina Martinique (Suburb 40013)	
- Lifestyle Estate (Suburb 40054)	
- Sea View Resort (Suburb 40011)	

R 85 000 on Informal and Formal Settlements	R85 000
R 85 000 for Owners who qualify for Equitable Share	R85 000
R 85 000 for Rate Payer 60 years and older with a household income not more than R15000.00	R85 000

21/03/F3 **REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR: SPORTS AND RECREATION**

Cllr Williams moved that the recommendation be accepted.

A vote was held for item 21/03/F3 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke

- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government:

   Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2021.

21/03/F4 **REVISION OF FEES AND CHARGES FOR 2021/22 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES**

Cllr Williams moved that the proposal be accepted.

A vote was held for item 21/03/F4 as follows:

Cllr B Williams	In favour
Cllr L Vorster	In favour
Cllr M van Niekerk	In favour
Cllr B Rheeder	In favour
Cllr R Jantjies	In favour
Cllr T Jantjes	In favour
Cllr H Hendricks	In favour
Cllr W Gertenbach	In favour
Cllr B Dhludhlu	In favour
Cllr W Coenraad	In favour
Cllr F Campher	In favour
Cllr H Bornman	In favour
Cllr M Biko	In favour
Cllr D Benson	In favour
Cllr F Baxter	In favour
Cllr C August	In favour
Cllr J Alexander	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges as reflected in **Annexure 'B'**, with effect from 1 July 2021.

21/03/F5 **REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: FIRE FIGHTING SERVICES**

Cllr Williams moved that the recommendation be accepted.

A vote was held for item 21/03/F5 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Fire Fighting Services as reflected in **Annexure 'C'**, with effect from 1 July 2021.

21/03/F6 **REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2021/22 FINANCIAL YEAR**

Cllr Williams suggested that the items be taken in bulk from page 706 to 768 and that there be one vote for all the items. He asked if legal services wanted to comment.

The Speaker stated that it could be done if Council approved. He requested a legal opinion.

The Manager: Legal Services indicated that the Budget was the most important thing and she had tried to confirm whether there was a visual and voice recording. It appeared that there could be a visual. If the vote was done for the bulk items, the votes could be allocated per item.

The Executive Mayor stated he was comfortable proceeding in such a matter.

Cllr Williams tabled the draft tariffs from page 706 to 768 for Council to approve with the minutes reflecting on the individual items.

A vote was held for item 21/03/F6 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour

Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number and in terms of Section 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 approves the fees and charges for the hiring of Municipal Facilities, as reflected in **Annexure 'D'**, with effect from 1 July 2021.

21/03/F7 **COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR**

A vote was held for item 21/03/F7 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour

Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed tariffs, fees and charges for the Community Services Directorate, reflected as reflected in **Annexure 'E',** with effect from 1 July 2021.

21/03/F8 PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2021/22 FINANCIAL YEAR

Alderman Rheeder on sewerage item tariffs, requested that sewerage items be investigated and perhaps changed before the final budget.

The Speaker requested clarity on whether the draft was being approved or not.

Alderman Rheeder stated that the draft could be approved but the

matter had to be considered before the final budget. Cllr Williams seconded Alderman Rheeder's proposal.

A vote was held for item 21/03/F8 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the tariffs, fees and charges in respect of Water and Sanitation Services under the control of the Municipality's

Infrastructure & Engineering Directorate as reflected in **Annexure 'F'**, with effect from 1 July 2021.

2. That the sewerage tariffs be reinvestigated before the final budget.

Proposed: B Rheeder Seconded: B Williams

21/03/F9 ELECTRICITY TARIFF INCREASES: 2021/22 FINANCIAL YEAR

This item was to be distributed under separate cover as NERSA still had to publish the final tariff guidelines. The item was not forthcoming.

21/03/F10 FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2021/22 FINANCIAL YEAR

A vote was held for item 21/03/F10 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges in respect of electrical services, as reflected in **Annexure 'H'**, with effect from 1 July 2021.

21/03/F11 FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR

A vote was held for item 21/03/F11 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase
- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed fees and charges for the Finance Directorate as reflected in **Annexure 'I'**, with effect from 1 July 2021.

21/03/F12 REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2021/22 FINANCIAL YEAR

A vote was held for item 21/03/F12 as follows:

Cllr J Alexander	In favour
Cllr C August	In favour
Cllr F Baxter	In favour
Cllr D Benson	In favour
Cllr M Biko	In favour
Cllr H Bornman	In favour
Cllr F Campher	In favour
Cllr W Coenraad	In favour
Cllr B Dhludhlu	In favour
Cllr W Gertenbach	In favour
Cllr H Hendricks	In favour
Cllr T Jantjes	In favour
Cllr R Jantjies	In favour
Cllr B Rheeder	In favour
Cllr M van Niekerk	In favour
Cllr L Vorster	In favour
Cllr B Williams	In favour

In favour of the recommendation = 17

Not in favour of the recommendation= 0

That it be noted that the following Councillors were not present at the time of the vote:

- Cllr R Dennis
- Cllr M Dayimani
- Cllr C Makasi
- Cllr C Matroos
- Cllr J Mayoni
- Cllr P Nkwalase

- Cllr P Oliphant
- Cllr M Peters

That it be noted that the following Councillors were not present in the meeting: -

- Cllr E Februarie
- Cllr A Mabukane
- Cllr V Vumazonke
- Cllr S Jujwana

Resolved (31 March 2021)

1. That the Council**, by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of Planning and Development, as reflected in **Annexure 'J',** with effect from 1 July 2021.

11.2 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

21/03/CORP1 ACTING POLICY: SECTION 57 MANAGERS

The Speaker stated that the policy had been workshopped.

Resolved (31 March 2021)

1. That the Acting Policy: Section 57 Managers be approved by Council.
2. That the Acting Policy: Section 57 Managers be published on the Kouga Website.

21/03/CORP2 CELL PHONE POLICY AND CELL PHONE ALLOWANCE SCHEME

Cllr Jantjes stated that the item had been previously approved by Council, but it had been workshopped and there was an amendment.

Resolved (31 March 2021)

1. That the Cell Phone Policy and Cell Phone Allowance Scheme be approved.
2. That the Cell Phone Policy and Cell Phone Allowance Scheme be published on the Kouga Website.
3. That the previous version be replaced with this version.

11.3 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

21/03/I&E1 APPLICATION FOR DONATION TO THE GAMTOOS IRRIGATION BOARD

Cllr Gertenbach introduced the item and stated that the donation was to fence an area and would be advantageous to both the Municipality and Irrigation Board.

Resolved (31 March 2021)

1. That the application for donation be approved in the amount of R300 000 VAT excluded (Three hundred thousand Rand) only.

2. That the Municipal Manager be authorized to enter into a written Memorandum of Agreement with Gamtoos Irrigation Board in respect of the donation so approved.

11.4 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

21/03/CS1 POLICY FOR VACANT PROPERTY MANAGEMENT, CLEANING AND CLEARING

Cllr Benson introduced the policy and stated that it had been workshopped. He proposed that "and all other available media" be added to the second recommendation.

Alderman Rheeder proposed an additional recommendation which indicated that a list of notices sent out and those who acted on the notices be tabled at each Portfolio Committee for Council to notice. Alderman Rheeder was seconded by Cllr Vorster.

Cllr Dhludhlu proposed that the call center number and the WhatsApp number be publicized in accordance with Cllr Benson's proposal.

The Speaker asked if Cllr Dhludhlu wanted the numbers added to the policy or advertised in general.

Cllr Dhludhlu stated that a generic communication to residents had to be advertised with the relevant contact numbers.

The Speaker agreed.

Cllr Vorster requested that the Link Application be included in the communication.

The Speaker stated that the WhatsApp number, Application link and relevant contact number had to be included.

He asked if anyone was against the recommendations as amended.

Cllr Benson stated that "all available media" and the contact numbers as proposed by Cllr Dhludhlu be added to the second recommendation.

The Speaker stated that he understood Cllr Dhludhlu' s request as a general request that would form part of the Municipality's communication to the public and as part of the recommendations.

Cllr Dhludhlu confirmed with a "thumbs up" that the Speaker was correct.

Resolved (31 March 2021)

1. That the Policy for Vacant Property Management, Cleaning and Clearing be approved.
2. That the Policy for Vacant Property Management, Cleaning and Clearing be published on the Kouga Website and all other media platforms available.
3. That a list of notices sent out and those who acted on the notices be tabled at each portfolio committee meeting.

Proposed: B Rheeder Seconded: L Vorster

11.5 **REPORTS BY THE CHAIRPERSON: PLANNING AND DEVELOPMENT**

21/03/PD1 TRANSFER OF RESIDENTIAL SITE: HISTORIC CONDITION OF SALE: ERF 1331 PELLSRUS: PIENAAR FAMILY

Alderman Rheeder stated that the item was a historical fault that was being rectified.

Resolved (31 March 2021)

1. That Council **grant approval** to the subdivision of a standard size residential erf from the remainder of erf 1331, Pellsrus and transfer such erf in favour of the Pienaar Family.

2. That Council grant approval for the closure of a public open space with regard to the subdivided erf contemplated in (a) and that transfer herein be dependent on the formal closure of the public open space.

3. That the Council be responsible for the cost associated with the closure of public open space and transfer of property.

21/03/PD2 REQUEST FOR LONG-TERM LEASE AGREEMENT: BETWEEN KOUGA MUNICIPALITY AND M&J ENTERPRISE: ERF 2094, HUMANSDORP

Cllr B Williams requested confirmation on whether the piece of land was not required for basic services as per section 14 of MFMA.

Acting Director: I&E confirmed that erf 2094 was not required for basic services.

Resolved (31 March 2021)

1. That Council rescinds the previous council resolution **and grant in-principle approval** for a long-term lease with M&J Enterprise in respect of erf 2094, Humansdorp.

2. That Council confirms that the land is not needed to **provide the minimum level of basic municipal services**.

3. That Council considers granting approval for beneficial occupation to M&J Enterprise that allow the lessee to occupy the property rent-free for a maximum period of 6 months.

4. That the Infrastructure and Engineering Department confirm the cost implication to get services to erf 2094.

5. That the Legal Section consider the inclusion of a clause for an option to renew in the long-term lease agreement.

6. That Council grant authorization to the Accounting Officer to enter into a long-term lease agreement with M&J Enterprise for a period not exceeding 9 years and 11 months.

21/03/PD3 APPLICATION TO PURCHASE A PORTION OF ERF 552 SEA VISTA (MR. M. JOHANSENS)

Alderman Rheeder introduced the item and requested that I&E confirm whether, the land is not necessary for future developments.

Cllr Williams requested confirmation that the erf was not required for basic services considering the background information included on page 506 which indicated that it was required for basic services.

Acting Director: I & E, stated that Erf 552 was not required for basic services. There was however a waterline that cut a small portion of the property, but it could be moved at the applicant's cost.

The Speaker requested confirmation on whether it was a portion of Erf 522 and not the full Erf.

Alderman Rheeder clarified that there was a map which indicated it was a portion.

Resolved (31 March 2021)

1. That Council rescinds the previous council resolution and grant in-principle approval to dispose a portion of erf 552, Sea Vista to Mr. Johansen.

2. That Council grant authorization to the Accounting Officer to advertise the immovable property herein.

3. That Council confirms that the land is not needed to provide the minimum level of basic municipal services.

4. That Council considers the market related valuation of the immovable property.

5. That the applicant be responsible and carry the cost for the closure of public open space and subdivision of erf 552.

6. That the newly created Erf be transferred only once the formal closure has been concluded, and the conveyance cost be carried by the applicant.

21/03/PD4 **LONG-TERM LEASE AGREEMENT: ERF 873, JEFFREYS BAY: JEFFREYS BAY GOLF CLUB**

Resolved (31 March 2021)

1. That Council grant approval to award a 9 (nine) year 11(eleven) month lease contract to Jeffreys Bay Golf Club for a right to use, control or manage the facility situated on a portion of Erf 873, Jeffreys Bay on behalf of Council.

2. That the following properties on Portion of Erf 873, Jeffreys Bay be leased to the Jeffreys Bay Golf Club at the stipulated monthly rental amount:

1) Golf Course	-	R3 740.00
2) Driving Range	-	R1 050.00
3) Squash Club	-	R 810.00
4) Tennis Club	-	R1 860.00
Total	**-**	**R7 460.00**

3. That the portion number of Erf 873, Jeffreys Bay to be leased, be stipulated in the contract.

4. That the Jeffreys Bay Golf Club be informed that they must apply for permission to sub-let the Tennis and Squash Clubs for the property owner, namely the Kouga Municipality.

12. **CLOSURE**

The Speaker thanked all present for their valuable input.

The meeting closed at 12:44.

_____ _____

H BORNMAN **DATE**
SPEAKER

MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON WEDNESDAY, 28 APRIL 2021 AT 08:05

PRESENT: Councillors	H Bornman	(Speaker)
	H Hendricks	(Executive Mayor)
	B Williams	
	F Campher	
	D Benson	
	B Rheeder	
	F Baxter	
	B Dhludhlu	
	L Vorster	
	R Jantjies	
	T Jantjes	
	W Gertenbach	
	C August	
	M Biko	
	M van Niekerk	
	W Coenraad	
	J Alexander	
	M Dayimani	
	M Peters	
	P Oliphant	
	P Nkwalase	
	C Matroos	
	R Dennis	
	J Mayoni	
	A Mabukane	
Officials & Municipal Manager		
	K Moodley	(Acting Municipal Manager)
	N Machelesi	(Director: Community Services)
	E Oosthuizen	(Acting Director: Infrastructure & Eng)
	R Lorgat	(CFO)
	D De Jager	(HR Manager & Acting: COO)
	M Basson	(Acting Media Liaison Officer)
	J Marais	(Manager Planning & Development)
	N Zode	(Acting Senior Committee Officer)
	M Julius	(Committee Clerk)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held using the zoom platform.

2. **OPENING AND WELCOME**

The Speaker welcomed those present and stated that the Director: Corporate Services was acting Municipal Manager for the meeting.

Cllr C August opened with a prayer.

3. **ABSENT WITH LEAVE**

Cllr E Februarie (sick leave)

4. **ABSENT WITHOUT LEAVE**

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Dayimani greeted those present and stated that there was a standing apology from Cllr Mabukane, but he still had to follow the rules of order to ensure that the Speaker was aware.

He stated that previously a monthly calendar was circulated with meeting dates to keep Councillors informed. He was concerned about the number of special council meetings called where procedural items were adopted. He asked the Speaker to consider holding contact meetings as alert level one was in effect.

The Speaker stated that Ordinary Council meeting dates had been approved by Council. He would request administration to circulate the information again.

Cllr Dennis requested that the return of contact meetings be considered.

The Speaker stated he would consider it going forward before notices were released but it was dependent on factors such as persons with co-morbidities.

Cllr August congratulated Jeffrey's Bay Primary School for participating in the Rugby competition, under 11 and under 13 categories, in Bloemfontein.

Cllr Benson on the return of contact meetings, stated that the Covid-19 pandemic was ongoing, and safety had to be considered.

6. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

None.

7. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

None.

8. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

9. **REPORTS BY THE EXECUTIVE MAYOR**

9.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

21/04/F16 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO MARCH 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2021(2020/21 FINANCIAL YEAR)

The Executive Mayor tabled the items for finance to Council which would be handled by Cllr B Williams.

Cllr Williams introduced the item. On the 93.85% debtor's collection rate, he thanked the CFO and Administration for maintaining a high collection rate whilst other Municipalities in the Province were down between 20-30% on collection rates. He thanked the residents of Kouga for their payments as well.

Capital Expenditure was low at 40% but there were meetings regularly with Cllr Gertenbach to monitor Operational Expenditure and Capital Expenditure. An increase in expenditure was expected for the final three months of the financial year.

On page 9, "other revenue" was at 5.8% expenditure. This was due to the outstanding R11 million for land sales. The funds had been transferred to attorneys and the money was held in a trust but would be transferred and recognised. There was R3 million in insurance claims that had to be properly accounted for as well. This would raise the "other revenue" category. He moved that the report be noted.

Cllr Dennis commended the collection rate and requested clarity on the rates that private towns, such as estates, paid and whether these rates were determined in the same manner as for the rest of the Municipal area.

The Speaker stated that the question was noted.

Cllr Gertenbach, on "expenditure by type" on page 9, stated that remuneration of Councillors was 93% and 85% for the previous month. It was said that this would be corrected but it had not been as the figure had to be at 66%. He questioned the trustworthiness of the figures provided.

Cllr Oliphant requested clarity on income generated through land sales in the report and further requested a detailed report on land sold which included the land's value. He enquired which processes and if the correct

processes had been followed during the sale of land and requested a detailed report on this as well.

On the mayoral vehicle reflected as an output, he questioned if it was appropriate for the Mayor to receive both a vehicle and a car allowance and whether it was a duplication of benefits.

Cllr Dayimani stated that he was concerned about the statement made by Cllr Gertenbach regarding the trustworthiness of figures. The MM and CFO had to respond and confirm that the figures were a true reflection of the Municipality's books. He then indicated that if figures were manipulated, it is a concern.

On employee costs, he stated that the costs increased whilst the settlement agreement of workers had not been addressed. This had to be noted.

He further stated that the Capital Expenditure which is indicated at 40.38%, was a great concern as expenditure had to be at 39% by December 31st. The Mayor was asked to ensure that expenditure was on the correct levels and can the Mayor confirm that the capital budget could be spent by the 31st of May? There had been assurance previously. He questioned the speed of supply chain management processes. Procurement Plans had previously been requested to ensure that the expenditure would occur. R11 million had been lost due to non-expenditure.

On key ratios and expenditure, he commended Community Services for its improvement on expenditure. He was however, concerned about other departments expenditure including I&E. He requested that the Municipal Manager respond on how the SDBIP would align with the budget to ensure expenditure, as this would be used as the basis for payment of the Director's performance bonuses. Was the SDBIP aligned with the current expenditure and would the deadlines for expenditure be met by the end of the financial year?

Cllr Dayimani requested further clarity on private town rates.

The CFO, on the remuneration of Councillors, stated that it was an isolated issue that the Budget and Treasury Office was aware of. The figure had to be at approximately 75% instead of 93%.
The journal would be corrected, and the Budget and Treasury office was liaising with Treasury as the issue was linked to the UKey linked to the mSCOA line item.

On the mayoral vehicle, he stated that there was no expenditure on the capital item, but it was budgeted at R700 000 for the Mayoral Office.

On accuracy of information, he stated that the information presented was an accurate and true reflection of journals. Certain journals were only passed in June due to required year end processes but other than that the information presented was a true reflection.

On employee costs increasing, he stated that the current ratio indicated 68% employee budget expenditure. It was currently the end of the third quarter, and it should have been at 75% therefore employee costs were being managed.

On private towns' rates, he stated that agreements were determined prior to his time, but there were agreements and concessions in place which Cllr Williams would provide more detail on.

Cllr Williams stated that private towns such as Eden Glen, the Links and Marina Martinique had a 20% discount on rates but were obliged to fulfil some Municipal functions such as the removal of waste. The special rating area in St Francis Bay Town paid an additional 25% on rates which was ringfenced and then directed to projects such as beautifying the town and erecting a taxi rank.

Cllr Dennis requested clarity on the high amount indicated for "other contracted services" mentioned on page 12. He requested further clarity on the R1.3 million spent on legal advice and litigation and asked if 25% of this amount was made up of the costs of the Mayor's court case regarding the opening of beaches.

Cllr Oliphant questioned if it was not an oversight to not include the rental of buildings under contracted services. On land sales, he requested further comment from the CFO as his question had not been addressed.

The CFO on the R782 000 spent under "contracted services: other", stated that the highest amounts were highlighted and reflected separately but small amounts making up the R1.9 million were consolidated. A breakdown of the items that made up the amount could be provided.

On legal advice and litigation, he indicated that he could not confirm the exact amount and percentage that the Mayor's case made up of the R1.3 million but the information could be gathered.

On land sales, he stated that he required more clarity on how far back the request went and what revenue was expected as the question was broad. All approvals had gone through Council with resolutions. Perhaps more clarity could be provided on the question.

The Speaker requested that feedback be provided on legal expenditure at the next Portfolio meeting as the Manager: Legal Services was not present. Feedback also had to be provided on contracted services and for land sales by the Planning and Development Directorate.

Cllr Dennis stated that he wanted to add an item for the CFO to address.

Cllr Rheeder raised a point of order and requested adherence to rule three as it was the third time Cllr Dennis had spoken.

The Speaker welcomed Cllr Dennis to submit his request in writing to the CFO and Cllr Williams. The report was noted.

Resolved (28 April 2021)

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. The Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

3. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

21/04/F17 **BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 31 MARCH 2021**

Cllr Williams introduced the item and proposed that the item be accepted.

Cllr Dennis on page 39 "transfer to investment accounts", questioned if the R107 million was inclusive of the R 80 million inherited.

Cllr Oliphant welcomed Cllr Dennis's question. On withdrawals, he requested clarity as there was a contradiction on page 43 as two withdrawals were reflected but zero withdrawals were indicated at the bottom of the page.

The CFO stated that he did not see the reference to withdrawals on page 43 and could not respond unless he knew exactly where it was referred to.

Cllr Oliphant stated that it was either on page 33 or 43 and requested that the CFO commit to following up on the matter.

The Speaker clarified that the entire item dealt with withdrawals and that there were no totals at the bottom of the page and perhaps the next line item had been mistaken as a total for the column.

Cllr Dennis stated that there was no response to his question. He had asked the question as there was constant reference made that a bankrupt Municipality had been inherited in 2016. Was the R80 million included in the investment account?

Cllr Williams clarified that approximately R37 million or R39 million was in the bank with debt of about R143 million, which had been subsequently repaid, and some of which had been used for creditors.

The Executive Mayor stated that irrespective of the cash in bank, the funds were raised through a loan which was a debt incurred by the previous regime. R80 million in the bank did not mean that it was not a liability. The Municipality was bankrupt in finance as the loan still had to be repaid but it was also bankrupt in ethics and service delivery.

Resolved (28 April 2021)

1. That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended *31 March 2021*; and

2. That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.

10. **CLOSURE**

The Speaker thanked all present for their valuable input.

The meeting closed at 08:45

_____ _____

H BORNMAN **DATE**
SPEAKER

MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

REPORTS BY THE KOUGA AUDIT COMMITTEE (KAC)

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

KOUGA AUDIT COMMITTEE

DATE: 28 MAY 2021 **ITEM NO: 21/05/KACC1**

MINUTES OF THE KOUGA AUDIT COMMITTEE

1. Introduction

The purpose of this item is to refer to Council the minutes of the Kouga Audit Committee.

2. Background

Council is advised that the Kouga Audit Committee had a meeting on 24 November 2020. Minutes of the respective meeting is attached for ease of reference.

3. Recommendation

3.1 That the minutes of the Kouga Audit Committee meeting held on 24 November 2020 be noted.

Item prepared by the Kouga Audit Committee Chairperson

pp.

MINUTES OF A VIRTUAL KOUGA AUDIT COMMITTEE MEETING HELD ON TUESDAY, 24 NOVEMBER 2020 AT 10:00.

PRESENT	Mr J. Blignaut	(Chairperson)
	Mr R. Coetzer	(Committee Member)
OFFICIALS	Mr C. du Plessis	(Municipal Manager)
	Mr R. Lorgat	(CFO)
	Ms K. Moodley	(Director: Corporate Services)
	Ms N. Machelesi	(Director: Community Services)
	Mr V. Felton	(Director: Infrastructure & Engineering)
	Mr F. Jamal	(Manager: Risk & Internal Audit)
	Mr I. Fakir	(Internal Auditor)
	Ms S. Mtyhobile	(Scribe)
COUNCILLORS	Cllr W. Gertenbach	
	Cllr F. Campher	

1. OPENING AND WELCOME

The Chairperson read the notice convening the meeting and welcomed everyone to the meeting.

2. APOLOGIES

Mr Y. Ngqele

3. CONFIRMATION OF PREVIOUS MINUTES

3.1 MINUTES OF THE MEETING HELD ON 26 OCTOBER 2020

That the minutes of the Kouga Audit Committee meeting held on 26 October 2020 be accepted with the following amendments:

That the date of the meeting on the minutes **21 September 2020** minutes to be recorded correctly.

That the "resolved to recommend" date under matters for discussion of **20/10/KAC1** also be rectified.

Resolved: (24 November 2020)

Proposed by: Mr J. Blignaut Seconded by: Mr R. Lorgat

4. MATTERS FOR DISCUSSION

4.1 20/11/KAC1 FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 SEPTEMBER 2020

The CFO clarified that the adjustment report was not included as it was not finalized at the time of completion of this report. He further

stated that the leading department was up to date with the creditors account.

The CFO further mentioned that the Revenue office was frequently closed due to the rising Covid-19 cases, which affects the revenue operational status.

Mr. Coetzer enquired whether the collection rate had any influence on the potential increase of bad debts.

The CFO confirmed that the bad debts were influenced by the collection rate, nonetheless the budget does take into consideration the effect of the under collection.

The Chairperson posed a concern that the financial status was standing on almost half the expenditure than it was during the previous year, and that this should be monitored by controlling the actual spending on salaries

Cllr Gertenbach noted that on the revenue side, the water and electricity were split into two columns, however on the expenditure side the bulk purchase has not been split. He requested clarity on that matter.

The CFO stated that he would request that the bulk purchase amounts on the expenditure side to be disclosed separately in future.

Resolved to recommend: (24 November 2020)

1. That the Section 71 and 52 Report be noted

20/11/KAC2 **INTERNAL AUDIT REPORT: PERFORMANCE MANAGEMENT SYSTEM REVIEW : KEY PERFORMANCE INDICATORS (KPI'S)**

The Chairperson noticed that there were minimal KPI`s that did not meet the criteria.

The Municipal Manager stated that there were too many Institutional targets that were difficult to verify, and therefore this has been reduced and reviewed for audit purposes. He stated that most issues had been resolved and that the performance contracts would be amended based on the availability of the budget.

Resolved to recommend: (24 November 2020)

1. That the Internal Audit Report be noted

20/11/KAC3 **INTERNAL AUDIT REPORT: OVERTIME POLICY REVIEW**

The Manager: Risk & Internal Audit briefly explained that the report was provided to assist in managing overtime more effectively.

The Director: Corporate Services added that the Overtime Policy had been workshopped and subsequently approved by Council, and that loopholes had been closed. The reviews and recommendations made by the Internal Audit Unit assisted in identifying the gaps.

The Manager: Risk & Internal Audit identified the recommendations to be implemented by each Department prior to approving overtime claims as follows:

- Should include VOTE number
- Before overtime is approved, budget must be available
- Clarity or motivation from the leading department needs to be accompanied stating why overtime is necessary for that specific task
- Motivation as to why that specific task cannot be performed during normal working hours

The Director: Corporate Services stated that there were two categories that were identified for Overtime, and each claim needs to be linked to one of them before an overtime claim can be issued.

The categories are:

- Pre-Approval of Overtime – Planned overtime or Maintenance issues
- Post Approval of Overtime – Unplanned emergencies

Resolved to recommend: (24 November 2020)

1. That the Internal Audit Report be noted

20/11/KAC4 **INTERNAL AUDIT REPORT: OVERTIME SUPPORTING DOCUMENTATION REVIEW**

The Internal Auditor stated that they have made recommendations on the use of overtime via the reviewed overtime claim form. He further explained that the interpretation of the control measures went through the two categories mentioned earlier, based on whether the overtime task is deemed an emergency or non-emergency. The recommendations on the findings were to tighten the control of overtime and the adoption of the reviewed overtime claim form.

The Chairperson questioned the direct line oversight role that should be played by the managers before an overtime claim can be approved.

The Manager: Risk & Internal Audit encouraged that management needed to account for the motivation provided before awarding overtime.

The Director: Corporate Services emphasised that evidence needed to be submitted for record purpose to authenticate the overtime worked in terms of applying due diligence.

Resolved to recommend: (24 November 2020)

1. That the Internal Audit Report be noted

2. That a follow up review be made within 6 months from the date that the revised overtime claims were implemented.

20/11/KAC5 **INTERNAL AUDIT REPORT: OVERTIME TREND ANALYSIS REVIEW**

The Internal Auditor stated that having the data analysed assisted managers for visibility of the number of staff who claimed overtime for a particular period.

The Chairperson stated that the testing analysis seemed to have been based on the top 50 overtime claims for 10 months, totalling to R5.3 million. On that note, he enquired why there has been no trend-comparison of the previous years and the current year.

The CFO explained that resourcing and employing more people to do the work, instead of factoring overtime is still not ideal as we should not be exceeding our budget but rather maintaining it based on the current wage bill.

Director: Infrastructure & Engineering raised a concern, that the National Treasury requirement was that 8% of the budget be allocated towards maintenance, however currently this stands at 2%. He acknowledged that adequate budget would assist in the lessening overtime issues, and in so doing, there would not be so many water breaks and leakages.

Director: Corporate Services advised that possibly the recourse would be considering extending the internal audit scope of the next financial year and instituting and implementing efficient control measures before resourcing with more staff.

Cllr Gertenbach stated that if the number of hours worked during overtime are still excessive then this may be an issue with the Labour Regulations if not monitored.

Director: Infrastructure & Engineering stated that the main staffing issues was with regards to the signing of the overtime claims as some general workers were illiterate. An agreement with them was then put in place to allow them to place a cross next to their names. Another challenge that was identified, was that some Area Engineers lacked project management skills. So, in closing this gap, him and Manager: Risk & Internal Audit have compiled a document that will deal with such operational challenges.

Director: Infrastructure & Engineering further advised that the trend analysis would be identifying the gaps and tighten up the

monitoring and control of overtime so as to eliminate abuse thereof. Once the work schedule has been implemented, and the gaps in the vacant positions has been filled, the overtime can be spread around, this too can be recourse in abolishing overtime abuse.

Resolved to recommend: (24 November 2020)

1. That the Internal Audit Report be noted

20/11/KAC6 **INTERNAL AUDIT REPORT: KOUGA IA PLAN FOR 2020/21 – 2022/23**

The Manager: Risk & Internal Audit briefly took the committee through the Internal Audit Plan of the outer years.

The Chairperson enquired why the hours in 2022/23 were a lot less than the current year.

The Manager: Risk & Internal Audit responded that the hours were reduced due to the fact that they were follow up hours.

The Chairperson requested for the available budget hours to be provided.

The Manager: Risk & Internal Audit stated that he currently did not have the figures and would submit at the next Kouga Audit Committee meeting.

Resolved to recommend: (24 November 2020)

1. That the Internal Audit Report be noted

2. That the planned Deviations be submitted to the next Kouga Audit Committee Meeting

3. That a report be submitted to the next Kouga Audit Committee, that explains the link between the Internal Audit Pan and the Municipal Risk Areas

20/11/KAC7 **AUDIT STRATEGY PRESENTATION 2019-20 FINANCIAL YEAR**

The CFO stated that the IT Audit had been completed and the findings had been issued.

The CFO further notified the Committee that a new working schedule plan was in place to assist in the frequent closure of offices due to the Covid-19 situation. This week the plan accommodates the Revenue and Debtors Department, and the following week will be the Creditors and Expenditure Department.

Resolved to recommend: (24 November 2020)

1. That the Audit Strategy Presentation be noted

20/11/PACC1 **KOUGA MUNICIPALITY: FIRST DRAFT: ANNUAL REPORT (2019/2020)**

The CFO stated that the financial information was not included in this report and will be added once the Annual Report has been completed.

The Municipal Manager applauded the quality of the report and said that it was an excellent reflection.

Resolved to recommend: (24 November 2020)

1. That the First Draft of the 2019/20 Annual Report be noted.

2. That it be noted that the First Draft of the 2019/20 Annual Report shall be submitted to the Municipal Public Accounts Committee for scrutiny and preparation of an Oversight Report.

3. That the First Draft of the 2019/20 Annual Report be reviewed and discussed further in the next Kouga Audit Committee meeting.

20/11/PACC2 **INSTITUTIONAL PERFORMANCE REPORT: DRAFT ANNUAL PERFORMANCE REPORT: INSTITUTIONAL SDBIP - IMPLEMENTATION SCORECARD: 2019/20 YEAR**

The Municipal Manager briefly discussed the report, reflecting on the past year's performance, and emphasising that Covid-19 had a drastic financial implication on the Municipality's Institutional Performance. This resulted in him having to make radical decisions which meant reducing some expenditure and delaying some capital projects.

Resolved to recommend: (24 November 2020)

1. That the content of the Draft Annual Performance Report on the implementation of the 2019/20 Service Delivery and Budget Implementation Plan be noted.

5. **DATE OF NEXT MEETINGS**

25 March 2021 at 10:00

6. **CLOSURE**

The Chairperson thanked all present for their input and declared the meeting closed.

The meeting adjourned at 11:40

pp.

20 May 2021

MR. J. BLIGNAUT
CHAIRPERSON

DATE

REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO: 21/05/MM1**

COUNCIL RESOLUTIONS FOR 26 FEBRUARY 2021, 31 MARCH 2021 AND 28 APRIL 2021

1. Introduction

The purpose of this item is to provide a report back on progress of Council Resolutions.

2. Background

The Action Sheets reflect outstanding Council resolutions for all Directorates.

3. Recommendation

3.1 That the updated Action Sheets reflecting resolutions of the Ordinary Council meeting for 26 February 2021 be noted.

3.2 That the updated Action Sheets reflecting resolutions of the Special Council meeting for 31 March 2021 be noted.

3.3 That the updated Action Sheets reflecting resolutions of the Special Council meeting for 28 April 2021 be noted.

3.4 That it be noted that the Action Sheets are referred to Top Management meetings for discussion and progress reports are to be submitted to their respective Portfolio Committee meetings.

Item prepared by: The Director: Corporate Services

Item endorsed by: The Chief Financial Officer

Item endorsed by: The Acting Director: Infrastructure & Engineering

Item endorsed by: The Director: Community Services

Item endorsed by: The Director: Planning, Development & Tourism

Noted by the Portfolio Chairperson

OFFICE OF THE MUNICIPAL MANAGER - ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
30-Jul-19	19/07/MM4	RESCISSION OF A COUNCIL RESOLUTION – 17/8/F23 OF A COUNCIL MEETING HELD ON 31 AUGUST 2017	That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.	Due to budget contraints the service provider could not be appointed - sufficient provision has been made on the adjustment budget and the process will now commence.	Planning & Development	
			That a long-term lease agreement for the remainder of Erf 873, Jeffreys Bay, be considered after the subdivision, rezoning and public participation processes have been finalised.	LAC made an award for the lease of the Jeffreys Bay Golf Klub to the Jeffreys Bay Golf Klub. A proposed contract was forwarded to the Golfklub for their input and signature. Item for final approval to serve at the next Special Council meeting.	Planning & Development	
12-Dec-19	19/12/MM6	PURCHASE OF PORTION 77: FARM KLAARFONTEIN: THORNHILL	The Municipal Manager be empowered to: (a)Re-negotiate with Tony Ward Family Trust for the purchasing of portion 77 of 449 Klaarfontein. (b)Re-negotiate the selling price of portion 77 of 449 Klaarfontein which is not to be more the R130 000 and to be in line with the value as determined by DDP Valuers. (c)Initiate and authorise all procedures including legal and land surveyor requirements that may be required to ensure the finalisation of the entire process to secure the land on which the elevated water tower is currently situated.	Offer to purchase has been signed. The Conveyancer attending to the transfer has been appointed. Transfer in progress.	Manager: Legal Services	

30-Jan-20	**20/01/MM1**	**COUNCIL RESOLUTIONS FOR 12 DECEMBER 2019**	That the management/custodianship initiatives of all Kouga Sports fields in respective Wards be considered with public participation process to be followed **(refer to item 19/10/CS13 – Custodianship: Kruisfontein Sports Field).**	Draft Agreement submitted to Manager Parks & Community Amenities in December 2019.	Director: Community Services	
			That the relevant Directorate submit a status report on the development proposal on portion of erf 499: Humansdorp **(19/12/PD6)** be submitted to the next Council meeting.	Council subsequently approved the development of the Biomass Harvesting and Processing on Erf 499 - 20/07/CS7	Director: PD&T and Director: Community Services	
26-Feb-21	**21/02/MM9**	**APPROVAL OF TERMS OF REFERENCE FOR THE KOUGA MUNICIPALITY FINANCIAL MISCONDUCT DISCIPLINARY BOARD**	That reporting procedures for persons to report allegations of financial misconduct and financial offences on a confidential basis, be established.	The review of the current whisteblowing policy is under discussion, which review will incorporate the reporting procedure.	Manager: Legal Services	
			That the reporting procedures be made public in accordance with Section 21(1)(a) and (b) of the Municipal Systems Act.	The review of the current whisteblowing policy is under discussion, which review will incorporate the reporting procedure.	Manager: Legal Services	
	21/02/MM10	**PRIVATE PROJECT FUNDING AGREEMENT PROPOSAL: IDIS CONSULTING & DEVELOPMENT**	That Council authorises the Accounting Officer to engage IDIS (International Diverse Innovation Solutions (PTY) LTD) and report back to Council.	A subsequent meeting were held with IDIS representatives where identified concerns were raised.	Municipal Manager	
			That Council authorises the Accounting Officer to embark on a full vetting process into (International Diverse Innovation Solutions (PTY) LTD) as well as the funding model proposed, which process will include discussions with National Treasury.	Small committees have been established tasked with duties for actioning.	Municipal Manager	

31-Mar-21	21/03/MM1	KOUGA MUNICIPALITY: 2nd DRAFT ANNUAL REPORT (2019/2020)	That the Municipal Manager be authorized to update the 2nd Draft 2019/20 Annual Report with the report by the Auditor General on the 2019/20 audit and by the insertion of the Audit Corrective Action Plan prior to the submission thereof to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs.	The AG Report was received 31 March 2021 and the Annual Report was updated accordingly.		
			That the Municipal Manager submit copies of the minutes of the meeting of Council where the 2nd Draft of the 2019/20 Annual Report was noted, to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs as required in terms of the provisions of Section 127(5)(b) of the Local Government Municipal Finance Act, 56 of 2003.	Copies of the Annual Report was submitted by Mail to the AG, COGTA and National Treasury and was also uploaded ot the Municipal Web Site		
			That the Municipal Manager, in terms of the provisions of Sections 127(5)(a)(ii) and (ii) make public the 2nd Draft 2019/20 Annual Report and invite representations from the local community on the Draft Annual Report.	Public comments have been invited and the closing date for submissions has been set at 6 May 2021		
			That the 2nd Draft 2019/20 Annual Report be published on the Kouga Website.	The Annual Report was published on the Municipal Web Site		
			That the Municipal Public Accounts Committee conduct the required oversight on the 2nd Draft 2019/20 Annual Report and submit an Oversight Report to Council as required in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003.	First submission of the Annual Report after adoption by Council was done, MPAC in process of completing oversight report		
	21/03/MM2	REVIEW OF THE DRAFT IDP FOR 2021/22	That the Draft 2021/22 IDP of the 2017/22 Integrated Development Plan be accepted in terms of the provisions of Chapter 5, Section 25 of the Local Government Municipal Systems Act, 32 of 2000.	Completed		Completed
			That the Draft IDP 2021/22 document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council in terms of Chapter 5, Section 32(1)(a) of the Municipal Systems Act, Act 32 of 2000.	Completed		Completed
			That the Draft 2021/22 IDP be made public on the municipal website within 10 days of acceptance by the Council in terms of Chapter 4, Section (17)(2)(b) of the Municipal Systems Act, Act 32 of 2000.	Completed		Completed
			That the public be invited to submit inputs and comments on the Draft IDP for 2021/22 in terms of Chapter 5, Section 21(1)(a)(b)(C) of the Municipal Systems Act, Act 32 of 2000.	Completed		Completed
	21/03/MM3	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2019/20 FINANCIAL YEAR: AMENDMENT OF SDBIP TARGETS FOLLOWNG THE MID-YEAR PERFORMANCE ASSESSMENT	That the Municipal Manager affects the required changes to the performance plans to ensure that the performance plans are aligned to the SDBIP targets for the 2019/20 year.	Performance Plans completed and Adendum to the Performance Plans was submitted to the Office of the MM and Directors were requested to sign the Addendum.		

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
26-Feb-21	21/02/CORP5	OHS RISK ASSESSMENT	That all outstanding High-Risk areas be prioritized for immediate remedial action.	User depts are attending to risks.		
31-Mar-21	21/03/CORP1	ACTING POLICY: SECTION 57 MANAGERS	That the Acting Policy: Section 57 Managers be published on the Kouga Website.			
	21/03/CORP2	CELL PHONE POLICY AND CELL PHONE ALLOWANCE SCHEME	That the Cell Phone Policy and Cell Phone Allowance Scheme be published on the Kouga Website.			
			That the previous version be replaced with this version.			

INFRASTRUCTURE & ENGINEERING: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
28-Aug-20	20/08/I&E3	DAY TO DAY OPERATIONS OF THE FLEET SECTION DURING THE PERIOD OF MAY 2020 AND JUNE 2020	That the refurbishment & procurement of all municipal new and hired vehicles be done through fleet section.			
	20/08/I&E6	REPORT ON THE NEGOTIATIONS FOR THE PURCHASE OF ERF 9951 (PORTION 147 A PORTION OF PORTION 63 OF THE FARM KLEIN ZEEKOEI RIVIER NO 335): JEFFREYS BAY	That Erf 9951, Jeffreys Bay be purchased at the purchase price of R360 000.00 plus VAT	Deed of Sale signed and Conveyancers appointed, transfer lodged at deeds office for registration of transfer.	Municipal Manager Manager: Legal Services	
26-Feb-21	21/02/I&E5	KOUGA MUNICIPALITY ELECTRICITY: RENEWABLE ENERGY GENRATION APPLICATION TO THE MINISTER OF MINERAL & ENERGY RESOURCES	That the request to the Minister of Minerals & Energy to grant Kouga Municipality permission, to procure its own Renewable energy plant through a request for proposals on the needs for the organisation be approved.	Appointed a consultant	Manager Electrical	
			That the process of the letter being drafted be accepted.			
31-Mar-21	21/03/I&E1	APPLICATION FOR DONATION TO THE GAMTOOS IRRIGATION BOARD	That the Municipal Manager be authorised to enter into a written Memorandum of Agreement with Gamtoos Irrigation Board in respect of the donation so approved.			

COMMUNITY SERVICES: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
29-Aug-19	**19/08/CS13**	**APPLICATION FOR THE MANAGEMENT OF THE ASTON BAY COMMUNITY HALL BY THE ASTON BAY RATEPAYERS ASSOCIATION**	That the granting of control and management of Aston Bay Community Hall to the Aston Bay Ratepayers Association be supported in principle.	A meeting with the Aston Bay Rate payers took place on 08 October 2020 for the MOU discussions. New demands came from the meeting which require legal inputs. Follow up meeting to take place in April 2021.	Director: Community Services Legal Services	
30-Oct-19	**19/10/CS13**	**CUSTODIANSHIP: KRUISFONTEIN SPORTS FIELD**	That Council grants custodianship to the Kruisfontein United Rugby Club, an Eastern Cape Premier League competitor club, for the Kruisfontein Sports Field as a pilot project for a period of 9 years and 11 months.	The process of custodianship initiative was put on hold because a Sports Council must first be established and whilst investigation/research was being conducted with sector departments, that process was not finalized due to COVID-19 Regulations. Public participation will be conducted in conjunction with the Public Participation section.	Director: Community Services Public Participation	
			That a Service Level Agreement be drawn up between the Municipality and the Kruisfontein United Rugby Club, to clarify the roles and responsibilities, including the conditions on which such custodianship is granted	The process was not finalized due to COVID-19 Regulations.	Director: Community Services Manager: Legal Services	
			That the custodianship initiative be communicated to Ward 4, 5 and 15 residents through a Public Participation Process.	The process was not finalized due to COVID-19 Regulations.	Director: Community Services Public Participation	
			That it be noted that a legally recognised Sporting Body is to be established in Kouga and that the Kruisfontein United Rugby Club be affiliated to such controlling Body.	The process was not finalized due to COVID-19 Regulations.	Director: Community Services Public Participation, SPU	
	20/05/CS12	**FIRE RISK AND ENVIRONMENTAL NUISANCE REDUCTION - PLOT AND BUSH CLEARING**	That it be noted Aston Bay and Paradise plot clearing is scheduled for phase 2 and that a list of plots in both areas has been compiled but the programme has been put on hold due to the lockdown.	Plot clearing started and 10 plots were cleared and branches removed in Dolphin drive.	Director: Community Services	

11-Dec-20	20/12/CS6	PROGRESS REPORT ON KOUGA COMMUNITY GARDENS OF HOPE	That the Committee note the report on Kouga Community Gardens of Hope.	Ongoing, final report to be submitted in quarter 4	Dir Community Services	
			That the old municipal nursery in Panorama be re-established as a seed bank to sustain the food gardens.	In discussion with Planning department to assist with land.	Dir Community Services	
	20/12/CS21	CAPE ST FRANCIS BAY DUNE ENCROACHMENT	That the report on Cape St Francis dune encroachment, be noted.	The matter will be discussed with DEDEAT during the follow-up meeting.	Dir Community Services	
			That Council consider making funds available during the adjustment budget in February 2021 for the development of the Dune Management Plan.	Meeting held with Attoney Labuschagne and Advocate Swanepoel onsite and decision was taken to start with the Cape St Francis Dune Management as it is already a legal issue. Quotes have been requested from 5 Environmental Consulting Companies in order to prioritiese the Management Plan. Planned site meeting with the Consutant, KLM, I & E, Planning departmrnt and Community Services on 10 May 2021.	Dir Community Services	
31-Mar-21	21/03/CS1	POLICY FOR VACANT PROPERTY MANAGEMENT, CLEANING AND CLEARING	That the Policy For Vacant Property Management, Cleaning and Clearing be approved.	Completed	Dir. Community Services	
			That the Policy for Vacant Property Management, Cleaning and Clearing be published on the Kouga Website and all other media platforms available.	Advert been finalised	Dir. Community Services	
			That a list of notices sent out and those who acted on the notices be tabled at each portfolio committee meeting.	Noted	Dir. Community Services	

PLANNING & DEVELOPMENT: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
30-May-19	19/05/PD6	PUBLIC WORKS PROPERTIES TO BE TRANSFERRED TO KOUGA MUNICIPALITTY	That Council accepts the following erven from Public Works and that they are added to the asset register of Kouga Municipality: Farm 448 portion 15 — Uitenhage RD Pellsrus: 677; 678; 733; 751 ; 753; 794;812 826; 854; 862 Humansdorp: 1 968 Thornhill: 221 ; 237 333; 334; 342;362;376;751v; 762; 763; 775; 776; 777; 778; 779; 780; 781 ; 782; 783; 784; 785; 788; 789; 790; 791 ; 792; 805; 845; 846; 849; 850; 852; 855; 857; 859; 860; 861 ; 862; 863; 865; 866; 868; 870; 874; 875; 883; 884; 885; 886; 887; 888; 889; 891; 892; 894; 895; 897; 898; 896	Signed deed of donation was forwarded to the Dept Public Works. The Department of Public Works indicated that it still needed to be signed by their Head Office.	Manager: Legal Services	In progress
			That Kouga Human Settlement Department proceed with the transfers of these erven to the owners of the properties as soon as registration to Kouga has been completed	In progress. Awaiting Transfer of properties to be completed.	Dir. PDT	In progress
30-Oct-19	19/10/PD3	SELLING OF 98 HIGH WATER TABLE HUMAN SETTLEMENT ERVEN – KRUISFONTEIN	That the people currently occupying erven be given first option to buy the Erf that they are occupying.	The Legal Section is busy preparing an addendum that will provide residents who opt to purchase to do so through part payments over a specific period.	Manager: Legal Services	in progress
			That all proceeds from the sale of the 98 high water table erven be ringfenced for projects namely the upgrading of gravel roads to paved roads	When the sale is complete, this action will be implemented	CFO/ Dir: PDT	in progress
	19/10/PDT5	TEMPORARY APPROVAL TO DERMACATE A SECTION OF PORTION 125 OF THE FARM ESTATE KLEIN ZEEKOEI RIVER NO.335 FOR NUTRITIONAL COMMUNITY VEGETABLE GARDEN IN PARTNERSHIP WITH VICTORY 4 ALL KING'S COLLEGE and JEFFERY'S BAY WINDFARM	That Council grants approval to demarcate a portion of land (1ha) on portion 125 of the Farm Estate Klein Zeekoei River No. 335: Ocean View for the purpose of a Nutritional vegetable garden as per proposal from King's College.	Developer informed to submit land use application. Agreement will be signed after approval of land use application. The Applicant is in contravention of the MOU signed. Process to revoke the agreement will be undertaken.	Dir: PDT	in progress
			That it be noted that this is not a permanent approval and does not rescind any previous Council Resolutions taken on this land parcel including Council resolutions (**13/07/IPD** and **19/02/PDT**).	Departure process in progress. Applicant met with Technical Services and Planning departments regarding town planning application process. The Applicant has not met the condition.	Dir: PDT	in progress
			That a Land Use Application be submitted to Town Planning Department for Temporary Departure of a period not exceeding 5 years.	Incomplete application has been received and we requested applicant to update the application according checklist.Until now the applicant did not do it and numerous reminders were sent to him.	Dir: PDT	not completed
	19/10/PDT	LAND SWOP OF HANKEY ERVEN 668,680,681&682 OWNED BY W&M KLEYN BOERDERY (PTY)LTD FOR PORTION OF Erf 17, HANKEY OWNED BY THE KOUGA MUNICIPALITY	That Council approve the land swap between W&M Boerdery (PTY) Ltd and Kouga Municipality: Erf 668 Hankey South: 851m² Business 1 Erf 680 Hankey South:914 m² Residential 1 Erf 681 Hankey South:960 m² Residential 1 Erf 682 Hankey South:897 m² Residential 1 TOTAL3622 m² FOR Portion of Erf 17 Hankey as indicated on the attached map	During the finalisaton of a swop agreement a dispute arised which Land & Properties and Legal Services are currently attending to, W&M Klein Boerdery indicated that the extent in the swop agreement is smaller then the size that was requested in their initial application. There was no specified extent in the application received by the Municipality.	Manager: Legal Services & Director: Planning & Development	not completed
			That Kouga Municipality carries the cost of the transfers of the 4 erven to be registered to Kouga Local Municipality.	In progress	Manger: Legal Services	In progress

30-Jan-20	**20/01/PD1**	**COUNCIL'S FINAL APPROVAL FOR DISPOSAL AND ALIENATION OF MUNICIPAL ERVEN (Erf 2078, 2079, 2081, 2082, 3296 AND 3297 HUMANSDORP) – INDUSTRIAL 1**	That the amount of R11,4m derived from the sale of land as well as the allocation / spending thereof, be captured and addressed in the Adjustments Budget.	Further progress in regard to this disposal are directly linked to the closure of public roads abuttings the affected erven herein. The notice for the closure of public roads was advertised in the local newspaper on 1 April 2021 for a period of 30 days.	DIR: Planning & Development / CFO	In progress
29-May-20	**20/05/PD2**	**REPORT ON THE PROGRESS AND STATUS OF THE SOCIAL HOUSING PARTNETSHIP FOR THE DEVELOPMENT OF A SOCIAL AND (FLISP) HOUSING PROJECT ON Erf 335, JEFFERYS BAY**	That Development Contribution or Augmentation fees be waivered for the Social housing project.	The resolution will be implemented upon submission of Building plans for the development. No building plans submitted yet.	Dir: PDT/ CFO/MM/ I&E	In progress.
			That the plans scrutiny and approval fees be dealt with on the same basis as BNG/RDP housing projects.	The resolution will be implemented upon submission of Building plans for the development.	Dir: PDT / Manager P&D	In progress
			That charges be levied for all appropriate utility charges.		Dir: PDT / CFO	In progress
	20/05/PD3	**DONATION AND TRANSFER OF KOUGA MUNICIPAL PROPERTIES FROM KOUGA MUNICIPALITY TO PUBLIC WORKS**	That Erf 560 be rezoned in terms of SPLUMA from Residential 1 to Institutional in accordance to existing land use.	The investigation report and s14 confirmation in progress. Item submitted to Council		In progress In progress
			That the request for the donation and transfer of Erf 347, Patensie be held in abeyance pending further investigations on future needs for Municipal Services and applicable closure of POS process.	S14 confirmed. Closure of POS process underway	Dir: PDT/ Mager: LPA/ Manager: P&D	In progress
	20/05/PDT5	**APPROVAL FOR THE COMMENCEMENT TO ESTABLISH "AESTHETICS AND HERITAGE BUILDING COMMITTEE" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA**	That Aesthetic Committees be established in all Wards, if required, to maintain uniform architecture design for specific areas be included in the Terms of Reference.	Draft "by-law" with legal section to finalised all legal requiremnts	Dir: PDT / Manager P&D/ Manager: Legal Services	In progress
	20/06/PD4	**DEVELOPMENT PROPOSAL: PRECINCT PLAN FOR Erf 8783: OCEAN VIEW, JEFFREYS BAY**	That the precinct plan and development proposal of Erf 8783 Ocean be subject to public participation.	The meeting to be held as soon as restrictions on gatherings is lifted .	Dir: PDT	In progress
			That the registration of Erf 8783, Ocean View to Kouga Municipality be continued and concluded.	The budget for subdivision included in the next FY budget proposals.Service provider in process of being appointed to attend to the registration.	Manager: Legal Services	In progress
			That a land surveyor be appointed to finalize the subdivision of Erf 8783 on final approval of the precinct plan.	Awaiting the public participation process to be concluded.	Dir: PDT	In progress
28-Aug-20	**20/08/PD1**	**MONTHLY PROGRESS REPORT ON HUMAN SETTLEMENTS GRANT FUNDED PIPELINE PROJECTS**	That a comprehensive report by DoHS in respect of the official handover process followed as well as verification of rightful owners of the 391 houses be submitted to the September 2020 Planning & Development Portfolio Committee meeting	Report was tabled at PC held in Nov 2020.	Dir: PDT/ Manager: Human Settlements	completed

11-Dec-20	20/12/PD5	APPROVAL OF GRANT FUNDING FOR THE UPGRADING OF INFORMAL SETTLEMENTS	That a report on the joint planning between Infrastructure and Human Settlements serve at the next Portfolio Committee.	An item will be prepared for discussion at next PC meeting	Dir: PDT/ Manager: Human Settlements	In progress
	20/12/PD8	APPROVAL FOR THE COMMENCEMENT TO DRAFT "AESTHETICAL AND HERITAGE BUILDING BY-LAW" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT	That the Department: Planning & Development facilitate the process to address the "Objectors Objections" by convening a virtual meeting with the objectors as well as other Interested and affected parties.	Draft completed.Legal to check it .Published document for comments in March .		in progress
			That a date and venue be determined as to when such meeting will take place for a virtual hearing and that it be published in the local newspaper and on the website.			
			That all the objectors be notified timeously of the date and venue for the virtual hearing.			
	20/12/PD9	APPLICATION FOR ENTRANCE AND ACCESS ROAD SERVITUDE: Erf 300 PATENSIE, RIKUS DU PREEZ FAMILIETRUST: (Erf 409, PATENSIE)	That in addition to Council resolution 19/4/PD4, Council grants approval to subdivide a portion of Erf 300 to create entrance and right of way (access road servitude) to gain access to Erf 409, Patensie.	Three quotations was received from Land Surveying companies, procurement of service underway	Director: PDT/ Acting Manager: LPA	In progress
			That a land surveyor be appointed to attend and conclude the surveying processes and registration of the right of way (access road servitude) in favour of Erf 409, Patensie in the Office of the Surveyor General.	In progress.	Director: PDT/ Acting Manager: LPA	In progress
28-Jan-20	21/01/PD1	COUNCIL IN-PRINCIPLE APPROVAL & AUTHORIZATION FOR PUBLIC PARTICIPATION PROCESS ON UNSOLICITED BID: LONG TERM (30 YEAR) LEASE OF Erf 353, HUMANSDORP (OLD CARAVAN PARK) TO AFRI-CORP INTERNATIONAL PROPERTIES	That Council authorizes the Accounting Officer to advertise the intended long-term lease to Afri-Corp International Developers, allowing for public to make comments, raise objections or submit counter bids within a period of 30 days from date of advertising.	The public participation period closed, only inputs and comments were received, no formal objections against the intended long-term lease, namely from the Provincial Treasury and Kouga Construction Forum.	Director:PDT/ Manager L&P/ Manager: Legal Service	In progress
26-Feb-21	21/02/PD2	PROGRESS REPORT: ALIENATION OF 98 WET ERVEN: KRUISFONTEIN	That authorization be granted to the Accounting Officer to appoint transferring conveyances and conclude Offer to Purchase agreements as the Grantor on behalf of the Municipality.	A total of 38 OTP signed by applicants. Legal Section is in the process of preparing an addendum that will provide residents who opt to purchase to do so through part payments over a specific period.	Director: PDT/ Acting Manager: LPA	In progress
			That it be noted that all monies generated from the proceedings of the sold erven be ringfenced for infrastructure projects.			
	21/02/PD10	APPROVAL AND ADOPTION OF THE KOUGA INTEGRATED LAND USE SCHEME IN TERMS OF S (24) OF THE SPATIAL PLANNING AND LAND USEMANAGEMENT ACT, 2013	That the Integrated Land Use Scheme (ILUS) be published on the Municipal Website, Kouga Express, as well as Provincial Gazette.	ILUS published on Website. Will be gazzetted this month in Provincial Gazzette	PD	Completed
	21/02/PD11	REVIEW OF THE 2015 KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK: ADOPTION	That the next review of the approved Spatial Development Framework be in line with the Municipal Systems Act, Act 32 of 2000.	Noted.	PD	Completed
	21/02/PD12	LAND SWAP: A PORTION OF Erf 6650 IN FAVOUR OF Erf 6649, JEFFREYS BAY: MR. S. STANLEY	That Council grant authorization to advertise the intended swap of the immovable property herein.	Notice for public participation was placed in the local newspaper on 1 April 2021 for a period of 30 days.	Director: PDT/ Acting Manager: LPA	In progress
			That a 2.0m building line being observed along the western lateral boundary for possible future services.	Will be considered in swap agreement.		In progress
			That a 2.0m building line being observed along the eastern lateral boundary for access to the existing watermain passing through the Erf.	Will be considered in swap agreement.	Director: PDT/ Acting Manager: LPA	In progress
			That the sub-division and consolidation processes of the land be concluded.	In process of obtaining quotations.		
	21/02/PD13	DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP	That the alienation be subject to the outcome of application for formal closure of Long Street, portion of Bloubok Street, Bokmakierie Street and portion of Heron Street.	The applicant is responsible for application for road closure. Alienation can only be concluded once formal closure of roads is finalised.	Applicant	In progress
			That Council authorizes the Accounting Officer to advertise Council's intention to alienate the immovable property listed in 1. above to the applicant herein.	Notice for public participation was placed in the local newspaper on 1 April 2021 for a period of 30 days.	Director: PDT/ Acting Manager: LPA	In progress
			That the 100mm diameter water pipeline which transverses Erf 2078 and Bloubok Street be rerouted along Felix Street.	Will be considered in sale agreement.		In progress
			That a 6.0m servitude be observed along Bloubok Street to accommodate the 315mm diameter water pipeline in favor of Kouga Municipality	Will be considered in sale agreement.	Director: PDT/ Acting Manager: LPA	In progress
			That the overhead electrical line that transverses Erf 2079 and along Bloubok Street be relocated to Erf 1 that is to the north-boundary of Erf 2079	Will be considered in sale agreement.		In progress
			That the applicant be responsible for the cost associated with the closure of public roads and transfer of property.	Applicant responsible for road closure.	Applicant	In progress
	21/02/PD14	ESTABLISHMENT OF AN AUTISM CENTRE - APPLICATION FOR RIGHT TO USE/MANAGE MUNICIPAL LAND: Erf 5812 JEFFREYS BAY	That the approval of the right to use, control, manage the be subject to the said property being closed as a public place and rezoned to an appropriate zoning.	Rezoning shall commence once the formal closure of public open space has been concluded.	Dir: PDT/ Manager L&P/Manager: P&D	In progress
			That Council authorizes the accounting officer to enter into a long-term consent use lease of Erf 5812, Jeffreys Bay to Centre of Grace Foundation as a Non-Profit Organization to establish an Autism Centre.		Manager: Legal Services	In progress

31-Mar-21	21/03/PD1	TRANSFER OF RESIDENTIAL SITE: HISTORIC CONDITION OF SALE: ERF 1331 PELLSRUS: PIENAAR FAMILY	That Council grant approval to the subdivision a of a standard size residential erf from the remainder of erf 1331, Pellsrus and transfer such erf in favour of the Pienaar Family.	In process to appoint Land Surveyor	Director: PDT/ Acting Manager: LPA	In progress
			That Council grant approval for the closure of a public open space with regard to the subdivided erf contemplated in (a) and that transfer herein be dependent on the formal closure of the public open space.			
			That the Council be responsible for the cost associated with the closure of public open space and transfer of property.	In process of obtaining quotations.	Director: PDT / Acting Manager L&P	In progress
	21/03/PD2	REQUEST FOR LONG-TERM LEASE AGREEMENT: BETWEEN KOUGA MUNICIPALITY AND M&J ENTERPRISE: ERF 2094, HUMANSDORP	That Council rescinds the previous council resolution and grant in-principle approval for a long-term lease with M&J Enterprise in respect of erf 2094, Humansdorp.	In progress	Director: PDT / Acting Manager L&P	In progress
			That Council confirms that the land is not needed to **provide the minimum level of basic municipal services.**	The investigation report and s14 confirmation in progress.	Director: PDT / Acting Manager L&P	In progress
			That Council consider granting approval for beneficial occupation to M&J Enterprise that allow the lessee to occupy the property rent-free for a maximum period of 6 months.	Will be considered in lease agreement.	Director: PDT / Acting Manager L&P	In progress
			That the Infrastructure and Engineering Department confirm the cost implication to get services to erf 2094.	I&E is in the process to cofirm the cost implication to get services to erf 2094.	Director: PDT / Acting Manager L&P	In progress
			That the Legal Section consider the inclusion of a clause for an option to renew in the long-term lease agreement.	Will be considered in lease agreement.	Director: PDT / Acting Manager L&P	In progress
			That Council grant authorization to the Accounting Officer to enter into a long-term lease agreement with M&J Enterprise for a period not exceeding 9 years and 11 months.	A draft lease agreement was prepared by Legal Section	Director: PDT / Acting Manager L&P	In progress
	21/03/PD3	Application to Purchase a Portion of Erf 552 Sea Vista (Mr. M. Johansens)	That Council rescinds the previous council resolution and grant in-principle approval to dispose a portion of erf 552, Sea Vista to Mr. Johansen.	In progress	Director: PDT / Acting Manager L&P	In progress
			That Council grant authorization to the Accounting Officer to advertise the immovable property herein.	Notice for public participation will be placed in the local newspaper on 28 April 2021 for a period of 30 days.	Director: PDT / Acting Manager L&P	In progress
			That Council confirms that the land is not needed to provide the minimum level of basic municipal services.	The investigation report and s14 confirmation in progress.	Director: PDT / Acting Manager L&P	In progress
			That Council considers the market related valuation of the immovable property.	A market related valuation certificate was obtained	Director: PDT / Acting Manager L&P	In progress
			That the applicant be responsible and carry the cost for the closure of public open space and subdivision of erf 552.	Will be considered in sale agreement.	Director: PDT / Acting Manager L&P	In progress
			That the newly created erf be transferred only once the formal closure has been concluded, and the conveyance cost be carried by the applicant.	Will be considered in sale agreement.	Director: PDT / Acting Manager L&P	In progress
	21/03/PD4	LONG-TERM LEASE AGREEMENT: ERF 873, JEFFREYS BAY: JEFFREYS BAY GOLF CLUB	That Council grant approval to award a 9 (nine) year 11(eleven) month lease contract to Jeffreys Bay Golf Club for a right to use, control or manage the facility situated on a portion of Erf 873, Jeffreys Bay on behalf of Council.	Draft lease agreement was prepared by Legal Section and was sent to the applicant for input and consideration.	Manager: Legal Services	In progress
			That the following properties on Portion of Erf 873, Jeffreys Bay be leased to the Jeffreys Bay Golf Club at the stipulated monthly rental amount: 1) Golf Course - R3 740.00 2) Driving Range - R1 050.00 3) Squash Club - R 810.00 4) Tennis Club - R1 860.00 Total - R7 460.00	Will be considered in lease agreement.	Director: PDT / Acting Manager L&P	In progress
			That the portion number of Erf 873, Jeffreys Bay to be leased, be stipulated in the contract.	Will be considered in lease agreement.	Director: PDT / Acting Manager L&P	In progress
			That the Jeffreys Bay Golf Club be informed that they must apply for permission to sub-let the Tennis and Squash Clubs for the property owner, namely the Kouga Municipality.	In progress	Director: PDT / Acting Manager L&P	In progress

LOCAL ECONOMIC DEVELOPMENT & TOURISM: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
26-Feb-21	**21/02/LED&T3**	**GRANT IN AID APPLICATIONS FOR 2020/2021 FINANCIAL YEAR**	That Council approves the grant-in aid allocations approved by Council as follows: Humansdorp Museum Association: R 100 000.00 – Ukey No: 20200711024677 ST Francis Bay Animal Rescue: R 80 000.00 – U-key No: 20200711023699 NSRI: 261 000.00 – U-key No: 20200711024679	The approved allocations are in process of disburseent upon finalisation of SLA.	LED / Community Services/ Legal Services	SLA's signed between Council and Beneficiaries. Funds disbursed as per Council Resolution

FINANCE - ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
29-Oct-20	20/10/F7	REPORT ON THE IMPLEMENTATION OF THE INSTITUTIONAL PROCUREMENT PLAN	That the Chairperson, CFO and Speaker engage with Top Management to review the timing of submission of the specifications, to Bid Specification Committee and submit the amended Procurement Plan to the next Finance Portfolio Committee Meeting.	Amended Procurement Plan forwarded to Chairperson and Speaker for comments and will be included in the next Finance Portfolio Committee Meeting.	CFO	
26-Feb-21	21/02/F5	WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE	That future reports indicate the area well as the Ward for the Equitable Share-write-offs.	A report of this nature will need to be written within the Financial System. These requirements are being assessed.	CFO	
	21/02/F17	BUDGET & TREASURY: VIREMENTS REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020	That the respective Directorates arrange a meeting with their Portfolio Councillor to engage on the virements requested by the Department.	Meetings will be held as and when Virements are prepared	All Directors	
	21/02/F19	SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020	That all Item Representatives submitting items to the Bid Committee Meetings be included on all future reports.	Included in the SCM Quarterly Reports	CFO	
	21/02/F21	RE: LIST OF OBSOLETE EQUIPMENT (ASSETS) THAT WERE IDENTIFIED FOR AUCTION	That the condemned/redundant equipment be disposed of in terms of the Supply Chain Management Policy.	Auction was held on 20 April 2021	CFO	
			That the list of condemned/redundant equipment be removed from the Fixed Asset Register.	Items written down to R1, removed from the Fixed Asset Register	CFO	
			That a date for the intended public auction be determined in accordance with the required SCM procedures.	Auction was held on 20 April 2021	CFO	
			That the Disposal of Obsolete Equipment (Assets) Policy be reviewed at the next Policy Workshop	Policy will be reviewed	CFO	

31-Mar-21			That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2021/22 – 2023/24 Draft Annual Budget, as set out in the following tables: a)Consolidated Budget Summary [Table A1] b)Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] c)Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] d)Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4] e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]	Consultation process concluded and inputs considered in Final Budget Report	CFO	
			That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables: a.Budgeted Financial Position; [Table A6] b.Budgeted Cash Flows; [Table A7] c.Cash backed reserves and accumulated surplus reconciliation; [Table A8] d.Asset management; [Table A9] e.Basic service delivery measurement. [Table A10]	Consultation process concluded and inputs considered in Final Budget Report	CFO	
	21/03/F1	**Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2021/22 to 2023/24 Financial Years**	That the tariffs be increased as follows, with effect from 1 July 2021: Property rates 5.25% Water 7.1% Sanitation 6.5% Refuse 6.5% Electricity (average increase in electricity income) 14.59% Environmental Management Fee 0% a) Indicative tariffs for 2022/23 and 2023/24 will be increased as follows: **2022/23** **2023/24** Property rates 5.25% 5.25% Water 7.1% 7.1% Sanitation 6.5% 6.5% Refuse 6.5% 6.5% Electricity (average increase in electricity income) 6.25% 6.25% Environmental Management Fee 0% 0%	Consultation process concluded and inputs considered in Final Budget Report	CFO	
			That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce non-technical electricity losses.	Implementation Strategy being developed	Acting Director: I&E	
			That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce water losses.	Implementation Strategy being developed	Acting Director: I&E	
			That the Director: Community Services reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to collect outstanding traffic fines.	Implementation Strategy being developed	Director: Community Services	

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<td>That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and by resolution taken by majority of its full number, levies the following rates in the Rand for the period 1 July 2021 to 30 June 2022, in respect of the various categories of properties as set out below:

<table>
<tr><th>CATEGORY</th><th>PROPOSED TARIFFS FOR 2021/22
CENT/RAND</th></tr>
<tr><td>Residential</td><td>0.009202</td></tr>
<tr><td>Industrial / Mining</td><td>0.009570</td></tr>
<tr><td>Business / Commercial</td><td>0.009570</td></tr>
<tr><td>Farms-Agricultural</td><td>0.002301</td></tr>
<tr><td>Farms-Other Business/Wind Farms and Other Industrial Purposes</td><td>0.009570</td></tr>
<tr><td>Farms-Residential</td><td>0.009202</td></tr>
<tr><td>Farms-Private Towns</td><td>0.009202</td></tr>
<tr><td>Smallholding-Agricultural</td><td>0.002301</td></tr>
<tr><td>State Owned</td><td>0.009202</td></tr>
<tr><td>Municipal</td><td>0.009202</td></tr>
<tr><td>Special Rating Area</td><td>0.002301</td></tr>
<tr><td>Private Towns</td><td>0.009202</td></tr>
<tr><td>Private Towns (Exempt)</td><td>0.009202</td></tr>
<tr><td>Formal and Informal Settlements</td><td>0.009202</td></tr>
<tr><td>Communal Land</td><td>0.009202</td></tr>
<tr><td>State Trust Land</td><td>0.009202</td></tr>
<tr><td>Restitution and Redistribution Properties</td><td>0.009202</td></tr>
<tr><td>Protected Areas</td><td>0.009202</td></tr>
<tr><td>National Monuments/Heritage Sites</td><td>0.009202</td></tr>
<tr><td>Public Benefit Organisation</td><td>0.009202</td></tr>
<tr><td>Multiple Purposes</td><td>0.009202</td></tr>
<tr><td>Public Service Infrastructure (P.S.I.)</td><td>0.009202</td></tr>
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<td>Consultation process concluded and inputs considered in Final Tariff Report</td>
<td>CFO</td>
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<td>21/03/F2</td>
<td>ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2021/22 FINANCIAL YEAR</td>
<td>That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and by resolution taken by majority of its full number, grants the following rebates for the period 1 July 2021 to 30 June 2022, in respect of the following categories and owners of properties as set out below:

<table>
<tr><th></th><th>Rebates for 2021/22</th></tr>
<tr><td>R15 000 on Residential Properties</td><td>R15 000</td></tr>
<tr><td>National Monuments/Heritage Sites</td><td>-100%</td></tr>
<tr><td>Provisions of Land Act</td><td>- 100%</td></tr>
<tr><td>Communal Property Association</td><td>-100%</td></tr>
<tr><td>Protected Areas</td><td>-100%</td></tr>
<tr><td>Welfare/Churches/Public Benefit Organisation</td><td>-100%</td></tr>
<tr><td>Municipal Properties</td><td>-100%</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Rebates:</td><td></td></tr>
<tr><td>Private Towns:</td><td>-20%</td></tr>
<tr><td>- Kromme River (Suburb 70010)</td><td></td></tr>
<tr><td>- Air Park (Suburb 10001)</td><td></td></tr>
<tr><td>- Gamtoos Mouth (Suburb 90003)</td><td></td></tr>
<tr><td>- Edenglen (Suburb 40004)</td><td></td></tr>
<tr><td>- St Francis Bay Links (Suburb 70009)</td><td></td></tr>
<tr><td>- Marina Martinique (Suburb 40013)</td><td></td></tr>
<tr><td>- Lifestyle Estate (Suburb 40034)</td><td></td></tr>
<tr><td>- Sea View Resort (Suburb 40011)</td><td></td></tr>
<tr><td>R 85 000 on Informal and Formal Settlements</td><td>R85 000</td></tr>
<tr><td>R 85 000 for Owners who qualify for Equitable Share</td><td>R85 000</td></tr>
<tr><td>R 85 000 for Rate Payer 60 years and older with a household income not more than R15000.00</td><td>R85 000</td></tr>
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<td>Consultation process concluded and inputs considered in Final Tariff Report</td>
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<td>That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and by resolution taken by majority of its full number, grants the following rebates for the period 1 July 2021 to 30 June 2022, in respect of the following categories and owners of properties as set out below:

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<tr><td>Protected Areas</td><td>-100%</td></tr>
<tr><td>Welfare/Churches/Public Benefit Organisations</td><td>-100%</td></tr>
<tr><td>Municipal Properties</td><td>-100%</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Rebates:</td><td></td></tr>
<tr><td>Private Towns:</td><td>-20%</td></tr>
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<tr><td>- Air Park (Suburb 10001)</td><td></td></tr>
<tr><td>- Gamtoos Mouth (Suburb 90003)</td><td></td></tr>
<tr><td>- Edenglen (Suburb 40004)</td><td></td></tr>
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	21/03/F3	**REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR: SPORTS AND RECREATION**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F4	**REVISION OF FEES AND CHARGES FOR 2021/22 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges as reflected in **Annexure 'B'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F5	**REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: FIRE FIGHTING SERVICES**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government : Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Fire Fighting Services as reflected in **Annexure 'C'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F6	**REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2021/22 FINANCIAL YEAR**	That the Council, by resolution taken by majority of its full number and in terms of Section 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 approves the fees and charges for the hiring of Municipal Facilities, as reflected in **Annexure 'D',** with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F7	**COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed tariffs, fees and charges for the Community Services Directorate, reflected as reflected in **Annexure 'E',** with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F8	**PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2021/22 FINANCIAL YEAR**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the tariffs, fees and charges in respect of Water and Sanitation Services under the control of the Municipality's Infrastructure & Engineering Directorate as reflected in **Annexure 'F'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
			That the sewerage tariffs be reinvestigated before the final budget.	Tariff meeting held and tariffs discussed. Detailed assessment of tariffs to be undertaken to develop more suitable tariff structure.	CFO	
	21/03/F10	**FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2021/22 FINANCIAL YEAR**	That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges in respect of electrical services, as reflected in **Annexure 'H'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F11	**FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR**	That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed fees and charges for the Finance Directorate as reflected in **Annexure 'I'**, with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	
	21/03/F12	**REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2021/22 FINANCIAL YEAR**	That the Council**, by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of Planning and Development, as reflected in **Annexure 'J',** with effect from 1 July 2021.	Consultation process concluded and inputs considered in Final Tariff Report	CFO	

28-Apr-21	21/04/F16	**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO MARCH 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2021(2020/21 FINANCIAL YEAR)**	That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.	Submitted to Provincial Treasury	CFO	
	21/04/F17	**BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 31 MARCH 2021**	That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.	Submitted to Provincial Treasury and Auditor-General	CFO	

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO: 21/05/MM5**

REPORT ON THE PROGRESS OF THE WARD DEVELOPMENT FUND AS AT 31 MARCH 2021:

1. Introduction

The purpose of the report is to inform Council of the priorities identified by Ward Councilors and the status of the Ward Development Fund.

2. Background

An amount of R100 000 (Operating Budget R50 000 & Capital Budget R50 000) was allocated to each Ward Councilor for Ward Development. Ward Councilors were advised to establish priorities for their wards in terms of the Ward Development Policy.

A Roll over R100 000 was allocated to the Capital Budget for the current Financial Year. (It estimates to R6 666 for each of the 15 Wards in KLM.)

3. Discussion

The table below indicates the priorities which have been chosen by each Ward Councilor and that has been approved by The Speaker for the 2020/2021 Financial Year:

NO	WARD	COUNCILLOR	PRIORITIES LISTED:
1	Ward 1	Cllr. Mayoni	1. 2 x Playparks Installations 2. Wendy House for Oyster Bay Soup Kitchen 3. Fencing of 2 x Playparks in Ward 1 4. Cleaning of Storm Water Channels 5. Poles and lights for Oyster Bay Sport Field 6. Renovations at Kokkewiet Play School (New project)
2	Ward 2	Cllr. Dennis	1. 1 x Playpark installation 2. Flood lights at Area 220 3. Clean Up Project – Garden Tools 4. 5 x Storage Bins 5. PPE for Rugby Club
3	Ward 3	Cllr. Gertenbach	1. 1 x Playpark Installation 2. Speedbumps 3. Curbing and Drains
4	Ward 4	Cllr. Campher	1. 3 x Playpark installations 2. Speedbumps

			3. Fencing (Slabs) at Kruisfontein Sport Complex 4. Wall Fans - Schools
5	Ward 5	Cllr. Coenraad	1. 1 x Playpark and Installation 2. Fencing for existing Playpark (at the back of Protea Club) 3. Spray light at Civic 4. Speedbumps (Julius Str., Kettledas Str., Booyce Str.) 5. Brick Slabs – Field Kruisfontein Sport Complex 6. 2 x Wheelchairs (Donation) 7. Alarm System at Protea Club Old Age Home 8. Play School Equipment for 3 x pre-schools. 9. Painting of Roclas, (Cnr. Cupido Street and Point)
6	Ward 6	Cllr. Vumazonke	1. Paving of cemetery - from the old to the new cemetery (driveway) - 500m 2. New Playpark and Installation 3. Speedbumps in Nanto Street 4. Class Room Renovations at School 5. Cricket Equipment 6. Golf Shirts
7	Ward 7	Cllr. Februarie	1. 3 x Playpark Installations 2. PPE, hand sanitiser and Paper Donation to Loerieville Primary 3. LED Solar Lights
8	Ward 8	Cllr. Vorster	1. Renovate/Upgrade poles and Street names in Ward 8 (+-200) 2. 12 x Wheelchair (Donation to Old Age Home) 3. 1 x Wide Base Wheel Chair
9	Ward 9	Cllr. Jujwana	1. 2 x Playpark Installations 2. 2 x Rugby Stands for Phillipsville Sport Ground 3. Building of 6 toilets for RDP Houses 4. Renovations of Phillipsville Crèche/ Pre-school 5. Ethiopian Church Zinc
10	Ward 10	Cllr. Mabukane	1. Chest Freezer – Holding Hands NGO 2. 3 x Pots – Holding Hands NGO 3. 1 x Playpark installation 4. Kids Tables and Chairs – Noxolo and Kabouter Hess and Free Crèches 5. Alphabetic Puzzle Mats for Noxolo and Kabouter Crèche 6. 5 x Wheelchair Donation
11	Ward 11	Cllr. Bornman	1. 1x Playpark Installation 2. Solar PTZ Camera System (C-place) 3. LED Lights 4. Renovations and lights at Verbena Walkway 5. Neighbourhood Watch Winter Jackets (x 11)
12	Ward 12	Cllr. Rheeder	1. Stand-pipes for Lower Kwanomzamo

			2. Street names on new curbstones St Francis Bay - street names specified 3. Street names on new curbstones Cape St Francis Bay - Street names as specified 4. Camera System upgrade – Paradise Beach 5. High Mast lights and more street lights – Lower Kwanomzamo
13	Ward 13	Cllr. Peters	1. Taxi Rank Shelter Weston 2. 1 x Playpark installation - Rosedale 3. Paving in Tshume Street 4. Media Projector/Screen – Chigwell Primary School 5. School Wear Donations (2 x Schools) 6. Speedbumps in Rosendale – Tshume Str. & Weston Hoza Str.
14	Ward 14	Cllr Mandeka	1. New Playpark installation - Opposite Kings College 2. 10 x spotlights/flood lights 3. CCTV Cameras in and around Aston Bay 4. 6 x Speedbumps in Griffiths Mxenge Street 5. Soccer Equipment(Balls, Reflectors, cones etc.) 6. 3 x Wheel Chairs
15	Ward 15	Cllr Hendriks	1. 3 x New Playpark Installations 2. 3 x Portable Aircons for St Patrick's School 3. Spotlight at the Golf Course and 5 x Street lights for Boskloof area 4. 1000 x Masks and Sanitisers for St Patrick Schools 5. Speedhumps x 5 (1 x Ons Tuiste, 2 x Hobson Street and 2 x Victory School)

The attached table shows the progress with expenditure of the funds (in progress and completed):

Councillor	Priority	Description	Notes	Ops Allowance 2020/21	Caps Allowance 2020/21	Capital Rolled over 2019/2020	Total Capital Allowance	Total Allowance 2020/2021	Amount Capital Spent 2020/2021	Amount Operational Spent 2020/2021	Available Ops 2020/21	Available Caps 2020/21	Total Amount Spent 2020/2021
Cllr Mayoni	1	2 x Playparks Installations	Req 119305 Cancelled - Done										
	2	Wendy House - Oyster Bay Soup Kitchen	Req 119706/Order 210082							R28 000,00			
	3	Fencing for existed Playpark Oyster Bay and Sea Vista	Tender awarded - not enough funding										
	4	Storm Water Channels	Req 119737							R18 500,00			
	5	Five Light poles - Oyster Bay Sport Field	Req 119709						R28 500,00				
	6	Renovations Kokkewiet											
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R28 500,00	R46 500,00	R3 500,00	R28 166,00	R75 000,00
Cllr Dennis	1	1 x Playpark Installation	Req 119306							R9 000,00			
		Priorities discussed and listed at Ward Committee Meeting	Received the Minutes of Meeting										
	2	Flood lights for 220 Area	Req 119779						R29 600,00				
	3	Garden Tools - Ward 2 Clean up project	Quotes requested										
	4	Other priorities for approval		R50 000,00	R50 000,00	R6 666,00	56 666,00	R106 666,00	R29 600,00	R9 000,00	R41 000,00	R27 066,00	R38 600,00
Cllr Gertenbach	1	1 x Playpark Installation	Playpark installed							R9 850,00			
	2	Curbing and Drains - Requested area	Frank / Eddie										
	3	Speedhumps	Speedbumps - I&E										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R0,00	R9 850,00	R40 150,00	R56 666,00	R9 850,00
Cllr Campher	1	2 x Playpark Insallations	Req 119308							R9 560,00			
	2	Speedhumps	Speedbumps - I&E										
	3	Steel pavillion/Stands at Kruisfontein Grounds	Waiting for quotes										
	4	Street Names	Eddie to assist - I&E project										
	5	Wall fans - Kruisfontein	Request quote										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R0,00	R9 560,00	R40 440,00	R56 666,00	R9 560,00
Cllr Coenraad	1	1 x Playpark Installation	Req 119310							R9 660,00			
	2	Fencing for existed Playpark at Protea Club	Tender awarded - not enough funding										
	3	Spray Lights at Civic	Waiting for order number						R11 840,00				
	4	Speedhumps - Julies Street, Kettledas Street and Booyce Street	Eddie Oosthuizen busy with the process										
	6	Painting of Rocklas Vaaldam Cnr of Cupido and Point Street	Quotes requested										
	7	Alarm System - Old age Home	Tender awarded						R14 125,78				
	8	2 x Wheel Chairs	REQ 119743/Order received/Delivered							R6 198,00			
	8	Play School equipment Kiddies Tables	Delivered										
	9	Play School equipment Kiddies Tables (x5)	Requested quote							R2 000,00			
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R25 965,78	R17 858,00	R32 142,00	R30 700,22	R43 823,78

Councillor	Priority	Description	Notes	Ops Allowance 2020/21	Caps Allowance 2020/21	Capital Rolled over 2019/2020	Total Capital Allowance	Total Allowance 2020/2021	Amount Capital Spent 2020/2021	Amount Operational Spent 2020/2021	Available Ops 2020/21	Available Caps 2020/21	Total Amount Spent 2020/2021
	1	1 x Playpark Installation	REQ 119311							R9 750,00			
	2	Speedhumps - Nanto Street	Speedhumps I&E										
	3	Paving on the route to Cemetery	Tender - not enough funds										
Cllr Vumazonke	4	Class Floor Renovations	Req 11987 / Order 211459							R17 388,54			
	5	Golf Shirts	Tender - Request Quote										
	6	Cricket Equipment	Req 11986 / Order 211458							R17 194,00			
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R0,00	R44 332,54	R5 667,46	R56 666,00	R44 332,54
	1	3 x Playpark Installations	Req 119320+ Req 119776							R30 000,00			
	2	Building of 2 x Playparks with extras at Loerie Hall											
Cllr Februarie	3	PPE for Loerieheuwel	Req 119774 waiting for quotes for masks and fogger										
	4	LED Flood lights	Requested Quotes										
	3	Fencing Community Hall Loerie	Tender awarded - Not enough funding										
	4			R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R0,00	R30 000,00	R20 000,00	R56 666,00	R30 000,00
	1	Steet names as specified (Poles and Boards +-200)	Eddie Oosthuizen (I&E) to assist										
	2	Speedhumps Wavecrest	Speedbumps - I&E										
Cllr Vorster	3	Wheel Chair donations	119705/Order 210088							R13 800,00			
	4	Wide Base Wheel chair	Requested Quotes										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R28405.00	R13 800,00	R36 200,00	R118808.00	R50 000.00
Cllr Jujwana	1	2 x Playpark Installations	Req 119314 &119315							R21 750,00			
	2	2 x Rugby Stands for Phillipsville Sport Ground/Spotlights on sport ground	Req 119301							R28 500,00			
	3	Ethopian Church Zinc	Not enough funding										
	4	Building of 6 toilets - RDP houses	Req 119302						R28 550,00				
	5	Phillipvale Creche Renovatations	Req 119730						R28 200,00				
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R56 750,00	R50 250,00	-R250,00	-R84,00	R107 000,00
	1	Chest Freezer - Holding Hands NGO	Req 119748 / Delivered							R4 598,85			
	2	3 x 5L Pots Holding Hands	Req 119772 (Waiting for order)							R4 500,00			
	3	2 x Alphabetic Puzzle Mats for Noxolo Creche and Kbouter Hess and Free creche	Req 119775 / Delivered							R920,00			
	4	1 x Playpark Installation	Req 119316							R8 000,00			
Cllr Mabukane	5	20 x Plastic tables for Noxolo Creche and Kabouter Hess and Free Creche	Req 119775 / Delivered							R7 200,00			
		60 Buzz Kids 004 Chairs for Noxolo Creche and Kabouter Hess and Free Creche	Req 119775 / Delivered							R5 640,00			
	6	5 x Wheelchairs	Req 119743/ Delivered							R15 495,00			
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R0,00	R46 353,85	R3 646,15	R56 666,00	R46 353,85

Councillor	Priority	Description	Notes	Ops Allowance 2020/21	Caps Allowance 2020/21	Capital Rolled over 2019/2020	Total Capital Allowance	Total Allowance 2020/2021	Amount Capital Spent 2020/2021	Amount Operational Spent 2020/2021	Available Ops 2020/21	Available Caps 2020/21	Total Amount Spent 2020/2021
Cllr Bornman	1	Playpark Installation	Waiting for Quote							R10 000,00			
		Streetlights & High Mass light	Req 119740 / Delivered						R9 000,00				
	2	Solar PTZ Camera (C-Place)	Tender										
	3	Verbena Walkway Renovations and lights	Finalised						R3 448,56				
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R12 448,56	R10 000,00	R40 000,00	R44 217,44	R22 448,56
Cllr Rheeder	1	Stand-Pipes for Lower KwaNomzamo	Request Quotes										
	2	St Francis Bay Street Names Signs (Curb stone) type R25 000	Eddie Oosthuizen to assist										
	3	Cape St Francis Street Names Signs (Curb Stone) Type R25000	Eddie Oosthuizen to assist										
	4	High Mast Ligh and More Street Lights for Lower Kwanomzamo	Request Quotes										
	5	Extend existing Camera System in Paradysstrand	Req 119704 / Finalised						R29 235,00				
	6	Installation of Camera System in Paradysstrand	Req 119703 / Finalised							R23 651,90			
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R29 235,00	R23 651,90	R26 348,10	R27 431,00	R52 886,90
Cllr Peters	1	1 x Playpark Installation	Req 119322							R11 800,00			
	2	Taxi Rank Shelter Weston	Req 119708/Order 210083						R24 900,00				
	3	Media Projector and Screen - Chigwell Primary School	Req119711							R12 900,00			
	4	Speedhumps - Tshume Street and Weston Hoza Street x 4	Speedbumps - I&E										
	5	Paving Tshume Street	Email Cllr Peters 9/12/20 - not enough funding on Capital										
	6	Renovations of Weston Creche - Waiting for more detail of renovations	Finalised - Wind farms										
	7	Soccer balls x 10	Requested quotations for SMME's and suppliers										
	8	School wear - Chigwell and Gamtoos	Request quotations from SMME's and suppliers										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R24 900,00	R24 700,00	R25 300,00	R31 766,00	R49 600,00
Cllr Makasi	1	1 x Playpark Installation	Req 199318							R6 800,00			
	2	10 x Spotlights/Flood Lights	Req 119731 waiting for delivery						R18 673,13				
	3	CCTV Camera System and Installation in and around Aston Bay	Aston Bay Neighbour Watch - Cllr Mandeka to discuss this with committee first										
	4	6 x Speed Humps in Griffiths Mxenge Street	Speedbumps - I&E										
	5	Supplying of Ocean View Stars Soccer/sport equipment(Balls, Corners,	Requested quotations for SMME's and suppliers										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R18 673,13	R6 800,00	R43 200,00	R37 992,87	R25 473,13
Mayor Hendricks	1	3 x Playpark Installation	Installation of 2 parks completed							R17 865,00			
	2	3 x Aircon's for St Patrick Schools	Req 119747/Delivered							R24 146,55			
	3	New Playpark - Golf Course											
	4	Spotlight at Golf Course & Boskloof	Order 210085 / Delivered						R9 487,50				
	5	Masks and Sanitizers for Schools and Creches in Ward 15	Req 119752							R3 900,00			
	6	Speedhums 1 x Ons Tuiste, 2 x Hobson Street, 2 x Victory School	Speedbumps - I&E										
				R50 000,00	R50 000,00	R6 666,00	R56 666,00	R106 666,00	R9 487,50	R45 911,55	R4 088,45	R47 178,50	R55 399,05

Total % Expenditure on the WDF as at 31 March 2021:

- Capital Expenditure 28%
- Operating Expenditure 53%

4. Outstanding Priorities and issues regarding expenditure:

4.1 Below is a summary of priorities which either have not been delivered or an order number has not been processed yet. The execution/non execution of these items could positively or negatively affect the total amount spent on page 3 and 4:

- The Capital expenditure of 28% is still low for this Financial year due to the challenges of completing the Capital Projects especially the processes to follow for the approval of the Speedhumps.
- Awaiting quotations from Local and CSD registered suppliers.
- Tax Compliance (tax matters) of SMME's.
- Waiting for Suppliers/Service Providers to supply/render services due to insufficient funds/cash flow problems.
- Delay in Tender information and with the procurement process at SCM.
- Technical Services to assist us with the installation process of the Street names poles and boards.
- The influence on Service Delivery due to Strike at KLM.

Other:

- There are still funding left for Capital and Operating Expenditure for most Wards.
- Additional projects for both Operating and Capital can be identified to improve the Wards through the WDF.
- A Tender is in process for LED flood lights. (Estimated at R200 000 for Capital projects)

5. Recommendation:

5.1 All unspent Capital funding from the Ward Development Fund to be redirected towards emergency drought funding.

5.2 Capital Funding for the 2021/2022 Financial year will be availed for Camera Systems in all 15 Wards.

Item prepared by: **Ward Development Fund Officer – C van Niekerk**

Approved by: **Manager: Office- Executive Mayor / Speaker**

Submitted by: **Acting COO**

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO: 21/05/MM6**

PUBLIC PARTICIPATION REPORT: THIRD QUARTER 2020/2021

1. Purpose:

   The purpose of this report is to facilitate the institutionalization of public participation in order to deepen democracy, empower citizens and make the Municipality more responsive to the needs and aspirations of the local community.

2. Ward Committee Meetings:

   Ward Committee meetings for March 2021 as per the table below:

WARD	COUNCILLOR	PUBLIC PARTICIPATION OFFICER	WARD COMMITTEE MEETINGS
			MARCH
1	Cllr Mayoni	Bessil Jafta	NO MEETING *
2	Cllr Dennis	Eric Blaauw	YES
3	Cllr Gertenbach	Eric Blaauw	YES
4	Cllr Campher	Bessil Jafta	YES
5	Cllr Coenraad	Bessil Jafta	YES
6	Cllr Vumazonke	Bessil Jafta	YES
7	Cllr Februarie	Fumanikile Lloyd	YES
8	Cllr Vorster	Bessil Jafta	YES
9	Cllr Jujwana	Fumanikile Lloyd	YES
10	Cllr Mabukane	Fumanekile LLoyd	YES
11	Cllr Bornman	Fumanekile LLoyd	YES
12	Cllr Rheeder	Bessil Jafta	NO MEETING*
13	Cllr Peters	Fumanikile Lloyd	YES
14	Cllr Mandeka	Eric Blaauw	YES
15	Cllr Hendricks	Bessil Jafta	YES

** Scheduled meetings canceled due to workers strike*

3. Public Feedback Meetings:

   The Municipal Systems Act, section 16(b), requires a municipality to contribute to building the capacity of the local community to participate in the affairs of the local municipality. Section 17(2) requires a municipality to establish appropriate mechanisms, processes, and procedures to enable the local community to participate effectively in the affairs of the municipality. The municipality must provide for, i.e.:

3.1 IDP Live-Streaming (KLM)

The municipality resolved to have 18 contact meetings with communities from 06-29 April 2021 on the reviewing of IDP- and Budget 2017-2022 priorities.
All dates were publicised in the local newspaper and the PPU arranged all logistics hereto, however this was reconsidered due to COVID-19 Resurgence and will now be streamed on virtual social media platforms *(i.e. You Tube and FACEBOOK)* on 12-15 April. The PPU in conjunction with the Media/Communication Units will facilitate this event ensuring that communities of KLM have access during live-streaming and that public comments received during these sessions are addressed by the presenters.

3.2 IDP Review: Sarah Baartman District Municipality

The SDBM IDP review and stakeholder engagement within local municipalities preparations have started and KLM through the Office of the Executive Mayor / Speaker will host SBDM on 13 April 2021. Senior Management & 20 IDP stakeholders will be invited to engage with the delegation to give input into the priorities for Kouga.

3.3 Traditional Council

The PPU through the Office of the Speaker and Directorate Planning, Economic Development & Tourism participated in the Khoi & San Traditional Council meeting. The purpose was to give inputs into public participation on municipal ward committees, notices, common usage of municipal land and various other aspects. Continuous participatory initiatives and developmental processes will be facilitated to ensure that all public bodies/organizations are included in KLM operations within the ambit of Council's mandate. The PED department will facilitate a stakeholder workshop on 01 April 2021 on land usage within KLM and the public participation processes hereto explained to all.

3.4 Provincial Sector Departments

3.4.1 COGTA

The provincial COGTA department visited KLM PPU during March 2021 under the theme "Revitalising Public Participation" and to assess the functionality of the KLM's participatory governance model. Unfortunately, this did not start of well as COGTA circulated a meeting request a day before the actual meeting, however the PPU made this happen and had fruitful engagement with the department. Future engagements will be scheduled on a quarterly basis and all operational staff from the department (CDWs) will form part of KLM structures. An assessment reporting tool will be provided for completion and submission quarterly.

3.4.2 Women's Caucus – Public Participation Week

The PPU will through the Office of the Speaker facilitate the EC Legislature public participation week from 06-09 April 2021 within SDBM and Women's Caucus activities in KLM.

4. <u>Ward Service Delivery Efficiency</u>:

The Municipality provides technical assistance to service delivery complaints / enquiries through an automated *LINK App* System administered by the in-house Call Centre. Members of the public can report any incidents with the respective Ward Councillor's office either telephonically or in person.

4.1. Communication Strategy

a) Service Delivery Interruptions

Numerous service delivery interruptions are reported, and timeous communications are circulated to all KLM communities. Unfortunately, most recent infrastructure damages causing multiple interruptions have escalated and does not possible to immediately being communicated. The Corporate Services Directorate *(Call Centre / Communications Units)* had follow up work sessions with OVVIO and is currently in process of setting up job card system to help broaden and speed up public alerts *(SMS / WhatsApp / Google Alerts)* when services are interrupted.
Further engagement meetings with OVVIO and subsequent roll-out to other Directorates are scheduled for April 2021.

b) Loud hailing and Communication

The Public Participation Unit continuously interacts with communities in respect of awareness campaigns and statutory meetings. The unit provides ongoing support to all KLM departments in respect of service delivery through Loudhailing within communities. The unit is currently making use of a single vehicle that is not conducive for the various terrains that must be accessed within the different communities, but a budget has been approved for a new purposeful LDV that will greatly assist hereto.

5. Challenges

- Request for loudhailing from some Ward Councillors are received randomly without a proper plan circulated through the Office of the Speaker.
- Ward Committee action sheets feedback not provided timeously to the respective committees.
- Establishment of Public Participation Communications Committee as per the Public Participation Policy have not realized to date due to lack of integration of communication methodologies in departments.

6. Recommendations

6.1 That Ward Councillors will be requested to submit planned meeting schedules that requires loudhailing at the start of each month.

6.2 That PPU identified the need to consolidate action sheets and submit to various portfolio meetings on a quarterly basis for resolution/action.

6.3 That a Process Flow SOP on policy formulation to be developed by 30 April 2021 and presented to Senior Management to incorporate terms of reference for the establishment of a Public Participation Communications Committee.

Prepared by: **Public Participation Coordinator**

Approved by: **Manager: Office- Executive Mayor / Speaker**

Submitted by: **Acting COO**

(Annexure "A'') - SERVICE DELIVERY REPORT January – March 2021

WARD SUMMARY	Actual January 2021				Actual February 2021				Actual March 2021			
WATER	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Water: No supply	67	11	56	0	100	4	96	0	55	7	48	0
Water: Pressure	7	3	4	0	18	0	18	0	6	0	6	0
Water: Burst Pipe	170	28	142	0	220	38	182	0	161	27	134	0
Water: Quality	3	0	3	0	8	1	7	0	3	1	2	0
Water: Faulty Meter	122	56	66	0	232	75	157	0	119	57	62	0
TOTAL	**369**	**98**	**271**	**0**	**578**	**118**	**460**	**0**	**344**	**92**	**252**	**0**
SEWER	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Sewer: Septic Tank full	1574	291	1283	0	1431	116	1315	0	1532	243	1289	0
Sewer: Drain damaged	4	3	1	0	2	0	2	0	4	4	0	0
Sewer: Blocked	545	18	527	0	630	6	624	0	779	17	762	0
Sewer: Manhole damaged	1	0	1	0	5	4	1	0	0	0	0	0
Sewer: Manhole cover missing	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**2124**	**312**	**1812**	**0**	**2068**	**126**	**1942**	**0**	**2315**	**264**	**2051**	**0**
ELECTRICITY	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Electricity: No Supply	132	5	127	0	108	9	99	0	149	16	133	0
Electricity: Exposed Wires	5	1	4	0	6	1	5	0	9	1	8	0
Electricity: Faulty Meter	43	8	35	0	25	1	24	0	37	7	30	0
Electricity: Damaged box	3	0	3	0	1	0	1	0	4	3	1	0
TOTAL	**183**	**14**	**169**	**0**	**140**	**11**	**129**	**0**	**199**	**27**	**172**	**0**
STREET LIGHTS	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Street lights: not working	72	44	28	0	67	46	21	0	79	47	32	0
Street lights: Damaged	3	2	1	0	2	1	1	0	3	3	0	0
Street lights: On permanently	1	0	1	0	0	0	0	0	1	1	0	0
TOTAL	**76**	**46**	**30**	**0**	**69**	**47**	**22**	**0**	**83**	**51**	**32**	**0**
ENVIRONMENT	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Environment: Damaged Pavement	13	10	3	0	6	6	0	0	12	8	4	0
Environment: Dumped Rubbish	18	9	9	0	19	6	13	0	21	15	6	0
Environment: Needs Mowing	26	24	2	0	56	27	29	0	38	10	28	0
Environment: Fallen Tree	14	10	4	0	11	9	2	0	9	6	3	0
Environment: Graffiti	0	0	0	0	0	0	0	0	0	0	0	0
Environment: Animal remains	4	1	3	0	1	0	1	0	1	0	1	0
TOTAL	**75**	**54**	**21**	**0**	**93**	**48**	**45**	**0**	**81**	**39**	**42**	**0**
REFUSE	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Refuse: not collected	21	8	13	0	13	3	10	0	9	4	5	0
TOTAL	**21**	**8**	**13**	**0**	**13**	**3**	**10**	**0**	**9**	**4**	**5**	**0**
STREET SIGNS	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Street Signs: Damaged	1	1	0	0	0	0	0	0	2	2	0	0
Street Signs: Missing	9	4	5	0	1	1	0	0	3	3	0	0
TOTAL	**10**	**5**	**5**	**0**	**1**	**1**	**0**	**0**	**5**	**5**	**0**	**0**
ROADS	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Roads: Potholes	3654	16	3638	0	246	32	214	0	478	24	454	0
Roads: Lines missing	2	0	2	0	2	1	1	0	0	0	0	0
TOTAL	**3656**	**16**	**3640**	**0**	**248**	**33**	**215**	**0**	**478**	**24**	**454**	**0**
TRAFFIC LIGHTS	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Traffic lights: Damaged	0	0	0	0	0	0	0	0	0	0	0	0
Traffic lights: Lights Out	2	2	0	0	0	0	0	0	1	1	0	0
Traffic lights: Timing Out	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**
OTHER:	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
Other:	104	37	67	0	141	36	103	2	120	61	59	0
TOTAL	**104**	**37**	**67**	**0**	**141**	**36**	**103**	**2**	**120**	**61**	**59**	**0**
TOTALS	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**	**Reported**	**Actioning**	**Resolved**	**Resubmitted**
	6620	**592**	**6028**	**0**	**3351**	**423**	**2926**	**2**	**3635**	**568**	**3067**	**0**

Efficiency % **91.05%** **87.32%** **84.37%**

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO. 21/05/MM9**

2019/20 ANNUAL REPORT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT

1. Introduction

The Municipal Public Accounts Committee in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003 prepared an Oversight Report on the 2019/20 Annual Report.

The Oversight Report is attached hereto.

It is the purpose of this submission to finalize the Oversight Report on the 2019/20 Annual Report by obtaining inputs and comments from members of the Municipal Public Accounts Committee.

2. Legislative Provisions

The Municipal Public Accounts Committee was established by Council in terms of the provisions of Section 79 (1)(a) of the Local Government Municipal Structures Act, 117 of 1998 to amongst others consider the Annual Reports of Kouga Municipality and prepare and submit oversight reports on such annual report to Council as required in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003.

Section 129 of the MFMA provides as follows:

129. *(1) The council of a municipality must consider the annual report of the*

municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;
(b) has rejected the annual report; or
(c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must—

(a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and

(b) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

(3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption.

(4) The National Treasury may issue guidelines on—

(a) the manner in which municipal councils should consider annual reports and conduct public hearings; and
(b) the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

(5) No guidelines issued in terms of subsection (4) are binding on a municipal council unless adopted by the council.

(6) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3).

3. Comment

The content of the MPAC Oversight Report on the 2019/20 Annual Report is self-explanatory and is not duplicated of summarized in this report.

4. Recommendation

That the Oversight Report on the 2019/20 Annual Report be approved for submission to Council with the following specific recommendations to Council:

4.1 That having fully considered the 2019/2020 Annual Report of the Kouga Municipality and representations thereon, the Oversight Report by the Municipal Public Accounts Committee be adopted and that the following recommendations be confirmed as resolutions of Council:

4.1.1 That monthly reports on the implementation of the Procurement Plan be submitted to Portfolio Committees for scrutiny and the determination of corrective actions where required.

4.1.2 That quarterly reports on the implementation of the Procurement Plan be submitted to the Municipal Public Accounts Committee for scrutiny as part of oversight over Institutional Performance.

4.1.3 That Portfolio Committee Chairperson ensure that SDBIP implementation Performance Reports for the relevant Directorate is submitted to the Portfolio Committee for consideration.

4.1.4 That quarterly Institutional SDBIP Implementation Reports be submitted to the Municipal Public Accounts Committee for oversight.

4.1.5 That the Internal Audit Unit on a quarterly basis report to the Municipal Public Accounts Committee on the submission of supporting performance evidence in respect of all Directorates.

4.1.6 That it be noted with concern that no attention was given to the Council priority of the conversion of bucket sanitation to more acceptable sanitation system and that an action plan for such conversions be submitted to Council without further delay.

4.1.7 That a report on community acceptance of the containerized sanitation for informal settlements be submitted.

4.1.8 That measures be implemented to ensure that all consumers are billed for service received from Kouga Municipality.

4.1.9 That measures be implemented to reduce water losses to more acceptable levels.

4.1.10 That measures be implemented to reduce electricity losses to more acceptable levels.

Item prepared by : 

Item approved by : 

KOUGA
local municipality
Good Governance through Service Excellence



FIRST DRAFT

OVERSIGHT REPORT

PREPARED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
ON THE **2019/20 ANNUAL REPORT** OF

KOUGA LOCAL MUNICIPALITY

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OVERSIGHT REPORT TO BE PRESENTED TO COUNCIL

ON 28 MAY 2021

FOREWORD BY CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNT COMMITTEE

An Annual Report is one of the key instruments reflecting transparent governance and accountability, or the lack thereof. It is a post financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial year – in this case the 2019/2020 financial year.

The format of the 2019/2020 Annual Report was derived from the MFMA Circular 63. In the instance of Kouga Municipality, the Annual Report is arranged per Directorate to allow an easier oversight process.

This is the fourth year of this MPAC Committee's term. Most of the challenges experienced during the previous three terms relevant to the Annual Reporting and Institutional Performance were resolved, but some of them remain despite several attempts to rectify it.

It should be appreciated that the compiling of the Draft Annual Report is a team effort, where all the different entities of the Municipality had to make a definite contribution. To coordinate all the contributions MPAC needs to convene several meetings to ensure that the contents of the Annual Report is acceptable and correct.

The following difficulties were experienced by MPAC:

- Not all information in the Annual Report could be verified,
- Lack of availability of some source documents to MPAC,
- The late release of the Auditor General's Audit Report 31 March 2020 resulted in unnecessary pressure on MPAC to review the financial section of the Annual Report in time,

Every Director, and eventually the Municipal Manager and Council, should take responsibility for, and pride in presenting their submission for inclusion in the Annual Report. The Municipal Managers and Directors reacted on this call in that the quality of the Annual Report improved dramatically this year and MPAC had the joy to scrutinise such a proudly presented Annual Report in compiling our Oversight Report.

The Annual Report is not only a document to satisfy the prescriptions of the MFMA, but it is also the document where the proud achievements of the Municipality should be highlighted.

Council has appointed me Cllr Bryan Dhludhlu as Chairperson of the Kouga Municipal Public Accounts Committee at a council meeting held 7th Dec 2020 in place of Cllr Willem Gertenbach who was appointed as Portfolio Head for Infrastructure and Engineering.

MPAC has since convened 2 sittings under Cllr Dhludhlu's stewardship during the year under review (2019/2020) Matters referred to MPAC was dealt with. The following issues were referred to MPAC for scrutiny.

1. **21/03/MPACC1** MPAC Resolutions for 2020
2. **21/03/MPACC2** 2020/21 Service Delivery and Budget Implementation Plan: Progress up to the quarter ending 31 December 2020
3. **20/11/MPACC2** 1st DRAFT ANNUAL REPORT (2019/2020)

The matters mentioned in the Auditor-General's Management Report dated 31St March 2020 and the reports of the Kouga Audit Committee, were summarized in the Annual Report.

At this stage, the replacement/s of Community Representatives on MPAC, Me. Henda Thiart and Leonie Mostert had not been finalised. The replacement of Cllr Meleni who had passed away has not been considered as no further nomination has been forthcoming, as it stands the Cllr's serving on MPAC are as follows:

Cllr W Coenraad	Member
Cllr R Jantjies	Member
Cllr M van Niekerk	Member
Cllr C August	Member
Cllr L Vorster	Member
Cllr M Peters	Member
Cllr P Nkwalase	Member



Cllr B Dhludhlu
MPAC Chairperson

10 May 2021
Date

THE ANNUAL REPORT 2019/2020

The MFMA (Circular 32, Attached as **Annexure A**) directs that the Annual Report must be arranged according to predetermined draft reports and time schedules. The different draft Annual Reports must also be subjected to Public Participation. During oversight MPAC should determine if these draft reports and time schedules were adhered to and that Public Participation was allowed.

1. SUBMISSION OF THE DRAFT ANNUAL REPORT

According to the provision of the MFMA (Circular 32, Attached as **Annexure A**), the different drafts of the Annual Report should be considered by MPAC, and tabled and resolved at meetings of the Municipal Council on or before specified dates, after which it should be advertised for public comments.

In terms of the provisions of MFMA Circular 104 (Attached as **Annexure B)** the deadlines for submissions were moved outwards as follows:

- The first Draft of the Annual Report was submitted to the Auditor General on 31 October 2021.
- Submission of the Annual Report in terms of the provisions of MFMA S 127(2), moved from January 2021 to 31 March 2021.
- Adoption of Oversight Report in terms of the provisions of MFMA S 129(1), moved from March 2021 to 31 May 2021

The draft of this 2019/2020 Annual Report was duly and adopted per Resolution 21/3/MM1 at the meeting of the Municipal Council held on 31 March 2021.

MPAC is satisfied that the correct procedures and timelines were followed during the preparation and submission of the 2019/2020 Annual Report.

2. MEETINGS AND WORK SESSIONS

After the submission of the first draft of the Annual Report during October 2020 MPAC scrutinized the Annual Report and consulted with the relevant Directors to clarify, include or correct information recorded in the Annual Report. These corrections and outstanding information were then confirmed at the next meeting of MPAC.

MPAC conducted meetings on the following dates considering the Annual Report:

- 21 October 2020
- 26 November 2020
- 18 March 2021
- 29 April 2021

MPAC is satisfied that the correct procedures and timelines were followed during the scrutinization of the 2019/2020 Annual Report.

The Process Plan and the Minutes of the MPAC meetings during the evaluation of the Annual Report are attached (**Annexure C and D**)

2.1 PUBLIC PARTICIPATION

The final draft of the 2019/2020 Annual Report was made available to the Public after it is approved by Council. Hard copies of the Report were made available to the public at the Municipal Office, Public Libraries and the Report was also available on the Municipal Website.

The notice calling public comment and inputs was published on 22 April 2021 in the Kouga Express and was also published on the Municipal Website and Notice Boards. The closing date for comments and/or inputs was set at 12:00 on 6 May 2021. No submissions were received.

It must be noted that under the Covid-19 restrictions municipal facilities could not be used for public consultations and that a virtual platform is the standard at this point in time.

3. ORGANISATIONAL PERFORMANCE

Oversight is the process where the overall performance of an organization is evaluated to make recommendations as to how the performance can be improved. So often, however, oversight involve concentrating on **unsatisfactory** negative issues and tend to ignore the, sometimes important, **highlights** and commendable achievements. It is also a fact that only a small percentage of Kouga Residents go into the trouble to read the Annual Report which makes it necessary to allude to the highlights of the previous year.

These highlights will be acknowledged in the Oversight Report and recommendations will be made to Council to improve unsatisfactory performance.

A lot of emphasize is also placed on unsatisfactory financial issues (Audit Report), not that it is not important, but there are other components of service delivery that also needs to be highlighted. For this reason, the organizational performance oversight will deal with both these issues separately.

3.1 PERFORMANCE HIGHLIGHTS

The purpose of an Annual Report is to reflect on the achievements of the Organization. The following Performance Highlights should be noted with appreciation:

INFRASTRUCTURE AND ENGINEERING

1. A total of 1 285 new erven were provided with municipal services.
   - 25 Kruisfontein
   - 1 130 Oceanview
   - 130 Pellsrus

2. 56 Additional chemical toilets were provided for settlements as a temporary measure.
   - 20 Donkerhoek
   - 20 Oceanview
   - 16 Stofwolk/Moutain View

3. 100 Additional erven was electrified.

4. The following represents increases in new roads.
   - Oceanview asphalt 6 445m
   - Oceanview gravel roads 1 256m
   - Pellsrus gravel roads 2 130m
   - Kruisfontein paving 3 010m

5. The following gravel roads were surfaced.
   - Nerina Street 400m
   - Maak n Las 500m
   - Human Street 475m
   - Felix Street 470m

6. A plastic road of 185m in length was constructed to full standard with curbing and stormwater with private donor funding.

7. The following activities were completed under the road resealing contract.
   - Potholes repaired 39 047m2
   - Road surface repairs 20 322m2
   - Hot asphalt overspray 103 997m2

8. 33 Vehicles were refurbished by the Fleet Management Section.

9. 30 New vehicles were purchased to replace ageing fleet.

CORPORATE SERVICES

1. Significant progress was made with the conversion of municipal documents and records into electronically accessible records and as at the end of the financial year under review a total of 3 201 101 documents have been scanned, categorized, and stored off-site.

2. Initiatives have been implemented to reduce Telkom landline costs and a commendable saving of R694 595.15 compared to the 2018/19 financial year was achieved.

3. Initiatives to implement a paperless system has paid handsome dividends in that compared to the 2018/19 year, as saving in printing costs of 62% was achieved for the 2019/20 financial year.

4. A reduction of 68% in the lease costs of printers compared to the 2018/19 year was achieved. The lease costs reduced from R2 448 430 to R780 000.

5. The Call Centre has proven to be a most valuable asset to Kouga Municipality in that a total of 40 968 service requests have been logged by the public of which 37 026 have been successfully resolved.

6. The Skills Development expenditure has increased by 1 789% compared to the year ended June 2016 and investment in the capacitation of staff shall pay further dividends in future.

7. The 91% decrease in arbitration cases lodged with the South African Local Government Bargaining Council, since June 2017 is a clear indication that the Human Resources Section is functioning at a commendable level.

8. Staff costs at 32.12% is most probably the lowest in the Eastern Cape and Management must be commended for keeping staff costs at a reasonable level.

9. The TASK Grading job evaluation was completed and implemented.

10. Work-study by an independent service provider was completed with extensive consultations amongst the workforce and the results thereof, inclusive of the Organogram was updated accordingly with support from all stakeholders.

COMMUNITY SERVICES

1. A total of 16 280 wheelie bins distributed to residents

2. Given limited financial resources it is commendable that the permit compliance for the Hankey waste site improved to 85% compliant.

3. Public areas were beautified, and 11 Playparks installed.

4. The achievement of a second place in the Greenest Municipality competition given the fact that it was the first year Kouga entered the competition.

5. Hosted an International Climate Change Workshop

6. 852 trees planted as part of drive towards combatting climate change

7. Completed dune rehabilitation in Oyster Bay and commenced with a rock revetment to protect erosion of the beach in St Francis Bay.

8. Substantial increases in environmental health related inspections and activities due to the Covid-19 pandemic.

9. A total of 482 incidents were attended to by the Fire and Rescue Section and 1 176 Fire Safety Inspections were conducted.

10. Kouga hosted its first ever Public Safety Forum which was well received.

PLANNING, DEVELOPMENT, ED AND TOURISM

1. Draft Integrated Land Use Scheme adopted by Council on 12 June 2020

2. A Building Green Inclusive Municipalities, in partnership with Prince Edward County, Canada was launched.

3. 220 Water tanks were provided to residents in informal settlements to serve as water sources during the Covod-19 pandemic

4. A total of 240 Land Uses application were recorded over the reporting period and 149 approvals were issued.

5. A total of 874 building plans were submitted with a total value of R573 491 800.00

FINANCE

1. Capital charges represented 1.25% of the total operating expenditure

2. A current ratio of 1.25 was achieved

3. A liquidity ration of 0.61 was achieved

4. An annual debtor's collection rate of 95.42% was achieved.

On overall procurement performance it is of importance to take cognizance of the impact of Covid-19 on the funding of projects and the initial ability of procurement committees to meet.

Despite the limitations the most important projects could be proceeded with once restrictions were reduced.

3.1.1 **RECOMMENDATION:**

1. That Council, with appreciation, takes note of the highlights and commendable achievements of the Municipality as reported in the 2019/20 Annual Report despite the adverse impact of the Covid-19 restrictions.

3.2 **UNSATISFACTORY PERFORMANCE AND REPORT BY THE AUDITOR GENERAL**

Unsatisfactory performance may have several limiting factors that could be managed to ensure an increase in performance.

In the oversight of the Annual Report, the aim was to identify those areas of unsatisfactory performance and to recommend remedial actions to improve it.

The main source of unsatisfactory performance is usually highlighted in the Auditor General's Report, but certain administrative and regulatory irregularities also give rise to unsatisfactory performance.

The concept of unsatisfactory performance does not necessarily mean that there was no improvement in performance since the previous Annual Report, but that the performance is still not satisfactory.

The following unsatisfactory performance areas were identified, and recommendations are made to Council to improve such performance:

3.2.1 Capital expenditure of 75.33% suggests that the management of the implementation of the Procurement Plan does not receive the attention it deserves.

3.2.1.1 The unsatisfactory capital expenditure further suggests that monthly SDBIP implementation performance reporting to Portfolio Committees may not in all instances be done and where it is done the report may receive insufficient attention to allow corrective actions to be implemented.

3.2.2 Performance reporting in some instances are lacking as is evident from the report of the Auditor General. This confirms that in some instances monthly performance reports are not submitted to Portfolio Committees and that performance information therefore remains unavailable for inclusion in the Annual Performance Report. This was in particular evident in the year end performance reports submitted by the Directorate Infrastructure Planning and Development.

3.2.2.1 Performance evidence as per the report by the Auditor General is lacking in some instances resulting therein that scrutiny by Internal Audit cannot be done and resulting in findings being raised by the Auditor General.

3.2.2.2 It appears that in some instances performance claims cannot be supported for reason that service points/consumers and service accounts does not correlate. Thus some consumers may not be billed for services/all services.

3.2.3 Not giving attention to the Council priority of the conversion of bucket toilets to more acceptable levels of sanitation is a cause for concern and again reflects the assumption that performance reporting and oversight at Portfolio Committee level is lacking.

3.2.4 Unaccounted for water losses of 2 109 840 units or with a monetary value of R15 422 930 is not acceptable. This supports the notion that some consumers is not billed for water consumption.

3.2.5 Unaccounted electricity losses of 25 056 544 units or R31 064 108 is not acceptable even given unproven quantities of electricity theft.

3.2.6 The non-utilization of MIG funding resulted in the forfeiture of approximately R10.4 million for infrastructure projects is not acceptable.

3.2.7 The non-utilization of the INEP grant funding resulted in the loss of R3.2 million is unacceptable and resulted that only 100 houses could be electrified.

3.2.8 Lack of progress with the Oceanview 1 500 project which has not broken ground by year end despite the reduced project scale.

3.3 **RECOMMENDATION**

3.3.1 That monthly reports on the implementation of the Procurement Plan be submitted to Portfolio Committees for scrutiny and the determination of corrective actions where required.

3.3.2 That quarterly reports on the implementation of the Procurement Plan be submitted to the Municipal Public Accounts Committee for scrutiny as part of oversight over Institutional Performance.

3.3.3 That Portfolio Committee Chairperson ensure that SDBIP implementation Performance Reports for the relevant Directorate is submitted to the Portfolio Committee for consideration.

3.3.4 That quarterly Institutional SDBIP Implementation Reports be submitted to the Municipal Public Accounts Committee for oversight.

3.3.5 That the Internal Audit Unit on a quarterly basis report to the Municipal Public Accounts Committee on the submission of supporting performance evidence in respect of all Directorates.

3.3.6 That it be noted with concern that no attention was given to the Council priority of the conversion of bucket sanitation to more acceptable sanitation system and that an action plan for such conversions be submitted to Council without further delay.

3.3.7 That a report on community acceptance of the containerized sanitation for informal settlements be submitted.

3.3.8 That measures be implemented to ensure that all consumers are billed for services received from Kouga Municipality.

3.3.9 That measures be implemented to reduce water losses to more acceptable levels.

3.3.10 That measures be implemented to reduce electricity losses to more acceptable levels.

NATIONAL TREASURY

MFMA Circular No 32

Municipal Finance Management Act No. 56 of 2003

The Oversight Report

Introduction

This circular aims to provide councillors with practical guidance in financial governance and to assist in maintaining oversight within the broader governance context.

It focuses on the oversight process that councils must follow when considering the annual report and how to deal with the *Oversight Report* by encouraging continuous improvement and promoting accountability to stakeholders.

Please read this circular in conjunction with the following circulars:

- MFMA Circular 11 - Annual Reporting Guidelines - 14 January 2005
- MFMA Circular 18 - New Accounting Standards - 23 June 2005
- MFMA Circular 28 - Budget Content and Format - 12 December 2005

Background

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports.

The MFMA and MSA recognise that council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/council, the administration and the public.

The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor or the Executive Committee to resolve any performance failures, ultimately the council is vested with the power and responsibility to oversee both the executive and administration. Oversight occurs at various levels in a municipality and is explained in the following table:

Financial governance framework applicable to local government

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Executive Mayor or Committee	Community
Executive Mayor or Committee	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	The Administration	Executive Mayor or Committee
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

Separation of roles

The separation of roles between the council and administration is intended to strengthen the oversight function of councillors. Good governance and effective oversight and accountability are predicated on there being this separation of functions. It is fundamental for the achievement of the objects for local government in the Constitution relating to a democratic and accountable system of local government. Council oversees the performance of the administration through council and committee meetings. The mayor provides the link between the council and administration and is responsible for regular monitoring and for tabling reports before the council. Therefore, the administration is responsible for the day-to-day operations. This separation avoids conflict of interest and a "referee/player" situation arising and is similar to the role played by Parliament.

The MFMA further assumes a separation between councillors serving on the executive (i.e. mayor or executive committee) and non-executive councillors. This separation is vital to ensure council maintains oversight for the performance of specific responsibilities and delegated powers to the mayor or executive committee.

The MFMA gives council a number of financial management tasks to fulfil its oversight role. The adoption of an ''Oversight Report" is one such task. The diagramme on the following page illustrates the various oversight intervention points from the adoption of the Integrated Development plan (IDP), Budget, Annual Report and Oversight Report.

What is in an annual report?

Each municipality and each municipal entity must prepare an annual report for each financial year in accordance with the MFMA and MSA. The purpose of the annual report is:

- to provide a record of the activities of the municipality or entity;
- to provide a report on performance in service delivery and against the budget;
- to provide information that supports the revenue and expenditure decisions made; and
- to promote accountability to the local community for decisions made.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a backward-looking document, focusing on performance in the financial year that has just ended. It must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

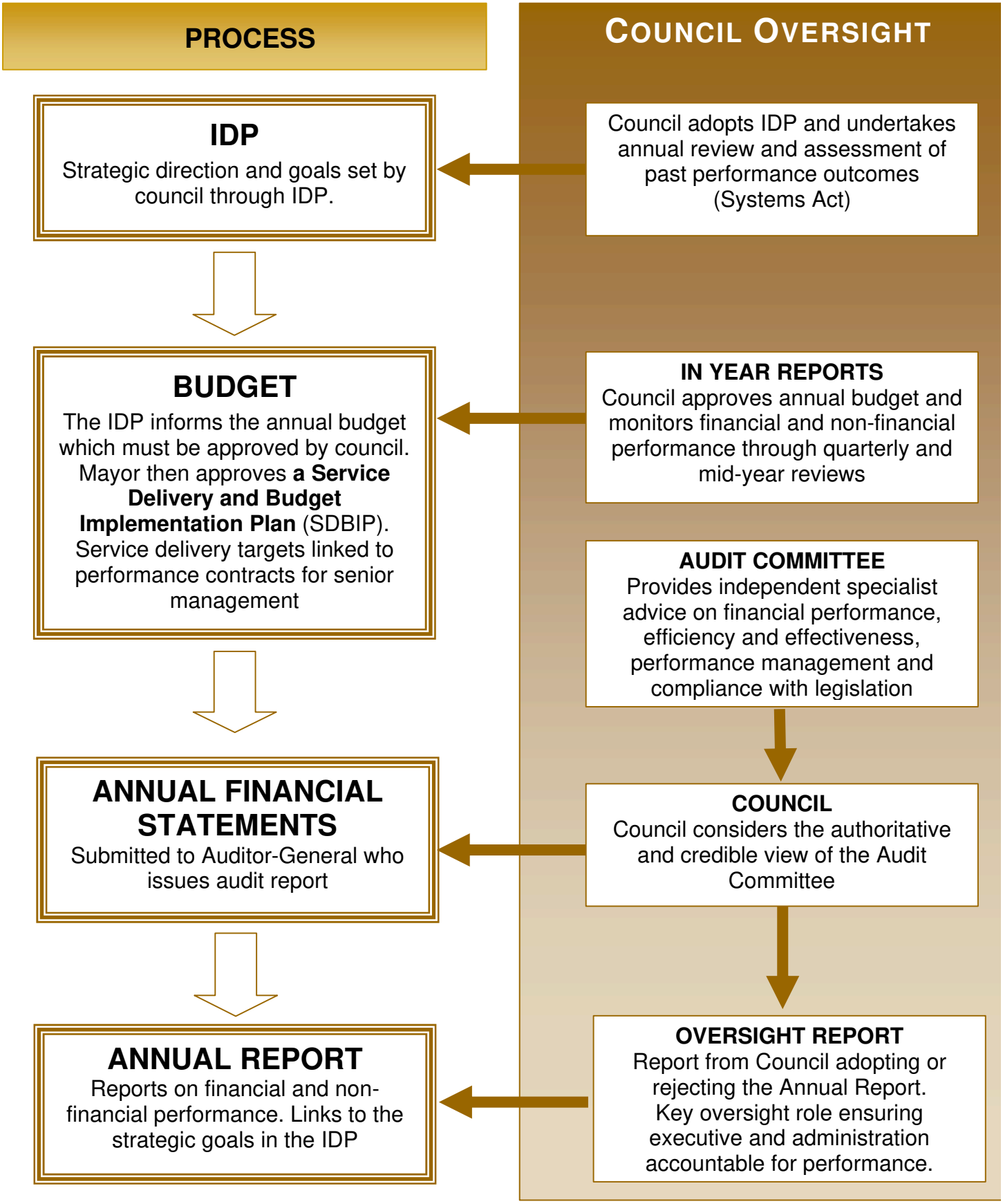
When tabled, the annual report should include four main components, each of which has an important function in promoting governance and accountability. The main components are:

- The annual performance report as required by section 46 of the MSA.
- Annual Financial Statements submitted to the Auditor-General;
- The Auditor-General's audit report on the financial statements in terms of section 126(3) of the MFMA; and
- The Auditor-General's audit report on performance in terms of section 45(b) of the MSA.

Other components required to be included in the annual report are set out in the MFMA section 121 and the MFMA Circular No 11 issued 14 January 2005.

Annexure C contains guidance on the matters that should be considered and lists the components of the annual report with a checklist of questions that might be asked by councillors when considering these components and the overall report.

Financial Governance in Practice – Council Oversight



What is the oversight report?

The oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to consider the annual reports of its municipality and municipal entities and to adopt an "oversight report" containing the council's comments on each annual report.

The oversight report must include a statement whether the council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

The oversight report is thus clearly distinguished from the annual report. The annual report is submitted to the council by the accounting officer and the mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by council. **The oversight report is a report of the municipal council** and follows consideration and consultation on the annual report by the council itself. Thus the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.

Annexure A sets out a recommended structure for an oversight report and draft resolutions to adopt the report.

Managing the process and forming committees

The processes for council oversight of the IDP, budget, annual report and preparing an oversight report may be complex for many councils, in particular where resources to support the functioning of the council are limited. For example, reviewing an annual report within full council meetings may not be practicable and may restrict the effectiveness of the analysis and discussions. Thus councils need to establish appropriate mechanisms to enable all councillors and the public to fully digest and discuss the annual report contents.

Once the annual report is tabled the council effectively has two months in which to consider the report, invite public submissions and to finalise its oversight report. Given there are a number of steps and many stakeholders the review can be made more manageable if a committee process is established breaking it down into more easily managed parts.

It is recommended that councils consider the establishment of an **oversight committee** under sections 33 and 79 of the Municipal Structures Act 1998. This committee and, if needed, sub-committees could be responsible for the detailed analysis and review of the *annual report* and then drafting an *oversight report* that may be taken to full council for discussion. Such a committee may receive and review representations made by the public and also seek inputs from other councillors and council portfolio committees.

The oversight committee should be made up of only <u>non-executive</u> councillors and representatives of the community and can be formed each year to deal with the annual report. Municipal officials cannot be members of an oversight committee as this would pose a conflict of interest. Assistance from the municipality's Audit Committee in the review process is also recommended as a major source of independent specialist advice.

All meetings of Council and the oversight committee at which an annual report is considered must be open to the public and a reasonable time must be allowed for discussion of any written submissions received and for members of the community and organs of state to address the meetings. Representatives of the Auditor-General are entitled to attend and to speak at any meetings held to discuss the annual report. Timely notice of meetings should be given to enable representations to be made. Making representations to the oversight committee should not necessarily preclude

representations by the same individuals to the full council as this promotes transparency in the process.

At the same time that the committee is analysing the report in detail, other councillors should also be conducting their own review of the report. This can include discussions with constituents, ward committees and ward representatives to encourage inputs and comments and to prepare for the full council meeting that considers the annual report and oversight report.

Questions raised with the administration by council or the committee may be taken on notice by the accounting officer and responses subsequently provided to the committee process. Ideally however, questions should be responded to immediately during the committee meetings to avoid delays. The top management team may assist the accounting officer if needed. If the executive or the accounting officer and administration are unable to respond immediately to questions raised at committee or council meetings, then the committee or council may rightfully conclude that the executive and administration have not performed satisfactorily and may not understand the report that they have tabled.

When enquiring on matters in the annual reports from municipal entities, issues of commercial confidence may arise. In such cases the council should make a judgement as to whether the information is essential to determine a conclusion on the annual report and whether it may be necessary to meet in private. Such a step must be taken with caution in order not to weaken the democratic and transparency objectives of the annual reporting process.

Municipalities should take into account all costs of the various mechanisms (oversight committee and other meetings) for reviewing the annual report and preparing an oversight report. The cost needs to be balanced against the need for transparency, good governance practice and accountability, the capacity of the municipality and the need for an effective process within the time allowed.

Timing considerations

Annexure B provides the key steps in the annual reporting process as required by the MFMA. Note that no later than two months from the date of tabling, council must consider the annual report and adopt an oversight report. Also the annual report must be made public immediately after it is tabled and the public invited to submit representations. To assist with this process a municipal finance management “calendar” will be published in the near future.

Councils are encouraged to effectively use the time permitted under the MFMA (two months from when report tabled) for consideration in order to achieve a quality and acceptable annual report and strive for approval of a report that meets the provisions of the MFMA and MSA. Municipalities are encouraged to review the report immediately upon it being tabled so that steps to obtain additional information and amendments can be taken to facilitate completion of the oversight report within the timetable provided. The process for consideration may involve an initial review and analysis that seeks inputs from the community, Audit Committee and the administration, to be followed by a further review of the report, additional information and representations received. When any additional information is required the administration should promptly provide this.

The MFMA provides that if all the components of the annual report are not completed on time, then those components that are available must be tabled and considered and a written explanation be submitted to council as to why components are delayed and when they will be tabled. In such cases an oversight report may be completed and the report approved, but this should be with reservations or referred back for completion when the missing components are tabled, no more than two months later. In any case the components that have been tabled must be published and open for public representations and, where required, the oversight report amended when the remaining components are tabled.

Understanding the annual report and determining conclusions

A mechanism that facilitates better understanding of the annual report by **all** councillors is essential, as the MFMA requires that **Council, and not the executive or administration,** comment on the annual report and arrive at a decision.

To facilitate consideration of the annual report in its entirety the council should obtain the views of the Audit Committee, which is charged with providing council with, among other matters as prescribed, an authoritative and credible view of the financial position of the municipality or entity, its efficiency and effectiveness, performance management and the level of compliance with the MFMA, Division of Revenue Act (DORA) and other relevant legislation.

In order to approve the annual report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

Should the Council have reservations on any matter in the report then these reservations should be outlined in the oversight report and the executive and administration should address these as determined by council.

A conclusion that the report is approved without reservations is the preferred outcome from the process. However, this conclusion should not be an outcome of only cursory examination of the report but should be as a result of a rigorous analysis by councillors with inputs from the public and other stakeholders.

Although the accounting officer is required to attend all meetings where the report is discussed to respond to questions, it is incumbent on **all councillors** to fully understand the report in order to identify matters that may require further information from the accounting officer.

Staff performance bonuses

To promote continuous improvement in the performance of the municipality and entities, it is strongly recommended that council reward performance in a manner that is commensurate with achievement of policy outcomes. Therefore, the payment of performance bonuses should be measurable with the extent of outcomes achieved. In some instances, performance bonuses were paid even though performance could not be measured. If the level of acceptance cannot be achieved then it follows that the performance of the administration has not met the objectives approved in the IDP, Budget and Service Delivery and Budget Implementation Plans. Where reservations exist, the seriousness of such should be taken into account before considering any part-payment of bonuses.

Municipal Entities

Where municipalities have one or more municipal entities, separate annual reports from the municipality and each of the entities will be tabled in council. Only the annual financial statements will be consolidated in the municipality report. Although each of the annual reports is to be considered by council it would be impractical to complete multiple oversight reports. It is recommended that council adopt one oversight report that provides comments on each of the annual reports. In this way council is able to reinforce the important linkages between the municipality and its entities, their close interrelationship in the provision of services and that performance of the municipality is an outcome of performance by the municipal administration and all the entities.

Conclusion

Municipalities and municipal entities are required to table in council by 31 January an annual report for the previous financial year. Councils must consider the reports and adopt an oversight report by 31 March. This circular outlines the importance of the annual report in ensuring effective democratic and accountable local government and provides guidance on the manner in which the reports should be considered.

The MFMA provides that the National Treasury may issue guidelines on the manner of consideration of annual reports and the functioning and composition of any public accounts or oversight committee. Until such guidelines are issued, councils and boards of entities are encouraged to consider and implement this circular.

The challenge facing councillors is to utilise their strategic plans, budget documents and annual reports to improve oversight and to hold municipal departments and entities and the executive to account for their performance.

Further enquiries on this circular may be directed to the MFMA helpline email address below.

Abbreviations

AFS	Annual Financial Statements
MFMA	Municipal Finance Management Act, No. 56, 2003
MSA	Municipal Systems Act, No. 32, 2000
SDBIP	Service Delivery and Budget Implementation Plans (s 53 MFMA)
DORA	Division of Revenue Act for the relevant budget year.
IDP	Integrated Development Plan

Other information relating to annual reporting for municipalities may be found in:

- MFMA Circulars 11 and 18.
- Performance Management Guide for Municipalities, DPLG, 2001. www.dplg.gov.za - go to “documents” then “general publications”
- Introductory Guide to MFMA, Updated Edition – August 2004.
- On SDBIP, refer to MFMA Circulars 13 and 19.

Contact

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T. Pillay
Chief Director: Local Government
15 March 2006

ANNEXURE A

Structure and Contents of the Oversight Report –

The Oversight Report should contain:

1. Title and reference to the year under review.

2. Resolutions and statement required by MFMA s129(1) (see recommended resolutions below).

3. Summaries of comments and conclusions on the annual report of the **municipality** referred to in the resolutions, including one or more of the following:
   (i) Summary of reservations, if approved with reservations and actions to be taken by the executive and administration to resolve reservations.
   (ii) Summary of components required to be revised, if referred back for revision and actions to be taken by the executive and administration to provide revisions and the date for these to be submitted.
   (iii) Summary of reasons for rejection of the report, if report is rejected and what other action should be taken by the executive and administration.
   (iv) In cases where only components of the annual report are submitted by the mayor detail those components and restrict comments to this effect. Include a statement listing the outstanding components and estimated timeframe for these to be tabled and considered by council.

4. Summaries of comments and conclusions on the annual reports of **each municipal entity** referred to in the resolutions, including one or more of the following:
   (i) Summary of reservations, if approved with reservations and actions to be taken by the executive and administration or the entity to resolve reservations.
   (ii) Summary of components required to be revised, if referred back for revision and actions to be taken by the executive and administration or the entity to provide revisions and the date for these to be submitted.
   (iii) Summary of reasons for rejection of the report, if report is rejected and what other action should be taken by the executive, administration and the entity.
   (v) In cases where only components of the annual report are submitted by the chairman detail those components and restrict comments to this effect. Include a statement listing the outstanding components and estimated timeframe for these to be tabled and considered by the board of directors.

5. Annexures to the report should provide the following –
   (i) Summary of the process followed in the review, including:
      - Copies of minutes of meetings of committee.
      - Summary of written representations submitted by the public, auditor-general and other spheres of government.
      - Responses to questions provided by the accounting officer.
   (ii) Other information as may be needed to support the conclusions in the resolutions, for example, outcomes of large infrastructure / capital projects and programmes.

Resolutions and Statement

The statement required in the oversight report by section 129(1) of MFMA, should be in the form of a council resolution to record both the adoption of the oversight report and the comments of council on the report.

The resolutions should, as a minimum, state:

Council resolves that:

1. The Council having fully considered the annual report of the municipality and representations thereon, adopts the oversight report; and
2. (*insert one of the following as appropriate*)
   - Council approves the annual report without reservations; or
   - Council approves the annual report with reservations as included in the comments in the oversight report pages xx to xx; or
   - Council refers the annual report back for revisions of the components listed on pages xx to xx of the oversight report; or
   - Council rejects the annual report of the municipality for the reasons summarised in pages xx to xx of the oversight report.
3. (*Where further action or revisions are required in the resolutions*): Council requests the Mayor (Executive Mayor) to report to Council on the actions required as a result of these resolutions by <date to return to Council>.

Where the annual reports of municipal entities are also considered additional resolutions should be adopted to refer to the municipal entities –

Council resolves that :

1. The Council having fully considered the annual report of the municipal entity <name> and representations thereon, adopts the oversight report; and
2. (*insert one of the following as appropriate*)
   - Council approves the annual report without reservations; or
   - Council approves the annual report with reservations as included in the comments in the oversight report pages xx to xx; or
   - Council refers the annual report back for revisions of the components listed on pages xx to xx of the oversight report; or
   - Council rejects the annual report of the municipal entity <name> for the reasons summarised in pages xx to xx of the oversight report.
3. (*Where further action or revisions are required in the resolutions*): Council requests the municipal entity to report to Council on the actions required as a result of these resolutions by <date to return to Council>.

ANNEXURE B

Steps in the Annual Reporting processes

The following outlines the major steps in the annual reporting process indicating responsibilities and dates prescribed in the MFMA and MSA.

Prescribed Dates	Actions	MFMA (MSA)	Responsibility of
31 August	Submit municipality's AFS to Auditor-General	S126(1)(a)	Municipal Manager
31 August	Submit municipal entity AFS to parent municipality and to Auditor-General	S126(2)	Municipal Entity Accounting Officer
30 September	Submit consolidated AFS to Auditor-General (municipalities and entities)	S126(1)(b)	Municipal Manager
31 October and quarterly thereafter	Auditor-General submits to Parliament and the provincial legislature names of any municipalities, which have failed or continue to fail to submit AFS.	S133(2)	Auditor-General
Within three months of receiving AFS (30 November or 31 December)	Audit report returned to Municipal Manager	S126(3)	Auditor-General
On receipt of audit report	Municipality must address any issues raised by the Auditor-General and prepare action plans to address issues and include these in annual report. Provide copy of report to Audit Committee.	S131(1)	Municipal Manager. Mayor must ensure compliance by municipality
31 December	Entity submits annual report to Municipal Manager	S127(1)	Municipal Entity Accounting Officer
31 January	Annual Reports of municipality and entities tabled in Council	S127(2)	Mayor
Immediately after annual report is tabled	Annual report made public and local community invited to submit representations	S127(5)(a) (MSA) - S21A and B	Municipal Manager
Immediately after annual report is tabled	Annual report submitted to Auditor-General, relevant provincial treasury and provincial department responsible for local government in the province.	S127(5)(b)	Municipal Manager
When meetings held to discuss the annual report	Attend meetings to respond to questions concerning the report	S129(2)(a)	Accounting Officer of municipality and entity
Following meetings to discuss the annual report	Submit copies of minutes of the meetings to the Auditor-General, provincial treasury and provincial department responsible for local government	S129(2)(b)	Accounting Officer of municipality and entity
Within two months of report being tabled (31 March)	Council to have considered the annual report and adopted an oversight report	S129(1)	Council
Within seven days of adoption of oversight report	Make public the oversight report	S129(3) S21A-MSA	Accounting Officer
Within seven days of adoption of oversight report	Submit to the provincial legislature, the annual report of municipality and entities and the oversight reports on those annual reports.	S132(1) & (2)	Accounting Officer
As necessary	Monitor compliance with submission of reports to provincial legislature	S132(3)	MEC for local government in the province
Within 60 days of receiving annual reports	Report to provincial legislature any omissions by municipalities in addressing issues raised by the Auditor-General.	S131(2)	MEC for local government in the province
Annually	Report to Parliament on actions taken by MEC's for local government to address issues raised by Auditor-General on municipal and entity AFS	S134	Cabinet member responsible for local government

Notes:

- MFMA section 133 provides for consequences of non-compliance with provisions relating to the submission of AFS and tabling of annual reports.
- All dates shown are the latest permissible in terms of the applicable legislation, earlier compliance is preferable.

ANNEXURE C

Checklist for considering the annual report

The MFMA provides that the purpose of the annual report of a municipality or a municipal entity for each financial year is:

- to provide a record of activities;
- to provide a report on performance against the budget; and
- to promote accountability to the local community for decisions made throughout the year.

The MSA provides that an annual *performance report* must be prepared for each financial year to report on the performance of the municipality and each external service provider, compared with targets set for performance.

The annual report requirements are provided in Chapter 12 of the MFMA, sections 45 and 46 of the MSA and the annual Division of Revenue Act.

The following checklist summarises what must be included in the annual report and is designed to support and guide councillors and officials. It should be noted however, that this list is not exhaustive and from time to time other information requirements may be prescribed. Consideration must also be given to specific circumstances and conditions in which other questions may be appropriate. Councillors and officials are encouraged to make suggestions to enhance this checklist and send these to the National Treasury.

Council should verify that the required information is contained in the annual report and then consider the relevance and accuracy of information accordingly. The checklist provides guidance on how matters could be considered.

The oversight committee and the full council may use this checklist as a means to organise the report and to manage requests for additional information. The questions suggested may be used by all councillors to gain clarification on contents of reports and also to verify compliance with the MFMA and MSA. Responses to many of these questions should be provided by the accounting officer of the municipality and/or municipal entities.

Note that the views of the Audit Committee and the findings of the Auditor-General are primary sources of information to assist council in determining a decision on the annual report.

Information required to be included in annual reports	Council Considerations and Questions

Financial Matters	***Financial reporting matters to be considered***
The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial statements are required. The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities. *Have the required standards been met – refer audit report and report of audit committee for views on this?*
	The above applies also to the AFS of municipal entities.
The Auditor-General's reports on the financial statements of the municipality and the entities	*Is the audit report included in the annual report as tabled?* *If not, when will the audit report be tabled?* *What are causes of the delays?* *What actions are being taken to expedite the report?*
	The above applies also to the AFS of municipal entities.
Any explanations that may be necessary to clarify issues in connection with the financial statements	The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS. *Taking into consideration the audit report and the audit committee comments, is sufficient explanation of financial issues contained in the notes to the statements?*
	The above applies also to the AFS of municipal entities.
An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	*Has an adequate assessment been included?* *Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?* *Is any other action required to be taken?*
	The above applies also to the AFS of municipal entities.
Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	The conclusions of the annual audit may be either – ▪ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable; ▪ a qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or ▪ the auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. *Taking into account the audit report, audit opinion and the views of the audit committee, council should consider:* ▪ *To what extent does the report indicate serious or minor financial issues?* ▪ *To what extent are the same issues repeated from previous audits?* ▪ *Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?* ▪ *Has a schedule of action to be taken been included in the annual report, with appropriate due dates?* Note that actions taken on audit issues are to be reported to the provincial legislature, the MECs for local government and finance to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MECs.
	The above applies also to the AFS of municipal entities.

An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget	The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)). The accounting officer must include these objectives in the annual report and report on performance accordingly. *Has the performance met the expectations of council and the community?* *Have the objectives been met?* *What explanations have been provided for any non-achievement?* *What was the impact on the service delivery and expenditure objectives in the budget?* Council should comment and draw conclusions on performance and explanations provided.
An assessment by the municipal entity's accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the municipality	Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, expenditure targets etc. The entity's annual report must include an assessment by the accounting officer, of performance against these objectives. In order to show the linkage between the entity and the municipality, the report of the municipality should also include the performance of entities. *Has the performance met the expectations of council and the community?* *Have the performance objectives been met?* *What explanations have been provided for any non-achievement?* *What was the impact on the service delivery and expenditure objectives in the budget?* Council should comment and draw conclusions on performance and explanations provided.
Any information as determined by the municipality, the entity or its parent municipality	Review any other information that has been included in regard to the AFS.
	The above applies also to the AFS of municipal entities.
Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities	*Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity?* *What actions need to be taken in terms of these recommendations?* Conclusions on these recommendations and the actions required should be incorporated in the oversight report.

Allocations received and made	***Considerations***
Allocations received by and made to the municipality	The report should disclose: ▪ Details of allocations received from another organ of state in the national or provincial sphere. ▪ Details of allocations received from a municipal, entity or another municipality. ▪ Details of allocations made to any other organ of state, another municipality or a municipal entity. ▪ Any other allocation made to the municipality under Section 214(1)(c) of the Constitution. *Have these allocations been received and made?* *Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?* *Does the audit report or the audit committee recommend any action?* Council should comment and draw conclusions on information and explanations provided.

Allocations received by and made to the municipal entity	The report should disclose: ▪ Details of allocations received from any municipality or other organ of state. ▪ Details of any allocations made to a municipality or other organ of state. ▪ Other information as may be prescribed. *Have these allocations been received and made?* *Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?* *Does the audit report or the audit committee recommend any action?* Council should comment and draw conclusions on information and explanations provided.
Information in relation to the use of allocations received	Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include: ▪ The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. ▪ Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided. ▪ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this. This information is required on all allocations excluding the municipality's portion of the equitable share and where prescribed otherwise by the nature of the allocation. The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received. *Council should be satisfied that –* ▪ *the information has been properly disclosed;* ▪ *conditions of allocations have been met; and* ▪ *that any explanations provided are acceptable.* The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.
Information in relation to outstanding debtors and creditors of the municipality and entities	Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities. It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds. *Council should be satisfied that –* ▪ *the information has been properly disclosed;* ▪ *conditions of allocations have been met; and* ▪ *also that any explanations provided are acceptable.* The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.

Disclosures in notes to AFS	***Considerations relating to section 124***
Information relating to benefits paid by municipality and entity to councillors, directors and officials	Information on the following items is to be included in the notes to the annual report and AFS: • salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind; • any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors; • salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; • contributions for pensions and medical aid; • travel, motor car, accommodation, subsistence and other allowances; • housing benefits and allowances; • overtime payments; • loans and advances, and; • any other type of benefit or allowance related to staff. *Council should be satisfied that –* • *the information has been properly disclosed;* • *conditions of allocations have been met; and* • *that any explanations provided are acceptable.* The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.

Municipal Performance	***Considerations***
The annual performance reports of the municipality and entities	Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. Questions that may be considered are – *Has the performance report been included in the annual report?* *Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report?* *Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?* *In terms of key functions or services, how has each performed? Eg. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?* *To what extent has performance achieved targets set by council?* *Is the council satisfied with the performance levels achieved?* *Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings?* *What actions have been taken and planned to improve performance?* *Is the council satisfied with actions to improve performance?* *Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?* *Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?* *Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?* *To what extent have actions planned for the previous year been carried over to the financial year reported upon?* *Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?*

	Council should comment and draw conclusions on information and explanations provided.
Audit reports on performance	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually. *Have the recommendations of internal audit been acted on during the financial year?* *Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?*
Performance of municipal entities and municipal service providers	The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered. *Is the council satisfied with the evaluation and conclusions of the municipality?* *What other actions are considered necessary to be taken by the accounting officers?*
For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein. Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities. *To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP?* *Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality?* *What specific actions should be taken by the entity and the municipality to improve performance?*

General information	***The following general information is required to be disclosed in the annual report.***
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.
The use of any donor funding support	*What donor funding has the municipality received?* *Have the purposes and the management agreements for the funding been properly agreed upon?* *Have the funds been used in accordance with agreements?* *Have the objectives been achieved?* *Has the use of funds been effective in improving services to the community?* *What actions need to be taken to improve utilisation of the funds?*
Agreements, contracts and projects under Private-Public-Partnerships	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.
Service delivery performance on key services provided	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality,

	entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report and or in statistical tables.
Information on long-term contracts	Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations	Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.

Other considerations recommended	
Timing of reports	*Was the report tabled in the time prescribed?* *Has a schedule for consideration of the report been adopted?*
Oversight committee or other mechanism	*What mechanisms have been put in place to prepare the oversight report?* *Has a schedule for its completion and tabling been adopted?*
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report. *Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?* *If so has a proper evaluation of performance been undertaken?* *Was the evaluation approved by council?* *Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?* *Are the payments justified in terms of performance reported in the annual report?* Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.



NATIONAL TREASURY

MFMA Circular No 104

Municipal Finance Management Act No. 56 of 2003

EXTENSION TO TIMELINES FOR SUBMISSION OF ANNUAL FINANCIAL STATEMENTS, ANNUAL REPORTS, AUDITS AND RELATED MATTERS IN TERMS OF THE MFMA

1. PURPOSE

1.1 The purpose of this Circular is to provide information to municipalities, municipal entities, auditors and other stakeholders, on the Ministerial Exemption issued in terms of section 171(1)(b) of the MFMA, "*Gazette*" published on 05 August 2020. This Circular and the Exemption Notice are available and can be accessed on the MFMA webpage, using the following link http://mfma.treasury.gov.za/Pages/Default.aspx.

2. BACKGROUND

2.1 The Minister of Finance exempted municipalities and municipal entities from submitting key reports. The notice allows for a two-months delay in the submission of Annual Financial Statements, Annual Reports, Audit Opinions, Oversight reports and associated processes.

2.2 The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus. Following the initial announcements of the national state of disaster, subsequent extensions and different levels were communicated.

2.3 Whilst the lockdown and restrictions have been eased over time, they are still in force and in effect with direct implications for municipalities, municipal entities, audit processes, amongst others. The lockdown impacts on the ability by municipalities and municipal entities to prepare and submit quality annual financial statements that meet the uniform norms and standards, related reports and processes to discharge their accountability towards the public and report on the utilisation of public funds.

2.4 The timing of the phased lockdown also had a knock-on effect on availability of municipal staff, which impacted on operations and added to the delays in ability to prepare AFS, undertake procedures such as the physical verification of assets, meter reading, revenue management, valuations, finalising supporting documentation and concluding reconciliations. There are similar impacts on the quality assurance processes, annual report, performance report and oversight report procedures and processes. The audit process and timelines by the Office of the Auditor-General to perform its audits, is also extended accordingly.

3. LEGISLATIVE REQUIREMENTS

3.1 The specific sections in the MFMA In terms of the MFMA, the accounting officer of a municipality must prepare the annual financial statements of the municipality or municipal entity and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. Similarly, the accounting officer of a municipal entity must prepare the annual financial statements of the entity and within two months after the end of the financial year to which those statements relate, submit the statements to the parent municipality and the Auditor-General. This means that the 2019/20 annual financial statements must be submitted by 31 August 2020 to the Auditor-General for auditing.

3.2 In terms of section 126(1)(b) of the MFMA, all municipalities with sole or effective control of a municipal entity, must prepare consolidated annual financial statements and submit the statements to the Auditor-General for auditing, within three months after the end of the financial year to which those statements relate. This means the 2019/20 consolidated annual financial statements must be prepared and submitted by 30 September 2020.

3.3 Other provisions effected by the Ministerial Exemption include sections 127, 129 and 133 of the MFMA.

4. MINISTERIAL EXEMPTION

4.1 The effects of this Ministerial exemption are to mitigate anticipated widespread non-compliance with sections 126, 127, 129 and 133 of the MFMA due to the national state of disaster and lockdown restrictions. This provides a further two-month period to municipalities and municipal entities to comply with the MFMA to submit the AFS, annual reports, performance report and its oversight report. It also extends the period for the Office of the Auditor-General to conduct their audits and submission of the audit opinion to auditees, thereafter. This will be

followed by Council Committees engagements and concluding their oversight processes.

4.2 The extension will therefore enable municipalities and municipal entities to undertake all the necessary actions, checks and reviews, to ensure that the annual financial statements fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.

4.3 In terms of the Ministerial Exemption, municipalities and municipal entities are exempted from complying with the deadlines provided in sections 126(1) and (2), 127(1) and (2) and 129(1) and 133(2) of the MFMA for a period of 2 months, as reflected in the table below. It is advised that all performance reports, required as per Section 46 of the Municipal Systems Act, be equally aligned.

No.	Action	Section	New Outer Deadline
1	The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	Section 126(1)(a) of the MFMA	31 October 2020
2	The accounting officer of a municipality must in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	Section 126(1)(b) of the MFMA	30 November 2020
3	The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those	Section 126(2) of the MFMA	31 October 2020

	statements relate, submit the statements to— a) the parent municipality of the entity; and b) the Auditor-General, for auditing.		
4	The accounting officer of a municipal entity must, within six months after the end of a financial year, or on such earlier date as may be agreed between the entity and its parent municipality, submit the entity's annual report for that financial year to the municipal manager of the entity's parent municipality.	Section 127(1) of the MFMA	28 February 2021
5	The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.	Section 127(2) of the MFMA	31 March 2021
6	The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council - a) has approved the annual report with or without reservations; b) has rejected the annual report; or c) has referred the annual report back for revision of those components that can be revised.	Section 129(1) of the MFMA	31 May 2021
7	The Auditor-General must submit to Parliament and the provincial legislatures—	Section 133(2) of the MFMA	31 December 2020

	a) by no later than 31 October of each year, the names of any municipalities or municipal entities which have failed to submit their financial statements to the Auditor-General in terms of section 126; and b) at quarterly intervals thereafter, the names of any municipalities or municipal entities whose financial statements are still outstanding at the end of each interval.		

5. CONCLUSION

5.1 Municipalities and municipal entities must ensure that processes and procedures are aligned to the extended deadlines as outlined in the above table. All the necessary actions must be undertaken to ensure that quality annual financial statements and performance reports are submitted for audits by the outer due dates provided above. All municipalities and municipal entities are encouraged to submit these reports before the due dates, where possible.

6. CONTACT

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Phone ***012 315 5850***

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Email – General ***mfma@treasury.gov.za***

Website ***www.treasury.gov.za/mfma***

TV PILLAY
CHIEF DIRECTOR: MFMA IMPLEMENTATION
Date: 07 August 2020

KOUGA
local municipality
Good Governance through Service Excellence

ANNEXURE C

MPAC PROCESS PLAN: 2020/21

DATES	ACTIONS
24 June 2020	MPAC Monthly Meeting
28 July 2020	MPAC Monthly Meeting
26 August 2020	MPAC Monthly Meeting
24 September 2020	MPAC Monthly Meeting
21 October 2020	MPAC Monthly Meeting
24 November 2020	MPAC Monthly Meeting (Annual Report)
10 December 2020	MPAC Monthly Meeting (Annual Report)
20 January 2021	MPAC Monthly Meeting (Annual Report)
17 February 2021	MPAC Monthly Meeting (Annual Report)
02 March 2021	MPAC Public Meeting (Jeffreys Bay)
03 March 2021	MPAC Public Meeting (Humansdorp)
04 March 2021	MPAC Public Meeting (Hankey)
18 March 2021	Finalizing Oversight Report and submission to Council
21 April 2021	MPAC Monthly Meeting
19 May 2021	MPAC Monthly Meeting
17 June 2021	MPAC Monthly Meeting

ANNEXURE D

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD IN THE COUNCIL CHAMBER (JEFFREYS BAY UNIT) ON WEDNESDAY, 21 OCTOBER 2020 AT 9:00

Present: Committee Members	Cllr. W. (Willem) Gertenbach (Chairperson)	
	Cllr. C. (Cynthia) August	
	Cllr W. (Wilma) Coenraad	
	Cllr. R. (Robin) Jantjies	
	Cllr. L. (Ludwig) Vorster	
	Cllr. M. (Magareth) Peters	
Officials	Mr. C. du Plessis	(Municipal Manager)
	Mr. V. Felton	(Director I & E)
	Ms. K. Moodley	(Director: Corp. Services)
	Ms. F. Mabusela	(Director: P,D&T)
	Ms. N. Machelesi	(Director: Comm Services)
	Mr. A. Koegelenberg	(Manager: PMS)
	Ms. M. Jantjies	(Committee Clerk)

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr. Coenraad to open the meeting with prayer. The Chairperson welcomed everyone present to the proceedings.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

ABSENT WITH APOLOGY

Cllr. M. van Niekerk
Mr. R. Lorgat (CFO)

ABSENT WITHOUT APOLOGY

Cllr. P. Nkwalase

3. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

3.1 Confirmation of a Municipal Public Accounts Committee meeting held on 26 August 2020.

Resolved to Recommend (21 October 2020)

That the minutes of the Municipal Public Accounts Committee meeting held on 26 August 2020 be confirmed.

Proposed by: Councilor L. Vorster Seconded by: Councilor W. Coenraad

4. **MATTERS ARISING FROM PREVIOUS MINUTES**

20/08/MPACC1 ACQUISITION OF CELLULAR SERVICES VIA TELKOM

Cllr Vorster enquired whether a copy of the SLA between Telkom and the Municipality was distributed to the committee as per the minutes.

Resolved to Recommend (21 October 2020)

1. That a copy of the SLA between Telkom and the Municipality be distributed to the committee.

20/08/MPACC2 REPLACEMENT OF PUBLIC REPRESENTATIVES ON THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Chairperson provided background on the item and the committee was of the view that the item must be finalized .

Resolved to Recommend (21 October 2020)

1. That the advertisement for the replacement of public representatives on MPAC be expedited.

5. **MATTERS FOR DISCUSSION**

20/10/MPACC1 1ST REVIEW DRAFT 2019/20 ANNUAL REPORT

The Chairperson requested clarity on the submission dates of the Auditor General's Report as well as the submission of the Annual Report. The Chairperson enquired whether this will also affect the submission of the Oversight Report. Since the submission dates have been extended with 2 months. The Municipal Manager explained that all submissions will be done in line with the Annual Financial Statements. The Municipal Manager further stated that a meeting will be held with the Auditor General and the question will be raised in the meeting.

The Chairperson requested that the Municipal Manager provide feedback on the matter to the next meeting. He further stated that the committee must note that the deadline for submissions is no longer end of March 2021, but moved to end of May 2021.

The Chairperson enquired whether all functions stated in the First Draft 2019/20 Annual Report item are addressed in the Annual Report.

Mr Koegelenberg confirmed that all functions are addressed and the report was written before the circular was distributed, hence some of the references might differ.

The Chairperson commended the Manager PMS as well as all staff involved in the compilation of an improved Annual Report.
The Chairperson requested Mr Koegelenberg to adjust the layout of the pictures as well as justification of the margins for the sake of consistency.

On Page 7 (Mayor's Foreword): To insert a heading stating Cllr Horatio Hendricks. On Page 23: that the size of the bullet points to be corrected. The Chairperson stated that he will provide Mr Koegelenberg with his hard copy to amend corrections.

CORPORATE SERVICES:

Page 14: The Chairperson enquired whether the "Considerable reduction on the Telkom landline bill and printing" saving stated is correct. Ms Moodley explained that it is a Comparative Assesment for Financial years (17/18, 18/19, 19/20)

Page 15: Ms Moodley explained that starting from 2016 up to the year of reporting the municipality's expenditure on staff development was the highest it has ever been, with a record spent on capacitating employees.

PLANNING DEVELOPMENT AND TOURISM:

Page 17: Ms Mabusela confirmed that the commencement of the Mini Fresh Food and Craft Market is not yet implemented. The design of the project is completed, awaiting construction thereof.

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE:

Page 28: Enter bullet points
Page 29: Correct spelling mistakes in the table

PUBLIC SATISFACTION:
Page 33: Need to indicate how many forms was received. That Ward Councillors be requested to assist in distributing forms.

TARGETS AND ACHIEVEMENTS
Page 43: The Chairperson enquired difference between Annual Targets and Achievements. Ms Moodley explained that the table is an extract from Departmental SDBIPS, Annual Targets relates specifically to Financial year and the target comes from the IDP.

Cllr Jantjies was excused from the meeting at 10h15.

ACTING APPOINTMENTS:
Page 57: Reword the sentence.

OCCUPATIONAL HEALTH AND SAFETY:
Page 62: All historical claims are being dealt with.

INFRASTRUCTURE AND ENGINEERING:
Page 71: Spacing and spelling mistakes in table to be corrected.
Page 73: Total amount in table to be verified
Page 77: Roads: The Eco-Friendly road was fully funded by the donor.
Page 83: Sentence to be corrected; "alignment with Ian principles"

COMMUNITY SERVICES:
Page 137: The Disaster Management Plan will be finalised within the next months.

PLANNING, DEVELOPMENT AND TOURISM:
Page 167: Redo the whole table
Page 181: Use different pictures
Page 188: Correct the amount R1500
Page 190: Correct spelling mistakes

Resolved to Recommend (21 October 2020)

1. That it be noted that the Final Annual Report and the Oversight Report will be submitted to the May 2021 Council meeting as per Circular 104 , dated August 2020.

2. That all necessary amendments be done to the Annual Report and the updated document be submitted to the next meeting.

6. **DATE OF NEXT MEETING**

Date of next meeting: 26 November 2020 at 9h00.

7. **CLOSURE**

The Chairperson thanked the Committee as well as all Directors for their valuable input and for attending the meeting.

The meeting adjourned at 11:20.

WPD Gertenbach

26 November 2020

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CLLR WPD GERTENBACH **DATE**
CHAIRPERSON

MINUTES OF A VIRTUAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 26 NOVEMBER 2020 AT 9:20

Present: Committee Members	Cllr. W. Gertenbach (Chairperson) Cllr. C. August Cllr. W. Coenraad Cllr. M. Van Niekerk Cllr. R. Jantjies Cllr. L. Vorster Cllr. M. Peters Cllr. P. Nkwalase	
Officials	Mr. R. Lorgat Mr. V. Felton Ms. K. Moodley Ms. F. Mabusela Mr. F. Jamal Mr. A. Koegelenberg Ms. N. Zode	(CFO) (Director I & E) (Director: Corp Services) (Director: PDT) (Manager: Intern. Audit) (Manager: PMS) (Scribe)

1. **OPENING AND WELCOME**

The Chairperson welcomed everyone and read the notice convening the meeting and requested Cllr. Peters to open the meeting with prayer.

He then requested the Committee to take a moment of silence for all lives lost to Covid-19.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

ABSENT WITH APOLOGY

None

ABSENT WITHOUT APOLOGY

None

3. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

3.1 Confirmation of a Municipal Public Accounts Committee meeting held on 21 October 2020.

Resolved to Recommend (26 November 2020)

That the minutes of the Municipal Public Accounts Committee meeting held on 21 October 2020 be confirmed.

Proposed by: Cllr L. Vorster Seconded by: Cllr C. August

MATTERS ARISING FROM PREVIOUS MINUTES

The Chairperson requested Director Moodley to circulate a copy of the Service Level Agreement between Kouga Municipality and Telkom as agreed at the last meeting.

The Chairperson further requested Director Moodley to explain to the Committee why a forensic investigator cannot be a member of MPAC.

Director Moodley stated that MPAC is an oversight Committee, the members in the Committee can have expertise in forensic investigation but they cannot perform the work of forensic investigators while being members of the Committee. This would be playing dual roles which can be difficult to distinguish the roles of a member and an independent forensic investigator. She further stated that the Administration is busy with the advert for MPAC public members and it should go out by next week.

4. **MATTERS FOR DISCUSSION**

20/11/MPACC1 **INSTITUTIONAL PERFORMANCE REPORT: DRAFT ANNUAL PERFORMANCE REPORT: INSTITUTIONAL SDBIP - IMPLEMENTATION SCORECARD: 2019/20 YEAR**

The Chairperson enquired whether all the questions, corrections and comments made by MPAC at the last meeting have been updated in the annual report.

Mr. Koegelenberg confirmed that all corrections have been made to the annual report, he further indicated that the report that has been tabled now is the draft annual performance report which will eventually form part of the annual report after audit has been completed on the annual performance report.

The Chairperson enquired who makes the evaluation on the performance of the institution.

Mr. Koegelenberg stated that he calculates the number of performance indicators achieved and he discusses it with the Municipal Manager and reflects it in the report, however it is an un-audited version and may still change after the audit.

The Chairperson enquired what caused the difference in performance percentage, 2018/19 - 75.96% and 2019/20 - 67.01%.

Mr. Koegelenberg stated that when the previous CFO left the Municipality, the person who was acting as a CFO did not complete the performance report until the new CFO was appointed. He further indicated that the under performance might have been caused by the lack of submission of the financial targets in the SDBIP and another challenge was Covid-19.

The Chairperson enquired whether the 67.01% is the total average of all Directorates.

Mr. Koegelenberg confirmed that it is the average for the institution.

Cllr Vorster enquired what impact will the institutional annual performance report have on the annual report?

The Chairperson stated that performance management was one of the reasons the Municipality could not get a clean audit last year.

Mr. Koegelenberg stated that the reason for not getting a clean audit on the performance management deals directly with the reliability on the performance information supplied against the performance targets and it focuses on specific indicators and lack of evidence and the processes followed.

The Chairperson enquired whether the decrease in performance is not also affected by the changed criteria to measure the performance.

Mr. Koegelenberg stated that there were no substantial changes to the criteria in 2018/19 and 2019/20 that could have affected the performance.

The Chairperson stated that he noted on the different Directorates performance, that the procurement plan implementation was a challenge for all and that this must be investigated. He further indicated that it would be unfair if the Directorates are scored low due to the procurement process not being effective.

Mr. Koegelenberg stated that unfortunately in the institutional performance report there is no opportunity to give reasons unlike in the individual performance.

The Chairperson noted that the performance management framework was last reviewed in 2014, should it not be reviewed now?

Mr. Koegelenberg agreed that the performance management framework must be reviewed.

The Chairperson noted that on page 26 - debt impairment, that there is no amount, does that mean there was no debt written-off for the entire year? He further proposed that bulk purchases be divided into electricity and water to distinguish where the Municipality is losing or gaining in terms of expenditure.

The Chairperson also enquired whether MIG funding was rolled over?

Director Felton stated that the biggest portion was rolled over but there is a portion which was not rolled. A determination was made by National Treasury, a rollover was initially supported by COGTA and Provincial Treasury but when it went to National Treasury, a letter was received, indicating that not all the funding will be rolled over.

The Chairperson stated that the KPI's need to be revised as other KPI's are unachievable and that is a concern for him. Some KPI's are clustered together and they are unclear and unmeasurable and that needs to be addressed for future performance. He further noted that the tables are in different format for each Directorate.

Director Moodley stated that as far as the targets are concerned more attention was given on the targets in this financial year, she further indicated that the internal auditor completed a review on the current targets and they highlighted some shortcomings in terms of the smart principles as targets need to be compliant with the smart principle, targets need to be Specific Measurable Achievable Realistic Time. She also stated that Mr. Koegelenberg has revised the targets for 2021 and has made adjustments in line with the internal auditor's recommendations.

Resolved to Recommend (26 November 2020)

1. That the content of the Draft Annual Performance Report on the implementation of the 2019/20 Service Delivery and Budget Implementation Plan be noted.

20/11/MPACC2 **1ST DRAFT ANNUAL REPORT (2019/2020)**

The Chairperson indicated that at the last meeting they covered approximately 150 pages of the annual report, he then enquired whether the report must serve at Council again.

Mr. Koegelenberg stated that at this stage the annual report is not going to Council as it has served already on the 29 October 2020. He further indicated that the annual report would be going to Council in March 2021 but there was an extension of two months granted.

He also indicated that the Committee will have to decide whether they will wait for the finance section to submit the financial statements and look at a complete document or not, but so far all the issues which were raised at the last MPAC session have been amended accordingly. He further indicated that he would forward the circular which was circulated for the extension to the Committee.

Councillor Vorster enquired a way forward in terms of the annual report as the Committee last stopped on page 194.

Director Moodley advised that comments be submitted to the Chairperson on the annual report for the outstanding pages which were supposed to be considered today, and the Chairperson collate the comments and submit them to Mr. Koegelenberg.

The Chairperson enquired whether the financial statements and the AG report will be ready by month end December 2020.

CFO stated that the report from AG usually comes in at the end of November 2020, but it has been pushed two months out and is only expected at the end of January 2021. The financial statements will be populated for inclusion in the annual report by end of January 2021.

The Chairperson stated that there is no need to have an MPAC meeting in December 2020, as there are no financial statements to go through.

The CFO re-iterated that the financial statements will not be available in December 2020, if the Committee wishes to continue with the meeting, they can finalize the annual report.

The Committee resolved to cancel the MPAC meeting scheduled for 10 December 2020.

Councillor Vorster proposed that the Committee should submit comments on the annual report as from the last page that was handled at the last meeting to Councillor Gertenbach no later than 7 December 2020.

Councillor Peters seconded the proposal.

Resolved to Recommend (26 November 2020)

1. That it be noted that the 1st Draft of the 2019/20 Annual Report was submitted to Council during September 2020.

2. That MPAC determines the dates, processes and procedures to be followed for purposes of preparing an Oversight Report on the 2019/20 Annual Report.

3. That the Committee submits all comments on the annual report to the Chairperson no later than 7 December 2020.

Proposed: L. Vorster Seconded: M. Peters.

5. **DATE OF NEXT MEETING**

6. **CLOSURE**

The Chairperson thanked the Committee as well as all Directors for their valuable input and for attending the meeting.

The meeting adjourned at 10:50.

WPD Gertenbach

18 March 2021

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CLLR WPD GERTENBACH **DATE**
CHAIRPERSON

MINUTES OF A VIRTUAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 18 MARCH 2021 AT 9:00

Present: Committee Members	Cllr. B. Dhludhlu (Chairperson) Cllr. W. Coenraad Cllr. R. Jantjies Cllr. M. van Niekerk Cllr. L. Vorster	
Officials	Mr. C. du Plessis	(Municipal Manager)
	Ms. K. Moodley	(Director: Corporate Services)
	Mr. E. Oosthuizen	(Acting Director I & E)
	Ms. L. Opperman	(Manager: Legal Services)
	Ms. M. Jantjies	(Scribe)
Stakeholders	Ms. N. Jam-Jam	COGTA

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr Coenraad to open the meeting with prayer. The Chairperson welcomed everyone present and stated that apologies was received from Cllr August and Cllr Peters due to connectivity issues.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

ABSENT WITH APOLOGY

Cllr. C. August
Cllr M. Peters
Mr R. Lorgat (CFO)
Mr F. Jamal (Manager Risk and Internal Audit)

ABSENT WITHOUT APOLOGY

Cllr. P. Nkwalase

3. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

3.1 Confirmation of a Special Municipal Public Accounts Committee meeting held on 26 November 2020.

Resolved to Recommend (18 March 2021)

1. That the minutes of the Special Municipal Public Accounts Committee meeting held on 26 November 2020 be confirmed.

Proposed by: W. Coenraad Seconded by: M. van Niekerk

4. **MATTERS FOR DISCUSSION**

21/03/MPACC1 **MPAC RESOLUTIONS 2020**

The Chairperson enquired whether members had any concerns regarding the content of the item. The Chairperson further stated that CV's were received for the replacement of the MPAC Public Representatives and that shortlisting will take place this afternoon.

The Chairperson enquired whether any of the members received previous MPAC training. Ms. Jam-Jam stated that she will investigate the matter pertaining to training of MPAC members.

Resolved to Recommend (18 March 2021)

1. That the updated Action Sheets reflecting resolutions of the MPAC meetings for 2020 be noted.

2. That the replacement of Cllr Meleni on the MPAC Committee be referred to Council.

21/03/MPACC2 **2020/21 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: PROGRESS UP TO THE QUARTER ENDING 31 DECEMBER 2020**

The Chairperson requested Mr. Koegelenberg to present the item to the Committee. Mr. Koegelenberg stated that an adjusted SDBIP will be submitted after the finalization of the Adjustment Budget. Several targets on the current SDBIP will change hence it will not be ideal to discuss the document at this stage.

The Chairperson stated that the SDBIP will not be discussed today and will await input from the respective Portfolio Committees. The Chairperson requested that a Table of Contents be developed for the SDBIP per Directorate for ease of reference.

Resolved to Recommend (18 March 2021)

1. That an updated item be tabled at the next meeting.

5. **DATE OF NEXT MEETING**

Date of next meeting will be communicated timeously.

6. **CLOSURE**

The Chairperson thanked the Committee for their valuable input and for attending the meeting.

The meeting adjourned at 10:00.



29 April 2021

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CLLR D DHLUDHLU **DATE**
CHAIRPERSON

MINUTES OF A VIRTUAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 29 APRIL 2021 AT 09:05

Present: Committee Members

Cllr B. Dhludhlu (Chairperson)
Cllr C. August
Cllr W. Coenraad
Cllr R. Jantjies
Cllr M. van Niekerk
Cllr. L. Vorster

Officials

Ms N. Machelesi	(Acting Municipal Manager)
Ms K. Moodley	(Director: Corporate Services)
Mr R. Lorgat	(CFO)
Mr E. Oosthuizen	(Acting Director I & E)
Mr J. Marais	(Acting Director: PD&T)
Ms M. Jantjies	(Scribe)

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr August to open the meeting with prayer. The Chairperson welcomed everyone present and stated that Ms Machelesi is Acting Municipal Manager, and that Mr Marais is representing Ms Mabusela.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

ABSENT WITH APOLOGY

Ms L. Opperman	(Manager: Legal Services)
Mr F. Jamal	(Manager Risk and Internal Audit)
Mrs N. Jam – Jam	(COGTA)

ABSENT WITHOUT APOLOGY

Cllr. P. Nkwalase
Cllr M. Peters

3. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

3.1 Confirmation of a Municipal Public Accounts Committee meeting held on 18 March 2021.

Resolved to Recommend (29 April 2021)

1. That the minutes of the Special Municipal Public Accounts Committee meeting held on 18 March 2021 be confirmed.

Proposed by: Cllr L. Vorster Seconded by: Cllr R. Jantjies

4. **MATTERS FOR DISCUSSION**

21/04/MPACC1 **MPAC RESOLUTIONS – 18 MARCH 2021**

Ms Moodley confirmed that the appointment of the MPAC Public Representative is finalized and the successful applicant will be invited to the next meeting.

Cllr Vorster requested that it be noted that Cllr Nkwalase is absent without apology for the third consecutive meeting.

Mr Koegelenberg confirmed that some of the information needed to complete the SDBIP is still outstanding, but all information is due in Quarter three.

Resolved to Recommend (29 April 2021)

1. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 29 April 2021 be noted.

21/04/MPACC2 **2nd Draft Annual Report (2019/20**

The Chairperson requested Mr. Koegelenberg to present the item to the Committee. Mr. Koegelenberg stated that the Annual Report was scrutinized in the previous meeting and that the Financial Section still needs to be discussed.

Ms Moodley explained that Administration is investigating the possibility of moving to an incident management system, which is part of the Ovivo system. This will enable an increased reach to Kouga citizens.

Cllr Jantjies enquired why no amounts are stated next to the projects on pages 36 – 41.

Ms Moodley explained that no budget was available at the time, hence no amounts are captured.

The CFO explained that the SDBIP was previously driven by procurement which is an incorrect method and the SDBIP should be written in terms of targets. The KPI's should be in line with targets.

The CFO further explained that after assessing SCM, numerous weaknesses were identified in the current system. A project specific ad-hoc BEC committee was established, and the new structure is working. The timeline of the Procurement Plan was also changed.

Report on the Audit of Compliance with Legislation:
Bullet point 28: The Chairperson requested clarity as to why reasonable steps were not taken to prevent irregular expenditure of R1.5 million disclosed in Note 4.3. The CFO explained that the R1.5 million relates to Legal costs incurred by the municipality before appointment of the Legal panel.

Bullet point 31, 35 and 36: Cllr Vorster requested clarity. The CFO explained that most of the paragraphs emanated from the performance information and material changes had to be made to the Annual Report.

Mr Koegelenberg stated that some directorates did not regularly report on their performance. He further explained that all information was not always forthcoming. The 20/21 SDBIP has changed substantially which will eliminate queries from the AG.

Cllr August referred to the incorrect capturing of the Councilor's attendance stated in the report. Mr Koegelenberg confirmed that it will be corrected.

Cllr Vorster proposed that the Audit Action Plan be monitored regularly to ensure a positive Audit outcome. The Chairperson enquired whether the Internal Audit system is fully functional. Mr Koegelenberg confirmed that the Internal Audit department is fully functional.

Resolved to Recommend (29 April 2021)

1. That an updated item be tabled at the next meeting.

5. **DATE OF NEXT MEETING**

19 May 2021

6. **CLOSURE**

The Chairperson thanked the Committee for their valuable input and for attending the meeting. He further commended the Administration on a well-prepared document.

The meeting adjourned at 10:40.



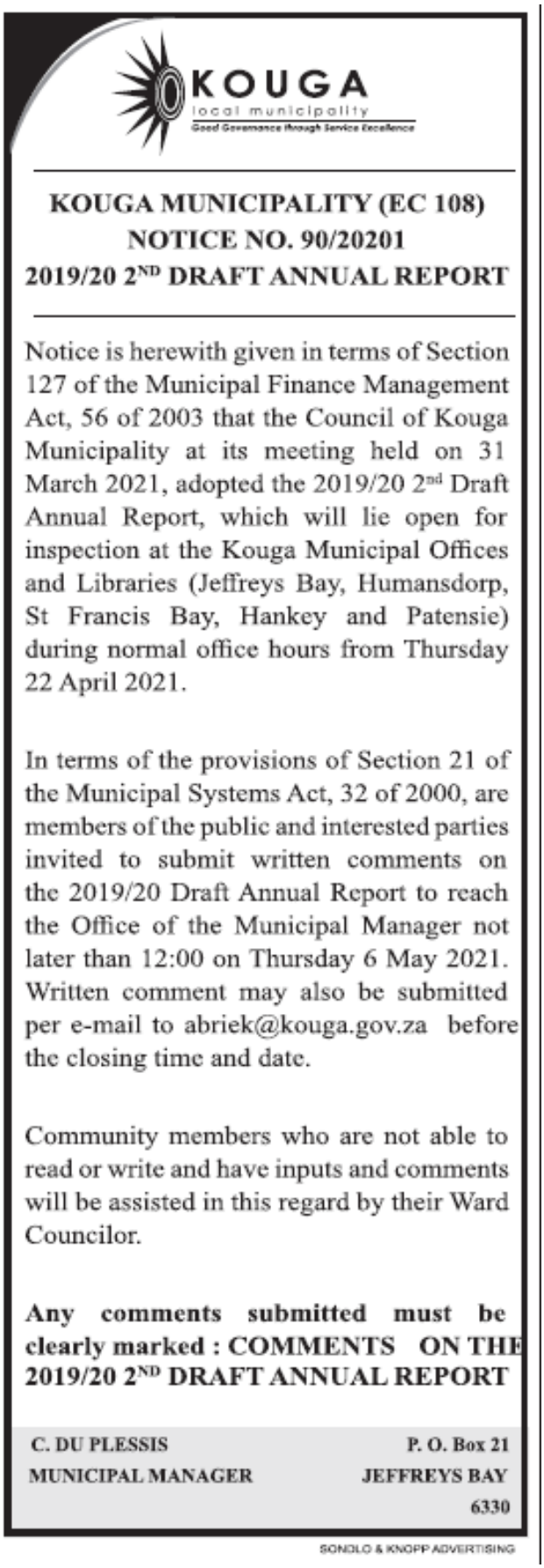
19 May 2021

_____ _____

CLLR D DHLUDHLU **DATE**
CHAIRPERSON

ANNEXURE E

ADVERTISED ON 22 APRIL 2021



KOUGA
local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC 108)
NOTICE NO. 90/20201
2019/20 2ND DRAFT ANNUAL REPORT

Notice is herewith given in terms of Section 127 of the Municipal Finance Management Act, 56 of 2003 that the Council of Kouga Municipality at its meeting held on 31 March 2021, adopted the 2019/20 2nd Draft Annual Report, which will lie open for inspection at the Kouga Municipal Offices and Libraries (Jeffreys Bay, Humansdorp, St Francis Bay, Hankey and Patensie) during normal office hours from Thursday 22 April 2021.

In terms of the provisions of Section 21 of the Municipal Systems Act, 32 of 2000, are members of the public and interested parties invited to submit written comments on the 2019/20 Draft Annual Report to reach the Office of the Municipal Manager not later than 12:00 on Thursday 6 May 2021. Written comment may also be submitted per e-mail to abriek@kouga.gov.za before the closing time and date.

Community members who are not able to read or write and have inputs and comments will be assisted in this regard by their Ward Councilor.

Any comments submitted must be clearly marked : COMMENTS ON THE 2019/20 2ND DRAFT ANNUAL REPORT

C. DU PLESSIS
MUNICIPAL MANAGER

P. O. Box 21
JEFFREYS BAY
6330

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Kouga Audit Committee Annual Report: 2019/2020

KOUGA AUDIT COMMITTEE MEMBERS

The audit committee was re-appointed by the Council on 28 June 2019 in terms of the MFMA no. 56 of 2003. The audit committee consisted of the following independent external members:

MEMBER	NUMBER OF MEETINGS ATTENDED
J Blignaut (Chair)	4
RD Coetzer	4
Y Ngqele	4

The audit committee endeavors to meet at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Besides the Kouga Audit Committee members, the meetings were also attended at various times by:

The Mayor
The Municipal Manager
The chief Financial Officer
Director: Administration, Monitoring & Evaluation
Director: Infrastructure, Planning & Development
Director: LED, Tourism & Creative Industries
Director: Social Services
Manager: Performance Management
Manager: Risk and Internal Audit
Representatives from the Auditor General's office

Details of meetings

DATE	ATTENDANCE	ATTENDANCE	ATTENDANCE
MEMBER	Mr. Y Ngqele	Mr. J Blignaut (Chair)	Mr. RD Coetzer
27/08/2019	X	X	X
03/12/2019	X	X	X
14/05/2020	X	X	X
25/06/2020	X	X	X

Kouga Audit Committee Annual Report: 2019/2020

MATTERS TO BE TAKEN COGNISANCE OF

The Municipal Manager has made great strides in performing Performance assessments.
All Performance Reporting has also been reviewed by Internal Audit.

ITEMS THE AUDIT COMMITTEE REPORTS ON IN THIS REPORT

- INTERNAL FINANCIAL CONTROL
- RISK MANAGEMENT
- ACCOUNTING POLICIES
- EFFECTIVE GOVERNANCE
- PERFORMANCE MANAGEMENT AND EVALUATION
- ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING
- COMPLIANCE WITH LEGISLATION
- RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR GENERAL
- REVIEW OF ANNUAL FINANCIAL STATEMENTS

1. INTERNAL FINANCIAL CONTROL

- Budgetary control has improved significantly year on year
- Monies owing by the municipality were not always paid within 30 days.

The monthly budget reports prepared by the CFO are relevant, concise and user friendly, enabling users to understand the financial position and performance.

Internal audit performed various reviews during the year under review including some follow up reviews.

It has also updated the risk register and appears to be functioning effectively.

2. RISK MANAGEMENT

The Committee has received regular reporting on Risk Register.

The risk identified on the risk management plan require further action from the municipality in order to improve the control environment and functioning of the internal control system, so that risks are mitigated or reduces to acceptable levels.

The improvement of the Performance Management System should improve risk assessment and management.

3. ACCOUNTING POLICIES

No significant changes in accounting policies were identified.

4. EFFECTIVE GOVERNANCE

In my opinion, oversight and leadership by management has improved significantly.

5. PRFORMANCE MANAGEMENT AND EVALUATION

This function is much improved and functioning effectively.

6. ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING

The municipality appointed a well-qualified CFO during the 2019/2020 year and financial management and reporting has improved.

We wish to highlight the importance of retaining supporting evidence and records any transaction and the continued focus on key controls to ensure the validity accuracy and completeness of financial reporting.

7. COMPLIANCE WITH LEGISLATION

We have seen an improvement in the overall compliance with legislation.

8. RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR GENERAL

Historical Unauthorized expenditure has been condoned by the council. We are not aware of other matters.

9. REVIEW OF ANNUAL FINANCIAL STATEMENTS

We have reviewed the draft Annual Financial Statement and await Internal Audit's review of the Draft Financial statements. The Performance of the municipality appears to have improved in overall liquidity.

CONCLUSION

Although the municipality has made great strides toward improved service delivery and accountability, there is still a lot of hard word, leadership and commitment required for the municipality to achieve the objectives set for the future.

The Audit committee will increase its focus on advising the Municipality with regard to compliance with laws and regulations and Risk management going forward.

The Kouga audit committee would like to thank the management of the Kouga Local Municipality, and the office of the auditor-general for the good working relationship and positive atmosphere within which our meetings are being conducted.



RD COETZER

Chairperson, Kouga Audit Committee

18 May 2021

ANNEXURE G

JANUARY 2021 - STATUS OF THE MINIMUM COMPETENCY LEVELS FOR KOUGA

report processed on 12-Feb-2021, 11:42 AM

Name	Surname	ID	Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed *(where required)*	Completed Required Unit Standards	Requirements Met	Compliant *(consider Budget)*
Charl	Du Plessis	6710155014085	Accounting Officer	✓	✓	✓	✓	4	✓
Victor	Felton	6703065151087	Senior Manager (MSA S56	✓	✓	✓	✓	4	✓
Nomvula	Machelesi	7202260794081	Senior Manager (MSA S56	✓	✓	✓	✓	4	✓
Fezeka	Mabusela	7901190513087	Senior Manager (MSA S56	✓	✓	✓	✓	4	✓
Krishen	Moodley	7001100148080	Senior Manager (MSA S56	✓	✓	✓	✓	4	✓
Shukree	Abrahams	8303035059088	Middle Manager: Finance	✓	✓	✓	✓	4	✓
Ria	Van Heerden	5910210002080	Middle Manager: Finance	✓	✓	✓	✓	4	✓
Lundi	Landu	8510245762083	Supply Chain Managemen	✓	✓	✓	✓	4	✓
Abrie	Koeglenberg	6108055023084	Middle Manager: Finance	X	✓	✓	✓	3	X
Ashley	Perils	8110015087082	Middle Manager: Finance	✓	✓	✓	✓	4	✓
Zandisile	Gongqoba	8005205376081	Middle Manager: Finance	✓	✓	✓	✓	4	✓
Nomfundo	Mate	8408070426082	Middle Manager: Finance	✓	✓	✓	✓	4	✓
Riaz	Lorgat	8202175222087	Chief Financial Officer - M	✓	✓	✓	✓	4	✓

SUMMARY REPORT

1 Accounting Officer

1 (100%) compliant as per regulation(consider budget)
1 (100%) meet the minimum 4 criteria for position(budget not considered)
0 (0%) don't have the required minimum higher education qualification
0 (0%) don't have the required minimum work experience
0 (0%) have not signed the required performance agreement

0 (0%) have not completed all the required unit standards

1 Chief Financial Officer - Municipality

1 (100%) compliant as per regulation(consider budget)
1 (100%) meet the minimum 4 criteria for position(budget not considered)
0 (0%) don't have the required minimum higher education qualification
0 (0%) don't have the required minimum work experience
0 (0%) have not signed the required performance agreement
0 (0%) have not completed all the required unit standards

4 Senior Manager (MSA S56)

4 (100%) compliant as per regulation(consider budget)
4 (100%) meet the minimum 4 criteria for position(budget not considered)
0 (0%) don't have the required minimum higher education qualification
0 (0%) don't have the required minimum work experience
0 (0%) have not signed the required performance agreement
0 (0%) have not completed all the required unit standards

1 Supply Chain Management Manager

1 (100%) compliant as per regulation(consider budget)
1 (100%) meet the minimum 4 criteria for position(budget not considered)
0 (0%) don't have the required minimum higher education qualification
0 (0%) don't have the required minimum work experience
0 (0%) have not signed the required performance agreement
0 (0%) have not completed all the required unit standards

6 Middle Manager: Finance

5 (83%) compliant as per regulation(consider budget)
5 (83%) meet the minimum 4 criteria for position(budget not considered)
1 (17%) don't have the required minimum higher education qualification
0 (0%) don't have the required minimum work experience
0 (0%) have not signed the required performance agreement
0 (0%) have not completed all the required unit standards

Notes:

****The above is the Status of Minimum Competency Levels in your municipality based on Gazette 29967 and 41996, as per Annexure C submission**

***Click on the red Xs in column J for regulation recomendations.*

***The highlight: Appointments from 3 Feb 2017 to date without meeting the 3 compulsory criteria (other than unit standards).*

The Municipal Manager/ Chief Executive Officer certifies that this information is true and correct as it reflects the latest records on Competency Levels f



Municipality Manager/ Chief Executive Officer



Chief Financial Officer

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO: 21/05/MM10**

ANNUAL REPORT (2019/2020)

1. Introduction

The purpose of this item is to table the 2019/20 Annual Report to Council.

The Annual Report will be circulated separately. ***

2. Background

Section 46 of the Municipal Systems Act 32 of 2000 read with Chapter 12 of the Municipal Finance Management Act 56 of 2003 requires that a municipality must table an Annual Report consisting of:

a) A Performance Report;

b) The Financial Statements for the financial year in review;

c) An Audit Report on the Financial Statements; and

d) Any other reporting requirement in terms of other applicable legislation.

The abovementioned section also provides that Representatives of the Auditor-General and the MEC for Local Government in the Province are entitled to attend and to speak at such meetings, and the Municipal Manager must be available to respond to questions related to the annual report.

Section 46 (4)(b) of the Municipal Systems Act further provides that a copy of the report be submitted to:

a) The MEC for local government in the province;

b) The Auditor-General; and

c) Such other institutions as may be prescribed by legislation.

3. Discussion

The 2019/20 Annual Report was published for public comment with the closing date for such comments set at 6 May 2021. No comments were received.

The 2019/20 Annual Report was considered by MPAC and the MPAC Oversight Report on the 2019/20 Annual Report is submitted undercover of a separate report.

4. Recommendation

4.1 That the 2019/20 Annual Report be approved without reservations in terms of the provisions of Section 129(1) of the Municipal Finance Management Act

4.2 That the Accounting Officer make the approved 2019/20 Annual Report public and submit the 2019/20 Annual report to:

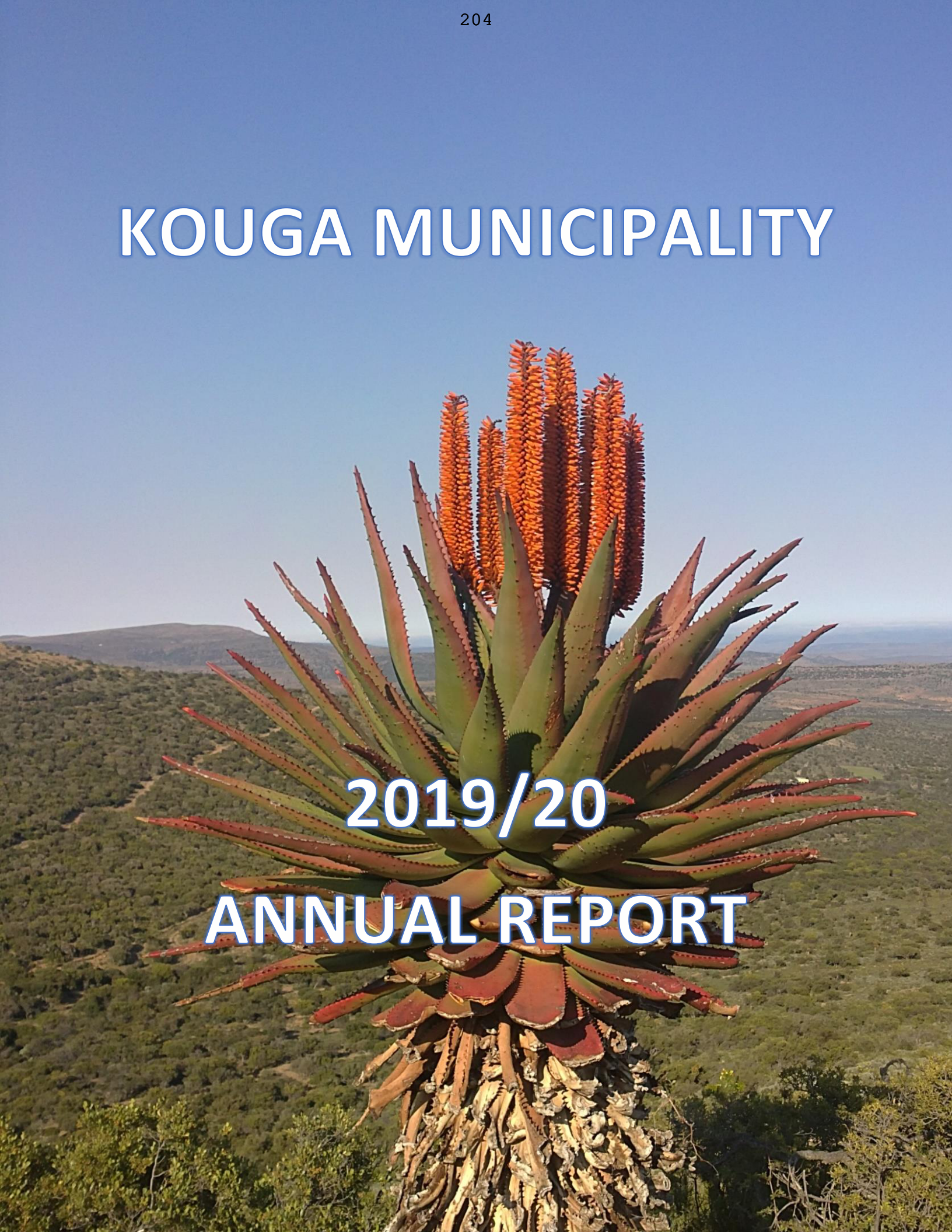
- The Auditor-General;
- The Provincial Treasury;
- The Provincial Department for Local Government;
- Other institutions as prescribed by legislation.

A Koegelenberg

Item prepared by : **Manager: Performance Management Systems**

Item approved by : **The Municipal Manager**

KOUGA MUNICIPALITY



2019/20 ANNUAL REPORT

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COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR: COUNCILOR HORATIO HENDRICKS



It is an honour to present the Annual Report of Kouga Municipality for the 2019/20 financial year.

2019/2020 was a year filled with turbulence and triumph.

Worldwide it will be remembered for one of the biggest international health crises in more than a century, with the COVID-19 pandemic ravaging lives and economies across the globe.

Kouga was not immune to the devastation, but what stood out was how all sectors of our community took hands to help steer our region and people safely through the storm. It once again showed how resilient and caring the people of Kouga are.

The municipality played a critical role in keeping Kouga on course through the storm, taking on far more than its mandated duty.

A homeless shelter was established in Jeffreys Bay where up to 80 destitute men, women and children were cared for during the nationwide COVID-19 lockdown while some 15 000 food parcels were distributed to families whose income had been affected. This amounted to almost 200 tons of food at a cost of R4,5 million.

I would like to thank our local business sector and community partners, as well as other spheres of government, for taking hands with the municipality to make this possible.

Despite the challenges brought about by the COVID-19 lockdown, service delivery and infrastructure improvements in the Kouga region surged ahead during 2019/20.

These improvements were guided by the six narratives announced in the 2020 State of the Municipality Address, namely: Keep Kouga Serviced, Keep Kouga Clean, Keep Kouga Green, Keep Kouga Safe, Keep Kouga Smart, and Keep Kouga Growing.

Service highlights over the past year included the official opening of two state-of-the-art wastewater treatment works at Kruisfontein in Humansdorp and Sea Vista in St Francis Bay.

The electricity network was also expanded to give 100 more families access to power for the first time.

Augmenting the water supply amidst the prolonged drought remained a priority, with the R151-million drought-relief projects moving steadily forward despite delays caused by the lockdown. These projects

include the upgrade of the Jeffreys Bay Water Treatment Plant and bringing new boreholes on line at Hankey, Patensie and Humansdorp.

Good progress was further made in addressing the R500-million backlog in road maintenance, with R25 million being spent on resurfacing roads and more than 24 000 potholes being filled during 2019/20.

We also had the privilege of officially opening Africa's first-eco-friendly road, incorporating waste plastic.

Kouga was the runner-up in the 2019/20 East Cape Greenest Municipality in recognition of our ongoing commitment towards sustainable development. Other successes included the retrofitting of 1 000 streetlights and floodlights with energy-saving LED bulbs and the launch of the Green School Competition and Ambassador Programme.

As part of our campaign to keep Kouga clean a further 10 000 wheelie bins were distributed to households for free. Community facilities were also upgraded and new bush and grass-cutting equipment procured to help keep road verges and public spaces neat and trim.

The COVID-19 lockdown accelerated the digitalization of the municipality. Councilors and officials were trained in using virtual platforms for meetings and I would like to congratulate all those involved on adapting so quickly to this new way of conducting business.

An online portal was also launched for the submission and approval of building plans.

In closing, I would like to thank all councilors, officials, sector departments, stakeholder groups and residents who contributed to the development of the Kouga region during this past year.

While we faced tremendous turbulence, we once again showed that, as a region, we are strong enough to overcome adversity and achieve our vision of "Good Governance through Service Excellence".



H. HENDRICKS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER: CHARL DU PLESSIS



The Kouga Municipality Annual Report for 2019/20 financial year reflects a good year for service delivery as well as financial management despite the disruptive effect of Covid-19 lockdown measures on the Municipality.

The difficult financial circumstances our clients experienced during the 5-week period hard lockdown when many businesses could not operate and many families could not earn an income, saw the payment rate on accounts fall to 77% for April 2020 from the previous months 98%.

Uncertainty as to what impact the Covid-19 pandemic would have on the future cash flow of the municipality forced the municipality to take immediate steps to curtail expenditure to protect future cash flow.

These steps as well as achieving an overall payment rate of just below the original target of 96% for the financial year, placed the Kouga Municipality in a strong position to whether the effect of the economic downturn on the financial position of Kouga Municipality.

The hard lockdown and subsequent infection rate of Covid-19 on construction teams, delayed the completion of major capital projects when construction teams had to be isolated. Good progress was made with the drought relief projects and it is foreseen that these projects will be commissioned from September 2020 and will provide relief for the drought situation in Kouga Municipality.

The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As at 30 June 2020, the call-center recorded 40 968 calls for the 19/20 Financial Year.

Municipal office buildings, community halls and public buildings received substantial maintenance upgrades while emphasis was placed on resurfacing streets in poor condition in all our towns.

The municipal fleet was enhanced with the ordering of new vehicles and the refurbishment of many other vehicles. Two new fire trucks were ordered to reinforce the equipment needed to provide efficient firefighting services.

The impact of the Covid-19 on the institutional service delivery was mitigated by the implementation of a comprehensive risk mitigation strategy adopted by management and implemented by Kouga Municipality occupational health and safety representatives.

All essential services were delivered even during hard lockdown level 5.

A total of 675 employees went for medical surveillance screening during the reporting period while 55 COVID 19 tests have been conducted on Municipal Employees during the reporting period. A total of 17

employees tested positive as of 30 June 2020. One employee sadly passed away from COVID-19 at the end of June 2020.

The CFO of Kouga Municipality resigned towards the end of 2019 to take up the position of CFO of the Nelson Mandela Metro and was replaced with the recruitment of Mr. Riaaz Lorgat previously CFO of the Sarah Baartman District Council. All senior management positions of Kouga Municipality have been filled. The vacancy rate in Kouga Municipality has seen a steady decrease from June 2016, where it stood at 12%, to 1,10% of budgeted positions in June 2020**.**With regard to our human resource management I would like to emphasize the following achievements:

- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.

Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record R 2 041 094 spent on capacitating employees.

Corporate governance in Kouga Municipality has been functioning effectively with Council, the Mayoral Committee and Port-Folio Committees meeting regularly and doing oversight. The Audit Committee and the Performance Audit Committee supported by fully functional internal audit unit has been meeting quarterly and the Municipal Public Accounts Committee had a full schedule of meetings to dispense of its duties. Performance Management was fully effective during the financial year and quarterly performance evaluation meetings were held with senior management.

I would like to express my appreciation to my senior management team and staff members for their continuous hard work and effort to continue to improve on our service delivery to our communities. I also want to thank the Executive Mayor Cllr. Horatio Hendricks and his Mayoral Committee for their support and commitment during the financial Year.



Charl du Plessis: Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

OUR VISION Kouga – Good Governance through Service Excellence.

OUR MISSION To create a better life for its people by providing effective and efficient service delivery, enabling the sustainable harnessing of its environmental assets, supported by inclusive governance and stakeholder participation, derived from the shared values of its people and its legislated mandate.

The Values underpinning our Vision and Mission are:

Honesty	Integrity	Professionalism
Transparency	Consistency	People-centered Accountability
Accessibility	Equality	Batho Pele

FUNCTIONS - In terms of Circular 8/2009: Adjustment of Powers and Functions between District and Local Municipalities, the Kouga Municipality has the following powers and functions to fulfil:

POWERS AND FUNCTIONS	
Abattoirs	Air Pollution
Beaches and Amusement Facilities	Billboards and the Display of Advertisements in Public Places
Building Regulation	Cemeteries, Funeral Parlors and Crematoriums
Child Care Facilities	Control of Selling Liquor
Control of the Public Nuisances	Electricity Reticulation
Facilities for the Accommodation, Care and Burial of Animals	Fire Fighting
Health and Environmental Health Services	Licensing and Control of Food Sold to the Public
Local Amenities	Local Tourism and Economic Development
Local Sports Facilities	Markets
Municipal Airports	Municipal Planning
Public Transport	Sanitation
Storm Water	Trading Regulations
Water (Potable)	

POPULATION Despite it being the second smallest region in the Sarah Baartman District, covering only 4,1% of the District's land area, Kouga is the most populous region in the district with a population of 112 941 (Community Survey 2016), representing approximately 22% of the total population of the district.

Kouga also has the fastest annual growth rate in the district. Since 1996, the population has increased at an average of 2, 4% per annum compared to the annual growth rate of 1,1% in the district and 0,3% in the province.

Kouga is characterized by vast differences in population density from one area to the next. These variations have an impact on the cost of service delivery while migration to the urban areas places additional pressure on the existing infrastructure of these high-density areas.

The Influx of job seekers has also impacted negatively on employment figures. According to "Labor Force Survey Data" for 1995 to 2010 (Stats SA), employment in the region declined by 11,7% between 1995 and 2010 while the working age group increased by 25%. This means that 80,3% of the working age group had employment in 1995, compared to 56,8% in 2010

LOCATION Kouga Local Municipality forms part of the Sarah Baartman District Municipality in the Eastern Cape Province of South Africa. It is situated west of Nelson Mandela Bay Municipality (Port Elizabeth, Uitenhage and Despatch) and covers a total land area of 2 418km².

The nine towns included in Kouga are Jeffreys Bay, Humansdorp, St Francis Bay, Cape St Francis, Oyster Bay, Patensie, Hankey, Loerie and Thornhill.

TOPOGRAPHY AND CLIMATE Kouga is largely an urban area, with three main topographical regions. The coastal region stretches from the Van Stadens River in the east to the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast serves as a major tourism attraction.

The Gamtoos River Valley is characterized by wide, fertile flood plains associated with low-lying land. Steep and less-fertile slopes flank the Valley. The towns of Hankey, Patensie, Loerie and Thornhill are focal points of this high-potential agricultural region.

The Humansdorp area, including Kruisfontein, is characterized by moderate slopes in the south, with steeper slopes towards the north and northwest.

The four main rivers in the area – the Kromme, Seekoei, Kabeljauws and Gamtoos – are tidal rivers. Dams constructed above the tidal zone in the Kromme River and Gamtoos River are significant sources of water supply. Ground water is another major component of domestic water supply. Aquifers are also utilized in the agricultural sector for irrigation.

There are numerous areas of wetland adjacent to the region's rivers and on the coastal platform. These wetlands are extremely sensitive to disturbances such as agricultural activities and development. The wetlands accommodate high species diversity and fulfil natural water purification and flood retention roles.

The climate of the Kouga region is subtropical, which makes the area conducive to a range of outdoor activities and various types of agricultural production. Rainfall varies between 650 mm per year (St Francis Bay area) to 400 mm (Gamtoos River Valley). The area is generally described as windy.

ECONOMY Kouga's total output / Gross Value Added (GVA), which is used to measure the value of production in a region, has shown erratic growth since 1996. "Regional Income and Production Data" for 1995 to 2010 (Stats SA) indicates that the economic sector of Kouga is dominated by secondary and tertiary activity.

In 2010 the leading industries were finance, insurance and real estate (FIR) at 33,3%, manufacturing (MAN) at 19,1% and general government (GG) at 14,2%. With its growth outpacing all other industries, FIR has since 1996 overtaken wholesale and retail trade, catering and accommodation (WRCA) as the largest contributor to GVA. WRCA's proportion to Kouga's output has plummeted from 21% in 1995 to 10,3% in 2010.

The contribution of the main primary sector – agriculture, forestry and fishing (AFF) – has also decreased from 11,8% in 1995 to 3,5% in 2010. However, manufacturing proportion saw an increase of 4,8% over the same period. Whilst the primary sector dominated employment up until 2005, the tertiary sector has since taken over this role.

According to the 2011 Census, Kouga Municipality is currently the fastest growing economy in the country. With the onset of several megaprojects in the area, there is phenomenal growth and influx of people into the area and this has a big impact on the economy. It also impacts on the services of the area as well. This has the positive effect of job creation and added business opportunities for Kouga. It is said that there is 3,22% growth rate in the population and Kouga is ranked 114th by population size in the country.

1.3 SERVICE DELIVERY OVERVIEW

Despite having a challenging year all Directorates improved their overall performance compared to the previous years and recorded significant successes as detailed hereunder:

Infrastructure and Engineering

- Commissioning of Sea Vista wastewater treatment works. .(MIG funding)
- Commissioning of Kruisfontein wastewater treatment works (MIG funding)
- Fencing of Kruisfontein wastewater treatment works.
- Fencing and gates at Loerie sewer pump station.
- Fencing and gates at Jeffreys Bay Water reservoirs.
- Fencing and gates at Hankey water treatment plant.
- Provision of concrete sidewalk along Booyce str Arcadia Humansdorp.
- Completion of Northern Bulk outfall sewer in Wavecrest Jeffreys Bay.
- Replacement of waterline in Protea str Boskloof Humansdorp.
- Erection of new elevated steel water tank at Jeffreys Bay water treatment works. (Drought funding)
- Erection of new elevated steel water tank at Kruisfontein. (Drought funding)

- Equipping and commissioning of boreholes Jeffreys Bay. (Drought funding)
- Replacement of old water reticulation network Hankey town. (Drought funding)
- Replacement of main water line from water reservoirs to Ramaphosa Village. (Drought funding)
- Replacement of water pipeline from spring sump to water treatment works Oyster Bay. (Drought funding)
- Surfacing of Felix and Human streets in Kruisfontein Humansdorp.
- Resealing of roads.
- Installation of various traffic calming measures (speed humps) throughout Kouga.
- Erection of street name signs in various locations in Jeffreys Bay and Humansdorp.
- Procured 20 x mobile containerized ablution facilities.

Corporate Services

Administration

- The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As at 30 June 2020, the Call Centre recorded 40 968 calls for the 19/20 Financial Year.
- Committee services is the engine room of Corporate Services, being the interface between the political leadership and administration. The standard of services rendered by Committee services continues to improve thus enabling the politicians to exercise greater oversight over the administration.
- A schedule of Meetings/Annual Calendar of the Mayoral Committee, Portfolio and Council meetings continues to be implemented and enhanced with closure dates for items and distribution dates being reflected on the improved calendar thus assisting authors of items with compliance.
- Reports on Telephone usage, printing usage, advertising, and Call Centre activities was created to allow Council to exercise greater oversight.
- Several ward offices and ward Cllr offices were renovated.
- Outcomes of ward committee meetings are documented and referred to user departments for actioning. The feedback from user departments is tracked by the respective portfolio committees.
- Various office renovations were undertaken thus improving the working environment in compliance with the Occupational Health and Safety Act.
- Considerable reduction on the Telkom landline bill and printing costs was realized. The total Telkom landline costs from FY 2018/19 to FY 2019/20 decreased significantly by 95%
- The total printing costs from FY 2017/18 to FY 2019/20 decreased significantly by 62%.
- A new filing cabinet (high density filing cabinet) was installed for Human Resources, which resulted in better spacing of the filing room and better filing sequencing.
- A new Service Provider was appointed for document imaging and storage services, which allowed the storage and safekeeping of all files and documents for the organization and files were made available electronically. As at 30 June 2020, 3 201 101 documents have been scanned and stored.
- A new desktop was procured for the PABX system

- A new Service Provider was appointed for specialized cleaning services.

Human Resources

- Achieved a clean audit in HR with no queries being raised for 2018/2019 Financial year.
- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.
- Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R 2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

Community Services

- The procurement of 7 Traffic vehicles, 3 x ldv's and 4 x sedans.
- Installation of CCTV Cameras (Jeffreys Bay Caravan Park, Main building Jeffreys Bay) and Blue flag beach area. Also rolled out to Humansdorp pay point offices and traffic department.
- Upgrading of traffic department: Painting of walls, laminating of floors, installation of covid-19 partitioning screens and rain covering roof at learner's classroom.
- Agreement with Fountains Mall and other private owners to perform traffic/by-law enforcement on their property.
- SLA with KLM and HTA for custodianship over Bureau street taxi rank building.
- Installation of air-conditioning into most offices at the Traffic department as part of compliance with Department of Transport.
- Procurement of a 6000 L Water Tanker & Medium Pumper.
- Procurement of Hydraulic Equipment.
- Procurement of Firefighting Equipment.
- SANTAM donated R 1 000 000.00 to Kouga Municipality to reduce the fire risk in St Francis Bay.
- Completion of fencing at Hankey Fire Station.
- Activated nine (9) Disaster Volunteers to assist during the COVID-19 period.
- Procurement of Lifesaving 4 x 4 Vehicle.
- Procurement of Disaster Management Vehicle.
- BUCO Sponsored Lifesaving Uniform as part of the Upgrading of the Towers.
- Procurement of Quad Bike for Lifesaving.
- Upgrading of Lifesaving Towers at Jeffreys Bay Main Beach and St Francis Bay Main Beach by Buco.

- 20 lawn mowers and 38 side cutters were procured.
- Public open spaces were cleared and beautified during the 2019/20 financial year and Procurement of 11 Play parks.
- Fencing at the Pellsrus Outdoor Gym Park.
- Upgrading of the Pellsrus Park, Kabeljouws park and Cape St Francis Bay Park which included the installation of benches, erecting of a ramp, installation of waste containers, installation and painting of poles, landscaping, erection of braai stands.
- Upgrading of the Patensie Park.
- Fencing of the C-Place cemetery ablution facility.
- Palisade Fencing of the Pellsrus Caravan Park and Yellowwoods.
- Extension / rebuilding of the wall at the Jeffreys Bay Caravan Park.
- Installation of the play park and installation of the roof (ablution facility) at Yellowoods.
- The Jeffreys Bay and Pellsrus Caravan Parks have been upgraded, works included tiling, plumbing, electrical maintenance, painting), replacing of all signboards, erecting fence and barbed wire on the seaside, Installation of 2 electronic gates and erecting 4 extra braai stands.
- The ablution block and the braai stands at the Gamtoos Mouth Caravan Park were repaired.
- Fencing at the Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall and Patensie Hall and Thornhill Hall.
- Upgrading of Newton Community hall, Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall, Thornhill Sport field and Phillipsville Sport field.
- Kwanomzamo hall fully upgraded after it was burnt by the Community members in 2018.
- Pellsrus and Weston Sports Field was upgraded and is in the process of being handed over by service providers to Council.
- Successful hosting of the Winterfest 2019 (6 – 22 July 2019). The Winterfest event was declared a green event and the following recycling products were collected from the Winterfest 2019: Glass 5 750kg, PET 210kg, K4(box)1 450kg, Alu Cans 85 kg, Plastic185kg.
- Mandela Day 18 July 2019 – clean ups in Humansdorp, Pellsrus School, main Beach Jeffreys with Pharos School.
- International Coastal Clean Up - “Nature knows no **waste**”. (21 September 2019)
- World Environmental Day 5 June 2020.
- The Waste Management section managed to install 21 swivel bins before the start of the festive season in designated areas for litter disposal introduced additional skip bins in busy areas.
- Procurement of 10 073, 240-liter wheelie bins.
- Kouga Municipality came second in the 2019 Eastern Cape Greenest Municipality Competition.
- Keep Kouga Green was launched in Humansdorp.
- Environmental Education School Programme.
- Construction of Access Road - constructed a 3.5 m wide access road from Aldabara Run to the St Francis Spit.
- Construction of an Emergency Revetment - St Francis Spit.
- A tree planting drive was initiated as a commitment to combating climate change. A total number of 625 trees were planted.
- International Climate Change Workshop Climate Change Partnerships – Kouga Municipality, 9-11 October 2019.
- Covid-19 Education & Awareness: March – May 2020. (10734 soaps were issued per household during the door – to – door education awareness)

- Training of funeral undertakers & their employees on the management of human remains in the context of Covid-19: May 2020.
- 16 Joint Operations Committee (JOC) meetings for Covid-19 pandemic.

Planning, Development and Tourism

Local Economic Development and Tourism

- 759 Jobs Created.
- Fully functioning LED Forum.
- Successfully implemented Grant in Aid and events policies.
    - Kouga Local Tourism Organization: R1 437 550.
    - Humansdorp Museum Association: R275 000.
    - SPCA: R170 000.
    - South Point Adventures: R30 000.
    - Jeffreys Bay Animal Rescue: R100 000.
    - St Francis Bay Animal Rescue: R80 000.
- Promotion of Kouga as "Events Capital".
    - Winter Festival.
    - Calamari Festival.
    - Jeffreys Bay Makiti Festival.
    - Gamtoos Bash.
    - Baviaans Activation.
- Implementation of Building Inclusive Green Municipalities in collaboration with Prince Edward County.
- Adoption of LED Strategy.
- Commencement with the establishment of a Local SMME Structure.
- Disbursement of District Municipality grant funding to local SMME's:
    - Amahle Waste Recycling: R90 000.
    - Eza mamntambo: R55 000.
    - Buble Security: R150 000.
    - Clayton Transport and Logistics: R150 000.
- Established and maintained a strategic partnership with Kouga Business, KLTO and the museums.
- Capital Budget expenditure of 91% for the LED Section.
- Implementation of SMME Training Programmes:
    - Occupational Health and Safety, Public Administration, First Aid (75 SMME's).
    - Business Management Training (15 SMME's).
    - Destination Marketing and Tourism Development (32 SMME's).

Human Settlements

- Construction of 391 houses (Kruisfontein).
- Provision of 1500 serviced sites (Oceanview).

- Construction of 61 houses (Pellsrus 220).
- Appointment of Developer/SHI to implement FLISP/Social housing projects.
- Land acquisitions for human settlements (Kwanomzamo and Loerieheuwel).
- Establishment of Housing Committees.
- Appointment of service provider for revision of Housing Sector Plan.
- Site preparation of Stofwolk Temporary Relocation Area.
- Provision of 220 water tanks to 16 informal settlements.
- Funding approval by ECDHS (R 18 000 000) for the upgrading of 9 informal settlements.

CHAPTER 2: GOVERNANCE

Governance is the processes and culture that guide the activities of the municipality beyond its basic legal obligations. Political leaders and the heads of administration have a responsibility to the communities they serve to ensure good governance.

- Good governance in local government is when elected political leaders:
- act with the highest ethical standards.
- understand their role and the role of others.
- foster trusting and respectful relationships.
- show a commitment to risk management.
- engage in effective strategic planning.
- follow a transparent and accountable decision-making process.
- make good decisions that promote the interests of the community they serve.
- understand and abide by the law.
- commit to continuous improvement; and
- have sound judgement.

Good governance is important because it supports Council to make decisions and to act in the best interests of the community.



Good governance is accountable.
Accountability is a fundamental requirement of good governance. Local government has an obligation to report, to explain and to be answerable for the decisions it has made on behalf of the community it represents and serves.

Good governance is transparent.
People should be able to follow and understand the decision-making process. This means that they can clearly see how and why a decision was made – what information, advice and consultation a Council considered, and which legislative requirements a Council followed.

Good governance is law-abiding.
Decisions must be consistent with relevant legislation and be within the powers of local government.

Good governance is responsive.
Local government should always try to represent and serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.

Good governance is equitable.
A community's wellbeing depends on all of its members feeling that their interests have been considered by their municipality in the decision-making process. All groups, particularly the most vulnerable, should have opportunities to participate in the decision-making process.

Good governance is participatory and inclusive.
Anyone affected by, or interested in, a decision should have the opportunity to participate in the decision-making process. Participation can happen in several ways – community members may be provided with information, asked for their opinion via a public participation process.

Good governance is effective and efficient.
Local government should implement decisions and follow processes that make the best use of the available people, resources and time, to ensure the best possible results for their community.

Good governance is consensus oriented.
Wherever possible, good governance involves taking into account the different views and interests in a municipality to reach a majority position on what is in the best interests of the whole community, and how it can be achieved.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Kouga is a Category C Local Municipality with an Executive Mayoral System where powers are vested in the Mayor elected by the Council. The Mayor may and has appointed a committee to whom he/she may delegate certain responsibilities. This committee is the Mayoral Committee.

LEADERSHIP: EXECUTIVE MAYOR, SPEAKER AND MAYORAL COMMITTEE



EXECUTIVE MAYOR
CLLR Horatio Hendricks



SPEAKER
CLLR Hatting Bornman



Cllr Freddy Campher
Corporate Services



Cllr Ben Rheeder
Planning & Development



Cllr Brenton Williams
Finance



Cllr Bryan Dhludhlu

Infrastructure & Engineering



Cllr Daniel Benson

Community Services



Cllr Francis Baxter

Local Economic Development & Tourism

PR COUNCILLORS



Cllr Cynthia August



Cllr Francis Baxter



Cllr Daniel Benson



Cllr Nico Botha



Cllr Malibongwe Dayimani



Cllr Bryan Dhludhlu



Cllr Timothy Jantjes



Cllr Robin Jantjies



Cllr Francois Louw

(Aug 2016 – Nov 2019)



Cllr Marthina van Niekerk

(Dec 2019 – to date)



Cllr Down Nkomo

(Aug 2016 – Sept 2019)

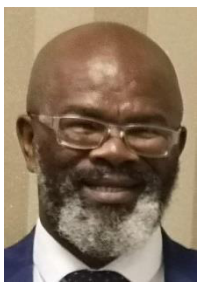


Cllr Melanie Biko

(Oct 2019 – to date)



Cllr Phumza Nkwalase



Cllr Phumzile Oliphant



Cllr Brenton Williams



Cllr Cynthia Matroos

WARD COUNCILLORS



Ward 1
Zolani Mayoni



Ward 2
Timothy Meleni



Ward 3
Willem Gertenbach



Ward 4
Freddy Campher



Ward 5
Wilma Coenraad



Ward 6
Velile Vumazonke



Ward 7
Chico February



Ward 8
Ludwig Vorster



Ward 9
Sibongile Jujwana



Ward 10
Amos Mabukane



Ward 11
Hatting Bornman
(Speaker)



Ward 12
Ben Rheeder



Ward 13
Margaret Peters



Ward 14
Sindiswa Makasi



Ward 15
Horatio Hendricks
(Executive Mayor)

HEAD OF COUNCIL				
1	Horatio Mario	Hendricks	DA	Executive Mayor
2	Chris Hattingh	Bornman	DA	Speaker
MAYORAL COMMITTEE				
1	Bryan	Dhludhlu	DA	**Portfolio Council:** Infrastructure & Engineering (Feb 2020 - to date) Previously Portfolio Councillor of Corporate Services (Apr 2019 to Jan 2020)
2	Frederick Jacobus	Campher	DA	**Portfolio Council:** Corporate Services (Feb 2020 – to date) Previously Portfolio Councillor of I&E (Aug 2016 to Jan 2020)
3	Daniel	Benson	DA	**Portfolio Council:** Community Services
4	Brenton John	Williams	DA	**Portfolio Council:** Finance
5	Frances	Baxter	DA	**Portfolio Council:** Local Economic Development & Tourism
6	Benjamin Fredeman	Rheeder	DA	**Portfolio Council:** Planning & Development
PR COUNCILLORS				
1	Frances	Baxter	DA	PR Cllr
2	Brenton John	Williams	DA	PR Cllr
3	Daniel	Benson	DA	PR Cllr
4	Nicolaas Stephanus	Botha	DA	PR Cllr
5	Robin	Jantjies	DA	PR Cllr
	Francois Johannes	Louw	DA	PR Cllr (Aug 2016 – Nov 2019)
6	Marthina	Van Niekerk	DA	PR Cllr (Dec 2019 – to date)
7	Timothy	Jantjes	DA	PR Cllr
8	Cynthia	August	DA	PR Cllr
	Down Mnyamezeli	Nkomo	DA	PR Cllr (Aug 2016 – Sept 2019)
9	Melanie	Biko	DA	PR Cllr (Oct 2019 – to date)
10	Bryan	Dhludhlu	DA	PR Cllr
11	Malibongwe Emmanuel	Dayimani	ANC	PR Cllr
12	Phumzile Joseph	Oliphant	ANC	PR Cllr
13	Cynthia Nomathamsanqa	Matroos	ANC	PR Cllr
14	Phumza	Nkwalase	ANC	PR Cllr
WARD COUNCILLORS				
1	Julius Zolani	Mayoni	ANC	Ward 1
2	Timothy Ncedile	Meleni	ANC	Ward 2
3	Willem Petrus Dormehl	Gertenbach	DA	Ward 3
4	Frederick Jacobus	Campher	DA	Ward 4
5	Wilma	Coenraad	DA	Ward 5
6	Velile Solomon	Vumazonke	ANC	Ward 6

7	Eldridge Reginald	Februarie	ANC	Ward 7
8	Ludwig	Vorster	DA	Ward 8
9	Sibongile	Jujwana	ANC	Ward 9
10	Amos	Mabukane	ANC	Ward 10
11	Chris Hattingh	Bornman	DA	Ward 11
12	Benjamin Fredeman	Rheeder	DA	Ward 12
13	Margreth	Peters	ANC	Ward 13
14	Cynthia Sindiswa	Mandeka (Makasi)	ANC	Ward 14
15	Horatio Mario	Hendricks	DA	Ward 15

The Council consists of 29 Councilors made up as follows:

17 Democratic Alliance Councilors: (5 Female, 7 Ward, 10 PR)

12 African National Congress Councilors: (4 Female, 8 Ward, 4 PR)

The Council established several Committees to enable it to deliver on its constitutional mandate.

Section 80 Committees

The following Portfolio Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Mayor and the Mayoral Committee: -

a) Community Services Portfolio Committee

b) Infrastructure and Engineering Portfolio Committee

c) Finance Portfolio Committee

d) Corporate Services Portfolio Committee

e) Planning & Development Portfolio

f) Local Economic Development and Tourism Portfolio Committee

Each of the Support Committees deliberates on matters that fall within its specific terms of reference and makes recommendations to the Mayoral Committee for final approval by full Council where necessary.

The Mayoral Committee has wide ranging delegations except for the powers provided to Council in terms of Section 160 (2) of the Constitution of the Republic of South Africa, 1996. The following functions may not be delegated by a Municipal Council:

- The passing of by-laws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- The raising of loans.

The Mayoral Committee makes recommendations for approval by Council on such matters.

Section 79 Committees

In addition, Council has established the following Committee in terms of Section 79 of the Municipal Structures Act:-

a) Municipal Public Accounts Committee

The Municipal Public Accounts Committee which is made up of non-executive Councillors ensures that the Administration is held accountable for the management of municipal funds and assets, and to ensure the efficient and effective utilization of council resources. The Committee also considers the Annual Report and makes recommendations to Council on the Annual Report by submission of an Oversight Report. The Committee's Oversight Report is published separately in accordance with the Municipal Finance Management Act.

Statutory Committees

Administrative Committees

Council has also established administrative committees as follows: -

a) Audit/Performance Audit Committee

b) Bid Specification Committee

c) Bid Evaluation Committee

d) Bid Adjudication Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act. It is an independent external committee, which provides an oversight, compliance and advisory function.

The Municipal Supply Chain Management Regulations requires a committee system for competitive bids, consisting of a Bid Specification, a Bid Evaluation and a Bid Adjudication Committee.

The Bid Specification Committee compiles the specifications for all goods or services procured by the municipality.

The Bid Evaluation Committee evaluates bids in accordance with the specifications for a specific procurement, and the points system set out in the SCM (Supply Chain Management) Policy and Regulations and as prescribed in terms of the Preferential Procurement Policy Framework Act.

The Bid Adjudication Committee considers reports and recommendations of the bid evaluation committee and makes a recommendation to the Accounting Officer to make the final award; or makes another recommendation to the Accounting Officer on how to proceed with the relevant procurement.

2.2 ADMINISTRATIVE GOVERNANCE



Charl Du Plessis
Municipal Manager



Nomvula Machelesi
Director Community Services



Krishen Moodley
Director Corporate Services



Riaaz Lorgat
Chief Financial Officer



Victor Felton
Director Infrastructure and Engineering



Fezeka Mabusela
Director Planning, Development and Tourism

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the MFMA section 60(b), the Municipal Manager is the accounting officer and must provide guidance on compliance with this Act to political structures, political office bearers, and officials of the municipality.

As head of administration, the Municipal Manager ensures that the municipality is managed in accordance with all legislation applicable to local government. He undertakes various administrative responsibilities in relation to Council such as advising the political structures and political office bearers of the municipality; managing the communications between the municipality's administration and its political structures and office bearers; and carrying out the decisions of the political structures and political office bearers of the municipality. In addition, he is responsible for the human resources of the municipality

ensuring that the municipality has the requisite human resources who are functioning at an optimal level to enable it to deliver on its mandate.

As the accounting officer, the Municipal Manager is responsible for general management of municipal finances, including asset and liability management, revenue and expenditure management and budget implementation. In his role as accounting officer, he must also assist the Mayor in performing the budgetary functions assigned to the Mayor in terms of Chapters 4 and 7; and provide the Mayor with the administrative support, resources and information necessary for the performance of those functions.

There are five Directorates which report to the Municipal Manager. Each Directorate is responsible for a Service Cluster (Key Performance Area) with some overlapping responsibilities:

DIRECTORATE	FUNCTION
Community Services	Basic Service Delivery
Corporate Services	Good Governance and Public Participation Institutional Development and Transformation
Planning, Development & Tourism	Town Planning, Spatial Development, Local Economic Development and Tourism
Infrastructure & Engineering	Infrastructure and Basic Service Delivery
Financial Services	Financial Viability and Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The Kouga Intergovernmental Relations Forum (IGR) consists of representatives from the Kouga Municipality, Sarah Baartman District Municipality, sector departments, parastatals and government agencies. The Forum is chaired by the Mayor.

The purpose of the forum is to:

- Consider and coordinate service-delivery continuity measures.
- Provide a forum for sharing best practices and learning.
- Facilitate communication on and formulating joint responses to provincial and district policy and legislative processes.
- Consider any other matters referred to it by either the municipality or sector departments.
- Promote inter-sectoral dialogue and mediation in case of disputes between the municipality and other structures.
- Ensure that there are coordinated programmes of implementation and the necessary structures with regard to such issues as, but not limited to, rural development, urban renewal, safety and

security, local economic development, infrastructure development, HIV/Aids and special programmes.

- Promote and enhance the principles of integrated governance at local level by strengthening cooperation between municipalities, sector departments and any other relevant stakeholders.

Kouga Municipality continued to build on its relationship with sector departments during the year under review. Several multimillion-rand bulk infrastructure projects were successfully implemented together with sector partners such as the Eastern Cape Department of Human Settlements and the Department of Water and Sanitation.

The municipality was also an active participant in intergovernmental structures such as the Municipal Managers Forum, driven by the Eastern Cape Government. Sector departments further participated in the review of the Integrated Development Plan (IDP) through structures such as the IDP Representative Forum.

IGR meetings were convened by Kouga Municipality on the following dates:

- 21 August 2019
- 30 November 2019
- 19 February 2020

With the declaration of the National Disaster on Covid-19 no further normal IGR meetings were convened other than the following Covid-19 related meetings:

Command/ Workstream meeting at SAPS Cluster Offices	**Kouga JOC Meetings at Old Commando Offices**	**SBDM JOC Meeting at District Offices Port Elizabeth**
March	March	March
27-03-2020	3-03-2020	20-03-2020
28-03-2020	25-03-2020	
30-03-2020	31-03-2020	
April	April	April
3-04-2020	7-04-2020	2-04-2020
6-04-2020	14-05-2020	9-04-2020
10-04-2020	18-04-2020	16-04-2020
11-04-2020	21-04-2020	23-04-2020
13-04-2020	22-04-2020	30-04-2020
14-04-2020	28-04-2020	
17-04-20202		
20-04-2020		
24-04-2020		
May	May	May
01-05-2020	05-05-2020 virtual	07-05-2020 virtual
4-05-2020	12-05-2020 virtual	14-05-2020 virtual
8-5-2020	17-05-2020 Special JOC	21-05-2020 virtual
11-05-2020	19 – 05 -2020 virtual	28-05-2020 virtual
15-04-2020	26-05-2020 virtual	
18-05-2020		

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices	SBDM JOC Meeting at District Offices Port Elizabeth
June	June	June
	2 June 2020 virtual	4 June 2020 virtual
8 June 2020	9 June2020 virtual	11 June 2020 virtual
12 June 2020	15 June 2020 virtual	18 June 2020 virtual
15 June 2020	23 June 2020 virtual	25 June 2020 virtual
19June 2020	30 June 2020 virtual	
22 June 2020		
26 June 2020		
29 June 2020		

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Kouga engaged with communities at commemorative events, public hearings, workshops, project launches and meetings during the 2019/20 period as reflected hereunder.

DATE	PROGRAM	VENUE
18/07/19	Mandela Day	Kruisfontein
25/07/19	Consultative Forum for Traditional Health Practitioners	Humansdorp
29/08/19	Women's Wellness Program	Weston
25/09/19	Cancer Awareness Day	Thornhill
24/10/19	District Speaker's Forum	Sarah Baartman District
31/10/19	Ward Councillors Meeting	Jeffreys Bay
12/11/19	Public Hearing	Port Elizabeth
20/11/19	Men's Parliament	Humansdorp
05/12/19	Public Liaison Forum	Sarah Baartman District
17/01/20	Youth Policy Consultation	Sarah Baartman District
22/01/20	Drought Program	Gamtoos Valley
06/02/20	District Initiation Forum	Sarah Baartman District
18/03/20	Stofwolk Housing Meeting	Hankey

With the Covid-19 pandemic, Kouga Municipality also held meetings where public stakeholder representatives were invited as set out hereunder:

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices
March	March
27-03-2020	3-03-2020
28-03-2020	25-03-2020

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices
30-03-2020	31-03-2020
April	April
3-04-2020	7-04-2020
6-04-2020	14-05-2020
10-04-2020	18-04-2020
11-04-2020	21-04-2020
13-04-2020	22-04-2020
14-04-2020	28-04-2020
17-04-20202	
20-04-2020	
24-04-2020	
May	May
01-05-2020	05-05-2020 virtual
4-05-2020	12-05-2020 virtual
8-5-2020	17-05-2020 Special JOC
11-05-2020	19 – 05 -2020 virtual
15-04-2020	26-05-2020 virtual
18-05-2020	
June	June
8 June 2020	2 June 2020 virtual
12 June 2020	9 June2020 virtual
15 June 2020	15 June 2020 virtual
19June 2020	23 June 2020 virtual
22 June 2020	30 June 2020 virtual
26 June 2020	
29 June 2020	

2.5 COMMUNICATION: WEB-SITE

The municipal website, www.kouga.gov.za is one of the most important communication tools available to the municipality. It is updated regularly and used to disseminate a wide variety of information to the public and other interested parties.

This information includes reports and documents which municipalities are legally required to make public such as the Integrated Development Plan (IDP) and the Medium-Term Revenue and Expenditure Framework (MTREF), as well as quarterly and monthly finance reports which are compiled and published in accordance with the Municipal Finance Management Act (MFMA) and Division of Revenue Act (DORA).

Tender advertisements, notices and vacancies are also published on the website to ensure as a wide a reach as possible. Other information placed on the website includes municipal contact numbers and media releases. Application and registration forms can also be downloaded from the website.

The following documents must appear on the website after approval:

- Annual Report.
- Integrated Development Plan.
- Service Delivery Budget Implementation Plan.
- Performance Agreements of s57 and s56 managers.
- List of disposed assets.
- Supply Chain Contracts.
- Long -term borrowing contracts.
- Public Private Partnership Agreements.
- Service Delivery Agreements.
- Section 52 (d) reports for the 4th quarter.

There is also a special section for ratepayers where they can register to view their accounts and property information online.

Municipal Website: Content and Currency of Material			
	Documents published on the Municipal Website	**Yes/No**	**Publishing date**
1	Adjustment budget 2019/20	No	N/A
2	Final IDP 2019/20	Yes	14 June 2019
3	All budget policies	Yes	Various dates
4	All service delivery agreements	No	N/A
5	All long-term borrowing contracts	Yes	Various dates
6	All SCM contracts above R100 000 per quarter	Yes	Various dates
7	Public-private partnership agreements	N/A	N/A
8	Service Delivery and Budget Implementation Plan: 2019/20	Yes	10 September 2019
9	Performance Agreements: Senior Managers	Yes	10 September 2019
10	2018/19 Annual Report	Yes	17 March 2020

2.6 PUBLIC SATISFACTION

A Customer Satisfaction Survey was conducted during the last quarter of the 2018/19 and first quarter of the 2019/20 financial year.

The survey is a public participation tool which helps the municipality to get a sense of how the community measures the performance of the municipality in relation to its core mandate of service delivery.

The survey is a platform for residents to air their views without the pressures of time or audience. Participants are also not required to identify themselves and this allows those wishing to remain anonymous to be granted that status.

The survey was conducted in all three of Kouga's main spoken languages, ie, English, Afrikaans and IsiXhosa.

The study was conducted using survey forms distributed to the public for completion. The forms were divided into three categories with sub-sections and a scoring method provided on each form.

Examples

CATEGORY	SUB SECTION
SERVICE EXPERIENCE	Customer Care (Telephone skills, reception area, accessibility of offices, staff capacity to deal with challenges, cleanliness of our work environment/offices etc.)
SERVICE DELIVERY	• Water • Electricity • Sanitation • Roads and Storm water • Refuse Removal • Parks and Open Spaces • Halls and Sports Fields • Fire and Emergency Services • By-law enforcement and traffic • Rates and Accounts
GOOD GOVERNANCE	• Ward Committees • Access to Information • Council Meetings • Administration • IDP and Performance Management

The scoring method to express satisfaction was as follows:

1 = Extremely Poor; 2 = Poor; 3 = Satisfactory; 4 = Good; 5 = Excellent

The forms were available at municipal units and Ward Councillors Offices. Residents could also download electronic versions of the form from our website. The campaign was publicised in our community newspapers, our website and Facebook page. The Speaker also encouraged ward councillors, specifically, to help circulate the survey in their communities.

Only 39 submissions were received and the submissions were from two wards only, namely, Wards 3 and 8 in Jeffreys Bay.

The total scores for this round of the survey are listed below, per category and together with the final total score:

Service Experience – 3,1 (Satisfactory)

Service Delivery – 3 (Satisfactory)

Good Governance – 3,3 (Satisfactory)

TOTAL SCORE – 3,1 (Satisfactory)

2.7 IDP PARTICIPATION AND ALIGNMENT

A 5-year Integrated Development Plan for the period 2017-2022 (2018/19 review period)

The 3rd generation IDP cycle ended during the 2016/17 review. Section 25 of the Local Government: Municipal Systems Act (2000) prescribes that a municipal council, within a prescribed period after the start of its elected term, adopt a single inclusive and strategic plan for the development of the municipality.

The newly elected Council was established in 2016 during the last review period and started with the new IDP during the for 2017/18 financial year during 2017. The new cycle is the 4th generation IDP which paves the strategic plan for the period 2017/2022.

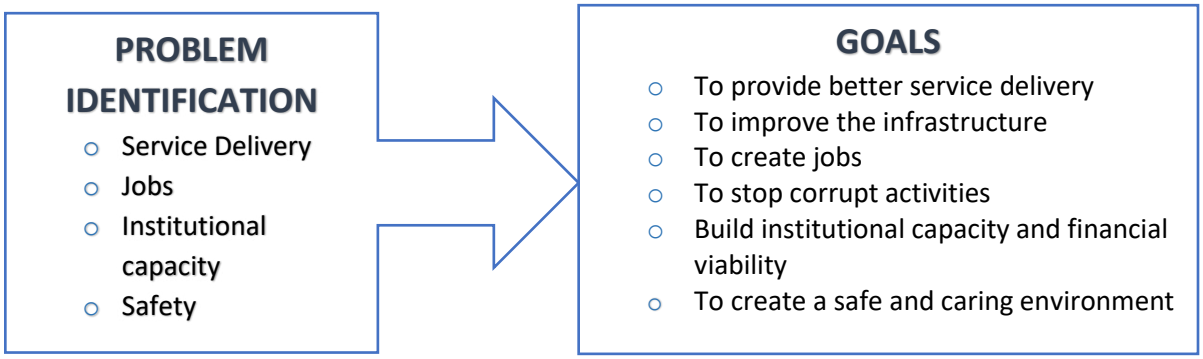
Strategic Direction for 2017/2022:

The municipality started with the development of the IDP by adopting a process plan for the 2019/20 period which sets out the process of the IDP until the final adoption.

The 1st phase of the IDP, situational analysis was done to provide the status quo information of the municipality, demographics, socio-economic trends, service delivery trends, economic analysis and environmental aspects.

The municipality has during this phase developed new focus areas (development priorities), objectives and strategies to improve service delivery, community upliftment (socially and economically), and to build a strong institution with the appropriate skills and resources.

The Council has identified the following goals for the next five (5) years:



A strategic planning session was held during November 2019 to develop new strategies for the 5-year plan. The desired outcomes and develop objectives for the 2019/20 were as follows:

- To promote access for all citizens to equitable, appropriate, and sustainable infrastructure.
- To provide equitable, appropriate, and sustainable basic services to all citizens.

- To ensure proper spatial planning and transportation planning for mega projects and human settlements.
- To create an enabling environment for economic growth that attracts investors and tourists, encourages innovation and facilities pro-poor inventions.
- To ensure a municipality that is committed to prudent management of public funds, good governance, financial viability that accommodates diversity in service delivery.
- To develop progressive strategies to optimize the use of available human resources.
- To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry.

Alignment with Sector Departments

Regular meetings with the District Municipality where held namely the District Consultative Forum as well as the two District IDP Representative Forum meetings. The inputs from the sector departments were obtained during the Project Phase of the IDP as well as from inputs from the District IDP Representative Forum. Two Local IDP Representative Forum Meetings were held during the review period. The interaction with the sector departments remain crucial to fully integrate and align programmes within the Province.

Local Community Participation: Stakeholder Consultation

Kouga Local Municipality places a high premium on inclusivity and subsequently the involvement and participation of all relevant stakeholders forms an essential component of the IDP Process.

The Public Participation Process for the 2017/2022 IDP was based on full-scale public meetings in all 15 wards. The purpose of this initial round of public participation was:

- To discuss the process to be followed for the 2017/2022 IDP;
- To consult the public on the content for the IDP especially ward based planning, through rigorous public participation meetings.

The socio-economic conditions and character of the towns and settlements are distinctly different, resulting in their expectations from the budget and service delivery priorities being diverse. This diversity and service delivery backlogs in some areas were duly considered in the IDP review.

The public participation process was characterized by active participation by all sectors of society and again highlighted the fact that the expectations from communities are very high in terms of service delivery, infrastructure development and other development challenges in comparison to the limited resources available to the municipality.

Effective partnerships with communities, other spheres of government and the private sector are essential to deliver on this expectation adequately. To conclude the public participation process, the draft IDP review was advertised for public comment for 30 days to allow any member of the public to provide final comments before it is being adopted by Council.

Two Rounds of public meetings were held in all 15 wards with additional meetings in different towns due to its locality and demarcation.

Ward Based Planning

Successful ward-based planning workshops were held in Jeffreys Bay, Humansdorp and Hankey which were attended by all ward committee members. The inputs from the ward committees were presented to the wards to set ward priorities for consideration during the 1st draft of the IDP.

Credibility Assessment – Findings on the 2017/2022 IDP (Review period 2017/22)

The overall findings on the 2017/2022 final IDP of the Kouga Municipality can be summarized as follows:

- The municipality has tabled, adopted and submitted its 2017/2022 Integrated Development Plan for assessment.
- The municipality has conformed to the Council approved process plan.
- The municipality has conformed to the core components of the IDP as prescribed by Section 26 of the Municipal Systems Act (MSA) and was assessed covering the Key Performance Areas (KPA) as per guidance of 5-year Local Government Strategic Agenda.

KPA Ratings

An overview of the detailed assessment is set out below to provide the municipality with a synopsis of scoring:

The table below illustrates the comparative IDP credibility ratings of the review periods 2017/18, 2018/19 and 2019/20.

KPA	RATINGS 2017/18 IDP REVIEW EDITION	RATINGS 2018/19 IDP REVIEW EDITION	RATINGS 2019/20 IDP REVIEW EDITION
Basic Service Delivery	High	Medium	High
Financial Planning and budgets	Medium	High	High
Local Economic Development	High	High	High
Good Governance & Public Participation	High	High	High
Municipal Institutional Arrangements	Medium	Medium	High
Overall Rating	High	High	High

Table5: KPA Comparative ratings

The municipality received an overall **HIGH** rating from the Office of the MEC which places the municipality in a benchmarking category. All 6 key performance areas received a high score. This is a significant

progress from the previous years as can be seen in the table above. The municipality maintained a trend of **HIGH** scoring over the period of its IDP assessment cycle of the 2017-22 IDP.

IDP and Budget Alignment

The IDP and Budget was aligned after comments from the public and was incorporated in the final IDP. The following capital funded projects are listed in the Capital Works Project Register hereunder:

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
EXECUTIVE & COUNCIL				
Computer Equipment	Internal	190,000	160,000	160,000
Furniture and Equipment	Internal	260,000	245,000	245,000
Ward Councilors Capital Projects	Internal	750,000	750,000	750,000
		1,200,000	**1,155,000**	**1,155,000**
CORPORATE SERVICES				
Computer Equipment	Internal	198,000	-	-
Furniture and Equipment	Internal	550,000	515,000	515,000
Library upgrade û Corporate Services	Internal	100,000	-	-
Buildings	Internal	1,000,000	1,000,000	1,000,000
Computer Software and Applications	Internal	-	-	-
EDMS	Internal	540,506	-	-
Biometric system	Internal	130,000	-	-
Vehicle	Internal	250,000	-	-
Fencing of main building	Internal	-	-	-
Software upgrade	Internal	300,000	-	-
		3,068,506	**1,515,000**	**1,515,000**
FINANCE				
Furniture and Equipment	Internal	300,000	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Computer Equipment	Internal	300,000	-	-
Office upgrade ICT	Internal	-	-	-
Container (Assets)	Internal	50,000	50,000	50,000
Filing system (SCM)	Internal	350,000	-	-
Fencing (Stores)	Internal	150,000	-	-
Shelving (SCM)	Internal	200,000	-	-
Containers (SCM)	Internal	100,000	-	-
WIFI Solution	Internal	250,000	-	-
Cibex Software	Internal	600,000	-	-
Disaster Recovery Server	FMG	-	-	-
Vehicle	Internal	300,000	-	-
		2,600,000	**50,000**	**50,000**
PLANNING,DEVELOPMENT & TOURISM				
Computer Software and Applications	Internal	300,000	500,000	500,000
Computer Equipment	Internal	60,000	60,000	60,000
KOUGA CULTURAL CENTRE	Internal	-	-	-
Furniture and equipment	Internal	200,000	-	-
Outdoor Facilities (Capital)	MIG	-	-	-
Land acquisition housing projects	Internal	1,700,000	1,400,000	1,500,000
Machinery and Equipment	Internal	-	-	-
Arts and Creative Industries	DISTRICT	100,000	-	-
Loerie Flower Project	DEDEAT	-	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
LED Capital Projects	Internal	1,000,000	1,000,000	1,000,000
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	MIG	1,220,951	1,378,987	1,475,020
		4,580,951	**4,338,987**	**4,535,020**
COMMUNITY SERVICES				
Fencing – Humansdorp	Internal	1,300,000	1,000,000	1,000,000
Machinery and Equipment	Internal	1,400,000	1,360,000	1,375,000
Vehicle	Internal	2,300,000	2,100,000	2,100,000
Furniture and Equipment	Internal	350,000	300,000	250,000
Bins with wheels (from CP22 & CP23 EM)	Internal	2,000,000	2,000,000	2,000,000
Life Guards Beach Tower	Internal	100,000	100,000	100,000
Upgrading of Sports Facilities	MIG	3,936,841	4,136,961	4,425,059
Upgrading of Kwanomzamo Sports Facility	MIG	5,413,043	-	-
Computer Equipment	Internal	300,000	200,000	100,000
Fencing Fire Station Hankey (from CP23 EM)	Internal	300,000	200,000	200,000
Provide suitable Cemetery Facilities	Internal	-	-	-
Projects	**Funding**	**Approved Budget 2019/20**	**Approved Budget 2020/21**	**Approved Budget 2021/22**
COMMUNITY SERVICES				
Security Gates (Humansdorp 7de Laan)	Internal	-	-	-
Transport Vehicles	Internal	-	-	-
Weston Library Upgrade	Internal	-	-	-
Machinery and equipment	DISTRICT	-	-	-
Vehicle	DISTRICT	1,965,100	1,965,100	1,965,100
Upgrading of Yellow Woods	Internal	150,000	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Upgrading of play parks	Internal	200,000	200,000	200,000
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Internal	450,000	450,000	450,000
Vehicles	Internal	1,150,000	950,000	800,000
Upgrading of sport & recreation facilities	Internal	500,000	500,000	500,000
		21,814,985	**15,462,061**	**15,465,159**
INFRASTRUCTURE & ENGINEERING				
Furniture and Equipment	Internal	10,000	10,000	10,000
Computer Equipment	Internal	25,000	20,000	20,000
Machinery and equipment	Internal	330,000	300,000	300,000
upgrading of infrastructure for new township establishment	Internal	-	-	-
Vehicles	Internal	2,600,000	2,600,000	2,600,000
MV Networks Capital	INEP	-	-	-
Energy and Demand Side Management	INEP	3,478,261	-	-
New overhead lines 66kv overhead lines (J-bay to Melk	Internal	1,800,000	1,800,000	1,800,000
Outfall Sewers Capital	Internal	-	-	-
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG_NT	-	-	-
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-	-	-
RETICULATION REPLACE PIPELINES (OYSTER BAY)	WSIG_NT	-	-	-
Upgrading of the Sea Vista Wastewater Treatment Wo	MIG	15,859,937	-	-
Humansdorp - Upgrade Kruisfontein Waste Water Treatment Works	MIG	-	-	-
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363,655	9,982,258	11,808,345
Patensie Sewage Package Plant	MIG	4,429,441	2,173,913	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Upgrade Sanitation System Old Hankey	MIG	434,783	9,907,620	11,791,968
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-	-	-
LV Networks (Informal Areas, Electrification/illegal connections	Internal	1,000,000	1,000,000	1,000,000
Pump Station Capital	Internal	750,000	750,000	750,000
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-	-	-
DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP	WSIG_NT	-	-	-
HANKEY WATER SUPPLY	WSIG_DWS	-	-	-
Security Camera	Internal	200,000	200,000	200,000
HUMANSDORP WATER SUPPLY	WSIG_DWS	-	-	-
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1,500,000	1,500,000	1,500,000
Vehicle	Internal	-	-	-
Roads Capital	Internal	1,500,000	1,500,000	1,500,000
INFRASTRUCTURE & ENGINEERING				
Computer Equipment	MIG	-	-	-
REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFR	WSIG_NT	-	-	-
PATENSIE WATER SUPPLY	WSIG_DWS	-	-	-
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-	-	-
OYSTER BAY WATER SUPPLY	WSIG_DWS	-	-	-
Bucket Eradication Program	Internal	2,300,000	2,300,000	2,300,000
St Francis bulk main outfall sewer	Internal	500,000	500,000	-
Sewer REPLACE OLD PUMPS	Internal	750,000	750,000	750,000

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Electrical replacement of old and dangerous switch gear Saffery Substation Humansdorp	Internal	2,000,000	2,000,000	-
Electrical Replacement of old mv cables to main substation Humansdorp	Internal	1,200,000	1,200,000	1,200,000
Electrical supply of tri switches St Francis Bay	Internal	200,000	-	250,000
Electrical Supply auto recloser St Francis Bay	Internal	400,000	450,000	400,000
Electrical Mini substation 22 000/11000/400 St Francis Bay	Internal	700,000	800,000	1,000,000
Electrical 5 MV 22000/11000 transformer	Internal	1,400,000	1,400,000	1,400,000
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Internal	800,000	800,000	800,000
Purchase storage containers (3)	Internal	200,000	-	-
KwaNomzamo Wastewater Treatment Works	WSIG_NT	8,695,652	9,565,217	8,695,652
Humansdorp, Kruisfontein and Ocean View Electrification	INEP	5,219,130	6,086,957	5,217,391
High Mast Lights	Internal	1,200,000	1,200,000	1,200,000
		59,845,860	**58,795,965**	**56,493,357**
		93,110,302	**81,317,013**	**79,213,535**
Internally generated funds		41,993,506	36,120,000	33,835,000
Transfers recognized - capital		51,116,796	45,197,013	45,378,535
Total		**93,110,302**	**81,317,013**	**79,213,535**

COMPONENT D: CORPORATE GOVERNANCE

DIRECTORATE: CORPORATE SERVICES

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance encompasses the structures and processes associated with management, decision-making and control in the municipality. Corporate governance is based on principles of conducting business with integrity and fairness, being transparent regarding all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The following four ethical values underpin good corporate governance:

(a) Responsibility: Council should assume responsibility for the assets and actions of the municipality and be willing to take corrective action to keep the municipality on a strategic path that is ethical and sustainable.

(b) Accountability: Council should be able to justify its decisions and actions to its stakeholders and communities.

(c) Fairness: Council should ensure that it considers the legitimate interests and expectations of its communities and stakeholders.

(d) Transparency: Council and Administration should disclose information in a manner that enables the AG and relevant bodies and communities to make an informed analysis of the municipality's performance and sustainability.

2.8 TARGETS AND ACHIEVEMENTS

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
Imaging and storage of Records	Centralized Records Management	Service Provider appointed	Appoint a Service provider	During FY 2018/19 a tender for document imaging and storage was advertised but cancelled for reason that no responsive bids were received. The tender was re-advertised The tender for document imaging and storage was

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
				advertised and awarded on 31 August 2019. To date **3 201 101** documents have been scanned and stored.
Reduction of Telkom phone bill by R60 000 per month	Reduce the Telkom phone bill by R60 000 per month	The Telkom phone bill was reduced by -95% from FY 2018.19 to FY 2019.20	The Telkom phone bill was reduced by an average of R107 000 per month	The total Telkom landline costs from FY 2018/19 to FY 2019/20 decreased significantly by 95%.The difference in cost between FY 2018/19 vs FY 2019/20 is **R 694 595.14.** This is a significant improvement from the previous FY.
Acquire New copier/printers and related equipment	Acquire New copier/printers and related equipment for the entire organization and Ward offices	Equipment has been installed and is in use.	A Tender was awarded for the supply and installation of copier/printers and related equipment for the organization	The total printing costs in the institution decreased from R1 347 889.07 in FY 2017/18 to R517 184 .97 in FY 2019/20. This represent a decrease of 62% in printing costs. The cost of leasing printers decreased significantly from FY 2017/18 to FY 2019.20 from **R2 448 430.92 to R780 000.00**. This represents a 68% decrease in leasing printers.
Acquire new Cell phones	Acquire new cellphones and more cost-effective cellular packages for the Municipality	All cellphones acquired are in use. Contract Ends Oct 2020. Specifications to be submitted to BSC for new Cell Phone Tender	Telkom was appointed as the Cellular services provider for the Municipality	Cell phone contract ends October 2020. In the year in question the Telkom contract was in its second year of the contract. The acquisition of the smart cell phones have had a tremendous benefit to the institution and has assisted enormously with service delivery.

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
Library Upgrade - Provide new office space for the Human Resources Section	Convert the old Library into office space for the Human Resources department	Installed filing cabinet for HR	Was completed in May 2019	As the old HR offices were very cramped and 2-3 people were sharing a small office, and the offices received a negative Health and Safety report, it was of the utmost importance to provide new office space for this section. An Architect and construction contractor were appointed on a Tender basis and the office space was completed at the end of May 2019. A tender for high density filing cabinet was advertised and awarded on 5 November 2019. High density filing cabinet installed and in use.
Call Centre (Service Delivery)	Expand the Call Centre functionality.	Call Centre Operator's compliment is at X10, including X1 Call Centre Supervisor	A Call Centre was established in October 2017. As of April 2019, the Call Centre handles service delivery account queries	The Call Centre Team is responsible for the receiving, logging and dispatching of all service delivery requests. As a result of high call volumes received for account balances by the Revenue section, the necessary software has been installed for the Call Centre staff to issue out account balances to the public. For the FY 2019/20, 40968 service delivery requests have been reported and 37026 service delivery requests have been resolved
Buildings	Repairs and Maintenance on Administrative	Administrative Buildings and Ward offices	0	To date R831 017,15 has been spent. Due to the Covid-19 lockdown, expenditure

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
	Buildings and Ward Offices	repaired / renovated		dropped, as most R&M could not be completed. However, with the Maintenance being transferred to Corporate Services as per the reviewed Organogram, R&M expenditure should improve in the new FY 2020/21
EDMS	Install EDMS	0	0	At 31 January 2020 - EDMS system was acquired via a sec 36 Deviation. Preparations for roll out was due to start in March 2020. Roll out could not commence due to Covid 19 Lockdown. However, the funds allocated for this had to be re-written to the budget FY 2020/21 and roll out discussions will resume during FY 2020/21.
Biometric System	Install Biometric System	0	0	Tender was advertised and awarded. Roll out could not commence due to Covid 19 lockdown. Budget of FY 2019/20 to be rolled over FY 2020/21 .
Cleaning Services	Specialized Cleaning Services required	Cleaning services tender awarded	0	Cleaning Services Tender was advertised and awarded.

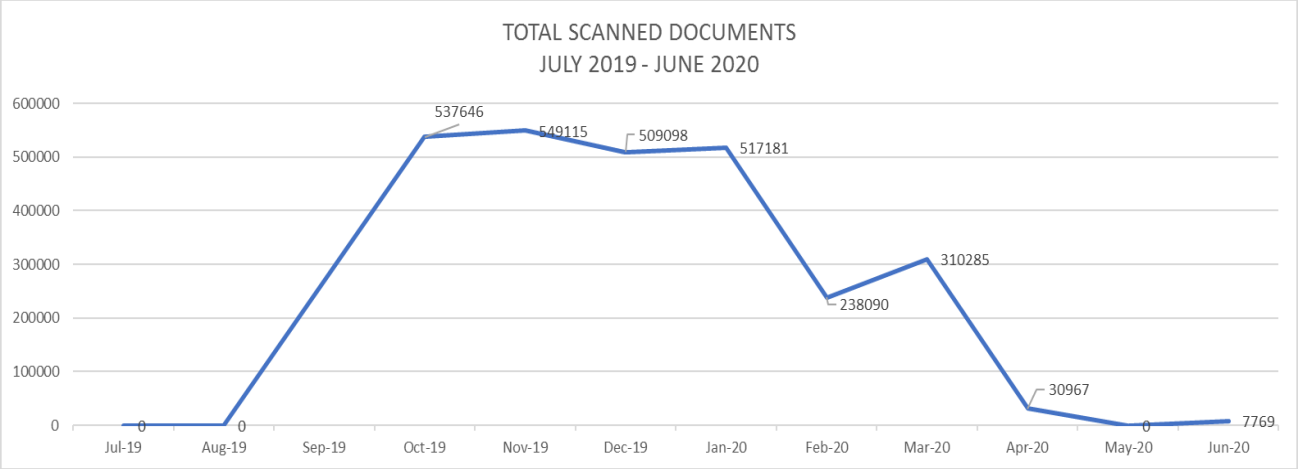
Below graphs indicates targets met during FY 2019/20 and indicates a comparison on previous Financial Years:

DOCUMENT, IMAGING AND STORING – JULY 2019 – JUNE 2020:

GRAPH 1: DOCUMENTS COLLECTED TO DATE:

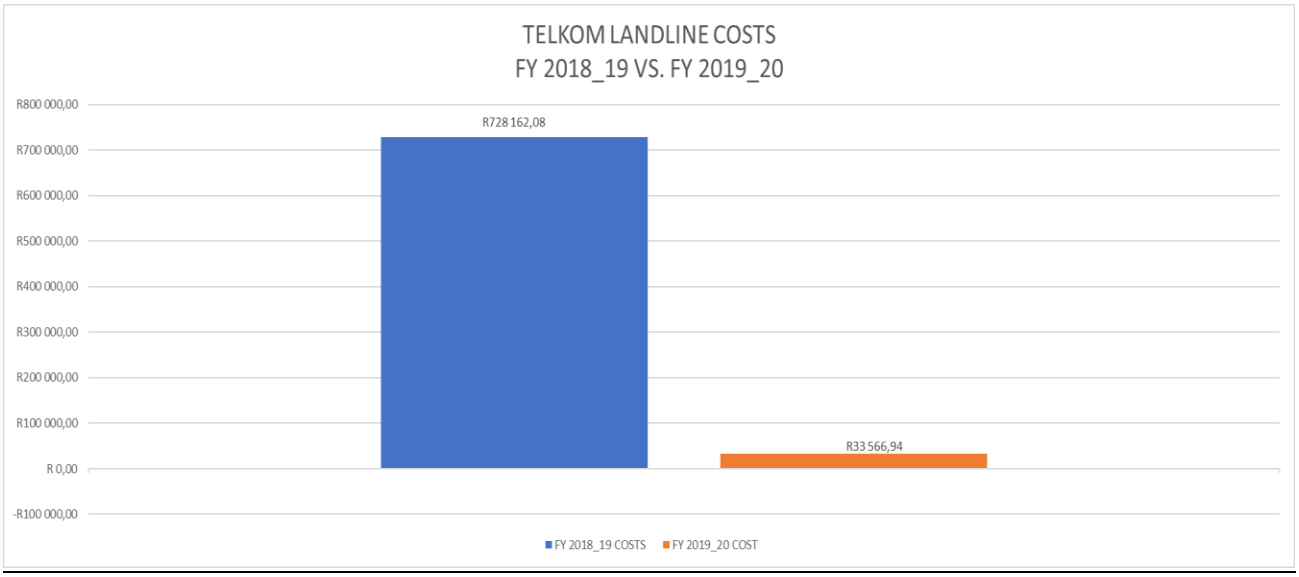
Department	Number of boxes collected
Patensie	144
Hankey	480
JBay Finance: Expenditure	322
Jbay Finance: Revenue	332
ST Francis Bay: Revenue	201
HR	139
SCM	22

GRAPH 2: TOTAL SCANNED DOCUMENTS:



TELKOM LANDLINE COST:

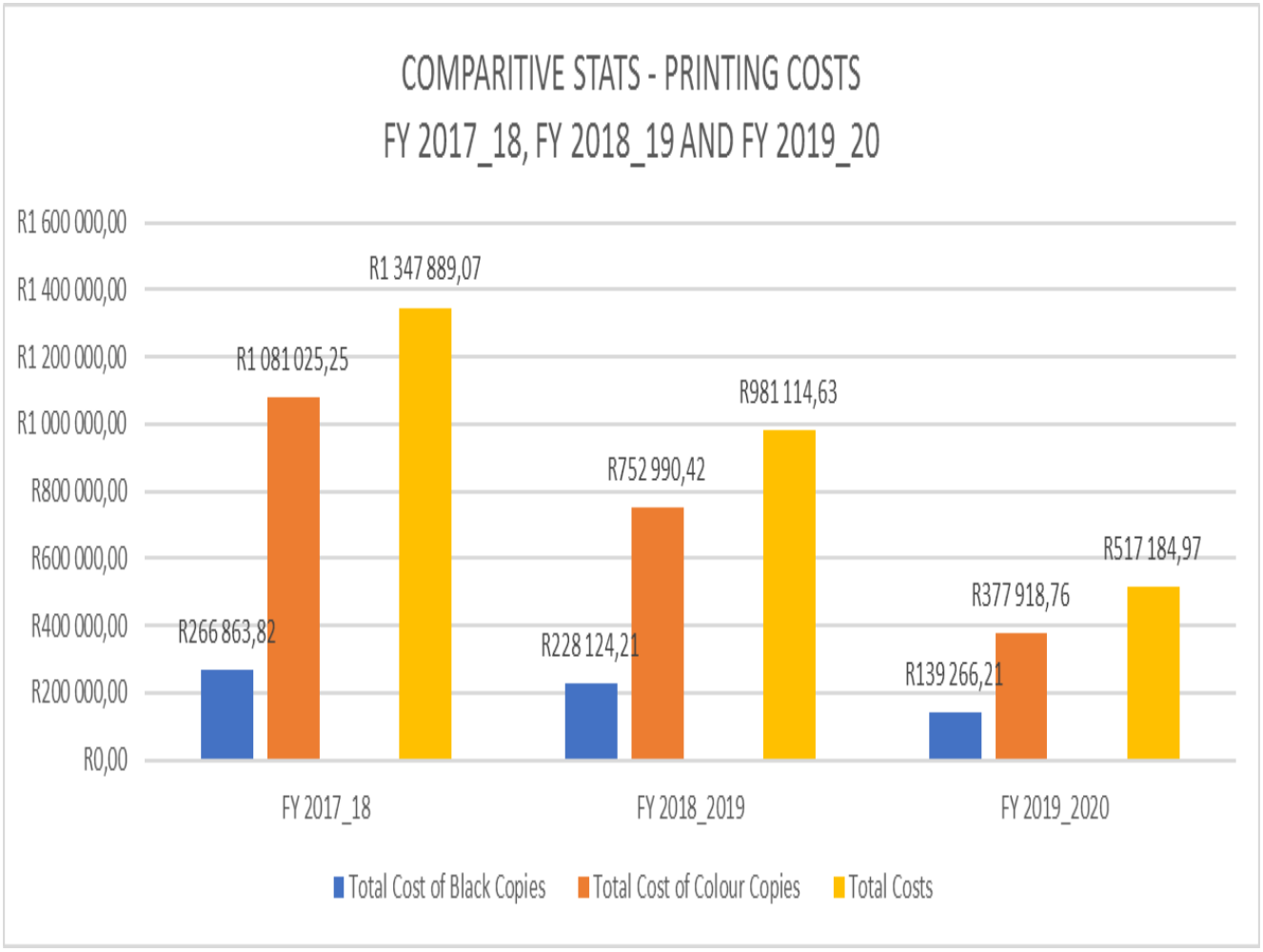
GRAPH 1: TELKOM LANDLINE COST:



YEAR ON YEAR COMPARATIVE PRINTING STATS - FY 2017/18 to 2019/2020:

GRAPH 1: PRINTING COSTS - INSTITUTION WIDE:

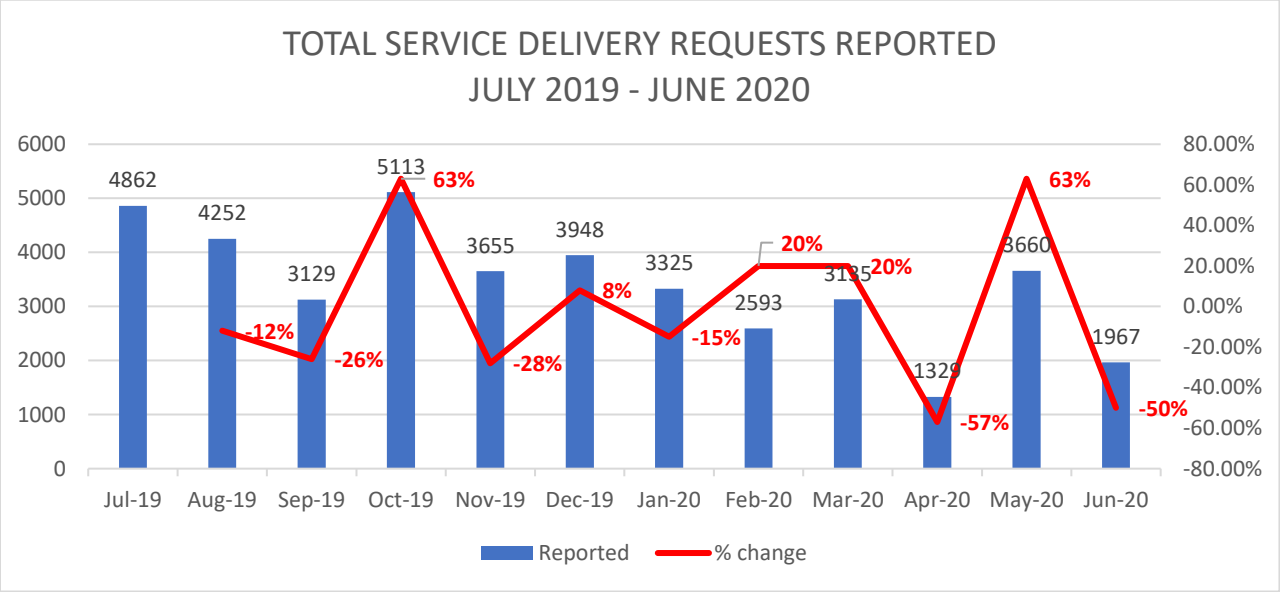
	FY 2017_18	FY 2018_2019	FY 2019_2020
Total Cost of Black Copies	R266 863,82	R228 124,21	R139 266,21
Total Cost of Colour Copies	R1 081 025,25	R752 990,42	R377 918,76
Total Costs	R1 347 889,07	R981 114,63	R517 184,97



MONTHLY ACTIVITIES AT THE CALL CENTRE FOR JULY 2019 – JUNE 2020:

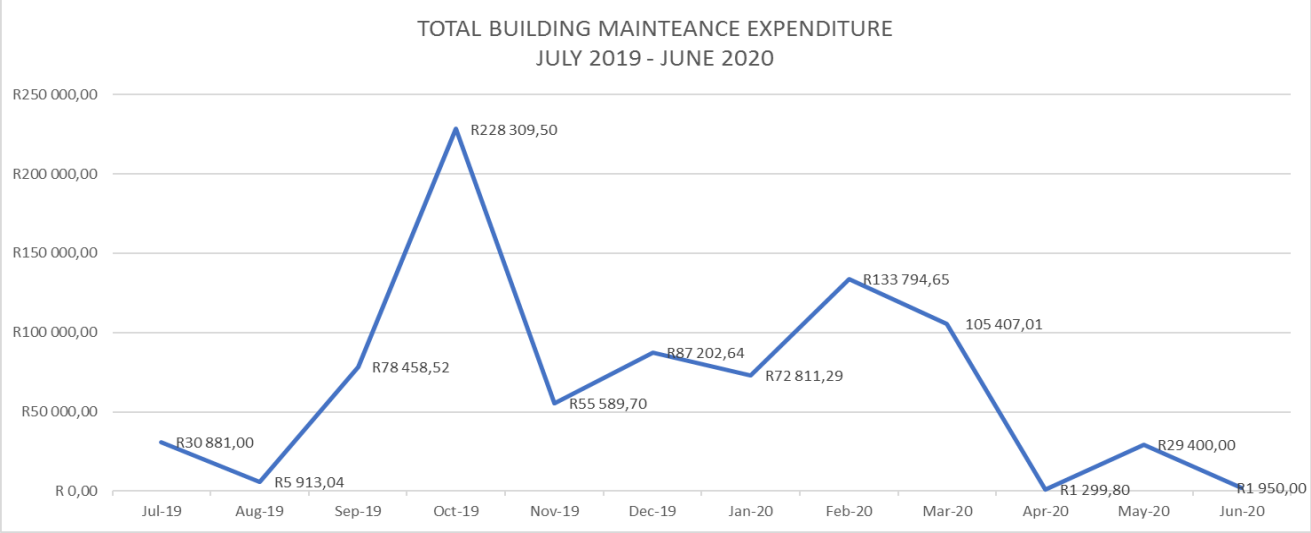
TOTAL REQUESTS JULY 2019 – JUNE 2020

MONTH	JULY 2019	AUG 2019	SEPT 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
Reported	4862	4252	3129	5113	3655	3948	3325	2593	3135	1329	3660	1967
Actioning	266	221	222	266	365	501	351	420	587	146	331	246
Resolved	4594	4030	2906	4845	3293	3447	2971	2164	2548	1182	3325	1721
Resubmitted	2	1	1	2	0	0	3	9	0	1	4	0



BUILDING MAINTENANCE EXPENDITURE – JULY 2019 – JUNE 2020:

GRAPH 1: BUILDING MAINTENANCE EXPENDITURE:



2.9 BY-LAWS AND POLICIES

The following policies and By-Laws were reviewed during the year under review:

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Events Policy	Approved: 30 May 2019	
2.	Ward Development Fund Policy	Approved: 30 May 2019	
3.	Wheelie Bin Policy	Approved: 30 April 2019	
4.	Draft Policy On Standing Rules And Procedures With Regard To Disciplinary Matters Against Councillors	Approved: 28 February 2020	20/02/MM7
5.	ICT Policy - Data And Systems Security, Network Security And Internet, Intranet, Extranet And E-Mail Policy	Under review	
6.	Mobile Devises Policy	Under review	
7.	Supply Chain Management Policy	Under review	
8.	Protective Equipment Policy	Local Labour Forum	
9.	Terms Of Reference For The Kouga Municipality Financial Misconduct Disciplinary Board	Accepted at workshop 15 August 2019 – no Submission to Council	
10.	SMME & Cooperative Development Policy	Under review	
11.	Outdoor Advertising By-Law	Under review	
12.	Policy & Procedures of the Disposal of Immovable Assets	Under review	
13.	Virement Policy	Under review	
14.	Ward Development Committee	Under review	

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
15.	Kouga Municipality Small Scale Embedded Generation (SSEG) Policy	Public Participation Process	
16..	Kouga Municipality Electricity & SSEG By Law	Public Participation Process	
17.	Policy on Provision for Doubtful Debt and Write-Off of Irrecoverable Debt	Submission to Council	

2.10 HUMAN RESOURCES

INTRODUCTION TO HUMAN RESOURCE SERVICES

"Human resources isn't a thing we do. It's the thing that runs our business." – Steve Wynn

The Human Resources Section handles a range of different functions within the municipality. The Section is responsible for hiring and disciplining employees, training staff, maintaining interpersonal relationships, and interpreting employment/labour law. The Section works diligently behind the scenes to ensure the municipality runs efficiently. The HR Section's main responsibilities are:

- Employee benefits.
- Labour Relations.
- Occupational Health & Safety.
- Employment Equity and Skills Development.
- Organisational Development.

Some of the achievements are the following:

- Achieved a clean audit in HR with no queries being raised for 2018/2019 Financial year.
- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.

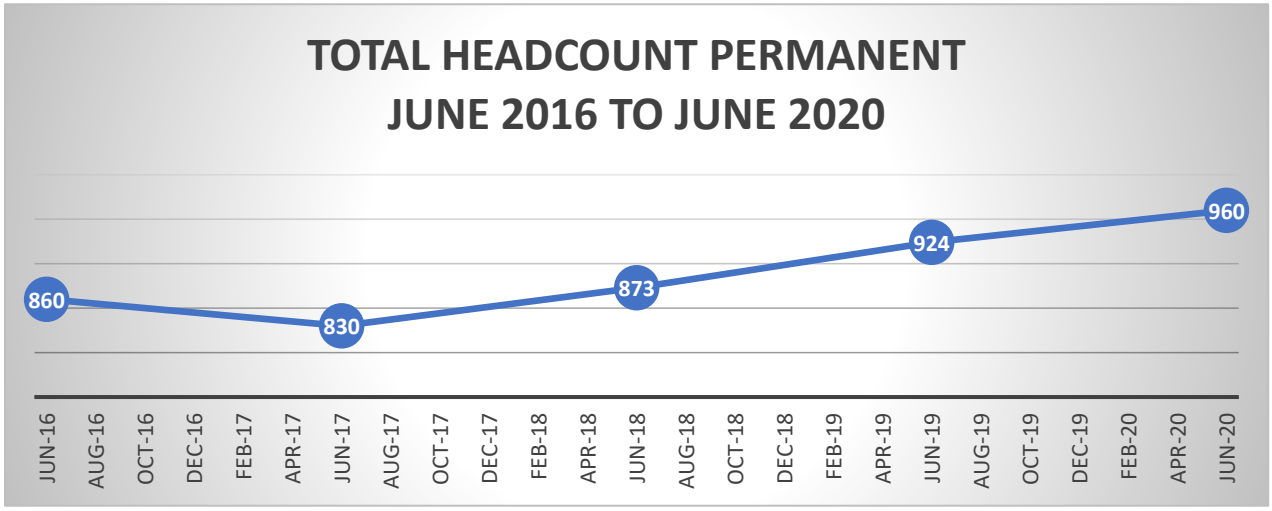
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.
- Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

2.10.1 HEADCOUNT STATISTICS

The table below is a representation of the number of permanent employees since 2016, as well as temporary employees. The statistics show a marked increase in the number of permanent employees.

In June 2016, the total workforce was 860 and in June 2020 that increased to 960, thus an increase of 11.63 % in the total permanent workforce. This is indicative of the municipality's commitment to employment creation and service delivery.

Number of Employees					
	June 2016	**June 2017**	**June 2018**	**June 2019**	**June 2020**
Permanent Employees (Including Section 56 & 57 employees)	860	830	873	924	960
Temporary contract employees	266	195	21	4	101



2.10.2 SERVICE STATISTICES

Comparative Pension/Provident Fund membership on 30 June is as follows:

FUND	30 June 2018	30 June 2019	30 June 2020
Consolidated retirement fund	413	453	472
Consolidated Retirement Fund (No CC)	4	4	3
National Fund for Municipal Workers	6	7	5
SA Local Authorities Pension Fund	8	8	5
Municipal Workers Retirement Fund	195	181	170
Momentum Provident Fund	205	198	191
Municipal Councillors Pension Fund	3	3	2
Consolidated Retirement Fund Cllrs	6	6	6
LA retirement fund	2	1	1
Total	842	861	855

Comparative Medical Aid membership on 30 June is as follows:

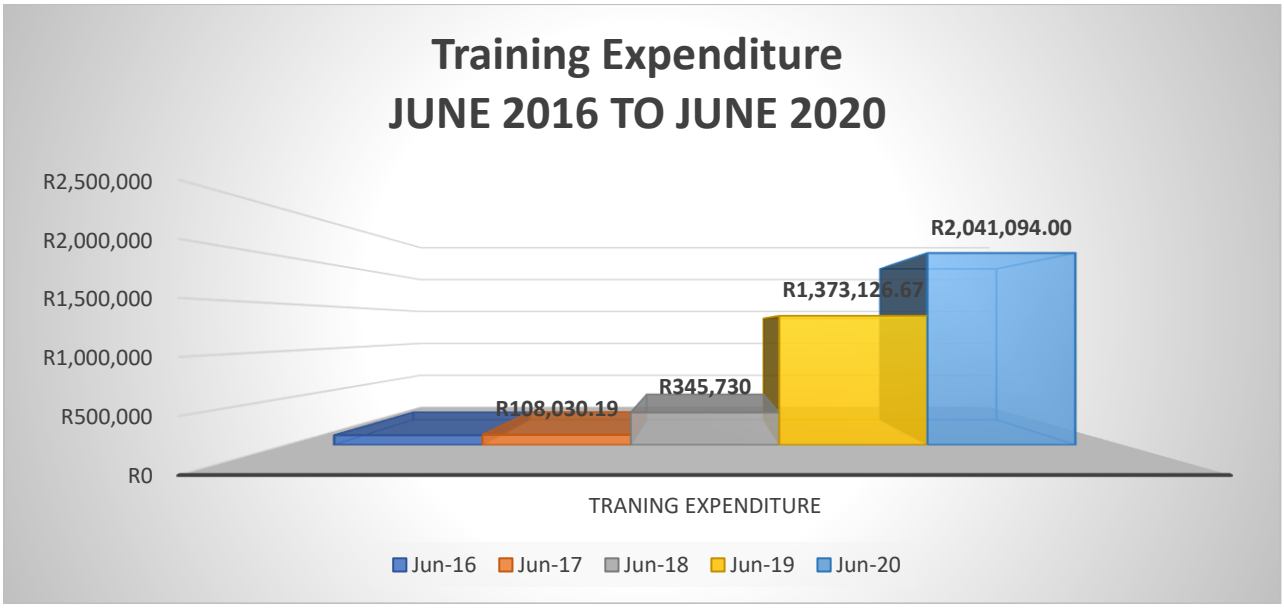
MEDICAL AID	30 June 2018	30 June 2019	30 June 2020
Bonitas	165	177	182
Key Health	19	17	17
Hosmed	79	69	55
LA Health	154	156	184
SAMWU Med	68	68	62
Total	485	487	500

It must be noted that participation in a medical scheme is not compulsory.

Comparative Trade Union membership on 30 June is as follows:

TRADE UNION	30 June 2018	30 June 2019	30 June 2020
SAMWU	501	617	703
IMATU	315	236	219

2.10.3 WORKPLACE CAPACITY DEVELOPMENT



From the graph above, Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

This is a major achievement for the municipality and its employees and is indicative of the Municipality's commitment to enhancing the skills, talent and development of its most important asset.

The MSA 2000 S68 (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. Kouga Municipality established a Skills Development Section which was intended to address the skills development needs of the Institution.

Training needs are assessed annually and is based on the results of an employee skills audit. Training needs per position/incumbent are aligned to the audit and requirements as assessed by the various Directorates. The information is compiled in the form of an annual Workplace Skills Plan which guides and directs the implementation of skills development initiatives.

TRAINING COSTS	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Training Cost	R611 446,90	R447 928,92	R0,00	R0,00	R0,00	R106 261,63	R759 246,10	R38 165,72	R167 536,44	R9 882,64	R0,00	R0,00
Associated costs	R43 300,00	R48 261,08	R43 300,00	R48 261,08	R48 261,08	R318,00	R43 300.00	R43,00.00	R38 165,72	R0	R0.00	R0,00
Categories of Beneficiaries	**Number of beneficiaries**											
Legislators	6	7	0	0	0	0	0	0	0	0	0	0
Managers	9	11	0	0	0	0	0	0	3	0	0	0
Professionals	22	32	0	0	0	18	0	0	26	0	0	0
Technicians and Associate Professionals	12	13	0	0	0	2	0	15	3	0	0	10
Clerical Support Workers	36	18	13	0	0	14	10	0	5	0	0	0
Service & Sales Workers	26	9	0	0	0	7	0	0	0	0	0	0
Skilled Agricultural, Fishery and Related Trade Workers	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machine Operators and Assemblers	13	13	13	13	13	1	13	17	8	4	0	17
Elementary Occupations	34	0	0	0	0	15	0	11	15	0	0	15
Total Number of beneficiaries	**158**	**103**	**26**	**13**	**13**	**57**	**23**	**43**	**60**	**4**	**0**	**42**

As per the table above Kouga embarked on extensive training for its employees in the 2019/2020 Financial year.

Municipal Finance Management Programme (MFMP)

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 Governmental level. It is also required to report to National Treasury on a quarterly basis on the progress of the Minimum competency levels.

The Municipality had a severe backlog of financial officials not having achieved the Minimum Competency levels. To remedy this, the Municipality appointed FACHS Training Institute, through a Section 32 procurement process, to facilitate the required MFMP training. A Service Level Agreement was signed between FACHS and the Municipality which will ensure the training runs according to plan.

35 officials were earmarked to attend the training, to ensure they comply with the said regulations. However, to ensure expansion of the programme and the need to capacitate more officials in the MFMP, a Supervisory Programme was initiated to cater for 75 non-financial officials in supervisory positions and middle management positions.

Below is the Municipality's compliance in terms of the 2007 minimum competency regulations for officials responsible for financial and supply chain management as per Annexure C of the Regulations.

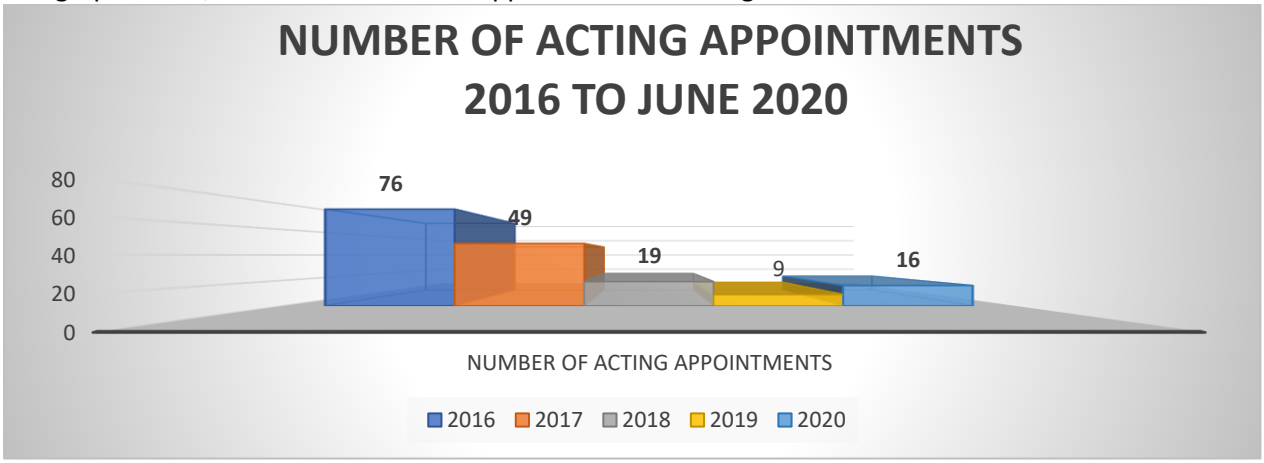
Position	**Highest Education Qualification**	**Work Related Experience**	**Performance Agreement Signed** *(where required)*	**Completed Required Unit Standards**	**Requirements Met**	**Compliant** *(consider Budget)*
Accounting Officer	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Chief Financial Officer - Municipality	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Supply Chain Management Manager	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	**X**	✓	✓	✓	**3**	**X**
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓

2.10.4 ACTING APPOINTMENTS

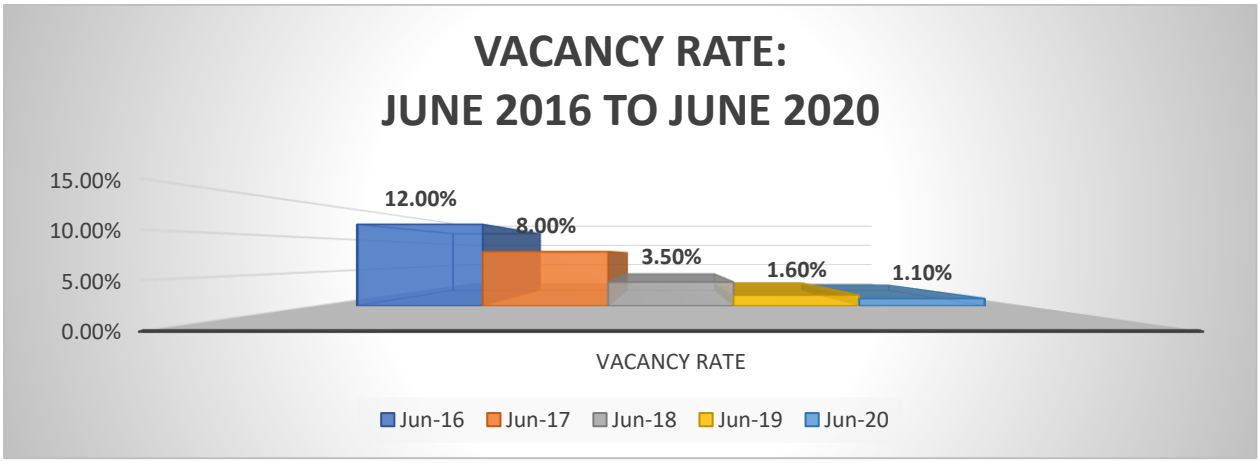
The number of employees appointed in acting positions decreased, from a high of 76 in June 2016, to just 16 at June 2020. This represents a 78.95% decrease. There is also link between the reduction in acting appointments and promotions.

Prolonged periods of acting appointments can also lead to unnecessary disputes. Therefore, it is the municipality's strategy to keep acting appoints to a minimum.

The graph below, shows the trend with appointments of acting staff.



2.10.5 VACANCY RATE

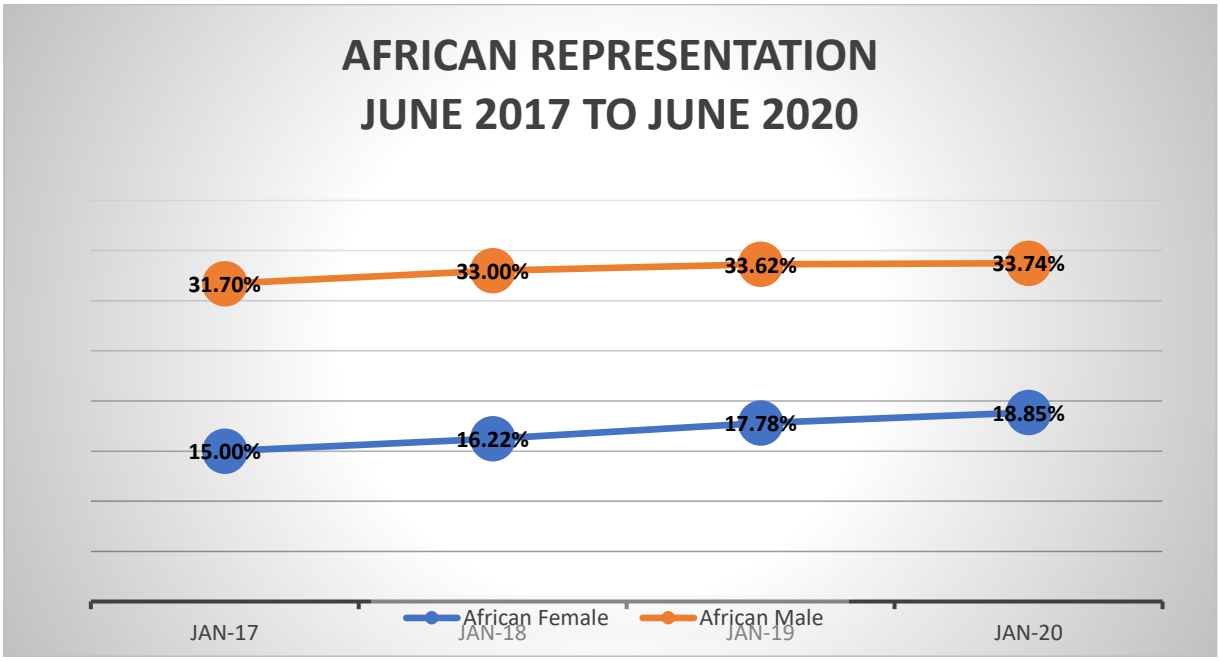


In the above graph, the vacancy rate has seen a steady decrease from June 2016, where it stood at 12%, to 1,10% of budgeted positions in June 2020**.** The positive reduction in the vacancy rate, means that the municipality fills vacancies rapidly and does not wait for long periods of time to fill vacant positions which ensures seamless continuity in service delivery and support services.

2.10.6 EMPLOYMENT EQUITY

The table and graph below, illustrates a gradual increase in the number African Females as well as African Males from June 2017 to June 2020. This demonstrates that the Municipality has made a concerted effort to employ people from previously disadvantaged groups, especially from African demographics

	June-17	Jun-18	Jun-19	Jun-20	REQUIRED PROVINCIAL EAP %
African Male %	31,70%	33%	33,62%	33,74%	**42,30%**
African Female %	15,00%	16,22%	17,78%	18,85%	**39,50%**
Coloured Male %	33,75%	31,32%	29,31%	28,79%	**5,60%**
Coloured Female %	13,3%	12,75%	12,50%	12,16%	**5,00%**
Indian Male %	0%	0,00%	0,11%	0,28%	**0,40%**
Indian Female %	0%	0,11%	0,11%	0,09%	**0,20%**
White Male %	3,90%	4,03%	3,88%	3,49%	**3,80%**
White Female %	2,35%	2,57%	2,69%	2,73%	**3,10%**



The table below indicates the progress that the Municipality has made in terms of numerical targets as set out in the Employment Equity plan.

The table below depicts the status of the workforce profile at end of March 2018, the numerical targets that were set out in the Employment Equity Plan, and the current profile as at 30 June 2020. As per the table below, it is clear that significant strides have been made to appoint African Females, African Males, and Females in general.

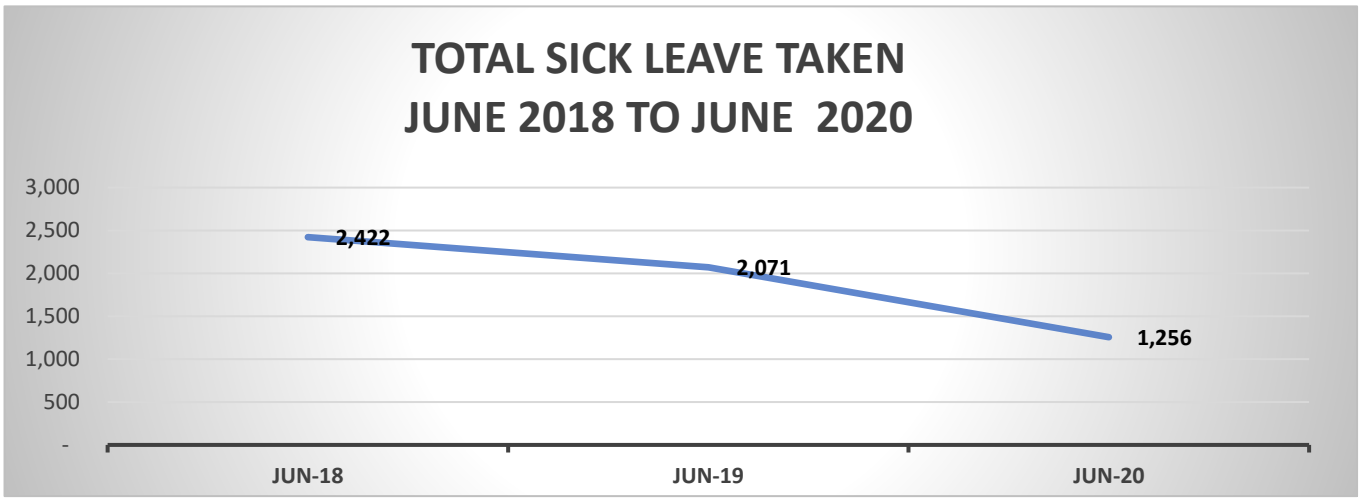
		Male Race				Female Race				Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
Top management												
MARCH 2018		0	0	0	1	0	0	0	0	0	0	**1**
SEPTEMBER 2020 TARGET		0	0	0	1	0	0	0	0	0	0	**1**
JUNE 2020		0	0	0	1	0	0	0	0	0	0	**1**
Senior management												
MARCH 2018		0	1	0	1	2	0	1	0	0	0	**5**
SEPTEMBER 2020 TARGET		0	1	0	1	2	0	1	0	0	0	**5**
JUNE 2020		0	0	1	1	2	0	1	0	0	0	**5**
Professionally qualified and experienced specialists and mid-management												
MARCH 2018		2	6	0	10	2	3	0	2	0	0	**25**
SEPTEMBER 2020 TARGET		4	6	0	7	6	3	0	2	0	0	**28**
JUNE 2020		5	5	1	11	3	2	0	4	0	0	**31**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents												
MARCH 2018		32	68	0	14	29	23	0	16	0	0	**182**
SEPTEMBER 2020 TARGET		41	66	0	13	39	26	0	16	0	0	**201**
JUNE 2020		46	69	1	16	31	28	0	15	0	0	**206**
Semi-skilled and discretionary decision making												
MARCH 2018		134	125	0	7	33	35	0	3	0	0	**337**
SEPTEMBER 2020 TARGET		147	112	0	8	54	31	0	3	0	0	**355**
JUNE 2020		161	143	0	5	71	48	0	7	0	0	**435**
Unskilled and defined decision making												
MARCH 2018		101	83	0	0	61	47	0	1	0	0	**293**
SEPTEMBER 2020 TARGET		99	75	0	4	61	40	0	3	0	0	**282**
JUNE 2020		106	57	0	3	73	41	0	2	0	0	**282**

It is very pleasing to note from the above figures, that the Municipality is edging towards achievement of its targets.

With regards to staff with disabilities,14 staff have been identified. The Municipality has endeavoured to clear any misperception of disabled employees by embarking on Roadshows which resulted in employees no longer fearing being disadvantaged due to their disabled status. This resulted in employees voluntarily disclosing their disability.

It is very pleasing to note from the table above, that the Municipality has made noteworthy progress to achieve the target of 4 African Males at middle management level. The Municipality has also increased its African female representation at middle management level to 3.

2.10.7 LEAVE STATISTICS

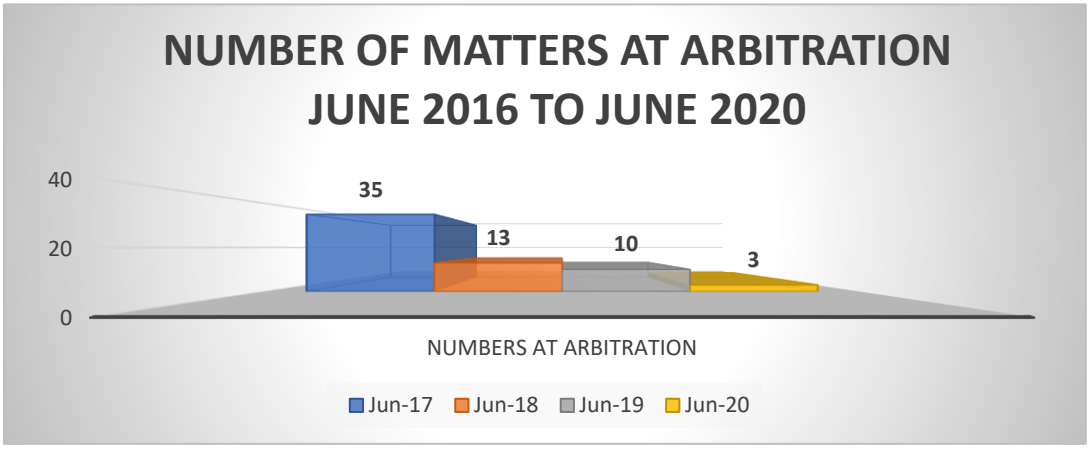


In the graph above it can be seen that the total sick leave drastically decreased from 2422 days in June 2018, to 1256 in June 2020, representing a 48% decrease.

The improved statistics can be attributed to positive morale, work ethic, and more efficient supervision and oversight.

2.10.8 DISCIPLINARY MATTERS

The graph below is a year on year comparison of matters referred to Arbitration. Matters at Arbitration decreased drastically from 35 in June 2017 to 3 in June 2020. This 91% decrease is attributed to the Human Resource Section engaging with employees through Roadshows to create awareness of policies and procedures, dealing promptly with grievances before they escalate to disputes, encouraging progressive discipline, implementing a probation procedure and bridging the divide between employees, management and labour.



2.11 OCCUPATIONAL HEALTH AND SAFETY

Compensation Commissioner Compliance					
Submitting return of earnings to the Compensation fund	**May 2016**	**May 2017**	**May 2018**	**May 2019**	**May 2020**
	None.	**None**	**Submitted. Letter of good standing received.**	**Submitted. Letter of good standing received.**	**Submitted. Letter of good standing received.**

For more than 10 years Kouga Local Municipality had not paid the Compensation Fund which meant that none of our employees were covered by the Department of Labour.

At the end of October 2017, the Municipality started paying ROE's after making arrangements with the Department of Labour. Subsequently we received a LETTER OF GOOD STANDING for the first time in more than 10 years. The Kouga Local Municipality has received three consecutive letters of Good Standing from the Department of Labour for 2018, 2019 and 2020.

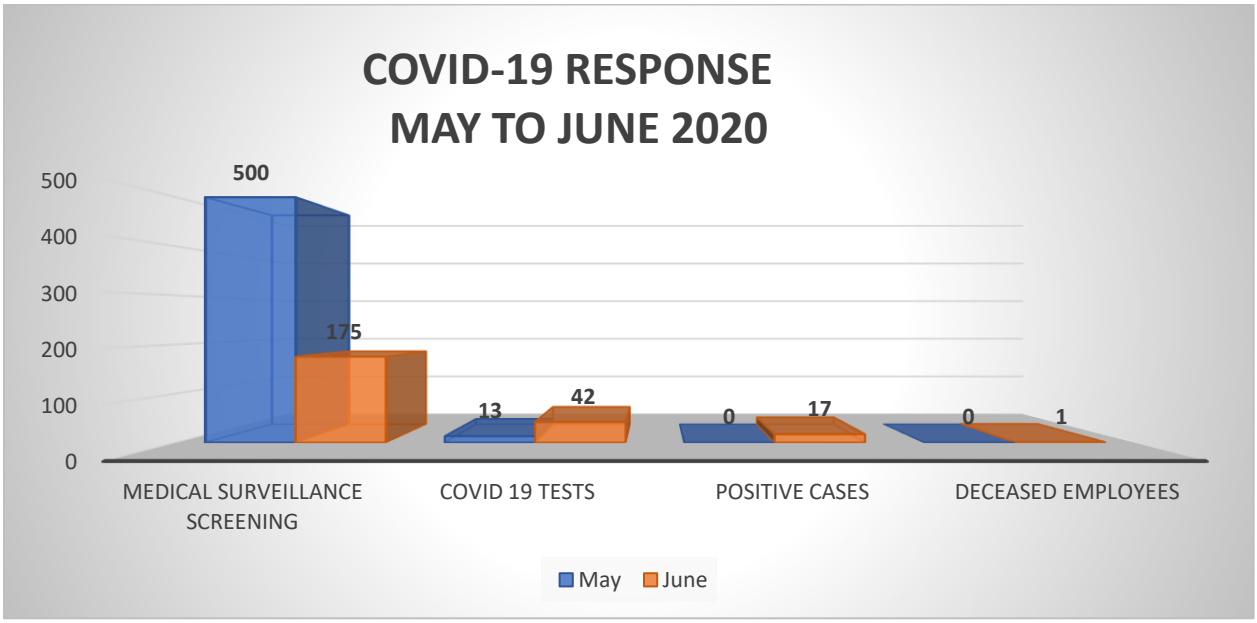
On 11 March 2020, the World Health Organisation ("the WHO") officially declared that the spread of Coronavirus had reached the level of a pandemic. The virus is crossing international boundaries and affecting a large number of people worldwide. Coronavirus is a very serious illness and is potentially lethal. In respect of the workplace immediate steps must be taken in order to attempt to diminish its impact.

Employers are subject to both a common law and a statutory duty in terms of the Occupational Health and Safety Act as well as the Disaster Management Act regulations and the -Directives set out by the Minister of Employment and Labour for COVID-19 Occupational Health & Safety measures in Workplaces for COVID-19 (C19 OH, to provide a safe and healthy working environment for their employees.

The OHS section implemented COVID-19 response measures during the Lockdown period. This was to ensure that the Municipal employees work in a Healthy and Safe environment, and that the Municipality adhered to the Lockdown regulations and safety directives as issued by Government.

In the graph below the following statistics are illustrated:

1. 675 employees went for medical surveillance screening during the reporting period
2. 55 COVID 19 tests have been conducted on Municipal Employees during the reporting period
3. 17 Employees has tested positive as at 30 June 2020
4. One employee sadly passed away from COVID-19 at the end of June 2020.



Further to the above, the OHS section also implemented the following to mitigate the risks of the COVID-19 pandemic, and to adhere to the regulations and directives as set out by Government:

As per the table below, the following strict measures have been implemented to manage the COVID-19 requirements and plans.

COVID-19 Health and safety mitigation measures implemented	**In Place**	
	Yes	**No**
1. A COVID-19 risk assessment	**x**	
2. All employees working at the workplace have permits to work	**x**	
3. A valid COVID-19 Management Plan	**x**	
4. A COVID-19 Contingency Plan	**x**	
5. A COVID-19 Policy	**x**	

6. Staff rotational schedules have been implemented	**x**	
7. All building and work areas have been sanitized and disinfected	**x**	
8. Cleaning routines in place (Sanitizing surfaces, sweeping floors and walkways)	**x**	
9. Floors cleaned thoroughly once a day	**x**	
10. All employees always have access to hand sanitizer	**x**	
11. All employees have access to clean water, soap & dry disposable towels	**x**	
12. Security access control and visitors screening	**x**	
13. Employees have access to masks, gloves, and sanitizer	**x**	
14. Employees working with public have access to face shields or screens	**x**	
15. Employees trained on the use of PPE (Masks, Respirators, gloves)	**x**	
16. Employees being screened daily upon entry	**x**	
17. All relevant employees received and signed acknowledgement for COVID-19 effects on vulnerable employees	**x**	
18. Social distancing being practiced (1.5m) and all facilities / areas meet the max. capacity rule (i.e. 1 person per 4 square meters)	**x**	
19. Procedures in place to deal with sick employees	**x**	
20. Restriction to access to premises	**x**	
21. All essential service employees and permitted services employees went for Medical screening conducted by the Medical surveillance service provider	**x**	
22. All vulnerable employees identified and referred for medical assessments	**x**	

2.12. MANAGING THE MUNICIPAL WORKFORCE

HUMAN RESOURCE POLICIES

The following HR related policies and staff documents have been developed and has been approved by Council:

KEY NO	POLICY
1	Acting Policy
2	Health and Safety Policy
3	Overtime Policy
4	Recruitment and Selection Policy
5	Leave Policy
6	Absenteeism and Reporting Absence from work Policy
7	Sexual Harassment Policy
8	Scarce Skills
9	Temporary Staff
10	Vehicle allowance policy
11	Essential user policy
12	Code of Conduct
13	Training policy
14	S&T policy

2.13 WORKFORCE EXPENDITURE

The following schedule reflects trends in workforce expenditure over the past 9 years:

SALARY EXPENDITURE

Years	Total number of staff	Actual Operational Expenditure	Personnel expenditure (salary and salary related)	Percentage of expenditure
2010/2011	1089	R447,523,000	R182,860,683	41%
2011/ 2012	960	R553,676,22	R182,822,233	33.02%
2012/2013	922	R545,906,310	R193,299,330	35.41%
2013/2014	878	R589,244,141	R208,085,170	35.32%
2014/2015	822	R578,855,272	R212,826,380	36.77%
2015/2016	860	R619,357,681	R228,746,553	36,93%

2016/17	824	R672,685,052	R224,583,364	33.39%
2017/18	873	R745,019,039	R245,776,991	32.99%
2018/2019	924	R827 415 457	R274 158 400	33.13%
2019/2020	960	R 927 120 485,00	R 297 779 052,71	32.12%

COUNCILLOR ALLOWANCES

Designation	2015/16	2016/17	2017/18	2018/19	2019/2020
Executive Mayor	R758,012	R819 461	R826 414	R859 471	R859 471
Speaker	R606 410	R662 047	R661 129	R687 575	R 687 575
Mayoral Committee (Total)	R3 411 060	R3 700 176	R3 700 176	R3 867 618	R3 867 618
Mayoral Committee (Individual)	R568 510	R616 696	R619 811	R644 603	R644 603
MPAC Chairperson	-	R343 032	R335 630	R349 055	R349 055
Part-Time Councilors (Total)	R4 798 101	R5 151 225	R5 492 109	R5 439 800	R5 439 800
Part-Time Councilors (Per Councilor)	R208 613	R223 966	R261 529	R271 990	R271 990

SENIOR MANAGERS

Position/Benefit	2015/16	2016/17	2017/18	2018/2019	2019/2020
Municipal Manager					
Annual Remuneration	R1 148 392	R1 217 295	R1 395 280	R1 470 625	R1 511 803
Performance Bonus	0	None	To be considered	To be evaluated	
Chief Financial Officer					
Annual Remuneration	R641 667	R1 100 000	R1 317 437	R1 388 579	R1 241 269
Performance Bonus	R33 366.68	R138 000.00	R131 743.69	To be evaluated	

Position/Benefit	2015/16	2016/17	2017/18	2018/2019	2019/2020
Director: Community Services					
Annual Remuneration	R1 019 198	R1 080 349	R 1 145 598	R1 207 460	R1 241 269
Performance Bonus	0	None	R28 639.95	To be evaluated	
Director: Planning, Development & Tourism					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	R1 241 269
Performance Bonus	R69 305.46	(Not eligible)	None	To be evaluated	
Director: Infrastructure & Engineering					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	1R 241 269
Performance Bonus	0	None	R114 559.80	To be evaluated	
Director: Corporate Services					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	R1 241 269
Performance Bonus	R50 959.89	54,017.49	R85 919.85	To be evaluated	

It must be noted that the payment of performance bonuses can only be considered on approval of the Annual Report for the performance year under review and only after Council approval for the payment of such bonuses. Payment of performance bonuses is considered in the ensuing year but reflected in respect of the year the performance bonus was earned.

COMMENT ON WORKFORCE EXPENDITURE:

As per the directives of the Political Leadership, Administration made substantial attempts to reduce workforce expenditure which is evident from the current staff salary percentage as compared to the total operating expenditure.

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

All positions except contractual positions falls within the Remuneration framework as per the TASK grading system.

2.14 LEGAL SERVICES

The role of the legal services function is to render continuous effective and efficient legal support and advise to Council, Committees of Council, the Executive Mayor, the Speaker, Municipal Manager, Directorates and Managers and ensure legal compliance considering applicable legislation, relevant case law and emerging legal trends. It is the role of the legal services department to provide legal opinions, submissions or input on Policies, Contracts, Agreements, Legislation, By-laws, Authorities and item referred to Council or Committees of Council, all with the aim of avoiding litigation and safeguarding the municipality's interests.

Highlights:

Highlight	Description
Establishment of the internal legal function	There were no successful appeals against the municipality regarding the award of tenders and quotations.
	The municipality again managed to settle and clear a number of haunting historical litigious matters which weighed on the municipality's contingent liability.
	Thanks to a strong HR component, a number of Labour matters were finalized with great success.
	The municipality continues to experience an increase in the provision of legal updates, legal advice and general legal assistance to Council and the respective user departments.
	The Legal Services functions continues to provide Council with a detailed Report on Legal Matters, allowing Council to effectively implement its oversight function.
	A Master Policy Register is maintained in order to keep track on all approved Council Policies and assist is the implementation of such policies.
Establishment of a Panel of Legal Services Providers	The Municipality has never, in its history, had a Panel of Legal Services Providers to render external legal services in respect of the different areas of law applicable to a local municipality.
	The tender process commenced late in the 2019/20 financial year for implementation in the 2020/21 financial year.

Challenges:

Challenges identified	Required action
Ensuring that the Legal Services function of the municipality maintains its existing standard of objectivity and its focus on corporate governance, notwithstanding continuous external and internal pressure.	The Legal Services function must provide legal advice and assistance substantiated by the applicable legislation, relevant case law and common law principles and legal trends.
Staff Compliment – the legal services function currently comprises of the Manager Legal Services with temporary administrative support. This hampers the provision of an optimum and efficient service by this function.	Appoint permanent support staff.
Historical land transfers – there are a number of historical land transfers which have not been finalized yet	Provide sufficient support staff and budget for associated legal costs.
Review of By-laws – the municipality has a large number of by-laws which require review. Currently due to lack of support staff the review of by-laws is conducted on a piecemeal	Provide sufficient support staff and budget for associated legal costs alternatively request external assistance.

basis, as and when requested by a user department.	

REGISTER OF LEGAL SERVICE PROVIDERS: 2019/20		
NAME OF LEGAL FIRM	**LEGAL DISCIPLINE**	**LOCALITY**
Billet Gouws Attorneys Inc.	Eviction Applications	Jeffreys Bay
C W Malan Jeffreys Bay Inc.	General and Town Planning Matters, including civil and commercial litigation, provision of legal opinions, general legal advise, conveyancing	Jeffreys Bay
Labuschagne van der Walt Inc.	General Civil litigation, provision of legal opinions and general legal advise, labour matters	Port Elizabeth
Mc William's and Elliot Inc.	Civil Litigation and general legal advise	Port Elizabeth
S C Heystek Attorneys	Eviction Applications	Jeffreys Bay
Spangenberg Attorneys	Civil Litigation	Humansdorp

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

DIRECTORATE: INFRASTRUCTURE AND ENGINEERING

COMPONENT A: BASIC SERVICES

3.1 PROVISION OF WATER

The Constitution of South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act entrusts the local municipality with provision of affordable, efficient, effective on-going water services which is sustainable. The Directorate Infrastructure and Engineering envisages an area that is supported by an efficient and well-maintained service infrastructure network, which allows all citizens and stakeholders access to a growing base of innovative, safe, reliable and affordable services. Service delivery requires the provision of new services as well as the maintenance of existing services.

The Present Consumer Water Quantities are:

TOWN	RESIDENTIAL ERVEN 2018/19	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2018/19	TOTAL No OF ERVEN 2018/19	RESIDENTIAL ERVEN 2019/20	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2019/20	TOTAL No OF ERVEN 2019/20
Humansdorp	6 752	373	7 125	6 777	373	7 150
Jeffreys bay (incl Aston Bay and Paradise Beach)	11 204	1 419	12 623	12 464	1 419	13 883
ST. Francis Bay	3 456	48	3 504	3 456	48	3 504
Cape St Francis	810	3	813	810	3	813
Oyster Bay	555	13	568	555	13	568
Hankey	2 674	84	2 758	2 674	84	2 758
Patensie	784	67	851	784	67	851
Loerie	471	13	484	471	13	484
Thornhill	491	13	504	491	13	504
TOTAL			29 230			30 515

Note: Humansdorp Kruisfontein 25 new erven serviced Housing development.

Jeffreys Bay Oceanview 1130 new erven serviced Housing development:

Jeffreys Bay Pellsrus 130 new erven services Housing development.

Key Stakeholders

- The towns of Hankey and Patensie obtain raw water from the Kouga Dam via the canal system which is operated by the Gamtoos Irrigation Board on behalf of the Department of Water and Sanitation. Raw water is treated at the Patensie and Hankey water treatment works to potable standard before distribution.
- The towns of Loerie, Thornhill, Jeffreys Bay, Humansdorp and St Francis Bay obtain potable water from the Nelson Mandela Metro. The water supply of Jeffreys Bay and Humansdorp are augmented by underground water. The town of Oyster Bay is solely dependent on ground water obtained from boreholes and springs.

Level and Standard in Water Services

- All the consumers within the Kouga Municipality receive water services at or above RDP standards (access to communal water standpipe in informal areas within 200m distance) Based on the Service Level Policy of Kouga to provide higher level of service, first order of assessment indicates that Kouga requires

R82 million to service and provide house connections to all residents in informal settlements once formalized (excluding Bulk). Our Regional Bulk Infrastructure Program for water services requirement is estimated to be R 652 million.

- Kouga Municipality is committed and endeavors to conform to the norms and standards of SANS 214 and Blue drop requirements with regards to water quality.

- The prolonged drought being experienced continues to affect the Kouga region with detrimental consequences especially in the Gamtoos Valley area, especially .Water shedding in the towns of Patensie and Hankey was ongoing during the 2019/2020 financial year. Due to at the extremely low water levels in the Kouga dam. Water shedding was however suspended due to the COVID -19 pandemic but was reinstated during June 2020.

- Drought relief funding allocated to Kouga Municipality which was gazette in October 2018 and was received tranche payments between December 2019 and March 2019.

- Implementation was delayed due to late receipt of funds which necessitated the application to National Treasury for a roll-over of R 98,017,338.00 which was granted.

  2018/2019 Allocation = R 151,228,000.00
  2018/2019 Expenditure = R 53,210,662.00
  2019/2020 Roll over approved = R 98,017,338.00
  2019/2020 Expenditure = R 92,561,829.00

- Implementation of drought relief projects continued during 2019/2020. However the due to the regulation promulgated under the National Disaster Management Act and the COVID-19 national lockdown all construction projects closed as from 26 March 2020 until mid May 2020, hence delaying completion of some projects.

Drought relief projects completed as at 30 June 2020

- All groundwater exploration and drilling
- Replacement of ageing water line Oyster Bay
- Replacement of ageing water reticulation in Hankey Town
- Replacement of ageing main water supply line from reservoirs to Ramaphosa Village Patensie.
- Equipping of new boreholes and conveyance infrastructure to treatment works Jeffreys Bay.

3.2 SANITATION (WASTEWATER) PROVISION

The policy of Kouga LM, adopted during 2015, provides that the minimum acceptable standard for sanitation services will be a waterborne system in all areas. Due to the limited own capital funding for projects, bulk infrastructure upgrading/ rehabilitation is mostly funded by grant funds. The backlog that presently exists at all Kouga Wastewater Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 Ml/day.

Levels and Standards in Sanitation Services

Four (4) levels of sanitation services are provided i.e:

- buckets and chemical toilets only for the informal housing areas,

- full waterborne to 60% of households,
- septic tanks/conservancy tanks to 37,1% of households, and
- digesters and/or VIP's (Ventilated Improved Pit) to 2.9% of households.

The following table depict the number of consumers per type of sanitation services: (Note: Buckets and Chemical toilets serve informal settlements)

TOWN	TYPE							
	Bucket	Conservancy tank	Chemical toilets	Pit	Septic tank	Small bore	VIP	Water borne
Cape St Francis/ St Francis Bay/ Sea Vista	540 (illegal buckets)	3 532	18	-	-	-	-	785
Hankey	439	837	16	-	-	-	420	1 501
Humansdorp	1 568	939	56	-	-	-	-	5 999
Jeffrey's Bay	787	3 203	46	-	539	-	-	10 231
Loerie	260	12	5	-		150	-	334
Oyster Bay	117	100	7	-	468	-	-	-
Patensie	470	229	29	-	49	-	-	573
Thornhill	160	0	8	-	-	-	-	504
Total	4 341	8 852	185	-	1 056	150	420	19 927

During the 2019/2020 financial year the upgrading of both the St Francis and Kruisfontein Waste water treatment works were completed and commissioned.

Additional Chemical toilets

- Donkerhoek = 20
- Oceanview = 20
- Stofwolk/Mountain View = 16

New Waterborne connections

- Pellsrus Housing project = 220
- Oceanview Housing project = 1130
- Kruisfontein Housing project = 391

Annual Performance as per Key Performance Indicators in Sanitation

The goal of the Municipality is to provide all consumer units with a full flush form of sanitation. As can be seen from the above table, 19 927 of the consumer units are already serviced with full waterborne/small bore sanitation, and 9 908 being served by septic/conservancy tanks.

	Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	100%	Nil%	100%	100%	100%
2	Percentage of indigent households with access to free basic sanitation services	100%	Nil	100%	100%	100%
3	Percentage of clinics with access to sanitation services	100%	Nil	100%	100%	100%
4	Percentage of schools with access to sanitation services	100%	Nil	100%	100%	100%

Figures reflected above refer to formal registered cadastral erven.

Challenges

- The replacement of conservancy tanks with full waterborne reticulation.
- Upgrade of sewer pump stations and rising mains to increase capacity.
- Provide standby generators at all sewer plants and pump stations.
- Replacement of aging vehicle fleet, especially suction tankers.
- The appointment of qualified process controllers and plumbers.

3.3 ELECTRICITY



The Kouga Municipality is the registered Supply Authority for the towns of Humansdorp, Jeffrey's Bay, St Francis Bay, Cape St Francis and Oyster Bay, and at each town bulk supply is taken from the Eskom grid. Maintenance of the internal distribution networks is done by Kouga Municipality.

The Municipality's role is to construct, operate, and maintain the distribution network for electricity service delivery to residential, commercial and industrial consumers in each town, which includes street lighting and supplying pump stations, etc. with electricity. Hankey, Patensie and Loerie are supplied with electricity by Eskom, and Thornhill by the Nelson Mandela Municipality

The present consumer quantities for electricity are:

Town	Residential Consumers 2018/19	Institutional Commercial Industrial 2018/19	Total 2018/19	Residential Consumers 2019/20	Institutional Commercial Industrial 2019/20	Total 2019/20
Humansdorp	7 177	377	7 554	120	5	7 679
Jeffreys Bay	10 135	650	10 785	187	0	10 972
St Francis Bay	2 058	101	2 159	23	0	2 182
Cape St Francis	595	10	605	7	0	612
Oyster Bay	437	12	449	1	0	450
Total	20 402	1 150	21 552	343	5	21 895

Note: Total excludes vacant erven.

The key factors in the service delivery strategies are to maintain a high standard of service and to ensure that electricity is available to all commercial properties, households (both formal and informal) and new development within acceptable norms. To reduce the financial burden on consumers, particularly in terms of the capital requirements for new distribution networks, applications were made to all relevant institutions for financial assistance in a well-planned manner.

Level and Standards in Electricity Services

The aim is for the levels and standards for the provision of the electricity services, to be compliant with the requirements of the National Energy Regulator (NER) and the quality of service and supply standards of NRS 047 & 048. Annual reports in this regard were submitted to NER based on information obtained from data loggers installed at various locations in the network.

Electricity is made available to all potential consumers in the areas for which the Municipality has a supply license. The target is revised annually in accordance with the demand and the necessary steps are taken to timeously complete the work.

This includes applications to the Department of Energy (DoE) to obtain the necessary funding for both electricity and infrastructure upgrade.

During 2019/20 the Department of Energy allocated Kouga Municipality funding to the amount of R 3.2m for the upgrade of bulk infrastructure and the electrification of houses in (Kruisfontein) Humansdorp. A total of 100 erven were electrified during 2019/20.

Annual Performance as per Key Performance Indicator in Electricity Services

	Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Households with access to electricity services	21 895	1 551	200	343	100%
2	Indigent households with access to basic electricity services	6 597	1 551	200	200	100%
3	Indigent households with access to free energy sources	0	0	0	0	0%

Major Challenges in Electricity Services and Remedial Actions

- The upgrade of infrastructure (primary network) to meet future demand and finding the necessary funds through grants etc.
- Improve quality of supply and general service delivery.
- The prevention of tampering and illegal connection. Application for R 18million submitted for electrification projects on the NUSP fund.

- Training and capacitation of staff.
- Appointment and retaining qualified employees
- Ageing vehicles and equipment

Remedial Actions

- Master planning and stringent programs to implement measures.
- Annual Review of augmentation levy (contribution by new developments and existing consumers requiring upgrading of their supplies to augment the primary network) and consumption tariffs to meet capital program to upgrade infrastructure is undertaken.
- Appoint additional staff to monitor quality supply and level of services and enforce methods to rectify any deficiencies in the electrical supply. Staff to attend more training courses, to improve in-house training, particularly on safety aspects.
- Provide incentives to maintain qualified staff.
- The appointment of a service provider to investigate and prevent tampering.

3.4 ROADS

The road network within Kouga falls under the jurisdiction of the following authorities:

Road Authority	Length (km)
SANRAL (N2)	68,97 km
Eastern Cape Department of Roads	915,31 km
Kouga Municipality	402,5 km
Total	1 386,78 km

Levels and Standard in Roads Maintenance Services

- The condition of roads in the Greater Kouga Municipal area deteriorated rapidly over the past few years due to ageing infrastructure, increase traffic volumes, insufficient funding for maintenance and the impact of flooding over the past few years.
- The standard of roads maintenance in all areas in the Kouga is the same whether its re-gravelling or resealing or pothole repair. Due to the lack of a pavement management system, visual inspection of tarred roads is performed to prioritize the reseal of tarred roads in all wards.
    - Low level road maintenance services are done through a complaints register kept at each Administrative Unit.
    - High level maintenance and repairs are determined through community participation at budget meetings.

The various levels and standards of the road network under the jurisdiction of the Municipality are reflected in the table below.

Road network under jurisdiction of Kouga Municipality:

Road Type	2018/2019 Length (km)	2019/2020 Length (km)
Tar	307,5 km	315,8 km
Concrete	0,2 km	0,2 km
Block paving	7,5 km	10,51 km
Gravel	87,30 km	88,9 km
Total	402,5 km	415,41 km

Increase in road lengths

New roads

- Oceanview Asphalt = 6 445m.
- Oceanview Gravel roads = 1 256m.
- Pellsrus gravel roads = 2 130m.
- Kruisfontein paving = 3 010m.

Existing Gravel roads surfaced.

- Nerina = 400m.
- Maak n Las = 500m.
- Human = 475m.
- Felix = 470m.

Plastic Road.

Approximately 185m of private donor funded recycled plastic road was designed and constructed to full standard with kerbs and stormwater drainage. The upgraded road is situated between the intersections of Woltemade street / Jeffery street and Woltemade Street / St Francis Street. No municipal resources were used under the project and therefore the cost remains undetermined.

Annual Performance Service as per Key Performances Indicators regarding Roads

Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (Actual numbers)	Number of HH/customer reached during the FY	% of achievement during the year
Percentage of households without access to gravel or graded roads	Nil	Nil	Nil	Nil	Nil
Percentage of road infrastructure requiring upgrade	21,74%	87, 3 km	Nil	Nil	Nil
Percentage of planned new road infrastructure actually constructed	Nil	87, 3 km	1km	Nil	100%
Percentage of capital budget reserved for road upgrading and maintenance effectively used.	Nil	*R 402,8 m	Nil	Nil	Nil

*Estimated amount to address backlog adjusted to compensate for inflation

Resealing of roads during 2019/2020.

During the 2019/2020 financial year funds to the amount R 17,400,000.00 excluding VAT was provided for resealing of roads on the operating budget. The original budget allocated was R 7,650m which budget was increased during the budget adjustment process to R17,4m

A formal tender process was followed for the appointment of a contractor. Tender for: Resealing of roads was advertised under Notice number 175/2019 on 8 October 2019, with closing date for submission of bids on 08 November 2019. At a Bid Adjudication Committee meeting held on 11 December 2019, it was resolved that a contractor be appointed. The appointment letter for Tender 175/2019 was issued on 10 January 2020.

Due to the deteriorating condition of surfaced roads additional funds were allocated during the adjustment budget process for the resealing of roads. The amended budget allocation was R8,904,000.00 excluding VAT.

The activities implemented under the contract were as follows:

- Repair of potholes = 39 047m2
- Repair road surface = 20 322m2
- Hot Asphalt Overlay = 103 997m2

A total of 12 277m of roads were resealed during the 2019/2020 financial year.

New capital road projects.

Major Challenges in Road Maintenance and Remedial Actions

Like the vast majority of local authorities throughout our country, road repair and maintenance remains a challenge due to budgetary constraints, terrain, aging road and storm water infrastructure, poor sub-surface conditions, and ever-increasing traffic volumes. The absence of a road pavement management system to assess and classify roads according to their remaining life span on a scientific basis, has not been concluded.

There is limited internal funding for routine road maintenance and rehabilitation, especially gravel roads. There is also no funding for the implementation of capital projects relating to surfacing of roads and installation of storm water infrastructure.

The Kouga Municipality utilizes own funds for the maintenance and repair of Provincial roads located within our town boundaries. The following are Provincial roads located within town boundaries:



Provincial Road MR00381 runs from Humansdorp, between St Francis Bay and the St Francis Links Development to Cape St Francis where it runs the full length of St Francis Way into Seal Point Boulevard to the end of Seal Point Boulevard.



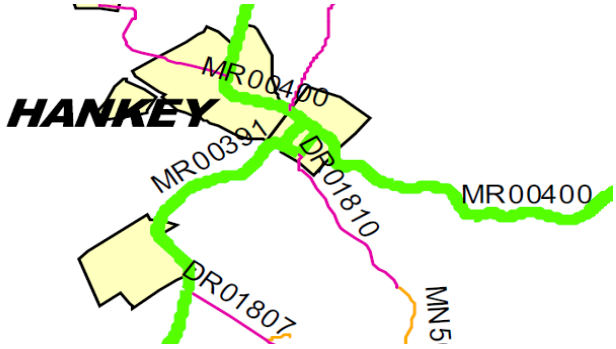
Provincial Road MR00389 runs the length of Da Gama Road up to Woltemade Street, then Woltemade Street up to St Francis Street and up the length of St Francis Street where it turns towards Humansdorp at the Fountains Mall.

Provincial Road DR 0177 links the Fountain Mall to Provincial Road MR00389 at Kabeljouws

Provincial road MR 00392 links the Fountains Mall to the N2



Provincial Road MR00389 enters Humansdorp from the east and runs the length of Voortrekker Road where MR00389 ends at the intersection with Main Road. From the Main Road Voortrekker Road Intersection TR04403 continues in westerly direction as Voortrekker Road. MR00391 from Hankey enters Humansdorp and runs for the full length of Main Road up to Park Street intersection. MR 00381 from St Francis Bay enters Humansdorp and runs the full length of Park Street up to where it intersects with Voortrekker Road (TR0443).



Provincial Road MR00391 from Humansdorp enters Hankey and forms Main Street up to the intersection with Metlerkamp Street. MR0040 runs the full length of Metlerkamp Street and continues to Patensie.



Provincial Road MR0040 runs the full length of Fred Street. MN50261 runs from the Fred Street turn off to Cyril Ramaphosa as Tier Street to the point where it becomes Stuurman Street up to the intersection with Kloofnek Street.

Backlogs

The construction and surfacing of gravel roads (backlog) is approximately 87, 5 km. It is anticipated that an estimated amount of R 380million will be required for the elimination of this backlog. For the 2018/19 financial year, no capital funding was allocated for the construction of new roads or tarring of gravel roads or the upgrading and/or provision of storm water infrastructure.

Infrastructure and Engineering: Overall Service Delivery Backlogs: Formal residential areas

Basic service delivery area	30 June 2019			30 June 2020 (R'000)		
Water						
Water backlogs (6Kl/month)	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (no. households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total household identified as backlog/total number of households in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R53 488	NIL	NIL	R56 697	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R170 380	NIL	NIL	R180 602	R 35 000	R35 000
Total spending to eliminate backlogs	R214 223	NIL	NIL	R237 299	R 35 000	R35 000
Spending on maintenance to ensure no new backlogs	R13 786	R4 230	R 4 230	R14 613	R4 730	R 4 730
Sanitation backlogs						
Backlogs to be eliminated (number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as backlog/total number of households in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infrastructure to eliminate backlogs	R269 040	NIL	NIL	R285 182	NIL	NIL

Basic service delivery area	30 June 2019			30 June 2020 (R'000)		
Spending on renewal of existing infrastructure to eliminate backlog	R150 070	R27 055	R27 055	R159 074	R34 311	R34 311
Total spending to eliminate backlogs	R419 119	R27 055	R27 055	R444 350	R34 311	R34 311
Spending on maintenance to ensure no new backlogs	R9 064	R5 340	R5 340	R 9 607	R5 740	R5 740
Road maintenance backlogs						
Backlogs to be eliminated number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as backlog/total number of households in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R493 318	NIL	NIL	R522 917	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R368 040	NIL	NIL	R390 122	R1.0	R1.0
Total spending to eliminate backlogs	R861 359	NIL	NIL	R913 039	R1.0	R1.0
Spending on maintenance to ensure no new backlogs	R15 894	R9 469	R9 469	R16 847	R25 900	R25 900

3.5 MUNICIPAL INFRASTRUCTURE GRANT IMPLEMENTATION

This report outline how Kouga Municipality effectively and efficiently managed the PMU, specifically in alignment with the principles and objectives underpinning the design of the programme as contained in the MIG Policy Framework.

The Municipality confirms that the operational outcomes of the PMU did:

- Acknowledge and adhere to all aspects including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document.
- Ensure adherence to the Labour Intensive objectives as detailed in the Expanded Public Works Framework Document and the Code of Good Practice for Special Public works.

Background

The programme is entering its fourteenth year of implementation this year. The MIG is the municipal funding arrangement which combined the existing capital grants for municipal infrastructure into a single consolidated grant.

Since the program is aimed at subsidizing capital costs to the poor, priority was given to meeting the basic infrastructure needs. The programme was also aligned to cater for bulk infrastructure for new housing developments.

	2019/2020	2020/2021	2021/2022
Approved Budget Amount	R 37 996 000.00	R 31 578 000.00	R 34 069 000.00
Adjusted Budget Amount	R 0.00	R 0.00	R 0.00
Spent Budget Amount	R 25 489 405.85	R 0.00	R 0.00
Difference	R 12 506 594.15	R 31 578 000.00	R 34 069 000.00

Part 1: Progress to date

All aspects contained within the business plan including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document were adhere to.

The PMU unit resort under the Directorate: Infrastructure and Engineering

The following positions as per the “Guide for the Establishment of a Project Management Unit (PMU) by municipalities” were filled to perform the different functions within the unit;
PMU Manager (Full-Time)
PMU Technician (Intern)
PMU Administrator (Vacant)
Account (Part-Time)
Secretary (Part-Time)
Data Capturer (Full-Time)

It should be noted that not all operational responsibilities/outputs as highlighted in the guide could be achieved.

The PMU is located in the same building as the Infrastructure and Engineering Directorate which enable us good communication and therefore providing assistance in te1ms of identification, co-ordination, implementation and supervision of projects.
Staff where possible are regularly attending workshops , training to empower them in executing their roles and responsibilities.

There are recent communications between the PMU, Area Engineers and the Manager: Technical Services to discuss strategies on how to improve this unit to fasten service delivery.

Part 2: Monitoring

Monthly the PMU meet with the Area Engineers and Director to capture the statistics of services rendered in term of backlogs per area.

Data forms part of the KPI of the Directorate: Infrastructure and Engineering in terms of targets for the directorate.
Monthly and Quarterly reports are given to council on statistics and performance

Part 3: What are the results and who benefited?

Project Description	Beneficiaries (h/h)	Job Creation	Informal Training	SMME's Utilized
[1]Patensie Sewage Package Plant	1 928	5	5	0
[1]Upgrading/Improvement of Sport Facilities within Kouga region	22 500[3]	0	0	0
[2]Upgrading/Improvement of Sport Facility in Kwanomzamo	22 500[3]	0	0	0
Upgrading of the St Francis Bay Wastewater Treatment Works	2 000	20	20	5
[2]Upgrading of the Sanitation System in Old Hankey	3300	0	0	0

[1]Project under construction.
[2]Project under planning.

The above table illustrates the projects implemented and still under construction for the 2019/2020 financial year. The figures reflected above are at the time of the report and will increase as the project progress.
[3]Entire Kouga population has excess to the facility

Objectives as set out in the business plans were mostly achieved when projects were implemented. The effects of the Covid-19 pandemic had both financial and time implications on the projects

Conclusions

The MIG programme is aimed at the following:

- To provide a basic level of service to the people;
- To target the poor and alleviate poverty;

Implementation costs can be justified and many people benefited from the program and their living conditions were directly and indirectly improved by providing them sufficient bulk infrastructure to continuously assure them at least the basic level of service.

Every different department within the municipality are assisting when the project falls within their respective departments by helping with reporting, liaising with the communities, etc.

All activities of this programme should continue because it is assisting the municipality with huge bulk infrastructure challenges and provide basic service delivery to the community.

3.6 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

Kouga Municipality entered into an agreement with the Department of Roads and Public Works to spend the full integrated grant funding and creating the targeted FTE's. This effort is in compliance with clause 3.1.6 of the Protocol Agreement signed between the Minister responsible for Public Works, The MEC of Roads And Public Works, Eastern Cape, the Mayor of Kouga Local Municipality, to specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and 3.1.7, to provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP.

The total grant received by Kouga Local Municipality in the 2019/ 2020 financial year was R 1,000,000.00 which been spend on 8 Incentive Grant Projects, as submitted in the 2019/20 Business Plan.

In total, Kouga Local Municipality managed to create the following number of work opportunities in the 1st, 2nd, 3rd and 4th quarters of the 2019/2020 financial year.

Quarters	**No of projects reported**	**FTE**	**No of work opportunities created**
1 (July – September 2019)	11	13	89
2 (October – December 2019)	19	53	269
3 (January – March 2020)	20	87	380
4 (April – June 2020)	3	1	18

The total amount transferred to Kouga Municipality amounts to R 1,000,000.00, and was distributed in 3 tranches as follows:

- August – R 250 000.00
- November – R 450 000.00
- February – R 300 000.00

Spending Schedule:

The Expanded Public Works Programme Incentive Grant Funds received for the 2019/20 financial year were spent as follows:

MONTH	**AMOUNT**
July 2019	R58 682.00
August 2019	R103 342.00

September 2019	R85 969.00
October 2019	R62 961.00
November 2019	R131 473.00
December 2019	R190 367.00
January 2020	R367 206.00
February 2020	R0.00
March 2020	R0.00
April 2020	R0.00
May 2020	R0.00
June 2020	R0.00

Total Amount spend from integrated grant - R 1,000,000. The current expenditure rate is at 100%.

Challenges

- Under and non-reporting by other internal departments.
- Submission of certified documents
- Training and reporting on the information system.

Corrective Measures

- Inclusion of performance targets of senior managers
- DPW to facilitate the enrolment of all EPWP champions as commissioners of Oaths.
- One on one training to be conducted on new EPWP information system.

3.7 MUNICIPAL WORKSHOP

Vision

Our vision is to see to it that the fleet of Kouga Municipality is in a proper running condition and to ensure that each person in Kouga Municipal district is getting a high standard of service delivery from the Municipality. The only way the Municipality can achieve its goal of Service excellence towards the community is if its fleet is in a proper safe running condition. It is the Fleet departments vision to expand the current fleet of the Municipality to such an extent that not only the basic service needs are met, but that all other challenges can be dealt with efficiently and smoothly as to take the Kouga Municipality a step further.

Mission

Fleet will see to it that all the vehicles are properly maintained and that the fleet policy will be enforced to prevent damaged and miss use of council valuable resources.

Prevention

The Kouga Fleet section's aim is to reduce incidents or severity of emergencies and accidents with Council vehicles and by proper maintenance, regularly services of vehicles and fault repairs on all vehicles so that a

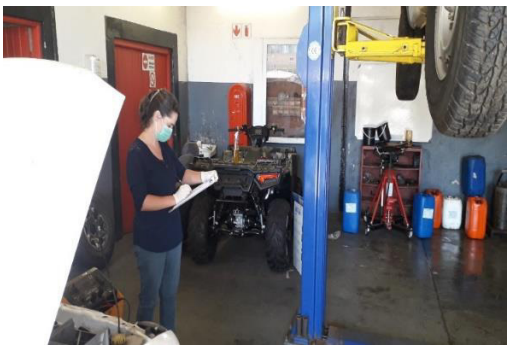
high standard of service delivery towards the community can be achieved. Annual inspections are done by sending vehicles for Certificate of Fitness (COF). According to SANS 10090: 2003

The Fleet department recognised itself as an essential service section and understand the fact that if fleet is closed it will have a devastating effect on service delivery. Therefor fleet went to the extreme by implementing harsh measures to ensure its personal safety during the lockdown period for Covid 19. Fleet is proud to inform council that not one day during the lock down period operations were halted and could continue as normal.



Main functions of the fleet section are as follows.

- It is the Fleet department's responsibility to see that financial and management controls are operating effectively.
- To enforce the fleet management policy.
- Access to fleet vehicles is properly authorized and not operated by unauthorized users.
- All logbooks are reviewed once a month as to give accurate reports.
- To see that the fleet is properly maintained and inspected on a regularly basis according to the fleet policy.
- That the fleet vehicles are protected against damages, theft and abuse.
- See that all fleet vehicles are licensed once a year and all trucks to be sent for Certificate of fitness according to traffic regulations.
- Adequate monitoring of fleet usage/cost of fleet.
- Monitoring the fuel usage of each vehicle and small plant.
- Adequate monitoring of the tracker system.



Preparedness

The sixteen (16) employees strive to do their utmost best towards the service and up keeping of Kouga Municipality's fleet and yellow plant. Our day to day service helps to keep the two hundred and thirteen (212) vehicles in a proper running condition so that in the event of an emergency, there will always be enough vehicles in a proper roadworthy condition.

This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Key Challenges

- Upgrading the workshop to a higher level of proficiency by sending staff on training courses.
- All mechanical staff needs to be sent for a refresher course.
- It is essential to full all vacant positions so that a proper service can be rendered to all the other relevant departments as not to hamper service delivery towards the community, currently we can't send the eight contract workers on courses relevant to their work that they are doing presently. The current contract workers are very capable and eager to learn. It will only be in the interest of the municipality to appoint these eight workers and to put them on a career path.
- Two admin clerks need to be appointed in the fleet section, there are vacant potions available, unfortunately the posts are still not funded.
- To purchase one new vehicle for the workshop.

Recommended Solutions

- Adequate budget needs to be made available for the upgrading of infrastructure and the staff component in the fleet section. When the fleet resided under Mr. S. Baartman he had sufficient staff to assist him with his day to day admin, when fleet and asset split only two admin staff members stayed behind, fleet is now operating as a section on its own and urgently needs attention to its staff component.

Legal requirements

In terms of Section 84(1) (j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the Kouga Municipality is responsible for the functions mentioned below:

- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures.
- Training of mechanical technicians.

Daily operations.

During 2019/2020 this service responded to a total of **2215** incidents, which includes servicing and repairing of vehicles, repairing COF faults, and doing preventative maintenance.

BELOW IS A TABLE OF JOB CARDS, REQUISITIONS AND MONEY SPEND FOR 01 JULY 2019 TO 30 JUNE 2020

ITEM	JULY 2019	AUG/SEP 2019	OCT/NOV/DEC 2019	JAN/FEB 2020	MARCH/APRIL 2020	MAY/JUNE 2020	**TOTAL**
Workshop Job Cards	108	262	226	112	149	223	**1080**
Service Provider Job Cards	89	88	132	61	83	97	**550**
Tyre Job Cards (Procured)	28	67	79	83	59	53	**369**
Tyre job Cards (Repaired)	21	60	46	41	55	51	**274**
Tyres Procured	42	133	133	80	104	90	**582**
Tubes Procured	0	0	0	0	2	1	**3**
Tyres Amount Procured	R90 974,5	R256 319.97	R297 866.61	R184 072.15	R56 496.59	R207 968.60	**R1 293,698.42**
Tubes Amount Procured	0	0	0	0	R 280.00	R102.64	**R382.64**
Tyres Repaired	21	77	93	44	61	61	**357**
Tubes Repaired	0	0	0	0	0	1	**1**
Second-hand tyres	0	0	0	0	0	8	**8**
Vehicle License Costs	R 347.40	R 1088.40	R 2401.10	R 450.72	0	R 854. 88	**R 514 ,250,00**
COF Costs	R 564.00	R 1692.00	R 3102.00	R 426.00	0	R 480.00	**R 6 ,264,00**
Hire Vehicle Costs	R2 477.50	R4 917.27	R1 170.00	R1 155.00	R15 503.15	R30 000.00	**R 1,017,480.15**
Requisitions to SCM	87	265	401	248	199	215	**1415**
Orders Received	86	238	372	236	185	200	**1317**
Orders Paid inclusive of new vehicle purcahses	R587,645.55	R1,128,459,84	R4,537,705,74	R1,226,503.74	R 1,324,087,11	R 3,923,954,77	**R 12,728,356.75**
Total Fuel costs Vehicles and small plant							**R 7,941 239.92**

Mechanical repairs

Below are random pictures to show what type of work are been done in the workshop.





Since fleet and assist had divided into different sections the workshop started to overhaul and rebuilt old worn engines, this contributed substantial savings.



On the job informal training is also been given and all types of welding can now be done at the workshop.

Refurbishment and upgrading of the Kouga Fleet.

Some of the Municipal vehicles were in a bad state due to worn engines and badly rusted bodies, and either it had to be replaced or refurbished. The fleet section took it upon them to start refurbishing the badly rusted bodies of the vehicles to a fraction of the cost to purchase new vehicles, below is a list of the vehicles that were refurbished.

MONTH OF REFURBISHMENT	TYPE OF VEHICLE	REGISTRATION NUMBER	DIRECTORATE
AUGUST 2019	CHERRY PICKER	BHD 162 EC	I & E
AUGUST 2019	FIRE TRUCK	CLP 384 EC	COMMUNITY
AUGUST 2019	NISSAN L.D.V	DNZ 484 EC	I & E
AUGUST 2019	FORD RANGER	DTB 657 EC	I& E
AUGUST 2019	NISSAN LDV	DYH587EC	I&E
SEPTEMBER 2019	NISSAN UD40	DZS144EC	PUBLIC WORKS
SEPTEMBER 2019	NISSAN LDV	DYH599EC	PUBLIC WORKS
SEPTEMBER 2019	COROLLA SEDAN	DTD514EC	COMMUNITY SERVICE
SEPTEMBER 2019	NISSAN LDV	DYH599EC	I&E
OCTOBER 2019	ISUZU LDV	FKM549EC	COMMUNITY SERVICE
OCTOBER 2019	NISSAN PATROL	HSJ807EC	FIRE DEPARTMENT
OCTOBER 2019	NISSAN LDV	CXP548EC	I&E
NOVEMBER 2019	FORD RANGER LDV	DTB662EC	ELECTRICAL
NOVEMBER 2019	NISSAN UD90	FLW544EC	COMMUNITY SERVICE
NOVEMBER 2019	NISSAN TRUCK	DVP732EC	PUBLIC WORKS
NOVEMBER 2019	ISUZU LDV	FKM543EC	COMMUNITY SERVICE
JANUARY 2020	FORD RANGER LDV	DTB659EC	I&E
JANUARY 2020	NISSAN TRUCK	BLH914EC	FIRE DEPARTMENT
JANUARY 2020	NISSAN UD90 SANITATION TRUCK	DXM914EC	I&E
JANUARY 2020	NISSAN UD80 TIPPER TRUCK	DVS003EC	I&E
FEBRUARY 2020	CHERRY PICKER	BFC267EC	I&E
FEBRUARY 2020	ISUZU SUCTION TANKER	CMD328EC	I&E
FEBRUARY 2020	MAN TIPPER TRUCK	FMS644EC	COMMUNITY SERVICE
FEBRUARY 2020	NISSAN LDV	JKF372EC	I&E
MARCH 2020	CHERRY PICKER	BHD162EC	I&E
MARCH 2020	ISUZU SKIP TRUCK	CMX729EC	COMMUNITY SERVICE
APRIL 2020	KOMATSU TLB	DXC534EC	COMMUNITY SERVICE
MAY 2020	ISUZU SANITATION TRUCK	DNH308EC	I&E
MAY 2020	JOHN DEERE TRACTOR	CFP613EC	PUBLIC WORKS
MAY 2020	FORD TRACTOR	BMY770EC	COMMUNITY SERVICE
MAY 2020	DENNIS FIRE TRUCK	DVS234EC	FIRE DEPARTMENT
JUNE 2020	ISUZU LDV	FHY439EC	COMMUNITY SERVICE
JUNE 2020	FORD LDV	DSV890EC	FINANCE
TOTAL	33		

BELOW ARE SOME PICTURES INDICATING IN WHAT CONDITION THE VEHICLES WERE BEFORE REFURBISHMENT AND AFTER COMPLETION.





Before





After





Before





After





Before





After





Suction truck



Old Ford tractor Before



After



FIRE damage to bumper



Newly fitted off-road bumper



Refurbished truck cab



Refurbished Isuzu double cab







Refurbished old Fire Tanker





Old sanitation unit removed from burned-out truck and refitted to refurbished chassis cab.



Old Fire Truck broken for 3 years.



Refurbished Fire Truck



Man Tipper Truck refurbished



Komatsu TLB refurbished

New vehicles purchased during 2019/2020

DEPARTMENT	TYPE OF VEHICLE	REGISTRATION NUMBER
COMMUNITY SERVICE LIFE GUARD	PULARIS QUAD BIKE	
COMMUNITY SERVICE	BELL TLB	JLZ144EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY1532EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY152EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY145EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY158EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY165EC
ELECTRICAL DEPARTMENT	BELL TLB	JLZ148EC
FLEET WORKSHOP	NISSAN NP300	JMR899EC
DISASTER MANAGEMENT	FORD RANGER LDV	JNC189EC
DISASTER MANAGEMENT LIFE SAVING	FORD RANGER LDV	JMW465EC
FINANCE	TOYOTA LDV	JMW468EC
FINANCE	TOYOTA LDV	JMW474EC
PUBLIC WORKS	BELL TLB	JLZ142EC
PUBLIC WORKS	BELL TLB	JMM501EC
PUBLIC WORKS	TOYOTA LDV	JNY516EC
REFUSE	BELL TLB	JLZ145EC
REFUSE	BELL TLB	JLZ139EC
REFUSE	BELL TLB	JLZ151EC
SEWERAGE	NISSAN NP200	JMR905EC
SEWERAGE	TOYOTA LDV	JNY161EC
SEWERAGE	TOYOTA LDV	JNY170EC
WATER	BELL TLB	JLZ147EC
PROTECTION SERVICES	NISSAN NP200	JLW106EC
PROTECTION SERVICES	NISSAN NP200	JLW115EC
PROTECTION SERVICES	NISSAN NP200	JLW479EC
PROTECTION SERVICES	NISSAN NP200	JLW109EC
PROTECTION SERVICES	VW POLO SEDAN	JMD377EC
PROTECTION SERVICES	VW POLO SEDAN	JMD366EC
PROTECTION SERVICES	VW POLO SEDAN	JMD370EC
PROTECTION SERVICES	VW POLO SEDAN	JMT269EC
TOTAL	31	





Delivery and hand-over of 8 new Bell TLB's



New Lifesaving vehicle



New Traffic cars





New LAW Enforcement vehicles

Fuel usage for vehicles and small plant for the 2018/2019 versus 2019/2020 financial year.

Description	2018/2019	2019/2020	Difference
Total amount litres fuel purchased 2018/2019 versus 2019/2020	514,614.15 L	551,588.04 L	36,973.89 L
Fuel expenditure 2018/2019 versus 2019/2020	R7,758,365.68	R 7,941,239.92	R 182 874.24

TYRES PROCURED FROM MUNICIPAL STORES

Description	2018/2019	2019/2020	Difference
New tyres procured 2018 /2019 versus 2019/2020	734	582	**152 tires less van 2018/2019**
Value of tires procured 2018/2019 versus 2019/2020		R 1,293,698.42	

License expenses for 2019 - 2020

MONTH	AMOUNT
JULY 2019	R 34,740.00
AUGUST 2019 – September 2019	R108,840.00
October 2019 - December 2019	R240,110.00
January 2020 – February 2020	R 45,072.00
March 2020 – April 2020 (Lock Down)	R ----------
May 2020 – June 2020	R 85,488.00
TOTAL	**R 514,250.00**

VEHICLES TO BE WRITTEN OFF

The following vehicles must be auctioned off, the vehicles are old and in bad condition, therefor the vehicles are uneconomical to be repaired.

REG. NUMBER	TYPE OF VEHICLE	REASON TO BE WRITTEN OFF	DEPARTMENT
FKB676EC	CHEV CRUIZE	BLOWN ENGINE	PROTECTION SERVICES
DRY769EC	CHEV AVEO	BODY AND ENGINE	PROTECTION SERVICES
BWY558EC	NISSAN SENTRA	BODY AND ENGINE	ASSETS
FYG876EC	TRAILER	RUST	PUBLIC WORKS
FYG884EC	TRAILER	RUST	PUBLIC WORKS
BPH856EC	FORD COURIER LDV	ENGINE AND BODY	FIRE DEPARTMENT
FJG866EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG860EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG881EC	TRAILER	RUST	PUBLIC WORKS
BJX931EC	MAZDA LDV	BODY AND ENGINE	PUBLIC WORKS
FYG859EC	TRAILER	RUST	PUBLIC WORKS
FYG868EC	TRAILER	RUST	PARKS AND OPEN SPACES
DXC542EC	KOMATSU TLB	ENGINE AND BODY	ELECTRICAL
CGT410EC	TOYOTA LDV	BODY AND ENGINE	WATER
DTB654EC	FORD RANGER LDV	BODY AND ENGINE	ELECTRICITY
CYK569EC	FORD RANGER LDV	BODY AND ENGINE	WATER
JGL065EC	TOYOTA HILUX LDV	BODY AND ENGINE	WATER

TRAINING AND DEVELOPMENT

The Kouga Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation.

No training is currently provided for mechanical technicians and this department relies on the Skills Development Department for training. All training must be funded by Kouga Municipality.

Training courses attended during 2019/2020 financial year.

Number of staff trained 2019/2020	Course	Where trained	Funded by who
Two	CPMD	Jeffrey's Bay	Kouga Municipality
One	Safety Rep.	Jeffrey's Bay	Kouga Municipality

2019/2020 Projects completed by Fleet:



Vehicle Park at Humansdorp Fire Station



Used tyre storage facility

DIRECTORATE: COMMUNITY SERVICES

3.8 ENVIRONMENTAL MANAGEMENT: WASTE MANAGEMENT

The Department Waste and Environmental Management includes all activities relating to integrated waste management and control of landfill sites, illegal dumping, environmental health, waste minimization, coastal and environmental related management programmes.

3.8.1 WASTE MANAGEMENT

The function includes the following activities:

Municipal services

Kouga Municipality mandated services.

In terms of Constitution the Municipality has sole mandate to collect domestic waste from residents and this is paid through tariffs. Residents cannot choose to use other service providers for domestic waste collection.

Collection and disposal of domestic and commercial business waste;
Street cleaning: general area cleaning;
Management of litter bins;
Collection of illegally dumped waste;
Operation of drop off centres;
Operation and management of landfill sites;

Cleaning of informal settlements; Recycling activities; Waste awareness and education

The strategic objective of the Waste and Environmental Management section is that all the communities of Kouga Municipality live in a clean and healthy environment that is maintained and managed in a sustainable manner.

Kouga Municipality's Waste and Environmental Management department's approach to changing course is informed by the Integrated Development Plan (IDP) paradigm and Service Delivery and Budget Implementation Plan (SDBIP), which responds to the global, national and regional challenges of climate change, resource constraints, the triple challenge of poverty, unemployment, and inequality, as well as improving the overall governance and compliance environment in the municipality. This changing course requires increased focus on activities that will lead to waste minimisation and waste diverted away from landfill sites. It focuses on improved modes of collection, infrastructure, recycling and production partnerships and aims to change behaviour and create awareness.

In order to align with IDP, SDBIP and the Polokwane Declaration of zero waste to landfill sites, Kouga Municipality's Waste and Environmental Management department is changing its approach to waste management. A paradigm shift is needed to understand that waste is not "rubbish", but a resource or a raw material. This requires a '*full cycle*' approach to waste management, with waste products becoming input materials to other value chains.

Kouga Municipality's Waste and Environmental Management department will take leadership in changing course, however, the public's participation in waste minimisation initiatives is key to the programme's success. Kouga Municipality's Waste and Environmental Management department will commit to implementing separation at source projects across Kouga Municipality area, however, communities will also need to be mobilised to sort waste at a household level in order to reduce waste. Kouga Municipality's Environmental Management department are in the process of developing the following tactical points in order to commence the changing course programme:

- Do away with the culture of abundance - change the way we do things within the constraints of limited resources.
- Increase productivity – doing more with less and managing our resources effectively, including landfill airspace, human capital, budget, and others.
- Develop measurable output indicators, which address the desired outcomes in the IDP.
- Utilise an integrated approach to ensure co-ordination of programmes and to work towards greater impact, working with all departments within Kouga Municipality with various responsibilities.
- Develop ward by ward, based remodeling programme, in order to align with the changing course.

Key issues for 2019/20

The waste management section identified several challenges that is impacting on service delivery and interventions that will be implemented during the next 12 months:

- Rapidly growing population

- Growing per capita waste disposal from rising income and consumption levels
- Pervasive throw away culture of disposal and illegal dumping
- Aged fleet with high reliance on 3rd party vehicle hiring
- Broader development imperatives with financial implications

Households play a key role in waste management as waste generators. Unemployment rate, role and working conditions of waste pickers on landfills and streets, legislation on waste disposal and landfill management are all signals for a need to change the current waste management system. Household's perceptions are key to the realisation of an integrated waste management system. A system where waste pickers can play a major role of recycling effectively and efficiently within the formal waste management system. An integrated waste management system could create employment and support entrepreneurial initiatives. Household's role in an integrated waste management system will not only be limited to waste generation but will extend to waste management.

Achievements 2019/20:

The department participated in the following events:

- Successful hosting of the Winterfest 2019 (6 – 22 July 2019) and J Bay Makiti (20-22 September 2019). The Winterfest event was declared a green event and the following recycling products were collected from the Winterfest 2019: Glass 5 750kg, PET 210kg, K4(box)1 450kg, Alu Cans 85 kg, Plastic185kg.
- Mandela Day 18 July 2019 – clean ups in Humansdorp, Pellsrus School, main Beach Jeffreys with Pharos School
- International Coastal Clean Up - "Nature knows no **waste**". (21 September 2019)
- World Environmental Day 5 June 2020
- The Waste Management section managed to install 21 swivel bins before the start of the festive season in designated areas for litter disposal introduced additional skip bins in busy areas
- Procurement of 10 073 240 l wheelie bins

During the 2019/2020 financial year 10 073 bins (2 333 bins with COVD-19 funding) were procured.



Kouga Municipality started distribution of wheelie bins in Jeffreys Bay from May 2020. The Wheelie bins have been rolled out to all the residential areas in Jeffreys Bay. The distribution in the first week started in Ocean View, Pellsrus, Tokyo Sexwale and Mandela Bay. The roll-out then moved to Aston Bay and Paradise Beach, followed by the remainder of Jeffreys Bay, including C-Place, Wavecrest and Kabeljous, during the last three weeks of June. The initial roll-out focused on residential houses. During the roll out to Jeffreys Bay it was found that many residents are not home when delivery took place, and many are holiday homes. Residents who have not received bins can collect bins during office hours at Pellsrus Community Hall or register with the waste section for delivery. The last phase of the roll out will be to Sea Vista, St Francis Bay, Cape St Francis and Oyster Bay from the last week in July 2020. This roll-out is planned to be completed by mid - August.

Four municipal refuse compactor trucks had bin lifters installed to assist with effective and efficient refuse collection. As from 1 July 2020 residents have been encouraged to use their wheelie bin.

The table below summarizes the bins that has been delivered:

AREA	NUMBER OF BINS
Hankey	2 314
Loerie	474
Thornhill	403
Patensie	712
Humansdorp	5 710
Pellsrus/Mandela/Sexwale/ Aston Bay/ Paradise/ Jeffreys Bay/Ocean View	6 557
TOTAL	**16 280**

Plot Clearing

Overgrown plots have been a challenge in all Kouga areas and creates a health and fire risks. The department started with a private plot clearing programme to reduce the risk.





The Community Services Department works closely with the Jeffreys Bay “Dorp van Drome/Town of Dreams”, a civic organisation without a political agenda that strives to beautify Jeffrey’s Bay through a project driven approach. Together we want to make Jeffreys Bay a town living here, aspire to live in. The Dreams must be attained within a specific time frame and tackled in phases. The Dreamers get together on Thursday’s and all residents and departments are welcome to join and assist to make the dream come true.

“Dromers” hard at work



Other volunteer groups doing beach clean ups on a monthly basis, is Sea Shepherds.
No dumping signs have been erected at most of the hot spots

Sea shepherds



No dumping signs



Volunteer cutting grass



Launch of Animal Management Committee

3.8.1.1 REFUSE COLLECTION

Overview

The planning, control and alignment of all refuse collection and transportation services that provides for specific waste management measures, will be aligned to the norms and standards in terms of the Waste Management Act and Integrated Waste Management Plan.

Strategic objectives

That communities enjoy a clean and healthy environment that is managed and maintained in a sustainable manner.

Description of activities

The refuse collection functions of the municipality are administered as follows:

- Waste Avoidance

- Waste Stream Composition
- Waste Characterisation Results
- Domestic and Commercial Refuse Removal

The table below indicates areas serviced once a week, by Kouga Municipality.

Table 2: Areas serviced for round collected refuse

Jeffrey's Bay	Humansdorp	Oyster Bay
Aston Bay	Kwanomzamo	Hankey
Pellsrus	Vaal dam	Patensie
Paradise Beach	Arcadia	Pola Park
St Francis Bay	Loerie	Shukushukuma
Cape St Francis	Thornhill	

Residential areas, both formal and informal in the larger towns (Humansdorp) are serviced twice weekly and the other towns (Jeffreys Bay, Hankey, Patensie, St Francis, Cape St Francis, Oyster Bay, Loerie, Thornhill) are serviced once a week.

Refuse Collection is done 3 times a week at all commercial businesses. The tables 3 and 4 respectively below indicates number of service points per category and equipment used for Round Collected Refuse (RCR).

Table 3: Waste collection service points

CONSUMERS SERVICED	2016/17	2017/18	2018/2019	2019/2020
Total Number of Businesses	1 106	1 106	1 246	1 296
Total Number of formal households	22 130	29 641	30 032	30 032
Total Number of informal settlement households	3 990	7 939	9 779	9 779
Total Number of backyard dwellers	3 977	3 977	4 122	4 344
Total Number of Flats	223	223	242	242

Table 4: Equipment for Round Collected Refuse (RCR) Collection

AREA SERVICED	2019/2020 EQUIPMENT
Jeffreys Bay	3 x Compactor Trucks (1 with 240l bin lifting mechanisms) 1 x 3 Ton Truck 1 X Skip Trucks
Humansdorp	2 x Compactor Trucks
Gamtoos Valley	1 x Compactor Trucks
St Francis Bay	1 x Compactor Truck

TABLE 5: WEEKLY REFUSE REMOVAL PROGRAMME

ST FRANCIS BAY

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	FMJ 516 EC	Phillipa Place to Otters Landing, St Francis Bay and Cape St Francis (Business + Domestic)
TUESDAY	FMJ 516 EC	Shore Rd to Diana Crescent, Assissi Drive to Lyme Rd (Domestic refuse)
WEDNESDAY	FMJ 516 EC	Cape St Francis, St Francis Bay and Cape St Francis (Business + Domestic)
THURSDAY	FMJ 516 EC	Oyster Bay (Domestic, shops and Industrial area)
FRIDAY	FMJ 516 EC	Sea Vista domestic, businesses and Shops

GAMTOOS VALLEY

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	CTW 361 EC	Patensie, Hankey, Weston (Business)
TUESDAY	CTW 361 EC	Gamtoos mouth, Thornhill, Crossways, Nulaid, Loerie (Business + Domestic).
WEDNESDAY	CTW 361 EC	Old Hankey, Phillipsville Ext 4, Rosedale, Plakkerskamp Domestic/Business
THURSDAY	CTW 361 EC	Patensie town, (Business + farms).
FRIDAY	CTW 361 EC	Ramaphosa village, Centerton

JEFFREYS BAY

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Beaufort Flats, Jeffreysrus, Paradise (Business + Domestic). Businesses. Caravan Parks + Businesses. All Parks along the beach, entrances, town and townships. Litter Picking bags.
TUESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest East, Old Town Domestic, C/Place, Central town domestic, Wavecrest East, Ferreiratown All Parks along the beach, entrances, town and townships. Litter Picking bags.
WEDNESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Jeffreysrus, Oceanview (part) Domestic Business, Oceanview (part) Domestic Business, Caravan park, ilandvibe, supertubes

		All Parks along the beach, entrances, town and townships. Litter Picking bags.
THURSDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest (part) Domestic, Wavecrest (part) Domestic Wavecrest (part), Kabeljous Domestic, All Parks along the beach, entrances, town and townships. Litter Picking bags.
FRIDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Pellsrus (part), Tokyo Sexwale domestic, Business, Mandela bay domestic, Business, Caravan park, Pellsrus (part) All Parks along the beach, entrances, town and townships. Litter Picking bags.

HUMANSDORP

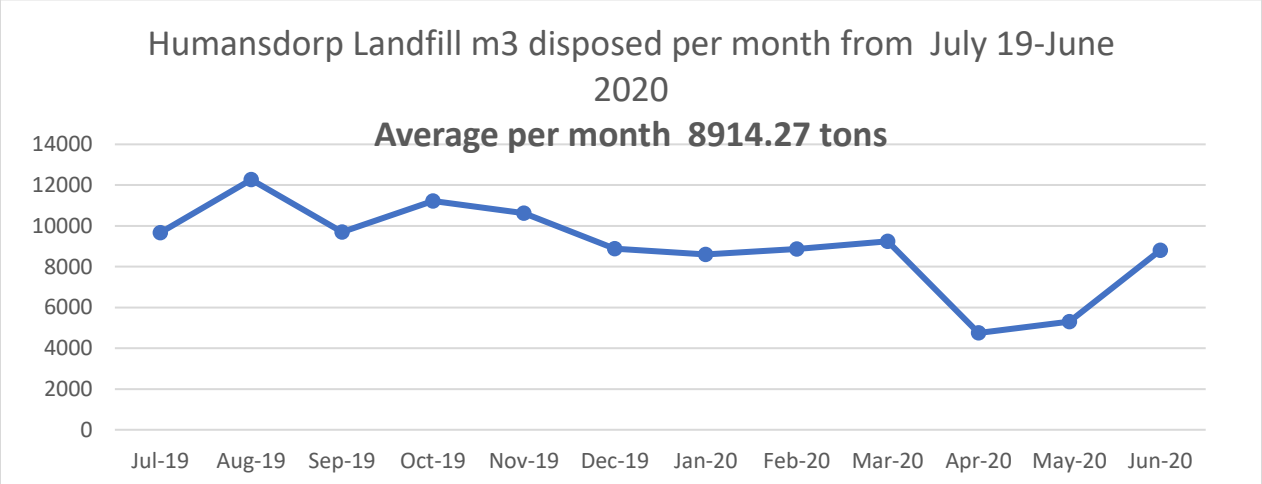
DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	FMX 511 EC BCX 587 EC	West side of Town, Melt Melville Business in Voortrekker weg, Panorama, Main Street, Kynoch, Koelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan and Arcardia Shopping Centre
TUESDAY	FMX 511 EC BCX 587 EC	East side of town, Boskloof, Ambulance Boblok, Graslaagte, St Patrics School, PeP Stores, Mr Price, Mzingisi School, Lungiso, Trade Value, P.Z. Meyer Hospital, All Shops and Taverns in Kwnaomzamo and Moeras Rivier formal houses
WEDNESDAY	FMX 511 EC BCX 587 EC	Kwanomzamo, Main Street, Kekkel and Kraai, Old Mutual Building, Engine, Spar, Kruisfontein School and Kruisfontein and Vaaldam household refuse
THURSDAY	FMX 511 EC BCX 587 EC	Maak n Laas, 7 de Laan, Drankenhoek, Gill Marcus, Johnson Ridge, Arcadia- Graslaagte School, ClinicKoelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan, Kooperasie, All Shops and Taverns in Kwnaomzamo and Arcardia Shopping Centre. Pola Park, Golf Course and Old Arcardia household refuse.
FRIDAY	FMX 511 EC BCX 587 EC	West Side of Town, Mat Mellville, Engine, Main Street, Kynoch, East of town and Spar, P. Z. Meyer Hospital and Arcardia Shopping Centre.

Business, Commercial and Other Waste Collection

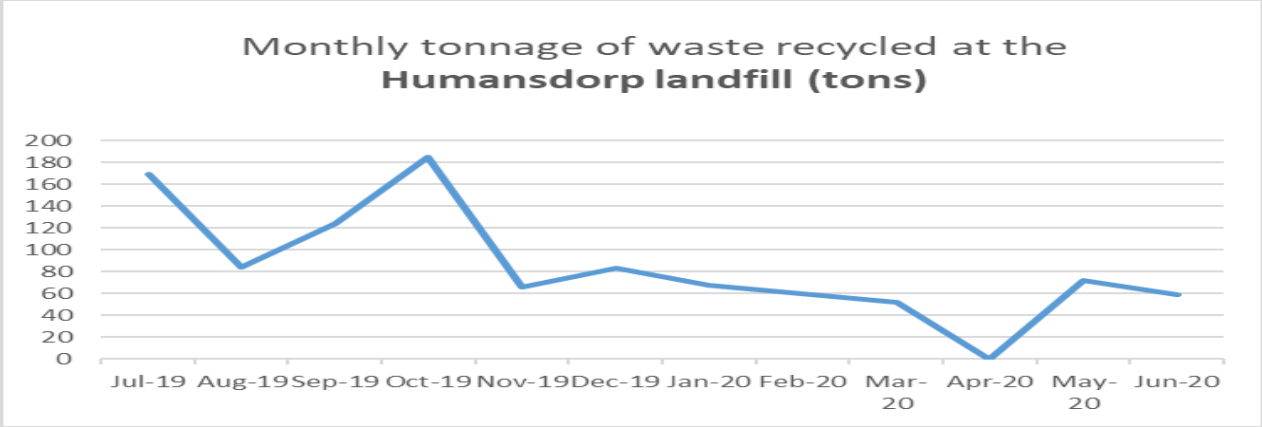
Waste is collected from businesses weekly in all towns in Kouga Municipal area. Some of the main commercial centres in Humansdorp are serviced twice a week, because many of the businesses in these areas have limited space for waste storage. Other commercial businesses in Jeffreys Bay receives a collection three times a week.

Waste is removed from schools and retirement villages weekly and from the hospital in Humansdorp three times per week, excluding medical waste.

Graph 3: Humansdorp Landfill waste disposed per month



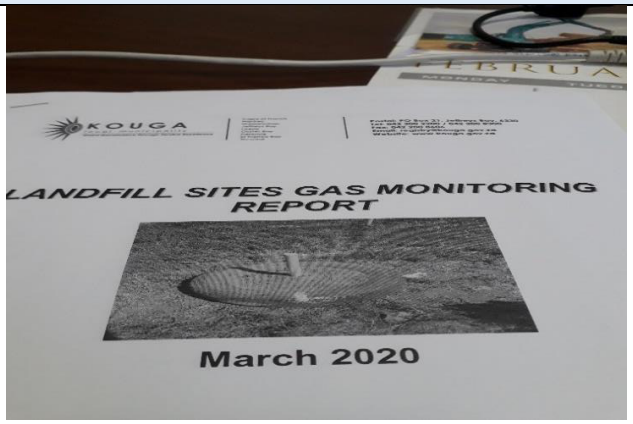
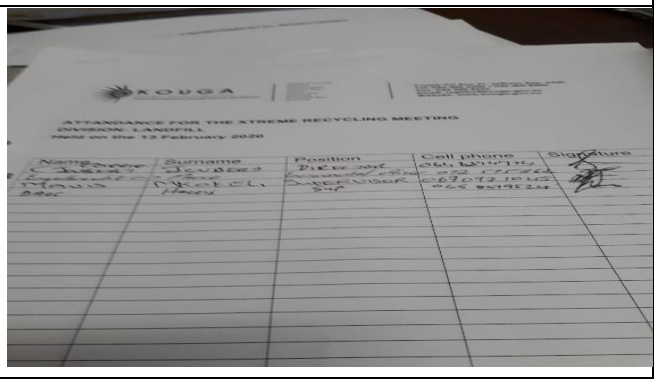
Graph 4: Monthly waste recycled at the Humansdorp Landfill

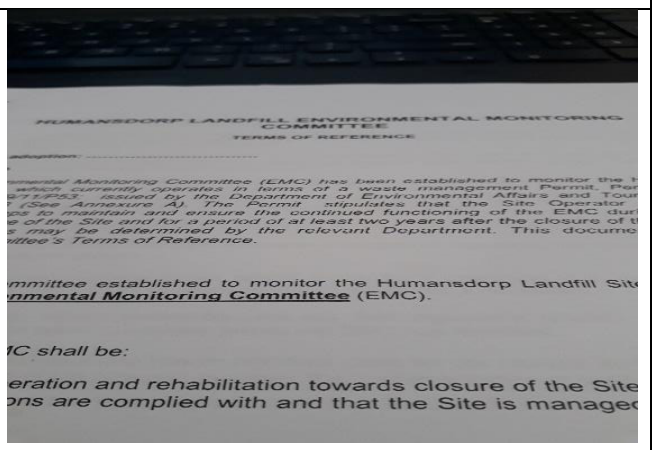
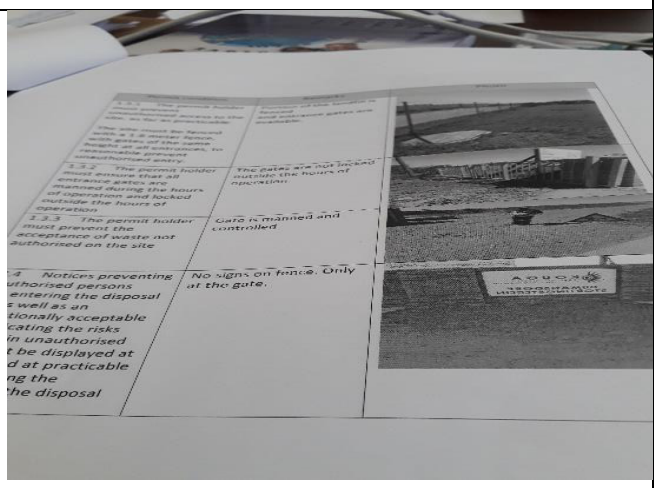


General

The Table below represents the actions carried out at the Humansdorp and Hankey landfill during July 2019 – June 2020.

Landfill action report

	Action	Remarks	
1.	In the process of installing a Landfill gas monitoring system in compliance with the landfill permit.	A total of 9 gas probes have installed at the Humansdorp and Hankey Landfills. A monitoring report has been drafted.	
2.	The site boundaries was plotted on site. This is to be undertaken to ensure that the landfill is operating in the permitted area.	The landfill boundaries have been located and markers installed at the Humansdorp landfill.	
3.	A meeting was held with the recycling company to ensure contract compliance and increase recycling.	Monthly meeting instituted.	

4.	The reclaimers operating on the landfill being registered. This has been carried out to increase recycling tonnages and to ensure landfill compliance.	A landfill paper picking cleanup undertaken every Wednesday.	
5.	The terms of reference were drafted for the Landfill monitoring committee that must be established in terms of the landfill permit.	A monitoring meeting was held on the 10 June 2020. Landfill in compliance with permit.	
6.	The landfill compliance files in terms of the landfill permit was started. This includes an action report plan with photo matrix evidence to prove compliance.	The report will be ongoing. The Hankey Landfill compliance is at **85%** and the Humansdorp landfill compliance is at **66%** at end June 2020.	

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.9 LIBRARIES, MUSEUMS AND COMMUNITY FACITLITIES

3.9.1 LIBRARIES

Overview

Kouga Municipality Libraries provide the community of Kouga with access to educational, informational and recreational material in general or for specific users regardless of race, gender, age, language, financial or educational status.

Strategic objective

- To ensure that the communities of Kouga have access to facilities and resources that libraries offer;
- To develop skills, preserve and conserve their culture and natural heritage;
- Provision of a safe and free library service for reading and learning;
- Provision of a free and guided access to knowledge and information to support formal and informal education.

Challenges

Phillipsville & Ramaphosa Libraries still using pre – paid electricity

Possible Solutions

To facilitate the installation of conventional electricity by Infrastructure Department (IPD)

LIBRARY INFORMATION SERVICES STATUS QUO

Library name	Email address	Computers for staff	Computers for public
Hankey South Library	hankeysouthlibrary@kouga.gov.za	1	5
Hankey North Library	hankeynorthlibrary@kouga.gov.za	1	1
N. B Mathodlana	nbmathodlanalibrary@kouga.gov.za	1	3
7de Laan Library	7delaanlibrary@kouga.gov.za	1	2
Humansdorp Library	humansdorplibrary@kouga.gov.za	1	4
Kruisfontein Library	kruisfonteinlibrary@kouga.gov.za	1	4
Ukhanyiso Library	ukhanyisolibrary@kouga.gov.za	1	4
Jeffreys Bay Library	jeffreysbaylibrary@kouga.gov.za	2	4
Tokyo Sexwale	tokyosexwalelibrary@kouga.gov.za	0	4
Loerie Library	loerielibrary@kouga.gov.za	1	4
Mbuyiseli Nkosinkulu Library	mbuyiselinkosinkululibrary@kouga.gov.za	1	3
Patensie Library	patensielibrary@kouga.gov.za	1	5
Thornhill Library	thornhilllibrary@kouga.gov.za	1	4

Library name	Email address	Computers for staff	Computers for public
Sea Vista Library	seavistacommunitylibrary@kouga.gov.za	2	14

Helpdesk Computers and Network

Out of fourteen libraries of Kouga Local Municipality, the computers and network connections of eleven are fully operational. Thornhill and Sea Vista Libraries both have working computers but no network connection.

Printers

Thirteen libraries have a working printer installed where the library assistant can make copies. The only libraries that cannot print are Thornhill and Sea Vista Libraries. This function of printing should be enabled once the network has been installed.

Telephones

Ten Libraries have working telephones. It is only Ukhanyiso, Thornhill, Tokyo Sexwale, and Sea Vista Libraries that have no telephones.

Breast Cancer Presentation in Loerie Library
16 October 2019



Girls Health Wellness Talk in Patensie
30 October 2019



Disability Awareness in Kruisfontein Library
13 November 2019



Read Aloud Day In Sea Vista Library
February 2020



3.9.2 PARKS AND OPEN SPACES

Overview

The establishment and maintenance of public open spaces within the Kouga area.

Strategic objective

The Communities have access to Public Open Spaces and Gardens which are well managed and maintained.

Description of activities

- Mowing of Grass (Verges, Picnic Areas, Public Open Spaces, Play Parks, Municipal installations and offices)
- Alien Vegetation/ Bush Clearing.
- Removal of debris.
- Beautification of open spaces, gardens and entrances.
- Development of new play parks.
- Planting, Trimming and felling of trees.

Achievements

- 20 lawn mowers and 38 side cutters were procured
- Public open spaces were cleared and beautified during the 2019/20 financial year and Procurement of 11 Play parks
- Fencing at the Pellsrus Outdoor Gym Park
- Upgrading of the Pellsrus Park, Kabeljouws park and Cape St Francis Bay Park which included the installation of benches, erecting of a ramp, installation of waste containers, installation and painting of poles, landscaping, erection of braai stands
- Upgrading of the Patensie Park

Procurement of Grass Cutting Equipment



Play Parks



Disabled ramp at Kabeljouws Park:





Landscaping









Fencing of Pellsrus Gym





3.9.3 CEMETERIES

Overview

The identification of land, planning and co-ordination of all cemetery management activities throughout the Kouga (15 cemeteries).

Strategic objective

Communities to have access to affordable and adequate cemetery services.

Description of activities

- Identification and applications for the establishment of new cemeteries
- Maintenance of existing cemeteries
- Digging, trimming and closing of graves
- Cleaning and beautification of cemeteries
- Cleansing of public amenities at cemeteries
- Administration and maintenance of; The Wall of Remembrance

Challenges

- Most cemeteries have reached full capacity.
- There is no dedicated team to provide the maintenance service at all the cemeteries.
- No proper fencing at cemeteries.

Solutions

- A Consultant was appointed to conduct the EIA process in order to establish new cemeteries which will also result in the development of the Cemetery Master Plan
- Funding will be considered for fencing in the new financial year.
- Council is currently making use of SMME's for the cleaning and upkeeping of the existing cemeteries.

Status Quo of Cemeteries

AREA	WARD	BURIALS PER YEAR 2019/20	EXISTING SPACE	LIFE SPAN	POTENTIAL EXPANSION
Humansdorp					
Town	15	**179**	47 + 185 = 232 graves	1,3 years	Extension was done on Council land adjacent to the cemetery (185 graves)
Kwanomzamo	6	**89**	585 graves	6.5 years	Extension was done on council land adjacent to the cemetery for 966 graves.
Graslaagte	15	0	Full	None	None
Jeugkamp	4	0	Full	None	None

Jeffreys Bay					
C-Place	11	**130**	437 graves	3.4 years	Extension was done on council land adjacent to the cemetery.
Dr BB Keet	8	0	Full	None	None
Pellsrus Duine Weg	2	0	Full	None	None
Pellsrus Roman street	2	0	Full	None	None
Hankey					
Centerton	9	**131**	No space available	none	Encroachment took place and it was stopped. Land was identified in Milton on the Congregational church land
Town	9	**28**	40 graves	2 years	Erf 17 Commonage – adjacent to Hankey Cemetery
Milton	9	**1,**		2 years	Congregational church land
Weston	13	**2**	37 sites	3 years	Church land
PATENSIE					
Ramaphosa	10	0	full	0	Extension was done on a farm for the people of Patensie and surrounding farms.
Town	10	**93**	4		Erf 300
THORNHILL					
Private Land	7	**12**	101	None	No Municipal Land, busy with EIA. Extra space was given by Farm owner
LOERIE					
Loerieheuwel	7	**26**	41 graves	1.2 years	Explore new Cemetery

Achievements

- Cleaning of nine Cemeteries by SMMEs.
- Fencing and cleaning of Centerton cemetery by the local SMME.
- Fencing of the C-Place cemetery ablution facility.
- Upgrading the Loerie Cemetery guard house.

C-Place Cemetery





Loerie Cemetery:

Upgrading of the guard house + toilets





COMPONENT E: ENVIRONMENTAL PROTECTION

3.11 ENVIRONMENTAL MANAGEMENT

Overview

Environmental resource management is the management of the interaction and impact of human societies on the environment. It is not, as the phrase might suggest, the management of the environment itself. Environmental resources management aims to ensure that ecosystem services are protected and maintained for future human generations, and also maintain ecosystem integrity through considering ethical, economic, and scientific (ecological) variables. Environmental resource management tries to identify factors affected by conflicts that rise between meeting needs and protecting resources. It is thus linked to environmental protection, sustainability and integrated landscape management. Kouga Municipality strives to have zero impact on the environment throughout its operations.

The Waste and Environmental Section attended The Institute of Waste Management of Southern Africa's Eastern Cape Branch, the 'Surfs Up... Or Is It?' Waste Conference, which was hosted at the World of Windows venue at Nelson Mandela Bay Stadium on the 29 October 2019.

The conference focused on the devastating effects of water pollution and explored the current challenges faced on a local and global scale. Industry professionals shared valuable research and possible solutions. Exhibitions relative to the marine industry was on display.

The long-term vision is to manage, protect and sustainably use the natural assets of all Kouga areas, in partnership with the relevant communities, to preserve and ensure the continued existence of our rich biodiversity and its associated ecological processes and services of our environment.

HIGHLIGHTS: ENVIRONMENTAL MANAGEMENT SERVICES
Greenest Municipality Competition: Kouga Municipality came second in the 2019 Eastern Cape Greenest Municipality Competition, it was the first time the municipality had participated in the competition. Kouga has accelerating its efforts to go green this past year and the award is confirmation that we are on the right track. The award recognized several initiatives introduced by the municipality, aimed at promoting sustainable development to the benefit of all communities and the planet as a whole.
Keep Kouga Green Launch Kouga Municipality launched the Keep Kouga Green campaign in Humansdorp. The purpose of the campaign is to raise awareness of climate change and the role each one of us can play to help slow this global challenge down and minimise the harmful impact on communities. We were honoured to have our first 60 “green ambassadors” – 15 pupils per school Graslaagte, Mzingisi, St Patrick’s and Sea Vista primary schools – joined for the launch.
International Climate Change Workshop: Kouga has furthermore been building on its climate change partnership with the German municipality Ilsfeld and had the privilege of being chosen to host an international climate change workshop, a first for the region - in October 2019. More than 100 delegates from nine countries, representing three continents - Africa, South America and Europe – attended and it was an invaluable opportunity for participants to share and learn from each other’s experiences.
Construction of Access Road: Kouga Municipality has constructed a 3.5 m wide access road from Aldabara Run to the St Francis Spit. An aggregate road surface was constructed, with a 135 mm thick G5 wearing course and 150 mm thick G7 subbase layer. The access road is there to provide access for construction & emergency vehicles to minimise the risk of the Spit.
Construction of an Emergency Revetment: Kouga Municipality declared a disaster after the Spit breached in April 2020 which allowed the activation of the emergency plan and begin repair work on the most vulnerable areas of the Spit. The municipality immediately reinforced the Spit dune with sand and commenced to provide further protection by constructing emergency rock revetment protection in the most vulnerable areas. In doing this emergency work, the Municipality is continuously working with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) to ensure environmental compliance.
Tree Planting: Kouga Municipality has initiated a tree planting drive as a commitment to combating climate change. Trees do not only create the oxygen we breathe and need to survive, they also remove harmful greenhouse gases from the air, and plays a major role in cooling down the planet. During the financial year 2019/2020 Kouga Municipality Planted 852 trees around Kouga.

Award at Greenest Town Competition and School education programme







Education and awareness

Recycling Bins were distributed to schools, all Council Offices, Libraries, Halls and Caravan Parks. The department is working closely with the National Job Opportunity programmes CWP and EPWP to create a clean environment for the residents of Kouga. Through this partnership we have successfully increased service delivery in all respective areas in Kouga. Illegal dumping sites are also cleared daily through joint initiatives.

3.11.1 ENVIRONMENTAL PROTECTION

Environmental protection is a practice of protecting the natural environment on an individual, organization and government level, for the benefit of both the environment and humans. Due to the pressure of overconsumption, population and technology, the biophysical environment is being degraded, sometimes permanently. This has been recognised, and government has started placing restraints on activities that cause environmental degradation.
Kouga Municipality landfill sites are licensed through the National Environmental Management: Waste Act of 2008 and Environmental Conservation Act of 1989 that set out the conditions which we must comply with in order to ensure that the environment is protected against any degradation or pollution. To comply with the set conditions and to ensure that there is minimal damage to the environment, legal compliance audits are conducted quarterly and annually by an independent auditor and on an ad-hoc basis by the licensing authorities. In addition, inspections are conducted monthly at waste drop off sites and landfill sites to monitor the level of compliance with the various statutory licenses and best environmental practices.

The department's strategy is premised on waste minimisation to remedy and minimise the negative environmental impact caused by its operations to the environment and has appointed a recycling service provider. The recycling programme is aimed at socio-economic upliftment of communities as they are based on partnerships with the community. The implementation of the programme recovers recyclable material from drop off centres, commercial businesses and events.

The section is increasing its focus on partnerships and stakeholder involvement in order to change behavior and create awareness. During the year various successful events were held in collaboration with

various partners including the “Keep Kouga Clean” campaigns in collaboration with the Mayor in some instances and special day events such as Mandela Day.

CWP Assisting in Clean ups





3.11.2 POLLUTION CONTROL

Sarah Baartman District Municipality has embarked on development of a District Wide Environmental Pollution Control plan and other environmental management strategies. Pollution Control is the process of reducing or eliminating the release of pollutants (contaminates, usually human – made) into the environment. It is regulated by various environmental agencies that establish limits for the discharge of pollutants into the air, water, and land. A wide variety of devices and systems have been developed to control air and water pollution and solid waste.

Air pollution control can be divided into two categories: the control of particulate emissions and the control of gaseous emissions.

Environmental Management and Environmental Health share this mandate due to the nature of contaminants that affect people and the environment. Pollution cases that have been reported were pertaining to sewage spills and illegal dumping have been referred to the relevant department. The department is also running environmental awareness campaign to address illegal dumping.

Beaches are cleaned constantly and further provides protection services to ensure discipline, but there is currently not enough capacity to do this on a fulltime basis. Visits are seasonal and weather permitting.

3.11.3 BIODIVERSITY PROTECTION

The functions of biodiversity reside with Department of Economic Development and Environmental Affairs as the municipality does not have capacity. The municipality supports the mission to conserve the rich biodiversity and promotes initiatives to proclaim protected areas in terms of NEM: Protected Areas Act while enhancing ecotourism through our nature reserves.
Our mission is to conserve the rich biodiversity, diverse natural ecosystems and cultural heritage characteristics of our environment through the implementation of management programmes that have clearly defined management goals and objective for the enlightenment, enjoyment and benefit of present and future generations.

The municipality has partnered with FOSTER to protect the nature reserves in Cape St Francis. Additional properties have been identified of high ecological and biodiversity importance and will be consolidated into the Erma Booysen Nature Reserve.

3.11.4 COASTAL MANAGEMENT

The District Municipality developed a Coastal Management Plan with a section for Kouga Municipality which will be adopted and implemented as the local coastal management plan during the year 2019/2020. Coastal Management is currently a new concept within the municipality and Kouga municipality has adopted a Coastal Management Plan in terms of the Integrated Coastal Management Act. Coastal Management will have an impact on various functions within the Municipality such as Planning & Development as well as Infrastructure and Engineering.

3.11.4.1 Oyster Bay – Dune Rehabilitation In February 2019 the department commenced with the removal of sand which were encroaching on Brander Street and adjacent properties in Oyster Bay. A total of 85 000m³ sand was moved during the operation, while opening of Brander street and adjacent properties have been proclaimed. Approximately 80% of the dunes overrunning Brander Street have been pushed back, except for one dune where the Black Oyster birds were nesting. The photos below show work completed. The residents of Oyster Bay were pleased with the work that had been carried out. The maintenance of dunes will be priority in new financial year.

Dune Encroaching on Brander Street and Adjacent Properties





Oyster Bay dune removal

Brander street opening





The artificial breaching of the estuary mouth commenced on March 2020 after NEMA Section 30A application was approved by the East Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). The opening of the estuary mouth was clearly successful with respect to objectives set. Prior to the operation, Seekoei Estuary had reached a stage when large-scale mortality of different biotic groups had occurred.

Seekoei Estuary Mouth allowing see water into the Estuary.





3.11.4.3 St Francis Bay – Rock Revetment

Kouga Municipality appointed PRDW consulting to construct the Access Road from Aldebara Run to the St Francia Bay Spit. The purpose of the access road is to gain access to the site during construction of the rock revetment and for maintenance and repair of the revetments. In April 2020 Kouga Municipality declared a disaster at the St Francis Bay Spit after horrific storm surges that made the spit to breach. Kouga Municipality constructed 202 meters emergency rock revetment after a breach by horrific storm surges that caused the spit to breach.

Access road to the spit area



Main Beach Ablution Facility



3.11.5. Boat Launching

Kouga Municipality has applied to reopen the Paradise Beach and the Kromme River Boat launching sites in terms of the Integrated Coastal Management Act from the Department of Economic Development, Environmental Affairs and Tourism. Kouga Municipality in partnership with the Paradise Neighborhood Watch, Kromme Joint Trust has increased security in these areas with surveillance cameras and

appointment of Peace Officers. Kouga Municipality was also invited to present these boat launching sites at the Provincial Coastal Technical Committee in Port Elizabeth. Kouga Municipality is currently awaiting the Gazetting of the Boat Launching site by DEDEAT.

3.11.6 Working for the Coast Programme

The working for the coast programme plays a crucial role in the cleaning and maintaining of our coastline covering an area of 92 km from Van Stadens until Oyster Bay. The programme has appointed participants in all coastal wards and has trained them in areas such as alien clearing and dune rehabilitation.

Additional units are funded by the EPWP Programmes:

Working for the Coast Programme (WftC): The Department appointed a new Service Provider in March 2019, Enviro-Acsys to implement the Working for the Coast project for the 2019-2021 cycle. The Project has again received a R12.3 million budget shared between Kouga and Koukamma Municipalities but only for the cleaning of the coast. The project is envisaged to start in August 2019.

Good Green Deeds (Thuma Mina): The Department of Environmental Affairs has realized that more efforts are needed if the environment is to be protected from pollution and has decided on a national #Thuma Mina Green Deeds - for a clean and beautiful South Africa Programme to mobilise every citizen. The aim of the #Thuma Mina Green Deeds, also known as the Green Good Deeds Programme, is to ensure a clean and beautiful South Africa and to promote environmental actions that take into consideration sustainable living practices. Kouga Municipality received 22 Ambassadors, 15 as general workers for cleaning illegal dumping sites and 7 for environmental education and 1 Youth Environmental Coordinator, Mr Athenkosi Maqolo that is seconded to the Municipality for the next two years and will be coordinating the activities of the Youth Ambassadors.

3.12 ENVIRONMENTAL HEALTH

SERVICE DELIVERY STRATEGY

To improve the health status of communities through the identification, evaluation and control of critical factors that affect the physical, social and mental well – being of communities.

Environmental Health Services are mainly preventive health services, and are therefore largely protecting public health and preventing health hazards / risks and diseases

FUNCTIONS OF ENVIRONMENTAL HEALTH SERVICES

The functions of Environmental / Municipal Health Services for the Municipality are as follows:

- Water Quality Monitoring,
- Food Control,
- Waste Management: illegal dumping,
- Health Surveillance of premises,
- Pauper Burials: attending to applications for exhumations and reburials,
- Surveillance and Prevention of Communicable Diseases,
- Vector Control,

- Environmental Pollution Control, attending to complaints and health nuisances,
- Evaluation of Cemeteries, Mortuaries, and funeral undertakers' premises,
- Active Environmental Education Sessions and Awareness Campaigns / Programs,
- Business registration & hawker programs

The above functions as rendered by the Municipality excludes Port Health, Malaria Control and Hazardous Substances which are functions and competency of the Eastern Cape Department of Health.

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ENVIRONMENTAL HEALTH SERVICES

Description of the Activity and Analysis of the Function	Environmental Health	2018/19 No. of Facilities	2018/19 No. of Visits	2019/20 No. of Facilities	2019/20 No. of Visits
Surveillance of premises	Inspection and evaluation of food premises, milk farms and other facilities to ensure compliance to all Health Regulations and to ensure that products sold to the public is fit for consumption	795	1984	805	3006
Water Quality Monitoring	Water Quality Monitoring: Sampling of water for bacteriological and chemical analysis to ensure compliance with SANS 241 and to ensure that the water is fit for human consumption.	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 112 x Failures	637	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical **73 x Bacteriological** **73 x Chemical** **Extra sampling points for Covid19**	706
Waste Management	Waste Management: identification of illegal dumping sites to ensure a clean and healthy environment.	23 Illegal dumping sites	136	20 Illegal dumping sites	40

Health Surveillance of Premises	Health Surveillance of Premises: Assessment of factors including ventilation, lighting, moisture and approval of building plans to ensure safety.	54 Building Plans	54	89 Building Plans	89
Surveillance & Prevention of communicable diseases	Surveillance & Prevention of communicable diseases: Health and hygiene promotion to prevent communicable diseases and disease outbreaks.	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities
Vector Control	Vector Control: Vector control of public health interest including the control of anthropoids, rodents and other alternative hosts of diseases.	42 Facilities (Municipal Buildings)	42	15 Facilities (Municipal Buildings)	15
Environmental Pollution Control	Environmental Pollution Control: Identification of polluting agents and their sources to ensure hygienic working living and recreational environment, e.g. management of overgrown plots.	908 Notices for Plot Clearing	Cleared by owners: 8	830 Notices for Plot Clearing	Cleared by Owners: 10
Disposal of the Dead	Disposal of the Dead: Manage, control and monitoring exhumations and reburial or disposal of human remains	11 Applications	11 Approved	9 Applications	9 Approved
Business Registration & Hawkers Programme	Business Registration & Hawkers Program: Registration of all new businesses in terms of the Business Act, including hawkers.	231 Applications	231 Approved	117 Applications	117 Approved

KEY ISSUES FOR 2019 / 20: RABIES VACCINATION DRIVE – JULY 2019

A positive case of Rabies within the Sewende Laan area in Humansdorp was reported to the Municipality during July 2019. The results of this were that all stakeholders involved in Animal and Human Health were called together to discuss and put in place control measures to curb the spread of this deadly animal disease which can be transmitted to human beings. The stakeholder included the Kouga Municipality Environmental Health, Department of Agriculture Forestry & Fisheries: Directorate – Veterinary Public Health, supported by Kouga Municipality MMC's, Ward Councilors, South African Police Services (SAPS), Kouga Law Enforcement, Disaster Management, EC Department of Health and the SPCA.



A vaccination program was initiated on 16 July 2019 in the affected areas where Technicians from the Department of Agriculture were stationed at strategic spots to conduct the physical vaccinations of dogs and cats against the Rabies Virus and to also conduct door to door around the affected areas as follows:

The program started in Kruisfontein Civic Centre with the Department of Agriculture and Environmental Health. The South African Police Services and Kouga Law Enforcement were visible at all identified spots and also accompanied the teams during the door – to door at all areas of Kruisfontein, Sewende Laan, Maak `n Las, Arcadia, Jeugkamp, Gill Marcus and Vaaldam.

Communication and awareness of the program was raised through social and local media and with loud hailing. The EC Health Department visited the households and residents around the reported positive case to check on human contacts and to also give education and awareness on what should be done by those individuals that might have been in contact with the affected dog including the owners. A total of 1048 dogs and 40 cats were vaccinated, and no further positive animal cases were reported and also no human beings were reported as infected by the disease.





COMMUNICABLE DISEASE PREVENTION DRIVE: SEPTEMBER – OCTOBER 2019

The Communicable Disease Prevention Drive was conducted by the Environmental Health section at various schools within Kouga Municipality during the months of September and October 2019 in line with the World Environmental Health Day which is celebrated annually on the 26th September.

This program was also conducted following a number of reported cases of communicable disease such as the Rabies, Scabies, Rota Virus and the section also included general hygiene in the program as a best preventative measure in the development and spread of communicable diseases. The main purpose of the program was to educate and create awareness amongst school children on various communicable disease and the importance of practicing good hygiene as a form preventing the spread of communicable disease. Also, the other purpose of this program was to encourage and motivate young children to be ambassadors for living healthy and adopting clean and healthy environments within their homes, schools and ultimately their communities for current and future generations.

The Environmental Health Section conducted the program at 26 Schools within Kouga Municipality focusing on Grades 5 &6 and a total number of 1177 of pupils were reached with the program. The focus of the program was education and awareness on the above-mentioned communicable disease and the school children were educated amongst other things on the following:

- What communicable diseases are,
- On the above-mentioned communicable diseases – what they are
- How they spread,
- Signs and symptoms,
- Prevention & treatment
- General Hygiene which includes personal & environmental hygiene as preventive measure.

GLOBAL HAND WASH DAY PROGRAM: OCTOBER 2019

Celebrated annually on October 15, Global Handwashing Day (GH Day) is an annual global advocacy day dedicated to increasing awareness and understanding about the importance of handwashing with soap as an easy, effective, and affordable way to prevent diseases and save lives.

The theme for Global Handwash Day 2019 was “Clean Hands for All,” reminding that we must be inclusive when addressing handwashing disparities. 2019’s theme followed the push to leave no one behind in the Sustainable Development agenda. Non - effective handwashing promotion programs can put individuals at higher risk for diseases that impact their health, education, and economic outcomes. The Global Handwashing program was an opportunity to design, test, and replicate creative ways to encourage people to wash their hands with soap at critical times and raise awareness about the benefits of handwashing with soap.

The Environmental Health Section in partnership with the Special Programs Unit of Kouga Municipality conducted a handwashing and hygiene program at Stulting Primary School in Humansdorp on the 31st October 2019. The program focused on handwashing and the importance thereof; hygiene for health and saving lives and the importance of saving water as a scarce but very important natural resources.



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HEALTH & HYGIENE SCHOOLS' PROGRAM – FEBRUARY 2020



A Health and Hygiene Educational Program was conducted at four (4) primary schools from 18 – 25 February 2020 within the Kouga Municipal Area. The aim of the program was to focus and highlight among other things the need to restore & preserve water, hand washing, personal & environmental hygiene. The schools that were reached with the program are:

- St Patrick Primary School
- Makukhanye Primary School
- Mzingisi Primary School
- Weston Intermediate School

The purpose of this program was to educate the entire school on:

- The importance of water for human beings, plants, animals and the general environment in which people live in,
- Highlight how water and infrastructure are linked and how important they are to life,
- To protect and save water as it is scarce and important source of life
- Highlight the crucial link between water and health with the objective of eradicating water-borne diseases like cholera, diarrhea etc.,
- To highlight the importance of protecting, rehabilitating, and improving water environments such as streams, wetlands, waterways and beaches by adopting and cleaning dirty rivers, streams, wetlands or watersheds in our areas.
- The importance of washing hands, & when to wash it.
- The importance of personal & environmental hygiene.

The main aim of the program was that all learners reached with the program can go and share what they have learned and thus becoming ambassadors for their schools and ultimately their homes and their communities. Each school was awarded with a 20-liter water canister, hand wash basin as well as hand wash soap.

COVID 19 EDUCATION & AWARENESS: MARCH – MAY 2020



Public Education and awareness on Covid 19 and the precautionary measures for the prevention of the spread of the virus have been conducted at all informal settlements with the Kouga Municipal area as follows:

- Door – to – door education and awareness on Covid 19 and preventative measures
- Loud hailing on the general lockdown regulations
- Issuing of educational pamphlets printed in English, Afrikaans and Xhosa
- Issuing of soaps for the promotion of hygiene and handwashing as a primary preventative measure.

The education and awareness were conducted from the 23rd March 2020 to the 21st May 2020 at the following areas and the total number of soaps issued per area / households are indicated below:

- Patensie: 569 soaps issued
- Hankey: 1048 soaps issued
- Thornhill: 332 soaps issued
- Loerie: 140 soaps issued
- Jeffreysbay: 2981 soaps issued
- Humansdorp: 490 soaps issued
- Kwa – Nomzamo: 3226 soaps issued
- Sea vista: 1578 soaps issued
- Oyster bay: 370 soaps issued

A total of 10734 soaps were issued to households during the door – to – door education awareness indicated above.

INSPECTION OF TAXI RANKS & PICK UP POINTS: MARCH – JUNE 2020

The following pick up points and a taxi rank were inspected:

- Hankey Centerton Taxi Rank
- Spar Pick Up Point in Hankey
- Spar Pick Up Point in Patensie
- Food Zone Pick Up Point in Patensie
- Humansdorp Voortrekker Road
- Humansdorp Shoprite Pick up point
- Humansdorp C/o Du Plessis & Bureau Street Taxi Rank
- Humansdorp Saverite pick up point
- Humansdorp Transvia Liquor pick up point
- Entrance to Kwa – Nomzamo pick up point

- Entrance to Sea vista pick up point
- Ocean View Jeffreysbay Taxi rank
- Old Friendly Grocer Jeffreysbay pick up point
- Fountains Mall pick up point

Education and awareness to Taxi drivers was done on the following:

- To not overload the taxis to minimize / prevent the spread of COVID – 19
- To wash hands often, possibly with antibacterial hand-sanitizer. / Use water and soap, if hand-sanitizer is not available
- To make provision of sanitizer for clients / customers
- To Keep social distancing
- To cover their mouth and nose with a tissue when they cough or sneeze,
- To not shake hands
- To try not to touch your eyes, mouth or nose if your hands are not washed
- To never cough or sneeze in hands
- Put any used tissue in the bin right away
- To avoid close contact with people who are unwell or show flu-like symptoms

INSPECTIONS & ISSUING OF PERMITS TO SPAZA SHOPS & INFORMAL TRADERS: APRIL 2020

Inspection of Spaza shops within all areas of Kouga Municipality are conducted on an ongoing basis. The Spaza Shops are inspected, and health education and awareness are conducted on the following items:

- The general information on Covid 19
- Adherence to the social distancing requirements
- Ensuring that hand sanitisers are available at the shop for clients / customers entering the shop
- Controlling of the number of clients / customers entering the shop
- Ensuring that the staff is provided with the necessary PPE
  General hygiene and cleanliness in terms of Regulation 638

Trading permits have also been issued to Spaza Shops by Environmental Health Practitioners during a door to door operation for spaza shops within Kouga Municipality. A total number of 204 permits were issued and the issuing of permits is still being conducted as need arises.



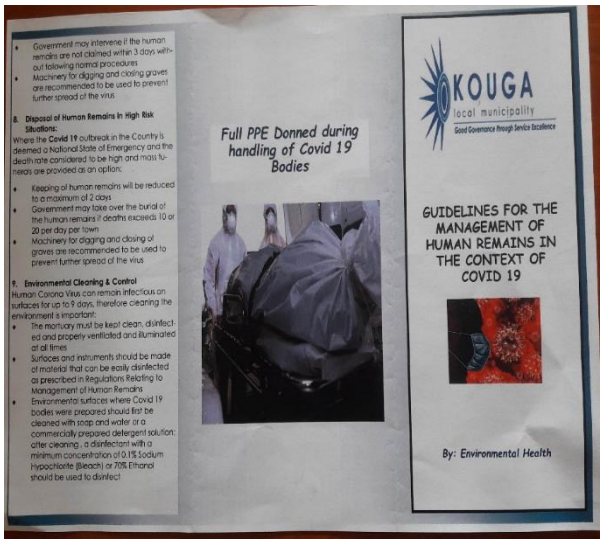
Seven permits for informal traders trading with fruit and vegetables have also been issued by the Environmental Health Practitioners. The operations for informal traders also included education and

awareness; and regular inspections are conducted on an ongoing basis.

The informal traders are also monitored to ensure that they practice the following:

- Adherence to social distancing
- Hand hygiene / sanitizing
- Wearing of necessary PPE

HUMAN REMAINS IN THE CONTEXT OF COVID19: MAY 2020



The Environmental Health conducted training and sharing of information for Funeral Undertakers and their staff on the handling and disposal of Covid 19 bodies. The purpose of the training was to get the funeral undertakers ready and prepared for the handling and burial of Covid 19 bodies. The Training was conducted from the 04th – 08th May 2020 for:

Hankey:
- J & S Funerals

Humansdorp:
- Group Ex Funerals
- Avbob Funerals
- Forever Funerals
- Ten to Nine
- Bosman Funerals
- Ruhe Funerals

Jeffreysbay:
- Martens Funerals
- Stardust Funerals
- Kouga Funerals

TRAINING OF KOUGA MUNICIPALITY CEMETRY CARETAKERS ON THE MANAGEMENT OF HUMAN REMAINS IN THE CONTEXT OF COVID19: MAY 2020

The Environmental Health Practitioners conducted training and sharing of information for Kouga Municipality Cemetery Caretakers on what to look out for and to expect during the disposal of human remains in the context Covid 19 bodies. The Training was conducted for 10 Caretakers and their foreman on the 27th May 2020.

INSPECTION OF SCHOOL PREMISES FOR COVID19 READINESS: MAY – JUNE 2020



The Environmental Health Section conducted inspections of school premises to evaluate their readiness, in the context of Covid 19, to open for learners during Level 3 of the Lockdown. Evaluation was conducted to check compliance with the Regulations relating to the lockdown as well the general hygiene and safety requirements prior to the schools reopening for Grades 7 and 12 and these include:

- Receiving learners at school
- Social distancing measures in place within classrooms and outdoors
- Sanitizing of learners, teachers, premises and surfaces
- Learners and teachers PPE
- Monitoring of symptoms for both learners and teachers
- Monitoring by school staff to ensure compliance

The following schools were visited:

Jeffreysbay

- Victory for All Christian School
- Pharos School
- Kings College
- Global Leadership Academy
- Oakridge
- Jeffreys Bay Primary School
- JBay Academy High
- JBay Academy Primary
- Makukhanye Primary School
- Pellsrus Primary School
- JBay Comprehensive
- Ithemba Pre - school

Humansdorp:

- Mzingisi Primary
- Lungiso High School
- St Patrick's Primary
- Graslaagte Primary
- Kruisfontein Primary
- Humansdorp Secondary
- Victory Rainbow School
- Nico Malan High School

Oyster bay:

- Sand Water Primary

St Francis bay:

- Sea vista Primary

Gamtoos Valley:

- Loerie Heuwel School
- Phumlile School
- Thornhill Combined School
- Hankey Primary School
- Weston Intermediate School
- Hankey Secondary School
- Vukani School
- Laerskool Hankey
- Bodker Public School
- Laerskool Gamtoos Vallei
- Masisebenze Primary School
- Quagga Primary School

FOOD PREMISES & RETAIL SUPERMARKETS: MARCH – JUNE 2020

Inspections of premises such as Food Premises and Retail Supermarkets was conducted to ensure that the facilities adhere to the lockdown regulations of ensuring sanitizing of customers, the use of PPE by the general staff, ensuring social distancing by the customers and also to check whether the facility complies with the general hygiene as per the norm. The inspections are conducted on an ongoing basis to ensure compliance to the general requirements as set in Regulation R638: Regulations Governing the General Hygiene of Food Premises and the Transport of Food and Related Matters.

Education and awareness were also conducted for food premises that were doing cooked foods and delivery thereof during Level 4 of the Lockdown and these food premises were issued with notices guiding them in terms of Regulation R638. A total of 30 food premises was issued with the above notices.

COMPONENT D: SAFETY AND SECURITY

3.13 FIRE AND RESCUE SERVICE

FIRE SERVICES AND DISASTER MANAGEMENT

As a modern emergency service which consists of the Fire, Disaster and Lifesaving sections, our focus is on providing emergency response to a wide range of complex incidents, prevention, preparedness, and specialized operational support.

As emergency services, we can pride ourselves on the professionalism and influence over issues we demonstrate, such as the many awareness and prevention programs. Often our influence, while not always visible, can have a broad and lasting safety benefit for our people and the community.

We continue to see improvements in the equipment we provide our firefighters, lifeguards, and disaster practitioners. Enhancements to the operational response, improved the safety of crews by providing incident controllers with an overview of the environment and essential situational awareness.

Our fifty-one (51) permanent employees and fifty (50) seasonal employees help safeguard the Kouga residents, workers and visitors along with assets and infrastructure worth millions of Rands. Our day-to-day service covers an area of over 2670 square kilometres. Our significant resources can also be called on to support emergency management anywhere in Kouga.

Fire Services is responsible for the following functions:

- Firefighting of structural fires, veld and bush fires and any other fire;
- Fire safety (the application of the National Building Regulations, Fire codes and municipal by-laws with regard to fire safety);
- Rescue services;
- Support services to municipal and other instances;
- Fire pre-planning and related preparedness plans;
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Fire communications facilities for the particular service.

The Disaster Management Act 57 of 2002 provides for an integrated & coordinated disaster management plan that focuses on:

- Preventing or reducing the risk of disasters (Prevention);
- Mitigating the severity of disasters (Mitigation);
- Emergency preparedness;
- Rapid & effective response to disasters, &
- Post-disaster recovery and rehabilitation

Our Lifesaving section is the Local Authority in the effort to prevent drowning and to keep the visitors and bathers safe. In my opinion this past year was the most significant year whereby no drowning related incidents was reported, and rescues was conducted to near drowning victims.

During the past months we have made great strides as a lifesaving section and have seen many positive achievements.

Lifesaving Services is responsible for the following functions:

- Overseeing activities at aquatic facilities.
- Explaining and enforcing rules, regulations and policies to ensure safety of patrons and maintaining order in swimming areas.
- Monitoring designated areas to recognize signs of danger.
- Warning swimmers regarding unsafe situations.
- Training of local youth to become SAQA qualified lifeguards
- Responding to emergencies and rescuing swimmers in danger of drowning.
- Performing first aid procedures.

FIRE AND RESCUE SERVICE

The main duties of firefighters are to help protect the public in emergency situations. They respond to a wide variety of calls, such as car crashes, chemical spills, flooding, water rescue, and general rescue as well as fires.

Fire kills. Preventing fires saves lives and reduces injuries.

Statistics of Kouga in its analysis of the cause of death is mainly informal structure fires and motor vehicle accidents.

The fire problem is further compounded by the living conditions in informal settlements characterised by narrow streets which are inaccessible to fire service vehicles as well as the lack of street names which complicates endeavours to reach people in need.

These informal settlements comprise of shacks built with highly combustible materials (frequently wood and plastic) and positioned close to each other which increases the risk of fires spreading in these areas.

To keep up with the demand, fire stations are situated in Humansdorp (headquarters), and satellite fire stations in Jeffrey's Bay, Hankey and St Francis Bay.

Satellite fire stations are intended to reduce the response time to incidents to render a more effective firefighting service.

Prevention: Kouga Fire Service aims to eliminate or reduce the incidence or severity of emergencies. Prevention activities include both physical and legal measures, such as compliance inspections, approval of building plans, controlled burn, public awareness and educational campaigns. The Fire Service works with the community, other emergency management agencies, government and the private sector to ensure the knowledge, behaviours and regulatory and legislative frameworks exist to protect life and minimise injury and damage to assets.

Preparedness: Kouga advocates for safety in the built environment and the community, with the goal of reducing the occurrence, impact and severity of fires and other emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve firefighting and rescue capabilities
- Improve personal safety of all staff
- Improve public knowledge of fire safety as well as risk management measures
- Improve training levels of all staff

Challenges:

Description	Challenge
Vehicles and Equipment	Kouga Fire and Rescue, Disaster Management remains in non-compliance with the SANS 10090: Community Protection Against Fires. Our oldest vehicle is 33 years old, a medium Pumper Type GMC, is 23 years over the prescribed life expectancy. This vehicle is stationed in Humansdorp. Additional vehicles are required in order for the department to be in compliance. After a fatal incident on the N2 between Thornhill and Gamtoos, one (1) new set Jaws of Life were procured. The delivery of the equipment took place at the end of June 2019.
Staff compliment	The staff compliment in all spheres of the department need to be increased in order to build capacity for the department to function efficiently and effectively. Capacity is required in the following spheres: o Fire Safety o Operational Department o Disaster Management o Lifesaving Additional staff members are required in order to be in compliance with the SANS 10090: Community Protection Against Fires.

Lack of infrastructure	Due to the increase of informal settlements, little or no infrastructure are available to assist the firefighters. These include fire hydrants and wide enough access roads.
Rapid expansion of Informal Settlements	Kouga Municipality has been experiencing a rapid influx of residents which resulted in the increase of the number of informal dwellings. The areas are; Sea Vista and Ocean View This could result in an increase in the attendance of informal settlement fires. This area can cause fires to spread rapidly, leaving a devastating effect on the communities.
Poor management of overgrown vacant properties.	No dedicated bush clearing teams in place. Huge backlog on the clearing of Public Open Space and well as private vacant properties and stands. Risk reduction committee established to reduce risk; especially in St Francis Bay

Solutions:

- To coordinate a pro-active approach towards the planning of informal settlements.
- To provide fire services to the communities in need where fire risks increases arises.
- To provide more education and awareness in the communities.
- To have a pro-active collective approach between sector departments towards planning of informal settlements.
- Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.
- To dedicate a bush clearing team only for clearing of open space and to reduce fire risk

Legal requirements:

In terms of Section 84(1)(j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the District is responsible for the functions mentioned below:

- Planning, co-ordination and regulation of fire services;
- Specialised firefighting services such as mountain, veld and chemical fire services;
- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
- Training of fire officers.

Kouga Municipality entered into a service level agreement with the Sarah Baartman District to perform the services on behalf of the District.

The Fire Brigade Service Act 99 of 1987, SANS 10090, Community Protection against fire, National Veld & Forest Act 101 of 1998, National Building Regulations Act 103 of 1977, and Occupational Health and Safety Act 85 of 1993.
During 2019/2020 this service responded to a total of 482 incidents as reflected below:

Category	Total 2018/19	1st quarter 2019/20	2nd quarter 2019/20	3rd quarter 2019/20	4th quarter 2019/20	Total 2019/20
Buildings	9	6	1	3	0	10
Dwellings (formal brick)	31	3	4	5	8	20
Informal dwellings (shacks)	60	28	30	11	15	84
Electrical	7	0	1	4	2	7
Refuse/Waste	61	7	17	14	14	52
Vegetation	61	42	44	31	32	149
Transport	8	2	4	2	2	10
Other (not above)	15	5	0	2	1	8
Accidents	93	39	33	32	22	126
Rescues	2	0	1	0	1	2
Spillage (oil)	1	0	0	0	0	0
Miscellaneous	0	1	7	3	3	14
Other	0	0	0	0	0	0
TOTAL	**348**	**133**	**142**	**107**	**100**	**482**

Fire Safety Inspections:

Fire Safety (number of inspections conducted)	1st Quarter July-Sep 2019	2nd Quarter Oct -Dec 2019	3rd Quarter Jan-March 2020	4th Quarter April – May 2020	Grand Total 2019/2020
General inspections	43	40	41	11	**135**
Flammable liquid	5	8	13	3	**29**
Building plans	293	181	241	47	**762**
Fire Hydrants	199	2	20	0	**221**
Burning permits	10	2	7	10	**29**
TOTAL	**550**	**233**	**322**	**71**	**1176**

Fire fighting vehicles.

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford LDV - Rescue	2007	Humansdorp	Yes	Yes
Toyota Land Cruiser – Bush fire fighting	2009	Humansdorp	Yes	No
Toyota Hino – structural fire fighting	2006	Humansdorp	Yes	No
Dennis – Structural fire fighting	1994	Humansdorp	Yes	Yes
Iveco – bush and structural fire fighting	2018	Jeffreys Bay	Yes	No
Nissan Tanker – structural fire fighting	1990	Jeffreys Bay	Yes	No
Nissan Patrol 4x4 – Bush fire fighting	2007	St Francis Bay	Yes	No
Toyota Tanker – structural fire fighting	1991	St Francis Bay	Yes	No
GMC – structural fire fighting	1987	St Francis Bay	Yes	yes
Toyota Land Cruiser – Bush fire fighting	2009	Hankey	Yes	No
Dennis – Structural fire fighting	1993	Hankey	No	Yes

The department awaiting the delivery of a new 6000 L water tanker and a medium pumper for various types of firefighting throughout the Kouga. A similar type of vehicle has been procured during the 2018/2019 financial year.

Training and Development

The Kouga Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation. No specialized firefighting training is currently provided to fire fighters and this department relies on the Sarah Baartman District Municipality for such training.

The COVID-19 pandemic delayed the training of four (4) fire fighters at Rural Metro Training Academy in Pietermaritzburg in 2020. The trainees arrived at the training center, and after two (2) days were sent back home due to safety reasons. No formal fire fighting training was conducted during 2019/2020. CPMD training was conducted to firefighting officials.

Position	Positions filled	Position vacant	Staff trained in fire fighter 1 & 2; Hazmat Awareness & Operational
Chief Fire Officer	1	0	1
Station Commander	2	0	1
Platoon Officer	1	0	1
Senior Fire Fighter	8	0	8
Fire Fighters	31	2	20
Control Room Operator	4	0	0
Admin officer	1	0	0
Total	**48**	**2**	**31**

Community Education and Awareness:

AWARENESS AND TRAINING 2019/2020	1st Quarter July - Sep 2019	2nd Quarter Oct - Dec 2019	3rd Quarter Jan -March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
Number of civilians reached	18	1028	43	0	1089
Type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Awareness and training were conducted at various institutions and community members. Ward 1 Ward 2 Ward 3 Ward 4 Ward 11 Ward 15				
Number of children and teachers reached	724	97	152	0	973
Number of schools covered	3	2	1	0	6

Achievements: Fire Services 2019/2020



Figure 1: Procurement of a 6000 L Water Tanker & Medium Pumper



Figure 2: Procurement of Hydraulic Equipment



Figure 3: Procurement of Firefighting Equipment



Figure 4: Procurement of Firefighting Equipment



Figure 5: Completion of fencing at Hankey Fire Station



Figure 6: SANTAM donated R 1 000 000.00 to Kouga Municipality to reduce the fire risk in St Francis Bay

3.14 DISASTER RISK MANAGEMENT

DISASTER MANAGEMENT

The purpose of Disaster Management is to promote integrated, coordinated, and multi-disciplinary disaster management for the community of Kouga.

Kouga Municipality faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including drought, severe storms that can trigger widespread hardship and devastation as well as fires.

Climate change is altering the face of disaster risk, not only through increased weather-related risks and sea-level and temperature rises, but also through increases in societal vulnerabilities.

Legislative mandate

Disaster Management Act, 2002 (Act 57of 2002) This Act provides:

- An integrated and co-ordinated disaster management focused on rapid and effective response;
- Recovery from disasters as well as the reduction of disaster risk;
- The establishment municipal disaster management centres; and

- A framework under which the municipal disaster management centre operates and liaises with all spheres of government and relevant stakeholders on disaster-related matters.

The main focus is to establish the necessary institutional arrangements for implementation of disaster risk management plan within the Kouga Municipality.

It also emphasises the involvement of all stakeholders in strengthening the capabilities of the Municipality o reduce the likelihood and severity of disasters.

Challenges

Description	Challenge
Vehicles and Equipment	Kouga Disaster Management remains in non-compliance with the SANS 10090: Community Protection Against Fires. Only one (1) vehicle is operating in the entire Kouga area. Additional vehicles are required in order for the department to be in compliance.
Staff compliment	The staff compliment in the department needs to be increased in order to build capacity for the department to function efficiently and effectively. Capacity is required in the following spheres: o Disaster Practitioners o Disaster satellite officers o Disaster Management as a whole Additional staff members are required in order to be in compliance with the SANS 10090: Community Protection Against Fires.
Lack of infrastructure	No proper Disaster Management facility, which includes a functional Disaster Management Centre. No proper office spaces.
Disaster risk assessment to be conducted	No qualified staff to do assessments in Kouga area and to do Classifications in terms of the different risk's categories.
Awareness and training	Inadequate staff to conduct regular awareness and training.

Solutions:

- To provide Disaster Management Services to the communities in need where fire risks increase arises.
- To provide more education and awareness in the communities.
- To have a pro-active collective approach between sector departments towards mitigating and risk reduction planning.

- Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.
- To establish a well functional disaster management centre.

Vehicles – Disaster Management

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford Ranger – D/Cab	2020	Humansdorp	Yes	No
Isuzu D/Cab	2009	Humansdorp	Yes	No

Joint Operations Command Meetings

The Disaster Management Section only operates with one (1) disaster practitioner. During the COVID-19 pandemic the practitioner needs to chair the local joint operation meetings, he forms part of the District technical as well as the political joint operation meetings.

Command/ Workstream meeting	Kouga JOC Meetings	SBDM JOC Meeting
March 2020	**March 2020**	**March 2020**
27-03-2020	3-03-2020	20-03-2020
28-03-2020	25-03-2020	
30-03-2020	31-03-2020	
April 2020	**April 2020**	**April 2020**
3-04-2020	7-04-2020	2-04-2020
6-04-2020	14-05-2020	9-04-2020
10-04-2020	18-04-2020	16-04-2020
11-04-2020	21-04-2020	23-04-2020
13-04-2020	22-04-2020	30-04-2020
14-04-2020	28-04-2020	
17-04-20202		
20-04-2020		
24-04-2020		
May 2020	**May 2020**	**May 2020**
01-05-2020	05-05-2020 Virtual	07-05-2020 Virtual
4-05-2020	12-05-2020 Virtual	14-05-2020 Virtual
8-5-2020	17-05-2020 Special JOC @ FNB	
11-05-2020		
15-04-2020		
18-05-2020		
June 2020	**June 2020**	**June 2020**
01-06-2020	02-06-2020	04-06-2020

05-06-2020	09-06-2020	11-06-2020
08-06-2020	15-06-2020	18-06-2020
12-06-2020	23-06-2020	25-06-2020
15-06-2020	30-06-2020	
19-06-2020		
22-06-2020		
26-06-2020		
29-06-2020		

Risk in different areas in Kouga

AREA	HIGH	LOW	Challenges
Humansdorp	Floods Domestic Fire		Storm Water System Maintenance. Informal Settlement Areas. Social factors
St Francis Bay	Domestic Fire Structure Fire Flooding	Sea level	Domestic fires are high in the formal and informal areas due to Social challenges. Structure fires are a high-risk due to electrical and Social factors. Sea Risen due to Climate Change and Global Warming factors. Formal and informal areas get flooded due to lack of storm water system and maintenance
Oyster Bay	Flooding Domestic Fire	Sea level	Formal and informal areas get flooded due to lack of storm water system and maintenance. Domestic fires are high in the formal and informal areas due to Social challenges Sea Risen due to Climate Change and Global Warming factors
Jeffreys Bay	Domestic Fire Flooding	Sea level	Domestic fires are high in the formal and informal areas due to Social challenges Formal and informal areas get flooded due to lack of storm water system and maintenance. Sea risen due to Climate Change and Global Warming factors.
Thornhill	Flooding Domestic Fire	Veld Fire (Bush Plant)	Formal and informal areas get flooded due to lack of storm water system and maintenance Domestic fires are high in the formal and informal areas due to Social challenges. Bush fires and Plantation forestry
Hankey	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to Social challenges. Informal Settlements

AREA	HIGH	LOW	Challenges
Patensie	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to Social challenges. Flooding is more in the low line farm areas

Achievements: Disaster Management 2019/2020



Figure 7: Procurement of Disaster Management Vehicle



Figure 8: Procurement of Disaster Management Vehicle



Figure 9: Issuing of blankets, mattresses as well as food parcels to fire affected families

Figure 10: Activated nine (9) Disaster Volunteers to assist during the COVID-19 period.

- Workshop with public to draft a Disaster Risk Management Plan for Kouga
- Draft Disaster Risk Management plan was received for inputs and comments.
- Assist with the establishment of the shelter for the homeless people during COVID-19 lockdown.

3.14.1 LIFESAVING SERVICES

Overview

The main duties of lifeguards are to maintain constant surveillance of patrons within the aquatic environment, to prevent any incidents, injuries and drownings in and around the aquatic environment. They act immediately and appropriately to secure safety of patrons in the event of emergency. Provides emergency care and treatment as required until the arrival of emergency medical services. They also enforce rules and regulations within the aquatic environment.

Prevention

The Lifesaving Service section focuses on creating awareness through water safety programs towards schools and the community, providing training for locals, preventing or reducing the risk of drownings, mitigating the severity of emergencies, emergency preparedness, rapid and effective response to emergency situations and post- emergency assistance.



Lifesaving is an essential life skill.

Our lifesaving facilities in Jeffreys Bay and St Francis Bay were in dire need of exterior painting and repairs, Buco came to our assistance and repair and paint our facilities in Jeffreys Bay and St Francis Bay.

Preparedness

Kouga advocates for safety in the aquatic environment and the community, with the goal of reducing the occurrence, impact and severity of drownings and other water related emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve lifesaving capabilities
- Improve personal safety of all staff
- Improve public knowledge of water safety as well as risk management measures
- Improve training levels of all staff
- Improve staff interaction with the public

Challenges for Lifesaving Department

- Transportation of equipment & staff to all Kouga beaches
- Lack of water knowledge and swimming ability within the communities.

- The public does not adhere to the regulations and swimming at high risk and non-designated areas.
- Inadequate signage at high risk zones

Solutions

- Making use of hiring services for the provision of transportation of life saving equipment.
- To stress the importance and change the mindset of the community, through education and awareness programmes.
- All lifeguards to secure all coastal areas within Kouga.
- Increase of water awareness programs and introducing lifesaving skills through training of 15 professional lifeguards received training during the 18/19 financial year.
- Media and social awareness initiative to be introduced to defer public that does not adhere to regulations and swim at high risk and non-designated areas.
- Installation of more warning signage to minimize risks and liability to Council.
- Procure 4x4 vehicle for proper response to life saving incidents
- Procure Quadbike to interact with people on the beach and respond to remote areas.

Lifesaving vehicles

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford 4x4 lifesaving LDV	2020	Jeffreys Bay	Yes	No
Polaris Quad Bike	2020	Jeffreys Bay	Yes	No
Jet Ski	2011	Jeffreys Bay	Yes	No

3.15 SAFETY AND SECURITY

This Department includes Traffic, By- Law enforcement and Security services.

The aim of Council is to ensure that all residents and visitors live in a safe and harmonious environment within Kouga municipal area, through high visibility and presence of law enforcement agencies. Currently municipal law enforcement officers work closely with the South African Police Services (SAPS) to combat crime. Traffic law enforcement focus on keeping the local roads and streets in the municipal area safer and minimize road fatalities. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The section works closely with other enforcement agencies within Kouga municipal area to fight crime in all forms.

3.16.1 TRAFFIC LAW ENFORCEMENT

Overview

Traffic and Licensing Services aims to provide a professional service to all road users and the community of Kouga Municipality by promoting road safety and creating a safe road environment through effective management, education, engineering, and enforcement.

The goals and functions are to educate road users to comply with the rules and regulations of the road and to enforce it. Traffic Law enforcement is guided by the National Road Traffic Act 93/1996, National Land Transportation Act 5/2009 and supported by the Criminal Procedure Act 51/1977.

Functions:

The Traffic Safety is the mandate of the department of Transport and has been delegated to Provincial and local authorities.

Our operational activities include roadblocks at strategic areas, high visibility in identified hotspots zones.

High visible traffic policing is essential daily to ensure a safe road environment. The traffic law enforcement section works closely with other relevant law enforcement stakeholders for example the South African Police Service (SAPS) and the Department of Justice.

Patrols are performed on various National, Provincial and Local roads/ streets in the Kouga area. Roadblocks are held to check driver driving behavior and vehicle fitness. Speed checking by camera and manual operation is conducted on daily.

Traffic Services: Roadblocks



Scholar Patrol Program



There are six (6) schools that are participating in the scholar patrol program. They receive regular training and are supplied with the necessary equipment.

SCHOOL	WARD	AREA
Graslaagte primary school	5	Acadia

SCHOOL	WARD	AREA
St Patrick's primary school	15	Graslaagte
Stulting primary school	15	Humansdorp
Mzingisi primary school	6	KwaNomzamo
Hankey primary school	9	Phillipsville
Makhukanye primary school	2	Tokyo Sexwale
Sea-Vista primary school Jeffreys bay Primary school Kings College	1 11 14	Sea vista Central JBay Ocean view

Traffic Control Activities

Description	2017/18	2018/19	2019/20
	Total	Total	Total
Handwritten fines	4238	3523	2602
Speed Camera fines	97 272	54 968	Contract ended
Paid fines	26 000	7868	682
Disable Parking discs	160	162	166
Warrant of Arrests	1201	333	161

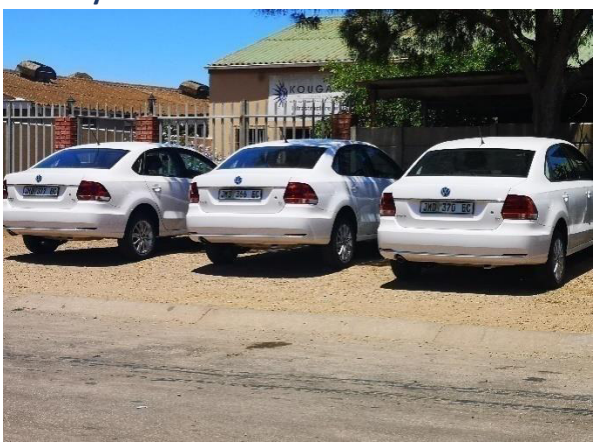
Challenges

- There is a drastic need for traffic officers to work shifts to cover all Kouga towns especially over weekends and festive seasons.
- Still awaiting new firearm registration and licensing from SAPS

Solutions

- The section is in the process of tendering for service providers for Speed camera enforcement equipment.
- Shifts systems for all law enforcement officers were implemented.
- Not more than 2 officers per vehicle.
- The refurbishing of old firearms.

Delivery of new traffic and Law Enforcement Vehicles





3.16.2 REGISTRATION AND LICENSING/ DRIVERS LICENSE/ VEHICLE TESTING

OVERVIEW: Registration and Licensing

Municipalities act as Agents for the Department of Transport to register and license vehicles and conducting driver/ learners' licenses. The municipality receives a 19% agency fee for rendering this service.

Function:

- The registration and licensing as well as Deregistration of Motor vehicles within the jurisdiction of the Kouga Area.
- The capturing of data onto the e-Natis system is done daily.
- The forwarding of complicated vehicle registration transactions to the Provincial Department of Transport helpdesk for support and advice.
- Motor Vehicle Disbursement Reports are compiled on a weekly basis for direct payment to the Provincial Department of Transport.
- Audits are being performed by the Provincial Department of Transport once a year to determine compliance of the National Road Traffic Act.

REGISTRATION & LICENSING PORTALS





Clear Provision was made above in order to adhere to the rules of Social Distancing amongst our Clients during the performing of their Registration & Licensing transactions.



FILING:

Filing of documentation is done daily according to Motor Vehicle Register Numbers in order to ensure correct classification during Audit Inspections.

CHALLENGES:

- Permanent Filing Clerks for Registration & Licensing need to be appointed.
- Provincial Department is still to assess the E-Natis Users who went on Training during October 2019 on their practical performance in order for them to be able to perform transactions on the E-Natis System.
- Since the Covid 19 pandemic happened, critical transactions done by the Provincial Helpdesk takes longer due to staff rotation.

Description	2017/18 Total	2018/19 Total	2019/20 Total
HUMANSDORP			
Duplicate Certificates	230	399	171
Special Permits	95	44	23
Temporary Permits	41	117	14
Search Fees		1	-
Hankey			
Duplicate Certificates	0	17	12
Special Permits	0	13	1

Overview: Driving Licence Testing Centre and Vehicle Testing Station

The driving license testing center (DLTC) makes provision to test learners licences, light and heavy motor vehicles licences, as well as renewal of driver licenses and professional driving permits for the community of Kouga municipality and neighboring municipalities. Humansdorp centre operates 6 days a week.

Hankey driving license testing center is not operational due to theft of LEU equipment.

The Vehicle Testing Station (VTS) in Humansdorp is operational and tests are performed on daily basis. Free tests were done during festive season to make the public aware of road safety. Free tests are conducted on scholar transport as part of the provincial program from the Department of Transport. During the festive season free roadworthy tests are available to enhance road safety. A total of 243 roadworthy tests were conducted during the financial year

Driving License testing center (DLTC) statistics: Humansdorp and Hankey

Description	2017/18 Total	2018/19 Total	2019/20 Total
Learners License Applications	3815	4357	2679
Applicants passed	2354	2785	1959
Driving License Renewals	5357	5594	3908
Driving License tests light m/v	1631	1966	1128
Driving License tests heavy m/v	3140	3469	2260
Applicants passed	2625	3155	2508
Roadworthy tests conducted	0	283	243

Challenges

- Covid 19 caused the DLTCs, VTS and RA to be closed from 27 March to 31 May 2020 and caused two months of lost revenue.
- Further to that the measures put in place to prevent further spreading of the virus has reduced the operating capacity.
- The training of more cashiers/ clerks to serve as relieve staff.
- LEU laptop stolen in Hankey DLTC reported to SAPS and DOT and RTMC have not yet replaced the equipment, station not functioning.
- The centralization of the function for efficient monitoring, control, and supervision.
- Replacement of old and redundant equipment by the Department of Transport.
- Remove LEU's to old boardroom.
- Office space not conducive for the rendering services to the public.
- Closure of office during lockdown caused backlog in learner and driving licence tests and this is the focus as part of a provincial action plan.

Solutions

- Continuous refresher courses and training of staff is needed to be keep up with latest legislation,
- Additional filing cabinets were built to make provision for new files. New counter and aluminum partitioning for cashier were build inside old boardroom
- Relocation of driving license staff to boardroom which has been upgraded
- Rescheduling of bookings for driving licenses and learners and other related transactions.

- Two learner classes per day
- RTMC to move equipment to old boardroom
- RTMC to install new LEU laptop Hankey equipment for future operation.
- Hankey examiners temporarily assisting in Humansdorp DLTC.

3.17 SECURITY AND LAW ENFORCEMENT SERVICES

3.17.1 SECURITY

Overview:

Performing access control, monitoring and visible patrolling on a 24/7 basis. To ensure Municipal key points e.g. water treatments plants, sewerage & plants are guarded 24/7. A current staff compliment of 19 permanently employed guards ensuring safety in 20 municipal sites. During the festive season, the municipality employs guards on fixed term contracts.

Functions:

- Performing access control,
- Monitoring and response to incidents
- Visible patrolling on a 24/7 basis on sites
- Investigation and reporting of theft and vandalism to SAPS



This section strives to ensure that municipal assets/property is protected against theft, burglary, and vandalism. Its mandate is also to ensure the human capital is safeguarded when on duty.

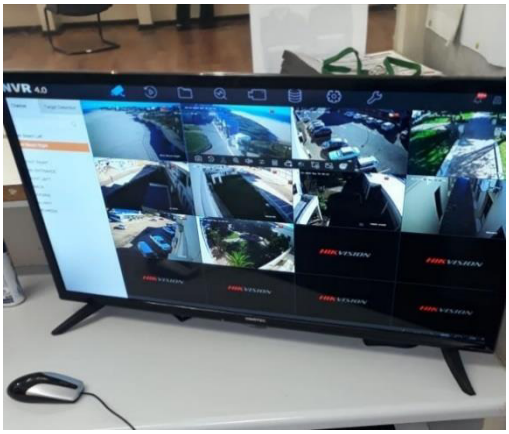
Temporarily guards are contracted as and when needed. Private security is being procured to guard high risk areas, e.g. water treatment plants etc.

Challenges

- A shortage of permanent guards appointed to cover all municipal key priority sites
- The CCTV cameras are still not installed at all buildings.
- Breaking inns and theft occurred where there were no guards placed.
- Incidents of arson happened at the Humansdorp Country Club building and Ben Marais caravan park.
- Service providers were appointed on month to month basis for monitoring of alarms.

Solutions

- To upgrade the entire security system with digital security equipment to keep up with the latest technology.
- The installation of CCTV security cameras at all municipal buildings and key priority sites.
- The appointment of 10 permanent security officers was done to guard more municipal sites.
- Tender for alarm monitoring and response as well as guarding were awarded to two service providers.



Nine security officers were permanently appointed.

3.17.2 LAW ENFORCEMENT

Overview:



The Law Enforcement Section is responsible for Law Enforcement through Municipal Law Enforcement which is mandated by Government Gazette 23868 of 26 September 2002, to address short falls and hardships experienced by Municipalities in South Africa relating by-law empowerment. To ensure all municipal bylaws are adhered too, and that the law and order in respect to the regulations of Kouga Municipality legislation are adhered to by the residents and visitors.



Functions: Daily duties entail patrol duties on the main beaches, CBD areas and other high priority areas. High visibility in residential areas is important.

Operations in co-operation with other law enforcement agencies are done on a regular basis.

High visibility and patrols are carried out by-law enforcement officers during events hosted in Kouga Municipality.

The Impoundment of stray animals is part of the monthly programmes;

The removal of illegal signage erected; and

Assistance of other department and relevant law enforcement agencies



Description	2018/19 Total	2019/20 Total
Impoundment of animals, (cattle, goats, and pigs)	133	185
Complaints investigated	412	472
Arrests	27	13
Fine issued	749	934
Fiela Operations in Humansdorp Hankey, Patensie, St Francis bay and Thornhill	13	21
Illegal Signage	279	313
Funerals monitored: Covid 19 (April – June 2020)		231

Challenges

- Stray animals remain a concern as municipal boundaries are not properly fenced.
- A municipal animal pound is needed for the impoundment of stray animals.

Solutions

- An agreement has been entered with a landowner in Humansdorp to operate as a pound and pound master.
- Additional two law enforcement officers were appointed to assist with bylaw enforcement

COMPONENT H: SPORT AND RECREATION: DIRECTORATE COMMUNITY SERVICES

3.18 CARAVAN PARKS AND CAMPING

Strategic objective

The Communities have access to caravan parks and resorts which are well managed and maintained

Description of activities

- The maintenance of all council caravan parks and resorts
- To identify needs and respond to customer complaints to ensure customer satisfaction.
- Reconciliations of bookings and invoices.
- Reservations and bookings

Challenges

- No marketing plan for the parks.

Solutions:

Plans are in progress to develop a marketing strategy in conjunction with Tourism section.

Achievements



- Palisade Fencing of the Pellsrus Caravan Park and Yellowwoods.
- Extension / rebuilding of the wall at the Jeffreys Bay Caravan Park.
- Installation of the play park and installation of the roof (ablution facility) at Yellowoods.
- The Jeffreys Bay and Pellsrus Caravan Parks have been upgraded, works included tiling, plumbing, electrical maintenance, painting), replacing of all signboards, erecting fence and barbed wire on the seaside, Installation of 2 electronic gates and erecting 4 extra braai stands
- The ablution block and the braai stands at the Gamtoos Mouth Caravan Park were repaired.

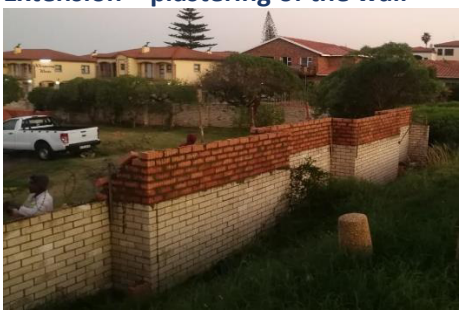
Upgrades at Jeffreys Bay Caravan Park







Extension + plastering of the wall





3.19 SPORTS AND RECREATION

Strategic Objective

Communities have access to affordable sporting and community recreation facilities that are well maintained and managed.

Description of the Activity:

The provision of various community and social services within the municipality is administered as follows and includes:

- Control of all existing sport facilities
- Control of all existing community recreation facilities
- Maintenance programs for both sport & recreation facilities
- Marking of pitches
- Preparation for special events at all facilities.
- Identification and application for new facilities as the need arises
- Handling of reservations
- Reconciliations
- Procurement of required amenity equipment.

Challenges

- Vandalism of existing infrastructure is an ongoing problem.
- Closing of the Kwanomzamo Hall and the Country Club due to burning down of these facilities
- Insufficient budget for establishment of new sports fields and maintenance thereof.
- No proper Indoor or Multi-Purpose Centre for Kouga Region.

Solutions:

- Council to consider the custodianship of sport facilities where possible with sport clubs for the upkeep and maintenance of the existing sport facilities.
- Business plans were submitted to the Department of Sport, Recreation Arts and Culture for the upgrading of Sport facilities as well as the development of new sport facilities.

Achievements

- Fencing at the Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall and Patensie Hall and Thornhill Hall
- Upgrading of Newton Community hall, Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall, Thornhill Sportfield and Phillipsville Sportfield
- Kwanomzamo hall fully upgraded after it was burnt by the Community members in 2018.
- Pellsrus and Weston Sports Field was upgraded and is in the process of being handed over by service providers to Council.
- Installation of a barbed wire and crowd control fence at Tokyo Sportfield and Kruisfontein Sportfields material for the crowd control fences procured
- Consultant for designs of the Kwanomzamo Sportfiled was appointed and they are finished with the design

FENCING: Kwanomzamo Hall,



Kruisfontein Civic Centre



Centerton Hall.



Thornhill Hall



Patensie Hall



UPGRADES: Kwanomzamo Hall:

Painting (interior), repair of stage, repairing of windows, installation of burglars, roof painting, backwash, installation of ceiling + tiling at the toilets, building of kitchen cupboards, Paving the hall, tiling the toilets, installation of all stolen doors





Kruisfontein Civic Centre





Newton Hall: Painting (interior), repair of stage, repairing of windows, installation of burglars, roof painting, backwash, installation of ceiling at the toilets, building of kitchen cupboards



Vusumzi Landu Hall: Exterior beautification of the Vusumzi Landu Hall





SPORTFIELDS

Phillipsville Sportfield: Upgrading of the whole club house, installation of a crowd control fence





Thornhill Sportfield



Tokyo Sportfield

Installation of the crowd control fence





3.20 BEACHES AND ABLUTION FACILITIES

Strategic Objective

Communities have access to clean beaches with clean facilities that are well maintained.

Description of the Activity:

The provision of various beach ablution facilities within the municipality is administered as follows and includes, cleaning ablution facilities and the beach areas.

Challenges

Vandalism of facilities especially after hours.

Achievements:

- Major repairs were implemented to all the ablution facilities
- Kouga Municipality was again awarded with full Blue Flag status for 2019/20 for Dolphin Beach.
- Upgrading of the Dolphin Beach Play Park
- The Municipality participated in the Working for the Coast Program which is funded by the National Department of Environmental Affairs (November 2019 – November 2021), 74 EPWP's were appointed in all Coastal Wards which is ward 1, 2, 3, 7, 11, 12 and 14 .

The following facilities in these units were upgraded (Jeffreys Bay, STF Bay, Gamtoos Valley)

Jeffreys Bay Unit:

- Kabeljouws 1 & 2, Tacoma, Pagoda, Checkers, Supertubes, Main beach, Friendly, Pellsrus, Aston Bay, Paradise Lagoon, Dawn View, Botha Street

- Building of the Paradise beach toilet (Botha Street)

Botha street toilet





Dawn view toilets





Checkers Toilets




Gamtoos Valley:

Patensie town



Hankey town



St Francis Bay: Shore road 1, Aldabara, Shearwater drive, granny's toilet, main beach, Seal point, CSF main beach.

Cape St Francis Main Beach ablution





COMPONENT C PLANNING AND DEVELOPMENT

DIRECTORATE: PLANNING, DEVELOPMENT AND TOURISM

3.21 SPATIAL PLANNING

Preparation and Approval Process of Spatial Development Framework (SDF)

The Draft Spatial Development Framework was approved by Council on 12 June 2020 Council resolution No. 20/06/PD1.

The Draft Spatial Development Framework document is in the process of been advertised in local newspaper and on the Kouga municipal website for public participation, due to the Covid-19 lock down regulations.

The municipality has a credible SDF that meets the required standards as set by the Eastern Cape Provincial Government through the implementation of the Comprehensive SDF Guidelines developed by Department of Rural Development & Land Reform, 2014.

The Draft Spatial Development Framework document will be adopted with amendments, after the public participation process has lapsed.

Integrated Land Use Scheme (ILUS)

The Draft Integrated Land Use Scheme (ILUS) will be finalised in the 2019/2020 financial year and will then be tabled to Council for adoption on the 12 June 2020. Council resolution No. 20/06/PD2. The Draft ILUS document is published for public participation via the website and local newspaper as well as in the Provincial Gazette.

The main objective is to create an Integrated Land Use Scheme that will replace the various existing town schemes for the urban areas and other applicable development plans. The ILUS should fit within the current legislative framework, with the provisions of the Spatial Planning and Land Use Management Act, (Act 16 of 2013) as well as the Kouga Spatial Planning and Land Use Management By-law, 2016. It must also fit within the policy parameters established by the Provincial Government in the Eastern Cape, the Eastern Cape Spatial Development Plan and the Kouga Spatial Development Framework.

In terms of the Spatial Planning and Land Use Management Act, 2013, all municipalities must adopt a wall to wall land use management scheme before the end of 2020.

Land Use Management

All Land Use Management is done in accordance with legislation requirements e.g. Building Standard Act, Zoning Scheme Regulations, Kouga Spatial Planning and Land Use Management By-law, 2016, and other applicable legislation.

The following Land Use Management approvals for 2019/2020 have been dealt with in terms of said legislation:

Count of Status														
Row Labels	59 Subdivision of land (Into 2 Erven)	59_1 Subdivision of land (Into 3 - 250 Erven)	59-1-c Combined - Rezoning, Departure, Subdivision of land (Into 3 - 250 Erven)	59-3-c Combined - Rezoning, Departure, Subdivision of land (Into >1000 Erven)	59-c Combined - Rezoning, Departure, Subdivision of land (Into 2 Erven)	66 Exemption of a subdivision from the need for approval in terms of this By-Law as contemplated in section 66	68 Rezoning of Land	69 Removal, suspension or amendment of restrictive condition of title deed	71 Consolidation	74 Consent use	76 Permanent departure	76_1 Permanent departure (Building Line)	76a Temporary departure	Grand Total
Aston Bay	**1**		**1**				**3**	**4**			**4**	**4**		**17**
Advertising							1							1
Assessment											1			1
Decision	1		1				1	4			3	4		14
Not linked to Application							1							1
Hankey							**2**			**4**				**6**
Decision							2			4				6
Humansdorp	**6**						**4**	**2**		**1**	**5**	**1**		**19**
											1			1
Assessment							1				2			3
Decision	5						3	2			1			11
Missing Documents										1		1		2
Not linked to Application											1			1

Open	1													1
Humansdorp RD	**1**	**1**	**3**		**1**		**5**	**1**		**2**	**3**	**4**	**2**	**23**
Advertising							1					1		2
Assessment										1				1
Decision					1		4	1		1	2	2	1	12
Missing Documents	1		3									1	1	6
Open		1									1			2
Jeffreys Bay	**6**	**1**				**1**	**5**	**13**	**1**	**14**	**18**	**37**		**96**
Advertising								1		2	1	4		8
Assessment								1		1	4	4		10
Decision	6	1				1	3	11	1	9	11	19		62
Decision Meeting												1		1
Missing Documents							2			2	1	7		12
Open											1	2		3
Kaap St Francis	**3**							**3**		**3**	**3**	**2**		**14**
Advertising											1			1
Assessment								1						1
Decision	2							2		2	2	2		10
Missing Documents										1				1
Open	1													1
Kruisfontein	**1**						**1**				**2**	**1**	**2**	**7**
Advertising											1			1
Assessment													1	1
Decision	1						1				1	1		4
Missing Documents													1	1
Oesterbaai							**1**	**2**						**3**
Advertising								1						1
Decision								1						1
Open							1							1
Paradysstrand								**3**			**1**	**2**		**6**
Assessment								1						1
Decision								2			1	1		4
Missing Documents												1		1
Patensie	**1**						**2**				**3**			**6**
Decision	1						2				2			5
Missing Documents											1			1
Pellsrus								**1**		**3**	**2**	**1**		**7**

Decision								1		3	1			5
Missing Documents											1	1		2
Sea Vista	**4**			**1**			**3**	**4**		**4**	**3**	**6**	**1**	**26**
Advertising										1	1	1		3
Assessment								2			1			3
Decision	4			1			3	2				2	1	13
Decision Meeting												1		1
Missing Documents										3	1	1		5
Open												1		1
St Francis Links	**1**										**4**			**5**
Decision	1										3			4
Missing Documents											1			1
Thornhill							**1**							**1**
Decision							1							1
Uitenhage RD							**1**				**1**	**2**		**4**
Decision							1				1	2		4
Grand Total	**24**	**2**	**4**	**1**	**1**	**1**	**28**	**33**	**1**	**31**	**49**	**60**	**5**	**240**

A total of 240 land-use applications and 149 approvals were recorded for abovementioned period.

Building Control

Row Labels	Boundary Wall	Churches	Exempt Building Work	General Building Work	Industrial Rural	Minor Building Work (< 10 m²)	Minor Work - Internal Changes	RDP Informal Housing	Revised Plan / Alterations: Other	Swimming Pool	Test Work Type - Pls ignore	Grand Total
				1							**2**	**3**
Closed				1							1	2
Plan Approved											1	1
Aston Bay				**49**		**3**			**43**	**1**		**96**
Closed				1								1
Occ Cert Issued				6		1			2			9

Open				12					37			49
Plan Approved				29		2			4	1		36
Resubmitted				1								1
Crossways				**5**								**5**
Plan Approved				5								5
Gamtoos Mouth				**21**					**9**	**1**		**31**
Occ Cert Issued				2					4			6
Open				1					2	1		4
Plan Approved				18					2			20
Resubmitted									1			1
Hankey				**3**				**2**				**5**
Open				2				2				4
Plan Approved				1								1
Humansdorp	**1**	**2**		**11**	**3**	**4**	**1**		**9**			**31**
Occ Cert Issued				2					2			4
Open		2		4	2	2			5			15
Plan Approved	1			3	1	2	1		2			10
Recommendation Made				1								1
Resubmitted				1								1
Humansdorp RD	**3**			**9**	**3**	**1**			**12**			**28**
Closed									1			1
Occ Cert Issued									2			2
Open	1			3	2	1			2			9
Plan Approved	2			6	1				6			15
Recommendation Made									1			1
Jeffreys Bay	**2**	**1**	**1**	**241**		**27**	**3**		**75**	**2**	**1**	**353**
Assessment Phase						1						1
Inspections Completed				1								1
Occ Cert Issued	1			21		1			30			53
Open		1		36		4	3		14			58
Plan Approved	1		1	173		20			23	2	1	221
Recommendation Made				6		1			3			10
Resubmitted				4					5			9
Kaap St Francis				**18**		**1**			**32**			**51**
Assessment Phase				1								1
Occ Cert Issued									14			14
Open				2					6			8
Plan Approved				14		1			12			27

Recommendation Made				1								1
Kruisfontein		**1**		**3**		**1**		**3**				**8**
Open		1		1								2
Plan Approved				2		1		2				5
Resubmitted								1				1
Oesterbaai				**3**				**1**	**5**			**9**
Occ Cert Issued									3			3
Open								1	1			2
Plan Approved				3					1			4
Paradysstrand				**46**		**5**			**12**	**1**		**64**
Occ Cert Issued				5		1			5			11
Open				7		1			2			10
Plan Approved				30		3			4	1		38
Recommendation Made				2					1			3
Resubmitted				2								2
Patensie	**1**	**2**		**1**	**1**				**1**			**6**
Open		1							1			2
Plan Approved	1	1		1	1							4
Pellsrus		**1**		**3**		**4**		**2**	**1**			**11**
Open		1										1
Plan Approved				3		4		2	1			10
Sea Vista	**3**	**1**		**57**		**3**	**2**		**54**	**3**		**123**
Assessment Phase				4								4
Closed	1			3					1			5
Occ Cert Issued				2					17	1		20
Open				14		2			9			25
Plan Approved	2	1		31		1	2		26	2		65
Recommendation Made				1					1			2
Resubmitted				2								2
St Francis Links	**2**			**24**		**2**			**19**			**47**
Closed				2								2
Occ Cert Issued				1					10			11
Open									1			1
Plan Approved	2			20		2			8			32
Recommendation Made				1								1
Uitenhage RD				**2**		**1**						**3**
Occ Cert Issued						1						1
Open				1								1

Plan Approved				1								1
Grand Total	**12**	**8**	**1**	**497**	**7**	**52**	**6**	**8**	**272**	**8**	**3**	**874**

Total of 874 Building Plans were received with a total value of R 573 491 800 .00

3.22 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM, SPORTS DEVELOPMENT, ARTS, CULTURE AND MUSEUMS)

Local Economic Development Service Delivery Strategy

The Local Economic Development Strategy was completed and adopted by Council in this Financial Year.

MAIN ROLE PLAYERS

Political Role Players

The Unit reports to the Planning, Development and Tourism Portfolio Committee which is chaired by the Portfolio Chairperson for Planning, Development and Tourism.

Staff role players

The staff component comprises of the current staff:

Filled:

- Director Planning, Development and Tourism
- Manager LED
- PA to Director Planning, Development and Tourism
- LED Officer x 1

Vacant :

- LED Officer x 1
- Tourism officer x 1 (vacant).
- Admin assistant x1 (vacant)

Other role players

As part of inter-governmental relations, the LED/Tourism department works in collaboration with many partners in order to facilitate the functioning of the department. These include amongst others: Building Inclusive Green Municipalities Programme facilitated by South African Local Government Association (SALGA) and Federation of Canadian Municipalities, Dept. of Rural Development and Land Reform (DRDLR), Dept. of Rural Development and Agrarian Reform (DRDAR), Dept. of Economic Development, Environmental Affairs and Tourism (DEDEAT), Dept. of Trade and Industry (DTI), Dept. of Social Development, Coega Development Corporation (CDC), National Youth Development Agency(NYDA), Small Enterprise Development Agency(SEDA), Gamtoos Irrigation Board (GIB), Dept. Water and Sanitation,

Fishing and Forestry (DAFF), Cooperative Governance and Traditional Affairs (COGTA), Sarah Baartman District Municipality (SBDM),Kouga Business Forum (KBF) and Kouga Wind Farms.

Community role players

These include the Kouga Local Economic Development Forum, Kouga Business Chamber, Kouga Business and Rural Chamber, Kouga Emerging Farmers Forum, Kouga Cooperatives Forum, Kouga SMME Forum and various events organizers that are responsible for staging and organizing events in the Kouga area members of the public who visit the LED offices on a daily basis.

The LED department also collaborates with the Wind farms to bring about career opportunities for the youth as well as creating an ambling platform for job opportunities for SMME's.

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement during the 2017/18 year	Achievement during the 2018/19 year	Achievement during the 2019/20
1	Existence of LED Unit	Fully functional LED unit	Functionality of the unit has improved since the appointment of the 2nd LED Officer in 2018/19, however full functionality can be obtained by filling of vacant budgeted positions.	55%	80%	80%

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement during the 2017/18 year	Achievement during the 2018/19 year	Achievement during the 2019/20
2	Existence of LED Strategy	Completion of LED Strategy review	HS Business Solutions was appointed to develop the Kouga LED Strategy. Trough online survey the LED Office gathered inputs from various industries on the LED Draft Strategy. The Draft LED Strategy with Actions Plans was table at the LED & Tourism standing committee and referred council.	80%	80% The LED Strategy is in the process of review	The LED strategy was completed and adopted by council.
3	Percentage of LED Budget spent on LED related Activities	90%	Full Budget was spent	87%	60%	100%

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement during the 2017/18 year	Achievement during the 2018/19 year	Achievement during the 2019/20
4	Number of LED Stakeholder Forum Meetings held	4	LED Forums are successfully held quarterly	4	100% (4 Meetings held)	2 meetings were held. Due to Covid-19 pandemic lock down restrictions, there could be no meetings in Q3 &Q4.
5	Number of SMME's that have benefitted from an SMME Support Programme	550 SMME's	Local SMME's are being exposed and supported through Trainings, Outreaches collaborating with other sector departments.	645	736	236 No Trainings were conducted for quarter 3 & 4 due to Covid 19. LED Department was coordinating the relief funds programme which were made available Nationally.

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement during the 2017/18 year	Achievement during the 2018/19 year	Achievement during the 2019/20
6	Number of job opportunities created through PPP: (LED and Tourism).	100	The LED Department promotes an enabling environment for job creation trough PPP" s like the Kouga Tourism Association, Humansdorp Museum Association and the Winter Fest organizers.	146	431	429

3.23 TOURISM

The priorities of this section are Local Economic Development, Tourism development, Destination Marketing and, museums development as well as promoting and managing events in Kouga area.

The Kouga tourism, Kouga Tourism Routes and Implementation Plans were compiled in 2010 and should be updated.

This section's annual implementation strategy was derived from the IDP and approved budget of the financial year. From the Service Delivery, Budget and Implementation Pan (SDBIP), work plans were created to determine the detailed implementation plans for the year. This was monitored continuously and reported to the Portfolio Committee at least once per quarter.

Due to the small component of staff and the vast jurisdiction and functions, this Section created Public Private Partnerships with community structures to serve as an implementation arm for the various priorities of the Section. The following partners (community umbrella bodies) were created: Kouga Local Tourism Organization and the Humansdorp Museum Association. The Kouga Heritage Council was

disbanded after a few months due to poor public management and drive. The Humansdorp Museum Association then took over most of the latter's functions.

Each of these partners are constituted and registered Non-Government Organizations. A memorandum of agreement is in place with each of these private partners. Grant-in-aid, as well as funding for special projects are allocated to each for administrative purposes and furthering the development and marketing of tourism and museums in the Kouga Municipal area.

Tourism Development and Marketing

Tourism Development though participation with our private partner, Kouga Local Tourism Organization:

Background

The Kouga Tourism Organization consists of member representatives of our three geographic Tourism Information Centres in Jeffreys Bay, St Francis Bay and Gamtoos. Their grant-in-aid from the Kouga Municipality was **R 1 437 550.00 for the 2019/20**inancial year which included the support to the smaller tourism offices, general administration, brochures, active websites, and marketing material. The Kouga Local Tourism Office then submits quarterly reports to Kouga Municipality throughout the year on performance and expenditure and regular meetings held for monitoring and evaluation purposes.

Grant-in-aid Budget and expenditure report:

NAME OF APPLICANT	BUDGET ALLOCATED
Kouga Tourism Organization	R 1 437 550.00
Humansdorp Museum Association	R 275 000.00
SPCA	R 170 000.00
Soul Point Adventures	R 30 000.00
Jeffreysbay Animal Rescue	R 100 000.00
ST Francis Animal Rescue	R 80 000.00

Festivals and Events

FESTIVALS/EVENTS	BUDGET
Calamari Festival	R 450 000.00
Jbay Makiti	R 500.000.00
Gamtoos Citrus Celebration	R 250 000.00
Hankey Heritage Festival	R 250 000.00

Tourism Trainings

- Media Impact on Tourism and Destination Marketing – 13 September 2019 (32 Community Participants)
- Tourism Buddies Programme through ECPTA (11 participants)
- Tourism Data Collectors through NDT (3 Graduates)

Visual and Performing Arts

R 10 320.00 was sponsored to Dog Unit Pantsula Group from Humansdorp to procure Uniform as they were representing Kouga in the Shukuma Dance Festival and Iphulo Drama Festival, which was held in Opera House, Nelson Mandela Bay on 18-21 September 2019.

3.23.1 MUSEUMS

Background:

We have two museums in the Kouga Municipal area, namely the Humansdorp Museum and the Shell Museum in Jeffreys Bay. Both buildings housing the museums belong to the Kouga Municipality.

The artefacts in the Humansdorp Museum belong to the Humansdorp Museum Association, whereas the artefacts in the Shell Museum belongs to the Kouga Municipality. Both Shell Museum and Humansdorp Museum are managed by the Humansdorp Museum Association, a private partner of the Kouga Municipality, registered as a non-profit organization.

During the 2019/20 financial year Kouga municipality through its grant in aid funded the Humansdorp Museum Association with an amount of R 275 000.00 for general administration ,events and repairs and maintenance.
The Museum Association submits quarterly reports on progress, and the Kouga Municipality has meetings and monitors and manages their performance. The Museum Association submitted 4 quarterly reports to indicate how they spent their grant-in-aid.

Museum priorities:

- To develop and promote heritage in the Kouga area.
- To build a positive image and manage museums as sought-after heritage and tourism destinations.
- Maintain museums and preserve heritage assets linked to the museums.

The Humansdorp Museum is open to visitors and tourists 5 days a week and the Shell Museum six days a week. The museums are manned with one full time staff each, and managed by the Museum Association, a voluntary Non-Profit-Organization.

Improvements, Repairs and maintenance to Heritage assets:

Shell Museum:

- 2 x Wireless Sensors
- Light Fittings
- Locks for shell Booths
- Remote panic button linked to armed response
- Replacement LED globes for museum

Humansdorp Museum:

- Security System upgrade
- Batteries for TV remote
- Back up Batteries for alarm system
- Containers to store artifacts

Inter governmental Relations

- ECPTA Tourism Monitors Programme
- NDT Tourism Data Collectors Programme
- BIGM Programme with Kouga Municipality and Prince Edward County

Events:

- ***Mandela Day : 18 July 2019***



- ***Woman's Day : 06 August 2019 & 29 August 2019***



- ***Eco- Tourism and Marine Ecosystems : 17 August 2019***



- ***Classic Car Rally : 09 December 2019***

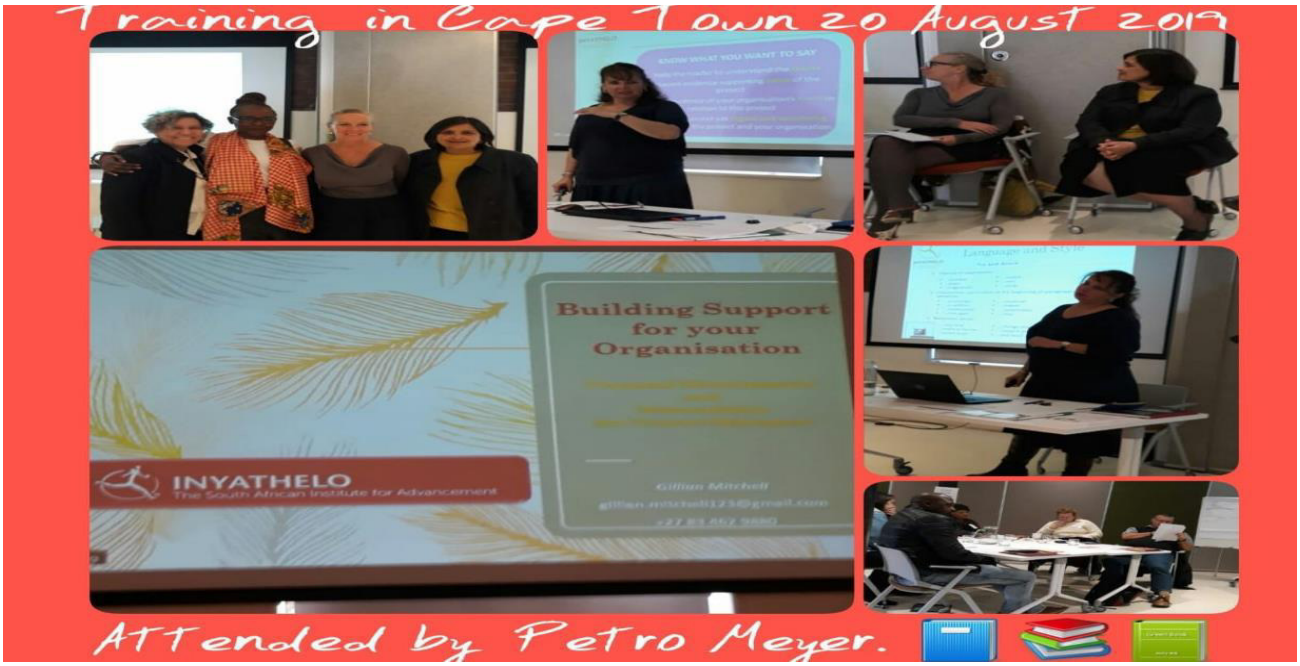


- ***Golden Oldies : 14 February 2020***



Training:

South African Museum Association in partnership with Inyathelo - The S A Institute for Advancement held on the 20 August 2019 in Cape town. The training was geared towards Building Support for your Organization - Proposal Development and Stewardship.



JOBS CREATED DURING YEAR BY LED INITIATIVES (Excluding EPWP Projects)				
Total Jobs created / Top 3 initiatives	**Jobs created through LED & Tourism No.**	**Jobs lost / displaced by other initiatives No.**	**Net total jobs created in year No.**	**Method of validating jobs created / lost**
Reporting Period	429	No info	No info	Through programmes of LED & Tourism

TRAINING

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP						
Service Objectives (i)	Outline Service Targets (ii)	Year 2016/17		Year 2017/2018		
		Target	Actual	Target		Actual
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)
	People trained through LED & Tourism	No info	645	550	347	347

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Job Level	**Employees No.**	**Posts No.**	**Employee No.**	**2016/17 Vacancies (full-time equivalents) No.**	**2016/17 Vacancies (as a % of total posts)**	**2017/18 Vacancies (full-time equivalents) No.**	**2017/18 Vacancies (as a % of total posts)**
0 – 3	3	3	3	0	0		
4 – 6	4	5	4	1			
7 – 9							

	Adjustment Budget 2016/17	Actual Expenditure 2016/17	Variance 2016/17	Adjustment Budget 2017/18	Actual Expenditure 2017/18	Variance 2017/18
Total Operational Revenue	8,658,434	7,445,600	.86	445,000	0	445,000
Expenditure:						
Employment	4,654,538	4,121,766	.88	2,530,781	2,504,034	26,747
Repairs & Maintenance	50,000	46,212	.08	50,000		50,000
Other	3,953,896	3,277,622	.83	3,969,635	2,618,632	1,351,003
Total Operational Expenditure	8,658,434	7,429,398	.86	6,550,416	5,122,666	1,427,750

COMMENT ON LOCAL ECONOMIC DEVELOPMENT CAPITAL PERFORMANCE OVERALL:

Mini Fresh Food and Crafts Market for Hankey & Jeffreysbay

Quarter 1 : Target not met pending designs approval.
Quarter 2 : Item returned to lead department from BSC for futher amendments.
Quarter 3 : The project and allocated was moved to Project Management Unit in I&E Directorate in line with Adjustments budget.

BUILDING INCLUSIVE GREEN MUNICIPALITIES – 2019/20 MISSIONS

Introduction

Kouga Local Municipality is in partnership with Prince Edward County in Canada through support facilitated by SALGA on Local Economic Development (Component 1000) under the programme called ***Building Inclusive Green Municipalities (BIGM).***

The main objective of the partnership is to improve the capacity of municipal staff in Kouga to deliver inclusive economic development services, in particular for women and vulnerable populations. Activities will aim to support municipality to enhance their service delivery to entrepreneurs and favour new innovative LED approaches catering especially women and vulnerable populations.

BUILDING GREEN INCLUSIVE MUNICIPALITIES (BIGM) PLANNING AND LEARNING WEEK 19 – 26 JANUARY 2020 TORONTO, ONTARIO CANADA.

As part of Kouga Municipalities continued participation in the BIGM programme, Kouga Municipality took part in a seven-day workshop arranged by FCM and SALGA. The workshop saw Kouga Municipalities working on the following activities:

- Revising Annual Work Plan Activities for 2020 financial year.
- Compiling a budget breakdown of Annual Workplan Plan activities
- Importance of 12-week mission planning cycle (Visa Applications, Biometrics and protocol that must be observed)
- Finances and Expenses guidelines for all Municipalities participating in BIGM Projects and activities.
- Participate and discuss programming issues, financial/budgeting issues, techniques for monitoring and evaluation, and training on various project management issues.
- Peer-to-peer knowledge exchange within the areas of LED, Asset Management and Climate Change. The training will encompass a series of information sessions, workshops and coaching and mentoring.

Business Retention and Expansion Programme

The BR&E program is a secondary project to be implemented by Kouga Municipality within the Building Inclusive Green Municipalities Programme. The purpose of the BR&E is to help Kouga Municipality to

identify local business issues, concerns and potential opportunities that local government, agencies and other stakeholders can address proactively and ultimately creating a supportive environment for Business and Investment in all sectors of the Local Economy.

The Tourism sector was identified as the first sector in which the BR&E would be conducted in 2019 in the annual work plan for the BIGM. The study was carried on 60 businesses across the Local Tourism Value Chain through one on one interviews with the respective participants/tourism operators. The data collection method was gathered through a questionnaire that was developed in December 2019 in Canada by Kouga Officials under the mentorship of our Canadian partners Prince Edward County. The Local Economic Development Department concluded the BR&E report for the Tourism Sector and some critical findings were uncovered on the state of the local tourism sector and local economy in general below are some of the key findings:

➢ Kouga has a Resilient Local Economy - 59 (98.33%) out of the 60 businesses interviewed operate throughout the year even though the local tourism sector is seasonal and rely heavily on tourists.

➢ that Kouga Municipality needs to improve on local attractions to attract visitors into the Kouga area especially in off season times.

➢ Public ablution facilities are not enough to accommodate tourists. ➢ Information Centers for visitor services needs serious improvement.

The business participation in the project were identified from Jeffreysbay, Humansdorp, Thornhill, Hankey ,Patensie and St Francis Bay focusing on the following :

- Hotels
- Restaurants
- Bed and Breakfast
- Camping Grounds /Caravan Parks
- Guided Tour Operators
- Wedding and Conference Venues

3.24 HOUSING

Human Settlements Delivery Strategy and Main Role-Players



Section 26 of the Constitution of South Africa says that "everyone has the right to have access to adequate housing" The National Housing Policy and Code sets the underlying policy principles, guidelines and norms and standards which apply to Government's various housing assistance programmes introduced since 1994.

The Municipality must coordinate the planning and delivery of different housing typologies and programs in line with the National and Provincial Policy.
Department of Human Settlements funded various bulk Water and Sanitation infrastructure projects with the aim of un-blocking housing projects in various areas.
The Department of Human Settlements appointed Ikhaya Construction for the installation of services and the construction of 220 top structures.

Ikhaya Construction *(Pellsrus 220 Housing Project*		
• Appointed on the 1st of July 2016 for the construction of the civil works as well as the construction of the 220 top-structures. • Construction of civil services was completed in November 2018 • Construction of 220 Top structures commenced in June 2019 • 130 Top structures were handed over in the 2019/2020 financial year • Project will be completed in December 2020		







Planned Projects:

Revised Funding applications were submitted to the Provincial Department of Human Settlements for the inclusion on 2021/2022 business plan for the following projects.

- **Arcadia 139 Housing Project**

  - Land Surveyor appointed in February 2019
  - General Plan approved
  - Pegging of sites is complete

- **Weston 196**

- Land Surveying is complete
  General Plan approved

- **Hankey 728 (990)**

- Land Surveyor appointed in March 2019
- Layout Approved
- Pegging and relocation of beneficiaries ongoing
- Detailed services designs are completed
- Project funding application for 728 services will be approved in September 2020

- **Patensie 278**

- Approved Layout
- ROD is active

Due to bulk infrastructure challenges the municipality cannot commence with the remainder of the projects namely:

- **Kwanomzamo: 400**

- Upgrading of the WWTW is in progress

- **Sea Vista: 2000** (Land only available for 350 houses, remainder not suitable for housing development due to wetland and Environmental Impact Assessment)

  - Awaiting transfer of land from DPW to KLM

- **Thornhill: 390**

- WWTW to be upgraded first before any housing project can commence

Implementation of FLISP/Social Housing project:

Kouga Municipality has approved a FLISP/Social Housing Project to address the need of applicants that earn more than the R3 500,00 subsidy threshold.

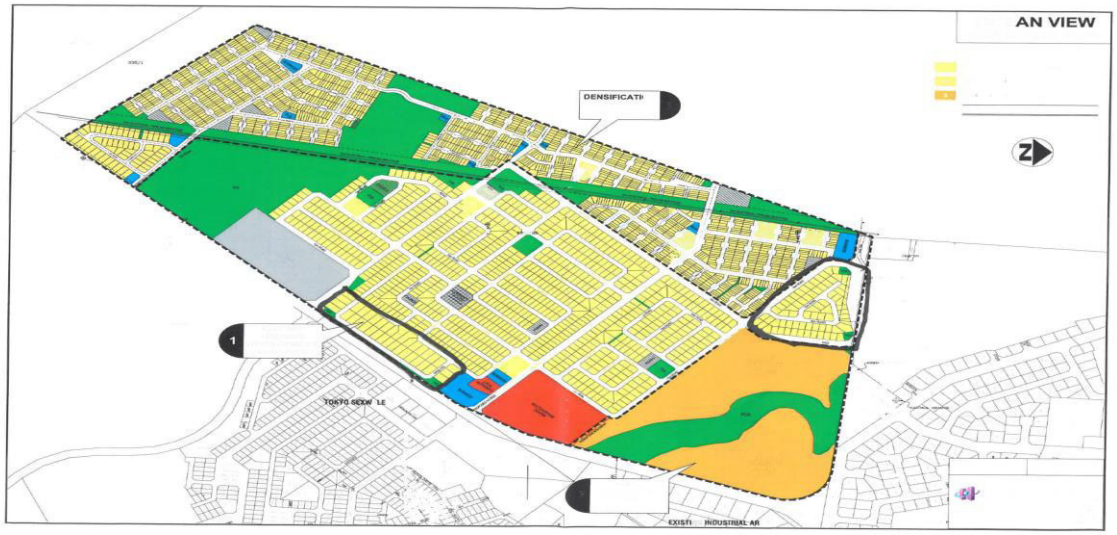
FLISP project will enable sustainable and affordable first time home-ownership opportunities to South African citizens and legal permanent residents earning between R3 501 and R22 000 per month. The 'affordable' or 'gap' market individuals in these salary bands generally find it hard to qualify for housing finance, but too high to qualify for the government 'free- basic house' subsidy scheme.

Social housing is a government programme that provides low and moderate-income households, earning RI 500 - R7 500 per month , with quality and affordable rental housing opportunities in well located areas.

Social Housing service provider for the implementation of Social Housing/ FLISP projects was appointed on 28 October 2019.

Demand and needs analysis study for proposed FLISP and Social Housing project is complete.

Funding application was submitted on 07/07/2020



To address the shortage of suitable land for sustainable human settlements projects, council has intervened by assisting the provincial department of human settlements and approved the purchase (own funds) of land in KwaNomzamo and Loerieheuwel.

Transferring of these sites to Kouga Municipality is underway, Town planning and Engineering designs are in progress.

Levels and Standards in Housing Services

The objective of the levels and standards for the provision of sustainable and integrated human settlements is to be fully in compliance with the minimum norms and standards as outlined in the provisions of the National Housing Code of 2009. It spells out the minimum standard that a municipality may use for the connection and installation of internal reticulated infrastructure for subsidised housing. Quality control is also monitored internally by the building control section, provincial inspectors, as well as the National Home Builders Regulatory Council (NHBRC).

Annual Performance as per Key Performance Indicators in Human Settlements Services

	Indicator name	Total number of household /customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	100%	12218	300	300	100%
2	Percentage of informal	100%	9473	5250	5250	100%

	Indicator name	Total number of household /customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
	settlements that have been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	100%	8997	220	220	100%

UPGRADING OF DONKERHOEK INFORMAL SETTLEMENT

The Electrical Department received funding from INEP for the electrification of 200 informal houses in Donkerhoek and upgrading of the current electrical infrastructure.

100 informal houses were electrified in the 2019/20 financial year and the remaining 100 houses in the 2020/21 financial year. The 100 beneficiaries are from the Vaaldam area.

Priority was given to the elderly, disabled, and most vulnerable.

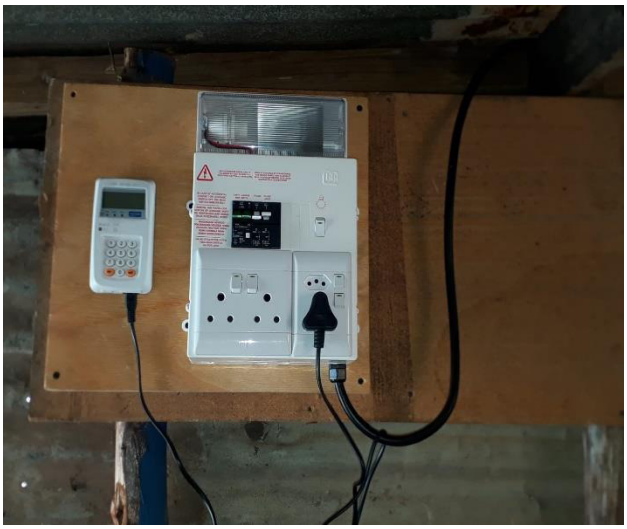
The following access to interim basic services was provided to the informal settlement:

- Standpipes
- Chemical toilets
- Electricity
- Emergency access roads
- Refuse removal









CONSTRUCTION OF TEMPORARY HOUSES IN STOFWOLK

A series of housing public meetings were held with the community of Stofwolk where they were informed about the Stofwolk 990 housing project and the planned electrification by ESKOM, and relocation to temporary area.

For the upgrading and electrification to be successfully implemented ESKOM condition was that all occupants of the current Stofwolk informal settlements be relocated to an alternative site. The Municipality provided each household with a complete 24 square meter temporary house build by 10 local SMME's. This project creates jobs for 10 SMME's and 47 local labourers.

The following access to interim basic services will be provided to the relocated beneficiaries:

- Standpipes
- Chemical toilets
- Electricity in progress
- Emergency access roads
- Refuse removal









COVID 19 LOCKDOWN REPORT FROM 30 MARCH 2020 -27 MAY 2020

On 15th March 2020, the President of South Africa, in a national address, announced the declaration of the Covid-19 pandemic as a 'national disaster'.

Since then many significant consequential announcements have been made, relating to restrictions on movement, business activity, travel, social gatherings, and other matters, all in the interests of preventing an escalation of the national disaster and alleviating, containing and minimizing the effects of the national disaster.

Since the declaration of a 'national disaster' was made, sets of general regulations and several others which are sector-specific have been issued by the minister of COGTA in terms of the Disaster Management Act, to regulate the consequences of this declaration. Regulations 16(2)(b) and 28(4) permits public servants to perform essential services.

Below is a list of essential services that were performed by the Human settlements department from 30 March – 27 May 2020.

TASK	OBJECTIVE	DELIVERABLES	OUTCOME	DATE
Identification of Decanting/Relocation sites	To de-densify informal settlements. Relocation of affected families	4	4	30 March 2020
Identification of densely populated informal settlements	To identify informal settlements that are densely populated. To implement social distancing	Donkerhoek Oceanview Sea Vista Stofwolk	4	3 April2020
Connection of 220 water tanks to informal settlements	Access to clean water	220	220 Patensie, Jeffreysbay, Thornhill, Humansdorp, Hankey, Loerieheuwel, Sea Vista, Weston	30/3 – 21/4/2020
Provision of chemical toilets to London informal settlement	Access to sanitation	30	30	01 April 2020
Inspection of informal settlements and Project sites (Oceanview 1500 and Pellsrus 220)	To monitor and prevent illegal erecting of informal settlements	Gamtoos and Coastal towns	Satisfactory	Ongoing
Stofwolk survey	To confirm the number of beneficiaries that will relocate to Erf 17 The remaining survey will be completed on 27/5/2020	343	155 188	20/4/2020 – 22/4/2020 27/5/2020

Verification of families to be relocated to Donkerhoek informal settlement	To provide access to basic services. (water, sewer, electricity, access roads)	100	100	04 – 08 May 2020








CHAPTER 4: FINANCIAL PEFORMANCE: DIRECTORATE FINANCE

CHAPTER 4: FINANCIAL PERFORMANCE: FINANCE DIRECTORATE

COMPONENT A: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

4.1 FINANCIAL HEALTH OVERVIEW

In order to provide an overview of the financial outcomes for the 2019/20 financial year, it is necessary to compare the 2019/20 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends for the period, 1 July 2019 to 30 June 2020.

The financial performance highlights, based on the audited results, are as follows:

4.1.1. STATEMENT OF FINANCIAL PERFORMANCE (refer to AFS page 6)

Actual operating revenue (excluding capital grants) amounted to R 819,557 million, whilst actual operating expenditure amounted to R 922,693 million, resulting in an actual operating deficit of R 103,136 million. The 2019/20 Adjustments Budget for operating revenue (excluding capital grants) amounted to R 846,865 million, whilst operating expenditure amounted to R 927,120 million, resulting in a budgeted deficit of R 80,256 million.
It should be noted that the 2019/20 actual operating revenue of R 946,250 million, includes an amount of R126,694 million, which relates to capital grants.

The following, however, needs to be noted:

Property Rates (refer to AFS page 6)

The actual property rates revenue raised amounted to R 197,544 million (100.16%), compared to the Adjustments budgeted amount of R 197,221 million.

Service charges – Electricity Revenue (refer to AFS page 65, note 26)

The actual electricity revenue raised, amounted to R 245,438 million (89.42%), compared to the Adjustments budgeted amount of R 274,470 million.

Service charges – Water Revenue (refer to AFS page 65, note 26)

The actual water revenue raised, amounted to R 73,769million (97.42%), compared to the Adjustments budgeted amount of R 75,713 million.

Service charges – Sanitation Revenue (refer to AFS page 65, note 26)

The actual sanitation revenue raised, amounted to R 49,951 million (99.80%), compared to the Adjustments budgeted amount of R 50,051 million.

Service charges – Refuse Revenue (refer to AFS page 65, note 26)

The actual refuse revenue raised, amounted to R 51,351 million (98.62%), compared to the Adjustments budgeted amount of R 52,072 million.

Property Rates and Services Revenue: (refer to AFS page 6, 65, note 26)

Description	2019/20 Financial Year		
	Adjusted Budget (Including Indigent Subsidies)	Actuals as at 30 June 2020 (Including Indigent Subsidies)	Variance
R thousands			
Revenue By Source			
Property rates	**197 221 488**	**197 544 136**	**322 648**
Service charges revenue	**452 306 728**	**420 509 001**	**-31 797 727**
Service charges - electricity revenue	274 470 307	245 438 346	-29 031 961
Service charges - water revenue	75 713 266	73 768 737	-1 944 529
Service charges - sanitation revenue	50 051 300	49 950 667	-100 633
Service charges - refuse revenue	52 071 857	51 351 251	-720 606
Total	**649 528 216**	**618 053 137**	**-31 475 079**

Fines, Penalties and Forfeits: (refer to AFS page 6)

The actual revenue amounted to R 20,388 million, compared to the adjustments budgeted amount of R 6,397 million. The previous year's actual amounted to R 21,334 million.

The Fines Revenue raised was approximately R 13,991million more than budgeted. This is attributed to traffic fines issued, being higher than anticipated. The actual amount for 2019/20 includes fines paid, as well as fines issued.

Rental from Fixed Assets: (refer to AFS page 6)

The actual revenue amounted to R 0,697 million, compared to the adjustments budgeted amount of R 4,037 million. The previous year's actual amounted to R 0,609 million.

The income derived from this revenue source, should be further enhanced by charging market related rentals relating to all Council's properties.

Transfers and Subsidies: (refer to AFS page 6)

The actual revenue amounted to R 261,035 million (137.26%), compared to the Adjustments budget amount of R 190,181 million.

This is attributable to the Water Services Infrastructure Grant, being rollover from the 2018/19 to 2019/20 financial year, amounting to R 85,232 million.

Licences and Permits: (refer to AFS page 6)

The actual licences and permits revenue amounted to R 11,066 million (66.50%), compared to the adjustments budgeted amount of R 16,640 million.
The Licences and Permits Revenue raised was approximately R 5,574 million less than the budgeted amount. This is attributed to motor vehicle registrations being lower than anticipated.

Interest Earned – External Investments: (refer to AFS page 6)

The actual interest earned – external investments amounted to R 11,657 million (75.82%), compared to the adjustments budgeted amount of R 15,375 million. This is largely influenced by the extent of municipal investment portfolio.

Interest Earned – Outstanding Debtors: (refer to AFS page 6)
The actual interest earned – outstanding debtors amounted to R 8,576 million, compared to the adjustments budgeted amount of R 10,892 million.
Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

Sales of Goods and Rendering of Services: (refer to AFS page 6)
The actual sales of goods and rendering of services revenue amounted to R 11,110 million (189.24%), compared to the Adjustments budgeted amount of R 5,871 million.

Operational Revenue: (refer to AFS page 6)
The actual operational revenue amounted to R 3,667 million (301.07%), compared to the Adjustments budgeted amount of R 1,218 million.

Employee Related Costs: (refer to AFS page 6)
Employee related costs amounted to R 293,708 million (96.86%), compared to the adjustments budgeted amount of R 303,219 million.

Remuneration of Councilors: (refer to AFS page 6)
The remuneration of councilors amounted to R 12,876 million (98.57%), compared to the adjustments budgeted amount of R 13,063 million.

Depreciation and Amortisation: (refer to AFS page 6)
The Depreciation and Amortisation amounted to R 76,934 million (90.40%), compared to the adjustments budgeted amount of R 85,101 million.

Impairment losses: (refer to AFS page 6)
Bad debts are written off upon Council's approval. Debt impairment amounted to R 75,458 million (285.61%), compared to the adjustments budgeted amount of R 26,420 million.

Bulk Purchases - Electricity: (refer to AFS page 6)
The Bulk purchases electricity amounted to R 264,529 million (97.39%), compared to the Adjustments budgeted amount of R 271,623 million.

Inventory Consumed: (refer to AFS page 6)
The inventory consumed amounted to R 40,125 million (114.80%), compared to the Adjustments budgeted amount of R 34,951 million.
The inventory consumed expenditure was approximately R 5,175 million more than budgeted.

Interest: (refer to AFS page 6)
The interest costs amounted to R 5,714 million, compared to the Adjustments budgeted amount of R 2,201million.
The interest costs were approximately R 3,513 million more than budgeted. This is mainly due to interest raised on overdue creditors, not initially budgeted for.

Contracted Services: (refer to AFS page 6)
The contracted services amounted to R 70,860 million (84.86%), compared to the Adjustments budgeted amount of R 83,503 million.
The contracted services expenditure was approximately R 12,643 million less than budgeted.

(refer to AFS page 6)

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Roads Maintenance	17 400 000	17 387 438	99.93%
Project Management	8 563 011	11 384 137	132.95%
Specia Rating Area	7 337 701	6 484 726	88.38%
Maintenance of Vehicles	7 204 436	7 129 394	98.96%
Maintenance of Buildings and Facilities	7 300 327	5 311 589	72.76%
Legal Advice and Litigation	6 352 083	5 880 374	92.57%
Maintenance of Electrical Infrastrcture	2 268 828	2 028 727	89.42%
Other	3 234 873	1 197 699	37.02%
Outsourced Services:Personnel and Labour	2 149 507	500 000	23.26%
Security Services	2 020 083	1 492 514	73.88%
Business and Advisory:Valuer	1 951 875	106 700	5.47%
Clean up Operation	2 275 000	581 400	25.56%
Maintenance of Sanitation Infrastructure	1 624 000	1 543 610	95.05%
Legal Cost:Collection	1 578 000	499 376	31.65%
Qualification Verification	1 895 000	1 424 750	75.18%
Maintenance of Water Infrastrcture	1 300 300	1 076 193	82.76%
Drivers Licence Cards	730 000	422 018	57.81%
Clearing and Grass Cutting Services	630 000	513 959	81.58%
Maintenance of Machinery and Equipment	604 284	355 599	58.85%
Dune Stabilisation	4 231 200	3 735 519	88.29%
Medical Health Services & Support	500 000	490 881	98.18%
Outsourced Services:Internal Auditors	477 599	27 074	5.67%
Laboratory Services:Water	552 161	477 759	86.53%
Animal Care	350 000	350 000	100.00%
Occupational Health and Safety	315 000	251 897	79.97%
Land Audit	300 000	30 720	10.24%
Burial Services	235 000	176 170	74.97%
Transportation	122 500	-	0.00%
Total	**83 502 768**	**70 860 223**	**84.86%**

Operating Leases: (refer to AFS page 6)

The operating leases amounted to R 6,700 million (85.26%), compared to the Adjustments budgeted amount of R 10,142 million.
The operating leases expenditure was approximately R 3,442 million less than budgeted. Actual expenditure on the rental of photocopy machines was lower than anticipated.

Operational Costs: (refer to AFS page 6)

The operational costs amounted to R 73,821 million (76.38%), compared to the Adjustments budgeted amount of R 96,648 million.
The operating costs expenditure was approximately R 22,828million less than budgeted.

(refer to AFS page 6)

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Hire Charges	27 037 500	26 154 165	96.73%
Operating Leases:Furniture and Office Equipment	5 893 745	3 902 014	66.21%
Commission:Third Party Vendors	5 374 126	4 136 796	76.98%
Management Fee	4 532 915	3 324 943	73.35%
External Audit Fees	4 508 000	4 502 333	99.87%
External Computer Service:Internet Charge	4 104 024	3 844 331	93.67%
Operating Leases:Other Assets	4 062 693	4 103 789	101.01%
External Computer Service:Software Licences	3 516 814	1 726 967	49.11%
Remuneration to Ward Committees	3 278 744	2 696 498	82.24%
Bargaining Council	2 909 416	34 080	1.17%
Uniform and Protective Clothing	2 437 933	2 137 720	87.69%
Training	2 503 698	1 844 071	73.65%
Insurance Underwriting:Premiums	2 600 248	1 101 014	42.34%
Storage of Files (Archiving)	1 900 000	1 189 784	62.62%
Communication:Postage/Stamps/Franking Machines	1 750 485	1 158 837	66.20%
Skills Development Fund Levy	1 695 046	1 601 325	94.47%
Communication:Cellular Contract (Subscriptions)	1 651 453	1 412 340	85.52%
Achievements and Awards	1 600 000	1 113 537	69.60%
Printing, Publications and Books	1 525 261	711 621	46.66%
Workmen's Compensation Fund	1 525 915	1 031 359	67.59%
Registration Fees:Professional and Regulatory Bodies	636 109	358 363	56.34%
Domestic:Accommodation	958 784	407 817	42.53%
Advertising, Publicity and Marketing:Tenders	916 219	693 370	75.68%
Advertising, Publicity and Marketing:Corporate and Municipal Activities	876 923	248 547	28.34%
Transport without Operator:Own Transport	785 294	472 350	60.15%
Licences:Motor Vehicle Licence and Registrations	1 029 719	583 995	56.71%
Bank Charges, Facility and Card Fees:Bank Accounts	669 072	1 032 487	154.32%
External Computer Service:Specialised Computer Services	662 191	-	0.00%
Public Transport:Air Transport	605 721	145 304	23.99%
Signage	425 100	243 922	57.38%
Vehicle Tracking	590 952	619 787	104.88%
Travel and Subsistence:Non-employees	516 669	139 418	26.98%
Advertising, Publicity and Marketing:Gifts and Promotions	485 756	174 316	35.89%
Other	3 081 606	973 353	31.59%
Total	**96 648 131**	**73 820 555**	**76.38%**

Conclusion:

The Municipality recorded an actual operating deficit of R 103,136 million, compared to the adjustments budgeted deficit of R 80,256 million.

4.1.2 STATEMENT OF FINANCIAL POSITION (refer to AFS page 5)

Net Assets: (refer to AFS page 5)
Net Assets increased from R 2,190 billion (2018/19) to R 2,214 billion (2019/20) due to the following:
Non-current Liabilities: (refer to AFS page 5)

- Long-term liabilities decreased from R 16,354 million in 2018/19 to R 6,747 million in 2019/20, due to the redemption of loans. No loans were taken up during the 2019/20 financial year.
- The Employee Benefit Liabilities decreased during the 2019/20 financial year, based on an actuarial valuation.
  The liabilities consequently decreased from R 8,552 million in 2018/19 to R 86,256 million in 2019/20. The Employee Benefit Liabilities consist of Post-Retirement Health Care Benefits and Ex-Gratia Pensions.
- Non-current Provisions increased from R 68,637 million in 2018/19 to R 72,317 million in 2019/20, due to the increase in Long Service Awards and the Rehabilitation of Landfill Sites provisions.

The net result is that the decrease in non-current liabilities, accounted for a movement of R 14,480 million in the net assets of the municipality.

Current liabilities:
Consumer Deposits (refer to AFS page 5)
Consumer deposits increased from R 17,378 million in 2018/19 to R 18,076 million in 2019/20, mainly due to an increase in applications for new water and electricity connections.

Provisions (refer to AFS page 5)
The current provisions increased from R 29,649 million in 2018/19 to R 33,095 million in 2019/20, mainly due to the leave provision and long service awards, being increased in the 2019/20 financial year.

Unspent conditional grants and receipts (refer to AFS page 5)
It is to be noted that unspent conditional grants decreased from R 103,446 million in the 2018/19 financial year to R 26,927 million in the 2019/20 financial year. This is largely influenced by the unspent Water Services Infrastructure Grant, in the amount of R 98,017 million during the 2018/19.

Payables – Exchange Transactions (refer to AFS page 5)
Payables have increased by R 55,725 million from R 87,383 million in 2018/19 to R 143,107 million in 2019/20.

Current Portion of Long-Term Liabilities (refer to AFS page 5)
The current portion increased by R 0,541 million from R 9,067 million in 2018/19 to R 9,608 million in 2019/20.

The net result is that the decrease in Current liabilities, accounted for a movement of R 15,873 million in the Net Assets of the Municipality.

Non-current Assets: (refer to AFS page 5)

- Property, Plant and Equipment increased by R 58,846 million from R 2,018 billion in 2018/19 to R 2,077 billion in 2019/20.
- Intangible Assets increased by R 0,436 million from R 0,244 million in 2018/19 to R 0,680 million in 2019/20.
- Investment Property remained the same for 2018/19 and 2019/20 at R 242,552 million.
- Long-term receivables decreased by R 3,000 from R 13,000 in 2018/19 to R 10,000 in 2019/20.

The net result is that the increase in Non-current assets accounted for a movement of R 59,279 million in the Net Assets of the Municipality.

Current Assets:

Inventories (refer to AFS page 5)
Inventories increased by R 0,432 million from R 9,249 million in 2018/19 to R 9,681 million in 2019/20.

Receivables from exchange transactions (refer to AFS page 5 and 33 note 3)

The decrease in receivables amounted to R 8,218 million, or 15.19%, when compared to the previous financial year.

Year	Gross Balances R	Impairment Allowance R	Carrying Amount R
2018/19	165 551 604	111 458 400	54 093 203
2019/20	174 948 231	129 072 796	45 875 434
Increase	**9 396 627**	**17 614 396**	**8 217 769**

Receivables from non-exchange transactions (refer to AFS page 5)

The Receivables from non-exchange transactions decreased by R 4,015 million from R 31,123 million in 2018/19 to R 27,108 million in 2019/20.

Cash and Cash Equivalents (refer to AFS page 5)

Cash and cash equivalents decreased by R 73,195 million from R 214,228 million in 2018/19 to R 141,033 million in 2019/20.

VAT Receivable (refer to AFS page 5)

VAT Receivable increased by R 18,985 million from R 46,796 million in 2018/19 to R 65,781 million in 2019/20.

Operating Lease Receivables (refer to AFS page 5)

Operating Lease Receivables decreased by R 0,63 million from R 0,234 million in 2018/19 to R 0,171 million in 2019/20.

The net result is that the decrease in Current assets accounted for a movement of R 66,075 million in the Net Assets of the Municipality.

Conclusion:

The Municipality's financial position has been influenced by the following factors:

- Cash and cash equivalents decreased by R 73,195 million (34.17%) from R 214,228 million in 2018/19 to R 141,032 million in 2019/20.
- Current Liabilities decreased by R 15,873 million (6.43%) from R 246,922 million in 2018/19 to R 231,048 million in 2019/20.
- Current assets decreased by R 66,075 million (18.57%) from R 355,727 million in 2018/19 to R 289,652 million in 2019/20.

4.1.3 FINANCIAL INDICATORS (refer to AFS pages 5 - 8)

The following ratios reflect the municipality's relative financial viability and sustainability:

Borrowing Management		Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	4.50%	4.98%	2.51%	1.78%	1.21%	1.25%
Borrowed funding of "own "capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue -	0.05	0.05	0.03	0.02	0.01	0.01

	Conditional Grants						
Borrowing Management		**Actuals as at 30 June 2015**	**Actuals as at 30 June 2016**	**Actuals as at 30 June 2017**	**Actuals as at 30 June 2018**	**Actuals as at 30 June 2019**	**Actuals as at 30 June 2020**
Current Ratio	Current assets / current liabilities	0.72	0.86	0.97	1.58	1.44	1.25
Liquidity Ratio	Monetary assets / current liabilities	0.22	0.40	0.47	0.75	0.87	0.61
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	98.91%	97.60%	95.81%	90.73%	97.62%	95.42%

Other indicators		**Actuals as at 30 June 2015**	**Actuals as at 30 June 2016**	**Actuals as at 30 June 2017**	**Actuals as at 30 June 2018**	**Actuals as at 30 June 2019**	**Actuals as at 30 June 2020**
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.82 Months	1.59 Months	1.62 Months	1.73 Months	1.90 Months	1.78 Months
Employee Costs	Employee Costs / Total Operating Expenditure	36%	36.93%	33.39%	33.21%	31.15%	31.83%
Capital Expenditure	Capital Expenditure / Capital Budget	241.30%	81.97%	72.92%	72.98%	44.59%	75.33%

Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.46%	4.78%	4.94%	3.82%	4.99%	5.39%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.06%	1.46%	1.65%	1.41%	2.18%	2.39%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	69.55%	84.74%	78.69%	80.22%	75.36%	72.41%

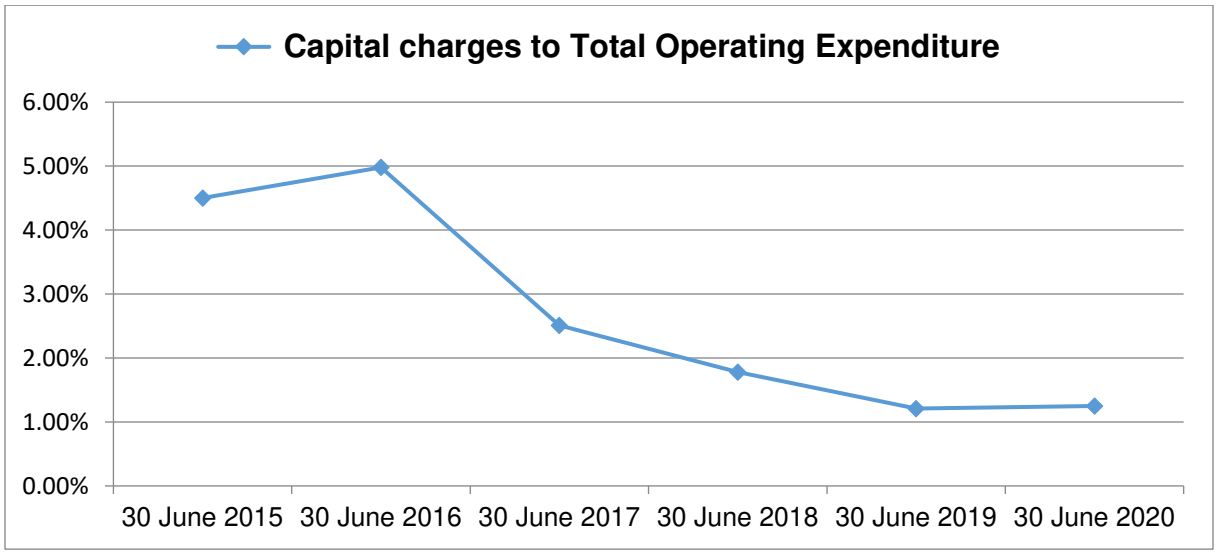
The above table is discussed in detail below.

4.1.3.1 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1.25% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2020, whilst the Municipality's audited ratio as at 30 June 2019 was 1.21%.



4.1.3.2 BORROWED FUNDING OF CAPITAL EXPENDITURE

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 30 June 2020, the was 0% as no capital expenditure was funded from borrowings, whilst the Municipality's audited ratio as at 30 June 2019 was also 0%.

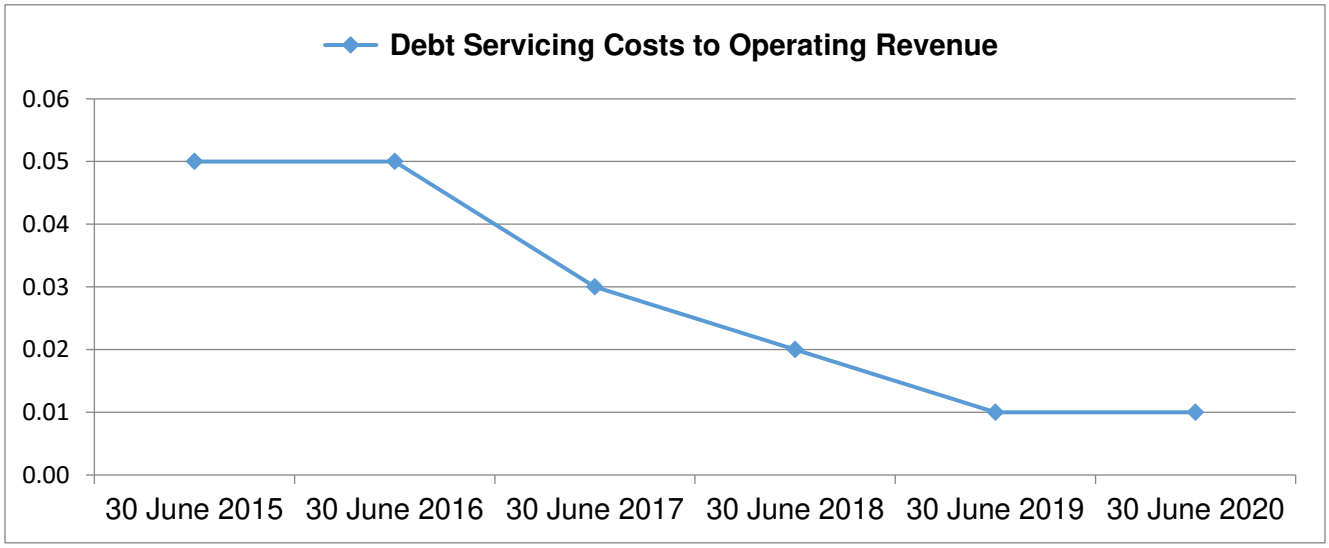
4.1.3.3 DEBT SERVICING COST TO OPERATING REVENUE RATIO

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 June 2020 the ratio was 0.01:1, compared to the audited ratio of 0.01:1 as at 30 June 2019.



4.1.3.4 CURRENT RATIO

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

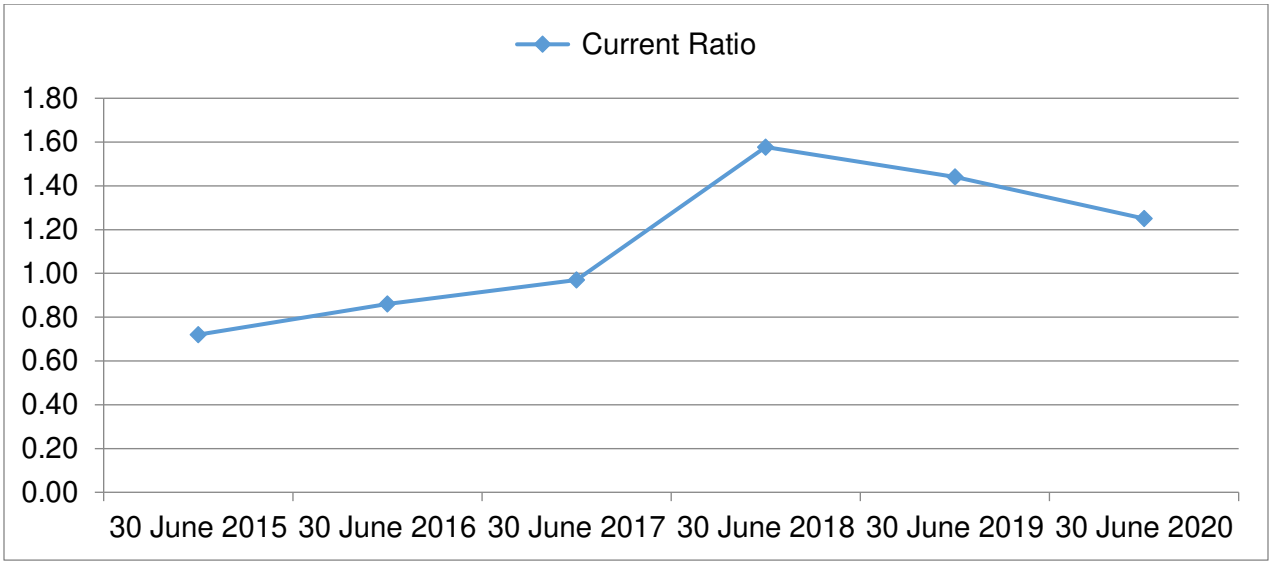
Current assets/Current liabilities

As at 30 June 2020, the Ratio was 1.25:1, whilst the Municipality's audited ratio as at 30 June 2019 was 1.44:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all its current obligations as and when they fall due.



4.1.3.5 LIQUIDITY RATIO

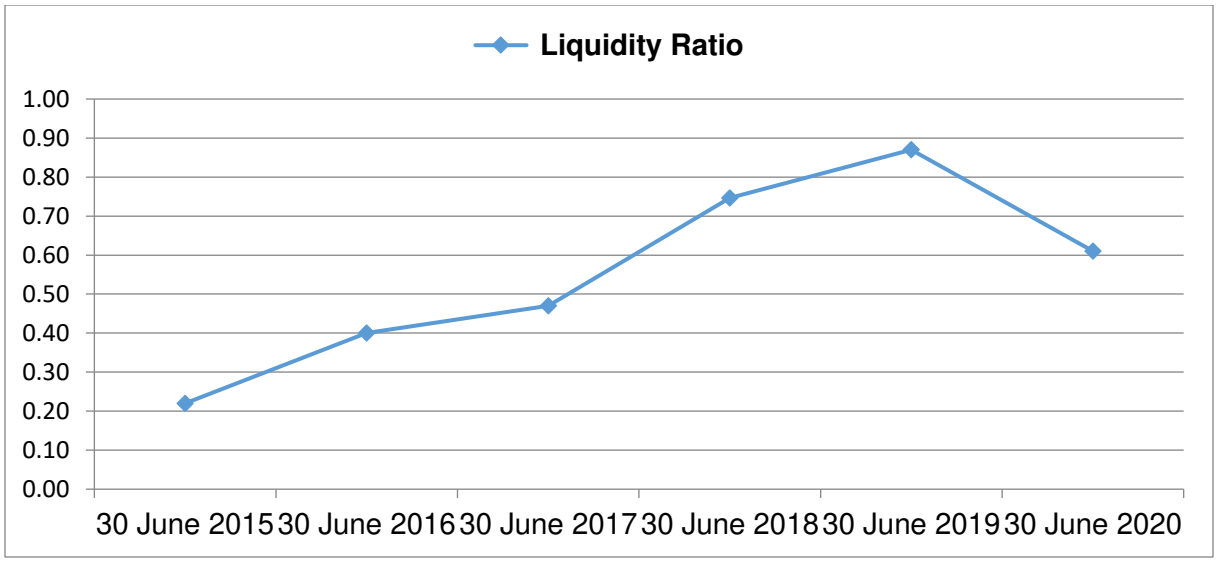
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 June 2020 was 0.61:1, whilst the Municipality's audited ratio as at 30 June 2019 was 0.87:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.1.3.6 ANNUAL DEBTORS COLLECTION RATE

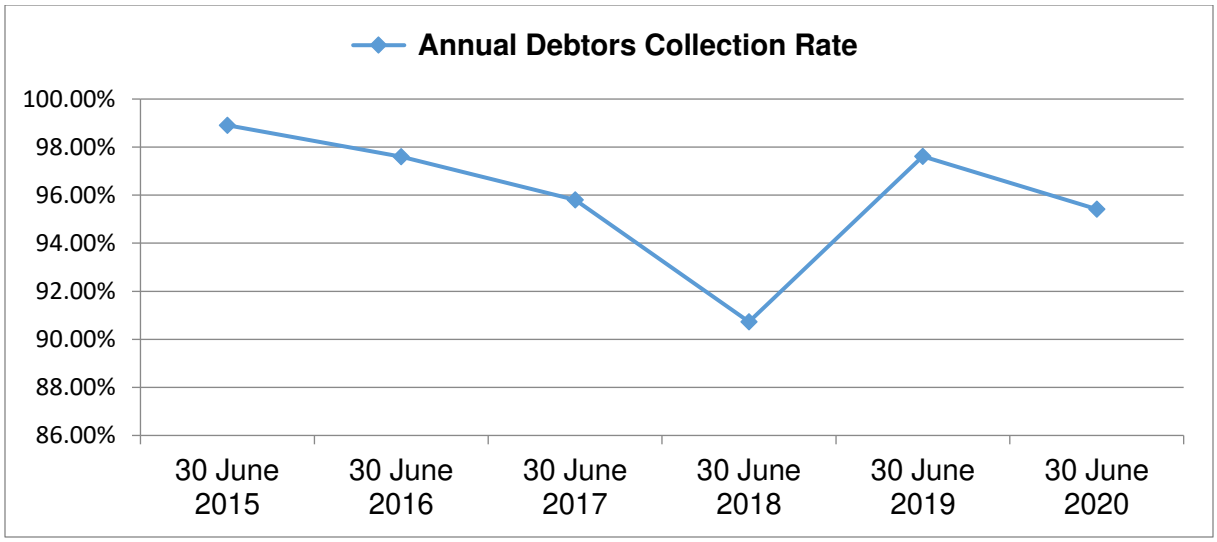
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100

Note: the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. accountholders are given one calendar month to pay their current accounts).

The average collection rate as at 30 June 2020 was 95.42%, compared to the average collection rate of 97.62% for the 2018/19 financial year. These percentages are calculated based on revenue receipted, compared to revenue billed on a month-to-month basis.



4.1.3.7 COST COVERAGE

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that month.

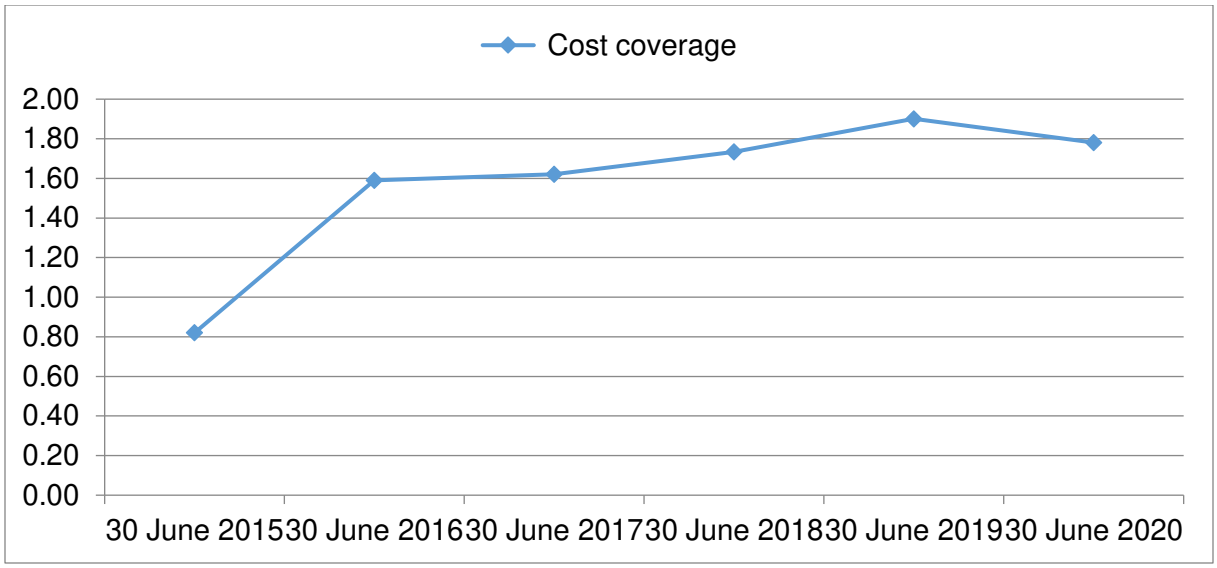
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 30 June 2020, the Ratio was 1.78 months, whist the Municipality's audited ratio as at 30 June 2019 was 1.90 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



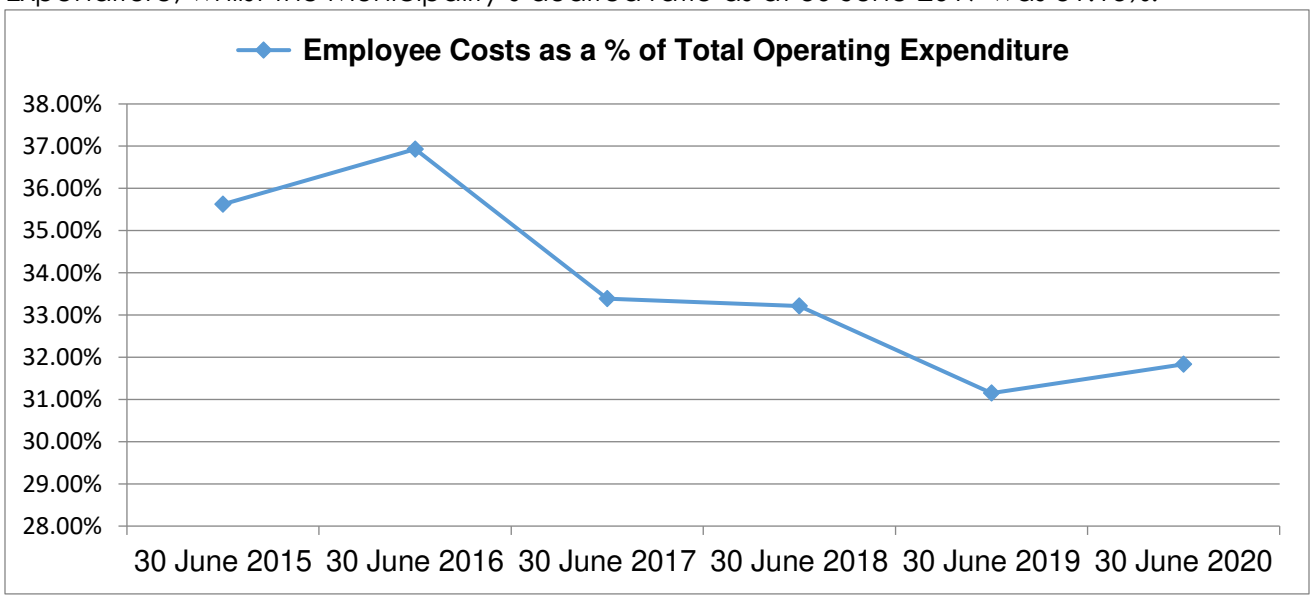
4.1.3.8 EMPLOYEE COSTS AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 June 2020, Employee Related Costs constituted 31.83% of the Total Operating Expenditure, whilst the Municipality's audited ratio as at 30 June 2019 was 31.15%.



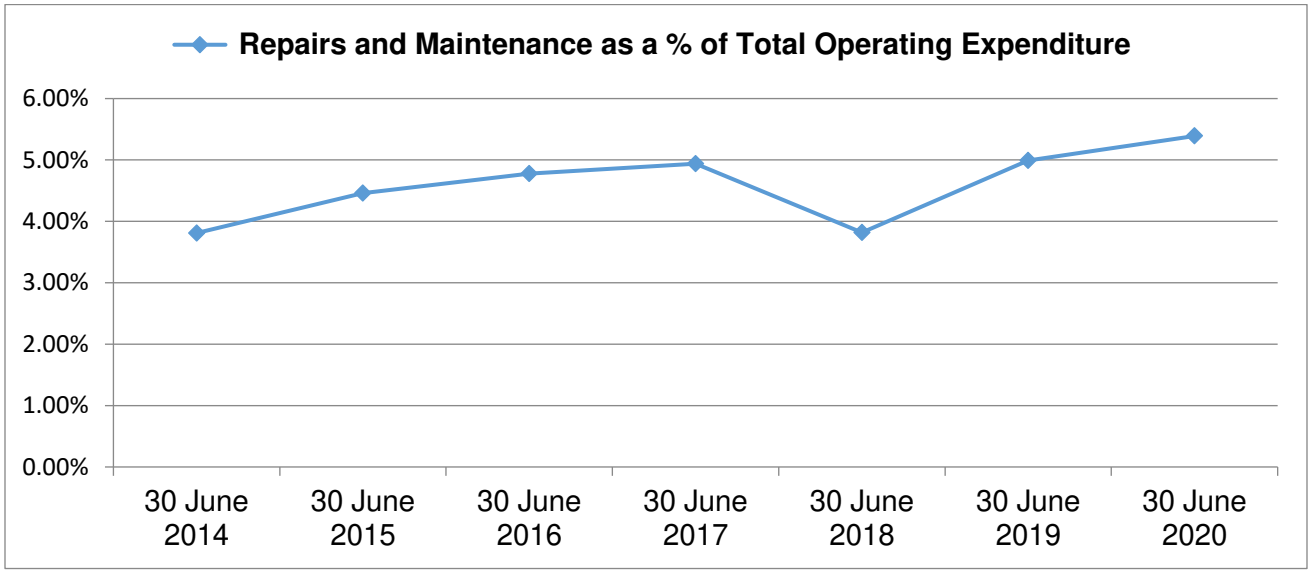
4.1.3.9 REPAIRS AND MAINTENANCE AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 30 June 2020, the Ratio was 5.39%, compared to the Municipality's audited ratio of 4.99% as at 30 June 2019.



4.1.3.10 REPAIRS AND MAINTENANCE AS A % OF THE BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT (PPE)

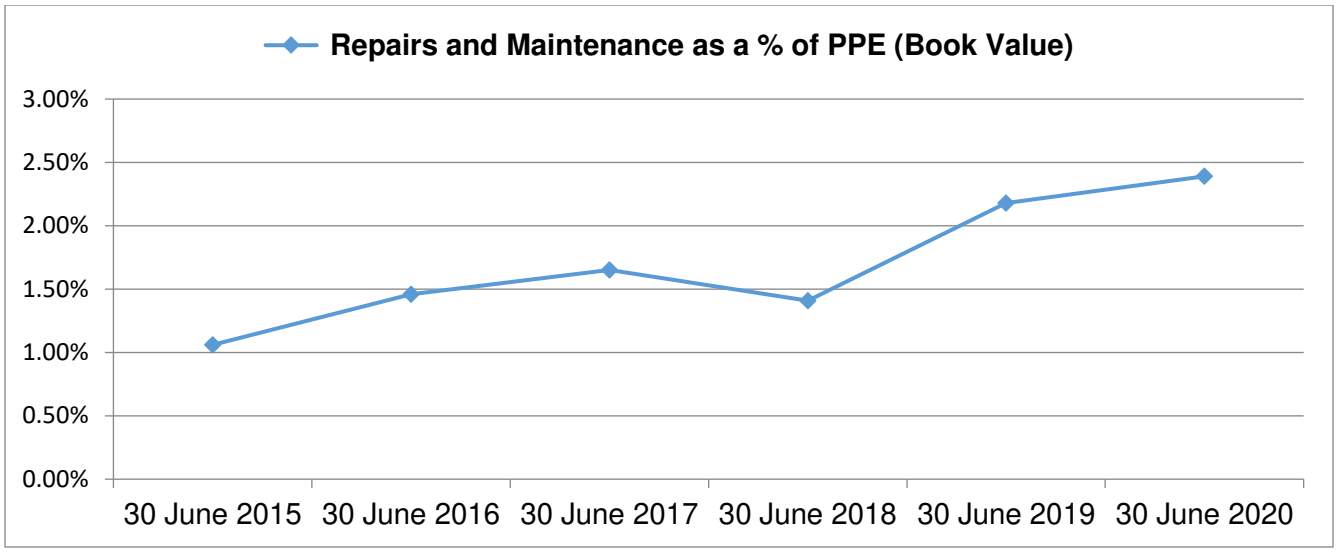
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 June 2020, repairs and maintenance expenditure constituted 2.39% of the book value of PPE. The Municipality's audited ratio as at 30 June 2019 was 2.18%.

In terms of the MFMA Circular No.71, the norm is 8%.



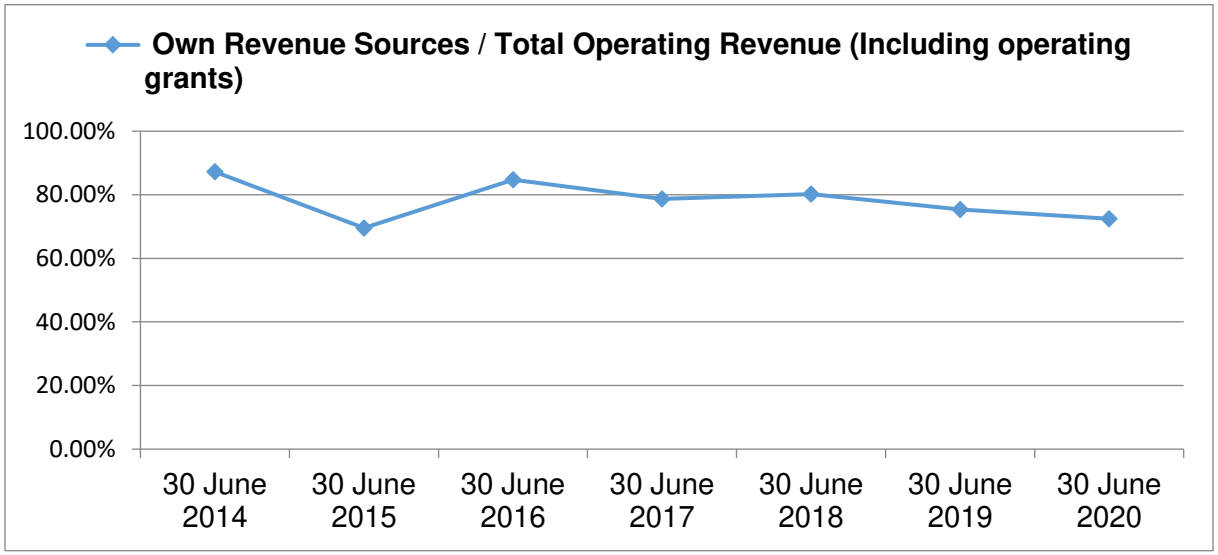
4.1.3.11 OWN REVENUE GENERATION

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 30 June 2020, the Municipality's own revenue sources constituted 72.41% of its total Operating Income. The Municipality's audited ratio as at 30 June 2019 was 75.36%.



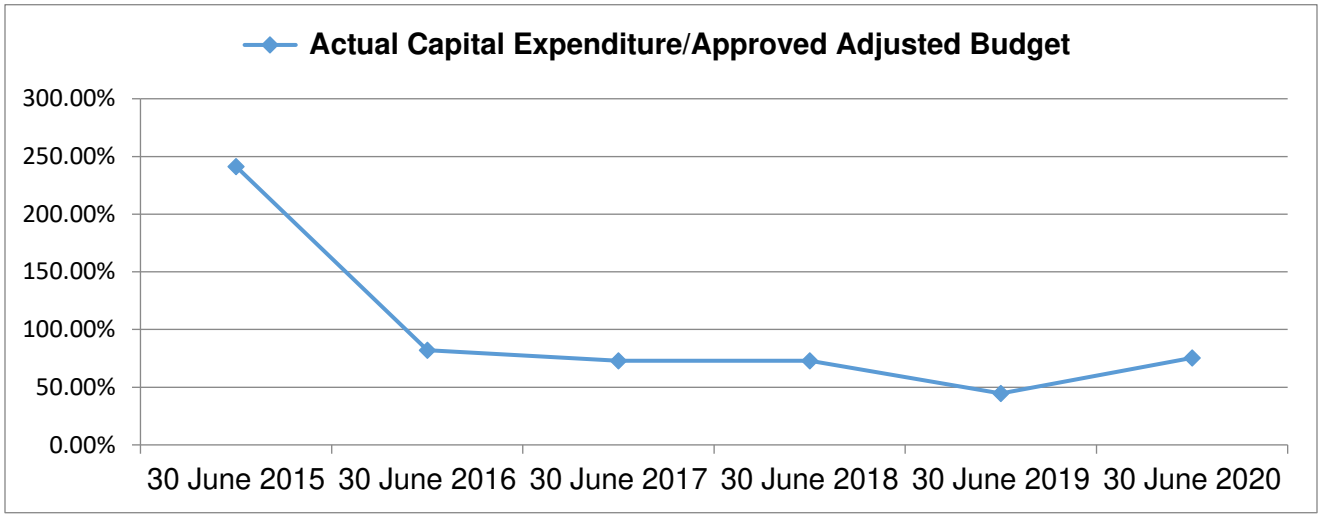
4.1.3.12 CAPITAL BUDGET SPENDING

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of June 2020 amounted to 75.33%, compared to the 2019/20 Capital Adjustments Budget. The Municipality's audited ratio as at 30 June 2019 was 44.59%.



4.1.3.13 ARREARS IN PROPERTY RATES AND SERVCIE CHARGES

(Refer to pages – of the Annual Financial Statements)

COMPONENT B: OTHER FINANCIAL MATTERS

4.2 SUPPLY CHAIN MANAGEMENT

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.

SARS Tax Compliance Status

The SCM Officials are required to be listed as users on the SARS E-Filling account of the municipality to verify the Tax Compliance Status of the Service Providers. SARS has also provided an online training to SCM officials on the verification of tax status, currently the are two SCM official that are registered with SARS to do the online verification.

National Treasury Centralized Supplier Database

The Supply Chain Management Officials are listed on the National Treasury Centralized Supplier Database. The municipality has been added as a supplier on the National Treasury Centralized Supplier database with the supplier number MAAA0214163.

Bid Committees

The below mentioned committees are established and functioning in accordance with the SCM Policy:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

The committees are responsible to ensure that the required procurement processes are followed in respect of formal tenders.

Bid Committee Meetings held during the 2019/20 financial year:

	BSC	**BEC 1**	**BEC2**	**BAC**	**BAC**	**BAC**
Chairperson	A. Koegelenberg	A. Perils	C. Venter	S. Thys	S. Abrahams	R. Lorgat
Number of meetings that took place.	20	18	23	16	2	3
Number of meetings cancelled	0	0	0	0	0	0
Provide reasons for all meetings not held as per scheduled dates.	n/a	n/a	n/a	n/a	n/a	n/a

Training- Supply Chain/ Stores Section

On the 2 May 2019, Ilinge Labantu Debt Solutions CC was appointed to render various training serviced including Bid Committee Training. The rollout of the training started the rollout of the training in the 2019/20 financial year. All the bid committee members were

trained. The training was followed by a few refresher sessions which were facilitated by Provincial Treasury. All the SCM section staff attended the training with the District Municipality.

Filling of vacancies for the Supply Chain Management Section

During the 2019/20 financial year end, the SCM section had three unfunded vacancies that were not funded. In early October 2019. A service provide was appointed who performed a work study which confirmed that SCM was understaffed. The new organogram indicates that a fully-fledged SCM Section should consist of twenty (22) employees. Currently the SCM has a total of ten(10) permanent employees.

Monthly and Quarterly reports

Monthly deviations reports are submitted in terms of the SCM policy for the procurement of goods and service (See paragraphs 8C and 8D below). Monthly and quarterly reports are required to be submitted to Provincial and National Treasury in respect of the procurement of goods and services. These reports were submitted in accordance with paragraph 6 of the Supply Chain Management Policy. Regular reports are submitted to the Finance Portfolio Committee meetings.

The following reflects the activities and achievement of the Supply Chain Unit other than activities related to the functionality of the Bid Committees.

Seven Day Notices Awarded:

A Total of Eighteen (18) Seven Day Notices was awarded for the period 1 July 2019 to 30 June 2020, as detailed below:

	Contract Description	Awarded Bidder	Date of Award	Amount
1.	**Notice 114/2019:** Re-advertisement - Supply & Fitment of two hydraulic low level bin lifters	Rencor Engineering (Pty) Ltd	08-Oct-19	R 163 300,00
2.	**Notice 155/2019**: Supply & Delivery of Firefigting Equipment	ITS Pumps & Seals Marce Projets Memotek Trading CC Vanguard Fire & Safety Inland	25-Oct-19	R 142 698,90
3.	**Notice 156/2019:** Review of AFS	Nexia SAB&T	21-Aug-19	R 27 074,45

4.	**Notice 185/2019:** Supply & offloading of open side storage containers	Memotek Trading	30-Oct-19	R 79 884,75
5.	**Notice197/2019:** Supply & delivery of High Density filing Cabinets	Workstation Office furniture (Pty) Ltd	04-Nov-19	R 141 247,60
6.	**Notice 200/2019:** Supply & delivery of lifesaving clothing	High End Properties & Projects Memotek Trading Bayzen Trading Xtreme Embroidery	08-Nov-19	R 140 060,40
7.	**Notice 201/2019:** Review of ILUS	Urban Dynamics EC	02-Dec-19	R 172 500,00
8.	**Notice 221/2019:** Appointment of an OHS Agent for the Upgrading of the Sea Vista Sports Facility in St Francis Bay	Safe Working Practice SA	10-Dec-19	R 56 867,50
9.	**Notice 235/2019:** Refurbishment of Cherry Picker	Rencor Engineering (Pty) Ltd	31-Dec-19	R 163 245,95
10	**Notice 236/2019:** Refurbishment of firefighting tanker	Pixifusion t/a Pro Alloy	31-Dec-19	R 189 364,75
11	**Notice 237/2019:** Supply & Delivery of festive lights	Candi-lite Cables CC	27-Nov-19	R 192 701,47
12	**Notice 238/2019:** New electrical tariffs for the 2020-2021 financial year	Clinkscales Maughan Brown (South)	04-Dec-19	R 117 415,00
13	**Notice 23/2020:** Refurbishment of backhoe machine	Phakamisa Fleet Services	27-Apr-20	R 126 338,90
14	**Notice 24/2020:** Engine repair and Refurbishment of man tipper truck	Phakamisa Fleet services	27-Apr-20	R 146 970,00

15	**Notice 31/2020:** Supply, Delivery and Offloading of New Containers for Electrical department	Awarded to wilco containers, who upon receipt of purchase order indicated that they are unable to deliver. XNKZ holdings has the second highest score and confirmed they will be able to deliver. New order to be issued	24-Mar-20	R 167 016,00
16	**Notice 50/2020:** Supply and delivery of a reconditioned engine (6hh1) for an Isuzu FTR 800	Phakamisa fleet services	27-Mar-20	R 109 250,00
17	**Notice 51/2020:** Supply, Delivery and Offloading of a 22kv pole mounted load break switch unit; 2-way, 3-position (on-off-earth) manually operated sf6	Memotek trading	20-Apr-20	R 114 804,27
18	**Notice 89/2020:** Supply, Delivery and Offloading Of New Standard Duty Racking System	Cassim's Premier Pipe Supply	12-Jun-20	R 207 557,75

Competitive Bids awarded for the period:

A total of 54 bids were advertised. A total of 4 bids were cancelled and 50 was successfully awarded for the period from 1 July 2019 to 30 June 2020.

	Contract Description	Service Provider	Date of Award	Amount
1.	**Notice 55 /2019:** Appointment of Service Provider for Document Imaging and Off- Site Storage for a period of 3 years	Metrofile Pty Ltd	27-Jun-19	Various rated items

2.	**Notice 72 /2019:** Employee Assistance Programme for a period of 3 years	Careways Wellness Pty Ltd	27-Jun-19	R 15,98	Year 1
				R 16,78	Year 2
				R 17,62	Year 3
3.	**Notice 9 /2019:** Supply, Delivery and Installation of Air Conditioners for a period of 3 Years	Jolene Oelofse Photography t/a M& J Services W& M Auto Electrical and Air Conditioning t/a Diesel Tronix	26-Jul-19	various rated items	
4.	**Notice 18 /2019:** Supply and Delivery of Complete New Set of Hydraulic Equipment	The Rescue Tool Guys Pty Ltd	12-Aug-19	R 299 753,25	
5.	**Notice 19/2019:** Supply and Delivery of New Backhoe Loaders to Kouga Local Municipality for a three (3) year period	Lutha General Trading- item 1	07-Aug-19	R 1 024 810,60	
		Luth General- Item 2 (additional Trench Bucket 300mm -ad hoc)		R 23 100,00	
6.	**Notice 42 /2019:** Medical Surveillance for a period of 3 years to Kouga Municipality.	Momentum OCSA Pty Ltd	12-Aug-19	various rated items	
7.	**Notice 208/2019:** Appointment of Legal Panel Services	Cancelled	07-Aug-19	n/a	
8.	**Notice 166/2018:** Contract I&E 6/ 2018 Supply and Delivery of	Cancelled	07-Aug-19	n/a	

	Manholes, Concrete Pipes and Products			
9.	**Notice 90 /2019:** Supply, Delivery and Offloading of Streetlight Poles	Maluyo General Trading, Setlatlapi Business Enterprise, Artivolt Pty Pty, Genlux Lighting, Memotek Trading CC	02-Oct-19	Various rated items
10	**Notice 38 /2019:** Request for Travel Agency Services for a period of three (3) years	Sure Maritime Travel	02-Oct-19	Various rated items
11	**Notice 74/2019:** Supply, Installation and Maintenace of a Biometric Access Control System for a period of three (3) years	ERS Bio Pty Ltd	02-Oct-19	Various rated Items
12	**Notice 89 /2019:** Cleaning Services for a period of twelve months	B.M Machesa	02-Oct-19	Various rated items
13	**Notice 133 /2019:** Appointment of Service Provider to conduct a Work Study	Brian Singh Consulting	02-Oct-19	Various Rates per hour for each professional on the team
14	**Notice 113 /2019:** Appointment of a Professional SP for the Duine Road Extension	JG Africa	30-Oct-19	as per Fee Proposal
15	**Notice 123 /2019:** Appointment of Suitable Qualified Service provider(PSP) for the Design and Administering of the Kwanomzamo Sports Facility in Humansdorp	Bosch Projects Pty Ltd	30-Oct-19	R 631 580,00

16	**Notice 160/2019:** Appointment of Suitable Qualified Service provider for the Bulk Infrastructure Work and Electrification of 200 Houses at Kruisfontein, Humansdorp	VE Reticulation Pty Ltd	30-Oct-19	R 4 674 269,30
17	**Notice 65/2019:** Security Services for a period of 3 years	**GAP Management Pty ltd**- Alarm installation & sensors **Smhart Guards Family Trust**- Guarding ad hoc	19-Nov-19	Various Rates
18	**Notice 81/2019:** New LDV- Income for a period of Two years.	Sisonke Fleet Management (Pty) Ltd	19-Nov-19	R 369 964,20 per unit
19	**Notice 116/2019:** Supply and Delivery of 4X4 Vehicles	Simunye Fleet Management Pty Ltd Masilelo Investments Pty Ltd	19-Nov-19	Single cab= R489 345,70 Double cab= R579 437,39
20	**Notice 146/2019:** Supply and Delivery of LED Street lights and Floodlights	PH marketing Pty Ltd Real Time Trading & Projects	19-Nov-19	R 3 357 866,83
21	**Notice 167/2019:** Call for Proposals for the Recovery of Calculations of VAT Apportionment for a Three Year Period in Accordance with Legislation	Maximum Profit Recovery Pty Ltd	05-Dec-19	4,88%
22	**Notice 166 /2019:** Supply, Delivery and Offloading of a 500kVA, 11000/400 Volts Miniature Substation	Actom Electrical Products a division of Actom Pty Ltd	12-Dec-19	R 485 934,80

23	**Notice 134/2019:** Appointment of a Service Provider to Facilitate Training Programmes	Eskilz College Pty Ltd Aurice Dealers cc t/a Falcon Fire Arm Academy Wathinka Integrated HR Solutions Pty Ltd Industries Education & Training Institute Pty Ltd Kagiso Business Concepts Pty Ltd Imbawula Civil Projects	12-Dec-19	Various Rates
24	**Notice 126 /2019:** Appointment of Contractor: Upgrading of Patensie Waste Water Treatment Works	Rudcor Engineering Pty Ltd	15-Jan-20	R 6 944 735,88
25	**Notice 157/2019:** Lease of laptops for a Period of Two (2) Years	Shelve Wizard t/a TCL Consulting	12-Dec-19	rated options per month
26	**Notice 175 /2019:** Appointment of Contractor: Resealing of Roads for a Twelve (12) month period	Scribante Construction EC Pty Ltd	12-Dec-19	various rated items
27	**Notice 199/2019:** Supply and Delivery of a new 4X4 6000L Fire Fighting Water Tanker Single Cab and the Supply and Delivery of a 2.5 ton 4x4 Chassis Fire Fighting Vehicle	Vexoscore	10-Feb-20	R 2 886 936.34 R 2 087 182.94

28	**Notice 198/2019:** Supply and Delivery of a new Quadbike	Bayzen Trading CC	10-Feb-20	R 227 194.01
29	**Notice 158/2019:** Supply and Configuration of Enterprise Endpoint Data Protection Solution	Datacentrix Pty Ltd	10-Feb-20	R1 451 508.26
30	Section 32 award from Sarah Baartman District Municipality for Municipal Minimum Competency Level Training Programme	Fachs Business Consulting and Training	11-Feb-20	R 1 322.95 per Unit Standard per person incl all travel and disbursements R1035.00 per Unit Standard per person for RPL incl all travel and disbursements
31	**Notice 222/2019:** Plant, Design and Build for the Upgrade and Refurbishment of the Kwanomzamo Humansdorp WWTW	Lektratek Water Technology	11-Feb-20	R 28 373 087,10
32	**Notice 154 of 2019:** Supply and Delivery of Grass Cutting Equipment	Mfangano Solution Pty Ltd- Item1- Lawnmower Premier Attractions t/a ZJS Distributors - Item 2:Side Cutter Vivamark CC- Item 3- Chainsaws Memotek- Item 4 Trailer Mounted Chippers	27-Feb-20	Various Rates
33	**Notice 159 of 2019:** Full Maintenance Lease of Two 26 Ton Landfill Compactors for a period of Three years	Cancelled	27-Feb-20	n/a

34	**Notice 186 of 2019:** Supply and Installation of WIFI Solution for a period of Three Years to Kouga Municipality	Innovo Networks Pty Ltd	04-Mar-20	R 200 210,26
35	**Notice 215 of 2019:** Supply and Delivery of DIY Wooden Play Park Apparatus (Jungle Gyms)	Polar Route Trading 149 CC t/a Gladiator Jungle Gyms	04-Mar-20	R 24 120,00
36	**Notice 194 of 2019:** Supply and Configeration of MSCOA DR Solution for a Period of Three (3) Years	Mars Tehcnologies Pty Ltd	04-Mar-20	Once off Cost: R13202,00, Price per month R7865,30 incl VAT
37	**Notice 194 of 2019:** Appointment of a Registered Auctioneer for a Three Year Period	Action - All Pty Ltd	04-Mar-20	Appointment is R7.00 commission per R100,
38	**Notice 19 of 2020:** Supply and Delivery of Housing Material for Informal Houses in Stofwolk Hankey	Take 5 Construction & Projects CC	04-Mar-20	R 16525,79 per unit
39	**Notice 173 of 2019:** Supply, Delivery and Installation of High Density Filing System at KLM	Circular Office Suppliers & Printers cc t/a Valmac Office National	18-Mar-20	Various Rates
40	**Notice 176 of 2019:** Supply, Delivery and Offloading of Electrical Transformers Material and Hardware	Aberdare Cables Pty Ltd Memotek Pty Ltd Powercomm Solutions Actom Pty Ltd	12-Mar-20	Various Rates Per Items
41	**Notice 208 of 2019:** Supply, Delivery and Installation of Office Furniture to KLM for a three (3) year period	Thuthuka Office Supplies Women of Strength Projects Pty Ltd Bayzen Trading Pty Ltd Esizwe Group	25-Mar-20	Various Rates Per Items

		Shumash Trading Enterprise Workstation Office Furniture Pty Ltd		
42	**Notice 9 of 2020:** Supply and Delivery of Two (2) 22 000/11000 Volts, 3150 Kva Transformers	Greenro Solutions Pty Ltd	25-Mar-20	R 1 409 955,96
43	**Notice 22/2020:** Supply, delivery and offloading of a 22KV Auto Recloser with Control Unit	Tavrida Electric Africa (Pty) Ltd	27-May-2020	R163 875.00
44	**Notice 5/2020:** Appointment of a Service Provider for the Development of the Jeffreys Bay Precinct Plan	Urban Dynamics EC	27-May-20	R 494 500.00
45	**Notice 177/2019:** Supply, Delivery and Installation of Hire units for Live Vehicle Tracking / Fleet Management / Stolen Vehicle Response with ongoing training & support and Fuel Management for a period of 36 months	Ctrack Mzansi (Pty) Ltd	27-May-20	R 344.65 per month
46	**Notice 216/2019:** Trench and Install 11000 Volt MV Cable	Cancelled	27-May-20	n/a
47	**Notice 182/2019:** Appointment of a Service Provider to conduct a Risk Assessment for a period of three (3) years as and when required	Lateral Unison Insurance Brokers (Pty) Ltd	29-May-20	Various Rates

48	**Notice 183/2019:** Upgrading of Sea Vista Sports Facility	LR Projects CC	29-May-20	R 4 387 137,30
49	**Notice 219/2019:** Appointment of a Professional Service Provider to develop a Housing Sector Plan for the period 2020-25 within a period of three (3) months	JG Afrika (Pty) Ltd	29-May-20	R 277 610.00
50	**Notice 233/2019:** Supply, Delivery, Installation and Maintenance of the municipal electrical network and equipment for a three (3) year period	Zingco 110 CC t/a Scheyisa Powerlines	29-May-20	Various Rates
51	**Notice 220/2019**: Compilation of a Water Masterplan for Kouga Municipality for a period of three (3) years	Uhambiso (Pty) Ltd	29-May-20	R 919 195.00
52	**Notice 174/2019:** Supply, Install and Commision of High Mast Lights in Kouga Area	VE Reticulations (Pty) Ltd	29-May-20	R 9
53	**Notice 8/2020:** Phase 1a Of New Municipal 66kv Double Circuit Overhead Line Between Melkhout Substation at Humansdorp and the Main Intake Substation at Jeffreys Bay	VE Reticulations (Pty) Ltd	29-May-20	R 1,887,085.60
54	**Notice 234/2019:** Perform Professional Electrical Consulting Services for a period of three (3) years	CVW Consulting Engineers (Pty) Ltd to Clinkscales Maughan-Brown (Pty) Ltd	29-May-20	The discount is 10% on the 9% Professional fees which makes it effectively 8.1%

Operational Deviations for the period below R30 000.00:

The operational deviations for the period amounted to R 886 113.52, below table details the breakdown per directorate:

REQ NO	SUPPLIER NAME	REQUESTOR	AMOUNT	REASON	
FINANCE					
102840	WINDEED	R VAN HEERDEN	R 12 275,01	SEARCH FEES - JUNE 2019	05-Jul-19
102852	WINDEED	R VAN HEERDEN	R 9 614,12	SEARCH FEES - JULY 2019	30-Jul-19
102863	WINDEED	R VAN HEERDEN	R 7 855,50	SEARCH FEES, AUGUST 2019	30-Aug-19
102896	WINDEED	R VAN HEERDEN	R 8 826,67	SEARCH FEES OCT 2019	30-Oct-19
109410	WINDEED	R VAN HEERDEN	R 8 681,95	SEARCH FEES FOR NOV 2019	03-Dec-19
INFRASTRUCTURE & ENGINEERING					
91798	SCHEYISA POWERLINE	F. KRUGER	R 5 253,20	EMERGENCY REPAIRS: REANTAL OF CRANE TRUCK IN OCEAN VIEW- INV SCH002	22-Aug-19
101935	SUPA QUICK	F. KRUGER	R 2 281,60	BATTERY - SMF101EXIDE (2 OF THE QUOTES ATTACHED ARE FROM MIDAS HDORP/JEFFREYS BAY	19-Aug-19
101061	BARLOWORLD EQUIPMENT	M BESTER	R 13 593,69	DUE TO NORMAL OPERATIONAL DUTIES AT THE LANDFILL SITE THE TLB NEEDS TO BE REPAIRED	11-Sep-19
108251	RENCOR	M. BESTER	R 7 337,00	FNG215EC - SUPPLY 80CC 3BOLT PUMPS AS PER SAMPLE	26-Nov-19

108225	UNIVERSAL EQUIPMENT	M. BESTER	R 5 134,75	DWV246EC - REPAIRS TO REFUSE COMPACTOR ALLISON GEARBOX	26-Nov-19
106548	MAARCHALK & VENNOTE	T. MADATT	R 19 882,00	DETAIL CONTOUR SURVEY OF ENTIRE ARE MARKED WITHIN THE YELLOW LINESPLUS THE LOWEST OVERHEAD LINE CONDUCTOR OF ESKOM EXISTING 66KV OVERHEAD LINE AT POINTS A,B,C AND D ASA SHOWN	26-Nov-19
108279	BILLSON TRUCKS	M. BESTER	R 4 904,35	FMX511EC - CHECK AND REPAIR TO ENGINE SWITCHING OFF AND IDLING PROBLEM IN VEHICLE	03-Dec-19
108281	RENCOR ENGINEERING	M. BESTER	R 11 353,95	DWN714EC - REMOUNT COMPACTOR, FIT NEW SPRING MOUNTS, FIT NEW RUBBING & MOUNTING PLATES, WELD AND REINFORCE MOUNTING AND BODY OVERHANG	03-Dec-19

108280	RENCOR ENGINEERING	M. BESTER	R 19 538,50	JDW953EC - REPAIR HYDRAULIC PLATFORM OF CHERRY PICKER	03-Dec-19
108287	RENCOR ENGINEERING	M. BESTER	R 7 863,57	DVR990EC - SUPPLY PARTS, MATERIAL AND LABOUR: VACUUM VALVE x1, GAUGE x1, HOUSE & FITTING x1,	23-Dec-19
COMMUNITY SERVICES					
64885	G4S	A. DU BRUYN	7 209,00	MONITORING AND REACTION FOR THE MONTH OF JUNE 2019	10-Jul-19
64886	G4S	A. DU BRUYN	R 10 944,00	MONITORING AND REACTION FOR THE MONTH OF JULY 2019	10-Jul-19
99331	NHLS	N. DESHA	R 16 560,00	WATER SAMPLES MAY 2019	01-Aug-19
99332	NHLS	N. DESHA	R 8 161,55	WATER SAMPLES- JUNE 2019	01-Aug-19
105714	TH WOOLDRIDGE	N. SIWELA	R 15 675,00	MONITORING OF THE BREACHING AT THE SEEKOEI ESTUARY AND PREPARATION OF BRIEF REPORT- PROCUREMENT OF PROFESSIONAL SERVICES FOR SEEKOEI ESTUARY ARTIFICIAL BREACH	16-Aug-19

99333	NHLS	N. DESHA	R	8 407,15	WATER SAMPLES JULY 2019	21-Aug-19
104314	SAPS	S NELSON	R	2 000,00	DIRECT PAYMENT: FIRE ARM LICENSE F0R COUNCIL X15	05-Sep-19
106022	NU-PLANT PROJECTS	L MAKUPULA	R	3 277,50	FRONT END LOADERS FOR EFFECTIVE FIREFIGHTING SERVICES IN ST FRANCIS BAY 22 AUG 2019	01-Sep-19
99337	NHLS	N DESHA	R	7 878,50	WATER SAMPLE FOR AUGUST 2019	18-Sep-19
104370	LEXIS NEXIS	A DU BRUYN	R	17 456,64	OFFICIAL BOOKS FOR LEARNERS TEST	03-Oct-19
105732	IWMSA	N SIWELA	R	4 370,00	WASTE CONFERENCE 29 OCT 2019	28-Oct-19
99344	NHLS	N. DESHA	R	7 878,50	WATER SAMPLE SEPT 2019	05-Nov-19
99346	NHLS	N. DESHA	R	8 836,85	WATER SAMPLE OCT 2019	25-Nov-19
104400	G4S SECURE	A DU BRUYN	R	11 376,00	ALL SITES MONITORING AND RESPONSE FOR NOV 2019	02-Dec-19
104334	VARIPRINT	A DU BRUYN	R	13 565,40	BOOKS FOR EXAMINER VEHICLES AND COURIER CHARGES	10-Dec-19
104338	G4S SECURE	A DU BRUYN	R	10 944,00	MONITORING AND REACTION FOR AUGUST 2019	13-Dec-19
104339	G4S SECURE	A DU BRUYN	R	10 944,00	MONITORING AND REACTION FOR	13-Dec-19

				SEPTEMBER 2019	
104376	G4S SECURE	A DU BRUYN	10 944,00	MONITORING AND REACTION FOR OCTOBER 2019	13-Dec-19
109693	PATHCARE	S CAMAGU	R 11 966,40	BLUE FLAG WATER SAMPLE TESTING FOR OCT AND NOV 2019	18-Dec-19
PLANNING, DEVELOPMENT & TOURISM					
98843	SURVEY MONKEY	V YAKE	R4 200,00	PAYMENT FOR SURVEY MONKEY BR & E STUDY KLM ONLINE DATA ANALYSIS SYSTEM	05-Jul-19
98877	UCLG CONFEREN CE	P ARENDSE	R 6 413,00	CONFERENCE REGISTRATION FEE FOR DIR MABUSELA TO ATTEND UCLG CONFERENCE - WORLD SUMMIT IN DURBAN 11-15 NOV 2019	22-Oct-19
MUNICIPAL MANAGERS OFFICE					
103910	JBAY TRAVEL	J REED	R3 480,00	ACCOMODATI ON IN EL FOR F FLOYD ATTENDING PP FORUM MEETING 4-5 JULY 2019	05-Jul-19
103912	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT FOR 13 EMPLOYEES ATTENDING WORKERS RETICULATION PROGRAMME IN KNYSNA	05-Jul-19

103913	JBAY TRAVEL	J REED	R9 199,00	BOOKINGS FOR B SINGH, FLIGHTS, ACCOMODATION AND CAR RENTAL	10-Jul-19
103914	JBAY TRAVEL	J REED	R9 836,00	BOOKINGS FOR F. MABUSELA AND MAWETHU PENXA TO JOHANNESBURG ATTENDING A MEETING WITH SOCIAL HOUSING REGULATORY ATTORNEY	10-Jul-19
103918	JBAY TRAVEL	JREED	R 5 583,00	ACCOMODATION FOR HOUSING OFFICIALS IN EL ATTENDING HUMAN SETTLEMENT MEETING	16-Jul-19
103920	JBAY TRAVEL	JREED	R 7 968,00	BOOKING FOR THEO MADATT ATTENDING INEP MEETING AT DEPARTMENT OF ENERGY IN JHB 22-23 JULY 2019	18-Jul-19
103921	JBAY TRAVEL	JREED	R 2 794,35	BOOKING FOR INTERVIEW CANDIDATE FOR PLANS EXAMINER POST M NGQONGISA- ACCOMODATION/ CAR RENTAL 30-1 JULY 2019	18-Jul-19

103923	JBAY TRAVEL	JREED	R 2 658,15	BOOKING FOR INTERVIEW CANDIDATE FOR PLANS EXAMINER POST P. NTANGA- ACCOMODATION/ CAR RENTAL 30-1 JULY 2019	18-Jul-19
103933	JBAY TRAVEL	JREED	R 3 203,00	ACCOMODATION COST FOR IDP MANAGER AT MPEKWENI IN PORT ALFRED ATTENDING IDP COGTA ASSESSMENT 31 JULY -2 AUG 2019	26-Jul-19
103928	JBAY TRAVEL	JREED	R 6 809,00	BOOKING OF ACCOMODATION, FLIGHTS AND CAR RENTAL FOR INTERVIEW CANDIDATE P KWAYIMANI	26-Jul-19
103929	JBAY TRAVEL	JREED	R 15 976,00	FLIGHTS AND CAR RENTAL FOR MM,CFO & DIR FELTON FOR MEETING WITH NATIONAL TREASURY	26-Jul-19
103936	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT FOR 13 EMPLOYEES ATTENDING WORKERS RETICULATION PROGRAMME IN KNYSNA	07-Aug-19

103938	JBAY TRAVEL	JREED	R	5 954,00	ACCOMODATION, FLIGHTS AND CAR RENTAL FOR ARTIST STEPHANIE AQUILA BAARTMAN BUTHELEZI - PINNIQUIN GUEST HOUSE JEFFFREYS BAY 18-19 AUGUST 2019 FOR KOUGA WOMENS DAY PROGRAM	15-Aug-19
103940	JBAY TRAVEL	JREED	R	4 437,00	ACCOMODATION IN EAST LONDON FOR R. NEL & MINNAAR ATTENDING DOT MEETINGS	20-Aug-19
103941	JBAY TRAVEL	JREED	R	24 015,00	BOOKING FOR N.MACHELESI ATTENDING THAILAND DISASTER EXCURSION	27-Aug-19
103942	JBAY TRAVEL	J REED	R	5 658,00	ACCOMODATION FOR 2 OFFICIALS FROM TRAFFIC DEPARTMENT ATTENDING TRAINING IN GRADE F EXAMINENT 2 DRIVING LICENSE COURSE	27-Aug-19
103943	JBAY TRAVEL	J REED	R	2 985,00	ACCOMODATION FOR SKILSS STAFF ATTENDING LGSETA IN PORT ALFRED	27-Aug-19

103946	JBAY TRAVEL	K. MOODLEY	R 5 295,00	ACCOMODATION IN EAST LONDON FOR K MOODLEY ATTENDING SALGAPAC MEETING 3-6 SEPT 2019	30-Aug-19
103947	JEFFREYS BAY TRAVEL	J REED	R9 000,00	BOOKING FOR F MABUSELA IN CPT ATTENDING SALGA FOREST VILLAGES SUPPORTS	10-Sep-19
103950	JEFFREYS BAY TRAVEL	J REED	R6 030,00	TRANSPORT 13 EMPLOYEES TO KNYSNA ATTENDING WATER RETICULATION PROGRAMME	10-Sep-19
103955	JEFFREYS BAY TRAVEL	J REED	R8 724,00	BOOKING FOR MAYOR ATTENDING PLASTIC TRAIL IN DURBAN - FLIGHT, ACCOMODATION AND CAR RENTAL FOR THE 9-10 SEPT 2019	12-Sep-19
103957	JEFFREYS BAY TRAVEL	J REED	R15 525,00	ACCOMODATION AND MOBILE TRANSFERS FOR HOUSING OFFICIALS ATTENDING HUMAN SETTLEMENT TRAINING ON HOUSING NEEDS - MONICA TOOIS AND DEON JACOBS	13-Sep-19

103965	JEFFREYS BAY TRAVEL	J. REED	R 3 645,00	ACCOMMODATION FOR B. FAULKNER IN EL ATTENDING JOB EVALUATION SYMPOSUIM 25-27 SEPT 2019	18-Sep-19
103966	JEFFREYS BAY TRAVEL	J. REED	R 3 645,00	ACCOMMODATION FOR CLLR B. DHLUDHLU IN EL ATTENDING JOB EVAUATION SYMPOSUIM 25-27 SEPT 2019	18-Sep-19
103961	JEFFREYS BAY TRAVEL	J. REED	R 2 075,00	ACCOMMODATION IN EL FOR V. ZANA ATTENDING SPU MEETING 19-20 SEPT 2019	18-Sep-19
103958	JEFFREYS BAY TRAVEL	J REED	R10 905,00	ACCOMODATION BOOKING FOR U. TSHALI AND S. TASK FOR E-NABIS TRAINING IN BISHO ON THE 6-11 OCTOBER 2019	26-Sep-19
103959	JEFFREYS BAY TRAVEL	J REED	R2 050,00	ACCOMODATION FOR FRANK TABOER ATTENDING EPWP MANAGEMENT MEETING 18-20 SEPT 2019	26-Sep-19
103967	JBAY TRAVEL	J REED	R3 983,00	FLIGHT BOOKING FOR EXECUTIVE MAYOR ATTENDING IMESA	02-Oct-19

				CONFERENCE IN DURBAN ON 06 SEPT 2019	
103974	JBAY TRAVEL	J REED	R3 117,00	ACCOMODATION COST FOR T MADATT IN EAST LONDEN ATTENDING NERSA FORMS WORKSHOP 7-9 OCT 2019	03-Oct-19
103973	JBAY TRAVEL	J REED	R5 889,00	ACCOMODATION COST FOR S. BURGER AND Z. GONGQOBA IN EAST LONDEN ATTENDING NERSA FORMS WORKSHOP 7-9 OCT 2019	03-Oct-19
103972	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT COST FOR 13 EMPLOYEES ATTENDING WATER RETICULATION PROGRAMME IN KNYSNA 6-11OCT 2019	07-Oct-19
103969	JBAY TRAVEL	J REED	R4 458,00	ACCOMODATION COST AND CAR RENTAL FOR AN EXTRA NIGHT FOR EXECUTIVE MAYOR IN DURBAN ATTENDING IMESA CONFERENCE 30 SEPT-04 OCT 2019	07-Oct-19

103968	JBAY TRAVEL	J REED	R8 433,00	ACCOMODATION AND FLIGHT COST FOR EXECUTIVE MAYOR ATTENDING TO INVITE FROM THE OFFICE OF THE PREMIER 29-30 SEPT 2019	07-Oct-19
103975	JBAY TRAVEL	J REED	R10 990,00	BOOKING FOR CLLR B. WILLIAMS IN JOHANNESBURG ATTENDING FIBRE OPTIC CONFERENCE 07-09 OCT 2019- FLIGHTS, ACCOMODATION AND CAR HIRE	07-Oct-19
03-Dec-70	JE'VISTA	A JONCK	R9 600,00	BOOKING OF GERMAN DELEGATION BEER FESTIVAL TABLES - 3X CORPORATE TABLES 11 OCT 2019	08-Oct-19
98961	JE'VISTA	A JONCK	R20 815,00	5PIECE BAND FOR GALA EVENING BEER FESTIVAL 11 OCT 2019 - MAYOR FUNDRAISOR	09-Oct-19
103976	JBAY TRAVEL	J REED	R3 645,00	ACCOMODATION FOR MAYOR ATTENDING TRANSPORT SUMMIT 16-18 OCT 2019	14-Oct-19

103977	JBAY TRAVEL	J REED	R5 889,00	ACCOMODATION FOR V.ZANA ATTENDING BASIC SIGN LANUAGE TRAINING 14-18 OCT 2019	14-Oct-19
103982	JBAY TRAVEL	J REED	R8 693,55	CAR RENTAL FOR V. FELTON IN DURBAN ATTENDING IMESA CONFERENCE 14 OCT 2019	14-Oct-19
103981	JBAY TRAVEL	J REED	R4 652,52	CAR RENTAL FOR MAYOR ATTENDING IMESA CONFERENCE IN DURBAN 14 OCT 2019 - EXTRA KILOS TRAVELLED	14-Oct-19
103980	JBAY TRAVEL	J REED	R3 623,00	ACCOMODATION FOR CLLR BENSON IN CAPE TOWN ATTENDING BLUE FLAG MEETING & WORKSHOP 21-23 OCT 2019	14-Oct-19
103979	JBAY TRAVEL	J REED	R10 459,00	FLIGHTS, ACCOMODATION AND CAR RENTAL FOR F TAMBOER ATTENDING BLUE FLAG PROJECT ADVISORY MEETING AND WORKSHOP 21 -23 OCT 2019	14-Oct-19

103978	JBAY TRAVEL	J REED	R3 522,00	TRANSPORT FOR INTERNATIONAL DELEGATES ATTENDING MEETING IN EAST LONDEN	14-Oct-19
98969	UCLG CONFERENCE	A JONCK	R 12 826,00	CONFERENCE REGISTRATION FEE FOR MR.H. BORMAN AND MR. H. HENDRICKS TO ATTEND UCLG CONFERENCE - WORLD SUMMIT OF LOCAL AND REGIONAL LEADERS IN DURBAN 11-16 NOV 2019	21-Oct-19
103986	JBAY TRAVEL	J REED	R 12 700,00	BOOKING FOR S. ABRAHAMS IN CPT ATTENDING SAMRAS USERGROUP MEETING 15-17 OCT 2019, FLIGHTS , ACCOMODATION AND CAR RENTAL	21-Oct-19
103985	JBAY TRAVEL	J REED	R 29 053,00	ACCOMODATION AND FLIGHT COST FOR N. MATE, Z. GONGQOBA, A. NICHOLS, MS. DODGSON AT THE BLUE PETER HOTEL BLOUBERGSTRAND FROM 15-17 OCT TO ATTEND	21-Oct-19

				SAMRAS USERGROUP MEETING	
103993	JBAY TRAVEL	J REED	R14 503,00	BOOKING FOR F. MABUSELA IN DURBAN ATTENDING THE BIGM SUMMIT FROM 11-15 NOV 2019, FLIGHT, ACCOMODATION AND CAR RENTAL	28-Oct-19
103994	JBAY TRAVEL	J REED	R11 551,00	BOOKING FOR SPEAKER ATTENDING BIGM SUMMIT IN DURBAN FROM 11-15 NOV 2019, FLIGHT AND ACCOMODATION	28-Oct-19
109104	JBAY TRAVEL	J.REED	R 8 910,00	TRANSPORT BOOKING FOR 13 EMPLOYEES ATTENDING WATER RETICULATION PROGRAMME IN KNYSNA 03 NOV 2019-08 NOV 2019)	07-Nov-19
109106	JBAY TRAVEL	J.REED	R 5 889,00	ACCOMODATION FOR H.VAN ROOYEN IN EL ATTENDING TRAINING IN BHISHO 4-8 NOV2019	07-Nov-19

109111	JBAY TRAVEL	J.REED	R 6 681,00	ACCOMODATION FOR EXECUTIVE MAYORFPO IN DBN ATTENDING BIGM MEETING (11-15 NOV 2019)	07-Nov-19
98974	JBAY TRAVEL	J.REED	R 3 601,00	ACCOMODATION FOR EXECUTIVE MAYOR IN EL ATTENDING ICT SUMMIT(19-21 NOV 2019)	07-Nov-19
109109	JBAY TRAVEL	J.REED	R 6 681,00	ACCOMODATION BOOKING FOR J. DU TOIT AND N.NONGCAULA IN EL ATTENDING MISA MEETING (6-8 NOV 2019)	07-Nov-19
98986	JBAY TRAVEL	J REED	R11 081,00	FLIGH AND ACCOMODATION FOR CLLR WILLIAMS ATTENDING AFRICOM IN CAPE TOWN FROM THE 11-15 NOV 2019	11-Nov-19
109110	JBAY TRAVEL	J REED	R3 513,00	ACCOMODATION FOR A. MAKOMO ATTENDING ICT SUMMIT IN EAST LONDEN 19-21 NOV 2019	11-Nov-19
109114	JBAY TRAVEL	J REED	R2 875,00	ACCOMODATION FOR THE HR MANAGER D. DE JAGER ATTENDING JOB	13-Nov-19

				EVALUATION PAC MEETING 13-15 NOV 2019 IN EAST LONDEN	
109115	JBAY TRAVEL	J REED	R5 742,00	FLIGHT FOR V. YAKE TO JOHANNESBURG FOR APPOINTMENT AT THE EMBASSY IN PTA SHUTTLE SERVICES 14 NOV 2019	15-Nov-19
98991	JBAY TRAVEL	J REED	R11 705,00	ACCOMODATION FOR SPEAKER AND CHIEF WHIP ATTENDIMNG LG SUMMIT 3-7 DEC 2019	15-Nov-19
109118	JBAY TRAVEL	J REED	R12 342,00	FLIGHT, ACCOMODATION AND CAR RENTALS BOOKING FOR A MAKOMO IN CAPE TOWN ATTENDING WEB SYSTEM TRAINING 25-28 NOV 2019	20-Nov-19
109119	JBAY TRAVEL	J REED	R18 927,00	FLIGHT AND ACCOMODATION BOOKING FOR IT STAFF ATTENDING WEB SYSTEM TRAINING 25-28 NOV 2019	20-Nov-19
109117	JBAY TRAVEL	J REED	R2 281,00	ACCOMODATION FOR 2X SKILL STAFF IN CRADOCK ATTENDING LGSETA MEETING 21-22 NOV 2019	20-Nov-19

91832	COMPUCAMM	L RANDALL	R 23 754,00	PLACEMENT IF "SAVE WATER" BOARDS IN ST FRANCIS x1 AND JEFFREYS BAY x2	11-Dec-19
ADMINISTRATION					
92713	PE TRAFFIC COLLEGE	Z THUBE	R8 681,60	EDL GRADE F COURSE FOR 2 TRAFFIC WARDENS	04-Jul-19
104118	TIMION	M. ROSSOW	R8 567,50	HR CUPBOARDS FOR HR OFFICES	11-Jul-19
104214	ADENDORF ARHCITECTS	Z. MDIDIMBA	R2 875,00	INTERIOR SPATIAL DESIGN REVISIONS	01-Aug-19
104210	TIMION	M ROSSOUW	R14 662,50	HR CUPBOARDS FOR OFFICES	24-Sep-19
TOTAL MONTHLY EXPENDITURE ABOVE R2000.00 WITH ONLY ONE QUOTATION /DEVIATION					**R886 113,52**

Section 36 Deviations in terms of Supply Chain Management Policy

The section 36 deviations for the period amounted to R **103 856 521**, below table details the breakdown per section and directorate:

FINANCE - ASSETS	R 334 512,00
REVENUE SECTION	R 179 427,60
BUDGET & TREASURY	R 233 236,78

SCM	R 206 887,50
ICT	R 3 852 500,00
FINANCE -TOTAL	**R 4 806 563.88**
INFRASTRUCTURE & ENGINEERING: TECHNICAL SERVICE (ROADS/WATER/CHEMICALS/SEWERAGE/PROFESSIONAL FEES)	R 84 945 233,10
INFRASTRUCTURE & ENGINEERING: ELECTRICAL	R 1 223 576,96
INFRASTRUCTURE & ENGINEERING: FLEET	R 1 084 483,58
INFRASTRUCTURE & ENGINEERING TOTAL	**R 87 253 293.64**
ADMINISTRATION: LEGAL FEES	R 1 529 887,57
ADMINISTRATION: OTHER	R 9 882,64
ADMINISTRATION: HR	R 475 884,99
ADMINISTRATION: ARCHIVES	R 365 801,90
CORPORATE SERVICES TOTAL	**R 2 381 457.10**
MM OFFICE	R 623 592,00
MM	R 661 191,76
MM AND MAYORS' OFFICE TOTAL	**R 1 284 783.76**
COMMUNITY SERVICES: FIRE DEPARTMENT / DISASTER MANAGEMENT	R 540 757,45
COMMUNITY SERVICES: TRAFFIC DEPARTMENT/LAW ENFORCEMENT	R 0.00
COMMUNITY SERVICES /REFUSE/ ENVIRONMENTAL HEALTH	R 7 030 492,09
COMMUNITY SERVICES - TOTAL	**R 7 571 249.54**
LED/TOURISM, /HOUSING/TOWN PLANNING	R 559 173,46
PLANNING, DEVELOPMENT & TOURISM - TOTAL	**R 559 173,46**
TOTAL AMOUNT OF DEVIATIONS FOR THE 2019/20 FINANCIAL YEAR	**R 103 856 521.38**

4.3 RISK MANAGEMENT

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation.

The management of risk by implication is a managerial function, even though individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

In our continuously changing governance environment, it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources at its disposal.

National Treasury Public Sector Risk Management Framework affirms that no organisation has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

The table below indicate the top five risks within the Municipality:

1	Housing Backlog	1. Insufficient suitable land 2. Wrongful allocation of houses 3. Lack of Integrated ITC system 4. Lack of integration between finance and housing i.e Lack of Alignment and integration of sector plans (HSP, Infra Master Plans, LED Strategy) 5. Inadequate bulk infrastructure 6. Lack of funding for upgrading of bulk

2	Lack of bulk infrastructure (Elec, water, sewerage, roads, Stormwater, waste)	1. Inability to plan for developments occurring in Kouga (linked with no.4) 2. Lack of strategic planning by Infrastructure Department (linked with no.4) 3. Lack of availability of land (cemeteries) 4. Lack of bulk infrastructure master plan (Elec, water, sewerage, roads, Stormwater) 5. Lack of funding and management of augmentation (not utilized for upgrading of infrastructure) 6. Lack of integration in planning and development (housing and infrastructure)
3	Containment of Non Revenue and actual Water and electricity losses	1. Linking of meters with Erven not completed 2. Illegal connections 3. Tampering 4. Incorrect classification as qualifying for lower electricity 5. Incorrect billing data and information
4	Natural Disasters	1. Floods 2. Fires 3. Droughts 4. Beach Erosion 5. Storms
5	Lack of skilled work force	1. Non-integration of the manual and electronic leave system, and poor reconciliation thereof 2.Lack of succession / substitution plans 3. Mismatch of skills 4. Lack of relevant experience 5. Lack of skills transfer to junior staff 6. Lack of training opportunities(staff were not training) 7. Lack of qualified staff/ (formal qualifications)

4.4 FRAUD AND ANTI-CORRUPTION

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

The Anti-corruption strategy and fraud prevention strategy were both approved on the 1 August 2017. There were no corrupt practices reported and therefore the employees seem to be aware of the section 3 contained in the Prevention and Combating of Corrupt Activities Act (No.12 of 2004).

4.5 ICT GOVERNANCE

The Accounting Officer is ultimately responsible for the Information Technology Governance and Security functions. The responsibility for implementation and monitoring of technology governance and security related frameworks is delegated to the Information Communication Section within the Finance Department (FIN: ICT) which ensures adequate management and reviews of the ICT Governance Charter & ICT Strategic Plan.



ICT Corporate Governance framework

The ICT governance framework and policies were developed in October 2016.

Key IT Governance policies / documents:

- Corporate Governance of ICT Policy
- ICT Charter
- ICT Strategy
- ICT Risk Management Framework / ICT Risk Register
- ICT Policy Framework
- ICT Disaster Recovery Policy / Plan
- ICT Governance Implementation Roadmap

The ICT Steering Committee

The ICT Steering Committee (ICTSC) is a mechanism that assists those responsible for IT, to ensure that ongoing IT operations and systems are aligned with the strategic plan and ultimately the IDP. In addition, IT related risks, projects, audit issues and required systems changes are managed. The (ICTSC) is chaired by the municipal manager and assisted by the IT Manager and directors of other departments. The ICTSC's main function is to propose and approve strategic initiatives that are envisaged to enhance and improve IT systems and facilitate the organisation to become more effective.

IT Related Projects

The mSCOA project was a major shift in financial reporting and the ICT Department played a magnificent role with the upgrading of the Server Infrastructure to ensure that the organisation is ready to transact on the new financial platform as prescribed by national treasury.

CHAPTER 5: PERFORMANCE MANAGEMENT

COMPONENT A: INSTITUTIONAL SDBIP IMPLEMENTATION SCORECARD:

OFFICE OF THE MUNICIPAL MANAGER: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Travel Agency Services	MM	OP1	Leading Department Tender evaluation report submitted to SCM 20/07/2019	Evaluation report submitted 10 July 2019	Target achieved
Legal Services	MM	OP1	Item submitted to BSC by 26/07/2019	26/07/2019	The matter was submitted to BSC. BSC referred the matter to Provincial Treasury SCM for advice which delayed the achievement of the target date for the submission of a tender evaluation report. New specifications were prepared, and the tender was awarded during 2020
			Leading Department Tender Evaluation Reports submitted to SCM 30/11/2019	Not achieved	

OFFICE OF THE MUNICIPAL MANAGER: SDBIP IMPLEMENTATION

DIRECTORATE			OFFICE OF THE MUNICIPAL MANAGER		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the	Table a draft IDP to Council by 31 March 31/3/20	31/3/20	31/3/20	26/3/2020		31/3/17	31/3/18
				Number of final IDP's submitted to Council by 31 May 2020	31/5/20	31/5/20	0	As per Covid-19 lockdown MFMA Circular 104, the submission of the budget and IDP for approval by Council was moved	31/5/17	31/5/18

			community					out by two Months. Both the Budget and IDP was approved by Council		
			SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community	Number of IDP Public meetings to determine ward priorities	15	15	15	The Covid-19 lockdown and restrictions impacted on the ability to do a second round of consultative meetings with communities.	15	15
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community	Number of IDP Rep Forum Meetings	2	2	2		2	2
				Number of Ward based IDP planning sessions with ward committees	1	1	1		1	1
				Number of strategic planning sessions for the review of the IDP	1	1	1	Held on 13 March 2020	1	1
				Number of IDP's uploaded to web site by 15 June 2020	1	1	0	As per Covid-19 lockdown MFMA Circular 104, submission of the budget and IDP for approval was moved out by two Months, thus the uploa also delayed, uploaded 14 June 2019	1	1
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of SDBIP's submitted to the Mayor within 14 days of adoption of budget	1	1	1		1	1
				Number of SDBIP's tabled to Council by 31 July	1	1	1	SDBIP submitted July 2020 but referred back by Council and SDBIP was resubmitted August 2020	1	1
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of SDBIP's uploaded to web site by 5 August 2019	1	1	0	SDBIP uploaded 10 September 2019, SDBIP only approved by Council on 29 August 2019.	1	1
				Number of SDBIP implementation reports submitted to Council	4	4	4		4	4

				Number of SDBIP implementation reports submitted to the Audit Committee	4	4	4		4	4
				Number of performance agreements submitted to Council by 31 August 2019	6	6	6	Performance Agreements submitted to Counci August 2019	6	6
				Number of performance agreements uploaded to web site within 5 days of approval	6	6	0	Performance Agreements uploaded to web site on 10 September 2019 following approval by Council on 29 August 2019	6	6
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of Senior Management Performance Agreements Concluded before 31 July 2019	6	6	6		6	6
				Number of Senior Managers subjected to Quarterly Performance review	6	6	6		6	6
Municipal Manager	Municipal Manager	Institutional Development and Transformation	SD5.1 Ensure HR services supports the achievement of IDP objectives	Number of approved Budgeted Senior Management Positions filled	6	6	6		6	6
		Good Governance and Public Participation	SOD 1.5 To provide comprehensive communication and intergovernmental relations services	Number of Kouga News publications prepared and circulated	1	1	1	Kouga News prepared October 2019	1	1

Municipal Manager	Municipal Manager	Good Governance and Public Participation	SOD 1.4 To develop, maintain and monitor the institutional performance management system/SDBIP in the municipality	Phase 1 of overhauling the functionality of the web site to include payment portals for various functions like traffic fines completed by 30 June 2020	30/6/20	30/6/20	30/6/2020	Web site functionality is a continuous process and is addressed as and when required.	-	-
Municipal Manager	Municipal Manager	Infrastructure and Basic Service Delivery	SOD1.7 To coordinate and manage all special programs to address special needs in society	Establish Women's Forums Established by 30 June 20	4	30/6/20	0		New	New
				Establish Youth Forum by 30 June 2020	4	30/6/20	0		New	New
				Establish Kouga Vulnerable Forum by 30 June 2020	4	30/6/20	0		New	New
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SOD 1.6 To provide professional, effective and efficient legal support to Council and Administration, to protect the municipality's interests and legal risks and ensure legal compliance	Number of Delegation Registers reviewed by 30 June 2020	1	1	1			
				Number of reports on legal risks submitted to Council	4	4	4		4	4
				Audit and review By-Laws by 30 June 2020	30/6/20	30/6/20	1		-	-

DIRECTORATE COMMUNITY SERVICES: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
COMMUNITY SERVICES					
Vehicles (Traffic)	Dir Com Serv	CP23	Item submitted to BSC by 7/10/20	4 bakkies and 3 vehicles (sedans) delivered in quarter 2 of 2019.	Target achieved
			Leading Department Tender evaluation report submitted to SCM 30/04/20		
Vehicles (Lifesaving)	Dir Com Serv	CP23/ CP21	Item submitted to BSC by 2/07/2019	To BSC 19/06/2019 Tender evaluation report submitted 30/09/2019	Target achieved. Vehicles have been delivered by the appointed service providers on 24 January 2020 and 7 February 2020.
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Vehicles Fire Dept	Dir Com Serv	CP23	Item submitted to BSC by 7/01/2020	To BSC 20/09/2019 Tender evaluation report submitted 22/01/2020	Target Achieved
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Fencing - Hdorp	Dir Com Serv	CP32	90% expenditure for fencing	100% expenditure	Kruisfontein Civic Centre + Kwanomzamo Hall fencing completed – order number 108839 = 381 800,00 + order number 108838 = 415 725,00 Fencing at Hankey fire station completed – order number 97298 = R 196 667.25; Fencing of the C-Place cemetery ablution block– order 202207 = R79 925.00; Fencing at Vusumzi Landu hall, Patensie Hall, Pellsrus Gym, C-Place Cemetery completed; Thornhill hall fencing completed order 108838 – R415725.00; 9 Facilities were fenced
Machinery and Equipment(Grass cutting)	Dir Com Serv	PC1003	Item submitted to BSC by 2/07/2019	To BSC 4/07/2019 Tender evaluation report submitted 16/10/2019	38 Side Cutters + 20 x Lawn Mowers delivered
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Machinery and Equipment (Lifesaving)	Dir Com Serv	PC1002	Item submitted to BSC by 2/07/2019	BSC 20/09/2019 Tender evaluation report submitted 11/12/2019	Lifeguard uniforms and quad bike for lifeguards were both 7-day notices and the uniforms and vehicle were acquired.
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Furniture and Equipment (CCTV Cameras)	Dir Com Serv	PC1003	Item submitted to BSC by 1/01/2020	BSC 05/08/2019 Tender evaluation report submitted 30/09/2019	Target achieved
			Leading Department Tender evaluation report submitted to SCM 25/03/2020		
Upgrading of Sports Facilities	Dir Com Serv	CP074	Item submitted to BSC by 26/08/2019	BSC 28/08/2019 Tender evaluation report submitted 01/2020	
			Leading Department Tender evaluation report submitted to SCM 2/12/2019		
Upgrading of Kwanomzamo Sports Facility	Dir Com Serv	CP095	Item submitted to BSC by 26/08/2019	Tender closed 6/08/2019 Tender evaluation report submitted 11/10/2019	
			Leading Department Tender evaluation report submitted to SCM 2/12/2019		
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Dir Com Serv	PCA001	Item submitted to BSC by 05/07/2019	Diverse range of upgrading completed internally as well as externally	**Kabeljous Ablution facility** was repaired and renovated, works included Installation of security gate, painting, erection of aprons and bush clearing around the toilets, Fitting of lock and letches Works at Kabeljouws park commenced, building of Braai Stands, board walk, planting of trees and landscaping in progress. **Cape St Francis Ablution facility,** works included changing of sewerage pipes, backwash paint, installation of a new toilet set Kabeljouws, Pellsrus and Cape St Francis Ablution facilities upgraded Procurement of waste bins for Kabeljouws, Cape St Francis and Pellsrus Parks Pellsrus Park Ablution Facility was fenced to curb vandalism. Kabeljouws Park: Building of the disability ramp, Kabeljouws, Pellsrus and Cape St Francis Ablution facilities upgraded Part 1 of Landscaping and erecting of Play Park at the Kabeljouws Park completed, Play Parks delivered for Pellsrus and Cape St Francis beach parks
			Leading Department Tender evaluation report submitted to SCM 14/19/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Security Guarding	Dir Com Serv	OP1	Item submitted to BSC by 05/04/2019	BSC 05/04/2019 Tender evaluation report submitted 02/10/2019	Security Guarding Tender awarded to Smart Security Q2 Monitoring alarms tender awarded to GAP (December 2019) Awaiting for the Service Level Agreement and will commence on the 15 April 2020
			Leading Department Tender evaluation report submitted to SCM 22/07/2019		
Hire Landfill compactors and waste trucks	Dir Com Serv	OP1	Item submitted to BSC by 05/07/2019	Tender cancelled due to affordability	Tender cancelled
			Leading Department Tender evaluation report submitted to SCM 11/12/2019		

DIRECTORATE COMMUNITY SERVICES: SDBIP IMPLEMENTATION

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of cemetery design and layout completed by 30 June 2020	2	2	2		-	-
Community Services	Dir Com Serv	Infrastructure And Basic	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play	Number of cemetery EIA's implemented by 30 June 2020	1	1	0	The process for the basic assessment process is 18 months. The service provider has assessed the site for Critical Biodiversity, Terrestrial Ecosystem,	-	-

DIRECTORATE			**COMMUNITY SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Service Delivery	parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community					Groundwater Impact, Archeology and heritage. Applied for Section30A, Awaiting approval from the DEDEAT-		
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of public ablution facilities upgraded (Pellsrus, Kabeljouws, Cape St Francis)	3	3	3		-	-
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of caravan parks upgraded (Yellow woods, Jeffreys Bay)	2	2	2		-	2
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of community halls upgraded (Kruisfontein Civic, Newton Hall)	2	2	4		-	1

DIRECTORATE			**COMMUNITY SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of chairs and tables procured for community halls	100-T 1000-C	100-T 1000-C	0	The procurement of tables and chairs could not be finalised in Q2 + Q3 due to price escalation by the Service provider however the approval was granted. Price escalation for tables lead to no tables being ordered and funds redirected to additional chairs, chairs ordered but could not be delivered before year end to covid-19.	-	-
Community Servic	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of sports fields upgraded (Loerie and Thornhill Club Houses)	2	2	2		-	-
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of sports fields upgraded (Pellsrus, Sea Vista, Kwanomzamo)	3	3	3		-	1
Community Services	Dir Com Serv	Infrastructure And Basic Service	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls,	Number of Play Parks upgraded (Gill Marcus, Arcadia,	4	4	4		-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Delivery	beaches, public ablution facilities and cemeteries to the community	Kwanomzamo, Kablejouws)						
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	% budget expenditure on grass cutting and bush clearing equipment	100%	100%	100%	Side Cutters x 38 (205089, R 215 004) and Kudu Lawnmovers ORDER 205699 -R479550.00was delivered ,total expenditure R 649 210,00: 38 Side Cutters + 20 x Lawn Mowers delivered	-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of disaster management plans reviewed by 30 June 2020	1	1	1		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of meetings of the Disaster Risk Management Forum	District 4	4	12 JOC	The Disaster Risk Management Forum was postponed due to the COVID-19 pandemic, that was scheduled to be held on 19 March 2020, however internal Joint Operation Committee **(JOC)** meetings for Covid 19 replaced all the Disaster Risk Management Forum, 4 x Joint Operation Committee **(JOC)** meetings for Covid 19 replaced all the Disaster Risk Management Forum meetings	1	3
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of vehicles and equipment procured for lifesaving and fire and disaster (3 vehicles 2 rescue equipment)	5	5	5		1	3

DIRECTORATE			**COMMUNITY SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of lifeguards trained	15	15	25		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	Number of vehicles procured	3	3	8		-	2
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	Number of stray animals impounded	120	120	168		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	% expenditure of budget on procurement of safety equipment	100%	100%	100%		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	% completion of coastal management plan	50%	50%	100%		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	% completion in the development of a climate change strategy	25%	25%	0	Draft Terms of Reference developed for appointment of Environmental Specialists to finalise a Climate Strategy has been put on hold due to the movement of funds for Covid 19 pandemic Funds have been moved for COVID=19 Pandemic	-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of climate change projects implemented in	1	1	1		-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
				collaboration with German Partners						
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of environmental awareness campaigns conducted	4	4	4		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.2 To ensure that visitors and residents have a safe and healthy environment	Number of premises subjected to environmental health inspections	940	940	3 006			
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of progress reports submitted to Portfolio Committee on rehabilitation of St Francis Spit and Oyster Bay dunes	4	4	6		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of trees planted	200	200	625		-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of meetings of the Environmental Management Forum	4	4	5		-	-

DIRECTORATE			**COMMUNITY SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	Number of Integrated Waste Management Strategies reviewed by 30 June 2020	1	1	0	Draft Provincial IWMP and EC Recycling Strategy workshop with Council could not take place due to Covid-19. The Recycling strategy reviewed by the Department of Environmental Affairs. Provincial department will advise when it will be filtered down to Municipality for review and comments.	-	-
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% capital budget expenditure on Waste Management projects	100%	100%	88%		-	100%
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% expenditure of solid waste infrastructure repairs and maintenance budget	100%	100%	100%		-	100%
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of formal households within the urban edge provided with refuse removal services once a week	100%	100%	100%		100%	100%
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% increase in refuse removal coverage of informal areas	10%	10%	100%	100% of informal settlements within the urban edge is serviced with refuse removal services	-	-
Community	Dir Com	Infrastructure	SOD 4.1 To coordinate all functions/ powers	% of commercial Enterprises within	100%	100%	100%		100%	100%

DIRECTORATE			**COMMUNITY SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Services	Serv	And Basic Service Delivery	regarding sold waste management assigned to the municipality	the urban Edge provided with refuse removal services 3 times per week						
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	Number of wheelie bins provided to residents	4 240	4 240	16 280		-	13 366
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of Clinics within the Urban edge provided with refuse removal services	100%	100%	100%		100%	100%
Community Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of Schools within the urban edge provided with refuse removal services	100%	100%	100%		100%	100%
105BCommunity Services	Dir Com Serv	Infrastructure ar Service Delivery	SOD 4.2 To ensure that visitors and residents have a safe and healthy environment	Number of waters samples submitted for bacteriological and chemical analysis	420 B 140 C	420 B 140 C	444B 166 C		420 B 140 C	420 B 140 C

CORPORATE SERVICES: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
DIRECTORATE CORPORATE SERVICES					
Library upgrade Corporate Services	Dir Corp	CP56	Item submitted to BSC 27/9/19	BSC 31/8/2019 Tender evaluation report submitted 24/10/2019	Fully complied with all submission dates, Bulk Filer installed incorrectly as at 30 April 2020, supplier to commence with corrections after lockdown
			Leading Department Tender evaluation report submitted 29/11/2019		
Buildings	Dir Corp	CP30	Item submitted to BSC 2/10/2019	BSC 19/12/2019 Various Tender evaluation reports submitted	This item provides for a large variety of goods and services to be procured and includes repairs to buildings, replacement of flooring, painting, blinds, burglar proofing, cupboards, air conditioning, minor building works etc. Target submission dates have been complied with. Supply Chain Policy requires review to allow for geographical preferencing in the acquisition of goods and services in support of Local Economic Development goals.
			Leading Department Tender evaluation report submitted 19/12/2019		
EDMS	Dir Corp	PC201	Item submitted to BSC 26/07/2019	BSC Not submitted Tender evaluation report submitted Not submitted, acquisition through Section 36 deviation	The acquisition of the EDMS was put on hold at institutional level awaiting the outcome of the possible acquisition and implementation of the SAP ERP system. This had as a result that submission dates to bid committees could not be complied with. By 31 December 2019, no progress was made with the acquisition of SAP and the EDMS was acquired through a Section 36 deviation.
			Leading Department Tender evaluation report submitted 31/10/2019		
Biometric system	Dir Corp	PC2001	Item submitted to BSC 29/03/2019	BSC - Tender evaluation report submitted 15/07/2019	Tender Specifications was submitted to BSC prior to the commencement of the financial year. The Departmental Tender Report was submitted to BEC by 15 July 2020.
			Leading Department Tender evaluation report submitted 15/07/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
DIRECTORATE CORPORATE SERVICES					
					It must be noted that BEC failed to meet on a number of occasions which delayed the acquisition of the Biometric System.
Document Imaging and Storing	Dir Corp	OP1	Item submitted to BSC 27/9/19	Service provider appointed by 31 August 2019	Service provider appointed by 31 August 2019 all targets exceeded
			Leading Department Tender evaluation report submitted 29/11/2019		
EAP	Dir Corp	OP206	Leading Department Tender evaluation report submitted 31/07/2019	Service provider appointed by 31 July 2019 all targets exceeded	
Medical Surveillance	Dir Corp	OP1	Leading Department Tender evaluation report submitted 31/08/2019	Tender evaluation report submitted 31/07/2019	BEC submission made by 31 July 2019 and Service Provider was appointed by 31 August 2019. All submission dates com0lied with.
Cleaning Services	Dir Corp	OP1	Leading Department Tender evaluation report submitted 30/07/2019	Tender evaluation report submitted 30/07/2019	

CORPORATE SERVICES: SDBIP IMPLEMENTATION

DIRECTORATE			**CORPORATE SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of Organogram reviews by 30 June 2020	1	1	1		1	1
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Vacancy rate for approved Budgeted posts	2.7%	2.7%	1.01%		-	-
Corporate Service	Dir Corp	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	% Staff cost compared to Operational Budget	35%	35%	32.12%		35%	35%
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and	Number of new appointments as per Equity plan	AF 2 AM 2	AF 2 AM 2	(6 AM) (3 AF)		-	-

DIRECTORATE			**CORPORATE SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Employed in 3 highest categories of employment			(2 IM)			
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of Employment Equity reports submitted to the Dept Labour by 15 February 2020	1	1	1		1	1
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	% expenditure of Skills Dev Budget	100%	100%	95%		-	-
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the	Number of Work Place Skills Plans submitted to LGSETA by 30 April 2020	1	1	1	. It must be noted that due to the National Lockdown, the submission of the WSP has been extended to 30 May 2020 and that the WSP was submitted during the extended period.	1	1

DIRECTORATE			CORPORATE SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			municipality's human capital							
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of OHS Forum meetings held	4	4	4	No meetings possible due to COVID19 Lockdown as at 30 April 2020. The target of 4 meetings per Annum has been met. With the advent of Covid-19 a number of Covid-19 meetings were held.	4	4
Corporate Services	Dir Corp	Institutional Deve and Transformati	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of OHS Risk Assessments completed by 30 June 2020	1	1	1		-	-
Corporate Services	Dir Corp	Good Governanc public Participati	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	% reduction in printing cost of agendas against budgeted amount	10%	10%	10.97%		-	-
Corporate Services	Dir Corp	Good Governanc public Participati	SOD 5.2 To provide professional, effective and efficient administrative support	Number of documents imaged and stored off-site	250 000	250 000	3 193 332		-	-

DIRECTORATE			**CORPORATE SERVICE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			to Council and Administration							
Corporate Services	Dir Corp	Good Governanc public Participati	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	% completion of library conversion	100%	100%	100%		-	-
Corporate Services	Dir Corp	Good Governanc public Participati	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	Amount reduction in Telkom Bill against budgeted amount	R60 000	R60 000	R696 055		-	-

DIRECTORATE FINANCE: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Filing system (SCM)	CFO	CP54	Item submitted to BSC 17/07/2019	BSC – 14/08/2019 Tender evaluation report submitted = 0	Tender awarded 18 March 2020
			Leading Department Tender evaluation report submitted 30/10/2019		
Shelving (SCM)	CFO	CP54	Item submitted to BSC 29/03/2019	None	Funds utilized for other assets
			Leading Department Tender evaluation report submitted 15/07/2019		
Containers (SCM)	CFO	CP096	Item submitted to BSC 23/07/2019	BSC – 06/09/2019 Tender evaluation report submitted 31/10/2019	Specifications served at BSC on 6 September 2019. Tender closed 10 Oct 2019- advertised as RFQ- awarded- 31 Oct 2019- refer Notice 185/2019 and Awarded.
			Leading Department Tender evaluation report submitted 24/10/2019		
WIFI Solution	CFO	PC019	Item submitted to BSC 30/08/2019	BSC – Not reported Tender evaluation report submitted - Not reported	Tender closed on 28 Oct 2019, Tender awarded 3 March 2020- refer Notice 186/2020
			Leading Department Tender evaluation report submitted 15/12/2019		
End User Endpoint Software	CFO	CP075	Item submitted to BSC 30/08/2019	BSC – Not reported Tender evaluation report submitted Not reported	Tender closed 30 Sept 2019, Tender awarded 10 Feb 2020
			Leading Department Tender evaluation report submitted 15/11/2019		
Vehicle	CFO	CP21	Leading Department Tender evaluation report submitted 17/07/2019	Tender evaluation report submitted Not reported	Tender closed 1 July 2019, Tender Awarded 14 Nov 2019- refer notice 81/2019
Street Light Poles	CFO	OP1	Leading Department Tender evaluation report submitted 30/07/2019	Tender evaluation report submitted Not reported	Awarded at BAC on 19 Sept 2019 3year contract as and when required
Air conditioners	CFO	OP1	Leading Department Tender evaluation report submitted 21/07/2019	Tender evaluation report submitted 21/07/2019	Awarded at BAC on 26 July 2019 3year contract as and when required

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Polythene Refuse Bags	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020 **Dates Revised due to Pandemic and Operational Requirements**
			Leading Department Tender evaluation report submitted 19/03/2020		
Tyres and tubes	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 **Dates Revised due to Pandemic and Operational Requirements**
			Leading Department Tender evaluation report submitted 19/03/2020		
Protective Clothing 2P overalls	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		
Valves and Pipes	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 **Dates Revised due to Pandemic and Operational Requirements**
			Leading Department Tender evaluation report submitted 19/03/2020		
Disinfectant Dip	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020 **Dates Revised due to Pandemic and Operational Requirements**
			Leading Department Tender evaluation report submitted 19/03/2020		
Road Marking Paint	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020, **Tender evaluation report delayed due to Covid-19 closure**
			Leading Department Tender evaluation report submitted 19/03/2020		
Stationary	CFO	OP1	Item submitted to BSC 05/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Water Meters	CFO	OP1	Item submitted to BSC 15/11/2019 Leading Department Tender evaluation report submitted 19/03/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 14 April 2020- refer 34/2020 Tender Closed 4 June 2020
Consumables	CFO	OP1	Item submitted to BSC 15/11/2019 Leading Department Tender evaluation report submitted 19/03/2020	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closing 4 June 2020
Oil and grease	CFO	OP1	Item submitted to BSC 22/11/2019 Leading Department Tender evaluation report submitted 12/03/2020	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
Water Fittings	CFO	OP1	Item submitted to BSC 22/11/2019 Leading Department Tender evaluation report submitted 12/03/2020	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 March 2020 initial closing date was 14 April 2020- refer 34/202 Tender Closed 4 June 2020
Protective Clothing-General/Safety Gear	CFO	OP1	Item submitted to BSC 22/11/2019 Leading Department Tender evaluation report submitted 19/03/2020	Submission dates for BSC and Tender evaluation report not achieved	Awaiting feedback from Occupational Health Section Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020

DIRECTORATE FINANCE: SDBIP IMPLEMENTATION

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	% compliance with National Treasury reporting calendar	100%	100%	100%		100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of Annual Financial Statements submitted to the AG by 30 August 2020	1	1	1		1	1
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of draft budgets submitted by 31 March 2020	1	1	1	Submitted 26 March 2020, Revised Draft Budget submitted 5 June 2020 due to changes required as a result of Covid-19	1	1

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of final budgets submitted to Council for approval by 31 May 2020	1	1	1	Budget submitted on 26 June 2020. The delay was due to the Covid-19 pandemic. Council met every 7 days in June 2020 and approved the budget on 26 June 2020. Complied with Local Government Circular C4 of 2020.	1	1
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of draft adjustment budgets submitted to the MM and Portfolio Councilor by 15 December 2019	1	1	1		-	-
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of Budget Monitoring Committee Meetings	10	10	4	No Budget Monitoring Committee Meetings held. There were however a number of meetings held to discuss the current budget and the reduction thereof due to the COVID-19 pandemic. The budget was being monitored continuously to ensure that non-priority projects were put on hold due to the anticipated drop in the collection rate.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and	Liquidity Ratio	1:1	1:1	1.32:1		-	1:1

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			reporting processes to ensure legislative compliance							
Finance	CFO	Financial Viability and Management	SD6.1 Ensure compliant Budgeting and reporting	Number of un-qualified audit opinions by the AG	1	1	1		1	1
Finance	CFO	Financial Viability and Management	SOD 6.2 To administer the recording, authorization, executing and reporting of expenditure transactions	% of creditors paid within 30 Days of receipt of Invoice	100%	100%	97%	Where creditors are not paid within 30 days, detailed reasons are provided are mainly attributed to queries on invoices.	100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	% revenue collection rate between revenue raised and revenue collected	96%	96%	95.42%	95.42% - this collection rate was exceptional under the COVID-19 circumstances.	94%	94%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of VAT Recovery service providers appointed by 30 September 2019	1	1	0	Service provider appointed January 2020	-	-
Finance	CFO	Financial Viability and	SOD 6.3 To implement and maintain revenue policies and credit control procedures to	Number of Debt Collection Service Providers appointed by 30 October 2019	1	1	0	No appointment made	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Management	ensure sound revenue management practices and compliance							
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of handovers to Debt Collector of debt exceeding 90 days	6	6	0		-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Debt Collection Meetings	4	4	12	12 meetings, No debt Collection Meetings in Q 4 due to COVID-19.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Revenue Enhancement Strategy Meetings	6	6	1	1 meeting in Q1, No meetings held in Q4 due to COVID-19. A number of meetings was however held to strategise on how to manage the cashflow / financial sustainability during this period.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Revenue Collection Monitoring Meetings	8	8	3	1 Meeting in Q1, 2 meetings held in Q4 where the collection rate was discussed for April and May 2020.	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	% of indigent residents as per Indigent register with access to free basic services	100%	100%	100%		100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Indigent Registration Drives	1	1	1		-	1
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Indigent Steering Committee Meetings	4	4	1	1 Meeting in Q1, No Indigent Steering Committee Meetings held in Q4 due to COVID-19	-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	1st Phase implementation of ERP Solution project by 30 June 2020	1	1	0	Implementation of ERP Solution Project did not continue. However, the 1st phase of development of various Modules on the SAMRAS System commenced (SCM, Payroll, Leave, Organogram, Contract Management)	-	-
Finance	CFO	Financial	SOD 6.4 To plan, coordinate and render ICT services to the	Number of ERP Project Managers	1	1	0	No longer required as the ERP Project did not continue	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Viability and Management	municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	appointed by 30 September 2019						
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	% Up-Time of the ICT System	98%	98%	98%		-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Number of ICT Steering Committee Meetings	6	6	3	3 Meetings held in Q1, No meetings held in Q4 due to COVID-19	-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	% of ICT Policies reviewed by 30 November 2019	100%	100%	0		-	-
Finance	CFO	Financial	SOD 6.4 To plan, coordinate and render ICT services to the	Number of ICT reports submitted to	6	6	4	3 ICT reports submitted for Q1, Q2 and Q3 not reported, Q4 1 ICT report submitted	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Viability and Management	municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Finance Portfolio Committee						
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Number of ICT Software application and cost reports submitted to the Finance Portfolio Committee	6	6	3	Q1 = 3 Reports submitted, No reports submitted for Q2, Q	-	-
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	% compliance with Procurement Plan	90%	90%	75%		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	% Capital Budget Expenditure	95%%	95%	75.3%	75.3% expenditure was achieved. The Capital Budget was reviewed to identify projects to be placed on hold due to the cash flow management process under the COVID-19 circumstances. The lockdown has also resulted in Service Providers not being able to operate for almost 2 months towards the end of the financial year. The Finance Department achieved 75.5% expenditure – a major part of the under-expenditure was due to savings achieved upon implementation.	100%	95%

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of days for the processing of requisitions	5	5	Not achieved	Turnaround time at SCM slow due to lack of resources	-	-
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of working days for the evaluation of 7 day notices	7	7	7		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of days for the preparation of tender reports by leading departments from closing date of tender	30	30	30		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition,	Number of days for the adjudication of tender from closing date	100	100	120	Q1 and Q2 = 80 days for adjudication of tender from closing date, Q3 not reported, Q4 = Bids were extended due to COVID-19. Most Tenders had a 120 day validity period due to extensions requested	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			logistics and disposal management							
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of meetings on the implementation of the procurement plan	6	6	5	Q1 = 2 Meetings on implementation of procurement plan, Q2 and Q3 = The implementation of the procurement plan is discussed at Top Management Meetings. 2 Meetings, Q4 = No meetings held due to COVID-19. 5 Meetings held for the year.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.6 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, assets and disposal management	Number of reports submitted on dysfunctional and redundant movable assets to be disposed of submitted to Council by 31 August 2019	1	1	0		-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of Municipal land audits conducted by 31 December 2019	1	1	0	Audit on leases was performed and assessment completed.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of municipal land registers completed by 31 December 2019	1	1	1		-	-
Finance	CFO	Financial Viability and	SOD 6.7 To administer assets management and lease registers	Number of meetings of the Land Advisory Committee	6	6	2	Q1 = ,1 Meeting of Land Advisory Committee, Q4 = 1 Meeting of Land Advisory Committee	-	-

DIRECTORATE			**FINANCE**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Management								
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of service providers appointed for the insurance of municipal assets by 30 October 2019	1	1	0	No appointment made, Contract extended until 30 October 2020	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of reports on insurance claims submitted to Finance Portfolio Committee (Bi-Monthly reports)	6	6	1	1 report submitted in Q4	--	
Finance	CFO	Financial Viabilit Management	SOD 6.7 To administer assets management and lease registers	% of insurance claims finalized within 90 days of incident	100%	100%	80%	Q1 = 80% claims finalized within 90 days, Q4 = None noted on the insurance claims report	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Update and validate all municipal lease agreements by 31 December 2019	1	1	0	Based on land assessment, there are a number of leases that are expired.	-	-

DIRECTORATE INFRASTRUCTURE AND ENGINEERING: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Machinery and Equipment	Dir I&E	PC1002	Item submitted to BSC 10/01/2020	BSC – 10/01/2020 Tender evaluation report submitted 20/03/2020	
			Leading Department Tender evaluation report submitted 20/03/2020		
Vehicles	Dir I&E	CP21	Item submitted to BSC 28/06/2020	BSC – 25/01/2019 Tender evaluation report submitted 27/06/2020	
			Leading Department Tender evaluation report submitted 11/10/2020		
Energy and Demand Side Management	Dir I&E	PC1002	Item submitted to BSC 14/08/2019	BSC – 02/08/2020 Tender evaluation report submitted 23/10/2020	
			Leading Department Tender evaluation report submitted 17/10/2019		
New overhead lines 66kv overheadlines(Jbay to Melk	Dir I&E	PC1008	Item submitted to BSC 25/10/2019	BSC – 24/01/2020 Tender evaluation report submitted 13/03/2020	Tender documents had to be adjusted to comply with Eskom's new specifications. Site meetings was held on the 08/10/19 between Kouga and Eskom to clarify issues on site. Eskom required new structure designs and height measurements. Document to be ready by 25/10/19 Approval on specifications from ESKOM received January 2020, BSC 24 January 2020 and tender advertised 31 January 2020 (R1 800 000 budget) Tender was held up by Eskom due to special permission and to go ahead with the project. Permission was granted in January and the tender immediately served at BSC and advertised 31st January 2020. Evaluation report compiled and sent to BEC to serve on the 13th March 2020. no meeting has taken place to table the report. The contractor was appointed on the 12 June 2020, construction started at the end of June due to the delay of the lockdown period the project was delayed. An application for a roll over to be submitted in order to spend the 100% project budget.
			Leading Department Tender evaluation report submitted 23/03/2020		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Upgrading of the Sea Vista Wastewater Treatment Works	Dir I&E	PC608	100% budget expenditure on the works for the year	100% expenditure	
Upgrading of Gravel Roads in Jeffreys Bay	Dir I&E	PC075	Item submitted to BSC 03/09/2019 Leading Department Tender evaluation report submitted 13/01/2020	BSC – 31/01/202 Tender evaluation report submitted 20/07/2020	Project submitted to COGTA for approval 13 November 2019 BSC submission 31/1/20 as COGTA approval was awaited, BEC submission 20/7/20
Patensie Sewage Package Plant	Dir I&E	PC011	90% budget expenditure for the project	R5,483386.74 expenditure as at end June 2020, 98% expenditure	
Upgrade Sanitation System Old Hankey	Dir I&E	PC012	Item submitted to BSC 15/01/2020 Leading Department Tender evaluation report submitted 30/03/2020	BSC – 15/01/2020 Tender evaluation report submitted 30/03/2020	
LV Networks (Informal Areas, Electrification/illegal	Dir I&E		Item submitted to BSC 25/07/2019 Leading Department Tender evaluation report submitted 06/09/2019	BSC – 06/09/2019 Tender evaluation report submitted 31/01/2020	Tender advertised, closed 24/10/2019 Tender served at BEC 31 January 2020, supply and delivery of materials
Pump Station Capital	Dir I&E	CP37	Item submitted to BSC 17/10/2019 Leading Department Tender evaluation report submitted 13/01/2020	No reports submitted	Budget R750 000, Amended budget R67 892 actual expenditure R108 408.65, Budget revised with adjustment budget processes, procurement on quotation bai
Security Camera	Dir I&E	PCA002	Item submitted to BSC 19/07/2019 Leading Department Tender evaluation report submitted 30/09/2019	Budget reprioritized, targets not met	Budget reprioritized, targets not met
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Dir I&E	PC506	Item submitted to BSC 20/01/2020 Leading Department Tender evaluation report submitted 23/03/2020	BSC – 16/11/2018 Tender evaluation report submitted 16/05/2019	Orders No 109682 issued 17/09/2019 for fencing of Hankey WWTW Order No 109681 issued 17/09/2019 for fencing Jeffreys Bay Reservoir Fencing of Jeffreys Bay Reservoir and installation of gates complete. Payment made to service provider on 17/12/2019 Tender Notice 11/2019 was approved by BAC on 12/9/2019 Target met

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Roads Capital	Dir I&E		Item submitted to BSC 26/07/2019	BSC – 31/05/2019 Tender evaluation report submitted 02/10/2019	
			Leading Department Tender evaluation report submitted 03/10/2019		
Bucket Eradication Programme	Dir I&E	PC1015	Item submitted to BSC 06/03/2020	BSC – 01/03/2019 Tender evaluation report submitted 06/06/2019	
			Leading Department Tender evaluation report submitted 29/05/2020		
St Francis bulk main outfall sewer	Dir I&E	PC014	Item submitted to BSC 17/10/2019	Targets not met	Liaise with Dept Environmental Affairs for authorization for new route as planned route runs through wetlands 25% expenditure (R500 000) Budget
			Leading Department Tender evaluation report submitted 13/12/2019		
Sewer REPLACE OLD PUMPS	Dir I&E	PC015	Item submitted to BSC 20/09/2019	Targets not met	Target not met, budget reprioritized
			Leading Department Tender evaluation report submitted 13/12/2019		
Electrical replacement of old and dangerous switch gear Saffery Sub station Humansdorp	Dir I&E	PC004	Item submitted to BSC 15/11/2019	Tender cancelled	Tender cancelled due to specialist expertise required. Money was transferred to the augment the budget on other tenders like the High mast, PPE and vehicles.
			Leading Department Tender evaluation report submitted 18/01/2020		
Electrical Replacement of old mv cables to main substation Humansdorp	Dir I&E	PC005	Item submitted to BSC 18/10/2019	BSC – 03/01/2020 Tender evaluation report submitted 13/03/2020	BSC 28/2/2020 Report to SCM 13/3/2020, Appointment made
			Leading Department Tender evaluation report submitted 21/11/2019		
Electrical Supply auto recloser St Francis Bay	Dir I&E	PC007	Item submitted to BSC 31/10/2019	BSC – 03/01/2020 Tender evaluation report submitted 13/03/2020	
			Leading Department Tender evaluation report submitted 24/01/2020		
Electrical Mini sub station 22 000/11000/400 St Francis Bay	Dir I&E	PC008	Item submitted to BSC 27/07/2019	BSC – 01/11/2019 Tender evaluation report submitted 17/11/2019	Minisubstation delivered in June 2020 100% expenditure, factory delays due to lockdown period.

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
			Leading Department Tender evaluation report submitted 18/10/2019		
Electrical 5 MV 22000/11000 transformer	Dir I&E	PC009	Item submitted to BSC 29/11/2019	BSC – 31/01/2020 Tender evaluation report submitted 10/03/2020	BSC 31/1/20 BEC 10/3/2020 Appointment letter issued in 07 May 2020, manufacturing time 12 weeks, delivery expected Middle August 2020.
			Leading Department Tender evaluation report submitted 13/03/2020		
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Dir I&E	PC0010	Item submitted to BSC 01/11/2019	BSC – 07/02/2020 Tender evaluation report submitted 19/05/2020	Scheduled for submission to BSC on 7 February 2020 Submit oil circuit breaker tender report to BEC BY 24 January 2020 and 35% expenditure Tender closed on the 13 March 2020, evaluation currently done for award the supply and delivery vacuum circuit breaker. BAC awarded on the 25th June 2020, procurement to take place upon availability of funding.
			Leading Department Tender evaluation report submitted 19/12/2019		
Purchase storage containers (3)	Dir I&E	CP096	Item submitted to BSC 10/01/2020	BSC – 07/01/2020 Tender evaluation report submitted 01/03/2020	Specifications prepared for submission to BSC on 7/1/20 7-day tender Tender report to SCM 1/3/2020
			Leading Department Tender evaluation report submitted 01/03/2020		
KwaNomzamo Wastewater Treatment Works	Dir I&E	PC010	Item submitted to BSC 13/10/2019	BSC – 25/10/2019 Tender evaluation report submitted 11/01/2020	Conditional assessment of existing works undertaken and report received 13/09/2019. Draft tender document received 8 Oct 2019.Discussion re tender document between KM and Prof Service provider held on 10 Oct 2019. Tender document envisage to BSC 18 Oct 2019. Tender advertised under notice number 222/2019 on 1 November 2019. Compulsory clarification meeting held on 18 November 2019. Tender closed on 13 December 2019 Tender report submitted to BEC 24 January 2020
			Leading Department Tender evaluation report submitted 24/01/2020		
Humansdorp, Kruisfontein and Ocean View Electrification	Dir I&E	PC003	Item submitted to BSC 16/08/2019	BSC – 09/08/2019 Tender evaluation report submitted 17/10/2019	BSC 9/8/2019 BEC 17/10/2019
			Leading Department Tender evaluation report submitted 19/10/2019		
High Mast Lights	Dir I&E	CP1999	Item submitted to BSC 20/09/2019	BSC – 23/08/2019	BSC 23/8/2019 Served at BEC on 30/1/20

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
			Leading Department Tender evaluation report submitted 05/11/2019	Tender evaluation report submitted No quorum on 7/01/2020	Highmast appointment letter signed by MM on the 12th June 2020, but the work could not be done due to money taken away with adjustment budget.

DIRECTORATE INFRASTRUCTURE AND ENGINEERING: SDBIP IMPLEMENTATION

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% households in formal residential areas with Access to potable Water	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of informal households within the urban edge with access to water within 200m	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of Clinics within the Urban edge have access to water	100%	100%	100%		100%	100%
Infrastructure	Director	Infrastructure and Basic	SOD2.1 To manage the rendering of water services and to provide	% of Schools within the Urban edge	100%	100%	100%		100%	100%

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
& Engineering	I&E	Service Delivery	bulk and potable water and sanitation services to the community	with access to water						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	Number of Water demand/ conservation management loss reduction programs completed by 31 October 2019	1	1	1			
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% water losses	35%	35%	34%		35%	32%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% capital Expenditure on Water Infrastructure Projects	100%	100%	73%	Monthly performance reporting to the level of Portfolio Committee for purposes of oversight to improve performance and allow more opportunity for corrective actions	95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% Expenditure of water supply infrastructure repairs and maintenance budget	100%	100%	79%	Monthly performance reporting to the lev Portfolio Committee for purposes of overs improve performance and allow more opportunity for corrective actions		
Infrastructure	Director	Infrastructure and Basic	SOD2.1 To manage the rendering of water	Number of Buckets sanitation	1500	1500	0	Purchased 10 prefabricated ablution facilities to replace buckets in informal areas. Installation of	-	-

DIRECTORATE			**INFRASTRUCTURE AND ENGINEERING**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
& Engineering	I&E	Service Delivery	services and to provide bulk and potable water and sanitation services to the community	converted from Bucket sanitation to a more acceptable level of sanitation (Stofwolk, Thornhill, Sea Vista, Ocean View, Kwanomzamo				prefabricated ablution facilities scheduled for the 2020/21 year.		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of households in formal residential areas with access to Sanitation Services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of Clinics within the Urban edge with access to Sanitation services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of schools within the Urban edge with access to Sanitation services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water	% capital Budget Expenditure on Internally funded	100%	100%	163%			

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			and sanitation services to the community	Sanitation capital Projects						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% expenditure of sanitation infrastructure repairs and maintenance budget	100%	100%	94%	No corrective actions deemed necessary. Monthly performance reporting to the lev Portfolio Committee for purposes of overs improve performance and allow more opportunity for corrective actions		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% electricity losses	17%	17%	22.50%	Declined by 1.6% from previous year. Funding provided on the 2020/21 budget for the relocation of the Ocean View Substation to assist in curbing electricity losses.	18%	12%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% formal Residential Households Serviced by Kouga have access to Electrical services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% of clinics within the urban edge have access to electricity	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% of schools within the urban edge have access to electricity	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic	SD 2.2 To manage the provisioning of electrical services	% Capital Budget Expenditure on Internally funded	100%	100%	41%	Monthly performance reporting to the lev Portfolio Committee for purposes of overs	100%	95%

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Service Delivery		Electrical Infrastructure projects				improve performance and allow more opportunity for corrective actions		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% expenditure on DOE grant	100%	100%	99%	No corrective action deemed necessary. Monthly performance reporting to the level of Portfolio Committee for purposes of oversight to improve performance and allow more opportunity for corrective actions	95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% expenditure of electrical infrastructure repairs and maintenance budget	100%	100%	76.74%	Monthly performance reporting to the lev Portfolio Committee for purposes of overs improve performance and allow more opportunity for corrective actions	95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	Number of roads master plans developed by 30 June 2020	1	1	1	Maintenance Plan for Kouga Municipal Roads Network included in RAMS	1	1
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% Capital budget expenditure for the construction of roads	100%	100%	57.84%	Monthly performance reporting to the lev Portfolio Committee for purposes of overs improve performance and allow more opportunity for corrective actions		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% Planned road construction completed	100%	100%	0	Budget R1 500 000, expenditure R249 082.89 = 16.6%. EIA in progress.	-	-
Infrastructure	Director	Infrastructure and Basic	SOD 2.3 To Manage the construction, repair and	% of households within the urban Edge with access to	100%	100%	100%		100%	100%

DIRECTORATE			**INFRASTRUCTURE AND ENGINEERING**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
& Engineering	I&E	Service Delivery	maintenance of roads and storm water systems	gravel or graded roads						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% reduction in Road Infrastructure requiring upgrade	1%	1%	2%		New	1%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% expenditure of roads infrastructure repairs and maintenance budget	90%	90%	95.89%	No corrective actions required, target exceeded	New	-
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% expenditure of storm water infrastructure repairs and maintenance budget	90%	90%	79.99%	Monthly performance reporting to the lev Portfolio Committee for purposes of overs improve performance and allow more opportunity for corrective actions		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.4 To manage the coordination and implementation of project management processes with regard to engineering projects (MIG)	% MIG expenditure	100%	100%	67%	Budget R37 9996 000 Expenditure R25 490 005.58 = 67% expenditure Roll over application submitted	100%	100%

DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Furniture and equipment	Dir PDT CP54		Item submitted to BSC 16/07/2019	BSC – 16/07/2019 Tender evaluation report submitted 20/08/2019	
			Leading Department Tender evaluation report submitted 15/09/2019		
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	CP31		Item submitted to BSC	Project moved to Infrastructure and Engineering	Project moved to Infrastructure and Engineering with the adjustments budget.
			Leading Department Tender evaluation report submitted		
LAND ACQUISITION: PURCHASE OF LAND FOR HUMAN SETTLEMENTS WARD 6 &7.	CP31		Completion of acquisition by 30 June 2020	Acquisitions and transfers completed in full	
			Leading Department Tender evaluation report submitted 15/07/2019		
Precinct Plans, JB, HD, SFB	Dir PDT	OP1	Item submitted to BSC 20/09/2019	BSC – 25/10/2019 Tender evaluation report submitted 22/03/2020	At the onset of the financial year there were no funding available for this project and funding was only made available after August 2019 through special item to Council. THE TENDER WAS AWARDED AND PSC ESTABLISHED FOR JB PRECINCT PLAN.
			Leading Department Tender evaluation report submitted 08/01/2020		
Professional Service Panel	Dir PDT	OP207	Item submitted to BSC 20/09/2019	BSC – 20/09/2019 Tender evaluation report not submitted	Adjusted Budget, **no budget allocation for expenditure on this project**. THE PROJECT WILL BE COMPLETED IN 20/21 DUE TO COVID-19
			Leading Department Tender evaluation report submitted 08/01/2020		
Land Audit	Dir PDT	OP1	Item submitted to BSC 11/07/2019	Not submitted, budget reallocated withy adjustments budget.	. The Budget for this project adjusted to R0 due to COVID-19. The project will be implemented in 20/21 FY.
			Leading Department Tender evaluation report submitted 27/09/2019		
ILUS (Land Use Scheme)	Dir PDT	PO705	Item submitted to BSC 16/07/2019	BSC – 27/09/2019	

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
			Leading Department Tender evaluation report submitted 05/09/2019	Tender evaluation report submission date not reported but target not met	The project was affected by covid 19 lockdown restrictions and final report is approved by council and gazzetted for public participation.
APPOINT SERVICE PROVIDER FOR REVIEW OF HUMAN SETTLEMENTS SECTOR PLAN BY 30 JUNE 2020.	Dir PDT	PO705	Item submitted to BSC 16/07/2019	BSC – 18/10/2019 Tender evaluation report submitted 13/12/2019	Service provider was appointed
			Leading Department Tender evaluation report submitted 19/09/2019		
REVIEW LED STRATEGY BY 30 JUNE 2020	Dir PDT	PO705	Item submitted to BSC 16/07/2019	Appointment of service provider finalized before due dates for submission to BEC and Tender evaluation report due date	
			Leading Department Tender evaluation report submitted 19/09/2019		

DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: SDBIP IMPLEMENTATION

DIRECTORATE			**PLANNING DEVELOPMENT AND TOURISM**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning, surveying, valuations and building control services	% of building plans finalized within 30 days of submission of a compliant plan	100%	100%	100%		100%	100%
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning,	% of land use applications finalized within 60	100%	100%	100%	The Municipal Planning Tribunal considered land use applications submitted through virtual meetings . Timeframes were observed.	100%	100%

DIRECTORATE			**PLANNING DEVELOPMENT AND TOURISM**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			surveying, valuations and building control services	days of a compliant submission						
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning, surveying, valuations and building control services	No. Informal Settlements Formalized by 30 June 2020	1	1	3	The following Informal Settlements were formalised: 1. Donkerhoek 200 2. No. R10 2. Stofwolk 343	New	1
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.2 To manage the funding, administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community	Number of housing audits completed by 30 June 2020	1	1	4	The following housing Audits were done: 1. Stofwolk = 343 2. Donkerhoek = 200 3. Oceanview = 576 3. No. R10 = 195	-	1
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.2 To manage the funding, administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community	Number of service providers appointed by 30 June 2020 for the review of the Human Settlement Plan	1	1	1		-	-
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of LED Strategies reviewed by 30 June 2020	1	1	1		-	1

DIRECTORATE			**PLANNING DEVELOPMENT AND TOURISM**		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of LED Forum meetings	4	4	4		4	4
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	% expenditure of Budget for LED Programs and Projects	100%	100%	65%	All unspent budget was re-prioritized towards Covid-19 during May 2020.	100%	100%
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of jobs created through capital projects and LED initiatives	550	550	600		736	550
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of jobs Created through PPP	20	20	452		New	20
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of SMME training programs provided	4	4	4		4	4

COMPONENT B: COGTA MUNICIPAL PERFORMANCE INDICATORS FOR THE EVALUATION OF MUNICIPAL PERFORMANCE

KPA 1: ORGANIZATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

	Indicator Name	Total Number of people (Planned for during the year under review)	Achievement level during the year under review	Prior year Achievement (2018/19)	2019/20 Achievement	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts			1.6%	1.1%	
2.	Percentage of appointment in strategic positions (Municipal manager and Section 57 Managers)			100%	100%	
3.	Percentage of Section 57 Managers including the Municipal Manager who attended at least 1 skills development training course within the financial year			100% Of planned (3 Employees	100%	
4.	Percentage of Managers in Technical Services with a professional qualification			67%	67%	
5.	Level Performance Management effectiveness	Performance Management is focused on Senior Managers (Municipal Manager and Directors) and while it has been rolled out to the level of line managers, participation by line managers is limited. The PMS system provides useful performance information and allows for timeous intervention where required if the system is utilized on a continuous basis.				
6.	Percentage of staff that have undergone a skills audit (Including competency profiles) within the current 5-year term			100% (269 employees)	89% 858 employees	
7.	Percentage Councillors who attended a skills development training intervention within the current 5-year term	29	29	100%	100% for the term	All Councillors attended training
8.	Percentage of staff compliment with a disability			1.3%	1.4%	
9.	Percentage of female employees			33.08	33.8%	
10.	Percentage of employees that are 35 years of age or younger			29.2%	31%	

	Indicator Name	Total Number of people (Planned for during the year under review)	Achievement level during the year under review	Prior year Achievement (2018/19)	2019/20 Achievement	Comments on the gap
11.	Adoption of HRD Plan inclusive of WSP	0	0	100%	100%	HRD Plan and WSP adopted in 2019/20 year

KPA 2: INFRASTRUCTURE AND BASIC SERVICE DELIVERY

A: WATER

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2017/18	Target set for the year under review	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to potable water	29 230	366	212	366	29 230	100% (Formal residential areas)
2.	% Indigent households with access to free basic potable water	4 092	0	4 092		4 092	100% (As per Indigent Register)
3.	% of Clinics with access to potable water	No additional Clinics planned	0	100%	100%	100% of clinics	100% (Clinics within urban edge)
4.	% of schools with access to potable water	No additional Schools planned	100%	100%	100%	100% of schools	100% (Schools within urban edge)
5.	% of households in formal settlements using bucket sanitation	0	0 backlogs in formal residential areas	0	0	0	100% (Buckets only used in some informal areas)

B: ELECTRICITY

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2017/18	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to electricity services (Serviced by Kouga)	29 230	212		28 864	29 230	100% (Note some areas serviced by the Metro and Eskom but included in calculations)
2.	% Indigent households with access to basic electricity services (Serviced by Kouga)	2 864	0		2 864	2 864	100% as per indigent register
3.	% Indigent households with access to free alternative energy sources	None	None	N/a	None	None	Not measured, no free alternative energy is available

C: SANITATION SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to sanitation services	28 864	0	0	28 864	100% (Formal residential areas)
2.	% of indigent households with access to free basic sanitation services	4 092	0	4 092	4 092	100% (As per Indigent Register)
3.	% of schools with access to sanitation services	No schools planned for year	0	0	100% of schools	100% (Schools within urban edge)
4.	% of Clinics with access to sanitation services	No clinics planned for year	0	0	100% of clinics	100% (Clinics within urban edge)

D: ROAD MAINTENANCE SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households without access to gravel or graded roads	0	87.5km	0	0	No target set
2.	% of road infrastructure requiring upgrade	0	87.5km	0	0	No target set
3.	% of planned new road infrastructure actually constructed	0	87.5km	0	0	No target set
4.	% of capital budget reserved for road upgrading and maintenance effectively used	0	R380 000 000	0	0	No target set

E: WASTE MANAGEMENT SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to refuse removal services	28 652	0	212	28 864	100%
2.	Existence of a Waste Management Plan	Integrated Waste Management Plan adopted 2016				

D: HOUSING AND TOWN PLANNING

	Indicator Name	Total Number of household/ customers expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households living in informal settlements	100%	13 000	363	363	100%
2.	% of informal settlements that have been provide with basic services	100%	9 779	550	550	100%
3.	% of households in formal housing that conforms to the minimum building standards for residential houses	100%	9 779	2 111	0	0%
4.	Existence of an effective Indigent Policy.	Indigent Policy reviewed annually as part of the budget adoption processes.				
5.	Existence of an approved Spatial Development Framework	The Spatial Development Framework was aproved by Council on 29 May 2015 Council resolution 15/5/IPD1.				
6.	Existence of a Land Use Management System	Land Use Management System in Place namely: Municipal Planning Tribunal Established as per SPLUMA requirements; Municipal Planning By-Laws in place; Appeal Authority as required by SPLUMA; GIS functional and kept up-to-date The Integrated Land Use Scheme is in drafting stages with adoption planned for 2019/20				

KPA 3: LOCAL ECONOMIC DEVELOPMENT

	Indicator Name	Target set for the year	Achievement level for the year (absolute figure)	Achievement percentage during the year
1.	Existence of LED Unit	1 LED Unit	1 LED Unit	100%
2.	% LED budget spent on LED related activities	90% expenditure	78%	Low level expenditure largely due to the restructuring of the LED Directorate.

	Indicator Name	Target set for the year	Achievement level for the year (absolute figure)	Achievement percentage during the year
3.	Existence of LED Strategy	A Service provider has been appointed for the review of the LED Strategy		
4.	Number of LED Stakeholder Forum meetings held	4	4	100%
5.	Plans to stimulate second economy	Stimulation of the second economy is included in the LED Strategy		
6.	% SMME's that benefitted from SMME support programs	550	736	134%
7.	Number of Job Opportunities created through EPWP	33	33	100%. (An additional 131 EPWP Workers were employed through the Coast Care Program within the Municipal coastal areas.)
8.	Number of job opportunities created through PPP	600	46	7.6% Only jobs created through capital projects has been reported. Due to restructuring of LED Directorate now reporting on job creation was done.

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

	Indicator Name	Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
1.	% Expenditure of capital budget	90%	R47 819 219/R65 523 720	72.98%
2.	Salary budget as a % of the total operational budget	Target set for the year (35%) R(000)	Achievement level for the year R(000)	Achievement % during the year vs operational budget
		35%	R245 776 666.00 (Operating budget R745 019 039)	32.99%
3.	Trade creditors as a % of total actual revenue	Target set for the year (20% or less) R(000)	Achievement level for the year R(000)	Achievement percentage during the year vs actual revenue
		22%	R126 624 642/R598 603 128	21.15%
4.	Total own municipal revenue as a % of total actual budget	Target set for the year (80% and more) R (000)	Achievement level for the year R(000)	Achievement percentage during the year
		80%	R598 650 648/R743 040 736	80.57%

	Indicator Name	Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
		Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
5.	Rate of municipal consumer debt reduction	No target set	Not measured	Not measured
6.	% of MIG Budget appropriately spent	100%	R27 584 121.85	101.14% (Expenditure over 100% as a result of the increase in VAT rate)
7.	% of MSIG budget appropriately spent	N/a	N/a	No MSIG received by Kouga Municipality
8.	AG Opinion	Unqualified Audit Opinion		
9.	Functionality of the Audit Committee	4 Meetings of the Audit Committee was held for the 2018/19 year.		
10.	Submission of AFS after the end of the financial year	AFS submitted 30 August 2019		

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

	Indicator Name	Target set for the year	Achievement level for the year (Absolute figure)	Achievement percentage during the year
1.	% of Ward Committees established	100%	100% (15 ward committees)	100%
2.	% of Ward Committees that are functional	100%	100% (15 ward committees)	100%
3.	Existence of an effective system to monitor CDW's	The CDW's are administered through the Office of the Speaker and the Public Participation Officer meet monthly with CDW's to track progress and receive submissions by CDW's.		
4.	Existence of an effective IGR Strategy	No adopted IGR Strategy		
5.	Effective IGR structural meetings	All Muni-Mec meetings are attended, all District IGR Meetings are attended, Quarterly local IGR Meetings with stakeholders held on 21 August 2019, 30 November 2019 and 19 February 2020. No IGR meetings held from Lockdown other than Covid-19 related meetings. .		
6.	Existence of an effective communication strategy	Communication Strategy in place and communication is effective.		
7.	Number of Mayoral Imbizo's conducted	1 Mayoral Imbizo conducted		
8.	Existence of a fraud prevention mechanism	Anti-*Corruption* and Fraud Prevention Policy approved by Council 1 August 2017		

COMPONENT B: INDIVIDUAL PERFORMANCE MANAGEMENT

The Performance Management Section currently administers Institutional Performance and Individual Performance to the level of the Municipal Manager and Directors reporting directly to the Municipal Manager.

The purpose of the performance management section is to allow Councilors and Top Management the opportunity of oversight and timeous corrective action where it is evident that set institutional targets may not be achieved.

In compliance with the legislative provisions does the Integrated Development Plan for the year under review form the basis of the Institutional Service Delivery and Budget Implementation Plan.

The Institutional Service Delivery and Budget Implementation plan forms the basis for the individual performance agreements of the Municipal Manager and Directors.

Performance agreements are concluded annually before 31 July with the Municipal Manager and Directors and performance reviews must be conducted on a quarterly basis with the annual performance review conducted by an Evaluation Panel appointed in terms of the Performance Management Regulations.

Performance reporting for the 2019/20 year improved substantially from the previous years where performance reporting and performance reviews were largely conducted out of time.

Performance bonusses are only paid after evaluation and only on approval of the evaluation results by Council and the adoption of the annual report for the period under review.

The roll out of performance plans to employees below the level of Top Management remains slow and is dependent on the development of Departmental Service Delivery and Budget Implementation Plans which was not attended to in time to ensure the effective roll out of the performance management system to lower level employees.

PERFORMANCE REWARDS

Performance evaluation of the performance of Senior Managers for the 2018/19 is in process of being finalized by the Performance Evaluation Panel and recommendations by the panel must be submitted to Council for consideration before performance rewards may be paid to qualifying Senior Managers.

COMMENT ON PERFORMANCE REWARDS:

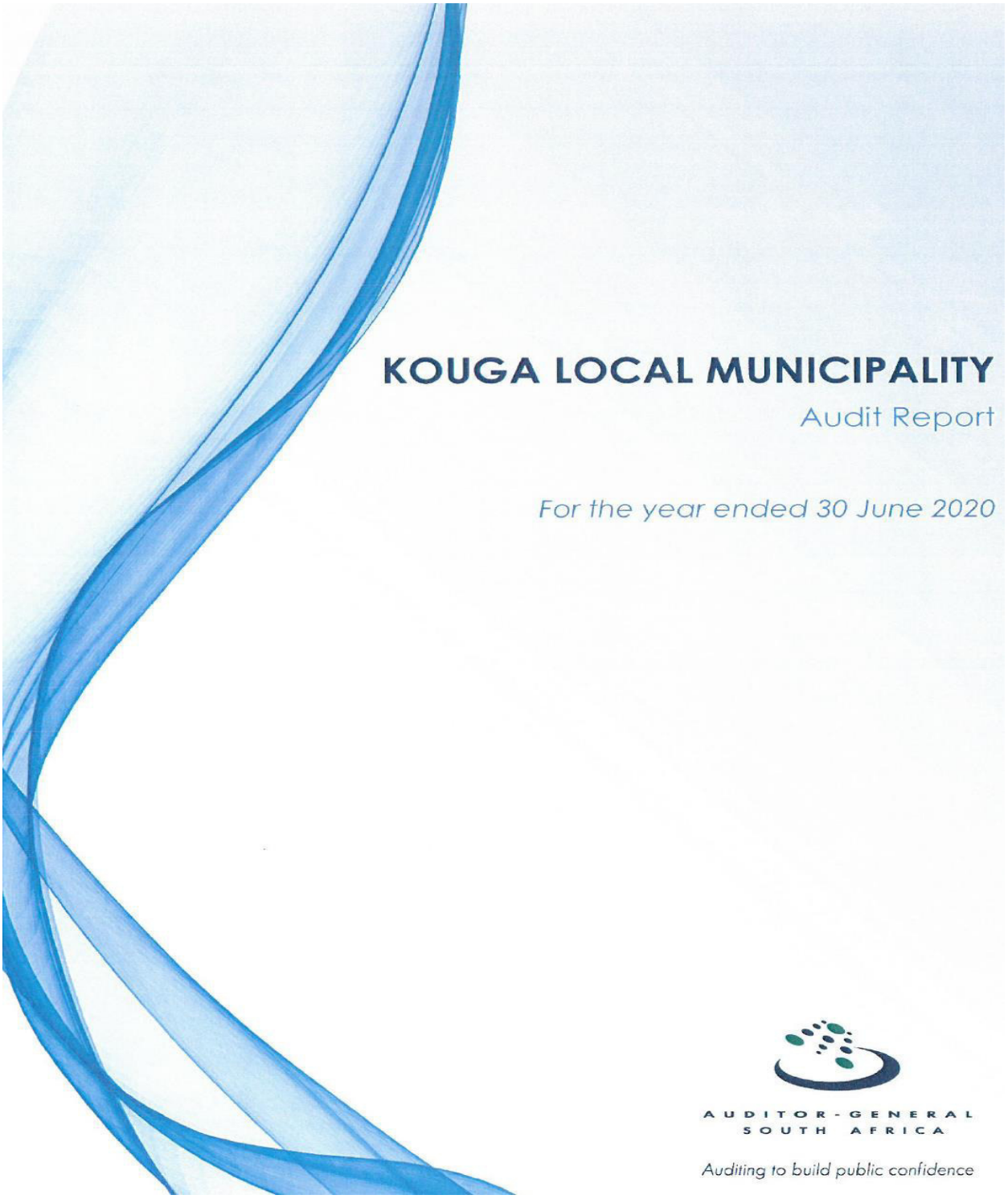
Despite the adoption of Policy on the participation of non-section 56/57 employees in the performance management system and the provision for performance rewards for such employees, no performance rewards were considered for such employees for reason that participation in the performance management system were not cascaded down to lower level employees.

The cascading of the performance management system is dependent on the development of Departmental Service Delivery and Budget Implementation Plans which should ensure that the performance of lower levels contributes towards the achievement of institutional objectives and further limits the “silo” effect by aligning departmental activities towards a common goal.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORT



Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Kouga Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Kouga Local Municipality set out on pages 332 to 427 which comprise the statement of financial position as at 30 June 2020, 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 the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kouga Local Municipality as at 30 June 2020, and financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019) (Dora).

BASIS FOR THE OPINION

3. 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.

4. 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

MATERIAL LOSSES

7. As disclosed in note 46.1.9 to the financial statements, the municipality incurred material losses relating to water and electricity of R18,3 million (2018-19: R16,3 million) and R32,1 million (2018-19: R31,8 million) respectively.

MATERIAL IMPAIRMENTS

8. As disclosed in notes 3 and 4 to the financial statements, receivables from exchange transactions of R129,1 million (2018-19: R111,5 million) and receivables from non-exchange transactions of R47,9 million (2017-18: R57,7 million) were impaired.

RESTATEMENT OF CORRESPONDING FIGURES

9. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors and reclassification of accounts in the financial statements of the municipality at, and for the year ended, 30 June 2020.

OTHER MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED DISCLOSURE NOTES

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA 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.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and 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.

13. 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

14. 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.

15. 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

16. 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 predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated 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 priority presented in the municipality's annual performance report for the year ended 30 June 2020:

Development priority	**Pages in the annual performance report**
KPA 1 – infrastructure and basic service delivery	274 to 283

19. 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.

20. The material findings in respect of the reliability of the selected development priority are as follows:

KPA 1 – INFRASTRUCTURE AND BASIC SERVICE DELIVERY

Various indicators

21. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement in the annual performance report for the indicators listed below:

Indicator description	Planned target	Reported achievement
% of households in formal residential areas with access to sanitation services	100%	100%
% of schools within the urban edge with access to sanitation services	100%	100%

OTHER MATTERS

22. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

23. Refer to the annual performance report on pages 241 to 287 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 reliability of the reported performance information in paragraph 21 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of key performance area 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

25. 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.

26. The material findings on compliance with specific matters in key legislation are as follows:

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

27. The performance management system and related controls were inadequate as they did not describe how the performance planning, monitoring, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

EXPENDITURE MANAGEMENT

28. Reasonable steps were not taken to prevent irregular expenditure of R1,5 million disclosed in note 45.3 to the financial statements, as required by section 62(1)(d) of the MFMA.

OTHER INFORMATION

29. 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 the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.

30. 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.

31. 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 priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

32. 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 the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

33. 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 findings on the annual performance report and the findings on compliance with legislation included in this report.

34. Leadership was slow in responding to previous audit recommendations and had not put adequate processes in place to review performance and compliance reporting. Material misstatements identified in the annual performance report and compliance with relevant laws and regulations could have been avoided if review processes had been functioning effectively.

35. The municipality did not have adequate systems to enable the collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives.

East London

31 March 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 development priorities 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 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 Kouga 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.

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.

6.2 AUDIT ACTION PLAN ON FINDINGS OF THE AUDITOR-GENERAL

Audit report paragraph reference	Issue	Audit Finding	Management Response	Responsible Person	Action	Monitoring and review
EMPHASIS OF MATTERS						
7	**Material losses**	As disclosed in note 46.1.9 to the financial statements, the municipality incurred material losses of R18,3 million (2019: R16,3 million) and R32,1 million (2019: R31,8 million), respectively.	Water losses are not only as a result of faulty meters and illegal connections, but are also due to deteriorating infrastructure causing water pipe leakages and pipe bursts. The electricity losses are mainly due to illegal electricity connections.	Director: I&E	A quarterly progress report will be submitted to the I&E Portfolio Committee.	30 April 2021 and 31 July 2021
8	**Material impairments**	As disclosed in note 3 and 4 to the financial statements, receivables from exchange transactions of R129,1 million (2019:R111,5 million) and receivables from non-exchange transactions of R 47,9 million (2019: R57,7 million) were impaired, respectively.	This information has been provided for the end-users of the financial statements,	N/A	No further action required.	
9	**Restatement of corresponding figures**	As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors and reclassification of accounts in	This information has been provided for the end-users of the financial statements,		No further action required.	

<table>
<tr><td></td><td></td><td>the financial statements of the municipality at, and for the year ended,30 June 2020.</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><u>REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT</u></td></tr>
<tr><td>21</td><td>Infrastructure and basic service delivery - Various indicators</td><td>I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement reported in the annual performance report for the indicators listed below:</td><td>Management agrees with the audit finding raised.</td><td>MM</td><td>The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.</td><td>Quarterly</td></tr>
<tr><td></td><td colspan="6"><table>
<tr><th>Indicator description</th><th>Planned target</th><th>Reported achievement</th></tr>
<tr><td>% of households in formal residential areas with access to sanitation services</td><td>100%</td><td>100%</td></tr>
<tr><td>% of schools within the urban edge with access to sanitation services</td><td>100%</td><td>100%</td></tr>
</table></td></tr>
</table>

24	**Adjustment of material misstatements**	I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.	Management agrees with the audit finding raised.	MM	The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.	Quarterly
REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION						
27	**Strategic planning and performance management**	The performance management system and related controls were inadequate, as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).	Management agrees with the audit finding raised.	MM	The performance management system and related controls will be updated, in order to ensure compliance with the Municipal Planning and Performance Management Regulations.	31-May-20

28	**Expenditure management**	Reasonable steps were not taken to prevent irregular expenditure of R1,5 million disclosed in note 45.3 to the financial statements, as required by section 62(1)(d) of the MFMA.	Management agrees with the audit finding raised.	MM	The irregular expenditure incurred will be reported to MPAC for further investigation and recommendations to Council in this regard.	30-Jun-21
INTERNAL CONTROL DEFICIENCIES						
34		Leadership was slow in responding to previous audit recommendations and had not put adequate processes in place to review performance and compliance reporting. Material misstatements identified in the annual performance report and compliance with relevant laws and regulations could have been avoided if review processes had been functioning effectively.	Management agrees with the audit finding raised.	MM	Internal Audit will undertake independent reviews of performance information reporting and compliance reporting.	Quarterly
35		The municipality did not adequate systems to enable the collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives.	Management agrees with the audit finding raised.	MM	The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.	Quarterly

APPENDICES

APPENDIX A: COUNCILORS, COMMITTEE ALLOCATION AND COUNCILOR ATTENDANCE

COUNCIL MEETING ATTENDANCE

NAME OF COUNCILLOR	COMMITTEE ALLOCATED	WARD	PARTY	PERCENTAGE.OF COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER
F Campher	I&E/FINANCE	Ward 4	DA	93	1
B F Rheeder	PDT/LED/I&E	Ward12	DA	100	0
WPD Gertenbach	COMM SER/I&E/FIN	Ward 3	DA	86	2
B Dhludhlu	CORP/COMM SER	PR	DA	100	0
C Matroos	CORP SER/LED	PR	ANC	60	6
A Mabukane	I&E	Ward 10	ANC	80	3
Z Mayoni	I&E/COMM SER/LED	Ward 1	ANC	86	2
R Jantjies	CORP/PDT/LED	PR	DA	100	0
F Baxter	LED/I&E	PR	DA	93	1
H Hendricks	Ex-officio	Ward 15	DA	100	0
B Williams	FINANCE/PDT/LED	PR	DA	100	0
H Bornman	Ex-officio	Ward 11	DA	100	0
FJ Louw	LED/FIN/CORP	PR	DA	93	1
W Coenraad	CORP SER/PDT/COMM	Ward 5	DA	100	0
VA Camealio-Benjamin	LED/FINANCE	PR	ANC	75 (9 /12)	3
C August	LED/PDT/COMM SER	PR	DA	80 (8/10)	2
S Mandeka (Makasi)	PDT	Ward 14	ANC	100	0
S Jujwana	CORP SERVICES	Ward 9	ANC	66	5
L Vorster	FINANCE/PDT	Ward 8	DA	93	1

NAME OF COUNCILLOR	COMMITTEE ALLOCATED	WARD	PARTY	PERCENTAGE.OF COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER
M Dayimani	FINANCE/I&E	PR	ANC	80	3
D Biggs	CORP SERVICES	PR	DA	33 (5/5)	0
D Benson	CORP SER/COMM SER	PR	DA	100	0
P Nkwalase	CORP SERVICES	PR	ANC	73	4
S Vumazonke	COMM SERVICES	Ward 6	ANC	86	2
N.S Botha	I&E/FINANCE	PR	DA	93	1
DM Nkomo	CORP SERVICES	PR	DA	93	1
T Meleni	COMM SERVICES	Ward 2	ANC	80	3
M Peters	LED	13	ANC	95	0
T Jantjes	COMM SER/I&E	PR	DA	100	0
E Februarie	PDT/FINANCE	PR	ANC	73	4
P Oliphant	PDT/FINANCE	PR	ANC	7 (1/1)	0

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

PORTFOLIO COMMITTEE STRUCTURE – 2018/2019

COPORATE SERVICE PORTFOLIO COMMITTEE

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Bryan Dhludhlu		Administration Human Resources Strategic Institutional Projects
	Faan Louw	Danny Benson	
	Aaron Nkomo	Robin Jantjies	
	Wilma Coenraad		
	Sibongile Jujwana	Velile Vumazonke	
	Phumza Nkwalase		
Ex-officio	Horatio Hendricks		

PLANNING AND DEVELOPMENT PORTFOLIO COMMITTEE

Planning & Development	Committee Members	Alternate Members	Functions
Chairperson	Ben Rheeder		Human Settlements Town & Regional Planning MPT
	C August	Ludwig Vorster	
	Wilma Coenraad	Brenton Williams	
	Robin Jantjies		
	Chico Februarie	Cynthia Matroos	
	Sindiswa Mandeka		
Ex-Officio	Horatio Hendricks		

LED & TOURISM PORTFOLIO COMMITTEE

LED & Tourism Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Frances Baxter		Tourism Creative Industries Crèches Events Committee
	Brenton Williams	Ben Rheeder	
	Cynthia August	Robin Jantjies	
	Faan Louw		
	Phumzile Oliphant	Cynthia Matroos	
	Margaret Peters		
Ex-Officio	Horatio Hendricks		

COMMUNITY SERVICES PORTFOLIO COMMITTEE

Community Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Daniel Benson		Environmental Management Community Amenities & Environmental Health Protection Services Beaches Mayoral Special Programmes
	Willem Gertenbach	Wilma Coenraad	
	Timothy Jantjes	Bryan Dhludhlu	
	C August		
	Timothy Meleni	Zolani Mayoni	
	Velile Vumazonke		
Ex-Officio	Horatio Hendricks		

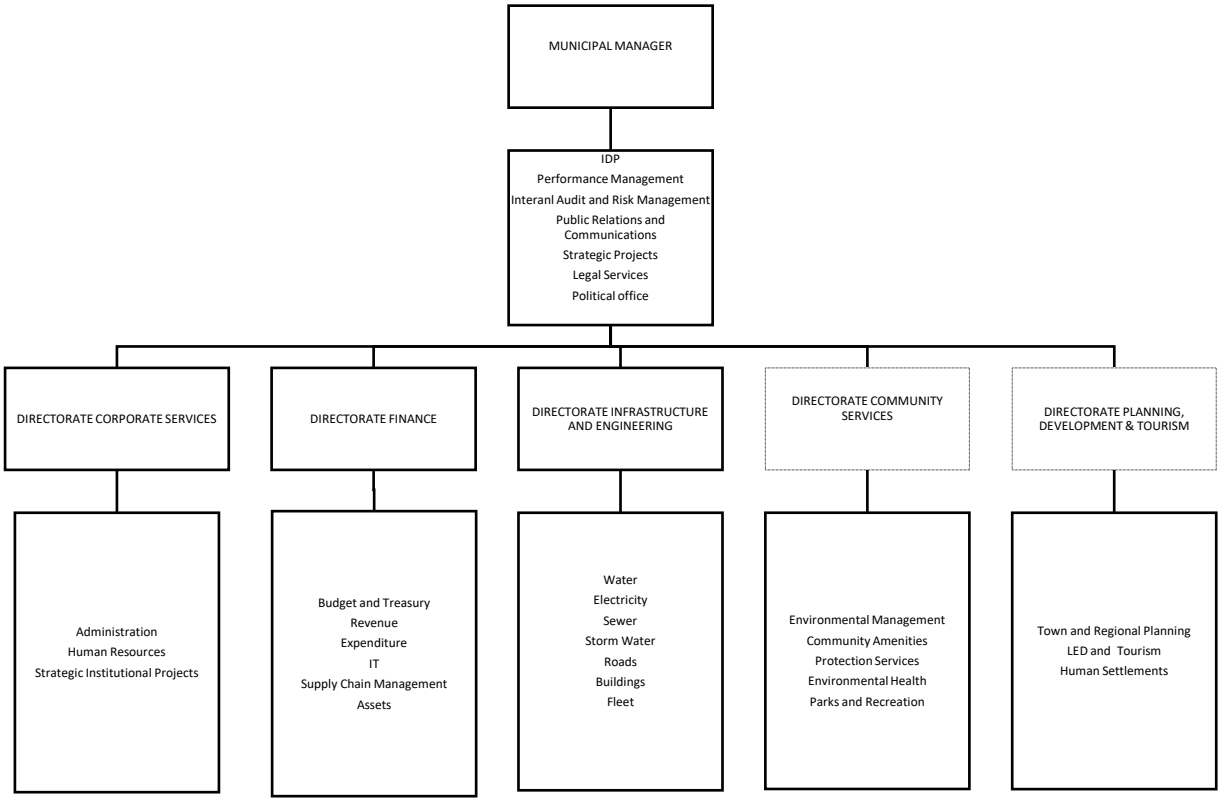
INFRASTRUCTURE AND ENGINEERING PORTFOLIO COMMITTEE

Infrastructure and Engineering Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Freddie Campher		Infrastructure Civil services PMU Electrical Services Fleet Management
	Ben Rheeder	Willem Gertenbach	
	Nico Botha	Frances Baxter	
	Timothy Jantjes		
	Zolani Mayoni	Amos Mabukane	
	Malibongwe Dayimani		
Ex-Officio	Horatio Hendricks		

FINANCE PORTFOLIO COMMITTEE

Finance Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Brenton Williams		Budget & treasury Revenue Expenditure Assets Management Supply Chain Management Information, Communication & Technology MSCOA
	Nico Botha	Faan Louw	
	Willem Gertenbach	Freddy Campher	
	Ludwig Vorster		
	Malibongwe Dayimani	Chico Februarie	
	Virginia Camealio-Benjamin		
Ex-Officio	Horatio Hendricks		

APPENDIX C: ADMINISTRATIVE STRUCTURE



APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

MUNICIPAL FUNCTION	MUNCIPAL RESPONSIBILITY
Constitution, 1996, Schedule 4, Part B functions	
Air pollution	Social Services
Building regulations	Infrastructure, Development and Planning
Electricity reticulation	Electro-technical Services
Fire fighting services	Social Services
Tourism development and creative industries; and local economic development including agriculture, fishing and events	LED, Creative Industries and Tourism
Municipal planning	Infrastructure, Development and Planning
Municipal public transport	Social Services/Infrastructure, Development and Planning
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 the Constitution or any other law	Infrastructure, Development and Planning
Stormwater management in built-up areas	Infrastructure, Development and Planning
Trading regulations enforcement	Social Services
Water and sanitation services limited to potable water supply and domestic water-water and sewage disposal systems	Infrastructure, Development and Planning
Constitution, 1996, Schedule 5, Part B functions:	
Beaches and amusement facilities	Social Services
Billboards and the display of advertisements in public places	Infrastructure, Planning and Development
Cemeteries, funeral parlours and crematoria	Social Services
Cleansing	Social Services
Control of public nuisances	Social Services

Local amenities	Social Services/Infrastructure, Planning and Development
Local sport facilities	Social Services
Municipal parks and recreation	Social Services
Municipal roads	Infrastructure, Planning and Development
Noise pollution	Social Services
Public places	Social Services
Refuse removal, refuse dumps and solid waste disposal	Social Services
Street trading	Social Services
Street lighting	Infrastructure, Planning and Development
Traffic and parking	Social Services

APPENDIX E: WARD REPORTING

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
Cllr Z Mayoni	1	9	12	9	2	11	7	4	10	17	12	0	0	0
Cllr T Meleni	2	8	9	12	5	10	7	0	10	12	3	0	0	0
Cllr W Gertenbach	3	8	10	7	4	9	18	0	8	12	11	0	0	0
Cllr F Campher	4	8	8	5	9	7	4	0	6	3	2	0	0	0
Cllr W Coenraad	5	9	3	7	4	2/29	6	0	8	5	4	0	0	0
Cllr V Vumazonke	6	8	2	3	3	1	5	0	6	4	3	0	0	0
Cllr E Februarie	7	9	2	6	10	8	4	2	7	10	11	0	0	0
Cllr L Vorster	8	8	9	8	10	8	5	0	7	10	10	0	0	0
Cllr S Jujwana	9	8	9	8	10	8	5	0	9	6	4	0	0	0
Cllr A Mabukane	10	8	4	12	3	3	4	0	7	6	3	0	0	0
Cllr	8	8	2	6	3	2	7	0	14	5	5	0	0	0

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
H Bornman														
Cllr B Rheeder	12	7	10	7	11	9	13	0	0	12	11	0	0	0
Cllr M Peters	13	9	3	8	4	9	4	4	8	8	4	0	0	0
Cllr S Mandeka	14	8	16	8	11	9	6	0	9	6	5	0	0	0
Cllr H Hendricks	15	8	4	6	5	3	4	0	9	4	9	0	0	

ANNEXURE F: WARD INFORMATION

The following schedule reflects capital projects in Wards:

5. CAPITAL EXPENDITURE		
5.1 CAPITAL WORKS: PROJECT REGISTER: 2019/20		
Projects	**Funding**	**Approved Budget 2019/20**
EXECUTIVE & COUNCIL		
Computer Equipment	Internal	190,000
Furniture and Equipment	Internal	260,000
Ward Councilors Capital (Markets)	Internal	750,000
		1,200,000
CORPORATE SERVICES		
Computer Equipment	Internal	198,000
Furniture and Equipment	Internal	550,000
Library upgrade û Corporate Services	Internal	100,000
Buildings	Internal	1,000,000
Computer Software and Applications	Internal	-
EDMS	Internal	540,506
Biometric system	Internal	130,000
Vehicle	Internal	250,000
Fencing of main building	Internal	-
Software upgrade	Internal	300,000
		3,068,506
FINANCE		
Furniture and Equipment	Internal	300,000
Computer Equipment	Internal	300,000
Office upgrade ICT	Internal	-
Container (Assets)	Internal	50,000
Filing system (SCM)	Internal	350,000
Fencing (Stores)	Internal	150,000
Shelving (SCM)	Internal	200,000
Containers (SCM)	Internal	100,000
WIFI Solution	Internal	250,000
Cibex Software	Internal	600,000
Disaster Recovery Server	FMG	-
Vehicle	Internal	300,000
		2,600,000
PLANNING,DEVELOPMENT & TOURISM		
Computer Software and Applications	Internal	300,000
Computer Equipment	Internal	60,000

KOUGA CULTURAL CENTRE	Internal	-
Furniture and equipment	Internal	200,000
Outdoor Facilities (Capital)	MIG	-
Land acquisition housing projects	Internal	1,700,000
Machinery and Equipment	Internal	-
Arts and Creative Industries	DISTRICT	100,000
Lowrie Flower Project	DEDEAT	-
LED Capital Projects	Internal	1,000,000
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	MIG	1,220,951
		4,580,951
COMMUNITY SERVICES		
Fencing - Hdorp	Internal	1,300,000
Machinery and Equipment	Internal	1,400,000
Vehicle	Internal	2,300,000
Furniture and Equipment	Internal	350,000
Bins _ with_wheels (from CP22 & CP23 EM)	Internal	2,000,000
Life Gaurds Beach Tower	Internal	100,000
Upgrading of Sports Facilities	MIG	3,936,841
Upgrading of Kwanomzamo Sports Facility	MIG	5,413,043
Computer Equipment	Internal	300,000
Fencing Fire Station Hankey (from CP23 EM)	Internal	300,000
Provide suitable Cemetry Facilities	Internal	-
Projects	**Funding**	**Approved Budget 2019/20**
COMMUNITY SERVICES		
Security Gates (Humansdorp 7de Laan)	Internal	-
Transport Vehicles	Internal	-
Weston Library Upgrade	Internal	-
Machinery and equipment	DISTRICT	-
Vehicle	DISTRICT	1,965,100
Upgrading of Yellow Woods	Internal	150,000
Upgrading of play parks	Internal	200,000
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Internal	450,000
Vehicles	Internal	1,150,000
Upgrading of sport & recreation facilities	Internal	500,000
		21,814,985
INFRASTRUCTURE & ENGINEERING		
Furniture and Equipment	Internal	10,000
Computer Equipment	Internal	25,000
Machinery and equipment	Internal	330,000

upgrading of infrastructure for new township estab	Internal	-
Vehicles	Internal	2,600,000
MV Networks Capital	INEP	-
Energy and Demand Side Management	INEP	3,478,261
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	1,800,000
Outfall Sewers Capital	Internal	-
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG_NT	-
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-
RETICULATION REPLACE PIPELINES (OYSTER BAY)	WSIG_NT	-
Upgrading of the Ses Vista Wastewater Treatment Wo	MIG	15,859,937
Humansdorp - Upgrade Kruisfontein Waste Water Trea	MIG	-
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363,655
Patensie Sewage Package Plant	MIG	4,429,441
Upgrade Sanitation System Old Hankey	MIG	434,783
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-
LV Networks (Informal Areas, Electrification/illeg	Internal	1,000,000
Pump Station Capital	Internal	750,000
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-
DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP	WSIG_NT	-
HANKEY WATER SUPPLY	WSIG_DWS	-
Security Camera	Internal	200,000
HUMANSDORP WATER SUPPLY	WSIG_DWS	-
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1,500,000
Vehicle	Internal	-
Roads Capital	Internal	1,500,000
Projects	**Funding**	**Approved Budget 2019/20**
INFRASTRUCTURE & ENGINEERING		
Computer Equipment	MIG	-
REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFR	WSIG_NT	-
PATENSIE WATER SUPPLY	WSIG_DWS	-
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-
OYSTER BAY WATER SUPPLY	WSIG_DWS	-

Bucket Eradication Programme	Internal	2,300,000
St Francis bulk main outfall sewer	Internal	500,000
Sewer REPLACE OLD PUMPS	Internal	750,000
Electrcial replacement of old and dangerous swith gear Saffery Sub station Humansdorp	Internal	2,000,000
Electrcial Replacement of old mv cables to main sub staion Humansdorp	Internal	1,200,000
Electrcial supply of tri switches St francis Bay	Internal	200,000
Electrcial Supply auto recloser St Francis Bay	Internal	400,000
Electrical Mini sub station 22 000/11000/400 St Francis Bay	Internal	700,000
Electrcial 5 MV 22000/11000 transformer	Internal	1,400,000
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Internal	800,000
Purchase storage containers (3)	Internal	200,000
KwaNomzamo Wastewater Treatment Works	WSIG_NT	8,695,652
Humansdorp, Kruisfontein and Osean View Electrification	INEP	5,219,130
conversion from conventional meter to pre paid meter and moving of meter to boundary wall	Internal	-
purchase of mini sub station 11000/400,22000/400	Internal	-
refurbishment of truck and rebuild into cherry picker truck	Internal	-
Vehicles	Internal	-
High Mast Lights	Internal	1,200,000
		59,845,860
		93,110,302
Internally generated funds		41,993,506
Transfers recognised - capital		51,116,796
Total		**93,110,302**

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE

Note that the Municipal Systems Act defines a Municipal Service Provider as a service provider as a person or institution or any combination of persons and institutions which provide a municipal service.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

The following Senior Managers completed the prescribed declaration of interest for the 2019/20 year:

NAME	POSITION
C du Plessis	Municipal Manager
R Lorgat	Chief Financial Officer (Director Finance)
N Machelesi	Director: Community Services
K Moodley	Director: Corporate Services
V Felton	Director: Infrastructure and Engineering
F Mabusela	Director: Planning, Development and Tourism

APPENDIX K: REVENUE COLLECTION PERFORMANCE

APPENDIX K (i): REVENUE BY VOTE.

Revenue by Vote	Actuals	
	2020	2019
Vote Description	R	R
Executive and Council		
Finance	306 882 094	313 472 301
Corporate Services	585 606	1 222 286
Planning, Development and Tourism	3 490 090	3 444 252
Infrastructure and Engineering	501 814 404	463 212 011
Community Services	133 478 094	98 756 838
Total Revenue by Vote	**946 250 288**	**880 107 688**

APPENDIX K (ii): REVENUE BY SOURCE (refer to AFS page 6)

	Actual	
Item Description	2020	2019
	R	R
Revenue by Source		
Property Rates	197 544 136	184 331 308
Fines, Penalties and Forfeits	20 388 284	21 333 783
Licences and Permits	11 066 499	15 792 788
Transfers and Subsidies	261 034 594	216 899 825
Interest, Dividends and Rent on Land Earned – Non-Exchange	1 649 323	1 325 934
Service Charges	420 509 001	413 280 935
Sales of Goods and Rendering of Services	11 110 286	6 171 011
Rental from Fixed Assets	697 437	609 214
Interest, Dividends and Rent on Land Earned – Exchange	18 584 025	18 908 767
Operational Revenue	3 666 703	1 454 124
Total Revenue by Source	**946 250 288**	**880 107 688**

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
(refer to AFS note 25 pages 64 – 65)

Name of Grant	Amount Received	Amount Spent
	R	R
FMG	1 770 000	1 770 000
INEP	4 000 000	3 959 997
Energy Efficiency and Demand Side Management Grant	3 202 000	3 202 000
Disaster Grant	1 192 000	1 192 000
EPWP Incentive Grant	1 000 000	1 000 000
WSIG	10 000 000	569 232
Total	**21 164 000**	**11 693 229**

APPENDIX M: CAPITAL EXPENDITURE- NEW & UPGRADE/ RENEWAL PROGRAMMES: INCLUDING MIG 2019/20
(refer to AFS note 25 page 64)

Project Name	Actual Expenditure As at 30 June 2020	Funding Source
Kruisfontein WWTW	3 332 525	MIG
Upgrade of Sport Fields	1 756 297	MIG
Patensie Sewage Package Plant	4 820 918	MIG
Upgrading of the Ses Vista Wastewater Treatment Work	10 820 367	MIG
Upgrading of St Francis Bay WWTW	1 254 119	MIG
Upgrading Sanitation system Old Hankey	1 606 379	MIG
Mig Administration	1 899 401	MIG
	25 490 006	

Description	Actual	
	2020	2019
	R	R
CAPITAL EXPENDITURE BY VOTE		
Executive & Council	591 195	1 398 761
Financial Services	5 506 628	1 322 564
Corporate Services	648 161	2 628 616
Planning, Development and Tourism	1 777 636	336 348
Infrastructure & Engineering	119 499 332	83 574 714
Community Services	16 812 146	4 166 035
Total Capital Expenditure	**144 835 098**	**93 427 038**

APPENDIX N: CAPITAL PROJECT BY PROGRAMME, CURRENT YEAR

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
CORPORATE SERVICES				
EDMS	Internal	1 560 455	(724 603)	835 852
Library upgrade – Corporate Services	Internal	22 000	(22 000)	-
Computer Software and Applications	Internal	434 000	(369 309)	64 691
Computer Equipment	Internal	402 220	131 400	533 620
Fencing of municipal building	Internal	100 000	369 309	469 309
Bio-metric System	Internal	600 000	(300 000)	300 000
Furniture and Equipment	Internal	352 446	(170 000)	182 446
		3 471 121	**(1 085 203)**	**2 385 918**
EXECUTIVE & COUNCIL				
Computer Equipment	Internal	147 445	17 966	165 411
Vehicle	Internal	400 000	300 000	700 000
Furniture and Equipment	Internal	16 847	100 000	116 847
Ward councilors Capital project	Internal	850 000	-	850 000
		1 414 292	**417 966**	**1 832 258**
PLANNING & DEVELOPMENT & TOURISM				
Land acquisition housing projects	Internal	360 000	-	360 000
Computer Software and Applications	Internal	315 000	-	315 000
Vehicles	Internal	400 000	-	400 000
Furniture and equipment	Internal	250 000	28 050	278 050
Restoration of Fisherman Grave Site	Internal	100 000	-	100 000
Kouga Business Support Centre	Internal	300 000	-	300 000
Computer Equipment	Internal	30 000	305 426	335 426
		1 755 001	**333 476**	**2 088 477**

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
FINANCE				
SCM Furniture	Internal	327 833	(11 407)	316 426
Computer Equipment	Internal	900 000	534 920	1 434 920
Furniture and Equipment	Internal	141 005	58 995	200 000
Cibex Software	Internal	681 497	681 497	681 497
WIFI Solution	Internal	75 904	-	75 904
Machinery and Equipment	Internal	156 465	-	156 465
DISASTER RECOVERY SERVER	Internal	637 267	(637 267)	
Office upgrade ICT	Internal	153 950	(153 950)	
		3 073 921	**472 788**	**2 865 212**
COMMUNITY SERVICES				
Vehicle	Internal	1 296 500	(861 439)	435 061
Vehicle	District	5 118 200	-	5 118 200
Jack Hammer and water pump	Internal	250 000	-	250 000
Kouga Skip Bins	Internal	200 000	-	200 000
Machinery and Equipment (Security Cameras System)	Internal	750 000	-	750 000
Fleet Management	Internal	100 000	-	100 000
Machinery and Equipment	Internal	647 638	(72 438)	575 200
Computer Equipment	Internal	30 000		30 000
Furniture and Equipment	Internal	144 760	-	144 760
Fencing Humansdorp Fire Station	Internal	200 000	-	200 000
Upgrading of Sports Facilities	Internal	153 457	-	153 457
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000	-	150 000
Fencing Community Hall	Internal	200 000	-	200 000
		9 240 555	**(933 877)**	**8 306 678**

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
INFRASTRUCTURE & ENGINEERING				
Saffery Substation	Internal	1 000 000	1 031 855	2 031 855
High Mast Lights	Internal	-	903 430	903 430
LED _ Street Lights	Internal	-	200 000	200 000
SUBSTATION SECURITY	Internal	200 000	200 000	400 000
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086	-	3 043 086
Electrcial supply of tri switches St francis Bay	Internal	200 000	-	200 000
Machinery & Equipment	Internal	150 000	-	150 000
Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935	-	485 935
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739	-	4 521 739
Electrical Oil circuit breakers replacement with v	Internal	800 000	(60 000)	740 000
Electrcial Supply auto recloser St Francis Bay	Internal	400 000	(115 000)	285 000
Electrcial 5 MV 22000/11000 transformer	Internal	1 406 000	(183 430)	1 222 570
Kouga Backup Generators	Internal	500 000	230 000	730 000
Fencing Main Substation Jeffrey's Bay	Internal	500 000	-	500 000
LV Networks (Informal Areas, Electrification/illeg	Internal	1 000 000	(532 440)	467 560
Purchase of mini sub station 11000/400,22000/400	Internal	422 552	(422 552)	-
Humansdorp, Kruisfontein and Osean View Electrific	Internal	800 000	(496 863)	303 137
Substations Movements in Ocean View	Internal	3 000 000	-	3 000 000
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154	-	5 087 154
Upgrading of Sports Facilities	MIG	5 682 636	-	5 682 636
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	-	1 092 413
Upgrading of Gravel Roads in Humansdorp	MIG	7 890 511	(6 151 381)	1 739 130
Roads Capital	Internal	2 500 000	(230 000)	2 270 000
Security Camera	Internal	150 000	-	150 000
New bypass Sewer Rising Main and Pump Stations Jba	Internal	1 000 000	(500 000)	500 000
Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000	-	800 000
Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	1 000 000	(310 000)	690 000
Piped Reticulation - St Francis Bay	Internal	1 500 000	(1 225 000)	275 000
Upgrade Sanitation System Old Hankey	MIG	6 333 460	6 151 381	12 484 841
Construct emergency overflow pond Koraal Sewer pu	Internal	1 300 000	(1 300 000)	-
Upgrade Loerie sewer pump station	Internal	1 600 000	(1 350 000)	250 000
Container toilets	Internal	1 100 000	-	1 100 000
Replace 250mm Water Main Canal Road St Francis Ba	Internal	1 000 000	(700 000)	300 000
Repair Leaking Concrete Water Tower Paradise Beach	Internal	300 000	(50 000)	250 000
Replace Main Waterline Sout Rivier Bridge Crossing	Internal	1 000 000	(700 000)	300 000
Replace 250mm Water Main Mimosa Street Jbay	Internal	330 000	170 000	500 000
Upgrade Hankey Water Treatment Works	Internal	600 000	(200 000)	400 000
Machinery & Equipment	Internal	150 000	-	150 000
Patensie Sewage Package Plant	MIG	-	8 353 038	8 353 038
Upgrading KwaNomzamo Waste Water Treatment Works	WSIG	-	5 926 679	5 926 679
HV Switching Station	Internal		200 000	200 000
		58 845 486	**8 839 717**	**67 685 203**
Internally generated funds		42 074 262	(6 916 347)	35 157 915
Transfers recognnised - capital		35 726 114	14 279 717	50 005 831
Total		**77 800 376**	**7 363 370**	**85 163 746**

APPENDIX O: CAPITAL PROJECTS BY WARD

APPENDIX P: SERVICE DELIVERY BACKLOG AT SCHOOLS AND CLINICS

All Schools and Clinics within established towns have access to all municipal services.

APPENDIX Q: SERVICE DELIVERY BACKLOG WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE DELIVERY

The following needs or actions required from Sector Departments were identified during the IDP development process. The municipality will, during IGR and the District Representative Forum engagements, regularly follow-up on these matters in order to provide feedback on possible actions to communities.

DEPARTMENT	PROJECT DESCRIPTION
Department of Agriculture	• Support and education to emerging farmers • Access to water • Supply of plant and equipment • Release and or lease of state and municipal land for commonage and emergency farming
Department of Community Safety/SAPS	• Satellite police station for Ward 1 • Collaboration with municipal law enforcement to maximise safety in wards • Gangsterism at schools and townships • Involvement of SA Army • Establishment of community police forums • Enforcement of non-compliance of liquor on and off consumption in townships
Department of Education	• Overcrowding at all Kouga Schools • Need for Kouga FET College • Future use of unused (2) school sites in Jeffreys Bay
Department of Sports, Arts and Culture	• Maintenance of sports fields (Backlogs) and new facility for cricket in ward 4 & 5 • Construction of inclusive multi-purpose sports centres in Ward 4, 6, 7 and 14. • Library in Andrieskraal, Ward 1,10 & 14 • Wi-fi for all libraries
Department of Health	• Staffing of clinics in Ward 1,2, 4, 5, 9, 13 &14 • New clinics or extension to existing ones in ward 2 & 6 • Mobile more clinics in ward 4 (Kruisfontein and Die Berg) & ward 14

Department of Land Reform and Rural Development	• Release and or lease of state and municipal land for commonage and emergency farming in ward 1,4,7,9,10 and 14 • Comprehensive rural development programme for Ward 4, 7, 9, 10, 14 • Land for housing for farming community in Andrieskraal (Ward 9 & 10) • Outstanding land claims in Ward 13 and 9
Department of Social Services	• Increase social development programmes i.e. drug abuse, alcohol abuse etc in ward 1,2,4,5,6,7,9,19,14 and 15 • Consider building of old age and frail centres for the less privileged communities • Educational programmes to address decrease gr8 and gr12 school leavers
Department of Human Settlement	• Consider the housing needs register applications to do allocations in terms of national criteria • Rectification of the RDP houses in Kouga • Rectification of historical mud houses in Ward 13 • Refurbishment of ageing infrastructure of PRE/POST State funded houses • Unlocking of blocked housing projects • Destitute and vulnerable project in ward 2 • Formalisation of informal settlements (NUSP) • Multi-purpose centres and social amenities for all housing projects on provincial database • Release of state land (Papiesfontein)
Department of Environmental Affairs	• Recycling projects, campaign and environmental education • Assistance required for Paradise Beach Causeway • Vehicles on demarcated high and low tide beach areas in ward 2 and 14
Department of Transport	• Live Capturing Units equipment and staff needed

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER SECTION 71 OF THE MFMA

All MFMA Section 71 returns were submitted within the laid down time frames for the 12017/18 year.

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

No input to provide on information not covered elsewhere in the Annual Report that can be used by National and Provincial Government to monitor and evaluate service delivery performance.

APPENDIX U: ANNUAL FINANCIAL STATEMENTS



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

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MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE AS AT 30 JUNE 2020

H Hendricks	Executive Mayor
F Campher	Corporate Service
B Reeder	Planning and Development
B Williams	Finance
B Dhludhlu	Infrastructure & Engineering
D Benson	Community Services
F Baxter	Local Economic Development and Tourism

AUDITOR-GENERAL

69 Frere Road, Vincent, East London, 5247
Eastern Cape

BANKERS

First National Bank
Private Bag X5
Jeffreys Bay, 6330

REGISTERED OFFICE

33 Da Gama Road Jeffreys Bay	P O Box 21 Jeffreys Bay 6330	Tel: (042) 200 2200 Fax: (042) 293 4204

Webpage: www.kouga.gov.za
E-mail: registry@ec108.org.za

MUNICIPAL MANAGER

Mr. C. du Plessis

CHIEF FINANCIAL OFFICER

Mr. R Lorgat

General Information (Continued)

LEGAL FORM

Category B Municipality which operates in accordance with Chapter 7 of the Constitution of South Africa.

The Objects of Local Government are:
to provide 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 the matters of local government
The Municipality must strive, within its financial and administrative capacity, to achieve the objects as set out above.

JURISDICTION

Greater Kouga area which includes:

Humansdorp
St Francis Bay, Cape St Francis, Oyster Bay
Hankey, Jeffreys Bay, Loerie
Patensie, Thornhill

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Approval of Annual Financial Statements

MEMBERS OF THE KOUGA LOCAL MUNICIPALITY

WARD	COUNCILLOR	
1	Mayoni	Z
2	Meleni	T
3	Gertenbach	W
4	Campher	F
5	Coenraad	W
6	Vumazonke	V
7	Februarie	E
8	Vorster	L
9	Jujwana	S
10	Mabukane	A
11	Bornman	H
12	Rheeder	B
13	Peters	M
14	Makasi	S
15	Hendricks	H
Proportional	August	C
Proportional	Oliphant	P
Proportional	Jantjies	R
Proportional	Dayimani	M
Proportional	Van Niekerk	M
Proportional	Matroos	C
Proportional	Biko	M
Proportional	Nkwalase	P
Proportional	Botha	N
Proportional	Dhludhlu	B
Proportional	Benson	D
Proportional	Jantjes	T
Proportional	Williams	B
Proportional	Baxter	F

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in accordance with Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in

Mr. C du Plessis
Municiapl Manager

2020-10-31
Date

Report of the Auditor General

These Financial Statements have not been audited

KOUGA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Note	Actual 2020 R	2019 Restated R
ASSETS			
Current Assets		**289,652,092**	**355,726,635**
Inventories	2.	9,681,236	9,249,357
Receivables from Exchange Transactions	3.	45,875,434	54,093,203
Receivables from Non-exchange Transactions	4.	27,107,648	31,122,849
VAT Receivable	5.	65,780,872	46,795,893
Cash and Cash Equivalents	6.	141,032,614	214,227,967
Operating Lease Receivables	7.	171,287	234,365
Current Portion of Long-term Receivables	8.	3,000	3,000
Non-Current Assets		**2,320,414,512**	**2,261,135,386**
Property, Plant and Equipment	9.	2,077,173,028	2,018,326,592
Intangible Assets	10.	679,541	243,850
Investment Property	11.	242,551,944	242,551,944
Long-term Receivables	12.	10,000	13,000
Total Assets		**2,610,066,604**	**2,616,862,021**
LIABILITIES			
Current Liabilities		**231,048,370**	**246,921,563**
Consumer Deposits	13.	18,075,864	17,378,122
Provisions	14.	33,094,658	29,648,800
Payables from Exchange Transactions	15.	143,107,331	87,382,553
Payables from Non-exchange Transactions	16.	235,741	-
Unspent Conditional Grants and Receipts	17.	26,927,177	103,445,548
Current Portion of Long-term Liabilities	18.	9,607,597	9,066,539
Non-Current Liabilities		**165,319,291**	**179,799,230**
Long-term Liabilities	18.	6,746,811	16,354,409
Employee Benefit Liabilities	19.	86,255,839	94,807,417
Non-current Provisions	20.	72,316,640	68,637,404
Total Liabilities		**396,367,660**	**426,720,793**
Total Assets and Liabilities		**2,213,698,944**	**2,190,141,228**
NET ASSETS		**2,213,698,944**	**2,190,141,228**
Accumulated Surplus / (Deficit)	21.	2,213,698,944	2,190,141,228
Total Net Assets		**2,213,698,944**	**2,190,141,228**

KOUGA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Note	Actual 2020 R	2019 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**491,682,836**	**439,683,637**
Property Rates	22.	197,544,136	184,331,308
Fines, Penalties and Forfeits	23.	20,388,284	21,333,783
Licences and Permits	24.	11,066,499	15,792,788
Transfers and Subsidies	25.	261,034,594	216,899,825
Interest, Dividends and Rent on Land Earned	29.	1,649,323	1,325,934
Revenue from Exchange Transactions		**454,567,452**	**440,424,050**
Service Charges	26.	420,509,001	413,280,935
Sales of Goods and Rendering of Services	27.	11,110,286	6,171,011
Rental from Fixed Assets	28.	697,437	609,214
Interest, Dividends and Rent on Land Earned	29.	18,584,025	18,908,767
Operational Revenue	30.	3,666,703	1,454,124
Total Revenue		**946,250,288**	**880,107,688**
EXPENDITURE		**922,692,573**	**820,753,098**
Employee Related Costs	31.	293,708,033	274,158,400
Remuneration of Councillors	32.	12,876,077	12,202,166
Depreciation and Amortisation	33.	76,933,561	75,640,120
Impairment Losses	34.	75,457,662	45,764,042
Interest, Dividends and Rent on Land	35.	5,714,358	6,637,780
Bulk Purchases	36.	264,529,320	234,527,407
Contracted Services	37.	70,860,223	62,693,690
Inventory Consumed	38.	40,125,475	27,381,399
Transfers and Subsidies Paid	39.	250,000	-
Operating Leases	40.	6,699,738	9,510,378
Operational Costs	41.	73,820,555	71,487,261
Loss on Disposal of Property, Plant and Equipment	42.	1,717,571	750,454
Total Expenditure		**922,692,573**	**820,753,098**
SURPLUS / (DEFICIT) FOR THE YEAR		**23,557,715**	**59,354,590**

Refer to Budget Statement for explanation of budget variances

KOUGA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Total Funds & Reserves	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R	R
2019			
Balance at 30 June 2018	-	2,131,472,851	2,131,472,851
Correction of Error (Note 43)	-	(686,213)	(686,213)
Restated Balance	**-**	**2,130,786,638**	**2,130,786,638**
Surplus / (Deficit) for the year	-	59,354,590	59,354,590
Surplus / (Deficit) as per prior 2018/19 AFS		*59,138,890*	*59,138,890*
Revenue & Expenditure Correction of Error (Note 43.)		*215,699*	*215,699*
Balance at 30 June 2019	**-**	**2,190,141,228**	**2,190,141,228**
2020			
Correction of Error (Note 43)	-	-	-
Restated Balance	**-**	**2,190,141,228**	**2,190,141,228**
Surplus / (Deficit) for the year	-	23,557,716	23,557,716
Other Transfers to/from Accumulated Surplus		-	-
Balance at 30 June 2020	**-**	**2,213,698,944**	**2,213,698,944**

KOUGA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	Actual 2020 R	2019 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates	22.	191,428,034	183,353,633
Transfers and Subsidies	25.	184,516,223	313,403,865
Service Charges	26.	350,907,608	385,066,022
External Interest and Dividends Received	29.	11,657,220	11,946,693
Other Receipts	30.	63,439,397	32,528,938
Payments			
Employee Related Costs	31.	(300,280,792)	(274,990,290)
Remuneration of Councillors	32.	(12,876,077)	(12,202,166)
External Interest and Dividends Paid	35.	(2,502,983)	(3,496,757)
Suppliers Paid	38.	(355,512,174)	(336,077,974)
Other Payments	41.	(78,192,362)	(76,052,997)
VAT Paid	5.	(18,984,979)	(24,082,421)
NET CASH FLOWS FROM OPERATING ACTIVITIES	44.	**33,599,115**	**199,396,544**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	9..	(97,178,186)	(71,686,943)
Decrease / (Increase) in Long-term Receivables	12.	3,000	3,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(97,727,929)**	**(72,360,219)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Long-term Loans (Loans Taken-on)	18.	(9,066,540)	(7,123,483)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(9,066,540)**	**(7,123,483)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(73,195,353)**	**119,912,842**
Cash and Cash Equivalents at Beginning of Period	6.	214,227,967	94,315,125
Cash and Cash Equivalents at End of Period	6.	141,032,614	214,227,967

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL POSITION								
Current Assets								
Inventories	6,666,181	2,583,177	9,249,358	9,249,358	9,681,236	431,878	104.67	145.23
Receivables from Exchange Transactions	67,067,215	-	60,507,301	60,507,301	45,875,434	(14,631,867)	75.82	68.40
Receivables from Non-exchange Transactions	-	33,884,939	33,884,939	33,884,939	27,107,648	(6,777,291)	80.00	0.00
Startutory Receivables from Non-Exchange Transactions	-	-	-	-	-	-	0.00	0.00
VAT Receivable	-	-	-	-	65,780,872	65,780,872	0.00	0.00
Cash and Cash Equivalents	66,317,735	10,010,629	76,328,364	76,328,364	141,032,614	64,704,250	184.77	212.66
Operating Lease Receivables	-	-	-	-	171,287	171,287	0.00	0.00
Current Portion of Long-term Receivables	-	3,000	3,000	3,000	3,000	-	100.00	0.00
Non-Current Assets								
Property, Plant and Equipment	1,961,428,032	162,576,257	2,124,004,289	2,124,004,289	2,077,173,028	(46,831,261)	97.80	105.90
Intangible Assets	1,801,768	410,520	2,212,288	2,212,288	679,541	(1,532,747)	30.72	37.72
Investment Property	354,388,814	(111,836,870)	242,551,944	242,551,944	242,551,944	-	100.00	68.44
Heritage Assets	-	-	-	-	-	-	0.00	0.00
Long-term Receivables	16,000	(3,000)	13,000	13,000	10,000	(3,000)	76.92	62.50
Total Assets	2,457,685,745	97,628,652	2,548,754,483	2,548,754,483	2,610,066,604	61,312,121	102.41	106.20
Current Liabilities								
Consumer Deposits	15,240,869	2,137,253	17,378,122	17,378,122	18,075,864	697,742	104.02	118.60
Provisions	-	29,648,800	29,648,800	29,648,800	33,094,658	3,445,858	111.62	0.00
Payables from Exchange Transactions	-	133,730,281	133,730,281	133,730,281	143,107,331	9,377,050	107.01	0.00
Payables from Non-exchange Transactions	-	-	-	-	235,741	235,741	0.00	0.00
Unspent Conditional Grants and Receipts	-	-	-	-	26,927,177	26,927,177	0.00	0.00
Current Portion of Long-term Liabilities	-	9,066,538	9,066,538	9,066,538	9,607,597	541,059	105.97	0.00
Non-Current Liabilities								
Long-term Liabilities	-	18,555,536	18,555,536	18,555,536	6,746,811	(11,808,725)	36.36	0.00
Employee Benefit Liabilities	-	80,398,309	80,398,309	80,398,309	86,255,839	5,857,530	107.29	0.00
Non-current Provisions	-	83,046,512	83,046,512	83,046,512	72,316,640	(10,729,872)	87.08	0.00
Total Liabilities	15,240,869	356,583,229	371,824,098	371,824,098	396,367,660	24,543,562	106.60	2,600.69
Total Assets and Liabilities	**2,442,444,876**	**(258,954,577)**	**2,176,930,385**	**2,176,930,385**	**2,213,698,944**	**36,768,559**	**101.69**	**90.63**
Net Assets (Equity)								
Accumulated Surplus / (Deficit)	2,130,634,602	46,295,784	2,176,930,386	2,176,930,386	2,213,698,944	36,768,558	101.69	103.90
Total Net Assets	**2,130,634,602**	**46,295,784**	**2,176,930,386**	**2,176,930,386**	**2,213,698,944**	**36,768,558**	**101.69**	**103.90**

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Receivables from Exchange Transactions:
The variance is due to unanticipated increase in debtors' bad debt provision due to the impact of National Lockdown caused by the Covid-19 Pandemic, which has rendered debtors unable to pay their current obligations to the municipality.

Receivables from Non-exchange Transactions
Receivables from Non-exchange Transactions mostly related to Property Rates and traffic fines debtors and they have been reclassified as Statutory Receivables from Non-exchange Transactions in line with GRAP108. The variance is due to unanticipated increase in debtors' bad debt provision due to Covid-19 Pandemic.

Statutory Receivables from Non-Exchange Transactions
NT Budget Template not aligned to GRAP and does not provide for Statutory Receivables from Non-Exchange Transaction, but the variance is explained in terms of Receivables from Non-exchange Transactions.

VAT Receivable:
No budget provision was made for VAT Receivable.

Cash and Cash Equivalents:
The Cash and Cash Equivalents is influenced by the Capital Projects rollover to 2020/21 financial year and the unspent Conditional Grants.

Operating Lease Reveivables:
No Budget provision was made for Operating Lease Receivables.

Intangible Assets:
Intangible Assets variance is due to the reclassification to Property, Plant and Equipment (PPE).

Long-term Receivables:
Budget provision sightly higher than anticipated.

Provisions:
This amount relates to Employee Related Benefits and Rehabilitation of landfill sites. The actuals are sightly higher than budgeted amount.

Payables from Non-exchange Transactions:
NT Budget Template not aligned to GRAP and does not provide for Payables from Non-exchange Transactions.

Unspent Conditional Grants and Receipts:
No budget provision is allowed for the Unspent Conditional Grants, unless a rollover has been approved by National Treasury.

Long-term Liabilities:
Budget provision included the current portion of the long-term liabilities

Non-current Provisions:
Budget provision sightly higher than anticipated.

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE								
Revenue from Non-exchange Transactions								
Property Rates	196,716,970	504,518	197,221,488	197,221,488	197,544,136	322,648	100.16	100.42
Fines, Penalties and Forfeits	6,397,149	- 1	6,397,148	6,397,148	20,388,284	13,991,136	318.71	318.71
Licences and Permits	12,830,145	3,809,931	16,640,076	16,640,076	11,066,499	- 5,573,577	66.51	86.25
Transfers and Subsidies	191,174,835	- 994,272	190,180,563	190,180,563	261,034,594	70,854,031	137.26	136.54
Surcharges and Taxes	-	1	1	1	-	- 1	0.00	0.00
Interest, Dividends and Rent on Land Earned	1,483,759	617,041	2,100,800	2,100,800	1,649,323	- 451,477	78.51	111.16
Revenue from Exchange Transactions								
Licences and Permits	3,738,203	- 556,459	3,181,744	3,181,744	-	- 3,181,744	0.00	0.00
Service Charges	453,250,715	- 943,987	452,306,728	452,306,728	420,509,001	- 31,797,727	92.97	92.78
Sales of Goods and Rendering of Services	6,845,699	- 975,132	5,870,567	5,870,567	11,110,286	5,239,719	189.25	162.30
Income from Agency Services	-	-	-	-	-	-	0.00	0.00
Rental from Fixed Assets	4,036,616	- 2	4,036,614	4,036,614	697,437	- 3,339,177	17.28	17.28
Interest, Dividends and Rent on Land Earned	17,330,274	6,836,130	24,166,404	24,166,404	18,584,025	- 5,582,379	76.90	107.23
Operational Revenue	951,534	266,298	1,217,832	1,217,832	3,666,703	2,448,871	301.08	385.35
Total Revenue	894,755,899	8,564,066	903,319,965	903,319,965	946,250,288	42,930,322	104.75	105.76
Expenditure								
Employee Related Costs	290,941,607	12,277,377	303,218,984	303,218,984	293,708,033	- 9,510,951	96.86	100.95
Remuneration of Councillors	13,062,989	-	13,062,989	13,062,989	12,876,077	- 186,912	98.57	98.57
Depreciation and Amortisation	85,100,653	-	85,100,653	85,100,653	76,933,561	- 8,167,092	90.40	90.40
Impairment Losses	26,336,275	83,371	26,419,646	26,419,646	75,457,662	49,038,016	285.61	286.52
Interest, Dividends and Rent on Land	2,201,127	2	2,201,129	2,201,129	5,714,358	3,513,229	259.61	259.61
Bulk Purchases	271,623,157	-	271,623,157	271,623,157	264,529,320	- 7,093,837	97.39	97.39
Contracted Services	80,813,543	2,689,225	83,502,768	83,502,768	70,860,223	- 12,642,545	84.86	87.68
Inventory Consumed	29,620,873	5,329,964	34,950,837	34,950,837	40,125,475	5,174,638	114.81	135.46
Transfers and Subsidies Paid	-	250,000	250,000	250,000	250,000	-	100.00	0.00
Operating Leases	11,263,294	- 1,121,107	10,142,187	10,142,187	6,699,738	- 3,442,449	66.06	59.48
Operational Costs	86,173,148	10,474,983	96,648,131	96,648,131	73,820,555	- 22,827,576	76.38	85.67
Losses on Other Operations	-	-	-	-	-	-	0.00	0.00
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	1,717,571	1,843,760	0.00	0.00
Total Expenditure	897,136,666	29,983,815	927,120,481	927,120,481	922,692,573	- 4,301,719	99.52	102.85
Surplus/(Deficit for the Year	**(2,380,767)**	**(21,419,749)**	**(23,800,516)**	**(23,800,516)**	**23,557,715**	**47,232,042**	**-**	**-**

Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Fines, Penalties and Forfeits:
Fines mostly relate to the traffic fines and arise from unanticipated traffic enfringements.

Licences and Permits Non-exchange:
Licences and Permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations. The licences and Permits budget provision is higher than anticipated.

Transfers and Subsidies:
Transfers and Subsidies recognised are higher than the budgeted amount, due to the rollover of the Water Services Infrastructure Grant from 2018/19 financial year.

Surcharges and Taxes
NT Budget Template not aligned to GRAP and does not provide for Surcharges and Taxes.

Interest, Dividends and Rent on Land Earned: Non-Exchange
This relates to the interest earned on the outstanding Property Rates Accounts. The interest realised is slightly lower than anticipated due to rebates given as a result of Covid 19 Pandemic.

Licences and Permits Exchange:
The budget is slightly higher than anticipated.

Sales of Goods and Rendering of Services:
Sales of Goods and Rendering of Services actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

Rental from Fixed Assets:
This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue recognised is lower than anticipated due to National Lockdown as result of the Covid 19 Pandemic.

Interest, Dividends and Rent on Land Earned: Exchange Transa
This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are lower than anticipated mostly due to the municipality not charging interest on the outstanding debtors as result of Covid-19 Pandemic.

Operational Revenue:
The variance is due unanticipated insurance claims/refunds.

Impairment Losses:
The variance is due to traffic fines bad debt provision not budgeted for.

Interest, Dividends and Rent on Land:
The variance is due to interest charged on Overdue Creditors, Finance Lease and Landfill sites provision not budgeted for.

Contracted Services:
The budget is slightly higher than anticipated.

Inventory Consumed
The actual expenditure is slightly higher than anticipated.

Operating Leases
The operating leases actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

Operational Costs
The operational costs actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

Loss on Disposal of Property, Plant and Equipment:
No budget provision was made for loss on Disposal of Property, Plant and Equipment

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
CASH FLOW								
Cash Flows from/(used in) Operating Activities								
Receipts								
Property Rates	188,848,290	484,338	189,332,628	189,332,628	191,428,034	2,095,406	101.11	101.37
Transfers and Subsidies	191,174,835	(994,274)	190,180,561	190,180,561	184,516,223	(5,664,338)	97.02	96.52
Service Charges	435,120,682	(906,223)	434,214,459	434,214,459	350,907,608	(83,306,851)	80.81	80.65
External Interest and Dividends Received	18,476,472	7,355,043	25,831,515	25,831,515	11,657,220	(14,174,295)	45.13	63.09
Other Receipts	34,799,346	2,544,635	37,343,981	37,343,981	63,439,397	26,095,416	169.88	182.30
Payments								
Employee Related Costs	(290,941,607)	(12,277,375)	(303,218,982)	(303,218,982)	(300,280,792)	2,938,190	0.00	0.00
Remuneration of Councillors	(13,062,989)	-	(13,062,989)	(13,062,989)	(12,876,077)	186,912	0.00	0.00
External Interest and Dividends Paid	(2,201,127)	-	(2,201,127)	(2,201,127)	(2,502,983)	(301,856)	0.00	0.00
Suppliers Paid	(479,494,016)	(17,623,072)	(497,117,088)	(497,117,088)	(355,512,174)	141,604,914	0.00	0.00
Other Payments	-	-	-	-	(78,192,362)	(78,192,362)	0.00	0.00
VAT Receivable / Payable	-	-	-	-	(18,984,979)	(18,984,979)	0.00	0.00
Cash Flows from/(used in) Investing Activities								
Purchase of Property, Plant and Equipment	93,110,299	99,165,976	192,276,275	192,276,275	(97,178,186)	(289,454,461)	0.00	0.00
Purchase of Intangible Assets	-	-	-	-	(552,742)	(552,742)	0.00	0.00
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	0.00	0.00
Decrease / (Increase) in Long-term Receivables	-	3,000	3,000	3,000	3,000	0	100.00	0.00
Cash Flows from/(used in) Financing Activities								
Increase in Long-term Loans (Loans Taken-on)	(7,998,872)	(1,067,667)	(9,066,539)	(9,066,539)	(9,066,540)	(1)	0.00	0.00
Cash and Cash Equivalents at Beginning of the Year	**84,707,019**		**214,227,967**	**214,227,967**	**214,227,967**	**(319,848,301)**	**100.00**	**252.90**
Cash and Cash Equivalents at End of the Year	**66,317,735**		**76,328,364**	**76,328,364**	**141,032,614**			

Cash Flow Statement: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Cash Flow Statement are expla

Service Charges

The receipts for service charges are lower than anticipated due to low collection rate as result of National Lockdown caused by Covid-19 Pandemic.

External Interest and Dividends Received

This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are lower than anticipated mostly due to low collection rate as result of Covid-19 Pandemic.

Other Receipts

NT Budget Template not aligned to GRAP and other receipts are higher than anticipated due to receipts from Non-exchange Transactions.

External Interest and Dividends Paid

The variance is due to interest charged on Overdue Creditors, Finance Lease and Landfill sites provision not budgeted for.

Suppliers Paid

Suppliers paid actuals should include Other Payments and are sightly lower than anticipated as result of National Lockdown caused by Covid-19 Pandemic.

Other Payments

NT Budget Template not aligned to GRAP and does not provide for Other Payments, this line is included in Suppliers Paid in the approved budget.

VAT Receivable / Payable

No budget provision was made for VAT Receivable/Payable.

Purchase of Property, Plant and Equipment

The underspending of projects relate to various Capital Programmes , with the budget rollover to 2020/21 for implementation of the projects. The budget rollover was approved by Council on 30 September 2020. This is also influenced by the underspending of Conditional Grants.

Purchase of Intangible Assets

The budget provison was made in Property, Plant and Equipment

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an Accrual Basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The municipality implemented the Municipal Standard Chart of Accounts (mSCOA) during the year ended 30 June 2018 as required in terms of the Municipal Regulations on the Standard Chart of Accounts, announced in Government Gazette No 37577 of 22 April 2014, in accordance with section 168 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) and through directives and guidelines from National Treasury.

1.1 Utilisation of Transitional Provisions

GRAP 108 Statutory Receivables

GRAP 108 Statutory Receivables became effective on 1 April 2019 and, in accordance with the transitional provisions for the Standard

The municipality is taking advantage of the transitional provisions by not classifying or measuring its Statutory Receivables in

The estimate Statutory Receivables that exists in the municipality's books at year-end are those relating to Property Rates, Fines and

The municipality intends to fully apply the requirements of GRAP 108 by 30 June 2021.

1.2 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.3 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 30 June 2019 and 30 June 2020 the municipality has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

With the adoption of mSCOA the municipality reclassified certain balances in order to comply with the instruction notes issued. The result of the reclassification is set out below and in the relevant Notes to the Annual Financial Statements.

1.4 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.4.1 Revenue Recognition

Accounting Policy 10.2 on Revenue from Exchange Transactions and Accounting Policy 10.3 on Revenue from Non-exchange

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (*Revenue from Exchange Transactions*) and GRAP 23 (*Revenue from Non-exchange Transactions*). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.4.2 Impairment of Financial Assets

Accounting Policy 6.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:
  The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

- Impairment of Statutory Receivables
  Accounting Policy 7.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

- Impairment of Traffic Fines:
  Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.4.3 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 2.3, 3.2 and 4.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.4.4 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 5 on Impairment of Assets, Accounting Policy 3.2 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment and Accounting Policy 7.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, and Intangible Assets are disclosed in Notes 2, 9 and 10 to the Annual Financial Statements, if applicable.

1.4.5 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Accounting Policy 7.2.2

1.4.6 Defined Benefit Plan Liabilities

As described in Accounting Policy 13.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations o its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.4.7 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.4.8 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.4.9 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Department of Transport for issuing licenses and permits and collects monies on their behalf.

Management has assessed all arrangements in place and concluded that there are no principal-agent arrangements to which it was a party during this accounting period.

1.4.10 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP 32 and IFRIC 12.

Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.4.11 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

The municipality is assessed to be the project manager and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality is the project manager, the following factors were considered in applying its judgement:

- The municipality acts on behalf of the Department of Human Settlement and acts on their behalf. The municipality acts as project manager whereby they co-orinate representatives from Department of Human Settlement and contractors.

1.5 Going Concern Assumption

The Annual Financial Statements have been prepared on a *Going Concern Assumption*.

1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the municipality:

Standard of GRAP		Effective Date
• GRAP 18	Segment Reporting	2020-04-01
• GRAP 34	Separate Financial Statements	2020-04-01
• GRAP 35	Consolidated Financial Statements	2020-04-01
• GRAP 36	Investments in Associates and Joint Ventures	2020-04-01
• GRAP 37	Joint Arrangements	2020-04-01
• GRAP 38	Disclosure of Interests in Other Entities	2020-04-01
• GRAP 104	Financial Instruments	2020-04-01
• GRAP 110	Living and Non-living Resources	2020-04-01
• IGRAP 20	Accounting for Adjustments to Revenue	2020-04-01

Management has considered all of the above-mentioned GRAP Standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

PROPERTY, PLANT AND EQUIPMENT

2.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

2.2 Subsequent Measurement

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

2.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the *Straight-line Method* , to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
Buildings		**Community**	
Improvements	5 - 50	Community Facilities	5 - 50
		Recreational Facilities	10 - 40
Infrastructure			
Electricity	10 - 80	**Other**	
Railways	30	Computer Equipment	3 - 10
Roads and Paving	5 - 80	Emergency Equipment	5 - 10
Sanitation	5 - 80	Furniture and Fittings	5 - 15
Sewerage / Solid Waste	5 - 80	Transport Assets	7 - 15
Water	5 - 80	Office Equipment	3 - 15
Landfill Sites	30 - 50	Plant and Equipment	2 - 20
		Other Assets	5 - 15

2.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

2.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

2.6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

2.7 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

2.8 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

3. INTANGIBLE ASSETS

3.1 Recognition and Initial Measurement

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

3.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a *Straight-line Method* over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Computer Software Purchased	3 - 5			

3.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

4. INVESTMENT PROPERTY

4.1 Initial Recognition

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

4.2 Subsequent Measurement

Investment Property is measured using the *Cost Model* and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the *Straight-line Method* over the useful life of the property, which is estimated at 5 - 50 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

4.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

5. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as *Cash Generating Assets*. All other assets are classified as *Non-cash Generating Assets*.

5.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

5.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is n possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generati unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of tl carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods f assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets ar estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately ir Surplus or Deficit.

FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as *Financial Assets*, *Financial Liabilities* or *Residual Interests* in accordance with the substance of the contractual agreement.

Recognition and Off-setting
Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Methods and Assumptions
The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices.
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

6.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Investment Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value
Current Portion of Long-term Receivables	Financial Assets at Amortised Cost

Trade and Other Receivables exclude Value Added Taxation, Prepayments and Operating Lease Receivables are classified as Financial Assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

6.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Long-term Liabilities	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Payables from Non-exchange Transactions	Financial Liabilities at Amortised Cost
Current Portion of Long-term Liabilities	Financial Liabilities at Amortised Cost

6.3 Initial and Subsequent Measurement

6.3.1 Financial Assets:

Financial Assets measured at Amortised Cost
Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the *Effective Interest Method* less any impairment, with interest recognised on an *Effective Yield Basis*.

Financial Assets measured at Fair Value
Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

6.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost
Any other Financial Liabilities are classified as *Other Financial Liabilities* (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the *Effective Interest Rate Method*. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Bank Borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the *Accrual Basis* and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

6.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

6.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable for the following reasons:

- It is management's judgement that the accounts are not "lost events" in terms of GRAP 104.58.
- State Departments and Entities have to pay their creditors within 30 days in terms of the PFMA.
- Interest is charged on all oustanding balances at a rate of the banker's prime rate plus 1%.
- There is an urge from National Treasury that State Departments and Entities should start paying their outstanding debt.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

6.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

6.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

7. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Non-exchange Transactions:

- Assessment Rates

7.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

7.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

(a) Interest or other charges that may have accrued on the receivable, where applicable;
(b) Impairment losses; and
(c) Amounts derecognised.

7.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor.

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

7.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

8. INVENTORIES

8.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

8.2 Subsequent Measurement

8.2.1 Consumable Stores

Inventories sold are valued at the lower of cost and net realisable value (net amount that the municipality expects to realise from the sale on Inventory in the ordinary course of business). The cost is determined using the *weighted average Method*.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost (the cost the municipality would incur to acquire the asset on the reporting date). The cost is determined using the *weighted average Method*.

8.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the *FIFO Method*, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

9. CONSTRUCTION CONTRACTS

Construction Contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group) of items must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

The municipality assessed all of the contracts in place and found that all of the contracts pertained to Housing Arrangements as those described in ASB's Accounting for Arrangements Undertaken in terms of the National Housing Programme. All of these contracts for the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost plus or cost based contract the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

REVENUE RECOGNITION

10.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The fair value of revenue on initial recognition is normally the transaction price. The fair value of a short-term receivable or payable on

10.2 Revenue from Exchange Transactions

10.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

10.2.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity

10.2.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

10.2.4 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the *Time-proportionate Basis* that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and

10.2.5 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

10.2.6 Revenue from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

10.2.7 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

(a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

10.3 Revenue from Non-exchange Transactions

10.3.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when

10.3.2 Fines

Fines constitute both spot fines and summonses

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

10.3.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

10.3.4 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the *Time-proportionate Basis* that takes into account the effective yield on the investment.

10.3.5 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

10.3.6 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

10.3.7 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

10.3.8 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

10.3.9 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

11. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit

12. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

12.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

13. EMPLOYEE BENEFIT LIABILITIES

13.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

13.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

13.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

13.2.2 Defined Benefit Plans

Post-retirement Health Care Benefits
The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the *Projected Unit Credit Method*, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance
The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The *Projected Unit Credit Method* is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans
The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans
The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the *Projected Unit Credit Method*. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

14. LEASES

14.1 The Municipality as Lessee

14.1.1 Finance Leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the *Effective Interest Rate Method*. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

14.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a *Straight-line Basis* over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

14.2 The Municipality as Lessor

Amounts due from lessees under **Finance Leases** or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from **Operating Leases** is recognised on a *Straight-line Basis* over the term of the relevant lease.

15. BORROWING COSTS

The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, except where the commencement date for capitalisation is prior to 1 July 2008, then these borrowing costs are recognised as an expense in Surplus or Deficit.

To the extent that the municipality borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the municipality determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the municipality that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

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

16. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

17. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

18. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

19. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

20. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

21. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the F*irst-In-First-Out Method* as defined by GRAP 12 (*Inventories*).

22. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

23. COMMITMENTS

Commitments are future expenditure to which the municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in Surplus or Deficit, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

24. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee Members, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

25. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

26. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2019 to 30 June 2020.

27. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy.

In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in notes to the Annual Financial Statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

	2020 R	2019 R

1. GENERAL INFORMATION

Kouga Municipality is a local government institution in Jeffreys Bay, Eastern Cape, and is one of seven local municipalities under the jurisdiction of the Sarah Baartman District Municipality. The address of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

2. INVENTORIES

Materials and Supplies	8,973,662	8,612,231
Water - at cost	707,574	637,127
Total Inventories	**9,681,236**	**9,249,357**

2.1 Allocation for Cash Flow

Suppliers Paid:-		
Inventory - Opening Balance	9,249,357	6,666,181
Inventory - Closing Balance	(9,681,236)	(9,249,357)
Total Inventory allocated to Suppliers Paid	(431,879)	(2,583,176)
Total Inventory allocated to Cash Flow	**(431,879)**	**(2,583,176)**

Land Inventory relates to properties for sale.

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

The cost of Inventories recognised as an expense includes R40,125,475 (2019: R27,381,399)

No Inventories have been pledged as collateral for Liabilities of the municipality.

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2020			
Service Debtors:	169,711,420	129,050,796	40,660,624
Electricity	40,391,154	14,072,304	26,318,850
Refuse	41,251,246	39,343,262	1,907,985
Sewerage	24,575,972	21,981,883	2,594,089
Other Service Charges	4,986,329	3,296,280	1,690,049
Water	58,506,720	50,357,067	8,149,653
Other Debtors	724,062	-	724,062
Prepayments and Advances	3,139,189	22,000	3,117,189
Recoveries from Staff	191,443	22,000	169,443
Annual Licence Fees	2,947,746	-	2,947,746
Control, Clearing and Interface Accounts	480,017	-	480,017
Deposits for Land	893,543	-	893,543
Total Receivables from Exchange Transactions	**174,948,231**	**129,072,796**	**45,875,434**

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2019	Gross Balances R	Provision for Impairment R	Net Balances R
Service Debtors:	159,715,605	111,436,400	48,279,205
Electricity	41,593,571	9,158,760	32,434,811
Refuse	37,976,403	36,373,742	1,602,661
Sewerage	21,272,093	18,951,140	2,320,953
Other Service Charges	4,375,677	3,296,280	1,079,398
Water	54,497,861	43,656,479	10,841,381
Other Debtors	140,060	-	140,060
Prepayments and Advances	2,920,016	22,000	2,898,016
Recoveries from Staff	188,443	22,000	166,443
Annual Licence Fees	2,731,573	-	2,731,573
Control, Clearing and Interface Accounts	490,922		490,922
Deposits for Land	2,285,000	-	2,285,000
Total Receivables from Exchange Transactions	**165,551,604**	**111,458,400**	**54,093,203**

		2020 R		2019 R
3.1 Allocation for Cash Flow				
Service Charges:-				
Service Debtors - Opening Balance		48,279,205		45,581,899
Service Debtors - Closing Balance	-	40,660,624	-	48,279,205
Service Debtors: Provision for Impairment - Opening Balance		111,436,400		92,926,783
Service Debtors: Provision for Impairment - Closing Balance	-	129,050,796	-	111,436,400
Other Receivables - Opening Balance		140,060		1,350
Other Receivables - Closing Balance	-	724,062	-	140,060
Total Receivables from Exchange Transactions allocated to Service Charges		**(10,579,816)**		**(21,345,634)**
Other Receipts:-				
Receivables from Exchange Transactions: Gross - Opening Balance		165,551,604		141,760,964
Receivables from Exchange Transactions: Gross - Closing Balance	-	174,948,231	-	165,551,604
Less Cash Flow for:-				
Service Charges		10,579,816		21,345,634
Suppliers Paid	-	1,172,284		2,452,173
Profit on Sale of Land		-	-	1,168
Total Receivables from Exchange Transactions allocated to Other Receipts		**10,905**		**6,000**
Suppliers Paid:-				
Prepayments and Advances - Opening Balance		2,898,016		2,730,843
Prepayments and Advances - Closing Balance	-	3,117,189	-	2,898,016
Prepayments and Advances: Provision for Impairment - Opening Balance		22,000		22,000
Prepayments and Advances: Provision for Impairment - Closing Balance	-	22,000	-	22,000
Prepayments and Advances - Opening Balance		2,285,000		-
Prepayments and Advances - Closing Balance	-	893,543	-	2,285,000
Total Receivables from Exchange Transactions allocated to Suppliers Paid		**1,172,284**		**(2,452,173)**
Profit on Sale of Land:-				
Land Sale Debtors - Opening Balance		0.00		1,168.00
Land Sale Debtors - Closing Balance		0.00		0.00
Total Receivables from Exchange Transactions allocated to Profit on Sale of Land (Other Receipts)		**-**		**1,168**
Total Receivables from Exchange Transactions allocated to Cash Flow		**(9,396,627)**		**(23,790,640)**

The municipality did not pledge any of its Receivables as security for borrowing purposes.

The fair value of Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and Receivables as well as the current payment ratios of the municipality's Receivables.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3.2 Ageing of Receivables from Exchange Transactions

As at 30 June 2020

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Electricity:					
Gross Balances	9,695,733	1,600,000	10,669,081	18,426,340	40,391,154
Less: Provision for Impairment	106,944	61,878	1,970,754	11,932,727	14,072,304
Net Balances	**9,588,788**	**1,538,122**	**8,698,327**	**6,493,613**	**26,318,850**
Refuse:					
Gross Balances	-	559,302	3,565,867	37,126,077	41,251,246
Less: Provision for Impairment	-	91	916,786	38,426,384	39,343,262
Net Balances	**-**	**559,211**	**2,649,081**	**(1,300,307)**	**1,907,984**
Sewerage:					
Gross Balances	-	-	3,486,547	21,089,425	24,575,972
Less: Provision for Impairment	-	-	972,246	21,009,637	21,981,883
Net Balances	**-**	**-**	**2,514,301**	**79,788**	**2,594,089**
Other Service Charges:					
Gross Balances	664,315	119,647	58,633	4,143,734	4,986,329
Less: Provision for Impairment	10,662	6,367	34,284	3,244,967	3,296,280
Net Balances	**653,653**	**113,280**	**24,350**	**898,767**	**1,690,049**
Water:					
Gross Balances	4,607,206	1,000,734	5,005,877	47,892,904	58,506,720
Less: Provision for Impairment	-	633,697	1,245,917	48,477,453	50,357,067
Net Balances	**4,607,206**	**367,037**	**3,759,960**	**(584,550)**	**8,149,652**
Other Debtors:					
Gross Balances	724,062	-	-	-	724,062
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**724,062**	**-**	**-**	**-**	**724,062**
Prepayments and Advances:					
Gross Balances	3,139,189	-	-	-	3,139,189
Less: Provision for Impairment	22,000	-	-	-	22,000
Net Balances	**3,117,189**	**-**	**-**	**-**	**3,117,189**
Control, Clearing and Interface Accounts:					
Gross Balances	480,017				480,017
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**480,017**	**-**	**-**	**-**	**480,017**
Deposits for Land					
Gross Balances	893,543				893,543
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**893,543**	**-**	**-**	**-**	**893,543**

KOUGA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June Receivables of R25,810,978 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	20,204,064	3,279,683	22,786,005	128,678,479	174,948,231
Less: Provision for Impairment	139,606	702,034	5,139,987	123,091,169	129,072,796
Net Balances	**20,064,457**	**2,577,649**	**17,646,018**	**5,587,311**	**45,875,435**

As at 30 June 2019

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Electricity:					
Gross Balances	14,364,309	13,139,589	2,279,686	11,809,987	41,593,571
Less: Provision for Impairment	925	96,589	54,392	9,006,855	9,158,760
Net Balances	**14,363,384**	**13,043,000**	**2,225,294**	**2,803,133**	**32,434,811**
Refuse:					
Gross Balances	234	3,903,507	1,611,247	32,461,414	37,976,403
Less: Provision for Impairment	2	5,372	880,215	35,488,152	36,373,742
Net Balances	**232**	**3,898,135**	**731,032**	**(3,026,737)**	**1,602,661**
Sewerage:					
Gross Balances	236	3,356,069	1,199,732	16,716,057	21,272,093
Less: Provision for Impairment	9	76,945	531,457	18,342,729	18,951,140
Net Balances	**227**	**3,279,124**	**668,275**	**(1,626,672)**	**2,320,953**
Other Service Charges:					
Gross Balances	81,101	20,667	109,282	4,164,628	4,375,677
Less: Provision for Impairment	40,550	7,215	52,696	3,195,818	3,296,280
Net Balances	**40,550**	**13,452**	**56,586**	**968,810**	**1,079,398**
Water:					
Gross Balances	1,988,538	5,277,651	2,441,130	44,790,541	54,497,861
Less: Provision for Impairment	165	144,153	1,114,465	42,397,696	43,656,479
Net Balances	**1,988,373**	**5,133,498**	**1,326,666**	**2,392,845**	**10,841,381**
Other Receivables:					
Gross Balances	-	-	-	-	-
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**-**	**-**
Other Debtors:					
Gross Balances	140,060	-	-	-	140,060
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**140,060**	**-**	**-**	**-**	**140,060**
Prepayments and Advances:					
Gross Balances	2,920,016	-	-	-	2,920,016
Less: Provision for Impairment	22,000	-	-	-	22,000
Net Balances	**2,898,016**	**-**	**-**	**-**	**2,898,016**
Control, Clearing and Interface Accounts:					
Gross Balances	490,922	-	-	-	490,922
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**490,922**	**-**	**-**	**-**	**490,922**
Deposits for Land					
Gross Balances	2,285,000	-	-	-	2,285,000
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**2,285,000**	**-**	**-**	**-**	**2,285,000**

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June Receivables of R31,886,438 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	22,270,416	25,697,483	7,641,077	109,942,627	165,551,604
Less: Provision for Impairment	63,651	330,274	2,633,225	108,431,250	111,458,400
Net Balances	**22,206,765**	**25,367,208**	**5,007,853**	**1,511,377**	**54,093,203**

3.3 Reconciliation of the Provision for Impairment

Balance at beginning of year	111,458,401	92,948,783
Impairment Losses recognised	31,492,073	10,663,601
Impairment Losses reversed	13,197,146	14,700,908
Amounts written off as uncollectable	(27,074,824)	(6,854,892)
Balance at end of year	**129,072,796**	**111,458,400**

3.3.1 Allocation for Cash Flow

Provision for Impairment at Beginning of Year	111,458,400	92,948,783
Movement in Non-cash Transactions:-		
Impairment Recognised	31,492,073	10,663,601
Impairment Reversed	13,197,146	14,700,908
Total Receivables from Exchange Transactions Impairment allocated to Non-cash Transactions	44,689,219	25,364,509
Movement in Service Charges:-		
Amounts Written-off	- 27,074,824	- 6,854,892
Total Receivables from Exchange Transactions Impairment allocated to Service Charges	- 27,074,824	- 6,854,892
Provision for Impairment at End of Year	**129,072,795**	**111,458,400**

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

3.4 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2020			
Property Rates	45,912,285	23,942,021	21,970,265
Fines	29,127,546	23,990,163	5,137,384
Total Receivables from Non-exchange Transactions	**75,039,832**	**47,932,183**	**27,107,648**

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2019			
Property Rates	38,146,861	18,090,368	20,056,493
Fines	50,676,807	39,610,451	11,066,356
Total Receivables from Non-exchange Transactions	**88,823,668**	**57,700,819**	**31,122,849**
4.1 Allocation for Cash Flow			
Property Rates:-			
Property Rates Debtors - Opening Balance		20,056,493	19,826,082
Property Rates Debtors - Closing Balance		- 21,970,265	- 20,056,493
Property Rates Debtors: Provision for Impairment - Opening Balance		18,090,368	16,017,170
Property Rates Debtors: Provision for Impairment - Closing Balance		- 23,942,021	- 18,090,368
Total Receivables from Non-exchange Transactions allocated to Property Rates		**(7,765,424)**	**(2,303,609)**
Other Receipts:-			
Receivables from Non-exchange Transactions - Opening Balance		31,122,849	26,465,782
Receivables from Non-exchange Transactions - Closing Balance		- 27,107,648	- 31,122,849
Receivables from Non-exchange Transactions: Provision for Impairment - Opening Balance		57,700,819	45,017,273
Receivables from Non-exchange Transactions: Provision for Impairment - Closing Balance		- 47,932,183	- 57,700,819
Less Cash Flow for:-			
Property Rates		7,765,424	2,303,609
Total Receivables from Non-exchange Transactions allocated to Other Receipts		**21,549,260**	**(15,037,005)**
Total Receivables from Non-exchange Transactions allocated to Cash Flow		**13,783,836**	**(17,340,613)**

The municipality does not hold deposits or other security for its Receivables.

None of the Receivables have been pledged as security for the municipality's financial liabilities.

4.2 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2020	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Property Rates:					
Gross Balances	9,034,234	1,610,486	856,123	34,411,442	45,912,285
Less: Provision for Impairment	3,962,987	729,564	424,853	18,824,617	23,942,021
Net Balances	**5,071,248**	**880,922**	**431,270**	**15,586,825**	**21,970,265**
Fines:					
Gross Balances	29,127,546	-	-	-	29,127,546
Less: Provision for Impairment	23,990,163	-	-	-	23,990,163
Net Balances	**5,137,384**	**-**	**-**	**-**	**5,137,384**

As at 30 June Receivables of R16,899,017 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	38,161,781	1,610,486	856,123	34,411,442	75,039,832
Less: Provision for Impairment	27,953,149	729,564	424,853	18,824,617	47,932,183
Net Balances	**10,208,631**	**880,922**	**431,270**	**15,586,825**	**27,107,648**

As at 30 June 2019

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Property Rates:					
Gross Balances	8,152,809	1,410,596	796,727	27,786,729	38,146,861
Less: Provision for Impairment	3,862,827	668,345	377,492	13,181,704	18,090,368
Net Balances	**4,289,982**	**742,251**	**419,235**	**14,605,025**	**20,056,493**
Fines:					
Gross Balances	50,676,807	-	-	-	50,676,807
Less: Provision for Impairment	39,610,451	-	-	-	39,610,451
Net Balances	**11,066,356**	**-**	**-**	**-**	**11,066,356**

As at 30 June Receivables of R15,766,512 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	58,829,615	1,410,596	796,727	27,786,729	88,823,668
Less: Provision for Impairment	43,473,278	668,345	377,492	13,181,704	57,700,819
Net Balances	**15,356,337**	**742,251**	**419,235**	**14,605,025**	**31,122,849**

	2020 R	2019 R
4.3 Reconciliation of Provision for Impairment		
Balance at beginning of year	57,700,819	45,017,273
Impairment Losses recognised	(9,768,636)	12,683,546
Impairment Losses reversed	-	-
Amounts written off as uncollectable	-	-
Balance at end of year	**47,932,183**	**57,700,819**
4.3.1 Allocation for Cash Flow		
Provision for Impairment at Beginning of Year	57,700,819	45,017,273
Movement in Non-cash Transactions:-		
Impairment Recognised	(9,768,636)	12,683,546
Impairment Reversed	-	-
Total Receivables from Non-exchange Transactions Impairment allocated to Non-cash Transactions	- 9,768,636	12,683,546

	2020 R	2019 R
Movement in Property Rates:-		
Amounts Written-off	-	-
Total Receivables from Non-exchange Transactions Impairment allocated to Property Rates	-	-
Movement in Other Receipts:-		
Amounts Written-off		
Total Receivables from Non-exchange Transactions Impairment allocated to Other Receipts	-	-
Provision for Impairment at End of Year	**47,932,183**	**57,700,819**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Rates Assessment Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

VAT RECEIVABLE

Vat Receivable	**65,780,872**	**46,795,893**
5.1 Allocation for Cash Flow		
Movement on VAT Liability	(18,984,979)	(24,082,421)
Total VAT allocated to Cash Flow	**(18,984,979)**	**(24,082,421)**

Vat is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, Vat is claimable on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

CASH AND CASH EQUIVALENTS

Cash on hand	421	421
Current Investments	122,294,823	200,626,600
Bank Accounts	18,737,370	13,600,946
Total Bank, Cash and Cash Equivalents	**141,032,614**	**214,227,967**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

6.1 Current Investment Deposits

Call Deposits	122,294,823	200,626,600
Total Current Investment Deposits	**122,294,823**	**200,626,600**

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 3.40 % to 10.00 % (2019: 5.00 % to 10.00 %) per annum.

	2020 R	2019 R
6.2 Bank Accounts		
Cash in Bank	18,737,370	13,600,946
Total Bank Accounts	18,737,370	13,600,946
The Municipality has the following operational bank accounts:		
Primary Bank Account		
Cash book balance at beginning of year	13,600,946	5,694,930
Cash book balance at end of year	18,737,370	13,600,946
First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540020791		
Bank statement balance at beginning of year	11,217,561	524,889
Bank statement balance at end of year	11,782,906	11,217,561
First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540033304		
Bank statement balance at beginning of year	2,383,385	3,734,959
Bank statement balance at end of year	6,954,464	2,383,385
The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.		
6.3 Cash and Cash Equivalents		
Cash Floats and Advances	421	421
Total Cash on hand in Cash Floats, Advances and Equivalents	**421**	**421**
The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.		
No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.		
OPERATING LEASE RECEIVABLES		
Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:		
Balance at beginning of year	234,365	269,124
Operating Lease - Straight lining	-	-
Operating Lease Revenue effected	(63,078)	(34,759)
Total Operating Lease Receivables	**171,287**	**234,365**
7.1 Allocation for Cash Flow		
Other Receipts:-		
Operating Lease Receivables - Opening Balance	234,365	269,124
Operating Lease Receivables - Closing Balance	(171,287)	(234,365)
Total Operating Lease Receivables allocated to Other Receipts	63,078	34,759
Total Operating Lease Receivables allocated to Cash Flow	**63,078**	**34,759**
7.2 Leasing Arrangements		

The Municipality as Lessor:
Operating Leases relate to Property owned by the municipality with lease terms of between 1 to 99 years, with an option to extend.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

7.3 Amounts receivable under Operating Leases

At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	360,075	360,075
2 to 5 years	1,311,975	1,311,975
More than 5 years	-	-
Total Operating Lease Arrangements	**1,672,050**	**1,672,050**

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been a decrease of R63,078 (2019: increase of R-34,759) in current year income.

CURRENT PORTION OF LONG-TERM RECEIVABLES

Staff Related Long Term Receivables	3,000	3,000
Total Current Portion of Long-term Receivables	**3,000**	**3,000**

8.1 Allocation for Cash Flow

Other Receipts:-		
Current Portion of Long-term Receivables - Opening Balance	3,000	3,000
Current Portion of Long-term Receivables - Closing Balance	(3,000)	(3,000)
Total Current Portion of Long-term Receivables allocated to Other Receipts	-	-
Total Current Portion of Long-term Receivables allocated to Cash Flow	**-**	**-**

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT

30 June 2020

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2019	**239,770,877**	**50,923,685**	**1,675,381,790**	**22,445,317**	**14,588,074**	**15,216,850**	**2,018,326,592**
Cost	239,770,877	53,605,907	2,289,987,585	24,044,983	41,289,246	43,347,413	2,692,046,011
- *Completed Assets*	*239,770,877*	*53,605,907*	*2,197,171,120*	*18,231,956*	*40,701,631*	*43,347,413*	*2,592,828,903*
- *Under Construction*	-	-	*92,816,465*	*5,813,027*	*587,615*	-	*99,217,108*
Revaluation	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(392,222)	(341,978)	(3,200,201)
Accumulated Depreciation	-	(1,803,223)	(614,605,795)	(12,666)	(26,308,950)	(27,788,584)	(670,519,218)
Acquisition of Assets							
- Cost	2,950,000	-	1,176,792	-	8,165,570	13,662,214	25,954,576
- Capital Under Construction	-	-	111,477,179	-	-	-	111,477,179
- Revaluation	-	-	(0)	-	-	-	(0)
Decommisioning and other Liabilities	15,264	-	111,859	-	-	-	127,123
Increases/Decreases in Revaluation	-	-	-	-	-	-	-
Depreciation	-	(552,769)	(68,190,283)	(11,249)	(4,848,931)	(3,213,277)	(76,816,509)
Carrying value of Disposals:	-	-	(1,691,696)	-	(6,524)	(19,351)	(1,717,571)
- Cost	-	-	(3,102,874)	-	(13,849)	(177,426)	(3,294,149)
- Accumulated Depreciation	-	-	1,411,178	-	7,325	158,075	1,576,579
Impairment Losses	-	-	-	-	(49,220)	(112,979)	(162,199)
Capital under Construction - Completed	-	-	(40,380,691)	-	-	-	(40,380,691)
Other Movements	-	-	40,364,527	-	-	-	40,364,527
- Cost	-	-	40,364,527	-	-	-	40,364,527
- Transfers Received	-	-	40,364,527	-	-	-	40,364,527
- Transfers Made	-	-	-	-	-	-	-
Carrying values at 30 June 2020	**242,736,141**	**50,370,915**	**1,718,249,477**	**22,434,068**	**17,848,968**	**25,533,458**	**2,077,173,028**
Cost	242,736,141	53,605,907	2,399,634,377	24,044,983	49,440,967	56,832,200	2,826,294,576
- *Completed Assets*	*242,736,141*	*53,605,907*	*2,235,721,424*	*18,231,956*	*48,853,351*	*56,832,200*	*2,655,980,979*
- *Under Construction*	-	-	*163,912,953*	*5,813,027*	*587,615*	-	*170,313,596*
Revaluation	-	-	-	-	-	-	(0)
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(441,443)	(454,957)	(3,362,399)
Accumulated Depreciation	-	(2,355,992)	(681,384,901)	(23,915)	(31,150,556)	(30,843,785)	(745,759,148)

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2019

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2018	**239,770,877**	**50,643,734**	**1,662,750,527**	**22,456,565**	**11,755,439**	**13,200,495**	**2,000,577,638**
Cost	239,770,877	51,894,187	2,209,348,917	24,044,983	35,107,156	38,011,128	2,598,177,248
- *Completed Assets*	239,770,877	51,894,187	2,176,701,030	*18,231,956*	*34,519,540*	38,011,128	*2,559,128,718*
- *Under Construction*	-	-	32,647,887	*5,813,027*	*587,615*	-	*39,048,530*
Correction of error (Note 43.)	-	-	-	-	-	-	-
Change in Accounting Policy	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	(1,587,000)	(392,222)	(341,978)	(2,321,201)
Accumulated Depreciation	-	(1,250,453)	(546,598,390)	(1,418)	(22,959,494)	(24,468,655)	(595,278,409)
Acquisition of Assets							
- Cost	-	(476,443)	196,083	-	6,345,274	5,513,711	11,578,624
- Capital Under Construction	-	-	82,734,553	-	-	-	82,734,553
Decommisioning and other Liabilities	-	-	(60,260)	-	-	-	(60,260)
Depreciation	-	(552,769)	(68,021,459)	(11,249)	(3,448,195)	(3,469,375)	(75,503,047)
Carrying value of Disposals:	-	-	(29,491)	-	(64,445)	(27,981)	(121,916)
- Cost	-	-	(43,545)	-	(163,183)	(177,426)	(384,154)
- Accumulated Depreciation	-	-	14,054	-	98,738	149,446	262,238
Impairment Losses	-	(879,000)	-	-	-	-	(879,000)
Capital under Construction - Completed	-	-	(22,565,974)	-	-	-	(22,565,974)
Other Movements	-	2,188,163	20,377,811	-	-	-	22,565,974
- Cost	-	2,188,163	20,377,811	-	-	-	22,565,974
- Transfers Received	-	2,188,163	20,377,811	-	-	-	22,565,974
- Transfers Made	-	-	-	-	-	-	-
Carrying values at 30 June 2019	**239,770,877**	**50,923,685**	**1,675,381,790**	**22,445,317**	**14,588,074**	**15,216,850**	**2,018,326,592**
Cost	239,770,877	53,605,907	2,289,987,585	24,044,983	41,289,246	43,347,413	2,692,046,011
- *Completed Assets*	*239,770,877*	*53,605,907*	*2,197,171,120*	*18,231,956*	*40,701,631*	*43,347,413*	*2,592,828,903*
- *Under Construction*	-	-	*92,816,465*	*5,813,027*	*587,615*	-	*99,217,108*
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(392,222)	(341,978)	(3,200,201)
Accumulated Depreciation	-	(1,803,223)	(614,605,795)	(12,666)	(26,308,950)	(27,788,584)	(670,519,218)

		2020 R	2019 R
9. PROPERTY, PLANT AND EQUIPMENT (Continued)			
9.1 Allocation for Cash Flow			
Property, Plant and Equipment at Beginning of Year		**2,018,326,592**	**2,000,577,639**
Property, Plant and Equipment		1,919,109,484	1,961,529,109
Construction Work-in-Progress		99,217,108	39,048,530
Movement in Non-cash Transactions:-			
Depreciation for the Year		(76,816,509)	(75,503,047)
Impairment for the Year		(162,199)	(879,000)
Total Property, Plant and Equipment allocated to Non-cash Transactions		(76,978,707)	(76,382,047)
Purchase of Property, Plant and Equipment:-			
Acquisition of Property, Plant and Equipment		26,081,699	11,518,364
Acquisitions		25,954,576	11,578,624
Decommissioning, Restoration and Other Liabilities		127,123	(60,260)
Acquisition of Construction Work-in-Progress		71,096,488	60,168,578
Total Property, Plant and Equipment allocated to Purchase of Property, Plant and Equipment		97,178,186	71,686,943
Disposal of Property, Plant and Equipment:-			
Carrying Value of Disposals		(1,717,571)	(121,916)
Total Property, Plant and Equipment allocated to Proceeds on Disposal of Property, Plant and Equipment		(1,717,571)	(121,916)
Transfer of Property, Plant and Equipment:-			
Carrying Value of Transfers		40,364,527	22,565,974
Total Property, Plant and Equipment allocated to Suppliers Paid		40,364,527	22,565,974
Property, Plant and Equipment at End of Year		**2,077,173,028**	**2,018,326,593**
Proceeds on Disposal of Property, Plant and Equipment:-			
Disposals as per Reconciliation of Property, Plant and Equipment	Note 9.1	1,717,571	121,916
Gains / Losses on Disposal of Property, Plant and Equipment	Note 42.	(1,717,571)	(750,454)
Total Proceeds on Disposal of Property, Plant and Equipment allocated to Cash Flow		**-**	**(628,537)**

9.2 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

9.3 Carrying Amount of Property, Plant and Equipment retired from active use and not classified as a Discontinued Operation

No Property, Plant and Equipment were retired from active use and not classified as a Discontinued Operation during the financial year.

9.4 Assets pledged as security

The municipality did not pledge any of its assets as security.

9.5 Property, Plant and Equipment being rented out

Some potential Investment Properties are recognized as PPE due to the insignificant portion being leased out.

9.6 Impairment of Property, Plant and Equipment

Impairment Losses on Property, Plant and Equipment to the amount of R162,199 (2019: R879,000) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 34..

Land		-	-
Buildings		-	879,000
Other Assets: Furniture and Office Equipment		49,220	-
Transport Assets		112,979	-
Total Impairment of Property, Plant and Equipment		**162,199**	**879,000**

9.7 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There was no change (2018/19: R0) in the estimated useful life of various assets of the municipality for the financial year.

9.8 Land and Buildings carried at Cost

The municipality's Land and Buildings are accounted for according to the cost model and therefore no fair value was determined for the year under review.

9.9 Delayed Projects

Project Details	Delayed or Halted		
Community Asset	Delayed	5,813,027	5,813,027
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area		-	-
Other Assets	Delayed	587,615	587,615
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area			
Total Carrying Amounts of Delayed or Halted Projects		**6,400,642**	**6,400,642**

9.10 Expenditure incurred to repair and maintain

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

Electrical Infrastructure			9,819,954	5,941,124
- Contracted Services	2,043,287	2,889,238		
- Inventory Consumed	7,680,626	2,902,021		
- Other Operational Costs	96,041	149,865		
Roads Infrastructure			25,495,148	16,031,616
- Contracted Services	18,685,600	11,535,222		
- Inventory Consumed	5,299,599	3,887,571		
- Other Operational Costs	1,509,949	608,823		
Sanitation Infrastructure			3,207,749	3,249,016
- Contracted Services	1,660,904	1,716,531		
- Inventory Consumed	1,110,962	1,041,668		
- Other Operational Costs	435,883	490,817		
Solid Waste Disposal			1,538,237	84,147
- Contracted Services	1,500,483	84,147		
- Other Operational Costs	37,754	-		
Storm water Infrastructure			726,282	773,977
- Contracted Services	79,464	46,344		
- Inventory Consumed	499,260	544,892		
- Other Operational Costs	147,559	182,741		
Water Supply Infrastructure			2,956,702	3,043,705
Community Assets			4,362,399	2,920,636
Machinery and Equipment			318,266	364,780
Other Assets - Buildings			1,965,669	5,169,718
Transport Assets			9,898,657	8,680,420
Total Expenditure related to Repairs and Maintenance Projects			**60,289,063**	**46,259,139**

	2020 R	2019 R
10. INTANGIBLE ASSETS		
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	679,541	243,850

The movement in Intangible Assets is reconciled as follows:

	Software Purchased	Total
Carrying values at 01 July 2019	**243,849**	**243,849**
Cost	623,643	623,643
Accumulated Amortisation	(379,794)	(379,794)
Acquisitions:	552,742	552,742
Purchased	552,742	552,742
Amortisation:	(117,051)	(117,051)
Purchased	(117,051)	(117,051)
Internally Developed	-	-
Carrying values at 30 June 2020	**679,540**	**679,540**
Cost	1,176,385	1,176,385
Accumulated Amortisation	(496,845)	(496,845)

	Software Purchased	Total
Carrying values at 01 July 2018	**301,769**	**301,769**
Cost	575,905	575,905
Accumulated Amortisation	(274,136)	(274,136)
Acquisitions:	47,738	47,738
Amortisation:	(105,658)	(105,658)
Purchased	(105,658)	(105,658)
Carrying values at 30 June 2019	**243,849**	**243,849**
Cost	623,643	623,643
Accumulated Amortisation	(379,794)	(379,794)

10.1 Allocation for Cash Flow

Intangible Assets at Beginning of Year	**243,850**	**301,768**
Movement in Non-cash Transactions:-		
Amortisation for the Year	(117,051)	(105,658)
Total Intangible Assets allocated to Non-cash Transactions	(117,051)	(105,658)
Purchase of Intangible Assets:-		
Acquisition of Intangible Assets	552,742	47,739
Total Intangible Assets allocated to Purchase of Intangible Assets	552,742	47,739
Intangible Assets at End of Year	**679,541**	**243,850**

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 33.).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

10.2 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:
(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

10.3 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

10.4 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

10.5 Work-in-Progress

The municipality had no capital projects for Intangible Assets which were not completed at year-end.

10.6 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

INVESTMENT PROPERTY

At Cost less Accumulated Depreciation	**242,551,944**	**242,551,944**
The movement in Investment Property is reconciled as follows:		
Carrying values at 1 July	**242,551,944**	**242,551,944**
Cost	242,551,944	242,551,944
Acquisitions during the Year	-	-
Cost	-	-
Carrying values at 30 June	**242,551,944**	**242,551,944**
Cost	242,551,944	242,551,944

11.1 Allocation for Cash Flow

Investment Property at Beginning of Year	**242,551,944**	**242,551,944**
Total Investment Property allocated to Non-cash Transactions	-	-
Total Investment Property allocated to Purchase of Investment Property	-	-
Total Investment Property allocated to Suppliers Paid	-	-
Investment Property at End of Year	**242,551,944**	**242,551,944**

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

Rental Revenue earned from Investment Property	-	-
Direct Operating Expenses - incurred to generate rental revenue	-	-
Direct Operating Expenses - incurred which did not generate rental revenue	-	-

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

11.2 Investment Property carried at Fair Value

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

11.3 Impairment of Investment Property

No impairment losses have been recognised on Investment Property of the municipality at the reporting date.

11.4 Work-in-Progress

The municipality had no capital projects for Investment Property which were not completed at year-end.

11.5 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

	2020 R	2019 R
12. LONG-TERM RECEIVABLES		
Staff Related Long Term Receivables	13,000	16,(
Total Long Term Receivables	13,000	16,(
Less: Current Portion transferred to Current Receivables:-	3,000	3,(
Staff Related Long Term Receivables	3,000	3,(
Staff Related Long Term Receivables	10,000	13,(
Non-Current Potion of Long Term Receivables	10,000	13,(
12.1 Allocation for Cash Flow		
Decrease / (Increase) in Long-term Receivables:-		
Long-term Receivables - Opening Balance	13,000	16,(
Long-term Receivables - Closing Balance	(10,000)	(13,(
Total Long-term Receivables allocated to Decrease / (Increase) in Long-term Receivables	3,000	3,(
Total Long-term Receivables allocated to Cash Flow	**3,000**	**3,(**

No Long-term Receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of Long-term Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values.

	2020 R	2019 R
13. CONSUMER DEPOSITS		
Electricity	10,835,939	10,563,805
Water	1,821,417	1,728,648
Other Deposits:-	5,418,508	5,085,670
Total Consumer Deposits	**18,075,864**	**17,378,122**
13.1 Allocation for Cash Flow		
Service Charges:-		
Consumer Deposits:Trading Services - Opening Balance	(12,292,453)	(11,198,105)
Consumer Deposits: Trading Services - Closing Balance	12,657,356	12,292,453
Total Consumer Deposits allocated to Service Charges	364,903	1,094,348
Other Receipts:-		
Consumer Deposits: Other Services - Opening Balance	(5,085,670)	(4,042,764)
Consumer Deposits: Other Services - Closing Balance	5,418,508	5,085,670
Total Consumer Deposits allocated to Other Receipts	332,839	1,042,906
Total Consumer Deposits allocated to Cash Flow	**697,742**	**2,137,254**

CONSUMER DEPOSITS - LAND SALES
Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

14. PROVISIONS		
Performance Bonus	2,395,065	2,296,662
Current Portion of Employee Benefit Liabilities:	5,921,037	5,531,692
Post-retirement Medical Aid Benefits Liability	3,176,023	2,982,243
Post-retirement Pension Benefits Liability	21,249	21,048
Long-term Service Liability	2,723,765	2,528,401
Current Portion of Non-Current Provisions:	24,778,557	21,820,446
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	3,547,270	2,793,944
Environmental Cleanup	1,036,522	2,000,000
Leave	20,194,765	17,026,502
Total Provisions	**33,094,658**	**29,648,800**
14.1 Allocation for Cash Flow		
Provisions at Beginning of Year	**29,648,800**	**24,504,611**
Movement in Non-cash Transactions:-		
Provisions	3,251,877	5,284,899
Defined Benefit Obligations	3,197,272	3,003,291
Total Provisions allocated to Non-cash Transactions	6,449,149	8,288,190
Movement in Employee Related Costs:-		
Provisions: Reductions (Outflow of Economic Benefits)	-	-
Defined Benefit Obligations: Actual Benefit Payments	(3,003,291)	(3,144,000)
Total Provisions allocated to Employee Related Costs	(3,003,291)	(3,144,000)
Provisions at End of Year	**33,094,659**	**29,648,800**
Current Provisions:		

	2020 R	2019 R
Performance Bonus:		
Opening Balance	2,296,662	1,220,196
Increases	98,403	1,076,466
Balance at end of year	**2,395,065**	**2,296,662**

Performance Bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

	Medical Aid R	Pension Fund R
30 June 2020		
Opening Balance	2,982,243	21,048
Reversals	-	-
Interest cost	-	-
Current service cost	3,176,023	21,249
Actual employer benefit payments	(2,982,243)	(21,048)
Actuarial loss/ (gain) recognised in the year	-	-
Balance at end of year	**3,176,023**	**21,249**

	Medical Aid R	Pension Fund R
30 June 2019		
Opening Balance	3,083,000	61,000
Reversals	-	-
Interest cost	-	-
Current service cost	2,982,243	21,048
Actual employer benefit payments	(3,083,000)	(61,000)
Actuarial loss/ (gain) recognised in the year	-	-
Balance at end of year	**2,982,243**	**21,048**

Current Portion of Non-Current Provisions:

Staff Benefit Provisions:

	Leave Provision R	Long-term Service R
30 June 2020		
Opening Balance	17,026,502	2,528,401
Increases	3,168,263	2,723,765
Payments Made	-	-
Reversals	-	(2,528,401)
Balance at end of year	**20,194,765**	**2,723,765**

	Leave Provision R	Long-term Service R
30 June 2019		
Opening Balance	14,966,764	2,003,000
Increases	2,059,738	2,528,401
Payments Made	-	-
Reversals	-	(2,003,000)
Balance at end of year	**17,026,502**	**2,528,401**

	2020 R	2019 R
Other Operational Provisions:		

	Environmental Cleanup R	Decommissioning of Landfill Sites R
30 June 2020		
Opening Balance	2,000,000	2,793,944
Increases	-	3,547,270
Payments Made	-	-
Reversals	(963,478)	(2,793,944)
Balance at end of year	**1,036,522**	**3,547,270**

	Environmental Cleanup R	Decommissioning of Landfill Sites R
30 June 2019		
Opening Balance	500,000	2,670,650
Increases	1,500,000	2,793,944
Payments Made	-	-
Reversals	-	(2,670,650)
Balance at end of year	**2,000,000**	**2,793,944**

Environmental Clean-up Illegal dumping of builders and other rubble is taken place throughout the Kouga area to the municipality's property. Contrary to S19A of Environmental Conservation Act,73 (No 73 of 19 89), the municipality has not cleared the illegal dumping and other rubble. The municipality has accounted for a provision for the cost of clearing of builders and other rubble as required by GRAP 19.

Leave Provision Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Long Service Award Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised.

5. PAYABLES FROM EXCHANGE TRANSACTIONS

Bonus	-	-
Other Payables	10,646,509	15,855,564
Retentions	3,349,136	2,539,496
Salary Related Payables	816,076	695,462
Trade Creditors	112,202,790	53,335,629
Advance Payments	16,092,821	14,956,402
Total Payables	**143,107,331**	**87,382,553**

15.1 Allocation for Cash Flow

Service Charges:-		
Advance Payments	1,136,418	- 1,173,049
Control, Clearing and Interface Accounts: Prepaid Electricity	0	818,226
Total Payables from Exchange Transactions allocated to Service Charges	**1,136,419**	**(354,822)**
Other Receipts:-		
Unallocated Deposits	- 5,445,894	- 259,234
Total Payables from Exchange Transactions allocated to Other Receipts	**(5,445,894)**	**(259,234)**
Employee Related Costs:-		
Bonus	-	86,664
Compensation Commission (COID)	- 11,953,994	-
Control, Clearing and Interface Accounts: Salary Clearing and Control	1,184,437	978
Leave Accrual	-	-
Long Service Award	12,036,228	131,838
Overtime	-	-
PAYE Deductions	38,380	4,316
Total Payables from Exchange Transactions allocated to Employee Related Costs	**1,305,051**	**223,796**

		2020 R		2019 R
Suppliers Paid:-				
Auditor-General of South Africa	-	43,254		41,654
Bulk Water	-	59,693,978		5,501,574
Control, Clearing and Interface Accounts: Goods Received / Invoices Received		2,364		5,839,846
Control, Clearing and Interface Accounts: Inventory Stores		-		-
Electricity Bulk Purchase		3,192,220		1,366,531
Payables and Accruals		115,412,173		3,579,960
Retentions		809,640	-	203,719
Total Payables from Exchange Transactions allocated to Suppliers Paid		**59,679,166**		**16,125,846**
Other Payments:-				
Affiliates, Related Parties and Associated Companies	-	0	-	18,222
Control, Clearing and Interface Accounts: Cash and Bank	-	949,963		949,963
Total Payables from Exchange Transactions allocated to Other Payments		**(949,964)**		**931,742**
Total Payables from Exchange Transactions allocated to Cash Flow		**55,724,778**		**16,667,327**

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Transfers and subsidies		235,741		-
Non-Exchange Receivables with Credit Balances		-		-
Total Payables		**235,741**		**-**

16.1 Allocation for Cash Flow

Other Payments:-				
Payables from Non-exchange Transactions - Opening Balance		-		-
Payables from Non-exchange Transactions - Closing Balance		235,741		-
Total Payables from Non-exchange Transactions allocated to Other Payments		**235,741**		**-**
Total Payables from Non-exchange Transactions allocated to Cash Flow		**235,741**		**-**

No credit period exists for Payables from Non-exchange Transactions, neither has any credit period been arranged.
No interest is charged on outstanding amounts.

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

National Government		26,927,177		98,082,838
Provincial Government		-		5,362,711
Total Conditional Grants and Receipts		**26,927,177**		**103,445,548**

17.1 Allocation for Cash Flow

Transfers and Subsidies:-				
Unspent Conditional Grants and Receipts - Opening Balance	-	103,445,548	-	6,941,508
Unspent Conditional Grants and Receipts - Closing Balance		26,927,177		103,445,548
Total Unspent Conditional Grants and Receipts allocated to Transfers and Subsidies	-	**76,518,371**		**96,504,040**
Total Unspent Conditional Grants and Receipts allocated to Cash Flow	-	**76,518,371**		**96,504,040**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 25 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
18. LONG-TERM LIABILITIES		
Long-Term Liabilities	16,354,408	25,420,948
Development Bank of South Africa	15,090,289	23,089,162
Finance Lease Liability	1,264,119	2,331,786
Less: Current Portion transferred to Current Liabilities:-	(9,607,597)	(9,066,539)
Development Bank of South Africa	(8,961,975)	(7,998,872)
Finance Lease Liability	(645,622)	(1,067,666)
Non-Current Portion of Long-term Liabilities	**6,746,811**	**16,354,409**
18.1 Allocation for Cash Flow		
18.1.1 Current Portion:-		
Movement in Current Portion of Long-term Liabilities:-		
Current Portion of Long-term Liabilities - Opening Balance	(9,066,539)	(8,944,035)
Current Portion of Long-term Liabilities - Closing Balance	9,607,597	9,066,539
Total Movement in Current Portion of Long-term Liabilities	541,058	122,504
Total Short-term Loans allocated to Repayment of Borrowings	541,058	122,504
18.1.2 Non-current Portion:-		
Movement in Non-current Long-term Liabilities:-		
Non-current Long-term Liabilities - Opening Balance	(16,354,409)	(23,600,396)
Non-current Long-term Liabilities - Closing Balance	6,746,811	16,354,409

18.2 Summary of Arrangements

The fixed term loan is over a period of 10 years was taken up with the Development Bank of Southern Africa to purchase heavy duty vehicles. In terms of the service level agreement, as amended, the loan will be repaid in monthly instalments at a interest rate of 11.18 %.

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

18.3 Obligations under Borrowings

Annuity and Bullet Loans	6,128,314	15,090,290
Current Portion transferred to Current Liabilities:-	8,961,975	7,998,872
Total Borrowings	**15,090,289**	**23,089,162**

18.4 Obligations under Leases
The Municipality as Lessee:

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2020 R	2019 R	2020 R	2019 R
Amounts payable under borrowings:				
Within one year	795,355	1,330,082	645,622	1,067,666
In the second to fifth years, inclusive	662,796	1,458,151	618,493	1,264,123
Over five years	-	-	-	-
	1,458,151	2,788,233	1,264,115	2,331,789
Less: Future Finance Obligations	194,036	456,444		
Present Value of Minimum Lease Obligations	**1,264,115**	**2,331,789**	**1,264,115**	**2,331,789**
(i) Various photocopier, computers and fax machines			1,264,119	2,331,789
Installments are payable monthly				
Average period outstanding			12month	24month
Average effective interest rate			15.33%	15.33%
Average capital redemption per month over the period leased			52,860	94,437

EMPLOYEE BENEFIT LIABILITIES

Employee Benefit Liabilities	92,176,876	100,339,109
Post-retirement Health Care Benefits Liability	75,535,567	83,222,393
Post-retirement Pension Benefits Liability	151,045	179,207
Long Service Awards Liability	16,490,264	16,937,509
Less: Current Portion of Employee Benefit Liabilities	5,921,037	5,531,692
Post-retirement Health Care Benefits Liability	3,176,023	2,982,243
Post-retirement Pension Benefits Liability	21,249	21,048
Long Service Awards Liability	2,723,765	2,528,401
Non-Current Portion of Employee Benefit Liabilities	**86,255,839**	**94,807,417**

19.1 Allocation for Cash Flow

Employee Benefit Liabilities at Beginning of Year	**94,807,417**	**96,300,999**
Long-service Awards	14,409,108	12,289,000
Medical	80,240,150	83,296,999
Pension	158,159	715,000
Movement in Non-cash Transactions:-		
Long-service Awards	1,885,792	4,123,108
Post Retirement Health Care	(4,704,583)	(74,606)
Post Retirement Pension	(7,114)	(535,793)
Total Employee Benefit Liabilities allocated to Non-cash Transactions	(2,825,905)	3,512,709

	2020 R	2019 R
Movement in Employee Related Costs:-		
Long-service Awards: Reductions (Outflow of Economic Benefits)	(2,528,401)	(2,003,000)
Post Retirement Health Care: Actual employer benefit payments	(2,982,243)	(3,083,000)
Defined Benefit Obligations: Actual Benefit Payments	-	-
Total Employee Benefit Liabilities allocated to Employee Related Costs	(5,510,644)	(5,086,000)
Employee Benefit Liabilities at End of Year	**86,470,868**	**94,727,708**
19.2 Post-retirement Health Care Benefits Liability		
Opening balance	83,222,393	86,379,999
Interest cost	7,767,684	-
Current service cost	3,821,493	(74,606)
Actual employer benefit payments	(2,982,243)	(3,083,000)
Actuarial loss/ (gain) recognised in the year	(16,293,760)	-
Balance at end of Year	75,535,567	83,222,393
Transfer to Current Provisions	3,176,023	2,982,243
Total Post-retirement Health Care Benefits Liability	**72,359,544**	**80,240,150**

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2020 by One Pangaea Expertise & Solutions. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	438	416
In-service Non-members (Employees)	-	-
Continuation Members (Retirees, widowers and orphans)	71	69
Total Members	**509**	**485**

The liability in respect of past service has been estimated as follows:

In-service Members	36,187,184	42,352,442
In-service Non-members	-	-
Continuation Members	39,348,384	40,869,951
Total Liability	**75,535,567**	**83,222,393**

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Hosmed
- Samwumed

The Current-service Cost for the year ending 30 June 2020 is estimated to be R3,821,493, whereas the cost for the ensuing year is estimated to be R3,821,493 (30 June 2019: R4,029,000 and R3,821,493 respectively).

	2020 R	2019 R
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	13.69%	9.50%
Health Care Cost Inflation Rate	9.41%	6.92%
Net Effective Discount Rate	3.91%	2.41%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening balance	83,222,393	86,379,999
Interest cost	7,767,684	8,306,000
Current service cost	3,821,493	4,029,000
Actual employer benefit payments	-	-
Benefits paid	(2,982,243)	(3,083,000)
Actuarial losses / (gains)	(16,293,760)	(12,409,606)
Total Recognised Benefit Liability	**75,535,567**	**83,222,393**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	75,535,567	83,222,393
Fair value of plan assets	-	-
	75,535,567	83,222,393
Present value of unfunded obligations	-	-
Unfunded Accrued Liability	75,535,567	83,222,393
Restrictions on asset recognised	-	-
Fair value of reimbursement rights recognised	-	-
Total Benefit Liability	**75,535,567**	**83,222,393**
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	3,821,493	8,306,000
Interest cost	7,767,684	4,029,000
Actuarial losses / (gains)	(16,293,760)	(12,409,606)
Total Post-retirement Benefit included in Employee Related Costs (Note 31.)	**(4,704,583)**	**(74,606)**

The history of fair values are as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Present Value of Defined Benefit Obligation	75,535,567	83,222,393	86,379,999	82,973,999	80,918,999
Fair Value of Plan Assets	-	-	-	-	-
Deficit	**75,535,567**	**83,222,393**	**86,379,999**	**82,973,999**	**80,918,999**

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	15,565,243	14,731,000
Effect on the defined benefit obligation	86,136,671	97,574,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	11,755,460	10,427,000
Effect on the defined benefit obligation	66,738,349	71,736,000

The municipality expects to make a contribution of R3,395,000 (2019: R3,744,000) to the Defined Benefit Plans during the next financial year.

Refer to Note 49., "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

19.3 Post-retirement Pension Benefits Liability

Opening balance	179,207	776,000
Interest cost	13,021	71,000
Actual employer benefit payments	(21,048)	(61,000)
Actuarial loss/ (gain) recognised in the year	(20,135)	(606,793)
Balance at end of Year	151,045	179,207
Transfer to Current Provisions	21,249	21,048
Total Post-retirement Pension Benefits Liability	**129,796**	**158,159**

The municipality provides certain post - retirement pension benefits to certain retired employees of the municipality. According to the rules of the pension fund, with which the municipality is associated, a member (which is on the current Conditions of Service) on retirement, is entitled to certain pension benefits in which case the municipality is liable for pension payments to retired members for the remainder of their lives.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2020 One Pangaea Expertise and Solutions a fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	7.41%	7.71%
Health Care Cost Inflation Rate	2.57%	4.09%
Net Effective Discount Rate	4.72%	3.48%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening balance	158,159	715,000
Interest cost	13,021	71,000
Current service cost	(21,249)	(21,048)
Actual employer benefit payments	-	-
Actuarial loss/ (gain) recognised in the year	(20,135)	(606,793)
Actuarial losses / (gains)	-	-
Total Recognised Benefit Liability	**129,796**	**158,159**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	129,796	158,159
Total Benefit Liability	**129,796**	**158,159**
The amounts recognised in the Statement of Financial Performance are as follows:		
Interest cost	13,021	71,000
Actuarial losses / (gains)	-	-
Total Post-retirement Benefit included in Employee Related Costs (Note)	**13,021**	**71,000**

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The management's assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.

The history of experienced adjustments is as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Present Value of Defined Benefit Obligation	129,796	158,159	715,000	742,000	924,000
Deficit	**129,796**	**158,159**	**715,000**	**742,000**	**924,000**

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	11,186	69,000
Effect on the defined benefit obligation	143,637	170,228
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	9,528	68,000
Effect on the defined benefit obligation	159,265	189,204

	2020 R	2019 R
19.4 Long Service Awards Liability		
Opening Balance	16,937,509	14,292,000
Increases	3,072,003	4,648,509
Payments Made	(2,528,401)	(2,003,000)
Other Reductions	(990,847)	-
Balance at end of Year	16,490,264	16,937,509
Transfer to Current Provisions	2,723,765	2,528,401
Total Long Service Awards Liability	**13,766,499**	**14,409,108**

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2020 by One Pangaea Expertise and Solutions. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 852 (2019: 857) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2020 is estimated to be R0, whereas the cost for the ensuing year is estimated to be R3,821,493 (30 June 2019: R0 and R0 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	9.73%	8.03%
Cost Inflation Rate	4.57%	5.49%
Net Effective Discount Rate	3.94%	2.41%
Expected Rate of Salary Increase	6.25%	6.50%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening Balance	16,937,509	14,292,000
Interest cost	-	-
Current service cost	(2,723,765)	-
Actuarial loss/ (gain) recognised in the year	4,804,921	4,648,509
Benefits paid	(2,528,401)	(2,003,000)
Total Recognised Benefit Liability	**16,490,264**	**16,937,509**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	16,490,264	16,937,509
	16,490,264	16,937,509
Present value of unfunded obligations	-	-
Unfunded Accrued Liability	16,490,264	16,937,509
Total Benefit Liability	**16,490,264**	**16,937,509**
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	5,795,768	4,648,509
Interest cost	-	-
Total Post-retirement Benefit included in Employee Related Costs (Note 31.)	**5,795,768**	**4,648,509**

The history of experienced adjustments is as follows:

	2020 R	2019 R	2018 R	2017 R
Present Value of Defined Benefit Obligation	16,490,264	16,937,509	14,292,000	13,110,000
Deficit	**16,490,264**	**16,937,509**	**14,292,000**	**13,110,000**

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

	R	R
Increase:		
Effect on the aggregate of the current service cost and the interest cost	3,117,863	2,398,000
Effect on the defined benefit obligation	15,692,185	16,034,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	3,164,217	2,399,000
Effect on the defined benefit obligation	17,371,225	17,944,000

The municipality expects to make a contribution of R2 723 765 (2019: R5,795,768) to the defined benefit plans during the next financial year.

20. NON-CURRENT PROVISIONS

Decommissioning, Restoration and Similar Liabilities: Landfill Sites	72,316,640	68,585,204
Decommissioning, Restoration and Similar Liabilities:Non-specific	-	52,200
Total Non-current Provisions	**72,316,640**	**68,637,404**

20.1 Allocation for Cash Flow

Non-current Provisions at Beginning of Year	**68,637,404**	**65,679,934**
Movement in Non-cash Transactions:-		
Decommissioning, Restoration and Similar Liabilities	3,731,436	2,957,470
Decommissioning, Restoration and Similar Liabilities:Non-specific	(52,200)	-
Non-current Provisions at End of Year	**72,316,640**	**68,637,404**

	Decommissioning of Non-Specific R	Decommissioning of Landfill Sites R
30 June 2020		
Opening Balance	52,200	68,585,204
Finance Charges	-	3,211,375
Payments Made	(52,200)	-
Increases (Passage of Time/Discounted Rate)	-	520,061
Balance at end of year	**-**	**72,316,640**

	Decommissioning of Non-Specific R	Decommissioning of Landfill Sites R
30 June 2019		
Opening Balance	52,200	65,627,734
Finance Charges	-	3,141,024
Other Reductinos	-	(183,554)
Balance at end of year	**52,200**	**68,585,204**

KOUGA LOCAL MUNICIPALITY
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		2020 R	2019 R
21. ACCUMULATED SURPLUS			
Accumulated Surplus / (Deficit) due to the results of Operations		2,213,698,943	2,190,141,228
Total Accumulated Surplus		**2,213,698,943**	**2,190,141,228**

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

22. PROPERTY RATES

		Actual Levies July 2020 R000's	 July 2019 R000's
Property Rates:			
Property Rates Levies		197,544,135.51	184,331,307.76
Total Property Rates		**197,544,136**	**184,331,308**
22.1 Calculation of Cash Flow:			
Property Rates Income	Note 22.	197,544,136	184,331,308
Non-exchange Interest Earned	Note 29.1	1,649,323	1,325,934
Cash Flow from Non-exchange Receivables	Note 4.1	(7,765,424)	(2,303,609)
Total Receipts for Property Rates		**191,428,034**	**183,353,633**

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2018.

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions.

An general rate is applied as follows to property valuations to determine property rates:
- Residential Properties: 0,0078 c/R (2018/19: 0,0072 c/R)
- Business Properties: 0,0081 c/R (2018/19: 0,0075 c/R)
- Agricultural Properties: 0,0020 c/R (2018/19: 0,0018 c/R)

A Rebate of R15,000 is received on all residential properties, private towns receives an additional 20% on property valuation and equitable share receipients receives an additional R85,000 rebate on property value.

23. FINES, PENALTIES AND FORFEITS

Traffic Fines:	20,110,864	20,856,720
Municipal	(186,010)	4,221,605
Service Provider	20,296,873	16,635,116
Other Fines:	277,421	477,063
Building	216,812	311,014
Overdue Books Fine	1,609	2,049
Pound Fees	59,000	164,000
Total Fines, Penalties and Forfeits	**20,388,284**	**21,333,783**

		2020 R	2019 R
24. LICENCES AND PERMITS			
Boat		4,535,150	3,928,170
Health Certificates		5,740	5,980
Road and Transport:		6,323,486	11,693,690
Drivers Licence Application/Duplicate Drivers Licences		2,593,358	3,235,822
Drivers Licence Certificate		34,674	4,336,184
Learners Certificate		700,477	1,177,061
Motor Vehicle Licence		2,251,824	1,970,432
Operators and Public Drivers Permits		743,153	974,192
Trading		202,124	164,947
Total Licences and Permits		**11,066,499**	**15,792,788**
25. TRANSFERS AND SUBSIDIES RECEIVED			
Capital Grants		126,693,735	94,020,455
Monetary Allocations		126,359,845	94,020,455
Operational Grants		134,340,859	122,879,370
Monetary Allocations		134,340,859	122,879,370
Total Transfers and Subsidies Received		**261,034,594**	**216,899,825**
25.1 Allocation for Cash Flow:			
Transfers and Subsidies Received	Note 25.	261,034,594	216,899,825
Total Transfers and Subsidies Received allocated to Cash Flow		**261,034,594**	**216,899,825**
25.2 Calculation of Cash Flow:			
Government Grants and Subsidies Income	Note 25.1	261,034,594	216,899,825
Cash Flow from Unspent Government Grants	Note 17.1	(76,518,371)	96,504,040
Total Receipts for Government Grants and Subsidies		**184,516,223**	**313,403,865**
25.3 Summary of Grants:			

25.3.1 Capital Grants

	Monetary Allocations 2020	 2019
District Municipalities	713,585	983,093
National Governments	125,646,260	93,037,362
Total Capital Grants Received	**126,359,845**	**94,020,455**

25.3.2 Operational Grants

	Monetary Allocations 2020	 2019
District Municipalities	2,619,200	3,332,186
National Governments	4,669,401	4,346,184
National Revenue Fund	124,938,000	113,151,000
Provincial Government	2,114,259	2,050,000
Total Operational Grants Received	**134,340,859**	**122,879,370**

	2020 R	2019 R
25.3.3 Equitable Share		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	124,938,000	113,151,000
Transferred to Revenue	(124,938,000)	(113,151,000)
Unspent Balance at the End of the Year	**-**	**-**

In terms of the Constitution, the grant is used to subsidies the provision of basic services to indigent community members. This grant is unconditional.

25.3.4 National: EPWP Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,000,000	1,013,000
Conditions Met - Transferred to Revenue	(1,000,000)	(1,013,000)
Unspent Balance at the End of the Year	**-**	**-**

The Expanded Public Works Programme Grant was allocated to the municipality for environmental projects. No funds has been withheld.

25.3.5 National: FMG Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,770,000	1,770,000
Transferred to Revenue	(1,770,000)	(1,770,000)
Unspent Balance at the End of the Year	**-**	**-**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003. .

25.3.6 National: MIG Funds		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	37,996,000	31,186,000
Conditions Met - Transferred to Revenue	(25,490,006)	(31,186,000)
Unspent Balance at the End of the Year	**12,505,994**	**-**

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. No funds have been withheld.

25.3.7 National: WSIG Funds		
Unspent Balance at the Beginning of the Year	98,017,338	-
Current Year Receipts	10,000,000	151,228,000
Conditions Met - Transferred to Revenue	(93,701,658)	(53,210,662)
Unspent Balance at the End of the Year	**14,315,680**	**98,017,338**

The Water Services Infrastructure Grant is allocated to municipalities to assist in drought relief.

25.3.8 National: Department of economic development		
Unspent Balance at the Beginning of the Year	65,500	65,500
Current Year Receipts	-	-
Transferred to Revenue	-	-
Unspent Balance at the End of the Year	**65,500**	**65,500**

No funds have been withheld.

25.3.9 Intergrated National Electrification Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	3,202,000	10,200,000
Conditions Met - Transferred to Revenue	(3,202,000)	(10,200,000)
Unspent Balance at the End of the Year	**-**	**-**

Expenses were incurred to promote rural development and upgrade electricity infrstructure. No funds have been withheld.

	2020 R	2019 R
25.3.10 Energy Effiency Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	4,000,000	-
Conditions Met - Transferred to Revenue	(3,959,997)	-
Unspent Balance at the End of the Year	**40,003**	**-**

Expenses were incurred to promote rural development and upgrade electricity infrstructure. No funds have been withheld.

25.3.11 Disaster Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,192,000	1,090,000
Transferred to Revenue	(1,192,000)	(1,090,000)
Unspent Balance at the End of the Year	**-**	**-**

This is an unconditional grant and was received from Sarah Baartman District Municipality.

The is the Greenest Municipality Award is to assist KOUGA Municipality to comply with the NEMA legislation as well as practically introducing and sustaining projects that aims to conserve and protect the environment.

26.4.13 Provincial: Department Human Settlement (Houses)		
Balance unspent at the beginning of the year	5,362,710	6,876,008
Current year receipts	868,905	1,206,273
Conditions met - transferred to Revenue: Operating Expenses	-6,231,615	-2,719,571
Conditions still to be met - transferred to Liabilities	0	5,362,710

This grant is for the building of low cost housing. The municipality is only the agent of the department of Human Settlement for the constructoin of low cost houses. No funds have been withheld.

SERVICE CHARGES			
Sale of Electricity		245,438,346	242,848,390
Sale of Water		73,768,737	75,590,711
Refuse Removal		51,351,251	50,819,126
Sewerage and Sanitation Charges		49,950,667	44,022,707
Total Service Charges		**420,509,001**	**413,280,935**

26.1 Calculation of Cash Flow:			
Service Charges Income	Note 26.	420,509,001	413,280,935
Exchange Interest Earned	Note 29.1	6,926,805	6,962,074
Cash Flow from Exchange Receivables	Note 3.1	(10,579,816)	(21,345,634)
Cash Flow from Consumer Deposits	Note 13.1	364,903	1,094,348
Cash Flow from Exchange Payables	Note 15.1	1,136,419	(354,822)
Exchange Receivables: Amounts written-off as uncollectable	Note 3.3.1	(27,074,824)	(6,854,892)
Bad Debt Written-off	Note 34.4	- 40,374,879	- 7,715,986
Total Receipts for Service Charges		**350,907,608**	**385,066,022**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

	2020 R	2019 R
27. SALES OF GOODS AND RENDERING OF SERVICES		
Application Fees for Land Usage	601,929	428,178
Building Plan Approval	2,336,905	2,352,796
Camping Fees	1,986,091	2,050,842
Cemetery and Burial	365,039	322,105
Cleaning and Removal	6,128	2,631
Encroachment Fees	5,957	14,313
Fire Services	20,442	17,634
Legal Fees	544,029.00	182,591
Other Revenue - Unidentified Deposits	4,594,415	-
Photocopies and Faxes	76,579	67,508
Removal of Restrictions	321,879	248,770
Sale of Goods	36,478	71,478
Scrap, Waste & Other Goods	-	765
Town Planning and Servitudes	5,530	79,276
Valuation Services	208,887	332,125
Total Sales of Goods and Rendering of Services	**11,110,286**	**6,171,011**
28. RENTAL FROM FIXED ASSETS		
Straight-lined Operating Lease Revenue		
Investment Property	-	-
Other Fixed Assets:	697,437	609,214
Property Plant and Equipment	697,437	609,214
Total Rental of Facilities and Equipment	**697,437**	**609,214**
Rental income generated are at market related premuins. All rental income recognised is therefore market related.		
29. INTEREST, DIVIDENDS AND RENT ON LAND EARNED		
Non-exchange Receivables:		
Outstanding Billing Debtors	1,649,323	1,325,934
Total Non-exchange Interest, Dividends and Rent on Land Earned	**1,649,323**	**1,325,934**
External Investments:		
Bank Account	1,187,596	2,034,071
Investments	10,469,623	9,912,622
	11,657,220	**11,946,693**
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	6,926,805	6,962,074
Electricity	749,081	410,154
Service Charges	67,973	68,823
Waste Management	2,251,788	2,366,575
Waste Water Management	1,234,385	1,299,326
Water	2,623,578	2,817,196
	6,926,805	**6,962,074**
Total Exchange Interest, Dividends and Rent on Land Earned	**18,584,025**	**18,908,767**
Total Interest, Dividends and Rent on Land Earned	**20,233,348**	**20,234,700**

KOUGA LOCAL MUNICIPALITY
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		2020 R	2019 R
29.1 Allocation for Cash Flow:			
Property Rates:-			
Interest on Outstanding Non-exchange Receivables		1,649,323	1,325,934
Total Interest, Dividends and Rent on Land Earned allocated to Property Rates		1,649,323	1,325,934
Service Charges:-			
Interest on Outstanding Exchange Receivables		6,926,805	6,962,074
Total Interest, Dividends and Rent on Land Earned allocated to Service Charges		6,926,805	6,962,074
External Interest and Dividends Received:-			
Interest on External Investments		11,657,220	11,946,693
Total Interest, Dividends and Rent on Land Earned allocated to External Interest and Dividends Received		11,657,220	11,946,693
Total External Interest and Dividends Received allocated to Cash Flow		**20,233,348**	**20,234,700**
29.2 Calculation of Cash Flow:			
External Interest and Dividends Income		11,657,220	11,946,693
Total Receipts for Interest and Dividends Received		**11,657,220**	**11,946,693**
OPERATIONAL REVENUE			
Commission		499,644	462,009
Insurance Refund		2,581,454	(230,171)
Skills Development Levy Refund		581,983	1,203,801
Staff Recoveries		3,623	18,485
Total Operational Revenue		**3,666,703**	**1,454,124**
30.1 Calculation of Cash Flow:			
Income from Operational Revenue	Note 30.	3,666,703	1,454,124
Income from Rental from Fixed Assets	Note 28.	697,437	609,214
Income from Sales of Goods and Rendering of Services	Note 27.	11,110,286	6,171,011
Income from Surcharges and Taxes	Note 26.	-	-
Income from Licences and Permits	Note 24.	11,066,499	15,792,788
Income from Fines, Penalties and Forfeits	Note 23.	20,388,284	21,333,783
Cash Flow from Exchange Receivables	Note 3.1	10,905	7,168
Cash Flow from Non-exchange Receivables	Note 4.1	21,549,260	- 15,037,005
Cash Flow from Operating Lease Receivables	Note 7.1	63,078	34,759
Cash Flow from Consumer Deposits	Note 13.1	332,839	1,042,906
Cash Flow from Exchange Payables	Note 15.1	- 5,445,894	- 259,234
Correction of Prior Year Errors	Note 21.1	-	1,379,424
Total Receipts for Other Revenue		**63,439,397**	**32,528,938**

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 22 to 29, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

		2020 R	2019 R
31. EMPLOYEE RELATED COSTS			
Salaries and Wages:			
Basic		182,066,646	165,865,539
Long Service Awards		1,207,991	946,433
Bonusses		511,524	1,076,466
Leave Payments		1,221,247	1,590,718
Overtime		27,333,706	26,376,406
Allowances:			
Accommodation, Travel and Incidental		-	-
Acting and Post Related Allowances		1,198,745	1,043,282
Bonus Allowance		13,388,228	12,116,643
Cellular and Telephone		5,559	7,500
Housing Benefits		856,667	952,831
Standby Allowance		7,395,340	6,117,348
Travel or Motor Vehicle		9,389,730	7,775,698
Uniform/Special/Protective Clothing		-	-
Social Contributions:			
Bargaining Council		1,577,147	1,664,295
Group Life Insurance		6,530,382	5,762,048
Medical		15,799,761	14,432,761
Pension		28,654,661	26,001,803
Unemployment Insurance		1,564,669	1,477,783
Post-retirement Benefits:			
Current Service Cost		-	4,029,000
Interest Cost		7,780,705	8,377,000
Actuarial Gains and Losses		(16,313,895)	(13,016,399)
Past Service Cost		3,821,493	(3,144,000)
Defined Contribution Fund Expenses		(3,003,291)	-
Leave Gratuity		3,168,263	2,059,738
Long Term Service Awards		(447,245)	2,645,509
Less: Employee Costs allocated to Property, Plant and Equipment		-	-
Total Employee Related Costs		**293,708,033**	**274,158,400**
31.1 Allocation for Cash Flow:			
Employee Related Costs	Note 31.	293,708,033	274,158,400
Adjustment for Non-cash Transactions:		(636,124)	(7,174,314)
Provisions and Non-current Provisions:-		(3,266,665)	(3,136,204)
Performance Bonus		(98,403)	(1,076,466)
Ex-gratia Pension		-	-
Leave		(3,168,263)	(2,059,738)
Pension Fund Investment Return Shortfall		-	-
Employee Benefit Liabilities:-		2,630,541	(4,038,110)
Long-service Awards		(2,081,156)	(4,648,509)
Medical		4,704,583	74,606
Pension		7,114	535,793
Total Employee Related Costs allocated to Cash Flow		**293,071,908**	**266,984,086**
31.2 Calculation of Cash Flow:			
Employee Related Costs Expenditure	Note 31.1	293,071,908	266,984,086
Cash Flow from Provisions	Note 14.1	3,003,291	3,144,000
Cash Flow from Exchange Payables	Note 15.1	(1,305,051)	(223,796)
Cash Flow from Employee Benefit Liabilities	Note 19.1	5,510,644	5,086,000
Total Payments for Employee Related Costs		**300,280,792**	**274,990,290**

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		2020 R	2019 R
31.3 Remuneration of Section 57 Employees:			
Remuneration of the Municipal Manager: C Du Plessis			
Annual Remuneration		1,415,803	1,374,625
Car and Other Allowances		97,097	117,929
Company Contributions to UIF, Medical and Pension Funds		17,911	19,919
Total		**1,530,811**	**1,512,473**
Remuneration of the Chief Financial Officer: S Thys (1 July 2019 - 31 December 2019)			
Annual Remuneration		695,253	1,283,246
Car and Other Allowances		329,813	111,583
Company Contributions to UIF, Medical and Pension Funds		11,187	19,142
Total		**1,036,253**	**1,413,971**
Remuneration of the Chief Financial Officer: R Lorgat (1 April - 30 June 2020)			
Annual Remuneration		280,317	-
Car and Other Allowances		32,397	-
Company Contributions to UIF, Medical and Pension Funds		3,936	-
Total		316,650	-
Remuneration of the Director: Community Services - N Machalesi			
Annual Remuneration		1,061,269	1,027,460
Car and Other Allowances		228,372	203,806
Company Contributions to UIF, Medical and Pension Funds		16,350	17,650
Total		**1,305,992**	**1,248,917**
Remuneration of Director: Infrastructure and Engineering - V Felton			
Annual Remuneration		1,145,269	1,111,460
Car and Other Allowances		317,483	119,588
Company Contributions to UIF, Medical and Pension Funds		16,921	16,774
Total		**1,479,673**	**1,247,822**
Remuneration of Director: Corporate Services - K Moodley			
Annual Remuneration		1,145,269	1,111,460
Car and Other Allowances		188,431	119,545
Company Contributions to UIF, Medical and Pension Funds		16,953	17,190
Total		**1,350,653**	**1,248,195**
Remuneration of Director: Planning, Development and Tourism - F Mabusela			
Annual Remuneration		1,061,269	1,027,460
Car and Other Allowances		207,891	248,187
Company Contributions to UIF, Medical and Pension Funds		16,011	18,607
Total		**1,285,171**	**1,294,253**
Summary of Remuneration of Section 57 Employees:			
All Managers		7,988,552	7,965,631
Total Remuneration of Section 57 Employees		**7,988,552**	**7,965,631**
2. REMUNERATION OF COUNCILLORS			
Executive Mayor		893,853	731,462
Speaker		715,079	580,894
Executive Committee Members		4,022,282	2,678,819
Total for All Other Councillors		7,244,864	8,210,992
Total Councillors' Remuneration		**12,876,077**	**12,202,166**
32.1 Calculation of Cash Flow:			
Remuneration of Councillors Expenditure	Note 32.	12,876,077	12,202,166
Total Payments for Employee Related Costs		**12,876,077**	**12,202,166**

Remuneration of Councillors:

In-kind Benefits
The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Mayor is provided with secretarial support and an office at the cost of the municipality.

		2020 R	2019 R
33. DEPRECIATION AND AMORTISATION			
Depreciation: Property, Plant and Equipment		76,816,509	75,515,934
Amortisation: Intangible Assets		117,052	124,186
Total Depreciation and Amortisation		**76,933,561**	**75,640,120**
34. IMPAIRMENT LOSSES			
Impairment Losses on Fixed Assets		162,199	-
Impairment Losses on Financial Assets		75,352,116	45,795,529
Fair Value Adjustment		(56,653)	(31,488)
Total Impairment Losses		**75,457,662**	**45,764,042**
34.1 Impairment Losses on Fixed Assets			
Impairment Losses		162,199	-
Property, Plant and Equipment		162,199	-
		162,199	**-**
			(879,000.00)
34.2 Impairment Losses on Financial Assets			
Impairment Losses		21,723,438	23,347,147
Other Receivables from Non-exchange Revenue		(9,768,636)	12,683,546
Trade and Other Receivables from Exchange Transactions		31,492,073	10,663,601
Bad Debts Written Off		40,431,532	7,747,474
Reversal of Impairment Losses		13,197,146	14,700,908
Other Receivables from Non-exchange Revenue		-	-
Trade and Other Receivables from Exchange Transactions		13,197,146	14,700,908
		75,352,116	**45,795,529**
34.3 Fair Value Adjustment			
Inventory		(56,653)	(31,488)
		(56,653)	**(31,488)**
34.4 Allocation for Cash Flow:			
Impairment Losses	Note 34.	75,457,662	45,764,042
Adjustment for Non-cash Transactions:		(35,082,782)	(38,048,056)
Impairment Losses on Fixed Assets	Note 34.1	(162,199)	-
Impairment Losses on Financial Assets (excluding Bad Debts Written-o	Note 34.2	(34,920,584)	(38,048,056)
Total Impairment Losses allocated to Service Charges		**40,374,879**	**7,715,986**

		2020 R	2019 R
35. INTEREST, DIVIDENDS AND RENT ON LAND PAID			
Interest Paid:		5,714,358	6,637,780
Borrowings		2,201,127	3,020,625
Finance Leases		262,416	422,482
Interest costs non-current Provisions		3,211,375	3,141,024
Overdue Accounts		39,440	53,650
Total Interest Expense		5,714,358	6,637,780
Total Interest, Dividends and Rent on Land Paid		**5,714,358**	**6,637,780**
35.1 Allocation for Cash Flow:			
Non-cash Transactions:-			
Interest Paid		3,211,375	3,141,024
Interest costs non-current Provisions		*3,211,375*	*3,141,024*
Total Interest, Dividends and Rent on Land Paid allocated to Non-cash Transactions		3,211,375	3,141,024
External Interest and Dividends Paid:-			
Dividends Paid		-	-
Interest Paid		2,502,983	3,496,757
Amounts included in the Cost of qualifying Assets		-	-
Total Interest, Dividends and Rent on Land Paid allocated to External Interest and Dividends Paid		2,502,983	3,496,757
Total External Interest and Dividends Paid allocated to Cash Flow		**5,714,358**	**6,637,780**
35.2 Calculation of Cash Flow:			
Interest, Dividends and Rent on Land Paid Expenditure	Note 35.1	2,502,983	3,496,757
Total Payments for External Interest and Dividends Paid		**2,502,983**	**3,496,757**
36. BULK PURCHASES			
Electricity		231,511,535	198,587,027
Water		33,017,786	35,940,380
Total Bulk Purchases		**264,529,320**	**234,527,407**
37. CONTRACTED SERVICES			
Outsourced Services		16,011,719	14,341,743
Consultants and Professional Services		12,341,781	11,757,972
Contractors		42,506,723	36,593,975
Total Contracted Services		**70,860,223**	**62,693,690**
37.1 Outsourced Services			
Animal Care		350,000	252,644
Burial Services		176,170	68,100
Business and Advisory		9,279,441	8,003,170
Catering Services		256,708	380,194
Cleaning Services		127,565	16,000
Clearing and Grass Cutting Services		513,959	-
Drivers Licence Cards		513,105	719,467
Illegal Dumping		-	6,957
Internal Auditors		27,074	162,928
Litter Picking and Street Cleaning		581,400	1,396,380
Medical Services [Medical Health Services & Support]		490,881	444,612
Personnel and Labour		1,892,383	-
Professional Staff		19,690	578,509
Refuse Removal		-	1,500
Security Services		1,650,029	1,030,799
Traffic Fines Management		77,402	1,174,493
Transport Services		55,912	105,989
		16,011,719	**14,341,743**

		2020 R	2019 R
37.2 Consultants and Professional Services			
Business and Advisory		4,306,172	4,532,073
Infrastructure and Planning		1,394,008	1,066,000
Laboratory Services		521,573	662,321
Legal Cost		6,120,027	5,497,579
		12,341,781	**11,757,972**
37.3 Contractors			
Artists and Performers		112,500	150,000
Auctioneers		-	7,832
Catering Services		1,093	2,000
Employee Wellness		138,922	188,963
Interior Decorator		-	10,564
Maintenance of Buildings and Facilities		5,344,849	7,213,609
Maintenance of Equipment		349,197	489,124
Maintenance of Computer Software		36,524,056	28,442,883
Medical Services		1,057	19,800
Pest Control and Fumigation		35,049	30,400
Transportation		-	38,800
		42,506,723	**36,593,975**
INVENTORY CONSUMED			
Consumables		7,987,447	7,999,136
Materials and Supplies		32,138,028	19,382,263
		40,125,475	**27,381,399**
38.1 Calculation of Cash Flow:			
Expenditure for Inventory Consumed	Note 38.	40,125,475	27,381,399
Expenditure for Contracted Services	Note 37.	70,860,223	62,693,690
Expenditure for Bulk Purchases	Note 36.	264,529,320	234,527,407
Cash Flow from Inventories	Note 2.1	431,879	2,583,176
Cash Flow from Exchange Receivables	Note 3.1	(1,172,284)	2,452,173
Cash Flow from Property, Plant and Equipment	Note 9.1	40,364,527	22,565,974
Cash Flow from Exchange Payables	Note 15.1	(59,679,166)	(16,125,846)
Cash Flow from Non-current Provisions	Note 20.1	52,200	-
Total for Suppliers Paid		**355,512,174**	**336,077,974**
TRANSFERS AND SUBSIDIES PAID			
Operational Grants		250,000	-
Monetary Allocations		250,000	-
Total Transfers and Subsidies Paid		**250,000**	**-**

	2020 R	2019 R
40. OPERATING LEASES		
Furniture and Office Equipment	2,571,933	5,783,199
Machinery and Equipment	24,017	107,047
Other Assets	4,103,789	3,620,131
Total for Operating Leases	**6,699,738**	**9,510,378**
The Municipality as Leasee:		
Operating leases relate to Property, Plant and Equipment with lease terms not longer than 5 years		
Amount payable under Operating Leases		
All the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plan and Equipment, which fall due as follows:		
Other Equipment:		
Up to 1 year	6,721,165	9,510,378
2 to 5 years		
More than 5 years		
Total Operating Lease Arrangements	6,721,165	9,510,378
The following payments have been recognised as an expense in the Statement of Finance Performance		
Minimum lease payments	6,721,165	9,510,378
Total Operating Lease Expenses	6,721,165	9,510,378
41. OPERATIONAL COSTS		
Included in General Expenses are the following:		
Achievements and Awards	1,125,234	823,472
Advertising, Publicity and Marketing	1,208,434	842,745
Assets less than the Capitalisation Threshold	-	4,207,680
Bank Charges, Facility and Card Fees	1,454,356	2,055,856
Bargaining Council	2,765,653	2,581,700
Commission	4,456,481	5,229,305
Communication	2,566,490	2,640,617
Contribution to Provisions	(930,978)	1,540,000
Courier and Delivery Services	450	52
External Audit Fees	4,996,934	4,412,076
External Computer Service	5,700,665	5,857,285
Firearm Handling Fees	31,936	-
Hire Charges	26,102,397	15,218,235
Insurance Underwriting	5,035,321	2,546,605
Licences	584,955	646,154
Management Fee	4,516,187	5,784,917
Municipal Services	-	4,477,544
Printing, Publications and Books	734,296	865,399
Professional Bodies, Membership and Subscription	1,637	15,625
Registration Fees	2,178,538	1,453,752
Remuneration to Ward Committees	2,696,498	2,407,538
Resettlement Cost	56,800	198,261
Samples and Specimens	64,973	8,202
Search Fees	72,636	71,453
Signage	250,939	330,548
Skills Development Fund Levy	1,600,975	1,687,995
Storage of Files (Archiving)	1,194,442	-
Travel and Subsistence	1,564,614	2,045,503
Uniform and Protective Clothing	2,138,545	2,057,843
Vehicle Tracking	619,787	584,079
Workmen's Compensation Fund	1,031,359	896,821
Total Operational Costs	**73,820,555**	**71,487,261**

		2020 R	2019 R
41.1 Calculation of Cash Flow:			
Expenditure for Operational Costs	Note 41.	73,820,555	71,487,261
Expenditure for Operating Leases	Note 40.	6,699,738	9,510,378
Expenditure for Transfers and Subsidies Paid	Note 39.	250,000	-
Cash Flow from Exchange Payables	Note 15.1	949,964	(931,742)
Cash Flow from Non-exchange Payables	Note 16.1	(235,741)	-
Reversal of Non-Cash Movements		(3,292,153)	(4,012,900)
Total for Other Payments		**78,192,362**	**76,052,997**
41.2 Travel and Subsistence			
Domestic		**1,341,813**	**1,551,186**
Accommodation		422,612	350,645
Daily Allowance		44,352	19,137
Food and Beverage (Served)		206,296	203,909
Transport without Operator		520,342	808,300
Transport with Operator		148,211	169,195
Foreign		**83,383**	**261,538**
Accommodation		6,333	10,816
Daily Allowance		77,050	250,722
Non-employees		139,418	232,779
		1,564,614	**2,045,503**

No other extra-ordinary expenses were incurred.

GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Investment Property		-	-
Property, Plant and Equipment		(1,717,571)	(750,454)
Total Gains on Disposal of Capital Assets		**-**	**-**
Total Losses on Disposal of Capital Assets		**1,717,571**	**750,454**
42.1 Allocation for Cash Flow:			
Disposal of Property, Plant and Equipment:			
Gains on Disposal of Capital Assets	Note 42.	-	-
Losses on Disposal of Capital Assets	Note 42.	(1,717,571)	(750,454)
Total Gains on Disposal of Capital Assets allocated to Property, Plant and Equipment		(1,717,571)	(750,454)
Total Gains / (Losses) on Disposal of Capital Assets allocated to Cash Flow		**(1,717,571)**	**(750,454)**

	2020 R	2019 R

43. CORRECTION OF ERROR

43.1 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balance published as at 30 June 2018		**2,131,472,850**
Correction of Error:-		(686,213)
Adjustment for Carrying Value of Vehicles Written Off	(686,213)	
Restated Balance as at 30 June 2018		**2,130,786,637**
Transactions incurred for the Year 2018/19		59,138,892
Balances previously published per AFS as at 30 June 2019		**2,189,925,528**
Correction of Error:-		215,699
Adjustment for Depreciation of Vehicles Written Off	215,699	
Restated Balances as at 30 June 2019		**2,190,141,228**

43.2 Reclassification of Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Property Rates	184,331,308	-	184,331,308
Fines, Penalties and Forfeits	21,333,783	-	21,333,783
Licences and Permits - Non-exchange	15,792,788	-	15,792,788
Transfers and Subsidies	216,899,825	-	216,899,825
Interest, Dividends & Rent on Land Non-Exchange	1,325,934	-	1,325,934
Service Charges	413,280,935	-	413,280,935
Sales of Goods and Rendering of Services	6,171,011	-	6,171,011
Rental from Fixed Assets	609,214	-	609,214
Interest, Dividends & Rent on Land Exchange	18,908,767	-	18,908,767
Operational Revenue	1,454,124	-	1,454,124
	880,107,688	**-**	**880,107,688**

43.3 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Employee Related Costs	274,158,400	-	274,158,400
Remuneration of Councillors	12,202,166	-	12,202,166
Depreciation and Amortisation	75,855,819	(215,698)	75,640,120
Impairment Losses	45,764,042	-	45,764,042
Interest, Dividends and Rent on Land	6,637,780	-	6,637,780
Bulk Purchases	234,527,407	-	234,527,407
Contracted Services	62,693,690	-	62,693,690
Inventory Consumed	27,381,399	-	27,381,399
Operating Leases	9,510,378	-	9,510,378
Operational Costs	71,487,261	-	71,487,261
Loss on Disposal of PPE	750,454	-	750,454
	820,968,796	**(215,698)**	**820,753,098**

	2020 R	2019 R

43.4 Reclassification of Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Current Assets			
Inventories	9,249,357	-	9,249,357
Receivables from Exchange Transactions	54,093,203	-	54,093,203
Receivables from Non-exchange Transactions	31,122,849	-	31,122,849
Statutory Receivables from Non-Exchange Transactions	-	-	-
VAT Receivable	46,795,893	-	46,795,893
Cash and Cash Equivalents	214,227,967	-	214,227,967
Operating Lease Receivables	234,365	-	234,365
Current Portion of Long-term Receivables	3,000	-	3,000
Non-Current Assets			
Property, Plant and Equipment	2,018,797,106	(470,513)	2,018,326,592
Intangible Assets	243,850	-	243,850
Investment Property	242,551,944	-	242,551,944
Long-term Receivables	13,000	-	13,000

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Current Liabilities			
Consumer Deposits	17,378,122	-	17,378,122
Provisions	29,648,800	-	29,648,800
Payables from Exchange Transactions	87,382,553	-	87,382,553
Payables from Non-exchange Transactions	-	-	-
Unspent Conditional Grants and Receipts	103,445,548	-	103,445,548
Current Portion of Long-term Liabilities	9,066,539	-	9,066,539
Non-Current Liabilities			
Long-term Liabilities	16,354,409	-	16,354,409
Employee Benefit Liabilities	94,807,417	-	94,807,417
Non-current Provisions	68,637,404	-	68,637,404
Net Assets			
Accumulated Surplus / (Deficit)	2,190,611,741	(470,513)	2,190,141,228
	-	-	-

44.4 Reclassification of Cash Flow Statement

The prior year figures of the Cash Flow Statement have been restated to correctly classify the nature of cash receipts and expenditures of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Receipts			
Property Rates	181,926,552	1,427,081	183,353,633
Transfers and Subsidies	313,403,865	-	313,403,865
Service Charges	375,024,303	10,041,719	385,066,022
External Interest and Dividends Received	11,946,693	-	11,946,693
Other Receipts	37,942,178	(5,413,240)	32,528,938
Payments			
Employee Related Costs	(271,908,268)	(3,082,023)	(274,990,290)
Remuneration of Councillors	(12,202,166)	-	(12,202,166)
External Interest and Dividends Paid	(3,443,107)	(53,650)	(3,496,757)
Suppliers Paid	(310,518,346)	(25,559,628)	(336,077,974)
Other Payments	(76,114,244)	61,246	(76,052,997)
VAT Paid	(24,082,421)	-	(24,082,421)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**221,975,039**	**(22,578,495)**	**199,396,544**

CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment		(94,313,177)	22,626,234	(71,686,943)
Purchase of Intangible Assets		-	(47,739)	(47,739)
Proceeds on Disposal of Property, Plant and Equipment		(628,537)	-	(628,537)
Proceeds on Disposal of Investment Property		-	-	-
Decrease / (Increase) in Long-term Receivables		3,000	-	3,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(94,938,714)**	**22,578,495**	**(72,360,219)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in Long-term Loans (Loans Taken-on)		(7,123,483)	-	(7,123,483)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(7,123,483)**	**-**	**(7,123,483)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**119,912,842**	**-**	**119,912,842**
Cash and Cash Equivalents at Beginning of Period		94,315,125	-	94,315,125
Cash and Cash Equivalents at End of Period		214,227,967	-	214,227,967

CASH GENERATED BY OPERATIONS			
Surplus / (Deficit) for the Year		23,557,715	34,777,175
Unresolved Correction of Prior Year Errors		-	(686,213)
Adjustment for Non-cash Transactions included in Surplus / (Deficit):			
Employee Related Costs	Note 31.1	636,124	7,174,314
Depreciation and Amortisation	Note 33	76,933,561	75,640,120
Impairment Losses	Note 34.4	35,082,782	38,048,056
Interest, Dividends and Rent on Land Paid	Note 35.1	3,211,375	3,141,024
Adjustment for Cash Transactions not included in Surplus / (Deficit):			
Exchange Receivables: Bad Debts Written-off			
Non-exchange Receivables: Bad Debts Written-off			
Transfer of Property, Plant and Equipment		(40,364,527)	(22,565,974)
Expenditure incurred from Provisions for Employee Related Costs		(3,003,291)	(3,144,000)
Expenditure incurred from Employee Benefit Liabilities for Employee Related Costs		(5,510,644)	(5,086,000)
Expenditure incurred from Non-current Provisions for Suppliers Paid		(52,200)	-
Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:			
Gains on Disposal of Capital Assets	Note 42.1	-	-
Losses on Disposal of Capital Assets	Note 42.1	(1,717,571)	(750,454)
Operating surplus before working capital changes		88,773,325	127,298,501
Decrease/(Increase) in Inventories		(431,879)	(2,583,176)
Decrease/(Increase) in Receivables from Exchange Transactions		(9,396,627)	(23,790,640)
Decrease/(Increase) in Receivables from Non-exchange Transactions		13,783,836	(17,340,612)
Decrease/(Increase) in VAT Receivable		(18,984,979)	(24,082,421)
Decrease/(Increase) in Operating Lease Receivables		63,078	34,759
Increase/(Decrease) in Consumer Deposits		697,742	2,137,254
Increase/(Decrease) in Payables from Exchange Transactions		55,724,778	16,667,327
Increase/(Decrease) in Payables from Non-exchange Transactions		235,741	-
Increase/(Decrease) in Conditional Grants and Receipts		(76,518,371)	96,504,040
Other Non-Cash Movements as per Cash Flow section in AFS Notes		(20,347,530)	24,551,512
Cash Generated by / (Utilised in) Operations		33,599,115	199,396,544

	2020 R	2019 R

45. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

45.1 Unauthorised Expenditure

Reconciliation of Unauthorised Expenditure:		
Opening Balance:	-	-
Unauthorised Expenditure Current Year:	-	-
Approved/Condoned by Council:	-	-
Unauthorised Expenditure awaiting authorisation	**-**	**-**

45.2 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful Expenditure:		
Opening Balance	34,893,163	35,839,929
Fruitless and Wasteful Expenditure Current Year	27,485	53,650
Expenditure investigated and approved by Council	(34,893,163)	(1,000,416)
To be Recovered	-	-
Fruitless and Wasteful Expenditure awaiting condonement	**27,485**	**34,893,163**

Incident	Disciplinary Steps / Criminal Proceedings
Interest and penalties on late payment of trade creditors. - R27,485 (2019: R53,650)	*Currently None - subject to possible future investigation*

45.3 Irregular Expenditure

		Restated
Reconciliation of Irregular Expenditure:		
Opening Balance:	69,934,095	98,699,214
- As previously stated	69,934,095	98,699,214
Irregular Expenditure Current Year:	1,529,888	7,660,307
- Current Year	1,529,888	7,660,307
Condoned/Written-off by Council:	(69,934,095)	(36,425,426)
- Current Year	-	-
- Prior Year	(69,934,095)	(36,425,426)
Irregular Expenditure awaiting condonation	**1,529,887**	**69,934,095**

Current Year:

Incident	Deviation
Invalid deviations - R0 (2019: R2,191,131)	*Still to be investigated.*
Expenditure Incurred in excess of contract award amount, in respect to the resealing of Roads. - R0 (2019: R5,469,176)	*Under Investigation by MPAC.*

46. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

46.1 MUNICIPAL FINANCE MANAGEMENT ACT

46.1.1 Contributions to Organised Local Government - SALGA

Opening Balance	-	-
Council Subscriptions	2,947,746	2,567,400
Amount Paid - current year	(2,947,746)	(2,567,400)
Balance Unpaid (included in Creditors)	**-**	**-**

46.1.2 Pension and Medical Aid Deductions

Opening Balance	-	-
Current Year Contributions	68,602,142	63,008,498
Amount Paid - current year	(68,602,142)	(63,008,498)
Balance Unpaid (included in Creditors)	**-**	**-**

46.1.3 Audit Fees

Opening Balance	**-**	**-**
Current year Audit Fees	4,069,729	4,727,142
Amount Paid - current year	(4,065,954)	(4,727,142)
Balance Unpaid (included in Creditors)	**3,774**	**-**

	2020 R	2019 R
46.1.4 PAYE, Skills Development Levy and UIF		
Opening Balance	-	-
Current year Payroll Deductions	44,521,086	39,224,626
Amount Paid - current year	(44,521,086)	(39,224,626)
Balance Unpaid (included in Creditors)	**-**	**-**

46.1.5 VAT
The net of VAT input receivables and VAT output payables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.

	65,780,872	46,795,893

46.1.6 Councillor's arrear Consumer Accounts
During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2019:

30 June 2020	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Councillor Februarie ER	19,350	19,350	-
Total Councillor Arrear Consumer Accounts	**19,350**	**19,350**	**-**

30 June 2019	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Councillor Februarie ER	136,085	-	136,085
Total Councillor Arrear Consumer Accounts	**136,085**	**-**	**136,085**

46.1.7 Non-Compliance with the Municipal Finance Management Act
No known matters existed at reporting date.

46.1.8 Deviation from, and ratification of minor breaches of, the Procurement Processes
In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2020

Department	Tenderer	Reason	Amount
Finance	Various (9)	Various reasons like impracticality/ urgency/ Continuity and alignment	4,806,564
Infrastructure & Engineering	Various (154)	Various reasons like impracticality/ urgency/ Preferred supplier	87,253,294
Corporate Services	Various (17)	Various reasons like impracticality/ urgency/ Sole Supplier	851,570
Office of MM	Various (46)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	1,284,784
Community Services	Various (17)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	7,571,250
Planning, Development & Tourism	Various (14)	Impracticality	559,173
		Total:	102,326,634

30 June 2019

Department	Tenderer	Reason	Amount
Finance	Various (5)	Various reasons like impracticality/ urgency/ Continuity and alignment	436,988
Infrastructure & Engineering	Various (76)	Various reasons like impracticality/ urgency/ Preferred supplier	34,735,932
Corporate Services	Various (4)	Various reasons like impracticality/ urgency/ Sole Supplier	237,022
Office of MM	Various (6)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	349,257
Community Services	Various (35)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	8,646,986
Planning, Development & Tourism	Various (2)	Impracticality	212,290
		Total:	44,618,474

46.1.9)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value
30 June 2020	Unaccounted Electricity Losses	25,056,544	1.2797	32,064,108
30 June 2019	Unaccounted Electricity Losses	28,653,364	1.1088	31,769,449

Electricity Losses occur due to *inter alia* , technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

	2020 R	2,019 R
Volumes in kWh/year:		
System Input Volume	203,171,890	205,626,242
Billed Consumption	161,861,595	160,522,779
Unaccounted	41,310,296	45,103,464
Normal distribution losses - 8% of electricity purchases	16,253,751	16,450,099
	25,056,544	28,653,364
Percentage Distribution Loss	12.33%	13.93%

Water:

		Lost Units	Tariff	Value
30 June 2020	Unaccounted Water Losses	2,109,840	7.3100	15,422,930
30 June 2019	Unaccounted Water Losses	2,395,185	6.8000	16,287,258

Water Losses occur due to *inter alia* , leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported.

	2020 R	2019 R
Volumes in Kl/year:		
System Input Volume	7,234,555	7,437,830
Billed Consumption	5,124,715	5,042,645
Distribution Loss	2,109,840	2,395,185
Percentage Distribution Loss	29.16%	32.20%

46.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

COMMITMENTS FOR EXPENDITURE

47.1 Capital Commitments

- Approved and Contracted for:-	**112,860,883**	**117,567,900**
Infrastructure	102,298,930	112,182,669
Community	5,886,847	3,552,149
Other	4,675,106	1,833,083
Total Capital Commitments	**112,860,883**	**117,567,900**
This expenditure will be financed from:		
Internal and Grant funding	112,860,883	117,567,900
	112,860,883	**117,567,900**

The Capital Commitments are VAT inclusive.

48. FINANCIAL INSTRUMENTS

48.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets	Classification		
Staff Related Long Term Receivables	Amortised cost	13,000	-
Receivables from Exchange Transactions			
Electricity	Amortised cost	26,318,850	32,434,811
Refuse	Amortised cost	1,907,985	1,602,661
Sewerage	Amortised cost	2,594,089	2,320,953
Other Service Charges	Amortised cost	1,690,049	1,079,398
Water	Amortised cost	8,149,653	10,841,381
Other Debtors	Amortised cost	724,062	140,060
Control, Clearing and Interface Accounts	Amortised cost	480,017	490,922
Receivables from Non-exchange Transactions			
Deposits	Amortised cost	-	-
Cash and Cash Equivalents			
Call Deposits	Amortised cost	122,294,823	200,626,600
Bank Balances	Amortised cost	18,737,370	13,600,946
Cash Floats and Advances	Fair value	421	421
Staff Related Long Term Receivables	Amortised cost	3,000	3,000
SUMMARY OF FINANCIAL ASSETS			
Financial Assets at Amortised Cost:			
Long-term Receivables	Staff Related Long Term Receivables	13,000	-
Receivables from Exchange Transactions	Electricity	26,318,850	32,434,811
Receivables from Exchange Transactions	Refuse	1,907,985	1,602,661
Receivables from Exchange Transactions	Sewerage	2,594,089	2,320,953
Receivables from Exchange Transactions	Other Service Charges	1,690,049	1,079,398
Receivables from Exchange Transactions	Water	8,149,653	10,841,381
Receivables from Exchange Transactions	Other Debtors	724,062	140,060
Receivables from Exchange Transactions	Control, Clearing and Interface Accounts	480,017	490,922
Receivables from Exchange Transactions	Receivables with Credit Balances	-	-
Receivables from Non-exchange Transactions	Deposits	-	-
Current Portion of Long-term Receivables	Staff Related Long Term Receivables	3,000	3,000
Cash and Cash Equivalents	Call Deposits	122,294,823	200,626,600
Cash and Cash Equivalents	Bank Balances	18,737,370	13,600,946
		210,020,544	294,263,582
Financial Assets at Fair Value:			
Cash and Cash Equivalents	Cash Floats and Advances	421	421
		421	421
Total Financial Assets		**210,020,965**	**294,264,003**

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities	Classification		
Long-term Liabilities			
Development Bank of South Africa	Amortised cost	6,128,314	15,090,290
Finance Lease Liability	Amortised cost	618,497	1,264,119
Consumer Deposits			
Electricity	Amortised cost	10,835,939	10,563,805
Water	Amortised cost	1,821,417	1,728,648
Other Deposits	Amortised cost	5,418,508	5,085,670
Payables from Exchange Transactions			
Bonus	Amortised cost	-	-
Other Payables	Amortised cost	10,646,509	15,855,564
Retentions	Amortised cost	3,349,136	2,539,496
Salary Related Payables	Amortised cost	816,076	695,462
Trade Creditors	Amortised cost	112,202,790	53,335,629
Advance Payments	Amortised cost	16,092,821	14,956,402
Payables from Non-exchange Transactions			
Transfers and subsidies	Amortised cost	235,741	-
Current Portion of Long-term Liabilities			
Development Bank of South Africa	Amortised cost	8,961,975	7,998,872
Finance Lease Liability	Amortised cost	645,622	1,067,666
SUMMARY OF FINANCIAL LIABILITIES			
Financial Liabilities at Amortised Cost:			
Long-term Liabilities	Development Bank of South Africa	6,128,314	15,090,290
Long-term Liabilities	Finance Lease Liability	618,497	1,264,119
Payables from Exchange Transactions	Other Payables	10,646,509	15,855,564
Payables from Exchange Transactions	Retentions	3,349,136	2,539,496
Payables from Exchange Transactions	Salary Related Payables	816,076	695,462
Payables from Exchange Transactions	Trade Creditors	112,202,790	53,335,629
Payables from Exchange Transactions	Advance Payments	16,092,821	14,956,402
Current Portion of Long-term Liabilities	Development Bank of South Africa	8,961,975	7,998,872
Current Portion of Long-term Liabilities	Finance Lease Liability	645,622	1,067,666
		177,773,345	130,181,624
Total Financial Liabilities		**177,773,345**	**130,181,624**

48.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash
The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Trade and Other Receivables/Payables
The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

Other Financial Assets and Liabilities
The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Long-term Liabilities

The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 30 June 2020, as a result of the short-term maturity of these assets and liabilities.

No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

Level 1:-
Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-
Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-
Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

30 June 2020

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	421	-	421
Total Financial Assets	-	421	-	421
Total Financial Instruments	-	421	-	421

30 June 2019

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	421	-	421
Total Financial Assets	-	421	-	421
Total Financial Instruments	-	421	-	421

48.3 Capital Risk Management

The capital structure of the municipality consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 21. and the Statement of Changes in Net Assets.

Gearing Ratio

	2020 R	2019 R
The gearing ratio at the year-end was as follows:		
Debt	34,430,272	42,799,070
Cash and Cash Equivalents	(421)	(421)
Net Debt	34,429,851	42,798,649
Equity	2,213,698,944	2,190,141,228
Net debt to equity ratio	**1.56%**	**1.95%**

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

48.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

48.5 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:
- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 48..8 to the Annual Financial Statements.

48.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 48..7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

48.6.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

48.6.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis
The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 48..8 below:

Cash and Cash Equivalents:
If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2020 would have increased / decreased by R1,776,299 (30 June 2019: R1,542,711). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

48.7 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents
The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables
There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

	2020 R	2019 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Long-term Receivables	13,000	16,000
Receivables from Exchange Transactions	174,948,231	165,551,604
Receivables from Non-exchange Transactions	75,039,832	88,823,668
Bank, Cash and Cash Equivalents	141,032,614	214,227,967
Maximum Credit and Interest Risk Exposure	**391,020,676**	**468,603,238**
The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:		
	%	%
Consumer Debtors:		
- Household	1.99%	1.79%
- Industrial / Commercial	2.80%	2.10%
- National and Provincial Government	1.44%	0.99%
- Other Classes	0.58%	0.71%
Other Debtors:		
- Other not Classified	23.30%	39.84%
Total Credit Risk	**30.11%**	**45.44%**
Bank and Cash Balances		
ABSA Bank Ltd	809,835	777,293
First National Bank	18,401,160	25,579,921
Cash Equivalents	421	421
Total Bank and Cash Balances	**19,211,417**	**26,357,635**

Credit quality of Financial Assets:
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Counterparties without external credit rating:-		
Group 1	15,979,334	17,685,468
Group 2	4,085,123	4,521,297
Total Receivables from Exchange Transactions	**20,064,457**	**22,206,765**
Receivables from Non-exchange Transactions		
Group 1	8,130,154	12,229,787
Group 2	2,078,477	3,126,550
Total Receivables from Non-exchange Transactions	**10,208,631**	**15,356,337**

Credit quality Groupings:
Group 1 - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.
Group 2 - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirement. The risk of non-payment is small.
Group 3 - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment are larger.

None of the financial assets that are fully performing have been renegotiated in the last year.

48. FINANCIAL INSTRUMENTS (Continued)

48.1 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2020								
Non-interest Bearing		0.00%	161,418,937	161,418,937	-	-	-	-
			177,773,345	**177,773,345**	**-**	**-**	**-**	**-**
30 June 2019								
Non-interest Bearing		0.00%	104,760,676	104,760,676	-	-	-	-
			130,181,624	**130,181,624**	**-**	**-**	**-**	**-**

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2020								
Non-interest Bearing		0.00%	68,988,772	68,982,272	6,500	-	-	-
Variable Interest Rate Instruments		6.56%	141,032,193	141,032,193	-	-	-	-
			210,020,965	**210,014,465**	**6,500**	**-**	**-**	**-**
30 June 2019								
Non-interest Bearing		0.00%	80,036,458	80,036,458	-	-	-	-
Variable Interest Rate Instruments		7.74%	214,227,546	214,227,546	-	-	-	-
			294,264,003	**294,264,003**	**-**	**-**	**-**	**-**

49. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes. All councillors belong to the Pension Fund for Municipal Councillors, whilst employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-
(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.
It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R28,654,661 (2019: R26,001,803) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

49.1 DEFINED BENEFIT SCHEMES

Government Employees Pension Fund (GEPF):
The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: deficit of R12,8) million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the

Municipal Employees Pension Fund:
The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 28 February 2014.

The net assets available for benefits were R5 715 557 193.
The statutory valuation performed as at 28 February 2014 revealed that the net assets of the fund were R0,0 (28 February 2011: R552,8) million, with a funding level of 100,0% (28 February 2011: 107,9%). The contribution rate paid by the members (7,50%) and Council (15,00%, 18,00% and 22,00%) is not sufficient to fund the benefits accruing from the fund in the future and there is a shortfall in the future employer contribution rate of 12,80% (28 February 2011: 8,10%).

The fund is closed for membership and no new members are allowed to join the fund.

No further information could be obtained.

National Fund for Municipal Workers - Pension Fund:
The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.
Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration. The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R10,050,029,000 (30 June 2014 : R9,031,759,000), with funding levels of 100.42% (30 June 2014: 100.10%). The actuary certified that the assets of the fund are sufficient to cover 100.42% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Joint Municipal Pension Fund (previously Transvaal Municipal Pension Fund)**:**
The scheme is subject to a bi-annual actuarial valuation. The last statutory valuation was performed as at 30 September 2007.

The statutory valuation performed as at 30 September 2007 revealed that the fund had a surplus of R82,1 (31 December 2005: shortfall of R44,2) million, with a funding level of 123,7% (31 December 2005: unknown). The contribution rate paid by the members (9,00%) and municipalities (22,00%) has a shortfall of 0,90%, but can be covered by the available margin in the fund.
The last valuation performed for the period ended 31 March 2006 revealed that the fund had a shortfall of R205 million, with a funding level of 83%. This will be taken into account in determining future surcharges, to be met by increased employer contributions. These surcharges are as follows:
- From 1 July 2006 14%
- From 1 July 2007 17%

The above-mentioned surcharge is payable until 1 July 2010. This position will be monitored on an annual basis.

The fund is closed for membership and no new members are allowed to join the fund.

No information could be obtained.

49.2 DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

Defined Benefit Scheme
The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2012 disclosed an actuarial valuation amounting to R3 014 878 (2011: R2 971 150) million, with a net accumulated deficit of R18 287 (2011: R58 935) million, with a funding level of 99.4% (2011: 104.1%).
Defined Contribution Scheme
The actuarial valuation report at 30 June 2012 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R 421 900 (2011: R386 570) million, net investment reserve of R21 231 (2011: R15 285) million and a funding level of 105.3% (2011: 104.1%).

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R10 775 599 and R546 059 (30 June 2011: R9 930,837 in total) million, with funding levels of 99.9% and 108% (2011: 100,3% and 116,9%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:
The Municipal Councilors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Acturay certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assests of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months;.

National Fund for Municipal Workers - Provident Fund:
The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%.From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948.000 (30 June 2011 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%.The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

None of the above mentioned plans are State Plans.

RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

50.1 Compensation of Related Parties

Name of Related Person	Designation	Description of Related Party Relationship	2020	2019
S. Meleni	Official	Wife of councillor Meleni	474,411	281,045
GE Coenraad	Official	Daughter of councillor Coenraad	288,764	0

50.2 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	Purchases for the Year	Purchases for the Year
Central Bridge Trading 436 CC	Z. Tshume	Official	Wife of the director	219,050	560,128
Faulkner Bouers	B. Faulkner	Official	Director is the uncle of this employees	66,300	61,200
Kwa Nandipha Catering	P. Dondashe	Official	Husband of director	15,325	28,280
Algoatime	J. Beda	Official	Husband of the director	-	20,100
Amahle Waste Recycling	NI Dela (Emp 1959)	Ward Committee Member	NI Dela is the director/owner of the company	99,850	7,020
Unomtha Catering	Z Gxuluwe	Official	Daughter of the director	11,520	
Mesrazest	J Hammond	Official	Brother in Law of Director	1,086,900	673,940
Infraforce Africa (Pty) Ltd	E. Sekula	Official	Owner was employed at KLM	24,460	165,955
Mgqandu & Coco Trading	C. Mgqandu	Official	Husband of Director	85,620	282,247
21st Century Contractors & Transport	S. Prinsloo	Official	Wife of Director	-	-
GGS Engineering	J. Nhlangulela	Official	Director	154,982	234,591
Malubongwe General Trading (Pty) Ltd	H. U. Geleba	Official	Husband of Director	17,800	55,095
JZA Trading (Pty) Ltd	K. Vumazonke	Official	Niece of Director	-	28,600
RE Le Grange t/a RL Trading	J Hammond	Official	Brother in law of sole prop	46,200	-
Martinash Trading (Pty) Ltd	J Savage	Official	Director was an employee from KLM from 1/09/1994 - 27/08/2010	130,130	-
Terr Trillion Friendly (Pty) Ltd	V Yake	Official	Cousin of the director	21,600	-
Total Purchases				**1,979,737**	**2,117,156**

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

CONTINGENT LIABILITIES

Contingent Liabilities arose due to various claims brought against the Municipality. The attorneys suggested that the matters will be defended, due to the circumstances of each.
The likelykood of succesfully defending the claims, as well as the timing and possible costs thereof cannot be determined at this time.

51.1 Court Proceedings:	**61,990,685**	**59,529,870**
(i) EA Plaatjies / Kouga Local Municipality: A civil litigation action has been instituted against Kouga Municiplaity by the Plaintiff for payment of damages relating to a diving incident at a dam in Kruisfontein, Humansdorp for an amount of R12 million.	12,000,000	12,000,000
(ii) Tauris Garden CC: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	0	1,800,000

	2020 R	2019 R
(iii) Peter John France & Gerald Jack Friedman Trustees of The Rental Company Trust: Claim defended on behalf of Kouga. Currently preparing for trial.	4,000,000	4,000,000
(iii) Nelson Mandela Bay Metropolitan Municipality alleged claim in respect of Water Consumption. NMBM instituted action against Kouga Municipality in respect of an alleged claim of approximately	41,000,000	41,000,000
(iv) Various claims arising from alleged negligence by the Municipality due to damages sustained by the Plaintiffs.: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	47,711	0
(v) Tshepega Civil Engineers (Pty) Ltd / KOUGA Local Municipality Claims for monies owed for professional services rendered	1,900,355	
(v) Various claims due to municipal administrative matters under dispute or investigation:	3,040,599	727,851.39

52. CONTINGENT ASSETS

The municipality was not engaged in any transaction or event during the year under review involving Contingent -

52.1 Insurance Claims:	**1,804,382**	**197,655**
(i) Lost / Damaged Assets: The municipality has claims outstanding against its Insurers for lost and/or damaged assets. The management believe that it is probable that the claims will be successful and that compensation of R1,804,382 (2019: R197,655) will be recovered.	1,804,382	197,655

53. IN-KIND DONATIONS AND ASSISTANCE

No In-kind Donations or Assistance were received during the year under review.

54. PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

55. EVENTS AFTER THE REPORTING DATE

55.1 2020/21 Adjustments Budget:

The 2020 National Supplementary Budget was delivered by the Minister of Finance in Parliament on the 24th of June 2020. The 2020 Supplementary Budget responds to the Covid-19 pandemic and its impact on the economy. This include the R20 billion allocation for local government announced by the President to assist in funding COVID-19 expenditure. This allocation consists of R11 billion added to the local government equitable share and just over R9 billion that was repurposed for the provision of water and sanitation and for sanitising public transport facilities within existing grant allocations to local government. In terms of Section 28(2)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Section 23(3) of the municipal Budget and Reporting Requirements (MBRR), municipalities must adjust their 2020/21 MTREF budgets to account for revised funding allocations that were made available.

The municipality used this adjustments budget to reprioritise the 2020/21 budget to respond to the impact of the COVID-19 pandemic on the budget.

The following adjustments to Grant Funding were received:

	2020/21 Main Allocation R	Adjustments R	2020/21 Adjusted Allocation R
Equitable Share	145,612,000	20,388,000	166,000,000
Total Adjustments to Grant Funding		**20,388,000**	

56. PRINCIPAL AND AGENT ARRANGEMENTS

Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The Municipality undertakes to handle Motor vehicle license issuing on behalf of the Department of Transport and Province and collects a commission of 22% plus VAT.

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

The Resources regarding the Licensing Department, remain there own and do not form part of the municipality's Financial statements

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal(s) that have been recognised by the entity have a Net Effect of RX that is still owed by the municipality and will be paid over to the Department of Transport in the new financial year.

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Categories	Additional details
Licensing Fees	Income collected on behalf of DOT and Provincial Transport for Motor Vehicle registration

57. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 43.).

58. COVID-19 EXPENDITURE

Background Information
On 31st December 2019 the government in Wuhan, China, confirmed that health authorities were treating dozens of pneumonia cases of unknown cause. A few days later, Chinese researchers identified a new virus which had infected many people in Asia, but at that point in time there was no evidence that the virus was readily spread by humans. The first death in China as a result of the virus was reported on 11th January 2020, shortly before one of China's biggest holidays whereby millions of people travelled across the country. According to the first situation report by World Health Organisation (W.H.O), the first confirmed cases outside China had occurred in Japan, South Korea and Thailand by 20th January 2020. The next day the USA reported their first confirmed case where a man in his 30s developed symptoms after returning from his trip to Wuhan, China.

A "public health emergency of international concern" was officially declared by the W.H.O. on 30th January 2020. On 11th February 2020 the W.H.O. proposed that 'Covid-19' be the official name for the disease that the coronavirus causes, an acronym that stands for coronavirus disease 2019. On 14th February 2020 France announced a death by from coronavirus. This was the fourth death from the virus outside of mainland China. On 23rd February 2020 Italian officials locked down 10 towns after a cluster of cases emerged near Milan. The World Health Organisation declared the COVID-19 outbreak as a global pandemic on 11th March 2020.

COVID-19 in South Africa
Although the coronavirus was international news since December 2019, it was only on 5th March 2020 that the South African National Institute for Communicable Diseases confirmed that a suspected case of COVID-19 had tested positive. On 23rd March 2020 President Cyril Ramaphosa announced the nationwide lockdown. On 30th March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

Thus, there will not be any prior year information regarding expenditure in lieu of COVID-19.

	2020 R	2019 R

The table below indicates the total COVID-19 response expenditure (excluding VAT) for the period ending 30 June 2020:

COVID-19 EXPENDITURE

Capital Expenditure		
Machinery and Equipment	1,192,000	-
Total Capital Expenditure	**1,192,000**	**-**
Operating Expenditure		
Materials and supplies	1,984,692	
Total Operating Expenditure	**1,984,692**	**-**
Total COVID-19 Expenditure	**3,176,692**	**-**

The table below indicates the Funding Sources for the total COVID-19 response expenditure (excluding VAT) for the period ending 30 June 2020:

COVID-19 FUNDING

	2020 R	2019 R
Funding Sources for COVID-19 Expenditure		
Disaster Management Grant	1,192,000	-
Own Revenue	1,984,692	-
Total Funding for COVID-19 Expenditure	**3,176,692**	**-**

GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

(i) On 26 June 2020 the Council adopted the 2019/2020 to 2022/23 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

(ii) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

The COVID-19 pandemic continues to have a devastating impact on the macro economy and a significant component of the institutions which operate therein. The municipality has not been immune to the impact of the pandemic. The impact and duration of the COVID-19 pandemic in the Province and Kouga's jurisdiction is uncertain at the date of this submission. Management of the municipality is however of the opinion that regardless of the possible effect of the COVID-19 pandemic, the municipality will continue to operate for the foreseeable future, which is usually regarded as at least the next 12 months from the reporting date, however not limited to this timeframe.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

KOUGA LOCAL MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM NO: 21/05/F17**

MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2021/22 TO 2023/24 FINANCIAL YEARS

1. Introduction

   The purpose of the report is to table the Medium-Term Revenue and Expenditure Framework (MTREF) – Budget for the 2021/22 – 2023/24 financial years to the Council.

   The Annual Budget of the Kouga Local Municipality will be circulated under separate cover.

2. Background

   In terms of Section 24(1) of the Municipal Finance Management Act, Act No. 56 of 2003, requires that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

3. Comments by the Directorates

   None.

4. Financial implications

   As per attached annual budget documents.

5. Legal implications

   Compliance with the Municipal Finance Management Act, Act No. 56 of 2003 and the Municipal Budget and Reporting Regulations.

6. Other implications

   None.

7. Recommendation

7.1. That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the Annual Budget for the 2021/22 financial year and the indicative allocations for the projected outer years 2022/23 and 2023/24; and the multi-year and single year capital appropriations, as set out in the following tables, including the associated recommendations.

a) Consolidated Budget Summary [Table A1]
b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]

7.2. That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

a. Budgeted Financial Position; [Table A6]
b. Budgeted Cash Flows; [Table A7]
c. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
d. Asset management; [Table A9]
e. Basic service delivery measurement. [Table A10]

7.3. That the tariffs be increased as follows, with effect from 1 July 2021:

Property rates	5.25%
Water	7.1%
Sanitation	6.5%
Refuse	6.5%
Electricity (average increase in electricity income)	14.59%
Environmental Management Fee	0%

a) Indicative tariffs for 2022/23 and 2023/24 will be increased as follows:

	2022/23	**2023/24**
Property rates	5.25%	5.25%
Water	7.1%	7.1%
Sanitation	6.5%	6.5%
Refuse	6.5%	6.5%
Electricity (average increase in electricity income)	6.25%	6.25%
Environmental Management Fee	0%	0%

Item prepared by the Manager: Budget & Treasury

Item approved by the CFO :

Item endorsed by the Municipal Manager

Noted by the Portfolio Councillor :

REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE AND ENGINEERING

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE & ENGINEERING

DATE: 28 MAY 2021 **ITEM NO: 21/05/I&E7**

REPORT: REDUCTION IN ELECTRICAL AUGMENTATION FEES

1. Introduction:

The purpose of this item is to seek permission to reduce Electrical augmentation fees to make it more attractive for investors to invest in the Municipality.

2. Background:

Below is an example of how we calculate augmentation, this formula was done by Clinkscale Morgan Brown (CMB) as our consulting engineers. This is a typical calculation and the formulas used to calculate augmentation:
New Developments:(Notified Demand in kVA x Nf) ¸ (10,35 x Df). ERU

The symbol "Nf" signifies the Network Factor and is used in the formulae for Commercial and Bulk Supply consumers and take into account that their peak demand may not coincide with the peak demand on the core network. For Commercial consumers this was taken as an average of 0,5. No value is given for the Network Factor (Nf) for Bulk Supply Consumers since this varies substantially depending on the type of load, and since there are fewer Consumers in this category it is not fair to use an average value. The limits will, however, be between 0,5 for say a commercial/industrial type of development with 50% of its peak load coinciding with the core network peak, and 1 (one) for say a domestic development where 100% of its peak load coincides with the core network's peak. The value for a particular development can, however, be anywhere between these limits and will be determined by the Head of the Electrical Department or his appointed Consulting Engineer.

Df - Diversity Factor between BDMD and ADMD determined by Head of the Electrical Department or his appointed Consulting Engineer. The Df depends on the quantity and type of individual loads connected to the Bulk Supply Point. The following Df's are given as a guide:

Use same Df's as Domestic but for "Notified Demand" in formula use Demand after taking Nf into account, i.e. Actual Notified Demand x Nf. For most commercial developments this will be Actual Notified Demand x 0,5.

I hereby make an example of a typical calculation to determine augmentation fees as a connection fee, the fee exclude any infrastructure improvement.

Current ERU @ 250A; ERU tariff for 2020/21= R 13 284.29

Number of ERU's

= (Notified Demand in kVA x Nf) ÷ (10,35 x Df)
= (151.8kVA x 0,5) ÷ (10,35 x 0,3)
= 48.889
sê 48.889 × **ERU's**

The capital contribution will be 48.889 ERU's x R 13 284.29 = **R 649 454,17** + VAT.

I hereby request a Reduction by 50% in ERU from 2021/22 financial year and below is an example of the same requested Notified Maximum Demand of 250A calculated.

= (Notified Demand in kVA x Nf) ÷ (10,35 x Df)
= (151.8kVA x 0,5) ÷ (10,35 x 0,3)
= 48.889
sê 48.889 × **ERU's**

The capital contribution will be **48.889 ERU's x R 6 642.14 = R 324 727.58** + VAT.

3. Comment: Relevant Directorate

The department started re-evaluation the cost of infrastructure against the current ERU cost. It is evidently feasible to reduce the initial bulk cost with about 50%, a transformer of 250Amp currently being quoted for as an example in this exercise comes at a price of about R 250 000.00 therefore it still covers the cost if we take into consideration their input on the existing network, a bulk connection of this size will at the current tariffs only on availability charges bring in around **R 9 200.00** per month. The energy charges will be additional income as we have a markup on the sale of electricity.

The initial connection fees drive developers out of town into the next town which have a more attractive connection fee but have a permanent income from the development which they capitalise on over the lifespan of the asset.

It is must also be considered to ringfence Augmentation Fees to facilitate future service delivery and budgeting.

4. Comment: Chief Financial Officer

None

5. Comment: Municipal Manager

None

6. Financial Implications:

No comment received from the CFO.

7. Legal implications:

None

8. Other implications:

None

9. Recommendation:

9.1 That the report on the reduction of electrical augmentation fees be considered by council.

9.2 That consideration be given to the possible "ringfence" of Augmentation Fees.

9.3 That council consider a reduction of 30% in Electrical augmentation fees, to make investment and development more attractive in Kouga.

9.4 That the reduced amount for electricity augmentation of R 8 864.69 excl. VAT be included in the 2021/22 tariff schedule.

Item prepared by: Manager Electrical

Item approved by the Acting Director Infrastructure & Engineering:

Item noted by the Portfolio Councillor:

REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 28 MAY 2021 **ITEM NO: 21/05/CS4**

ENVIRONMENTAL HEALTH EVALUATION OF SCHOOLS FOR COVID-19 READINESS 2021

1. Introduction

The purpose of this report is to inform Council of the Environmental Health Evaluation / inspection of schools for Covid 19 readiness prior opening for the 2021 school year. The program was conducted for all school within the Kouga Municipal area during the month of February 2021.

2. Background

Schools within the Kouga Municipal area were visited prior to opening and receiving learners back for the 2021 school year. The visits were conducted in collaboration with the Department of Education and the focus of the visits was to check compliance with the general guidelines relating to Covid 19 as well the general hygiene and safety requirements prior to the schools reopening for learners and these included:

- Guidelines for receiving learners at school
- Social distancing measures in place within classrooms and outdoors
- Sanitizing facilities for learners, teachers, premises, and surfaces are in place
- Learners and teachers PPE
- Measures for monitoring of symptoms for both learners and teachers
- Monitoring by school staff to ensure compliance

3. Comment

A total number of 23 school were visited and evaluated during the programme and these are as listed on the table below and the program is ongoing.

Jeffreysbay Unit	**Humansdorp Unit**	**St. Francis Unit**	**Gamtoos Unit**
- Global Leadership Academy (GLA)	- Kruisfontein Primary School	- Seavista Primary School	- Hankey Primary School
- Jbay Academy High School	- Graslaagte Primary School	- Kleinplaas Primary School	- Laerskool Hankey

- Jbay Academy Primary School	- Humansdorp Senior Secondary School	- Mzingisi Primary School	- Bodka Primary School
- Makukhanye Primary School	- St Patrick Primary School	- Lungiso High School	- Vukani Combined School
- Pellsrus Primary School			- Chigwell Primary School
- Kings College			- Patensie Primary School
- Jeffreysbay Comprehensive School			- Patensie High School
			- Andrieskraal Primary

4. Financial implications

None

5. Legal implications

These facilities were assessed and monitored for compliance to the following legislation:

1. Regulation R638 relating to the General Hygiene Requirements for School kitchen facilities and the Environmental Health Norms & Standards for schools' premises.
2. Disaster Management Act 57 of 2002 published in Government Gazette No. 43258, Government Notice No. R. 480 of April 2020, and the Guidelines for school premises during the Covid 19 pandemic.

6. Other implications

None

7. Recommendation

7.1 That the report on the Environmental Health Evaluation of School Premises conducted to ensure Covid 19 readiness within the Kouga Municipal Area be noted and accepted.

Item prepared by : Senior EHP

Item approved by : Director Community Services

Item noted by : Portfolio Head

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 28 MAY 2021 **ITEM NO: 21/05/CS5**

OYSTER BAY DUNE REHABILITATION UPDATE

1. Purpose

The purpose of this report is to provide an update to Council on the Oyster Bay Dune rehabilitation project.

2. Introduction

Kouga Municipality has continuously maintained the Oyster Bay Sand encroachment since project initiation in February 2019. The project has been conducted and financed by Kouga Municipality.

3. Comments

Kouga Municipality is continuously managing and maintaining the dunes in Oyster Bay and monitoring the dune in between. The Municipality is distributing sand along the beach of Oyster Bay according to the approved Environmental Authorisation and Construction Environmental Management Plan. The area of distribution is completed, covered and yet more sand keeps building up along Brander Street and adjacent properties. The municipality are not allowed to move the sand beyond the highwater mark as that will activate a non-compliance in terms of the Environmental Authorisation as well as the Integrated Coastal Management Act.

The municipality procured and planted dune stabilisation plants for Oyster Bay. As the dunes continue to rebuild some of the planted areas are covered by the sand which is building up. During the maintenance process the dune is bulldozed away along with the plants. Plants in the areas where the dunes are not rebuilding are growing remarkably. This means that the maintenance and rehabilitation requires manual labour instead of heavy machinery.

The municipality needs to explore other alternatives to deal with the long term plan of managing the dune. Along Brander Street, the area that is affected by the encroachment only two properties have been built and the rest is undeveloped erven. Heavy machinery for reopening of Brander Street and clearing of sand will cost the municipality more money in the long run than finding an alternative solution.

The first proposal is to find alternative access for the two affected properties. The first property Erf 340 owned by Mr. Johan Bouwer (located Cnr. Brander Street and Walvis Lane) (House A: Figure1) has access from Walvis Lane and the property was planned to access though Walvis Lane. There is absolutely no obstruction in getting into this property.

The second property located on Brander Street Erf 387 owned by Mr. Conrad Brandstetter (House B: Figure 1) currently has no access in terms of the Land Use Map, There is a municipal property located directly Infront, meaning access was through trespassing a municipal erven. Since the dune encroachment the property owner has been accessing his property through an undeveloped erf 386 located on Marlyn Street.



Figure 1:Brander Street Affected Properties

The proposal is to create access for property B and permanently close Brander Street as an access road. Once we close the road the municipality will only focus of the revegetation on the entire dune and incorporating the road and undeveloped erven into Public Open Space and possible recreational areas.

The municipality has an existing electrical servitude on erf 386. The proposal is to explore registering a servitude for an access road on the same property. The property owner of Erf 387 will then access their property through Marlyn Street. The owner of Erf 386 bought the plot 1992 and has never developed it, and the municipality will reduce rehabilitation costs significantly.



A task team consisting of representatives from various Departments within the municipality needs to be established to look at alternatives to be considered:

- Legal Services
- Finance
- Infrastructure and Engineering
- Planning and Development
- Community Services

4. Financial Implication

Ukey Vote: Oyster Bay Dunes	20190313065624
Amount Budgeted:	R 631 200.00
Amount Used	R 546 086.25

5. Recommendation

5.1 That the report on Oyster Bay dune rehabilitation be noted.

5.2 That a task team to find alternatives for Oyster Bay be established.

5.3 That the task team be established in 10 days from now (07 April 2021).

Item prepared by : **Environmental Specialist**

Item approved by : **Director Community Services**

Item noted by : **Portfolio Head**

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 28 MAY 2021 **ITEM NO: 21/05/CS6**

ST FRANCIS BAY REVETMENT

1. Purpose

The purpose of the report is to provide Council with the final stages on the St Francis Bay Revetment.

2. Introduction

In April 2020 Kouga Municipality declared a local disaster in St Francis Bay after a breach that occurred early morning on 8 April 2020. Heavy storm surges along the Kouga Municipality Coastline, resulted in significant beach erosion and four breaches along the St Francis Bay Spit Area. The storms surges also damaged existing revetments along the coastline in areas such as the Main beach, George Road, Peter Crescent, Ralph Road to name a few.

3. Comments

While the municipality was busy with the repair of revetment on the St Francis Bay Main Beach the estimated quantities for the main beach repair the engineers assumed that the existing armour rock was placed in a standard double layer. This appeared not to be the case and the contractor informed the engineers that they were retrieving approximately 7m³ less rock per meter than what was estimated. This meant that additional rocks were required approximately 600 m³ (7x85) additional armour rock to what was expected. This is unfortunate and could not be foreseen due to the non-standard way that the previous rock was placed (dumped).

Upon consultation between the municipality and the engineering team it was decided to incorporate a wider grading of rock into the revetment that allows selection of more rock from the supplier and reduce costs. The intention of the contract was to only use available rocks from the failed revetment due to the shortage of the rock and the available funds from the Spit project had to be transferred to the main beach revetment.

The municipality had funds available for the Spit revetment, which was savings from the contingency fees, these funds were also going to be used to procure additional rocks to fill up the low areas on the revetment which were identified during the exit survey. This means that the municipality will have to complete the project during the financial year 2021/2022.

The Municipality received a request to extend the revetment with 150 meters eastwards, from an Interested and Affected party residing across the St Francis Bay Spit in Shore Road. However, 70 meter is outside the authorised area. During the last breach in September 2020, the municipality was forced to end the revetment at about 540 meters, leaving 80 meters of the authorised area unprotected. The depth of the last breach was very deep and was going to be expensive to repair, as the cost of repairing the area were significantly high. Surveys indicated that the beach level was between -0.5 to -0.8 below mean sea level. The beach levels have built up and if the budget is available in the new financial year 2021/2021 the municipality will consider completing the 80 meters and repairing of failed revetments along Anne Avenue and Ralph Road where municipal infrastructure is also threatened.

4. Financial Implication

Ukey Vote:	201804072939
Amount Requested	R 1 912 422.63

5. Recommendation

5.1 That the report on St Francis Bay Revetment be noted.

5.2 That the 80meter of the authorized area that was left unprotected be finalized in the 2021/22 financial year.

Item prepared by : **Environmental Specialist**

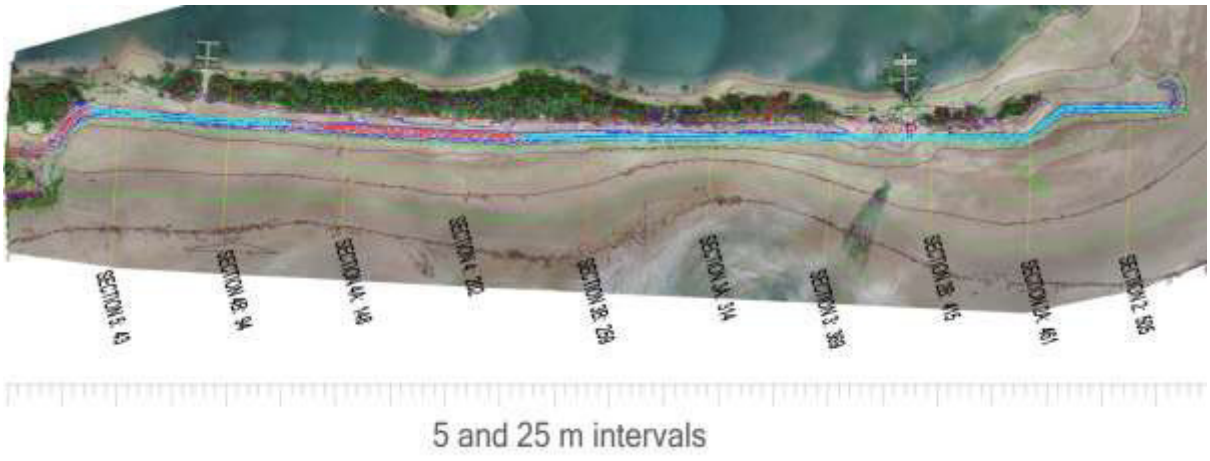
Item approved by : **Director Community Services**

Item noted by : **Portfolio Head**

Annexure 1:



Area was exposed due to rock shortage.



Red indicates areas that need additional rocks.

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 28 MAY 2021 **ITEM NO: 21/05/CS7**

KEEPING KOUGA CLEAN AND GREEN

1. Purpose

The Purpose of the report is to provide Council with an update report on the Keep Kouga Clean and Green Project.

2. Introduction

In 2020 Kouga Municipality launched the Keep Kouga Clean and Green Campaigns as an adaptation strategy to combat climate change. The aim was to also raise awareness about climate change and how to respond to global warming.

3. Comments

Kouga Municipality launched another environmental conservation effort to combat Climate Change by introducing a sustainable waste management and recycling programme at KwaNomzamo Community Hall in Humansdorp. The project will focus in the Township area of Humansdorp namely Kruisfontein, Arcadia, KwaNomzamo, Vaaldam to name a few. The municipality partnered with Maru Ciberconnect, as well as Chisomo Incubation Hub funded by the National Lotteries Commission and the National Department of Environment, Forestry and Fisheries.

As phase one, the programme has employed 20 women from the Humansdorp wards to work for three months.

The participants who will be rolling out the programs in communities are called "The friends of the environment", they have received training on sustainable waste management and recycling, as well as community-based education and effective communication. They will also collect recyclable material from the communities (now seen as a valuable resource after the training) within their wards. They will, furthermore, embark on door-to-door education and awareness campaigns with the focus on sustainable waste management and recycling.

Special recycling bags for the separation of waste at residents' homes, will also be distributed. Kouga Municipality will assist in collecting the recyclables and transport it to an allocated site for further sorting and bailing where possible.

To determine the effectiveness of the programme, the current amount of waste ending up at the specific landfill site will be monitored and compared monthly to see the environmental impact.

The aim is to create a sustainable program with the assistance from Maru and hopefully the municipal LED department. The participants will sell the recyclables for the sustainability of the programme beyond the three months. The municipality hopes to register those interested as cooperatives so that they can enter into the Green Economy space.

A tree planting program was also introduced and is being piloted in Jeffreys Bay. The National Department of Environment, Forestry and Fisheries has donated 500 trees that will be planted during the pilot phase and has employed 18 participants. The first trees were planted at Mzingizi, Makukhanye and Pellsrus Primary Schools, 215 were planted in Ward 2 Pellsrus 220, one household did not want a tree and 4 properties could not be accessed.

4. Recommendation

4.1 That the pilot Community Environment and Waste Management and Tree planting programmes be noted and supported.

4.2 That Communities be encouraged to participate and get involved in these programmes.

Item prepared by : **Environmental Specialist**

Item approved by : **Director Community Services**

Item noted by : **Portfolio Head**

ANNEXURE 1:

PROGRAMME LAUNCH



MAYOR ACCEPTING A TREE FROM DEFF







REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO. 21/05/PD1**

PROGRESS REPORT: ALIENATION OF 98 WET ERVEN: KRUISFONTEIN

1. Introduction

The purpose of this item is to inform Council of the progress made in respect of the alienation of the 98 wet erven located in Kruisfontein, Humansdorp.

2. Background

The Council took a decision in October of 2019 to alienate 98 erven in Kruisfontein, by giving the people currently occupying erven first option to buy the sites which they are occupying. **(See council resolution "A")

All prescribed processes were followed to alienate the 98 wet erven which covers erven 3535 to 3634 in Kruisfontein.

The Legal Section has drafted and vetted an Option to Purchase agreement to be concluded with those residents who opted to buy the sites currently occupy.

The Human Settlement Section was instructed in September 2020 to conduct a survey to establish and compile a list of those residents' willingness to conclude the Offer to Purchase agreements and those who wanted to be relocated to the Donkerhoek 200 informal settlement upgrading project.

The final survey report was presented to the Land and Properties Section towards the end of December 2021. **(See survey report "B")

The Human Settlement officials started with the process to complete Option to Purchase agreements over the weekend of 16 – 17 January 2021 and continued over several days. All the Option to Purchase agreements for the 38 residents who opted to buy the sites was completed with the necessary documents attached.

3. Comment

The Section Human Settlements of the Planning, Development and Tourism Department indicated that the Option to Purchase Agreements was signed by all the 38 residents who opted to buy the sites.

During the process some of the 58 households who initially opted to be relocated to the Donkerhoek 200 informal settlement upgrading project, indicated that they

would like to reconsider their option by buying the sites if there is a possibility to purchase the sites on a part payment basis over a period of time.

The 6 remaining sites will be dealt with on a case-by-case approach as there is different dynamics at play.

It must be noted that the current and difficult economic situation, caused by the covid 19 pandemic had a significant impact on the financial positions of most of the residents.

Hence, most of those residents who initially opted to buy the sites (38) indicated that they will also struggle to do once-off payments due to job losses and pay cuts experienced.

4. Financial implications

Yes, overtime for Human Settlement officials who was working outside normal working hours.

5. Legal implications

No legal cost to the Council.

6. Recommendation

6.1 That Council take note the progress report on the alienation of the 98 wet erven in Kruisfontein.

6.2 That Council grant authorization to the Accounting Officer to the conclude Option to Purchase agreements as the Grantor on behalf of the Municipality.

Item prepared by Acting Manager Land: **S. Grootboom**

Item approved by the Director PDT:



Item noted by the Portfolio Chairperson:



ANNEXURE "A"

19/10/PD3 SELLING OF 98 HIGH WATER TABLE HUMAN SETTLEMENT ERVEN – KRUISFONTEIN

Resolved (30 October 2019)

1. That the alienation of the 98 erven in Kruisfontein, be supported.
2. That the selling price of R8 000 per erf, be supported.
3. That the sale of these erven be advertised for input from the public.
4. That the people currently occupying erven be given first option to buy the erf that they are occupying.
5. That these erven be sold voetstoots with the following recommendations by SRK Consulting included in the Deed of Sale should the owner wish to build a brick house:-

- *Individual erven need to be box cut and compacted to the recommended founding depth and graded towards the stormwater network;*
- *A layer of course river sand and/or gravel (± 100mm in thickness) to be placed at the base of the box cut to act as a preferential flow path for ground water seepage;*
- *A subsoil drain (at the lowest point of the erf) to be installed and connected to the stormwater network to remove excess groundwater seepage from the site; and*
- *The finished floor level of the house should be at least 2 brick courses above the level of the road if the site is level; otherwise two brick courses above the highest ground level on the site."*

6. That all proceeds from the sale of the 98 high water table erven be ringfenced for projects namely the upgrading of gravel roads to paved roads.

ANNEXURE "B"

KRUISFONTEIN 98 PROJECT

VERIFICATION : OCTOBER 2020

FIGURES

38	AGREED TO BUY
54	AGREED TO BE RELOCATED TO DONKERHOEK
6	OUTSTANDING

= 98

KRUISFONTEIN 98 SURVEY : OCTOBER 2020

LIST OF BENEFICIARIES WHO AGREED TO BUY THE PLOT

ERF	NAME	SURNAME	ID NUMBER	
3535	Margerey	Potgieter	7 008 100 810 080	*1*
3538	Isak	Booysen	7 412 015 899 081	*2*
3544	Maria	Vermaak	7 407 080 227 085	*3*
3548	Elisma	Stuurman	9 211 090 251 087	*4*
3552	Cornelius	Meyers	7 204 175 133 082	*5*
3556	Wayne	Swartz	8 506 015 201 088	*6*
3567	Erwee	Matoe	9 608 026 378 084	*7*
3568	Clifford	Mayoba	8 102 205 680 081	*8*
3573	Samio	Jansen	8 509 045 287 085	*9*
3574	Henry	Jesaja	8 409 156 564 085	*10*

3575	William	Jacobs	7 811 235 231 084	*11*
3577	Anneline	Goeda	8 210 150 188 081	*12*
3578	Clifton	Britz	7 210 105 183 089	*13*
3579	Philemon	Maya	6 606 067 144 087	*14*
3580	Willem	Booysen	5 802 046 070 086	*15*
3583	Johannes	George	6 908 275 685 087	*16*
3584	Shorn	Takas	7 108 205 003 084	*17*
3588	Johannes	Pieterse	7 007 255 007 088	*18*
3590	Dinah	Jansen	6 112 250 024 087	*19*
3592	Joveno	Witbooi	9 203 256 283 087	*20*
3593	Petro	Smith	9 804 070 393 083	*21*
3599	Jan	Lewis	8 911 095 349 080	*22*
3606	Steven	Kemp	8 408 025 258 085	*23*
3612	Jan	Windvogel	7 306 195 368 083	*24*
3613	Vuyo	Solani	7 707 065 354 089	*25*
3614	Griet	Stigling	6 107 070 254 088	*26*
3615	Lee - Ann	Kettledas	8 801 190 242 084	*27*
3616	Ricardo	Geswint	9 305 315 213 086	*28*
3617	Jane	Miggels	6 108 220 797 083	*29*
3618	Sylvia	Nuoe	7 210 070 925 084	*30*
3620	Henry	Jooste	8 607 085 271 082	*31*
3622	Pieter	Prins	7 309 125 166 080	*32*
3623				*33*
3624	Carrine	Kriga	9 408 130 116 086	*34*
3626	Fiola	Adams	9 501 060 461 082	*35*
3627	Ivorene	Jantjies	9 305 270 221 082	*36*
3631	Benonita	Booysen	8 410 070 119 089	*37*
3632	Mandy	Plaatjies		*38*

KRUISFONTEIN 98 PROJECT

VERIFICATION : OCTOBER 2020

OUTSTANDING x 6

ERF	COMMENT
3540	Kruisfontein 391 Approved Beneficiary still occupying site. Ms.Ellen Booyses
3541	No one occupying site. Empty shack
3561	Residents from Trankei occupying site. Passport only
3582	Couldn't get hold of occupants
3611	Occupant refused to sign any documents
3630	Gangsters occupy site

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO. 21/05/PD4**

MONTHLY PROGRESS REPORT ON HUMAN SETTLEMENTS GRANT FUNDED PIPELINE PROJECTS

1. Introduction

The municipality has identified a number of human settlements projects which are intended to yield a number of housing opportunities.
The Provincial Department of Human Settlements has allocated funding for all approved pipeline projects over the MTREF.
The Municipality must coordinate the planning and delivery of housing projects in line with the National and Provincial Policy.

2. Purpose

This report is to appraise Council of progress and status of the approved housing projects in Kouga Municipality.

3. Background

There are currently 12 BNG (Breaking New Ground) housing projects in the Kouga Municipality, Upgrading of 9 informal settlements, and 1 FLISP/Social Housing Project.
The progress in these projects is monitored technically through the Human Settlements Co-ordinating Forum encompassing Kouga and ECDHS officials on a monthly basis.

4. Comments by the relevant Director

None

5. Financial implications

None

6. Legal implications

None

7. Other implications

None

8. Recommendation

8.1 That the report on the human settlements grant funded projects be noted.

Item prepared by Manager: Integrated Human Settlements

Item approved by the Director PDT: 

Item noted by the Portfolio Chairperson: 

PORTFOLIO: **PLANNING AND DEVELOPMENT**

DIRECTORATE: **PLANNING, DEVELOPMENT& TOURISM**

DEPARTMENT: **INTEGRATED HUMAN SETTLEMENTS**

REPORT: **MONTHLY REPORT: APRIL 2021**

DEPARTMENTAL OBJECTIVES

- ✓ **To prioritise the housing needs in the municipality**
- ✓ **To co – ordinate the implementation of different housing options in line with the National and Provincial Policy**

IMPLEMENTATION OF INTEGRATED HUMAN SETTLEMENT GRANT FUNDED PIPELINE PROJECTS

PROJECT NAME	DELIVERABLES	TIMEFRAME	BUDGETED AMOUNT	DELIVERED TO-DATE	PROGRESS/STATUS
TOP STRUCTURES					
1. Kruisfontein 391 (Ward 4)	391 Units	30/09/2019		• Slabs: 391 • Wall Plates: 391 • Roof: 391 • 100% completed: 391	• *Project was completed and handed over in December 2019* • *All houses are*

					provided with a water and pre-paid electrical meter
2. Pellsrus 220 (Ward 2)	200 Top structures	31/11/2019			• *220 houses complete and handed over*

3. Oceanview 1500 (Ward 14)	1500 Units	663		None	• 1500 beneficiaries approved • First phase of top structures will be 200 • Tender for appointment of professional service provider for the design of top structures closed on 18/12/2020 • Professional service provider was appointed in March 2021 • Deeds of sale signed are 861 • Awaiting for approval of funding for additional 465 top structures • Houses to be constructed in the 2021/22 FY
SERVICES					

1. Oceanview 1500 (Ward 14)	1500 Sites (services)	20/3/2020		Earth works: 100% Water: 100% Sewer: 100 % Roads: 100 % Stormwater: 100 %	• Phase 1 (413) is complete • Phase 1 practically handed over on 08/8/19 • Phase 2 (632) is complete • Phase 4a (88) is complete • Project was completed on 4 December 2019 • Services handed over to the municipality
2. Pellsrus 220 (Ward 2)	220 Sites (services)	31/11/2019		Earth works: 100% Water: 100% Sewer: 100% Roads: 100% Stormwater: 100%	• 220 services is complete
BLOCKED PROJECTS					

1.Sea Vista 2000	Pipeline Project Plan			Planning of BNG housing, provision of basic services to 400 families	• Funding application for project planning is dependent on the availability of sufficient infrastructure • Land transfer of DPW land to KLM is still outstanding
2. Kwanomzamo 400	Pipeline Project Plan			Planning of BNG housing, provision of basic services to 400 families	• Funding application for project planning is dependent on the availability of sufficient bulk infrastructure
3. Thornhill 390	Pipeline Project Plan			Planning of BNG housing, provision of basic services to 390 families	• Funding application for project planning is dependent on the availability of sufficient bulk infrastructure

LAND PURCHASE					
Loerieheuwel Farm	Pipeline Project Plan			Planning of BNG	Offer to Purchase document was signed on 20/6/2019 • Subdivision of the land is complete • Funding application for project planning is dependent on the availability of sufficient bulk infrastructure
Kwanomzamo Farm	Pipeline Project Plan			Planning of BNG	Offer to Purchase document was signed on 21/6/2019 Planning will commence after land transfer • Subdivision is complete

					• Beneficiary administration is in progress • Planning process to be completed in the 2020/21 financial year.
UPGRADING OF INFORMAL SETTLEMENTS					
Upgrading of informal settlements	Pipeline Project Plan		R18 000 000,00	Provision of interim basic services	Funding Business Plans were submitted on 25/10/19 for the upgrading of the following 10 informal settlements: • Donkerhoek - 363 • Oceanview - 730 • Cyril Ramaphosa - 278 • Polar Park - 350 • Shukushukuma - 250 • Thornhill – 160 • Bungalows - 103 • Golf Course - 153 • Sea Vista – 2000 • No. R10 – 190

					• R 18 000 000,00 was approved in the 2020/21 financial year for the upgrading of 9 informal settlements excluding Sea Vista . • The upgrading of the remaining 12 informal settlements will be approved in the 2021/22 financial year. • Informal settlements that were not assessed and categorized will be prioritized in 2021/22 • Allocated/approved grant funding, and claims will be managed by the District

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO. 21/05/PD8**

AUTHORISATION OF THE DRAFT JEFFREYS BAY CENTRAL BUSINESS DISTRICT (CBD) PRECINCT PLAN FOR PUBLIC PARTICIPATION

1. Introduction

This report seeks to:

a) Report on progress made on the development of the Jeffreys Bay CBD Precinct Plan.

b) Table the Draft Jeffreys Bay CBD Precinct Plan to Council for approval to proceed with public participation in terms of Section 20(3)(a) to (c) of the Spatial Planning and Land Use Management Act, Act 16 of 2013.

2. Background

The municipality appointed *Urban Dynamics* Town and Regional Planners to develop a precinct plan for the Jeffreys Bay Central Business District.

A precinct is a geographically smaller area with specific characteristics that require economic, physical and social renewal, or areas likely to be subject to large scale development within the planning horizon of an SDF. The main objective of the precinct plan is to:

a) Indicate desired patterns of land use within the precinct and set out basic guidelines for implementation.

b) Identify programmes, projects and restructuring elements for the development of land within the precinct area.

c) Set out a clear implementation plan and the associated costs.

d) Identify where public investment should be prioritised.

3. Discussion

In terms of Sections 6 of the Spatial Planning and Land Use Management By-law: Kouga Municipality, 2016, it is required that a Project Steering Committee (PSC) be established to monitor progress and ensure that the compilation of the precinct plan is progressing in accordance with the requirements of the Spatial Planning and Land Use Management Act, Act 16 of 2013.

A project committee was established, and a virtual inception meeting was held on 23 July 2020. In August 2020, a notice was published in the Kouga Express, government gazette and municipal website inviting members of the public to register as interested and affected parties.

On 23 October 2020, an information sharing session was held with the registered interested and affected parties at the Newton Hall. The purpose of the session was to present the Status Quo Report to the public and further to receive inputs and suggestions.

Subsequently, a draft report was compiled and presented to the PSC on 15 April 2021. At this meeting, it was resolved that the draft document be referred to Council for approval to proceed with the public participation process for public inputs into the draft plan. It is now the intention of the department to invite the public to submit written representations in respect of the draft document within 60 days after the publication of the notice.

4. Proposed Way Forward and Legal Implications

In terms of Section 20 (3) of Spatial Planning and Land Use Management Act, Act 16 of 2013, a notice of the proposed spatial plan must be published in the gazette and the media. This will include all media platforms available to the municipality viz the Kouga Municipal Website and Facebook page. The draft document will be published for comments immediately after approval by Council.

An open day (public meeting) will be held at the Newton Community Hall. On the day, the service provider will present the draft document, thereafter, allow the public to provide inputs. The service provider will also have one on one session with major stakeholders. All comments received will be considered and referred to the PSC for endorsement. The final draft will then be presented to Council for adoption.

5. Financial Implications

A total amount of R494 500-00, was quoted for the project. According to the terms of reference, payment will be made on the successful delivery of each milestone, in accordance with the terms and conditions agreed upon with the service provider.

To date, a total payment of R 98 900.00 has been made for the first milestone. The second milestone will be completed on approval of the Draft Municipal Spatial Development Framework, 2019/2020 by Council.

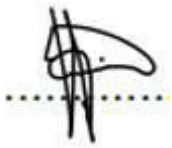
6. Recommendation

6.1 That the Council note the progress made on the Jeffreys Bay CBD Precinct Plan.

6.2 That the Council approves and grants authorisation for the Draft Jeffreys Bay CBD Precinct Plan, to be published for Public Participation in terms of Section 20(3)(a) to (c) of the Spatial Planning and Land Use Management Act, Act 16 of 2013.

Drafted by: L. Ramakuwela: Town Planner

Item approved by the Director PDT:



Item noted by the Portfolio Chairperson:



KOUGA LOCAL MUNICIPALITY

KOUGA
local municipality
Good Governance through Service Excellence

Jeffreys Bay Central Business District (CBD) Precinct Plan (Local Spatial Development Framework) (LSDF)

(Draft for Public Participation Purposes)

Report 1720E/03

April 2021

Assisted By :

URBAN DYNAMICS
TOWN & REGIONAL PLANNERS

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Report Title :	Jeffreys Bay Central Business District (CBD) Precinct Plan (Local Spatial Development Framework) (LSDF)
Report Number :	1720E/03
Report Date :	04.2021
Report Status :	Draft for Public Participation Purposes
Project Number	1720E
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Abbreviations

AO	Authorised Official
CB	Central Business
CBD	Central Business District
CBP	Community Based Planning
CMPr	Coastal Management Programme
DM	District Municipality
EAS	Engineering Advice and Services
ECSDF	Eastern Cape Spatial Development Framework
FLISP	Finance Linked Individual Subsidy Programme
ICMA	Integrated Coastal Management Act
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
ILUS	Integrated Land Use Scheme
KFC	Kentucky Fried Chicken
KLM	Kouga Local Municipality
KPA	Key Performance Area
LED	Local Economic Development
LM	Local Municipality
LOS	Level of Services
LSDF	Local Spatial Development Framework
MPT	Municipal Planning Tribunal
MSDF	Municipal Spatial Development Framework
NDP	National Development Plan
NEM	National Environmental Management
NMBM	Nelson Mandela Bay Municipality
NSDF	National Spatial Development Framework
NSDP	National Spatial District Municipality
PCS	Project Steering Committee
PGDP	Provincial Growth and Development Plan
PSDF	Provincial Spatial Development Framework
RCAM	Road Classification and Access Management
SANRAL	South African National Roads Agency Limited
SBDM	Sarah Baartman District Municipality
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprise
SPLUM	Spatial Planning and Land Use Management
SPLUMA	Spatial Planning and Land Use Management Act
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1 Chapter 1 : Background and Context

1.0 Background to the Jeffreys Bay Precinct Plan (Local Spatial Development Framework)

This document represents the Local Spatial Development Framework (LSDF) for the Jeffreys Bay Central Business District (CBD) Precinct in the Kouga Local Municipality (KLM).

A Local Spatial Development Framework (LSDF) is an important Municipal Policy instrument provided for in legislation. Spatial development planning is a process to co-ordinate and optimise human activities, which require physical space or have an impact on physical space. Physical planning is therefore a public sector function that aims to promote public investment and regulatory frameworks within which private sector and public sector decision making and investment can take place.

The LSDF further aims to formulate spatially based policy guidelines whereby changes, needs and growth in the region can be managed to the benefit of the community. The LSDF should further guide and inform all decisions of the Municipality relating to use, development and planning of land, within a balanced assessment of need and to provide adequately for social and economic demands within a growing economy and population.

2.0 Objective of the CBD LSDF

The broad objectives of the CBD LSDF are outlined in the various policy mechanisms and guiding legislation, specifically the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) and the Kouga Spatial Planning and Land Use Management (SPLUM) By-laws.

Section 10 of the Kouga SPLUM By-laws confirms the objective of the LSDF :

(1) The Municipality may adopt a local spatial development framework for a specific geographical area of a portion of the municipal area.

(2) The purpose of a local spatial development framework is to:

- *(a) provide detailed spatial planning guidelines or further plans for a specific geographic area or parts of specific geographical areas and may include precinct plans;*
- *(b) provide more detail in respect of a proposal provided for in the municipal spatial development framework or where considered necessary to give effect to the municipal spatial development framework and or its integrated development plan and other relevant sector plans;*
- *(c) address specific land use planning needs of a specified geographic area;*
- *(d) provide detailed policy and development parameters for land use planning;*
- *(e) provide detailed priorities in relation to land use planning and, in so far as they are linked to land use planning, biodiversity and environmental issues; or*
- *(f) guide decision making on applications;*
- (g) *comply with any other relevant provision that will give effect to its duty to manage municipal planning in the context of its constitutional obligations.*

3.0 Legal Status of the Precinct Plan

3.1 Legislation

LSDF's are statutory plans, which by their very nature reflect the agreed spatial values, principles and proposals according to the future development visions and policies of the communities residing within each municipality. This spatial reflection of the IDP represents an important social compact that should be paramount in assessing where development should be permitted, or not permitted, in any area of the municipality.

The Jeffreys Bay CBD LSDF is prepared within the context and principles of the :

- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and Regulations (SPLUMA)
- Kouga Spatial Planning and Land Use Management (SPLUM) By-laws (No. 3609, dated 4 March 2016)

▣ **Spatial Planning and Land Use Management Act (SPLUMA)**

Section 22(1) and (2) of SPLUMA confirms the status of Municipal Spatial Development Frameworks and procedures for decision making and requires

"a Municipal Planning Tribunal or any other Authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development may not make a decision which is inconsistent with the Municipal Spatial Development Framework".

3.2 Superseded Strategic Plans

The Jeffreys Bay CBD LSDF supersedes the following strategic plans and policies applicable to the area (insofar as they affect the study area) :

- KLM Spatial Development Framework (under review)

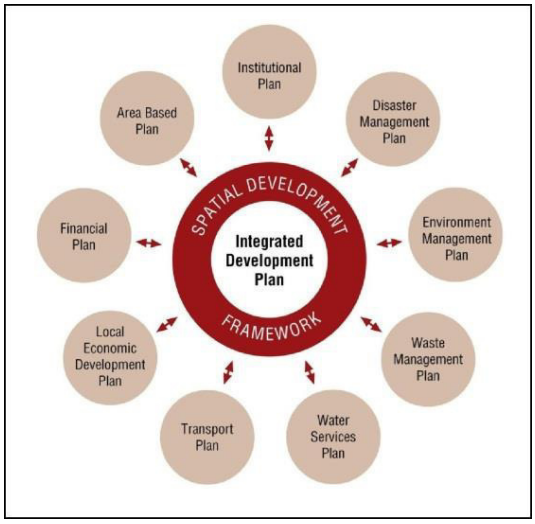
3.3 Land Use Rights, Conflicts and Decision Making

- The Jeffreys Bay CBD LSDF has the same status as the IDP and should be implemented in the same manner.
- The LSDF is an extension of the Municipal Spatial Development Framework (MSDF).
- The LSDF will not infringe upon existing land use rights.
- No guideline containing in this LSDF or any proposal regarding land use that may arise from it creates any rights or exempts it from the obligation under any other law.
- Specific reference is made to the procedure for a change in land use, Rezonings, Subdivision, Departure and/or Council's Consent for land development.
- The normal procedure with respect to Land Use Management as outlined in the relevant land use management legislation still applies, including the requirements of the National Environmental Management Act, 1997 (Act 107 of 1997) and others.
- The status of the Local Spatial Development Framework (LSDF) is confirmed in Section 22 (1) of SPLUMA, and it clearly notes that a Municipal Planning Tribunal may not make a decision that is inconsistent with the LSDF.

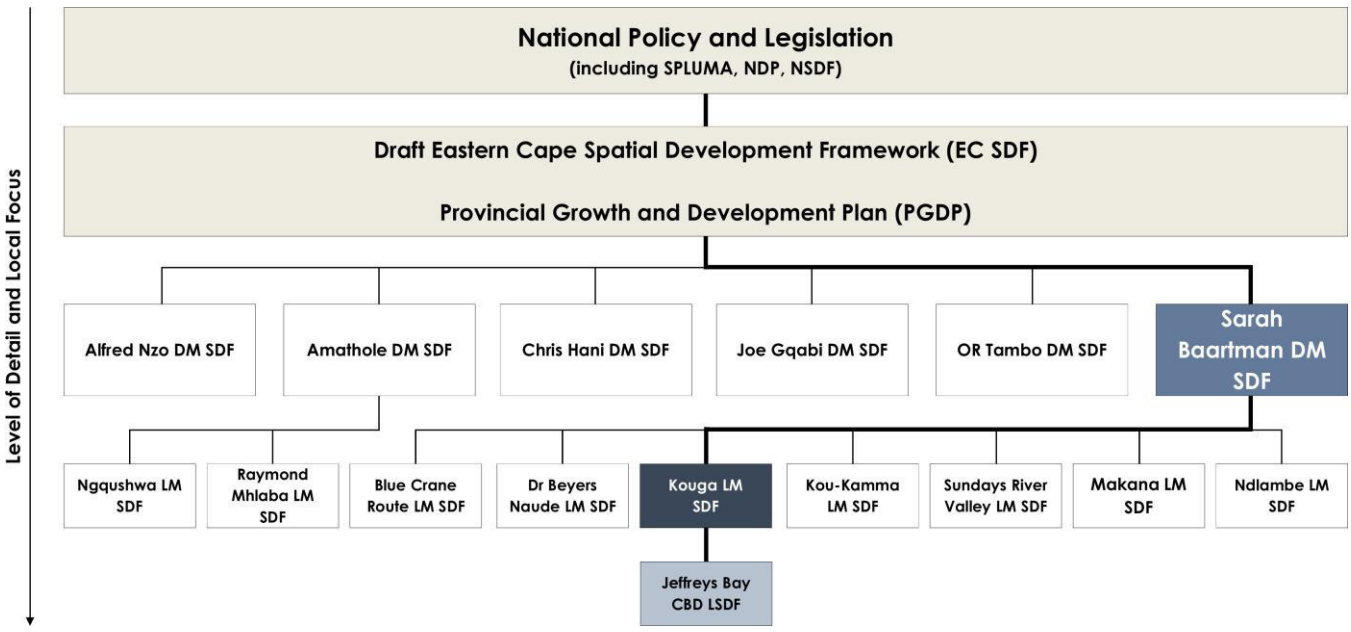
- Section 22 (2) of SPLUMA further notes that the Municipal Planning Tribunal may depart from the provisions of a Municipal SDF only if site-specific circumstances justify a departure from the provision of the LSDF.
- Section 42 (1) of SPLUMA and Section 53 of the KLM Spatial Planning and Land Use Management By-laws further provide guidelines for decision making.
- Section 13 of the KLM By-laws provides guidelines for departure from the LSDF. These can be implemented subject to Section 13(1)(a) of the By-laws.
- The overall spatial vision, principles and development objectives of the LSDF should be consulted as part of a holistic approach to decision making and ensuring applications are consistent with the LSDF and MSDF Objectives.

3.4 Spatial Plan Alignment

The alignment of the LSDF to the Draft National Spatial Development Framework (NSDF) and the Draft Provincial Spatial Development Framework (PSDF) is essential to create alignment with National, Provincial and Local programmes and projects and the initiatives of parastatals, entities and agencies.

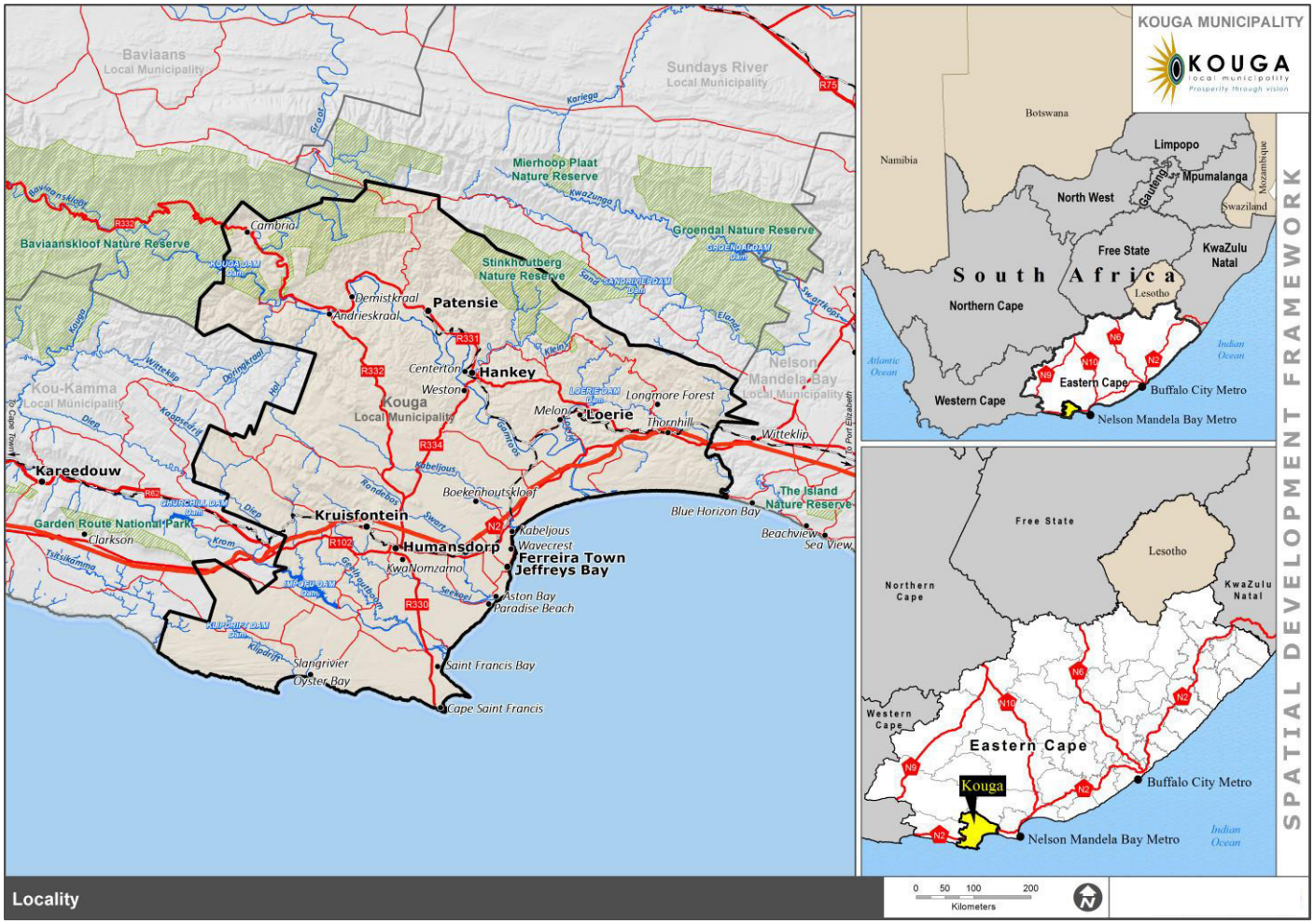


The District SDF needs to be of a strategic and regional co-ordinating nature referring to local SDFs, which are more detailed and reflect the situation on the ground according to community needs, community development codes, livelihood zones and development requirements.



4.0 Study Area Overview

The KLM is situated in the Eastern Province and is one of 9 Local Municipalities located within the Sarah Baartman District Municipal area. It is approximately 80 km west of Port Elizabeth and includes the coastal zone between the Van Stadens River in the east and the Tsitsikamma River in the west and inland stretches towards the Baviaanskloof Mountains in the north. The Municipality is characterised by 3 topographical regions, i.e., the coastal region (including the towns of Jeffreys Bay, St Francis, Cape St Francis and Oyster Bay), the Gamtoos River Valley (including the towns of Hankey, Patensie, Loerie and Thornhill) and Humansdorp and surrounding commercial farming area.



Plan 1 : Locality

In the past, Jeffreys Bay was a quiet seaside holiday town, however, the scale of development taking place in the area over the last 10 years has transformed Jeffreys Bay into a fast-growing, high development coastal city. Although many new developments have been implemented (and are being planned) in decentralised nodes around Jeffreys Bay, very little investment in economic infrastructure has taken place in the Central Business District and as a result, the CBD is lagging in terms of investment and development.

Linked to the growth of new mixed-use developments in Jeffreys Bay is the trend of commercial decentralisation, which has recently seen many national retailers moving out of the CBD and into large shopping centres on the outskirts of Jeffreys Bay. The lack of new investment in and movement of retailers out of the CBD are clear indicators that the CBD's role and function are changing as Jeffreys Bay grows and the real risk exists that the CBD will be caught in a cycle of urban degeneration if no comprehensive effort it made to halt the trend.

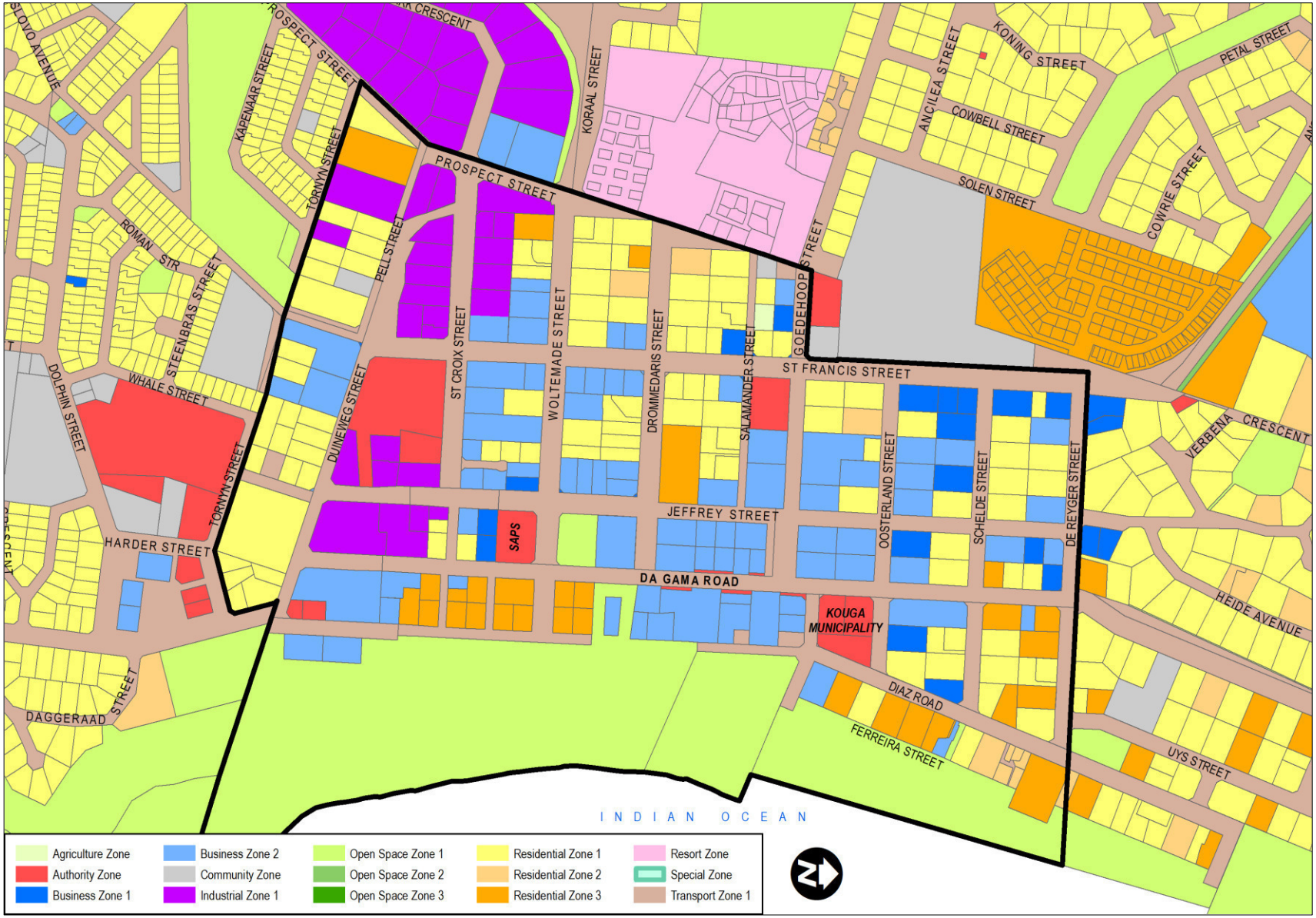
The study area comprises the CBD of Jeffreys Bay as delineated in the Municipal Spatial Development Framework (2015).

The area is bounded by Prospect Street (west), St Francis Street (west), De Reyger Street (north), Diaz Road (east), Tornyn Street (south) and Pell Street (south).

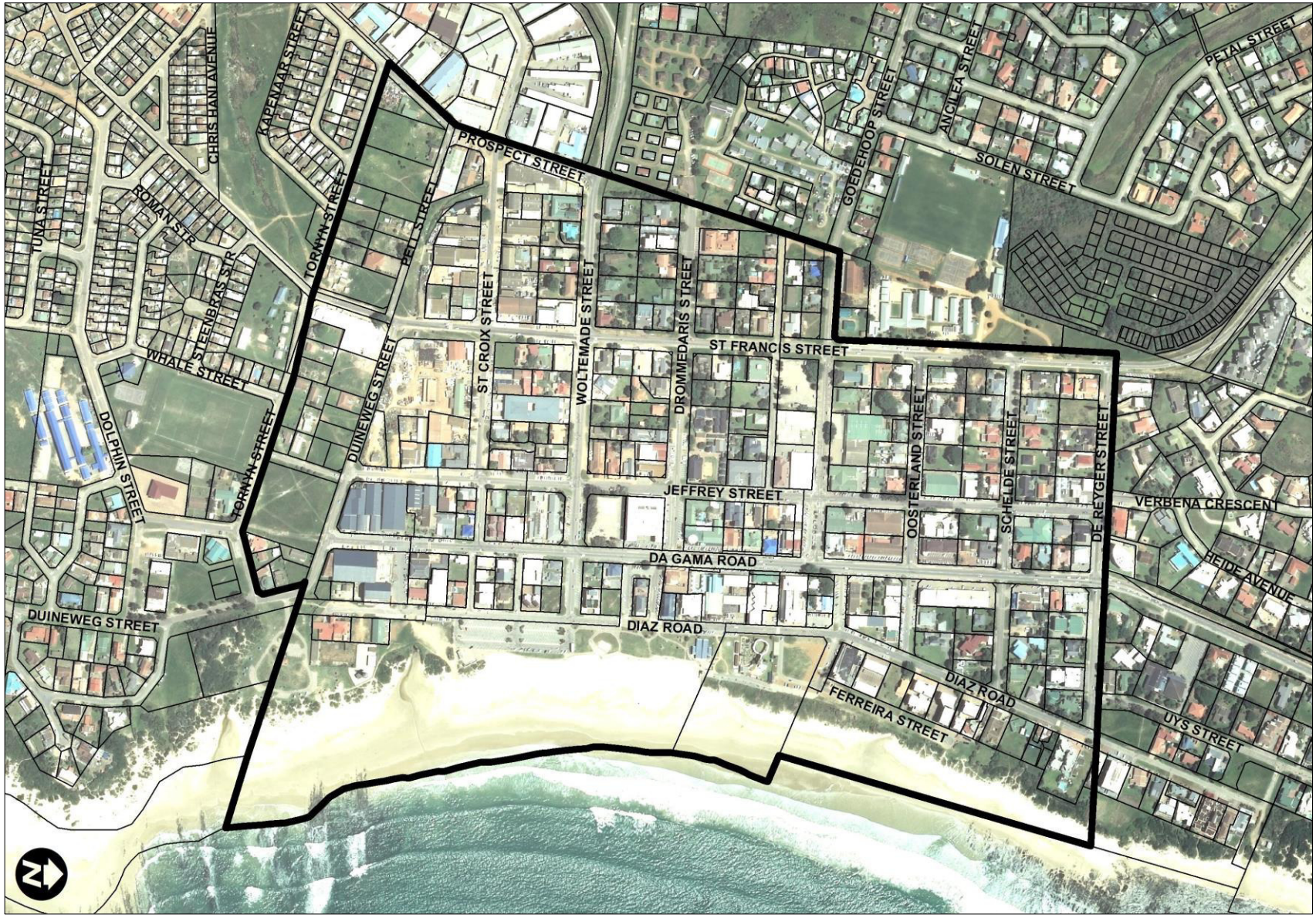
4.1 Objectives

The main objective of the municipality :

- *To develop a spatial vision for the Jeffreys Bay CBD.*
- *To leverage private and community/ public investment within Jeffreys Bay.*
- *To enhance the collateral value of properties within the CBD.*
- *To create conditions for broadening of capital formation and business development.*
- *To achieve efficiency in the movement of goods and people by restructuring the spatial form of the CBD by introducing proper land use zones and supporting the introduction of activity nodes and movement corridors.*
- *To create vibrant public and economic spaces.*
- *To build institutional and development capacity that will contribute to social and economic cohesion.*



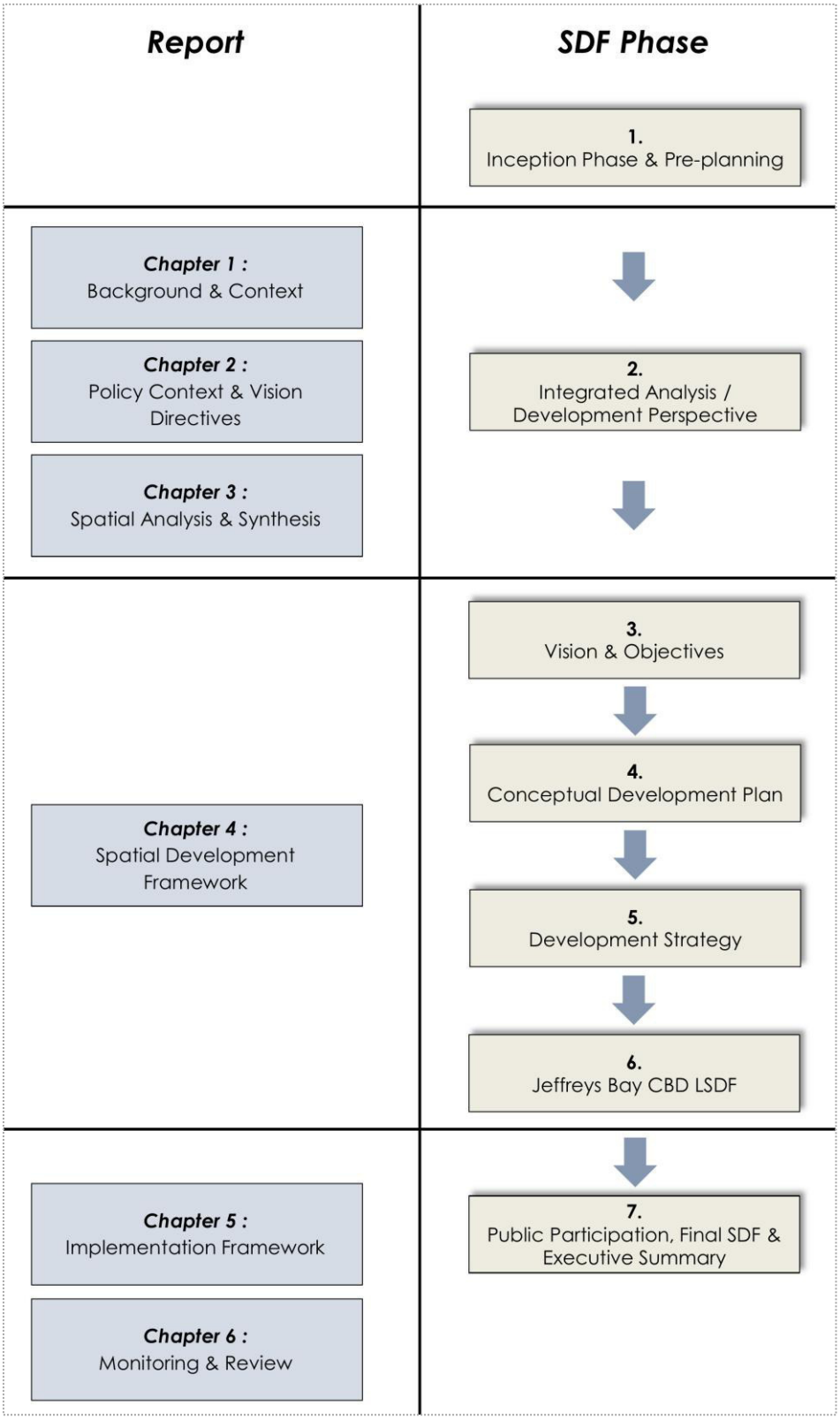
Plan 2 : Study Area



Plan 3 : Study Area (Aerial View)

5.0 Precinct Plan Components and Report Structure

The LSDF methodology is based on an incremental approach and is strongly guided and directed through the National Guidelines for the Development of Local Spatial Development Frameworks (2017).



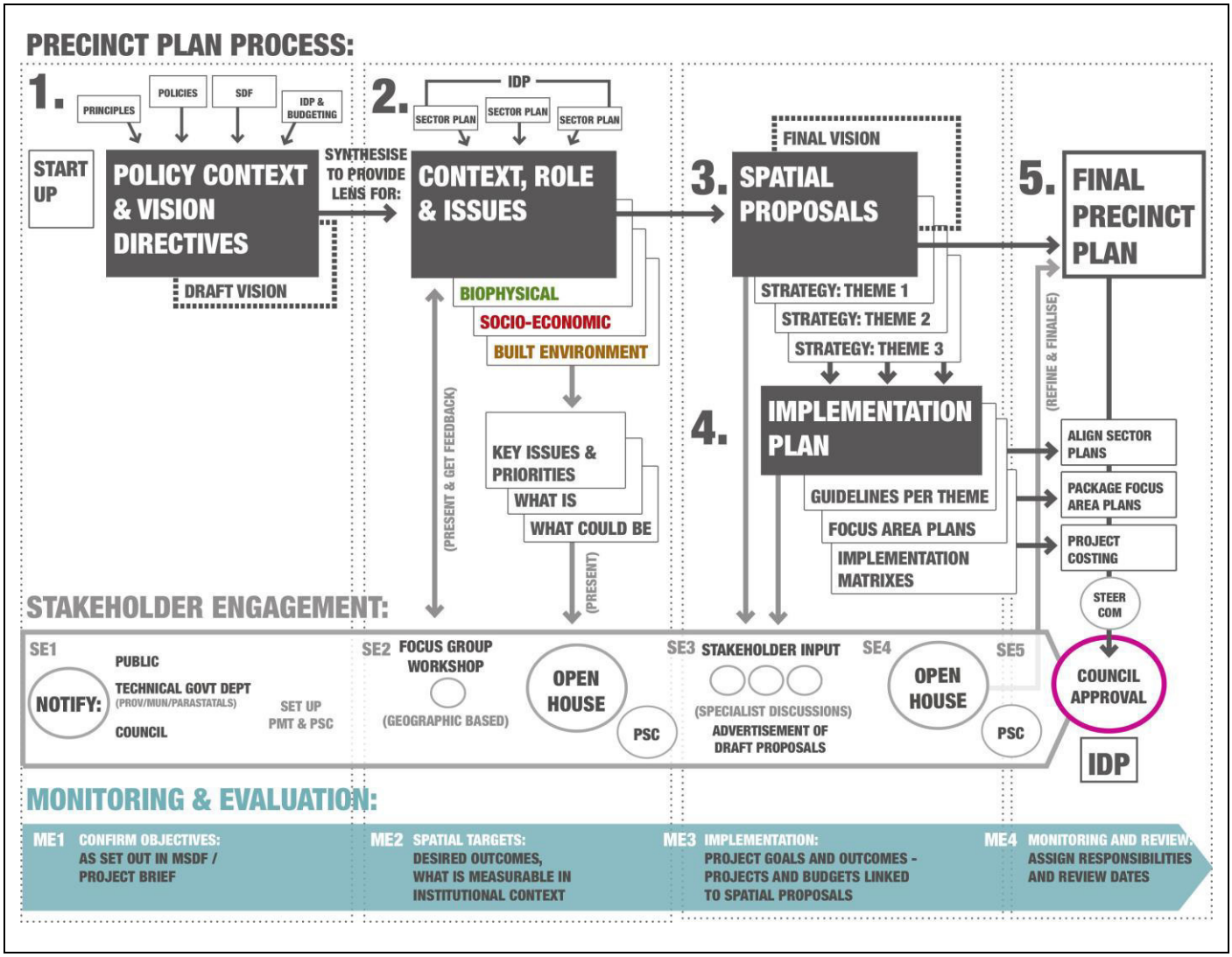
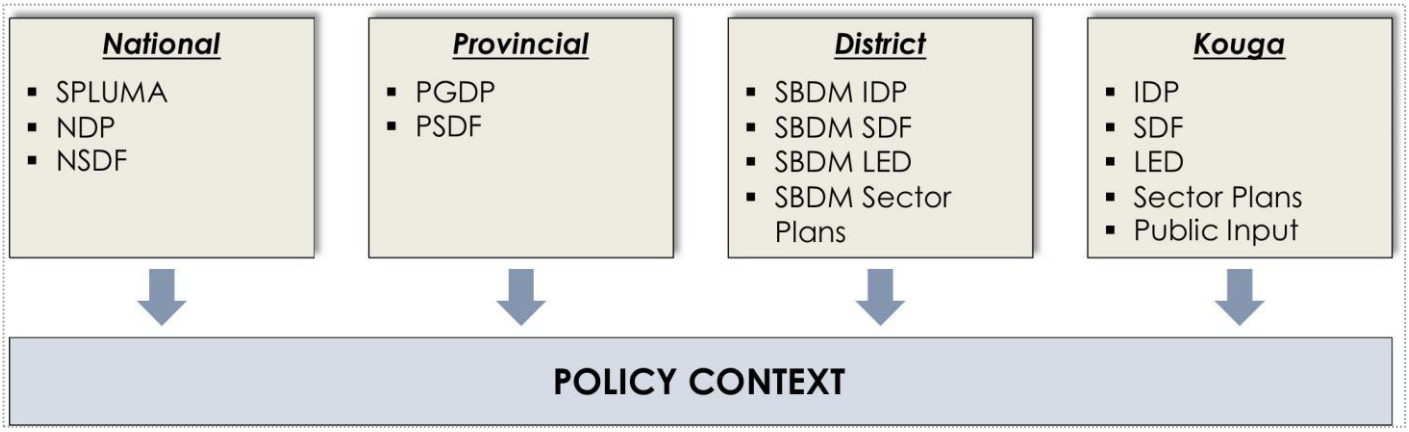


Figure 1 : DRDLR Spatial Development Guidelines Final Draft as a Guiding Document

2 Chapter 2 : Policy Context and Vision Directives

The spatial vision, principles and goals are guided by and should be aligned with various National, Provincial and Local informants. Specific reference is made to national guidelines and legislation for spatial development, i.e., Spatial Planning and Land Use Management Act (SPLUMA), National Development Plan (NDP), National Spatial Development Framework (NSDF), Provincial Growth and Development Plan (PGDP), Provincial Spatial Development Framework (PSDF), Kouga Integrated Development Plan (IDP), Kouga Spatial Development Framework (SDF), Kouga Local Economic Development (LED) Strategy and various sector plans.



The principles for strategic planning and urban restructuring are captured and well-documented in a range of National, Provincial and Local Policies and legislative directives. Although it is not the objective of the Jeffreys Bay CBD LSDF to unpack these in detail, the key issues are emphasised to provide planning and strategic decision making direction.

1.0 National, Provincial and District Policy Directives

The following are key principles to consider at provincial level.

1.1 Spatial Planning and Land Use Management Act (SPLUMA)

SPLUMA provides an important set of overarching guidelines through the development principles contained in Chapter 2 of the Act.

The objectives of SPLUMA :

- Provide for a uniform, effective and comprehensive system of spatial planning.
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion.
- Provide for development principles and norms and standards.
- Provide for the sustainable and efficient use of land.
- Provide for cooperative government and intergovernment relations.
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

Development Principles of SPLUMA :

- **Spatial justice:**
  - past spatial and other development imbalances must be redressed through improved access to and use of land.
  - spatial development frameworks must address the inclusion of persons and areas that were previously excluded.
  - spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons.
  - land use management systems must include all areas of a municipality and include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements.
  - land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas.



- **Spatial sustainability:**
  - promote land development that is within the fiscal, institutional and administrative means of the Republic.
  - ensure that special consideration is given to the protection of prime and unique agricultural land.
  - uphold consistency of land use measures in accordance with environmental management instruments.
  - promote and stimulate the effective and equitable functioning of land markets.
  - consider current and future costs for the provision of infrastructure and social services.
  - promote land development in locations that are sustainable and limit urban sprawl.
  - result in communities that are viable.

- **Efficiency:**
  - land development optimises the use of existing resources and infrastructure.
  - decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts.
  - development application procedures are efficient and streamlined and timeframes are adhered to by all parties.

- **Spatial resilience**, whereby
  - flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

- **Good administration**, whereby :
  - All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act.
  - All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks.
  - The requirements of any law relating to land development and land use are met timeously.
  - The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them.
  - Policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

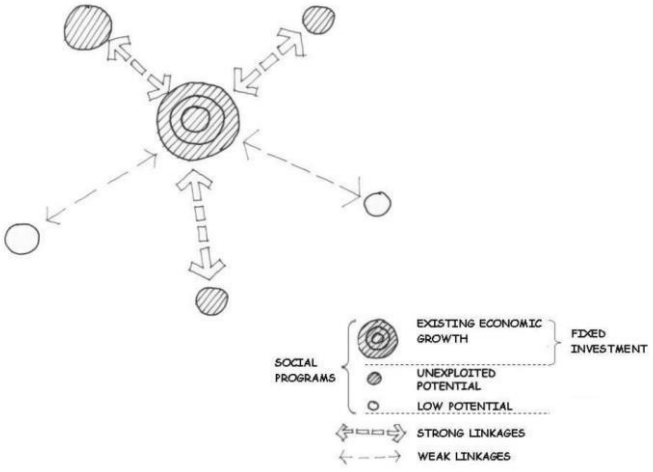
1.2 National Spatial Development Perspective (NSDP)

The National Spatial Development Perspective (NSDP) is an effort by National Government to find the best way of allocating scarce resources in the various geographic regions in the country. The basic premise of the NSDP is that if there are not enough resources to satisfy all needs wherever they may occur then they should be allocated to where the benefits will be greatest.

The NSDP contains five major principles :

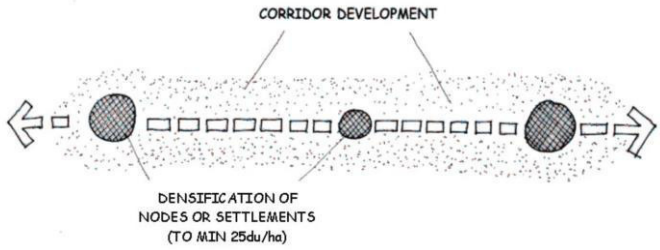
- Economic growth is most likely to continue where it has previously occurred and therefore economic potential will be highest in these localities.
- Economically active people will tend to move to localities where jobs or other livelihoods are available.
- Efforts to address past social inequalities should focus on people and not on places where it will be difficult to promote sustainable and economic growth.
- People must be trained and skilled to participate effectively in the economy. Because of the tendency of people to move to areas of greatest opportunity, especially when they have skills, programs in areas with low economic development potential should focus on enhancing people skills rather than the construction of fixed infrastructure. This will avoid the risk of such investment becoming redundant if people move away or there is not sufficient demand to justify high levels of expenditure.
- Future government spending on infrastructure and development should be in localities that will not become poverty traps.

The figure illustrates the principles of the NSDP Spatial Guidelines. Centres that have existing or potential economic growth should be the priority for economic investment, i.e., fixed infrastructure such as housing, underground services and roads. Centres with low economic potential should not be prioritised for fixed infrastructure.



However, social capital programs such as health, adult basic education and training, entrepreneurship development, and business and technical training should be directed to wherever people may require them. In this way, should the recipients decide to move to other centres, they will, in effect, be able to take this investment with them.

Facilities for the delivery of these programs in centres or areas of low economic potential should use and share existing facilities. In many of these locations, there are under-utilised school buildings, clinics, etc. which could be refurbished and used as multi-purpose centres.



The NSDP also recognises that development potential tends to be greatest along linear corridors or axes. This is as a result of the relationship between urban nodes of opportunity and the transport and communication routes that connect them. In some instances, a river whose banks also has enhanced economic opportunities could also give rise to linear development corridors as zones of investment priority.

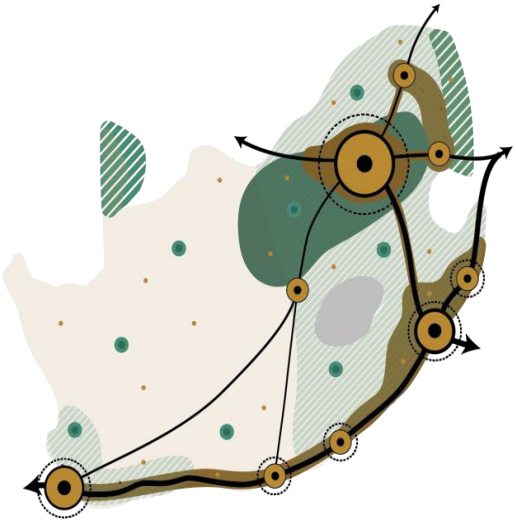
1.3 National Spatial Development Framework (NSDF) (Draft)

The National Spatial Development Framework (Draft) further provides spatial vision guidance for future planning and development in the Kouga Municipality.

The NSDF includes a vision for National spatial development.

The NSDF is further founded on 6 National spatial development concepts.





URBAN AREAS AND REGIONS AS ENGINES OF NATIONAL TRANSFORMATION, INNOVATION AND INCLUSIVE ECONOMIC GROWTH

NATIONAL SPATIAL DEVELOPMENT CORRIDORS AS INCUBATORS AND DRIVERS OF NEW ECONOMIES AND QUALITY HUMAN SETTLEMENTS

PRODUCTIVE RURAL REGIONS AS DRIVERS OF NATIONAL RURAL TRANSITIONS AND CORNERSTONES OF OUR NATIONAL RESOURCE FOUNDATION

A NATIONAL SPATIAL SOCIAL SERVICE PROVISIONING MODEL TO ENSURE EFFECTIVE, AFFORDABLE AND EQUITABLE SOCIAL SERVICE DELIVERY

A NATIONAL ECOLOGICAL INFRASTRUCTURE SYSTEM TO ENSURE A SHARED, RESILIENT AND SUSTAINABLE NATIONAL NATURAL RESOURCE FOUNDATION

A NATIONAL TRANSPORT, COMMUNICATIONS AND ENERGY INFRASTRUCTURE NETWORKS TO ENSURE A SHARED, INCLUSIVE AND SUSTAINABLE ECONOMY

1.4 Provincial Spatial Development Framework (PSDF) (Draft 2019)

The Eastern Cape Province recently embarked on the revision of the Provincial Spatial Development Framework in terms of SPLUMA. The Draft PSDF (2019) has not been approved, but for the purposes of the Jeffreys Bay Precinct Plan, the philosophy and approach, as outlined in the PSDF, is adopted.

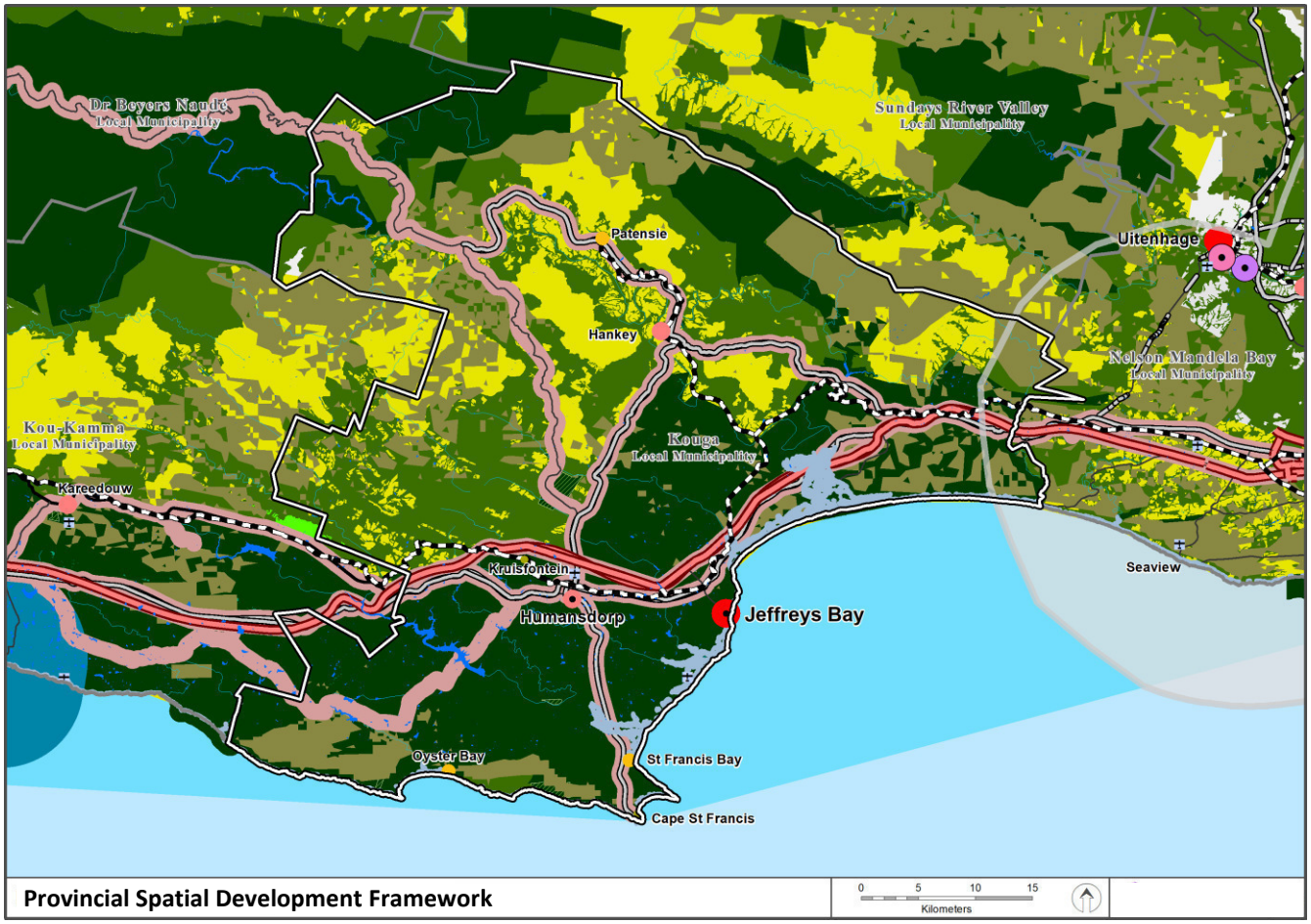
The PSDF provides a spatial development vision for the Province :

> The future spatial perspective of the province over the next 15 to 20 years could be conceptualised in the context of the Provincial Growth and Development Plan vision of a "*poverty free Eastern Cape*". Understanding that such a vision would be founded upon a concept of a "*modern, ecologically sustainable economy based in agriculture, tourism and industry*", it is believed the future spatial perspective would comprise a *spatial development framework of managed urban and rural human settlements clustered in urban (settlement) regions and corridors, alongside productive agricultural precincts, managed ecological natural resource areas and connected to a network of strategic transportation corridors, open to the global, national and provincial economy*.

The PSDF is founded on 7 principles or spatial framework values.

Environmental Values	• All spatial planning must take into consideration all environmental legislation, policies and plans and there should be sound environmental planning and monitoring in order to limit settlement sprawl (particularly along the coastline). • All new development should take into consideration the impacts of climate change (i.e. increased temperatures, changes in rainfall patterns and sea-level rise and tidal surges). • Access to the green economy and develop renewable energy sources should be promoted to mitigate against climate change. • All new development must have proven access to adequate water and sanitation. • All new development should avoid unnecessary damage or loss of the provinces natural resources including biodiversity, fresh water, land and coastline and the ocean. • The extent of protected areas should be expanded and access promoted. • Environmental awareness and education should be promoted in school.
Social &and Human Settlement Development Values	• Currently, the population of the Eastern Cape stands 6 996 937 inhabitants, but this is estimated to be 9 248 638 by the year 2030. • Sustainable development planning and land use management must be followed in order to achieve more compact integrated human settlements with access to basic services, amenities and social facilities. • Economic Opportunities. • Social infrastructure.
Rural Development Values	• Co-ordinated local development in rural situation. • Improving the quality of life and economic well-being of people living in rural areas. • Rural Development is cross-cutting, so relationships are to be a key building block. • A value system which ensures different service offerings happen at the same time in the same rural space is needed. • Rural development needs to be embedded in both public and private sectors. • Vigorous local institutions. • Three basic infrastructures (administrative, physical and organisational). • Participation of rural people themselves.
Infrastructure Values	• Efficiency and sustainability of infrastructure with equal access to basic services for all. • Infrastructure development to promote socio-economic development, achieve positive cost benefits and economic spin-offs. • Service provision should adhere to service standards. • Infrastructure provision to respond to value for money. • Social consideration. • Maintenance of infrastructure to be prioritised to maximise on life span.

Economic Development Values	• Local beneficiation of produce and raw materials from agricultural production. • People's economy, value-added and local assets. • Increased economic infrastructure is needed to create an investment-friendly environment and enhanced connectivity with the region, national and global markets. • An efficient transport network is seen as a fundamental principle to link biodiversity areas, agriculture zones and settlement corridors, helping to shape spatial planning. But there must also be proper provision for pedestrians and non-motorised transport. • Skills development and training.
Human Resource Development	• Professionalism, credibility and accountability is needed in human resources and this should be achieved through education and capacity building. • Human resources sustainability needs to be achieved through equal opportunities, fairness, support, mentorship and skills transfer. • Observing the Batho Pele Principles; namely Consultation, Setting Service Standards, Increasing access, Ensuring courtesy, providing information, Openness and transparency, Redress and Value for Money. • Movement of employee and knowledge pass over. • Accountability and commitment is a key trait which needs to be standardised through our education system and filtering to all employees in public and private institutions alike. Adopting such an approach will ensure a value system which sees the need to complete our departmental functions with consideration to the bigger picture which is the country and its people.
Governance Values	• There should be Integration and transformation on all Provincial plans. • Maintain Inter Governmental Relations structures to achieve co-ordination, participation and understanding amongst stakeholders and to ensure commitment to IGR. • Active involvement in development by all stakeholders, including communities and Traditional Leaders. • Integrated spatial development plans (SDFs) which are the principal development management tool for all stakeholders, across the province ("wall to wall"). • A degree of maturity is needed at a provincial and national level to acknowledge when our policy environments are not conducive or new thinking needs to be brought to the table.



Plan 4 : Provincial Spatial Development Framework (Draft 2019)

1.5 District Spatial Policy Directives

The following documents and strategies are specifically relevant and have been reviewed :

- Sarah Baartman District SDF (2013)
- Eastern Cape Biodiversity Plan
- Kouga IDP (2020/2021)
- Kouga SDF (2021)
- Kouga Land Use Scheme (2021)
- Kouga Spatial Planning and Land Use Management By-laws (2016)
- Jeffreys Bay Densification Strategy

1.6 Kouga IDP (2020/2021)

▣ Municipal Vision

Good Governance through Service Excellence

▣ Municipal Mission

- To create a government that addresses the needs and respects the values of Ubuntu in our communities.
- To create a better life for all through delivering inclusive and affordable services to residents.
- To create a safe environment with diverse opportunities for economic growth and development.
- To create a responsive, accountable and caring government for all its people.
- To create an efficient, well-managed, corruption free and legally compliant municipality.
- To create and maintain an effectively governed administration that is committed to financial sustainability.

▣ Strategic Narratives



▣ Development Priorities

In support of the Municipal vision, the Municipality identified the following development priorities, goals and strategic objectives.

KPA	Strategic Objective
1. Basic Services and Infrastructure	• To promote access for all citizens to equitable, appropriate and sustainable infrastructure • To provide equitable, appropriate and sustainable basic services to all citizens • To ensure proper spatial planning and transportation planning for mega projects and human settlements • To facilitate real opportunities for the youth, women and people with disabilities
2. Local Economic Development	• To create an enabling environment for economic growth that attracts investors and tourists, encourages innovation and facilitates pro-poor inventions
3. Municipal Financial Viability and Transformation	• Ensure a municipality that is committed to prudent management of public funds, good governance, financial viability that accommodates diversity in service delivery
4. Good Governance and Public Participation	• To create a responsive, accountable, effective and efficient municipal system • To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry
5. Institutional Transformation	• To develop progressive strategies to optimise the use of available human resources

▣ Ward 11 Priorities

The study area falls within Ward 11.

Description	Priorities
Priorities of 2019/20	• Upgrade sewer pump station in Koraal Street • Upgrade La Mer pump station • Upgrading CBD area • Upgrading of Jeffreys Bay Caravan Park • Demarcation of hawking sites at the open space opposite Caltex • Walkway, benches and lights from Dolphin Beach to Jeffreys Bay Caravan Park • Paving of erf opposite the Spur for parking space
Reviewed Priorities for 2020/21	• Upgrade sewer pump station and line from La Mer to Koraal Street • Revitalisation of CBD and Beachfront • Installation of walkways, benches and lights from Dolphin Beach to Caravan Park • Paving of Erf 107, opposite Spur for parking • More playparks to be provided at beach and open spaces
Service Delivery Needs : Mayoral Imbizo 2019	• Need for a water leak detector • Need for more speed humps in Myrtle, Broom, Flamboyant and Dogwood Street • Is the water that is serving Noorsekloof save for human consumption? • When will the asbestos underground waterpipes be replaced with PVC pipes? • Need for a Safe Haven for street children • Parking area opposite Checkers is not disabled-friendly • Delays with approval of building plans • Is a building plan required for minor building works? • Future Community Consultations Meetings of Ward 3,8 and 11 to be combined
Critical Needs Raised in CBP Meetings	• Replace conservancy tanks with a water borne sewer system • Extension of Dogwood Street to link with Koraal and St Francis Street

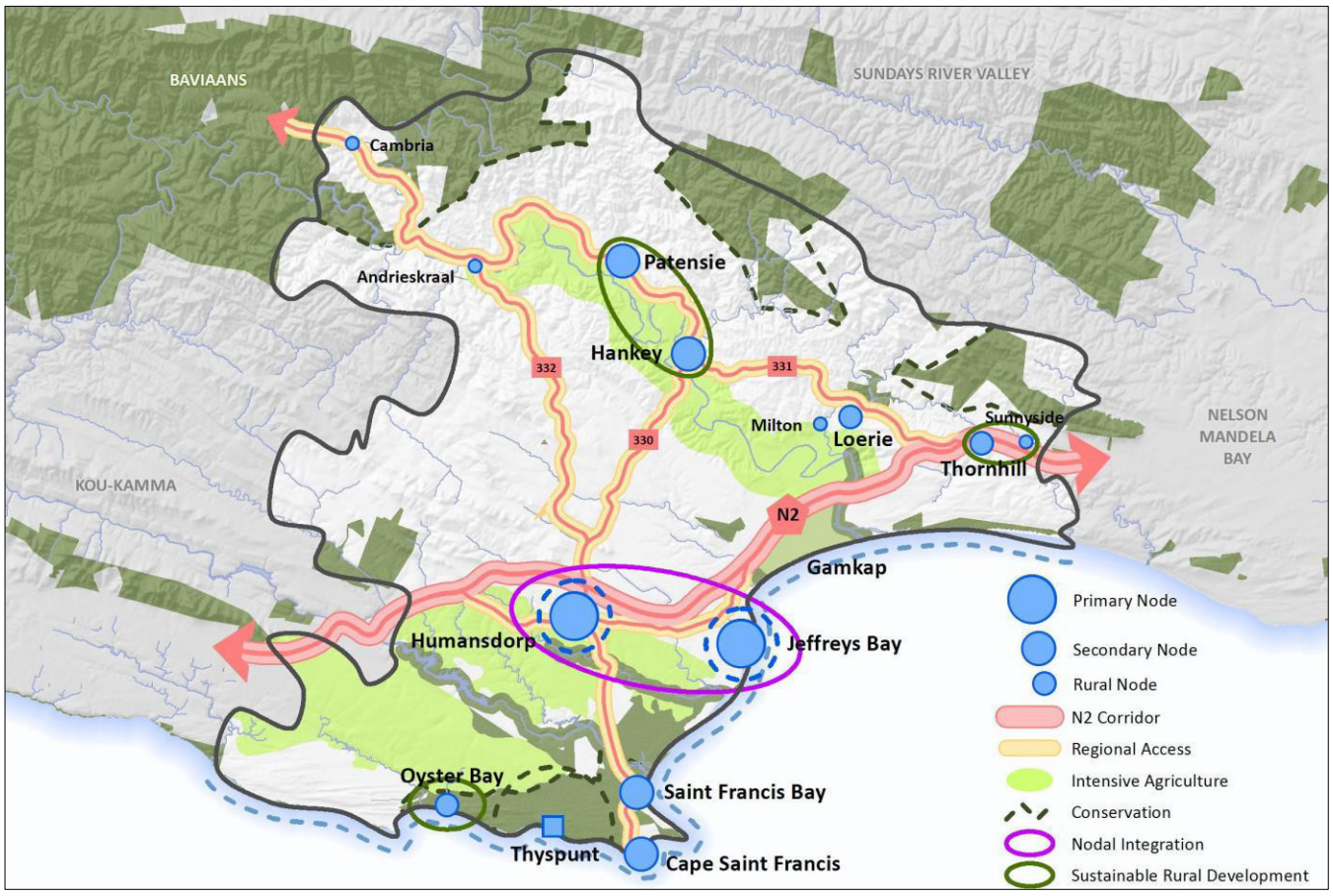
1.7 Kouga SDF (2021)

Spatial Vision :

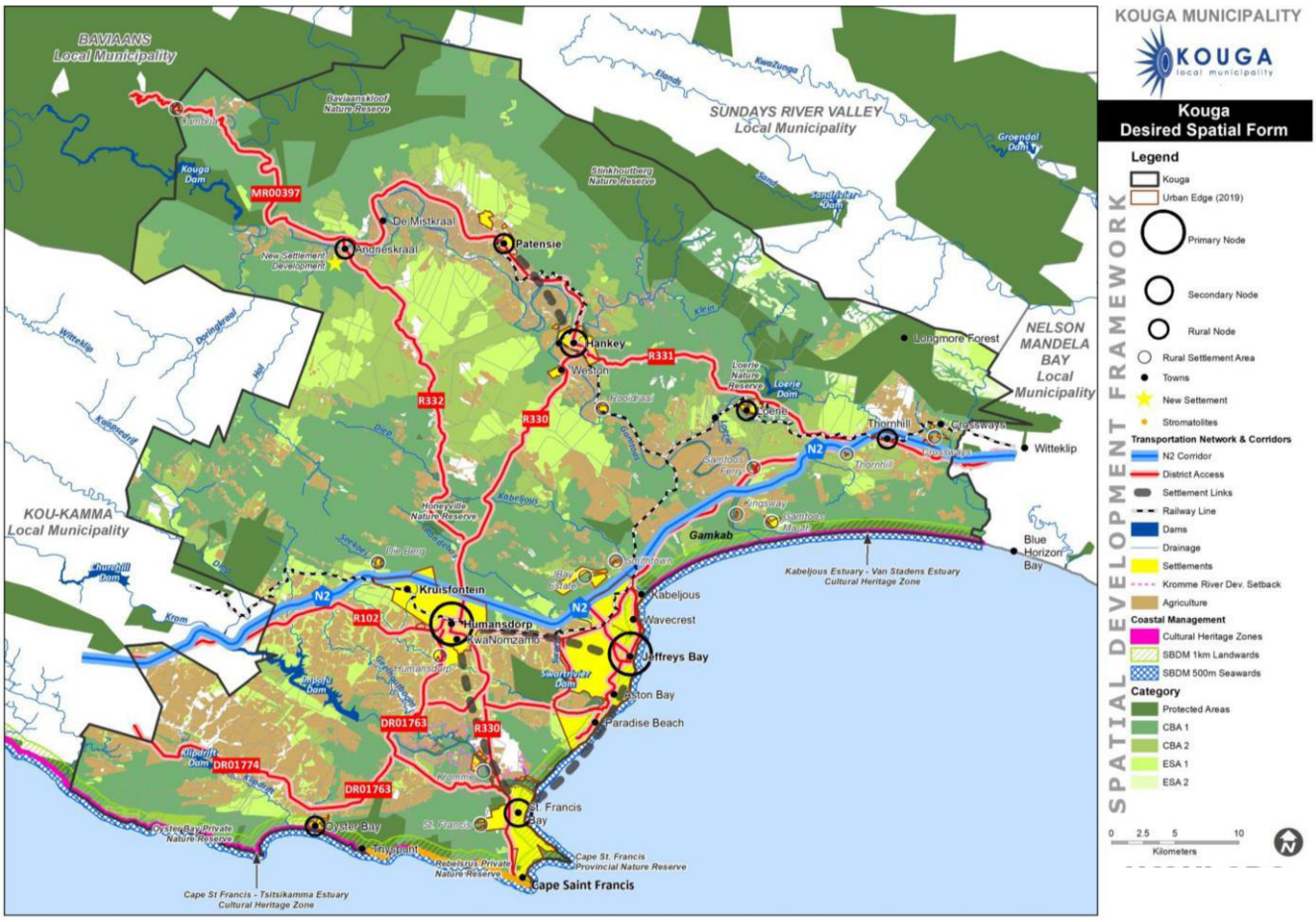
> "*Kouga is a municipal area where well protected natural resources provide economic opportunities and a framework within which a network of well-connected SMART settlements, with a small town feel, provides social and economic opportunities for all residents*."

This Vision is built on the following components :

- A hierarchy of settlements
- Networks – Mobility and Logistics
- Protect natural resources/Integrated Environmental Management
- Promoting Agriculture and Rural Development
- Efficient functioning of settlements / Resilient, Inclusive, Smart and Sustainable Settlements



Plan 5 : Consolidated Spatial Concept



Plan 6 : Municipal Spatial Plan

This section sets out the preliminary node framework plan for Jeffreys Bay.

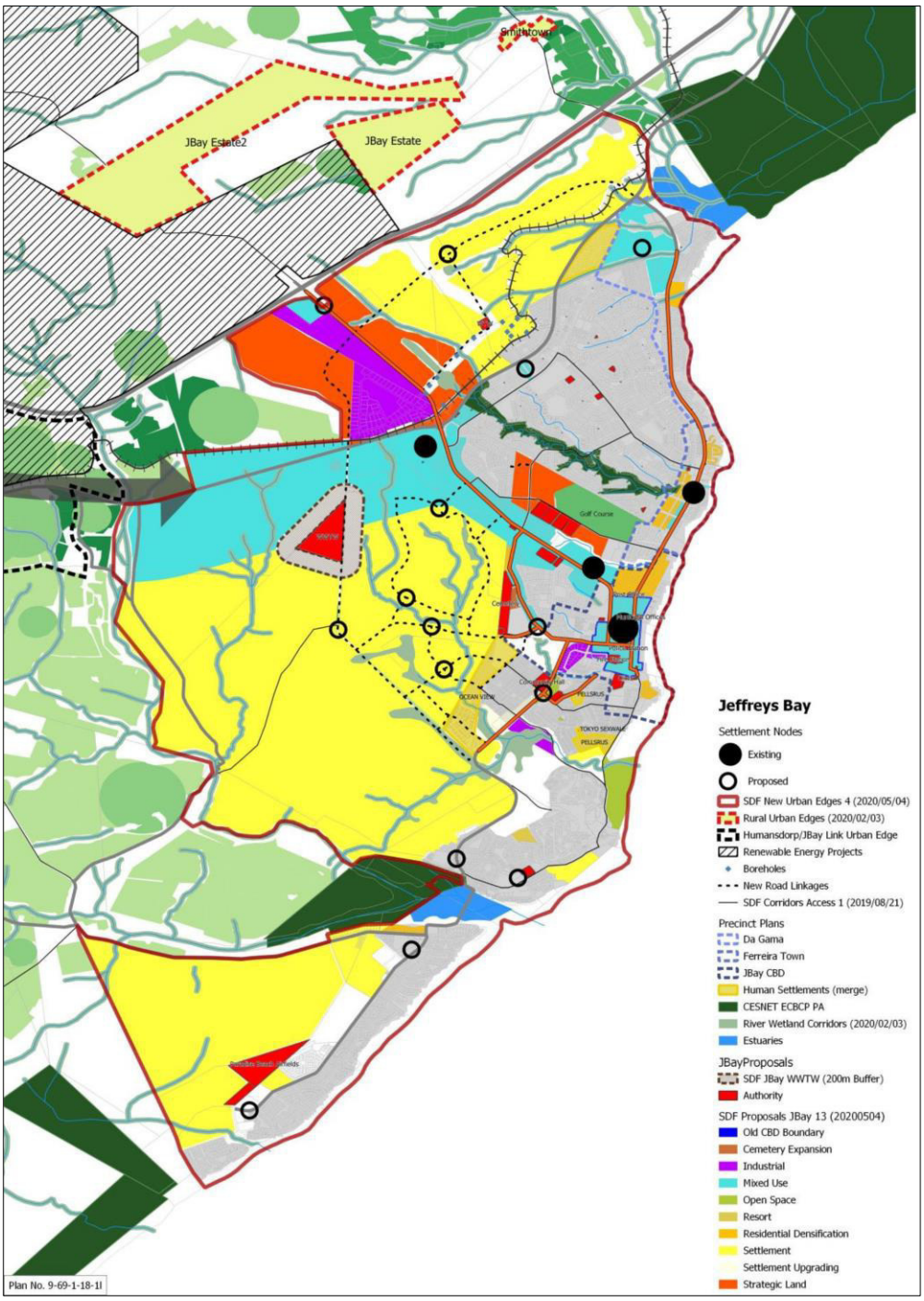
Nodal Status : Primary Node	
Description	**Priorities**
Context	• The character of the town has changed dramatically over the past number of years with a strong holiday, tourism character aimed at the coastal area, which is regarded as the most important asset of the town. • The commercial, administrative and industrial function is not that strong, however, these functions are complemented by a large residential component. The residential component stretches in a north-south corridor along the coast for ±15km, not more than 5km inland. The residential component does have a dual character, namely permanent and temporary inhabitants. • The Central Business District (CBD) is well defined but is complimented with other business nodes throughout the town and a strong business / office orientated development along Da Gama Road. Jeffreys Bay does have a small industrial area more aimed at service industries accommodating light industries. • The municipal functions are segregated and need to be integrated into a new integrated municipal campus/precinct.
Opportunities	• World-renowned beaches and tourism facilities / opportunities. • Strong urban and commercial growth over the last 10 years with strategic access off N2. • Potential commercial link to Humansdorp along the R102. • Relatively large tracts of land for private development east of the N2. • Opportunities for future inland expansion. • Although fragmented, expanding commercial activity. • A large number of vacant residential stands.

Nodal Status : Primary Node	
Description	**Priorities**
Constraints	• Linear north-south development along the coast increases service delivery cost and affects accessibility. • Limited available land for future expansion of Oceanview and lower income residential markets. • Industrial and manufacturing industry poorly developed. • High levels of unemployment and population growth. • Lack of FLISP and Social Housing units. • There is a need to identify land for food gardens (Food Security). • Lack of land for burials.
Urban Edge	• Aligned along Kabeljous River in the north, N2 in the west, existing industrial development along the R102, existing residential estates in the west and inland development from Paradise Beach. • Promote inland development and emphasise coastal conservation. • Promote compaction of the urban area and prevent over-supply of residential and commercial opportunities. • The revision to the urban edge is reflected below.
Nodes, Corridors and Access	• Promote sustainability of large residential areas through smaller sub-regional commercial nodes and supporting social infrastructure. • Acknowledge R102, St Francis Drive and Da Gama Road as the key access corridors to the greater Jeffreys Bay area. • Promote the redevelopment and upgrading of the Jeffreys Bay CBD to maintain its function within the greater Jeffreys Bay area. • Smaller commercial nodes along Da Gama Road and the R102 should complement the Central Business District. • Larger scale Greenfields commercial development along St Francis Drive and R102, east and west of The Fountains mall to provide regional services. • Strengthen access roads between Oceanview, the proposed Boplaas development, Jubilee and Sawuti. • These access roads to fulfil regional accessibility functions in future. • Extension of roads. • Duine Road – appoint consultants (design, EIA, water use licence and tender documents.
Infill and Densification	• Promoting higher residential densities with the general direction of growth being in a westerly direction. • Large tracts of land have obtained environmental authorisation and zoning approvals, i.e., between R102 and N2, Boplaas, Sawuti and Jubilee Developments. • It is acknowledged that the supply of residential and commercial facilities within these developments outweigh demand and therefore represent a medium to long term reflection of the future urban structure. • Expansion and urban upgrading of the Oceanview residential area are prioritised with future expansion to the west. • The existing CBD Densification Policy and identified densification nodes along Da Gama Road, including the redevelopment of the golf course, is acknowledged as part of the SDF proposals. • Future development potential of Erf 70 should be carefully investigated and considered. • There are approximately 1300 vacant residential erven within the urban edge. (Services demand and supply projections will need to consider this fact).
Local Spatial Framework Plan Areas	• LSDF Planning • Jeffreys Bay North • Jeffreys Bay Central • Jeffreys Bay South/Paradise Beach
Intervention Zones Requiring Precinct Plans	• Central Business District • Koraal/Dolphin Street • Ferreira Town Precinct Plan (Supertubes) • Da Gama/Kabeljous

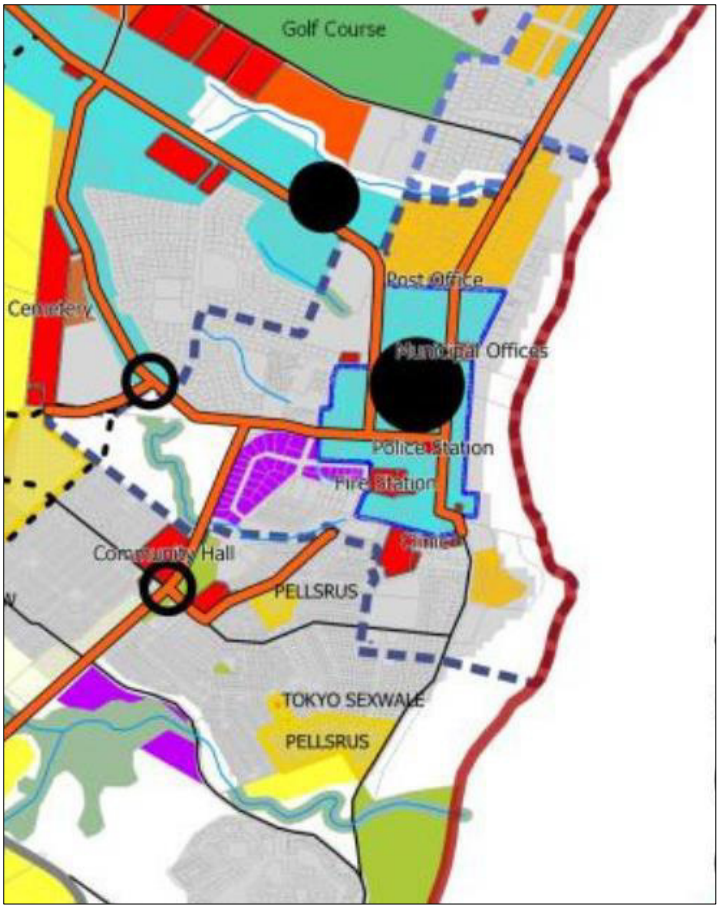
▣ **Densification Node 3 : The block bounded by Tornyn Street, Johnny Lombaard Street and Dune Road**

- General Residential Zoning with the following amended parameters (Jeffreys Bay Zoning Scheme), i.e. :

  - Height Restriction : 8 storeys
  - Coverage : 50 %
  - Parking : 1.25 bays per unit
  - Street Building Line : 4.5 m
  - Side Building Line : 1.5 m
  - Rear Building Line : 3 m
  - Minimum erf size : 2 000 m^2



Plan 7 : Jeffreys Bay Framework Plan



Plan 8 : Jeffreys Bay Framework Plan



Plan 9 : Densification Node 3 (KM SDF 2020)

▣ Jeffreys Bay Actions (Strategies)

The spatial planning actions required to achieve the Framework are reflected below :

1	Precinct Plan - The Central Business District (CBD)
2	Identify Land for the development of an integrated municipal campus/precinct – Feasibility studies etc.
3	Duine Road Realignment and Planning
4	Humansdorp Commercial Link to Jeffreys Bay
5	Identify land for the development of FLISP and Social Housing project implementation
6	Identify land for food gardens
7	Identify land for cemeteries
8	JBay Densification Policy
9	Precinct Plan - Da Gama/Kabeljous
10	Vacant Land Development Incentives (Link with the densification Policy)
11	Update the Humans Settlement Plan
12	Engage with NMBM re their Water Master Planning
13	Prepare a new Water Master Plan
14	Address sewer capacity shortfall as well as the upgrading of the 'in-series pump stations along the coast.
15	Prepare a stormwater master plan to address localised flooding
16	Upgrade De Gama Road (Provincial)
17	Upgrade St Francis Road (Provincial)
18	Upgrade Kanaal Road
19	Upgrade Mall Road
20	Prepare a regional waste management plan to address the need to relocate the Humansdorp Solid Waste Site.
21	Upgrade Electrical reticulation in Oceanview
22	LSDF Planning: Jeffreys Bay LSDF Planning – Can be undertaken as a whole or in component parts i.e., North, Central, South and Paradise Beach
23	Precinct Plan - Koraal/Dolphin Street Precinct
24	Precinct Plan - Ferreira Town Precinct Plan (Supertubes)

1.8 Kouga SDF Land Use Management Guidelines

▣ Central Business Focus Area

Background	Policy Statement
The designation of a CB Focus Area boundary enables the creation of tailored development proposals that meet the specific needs of the core of each settlement.	• The designation of a CB Focus Area boundary enables the creation of tailored development proposals that meet the specific needs of the core of each settlement. • These areas would be characterised by mixed uses, including higher density residential as well as the conversion of low-intensity old housing stock to more intensive and efficient uses. • The Jeffreys Bay CBD specifically has the potential to take advantage of the tourism sector to create an attractive and high intensity beachfront, which still maintains a 'small-town' feel. • The specific development proposals and parameters will be set out in precinct plans and LSDF's for each area and settlement. • CBD Development should take account of the following : - The existing environment should rather be enhanced rather than eliminated. - Incorporate 'good' existing natural features into the proposals to ensure legibility and ensure that the current open space network is respected and integrated. - Existing structures should be repurposed where possible and appropriate. - Ensure walkability and access to public transport (Create high-quality commuter facilities and infrastructure. - Public transport promoted as the key mode of mobility and commuters should be designed for. - Incorporate mixed-use development principles. - Higher residential need to be promoted (Refer to Residential Densification guidelines) and a broad spectrum of income groups and ownership patterns need to be included. - Support both the formal and the informal sector, and enhancing existing areas of activity.

▣ Settlement Upgrading

Background	Policy Statement
The provision of adequate housing facilities for the population of the study area is one of the key principles and priorities embedded in the constitution. The development of residential areas and the creation of liveable environments is of critical importance for social sustainability and upliftment of the people residing within the study area.	• The focus is to upgrade and formalise existing informal areas. • Strive to eradicate informal housing and/or shacks. • Residential densities and non-residential land uses to be guided by detailed planning and accommodation of existing structures on-site. • Detailed planning to include feasibility, no-go areas and development options. • Residential densities up to 50 units per ha and above are encouraged. • Settlement upgrading should only be undertaken where the site is suitable for the intended settlement development and the residents can be effectively integrated into the existing urban fabric.
Settlement Projects	• Approved housing projects indicate sites where housing projects are in the planning phase or implementation phase. • Proposed future housing projects indicate sites that have been identified as potential sites for housing development.

▣ Mixed-Use

Background	Policy Statement
To create a specific urban environment of mixed-use through the redevelopment, infill and expansion or conversion of existing buildings or vacant land. *Mixed-use is focussed on combining compatible land uses in a manner that will enable higher intensity and diverse development.*	• The intention of the Mixed-Use categorisation is to increase development intensity within the demarcated mixed-use area. Permit multiple uses to support commercial, high-density residential, office, entertainment and support facilities without negatively impacting on the surrounding development. • Departures from the ILUS development parameters can be considered in specific cases to improve development, density and footprint. • Manufacturing and light industrial activities not permitted. • Residential densities in excess of 50 units per ha to be promoted. • Site development plans for all developments to be submitted for consideration before the submission of land use or building plan application.

▣ Settlements : Business

Background	Policy Statement
Business districts, secondary business nodes and informal business activity are one of the most important formative agents within the urban structure given the past segregated planning policies. The placing, development and expansion of future business areas can play a major role in assisting the restructuring of the urban form. *This component refers to the current and proposed sites for Business / Commercial use and includes any land uses where enterprise for commercial and/or professional services and/or retail uses are to take place.*	• Business/commercial related land use should be confined to the core urban areas (central business district) and secondary/lower order nodes. • The infiltration of business/commercial uses into a residential area or the periphery of the CBD should not be permitted (this excludes small house shops). • To attract investment, the provision of land for business purposes with the associated infrastructure should be provided on a pro-active basis. • The development of SMME should be encouraged in selected locations in or near business nodes and the CBD. • House enterprises and house shops should be permitted in residential areas. • The central business district should be demarcated. • Close linkages between business development and the local economic development plan and strategies should be implemented and co-ordinated on a sub-regional and district level.

1.9 LED Strategy

▣ LED and Tourism Initiatives

- Upgrading of ablution facilities Kabeljous, Thecoma Street, Pagoda Street, Magna Tubes, Supertubes, Dolphin Beach, the old Friendly Car Park, Pellsrus, Aston Bay, Paradise Lagoon and Dawn View.
- Upgrade of ablution facilities in the greater St Francis Bay area.
- Upgrade of public toilets in Hankey and Patensie CBD's.
- Upgrading of ablution facilities, braai stands, benches and waste containers installed at Kabeljous and Pellsrus Parks.
- New fencing and flood lights and upgrading of ablution facilities at Yellowwoods in Hankey.
- Fencing and upgrading of ablution facilities Loerie Play Park and Patensie Park.
- Upgrading of Chalets and repair of access gate at Pellsrus Caravan Park.
- Upgrading of ablution facilities, braai stands, electrical gate and fence erected at the Jeffreys Bay Caravan Park.
- The opening of KFC in Humansdorp created 40 job opportunities.

3 Chapter 3 : Analysis and Synthesis

1.0 Introduction

The analysis of the study area represents an overall spatial picture of the Jeffreys Bay CBD, the current situation, patterns and trends within the area and quantify specific needs and capacities. The information is focussed on key developmental sectors and based on the key issues identified.

2.0 Biophysical Environment

The bio-physical status quo for the CBD is outlined in the following sections, including :

- Climate and Climate Change
- Topography and Drainage
- Environment and Coastal Management

2.1 Climate and Climate Change

The climate within Kouga differs between the 3 main geographical features, i.e., Coastal Region, Humansdorp and the Gamtoos River Valley. The area is classified as subtropical and is situated in an intermediate zone between the summer and winter rainfall zones of the country, with annual precipitation between 400 and 650mm along the coast and in the Humansdorp area with slightly lower rainfalls in the Gamtoos River Valley. Climatic conditions along the coast with temperatures along the coast vary from an average maximum of 19.8° to an average minimum of 14.5°. The prevailing wind direction is generally westerly to south-westerly with equally dominantly easterly winds during the summer month.

The impact of Climate Change on the Local Authority and its management of land use and scarce resources can be significant. These are :

- Change in rainfall patterns and average rainfall.
- Change in level of fluctuation of general climate patterns and tendencies.
- Increase in flood severity and draught occurrence.
- Change in ecosystems and desertification.
- Impact on bulk water supply resources and agricultural industry

Although the LSDF cannot directly mitigate against these issues, sector planning and general strategy formulation can indirectly mitigate against the impact of Climate Change. This includes strategies relating to Renewable Energy, Green Management Practices and Environmental Sustainability.

In the Eastern Cape, predictions suggest higher temperatures, increased unpredictability of rainfall regimes, more intense rainfall (flooding), longer dry spells (drought periods), increased storm events and sea-level rise.

2.2 Coastal Management Programme (CMPr) for the SBDM (2019)

In line with the requirements of Section 48 to 50 of the National Environmental Management : Integrated Coastal Management Act, 24 of 2008 (ICMA), the Sarah Baartman District Municipality (SBDM) has developed a Coastal Management Programme (CMPr) to guide integrated management of the coastal zone within the District Municipality's jurisdiction.

The need for a CMPr is defined in NEM: ICMA :

> "*To establish a system of integrated coastal and estuarine management in the Republic including norms, standards and policies, to promote the conservation of the coastal environment, and maintain the natural attributes of coastal landscapes and seascapes, and to ensure that development and the use of natural resources within the coastal zone is socially and economically justifiable and ecologically sustainable*."

The CMPr is structured to be a coherent municipal policy directive for coastal zone management which is consistent with relevant legislation, available programs and policies It includes a 'Vision' for the management of the SBDM coastal zone including the sustainable use of coastal resources, objectives for the coastal zone, priorities and strategies, as well as performance indicators to measure progress.

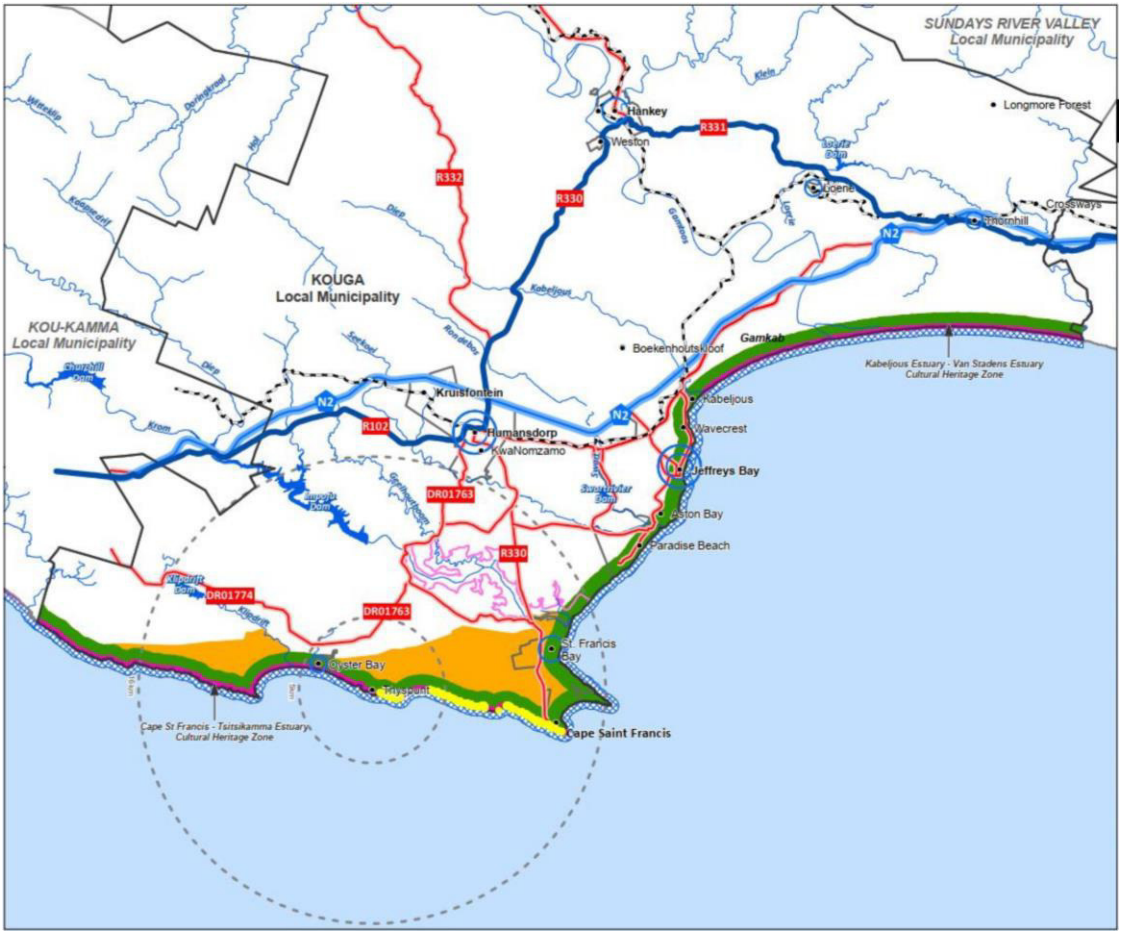
The coastline of the SBDM is ~320 km long, and includes 4 coastal LMs – Koukamma, Kouga, Sundays River Valley and Ndlambe LMs. The 1 km buffer inland from the high water mark of the sea is used as the landward boundary of the study area. In addition, a catchment management approach has been adopted in this CMPr, where a catchment area has been designated for each LM considering topography, land cover and physical boundaries.

The intention is to incorporate activities within the catchment that have bearing on what happens at the coast and to consider these in integrated coastal management planning. The seaward extent of the study area is 500m seawards of the high water mark of the sea, however, where important attributes occur beyond this distance, they are included in the program.

▣ **Priority Areas for Management**

- Natural and archaeological/heritage resource management: sustainable harvesting of natural resources, preservation of natural, cultural and built environments, rehabilitation and restoration, management of protected and other natural areas, managing ecological processes, adopting a catchment management approach.
- Pollution control and prevention for a clean, healthy and safe environment: air, water, solid waste, sewage, light, noise.
- Safety and security.
- Promote responsible recreational use and livelihoods of the coastal zone, by improved and equitable access, amenities and management of open space areas.
- Promote sustainable and low impact economic development opportunities.
- Risk-averse development planning : risk-averse approach to coastal zone development, facilities management and maintenance, municipal services, open space management, stakeholder participation in development plans, management of impacts, maintain the sense of place, be informed and prepared for future, appropriate development.

- Resilience to the impacts of climate change.
- Improve policing and compliance monitoring and enforcement of legislation.
- Co-ordinated and integrated management of the coastal zone, by all spheres of government, the private and public sectors.
- Education and awareness and skills development.
- Funding and capacity building needed for coastal zone management.



Plan 10 : Coastal Management Programme

3.0 Built Environment

3.1 Renewal Context

Rural town renewal (like urban renewal) is a process of change to towns and especially their centres.

Typically, the levels of desirability or degradation of space, infrastructure and structures in town centres are not static but vary across a town's life cycle. Historical centres are often outgrown, become technologically outdated and are no longer centrally located as a town naturally expands.

Typically, with the historical town centre, as described above, new development centres are then proposed and developed that better cater to contemporary conditions on more available and opportune land. This can be seen in the form of a distinct second centre.

The next period of the cycle can see the moving of several key activities and tenants to the more dispersed development centres and the possible regeneration and upgrading of the historical centre. This can be in the format of smaller businesses, socialising, tourism and niche retail activities.

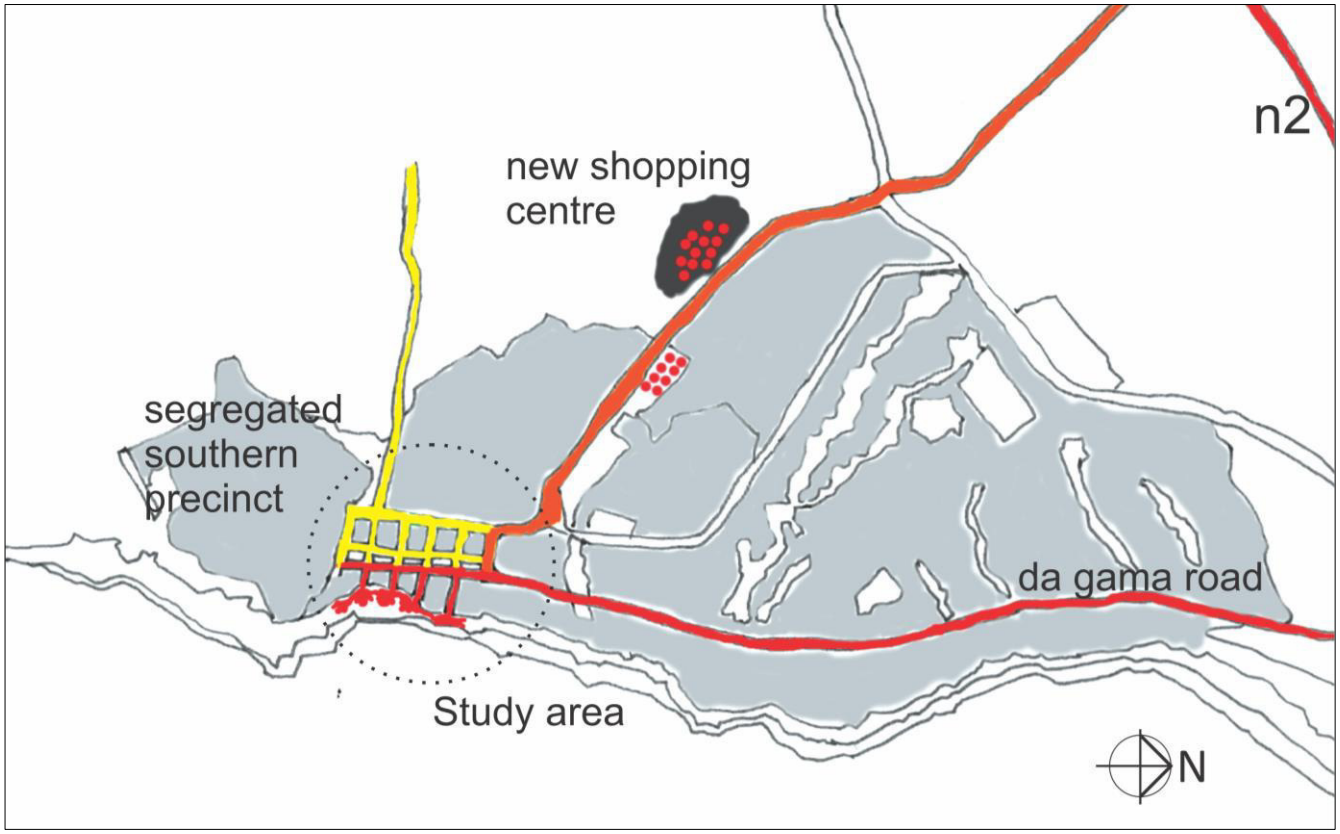
A best-case scenario in this respect is that the new development centres are recognised within the context of a larger development plan for the town that allows these new centres and the historical town centre to develop.

3.2 Macro Context of Settlement Pattern and Hierarchy

To better understand the project area and so deliver a more contextually appropriate product, the project area was studied, and certain status quo conditions revealed.

Some key items with regards to the spatial context are :

- The project area is historically the 'town centre' (Main Street) of Jeffreys Bay, yet it is not centrally located (i.e., not near the geometric centre) in the urban fabric.
- It is however well integrated – the very long Da Gama Road is one of the most connected roads in the system, connecting Jeffreys Bay to the rest of the country via the N2 at its Northern end. It runs as an off-centre spine running the north-south length of the urban system (much closer to the eastern coastal edge of this system). The project area is at the distant southern end of this road.
- The project area at the southern end of Da Gama Road is at a point of origin, 'reason for being' of the town – that is: the beach – the main swimming beach of the town.
- The project area is very closely though not directly linked to the other arterial road that connects the area to the rest of the country (St. Francis Street). This road is less well connected to all the roads in the Jeffreys Bay street system than Da Gama Road but is closer to the N2 and links the historical town to a new shopping centre which is intended to be the main commercial centre not just for Jeffreys Bay, but for the region. Further development is expected along this road in the future.
- The road to Humansdorp links directly into the project area.
- Da Gama Road ends abruptly at its southern end, resulting in the southern precinct of the town being thoroughly disconnected from the rest of the fabric.



Plan 11 : Macro Context



Figure 2 : Macro Context (Aerial View)

On a macro scale, Jeffreys Bay can be considered as the following:

- Sprawling seaside suburban town.
- Low scale buildings without coherent discernible character.
- Most buildings are conventionally constructed and unremarkable in terms of their detailing.

The Fountains Mall as highlighted in the local media has been described as :

> "*Jeffreys Bay has witnessed enormous growth over the past 20 years that defied even the highest expectations. Gone forever is the sleepy coastal holiday and surf village that many fell in love with over the years.*
>
> *Fountains Mall and the adjacent Business Park have in recent times changed Jeffreys Bay forever. Strategically located on the main arterial routes of the N2 and the R102, the Mall has become the central shopping zone for the entire region.*
>
> *R 780 Million has already been invested in Fountains Estate, which is fast becoming the new regional CBD for Jeffreys Bay, St Francis, Humansdorp and the inland towns. The growing success of Fountains Mall, which was the brainchild of Buchner Property Investments, the developers of Fountains Estate, is the catalyst to the growth of this area*."



Figure 3 : Fountains Mall

This decentralising of commercial activities from the traditional CBD has had a predictably very negative impact on the CBD and Jeffreys Bay in general. The general slowing of commercial and retail growth from 2010 to 2020 has meant that this development is mostly underutilised and not fully created the 'catalytic effect' it anticipated.

More recently, the 'revitalisation' of the traditional CBD has received some attention. In September 2020, the following was noted :

> *"The Jeffreys Bay Central Business District is set to be revived as part of the Kouga Council's strategy to breathe new life into the region's economy. A tender for the appointment of a service provider to develop a precinct plan for the Jeffreys Bay Central Business District (CBD) was advertised earlier this month. The closing date for submissions is 17 February. Kouga Executive Mayor Horatio Hendricks said the Jeffreys Bay CBD had been identified as a strategic investment node in the municipality's Local Economic Development Strategy and Spatial Development Framework."*

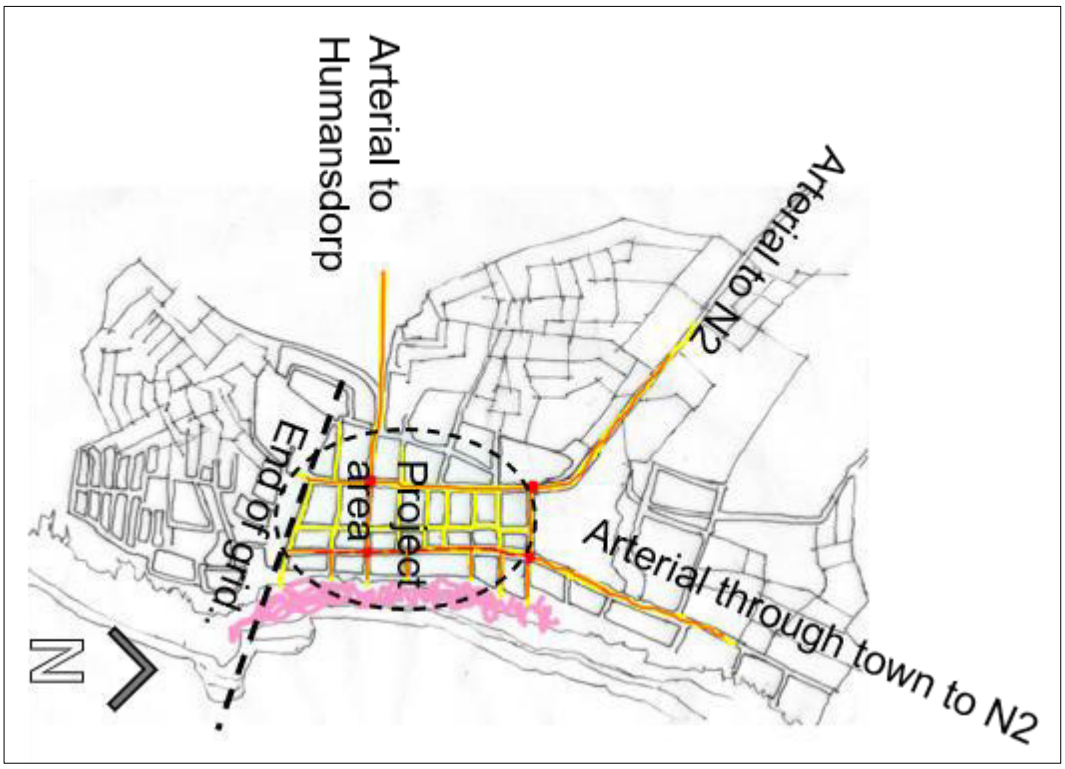
3.3 Spatial Structure and Form

The spatial structure and form of the study area is a function of the following three characteristics:

- Firstly, and most importantly, is movement to and through the study area, including major streets and side streets.
- The movement then allows for activities and an understanding of how the study area is used.
- The general physical characteristics of the study area (what it looks like).

The spatial structure and form of the study area (and its relation to the macro context) is generally noted as :

- The main connectors to the N2 and other towns converge in the project area. This includes connections to the southern neighbouring towns of Aston Bay, Paradise Beach and St Francis.
- The project area is a relatively well-defined precinct with a regular grid structure.
- The precinct has a regular grid structure yet there is a hierarchy in this regularity with Da Gama Road the natural 'main street'. This is because it is much better connected to the rest of the spatial system along its length outside of the project area.
- Da Gama Road is well established with civic, commercial, retail and higher density residential activities.
- Also, and very importantly, Da Gama Road is the closest street to the beachfront, the 'reason for being' of the town.
- The southern end of the project area is also the conclusion to the grid of streets and the well-connected Da Gama Road by the Apartheid planning of Pellsrus.



Plan 12 : Relationship of the study area to its larger context

3.4 Activities and Land Use

This refers to all the activities in the study area and, more importantly, how the users use the study area.

An important factor in maintaining sufficient levels of pedestrian activity and making streets and public spaces attractive and safe, is the way buildings are laid out in relation to these streets and public spaces. Also important are the location and number of building entrances and windows. An increased number of entrances (to shops, for example) and windows with views into shops and other activities inside buildings often create a pedestrian walkway that is felt as vibrant, attractive and safe. This interaction between pedestrian walkway and buildings is known as 'active facades' and is a positive urban design element.

This is in contrast to isolated buildings and blank facades that can make the experience of using a pedestrian walkway feel dull and unsafe.

There usually needs to be a clear distinction between public and private spaces, to create spaces that belong generally to the public, those that can feel like it belongs to a certain group (like a group of shop owners who look after a public walkway, for example) and then those spaces that are privately owned and out of bounds for the general public. In doing this, it is understood that users can better identify with the various spaces and naturally assist in the management and safety aspects of it. This is often known as creating 'defensible space'. . In this way, uncertainty over the ownership and abuse of spaces can be avoided.

Key elements of defensible space are :

- Poorly defined and ambiguous spaces should be avoided.
- A clear and understandable gradation of very public space to very private space is useful.
- In a residential context, this gradation could be a public street - small enclosed front garden – veranda – private interior – private rear garden, or public street – lobby –courtyard - private interior.
- In a commercial context, this could be public street –street display – customer interior – private service yard, or public street – lobby / reception – offices / business.
- It is also important that, where possible, building entrances open directly onto the public realm and that the public realm is overlooked by building windows, rather than putting uses such as parking and servicing between the main activity and the street.
- Avoid dead end streets and places where there is no passing traffic.

The above key elements are often in conflict with other important aspects of South African life including parking and security. Parking and security are two very important aspects that help define the urban CBD context of towns and cities in South Africa and are discussed in more detail and with specific reference to this site further.

The images below are a brief identification and understanding of the major Activities in the study area.

These are defined largely by their use.

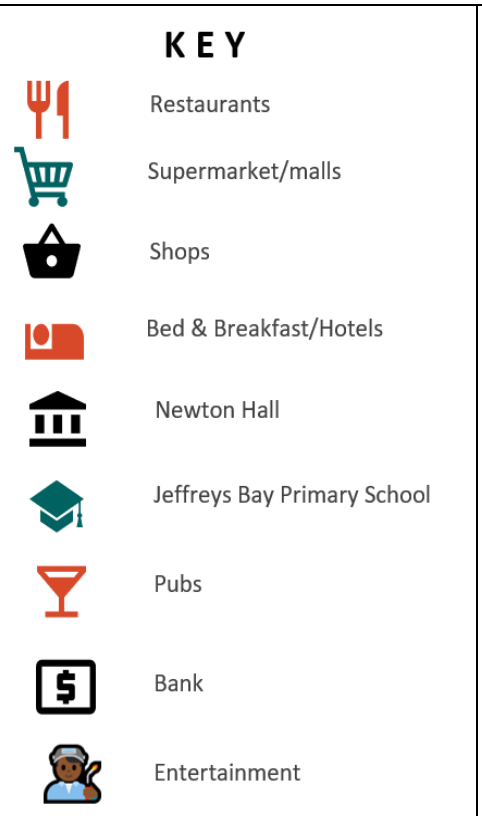
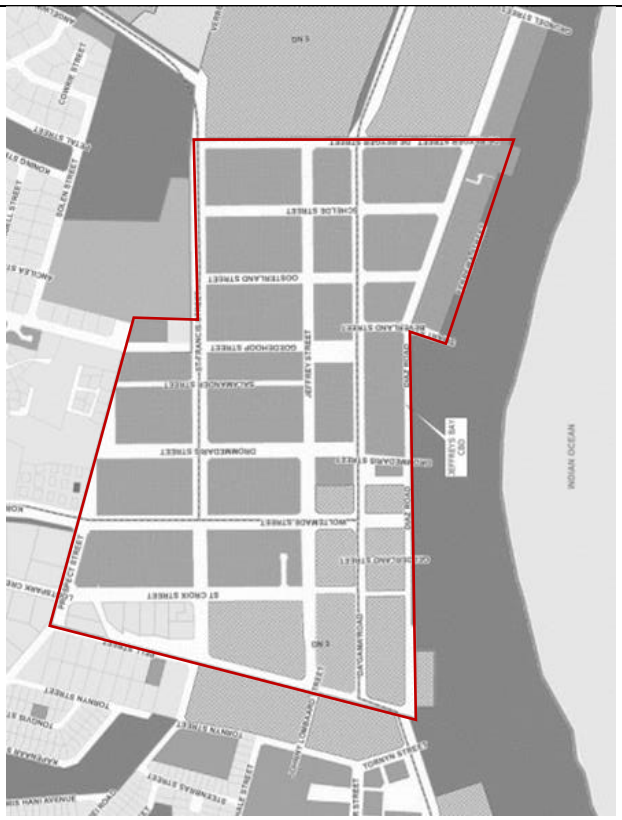
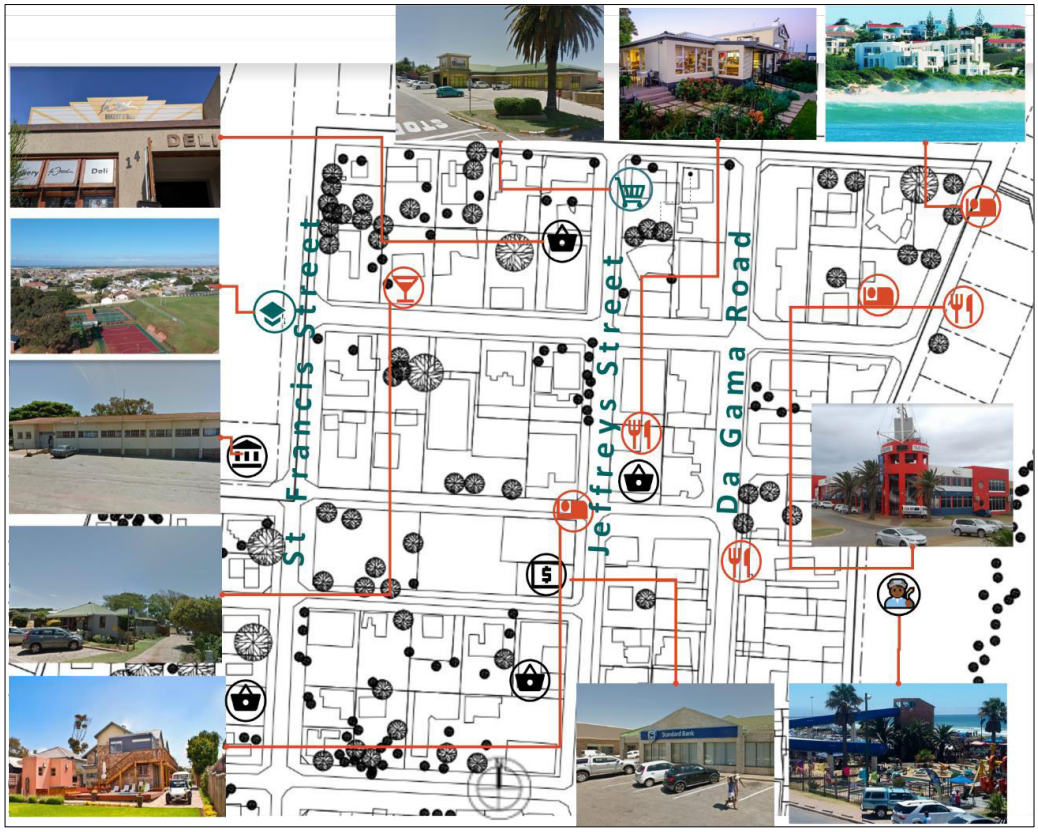


Figure 4 : General Activities and Use Key for images below



Plan 13 : Extent of general activities and use as described in the images below



Plan 14 : General activities and Use in the northern portion of the study area

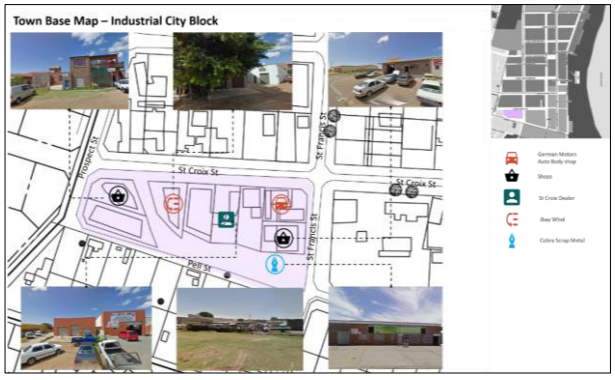


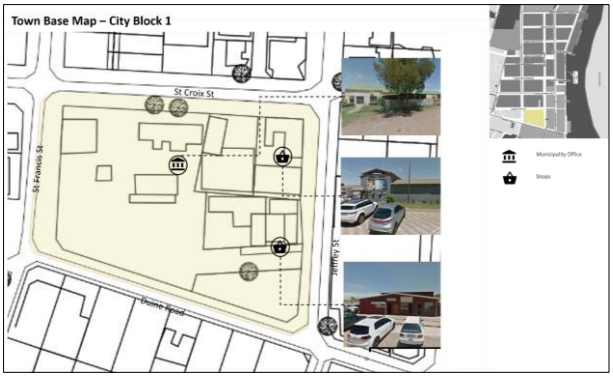
Plan 15 : General activities and use in the southern portion of the study area

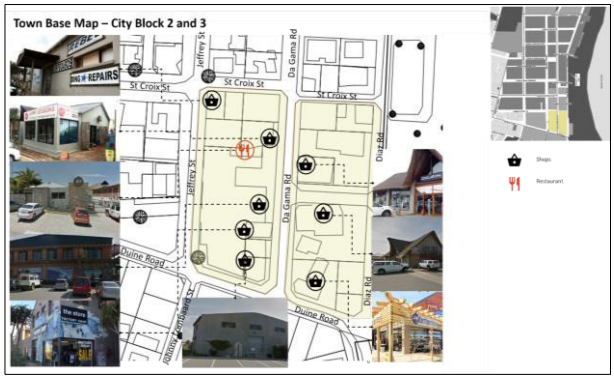
In summary, the current study area is characterised by :

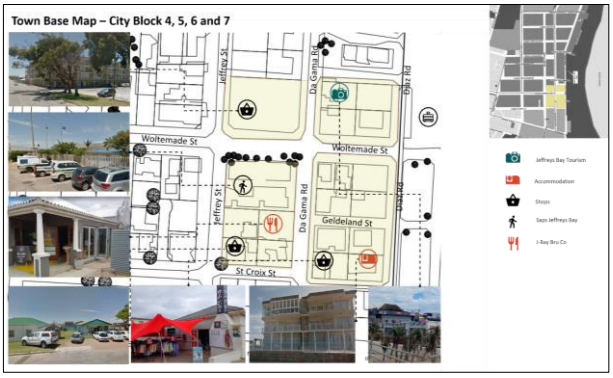
- The area has predominantly commercial/retail activities.
- These activities and uses are directed to:
  - Typical small town central business district activities for locals.
  - Tourist and seasonal users.
- The various uses are relatively mixed, with a series of smaller single function zones grouped next to one another.
- There is a mixture of on-street and off-street parking. There are also several large public parking lots.
- This is distributed typically but with a variation along the length of the street.
- The southern end of the study area is focused on the light industry and factory shops. This then extends westwards into heavier industry areas.
- Moving northwards, there is a notable collection of older heritage free-standing structures that are still mostly residential, although this seems to be changing.
- The centre of the study area (at the intersection of Da Gama and Goedehoop Streets, westwards to the intersection of St Francis and Goedehoop Streets) is the traditional town centre of Jeffreys Bay and is currently largely retail and commercial in nature.
- At the western end of this is the busy but informal public transport area.
- The western areas of the study area are largely residential, with commercial and retail activities on the main streets.
- Civic functions are central to the study area, between Da Gama Road and Diaz Road.
- Diaz Road to the east is along the beachfront and is well developed with a mixture of residential, retail, commercial and entertainment facilities.

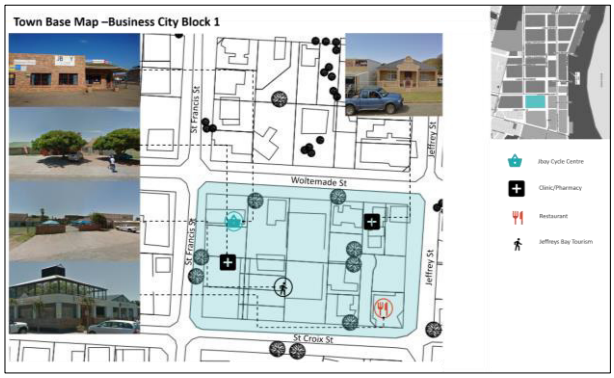
The following illustrates block by block activity and use.

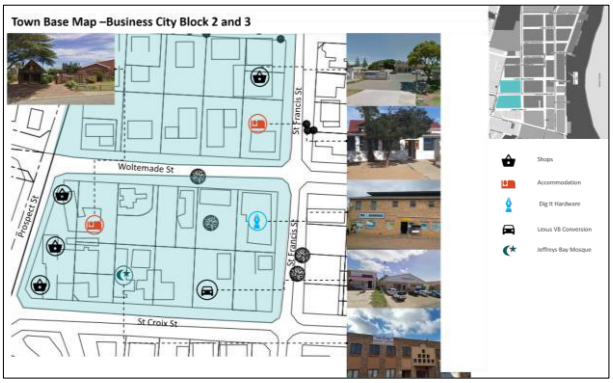




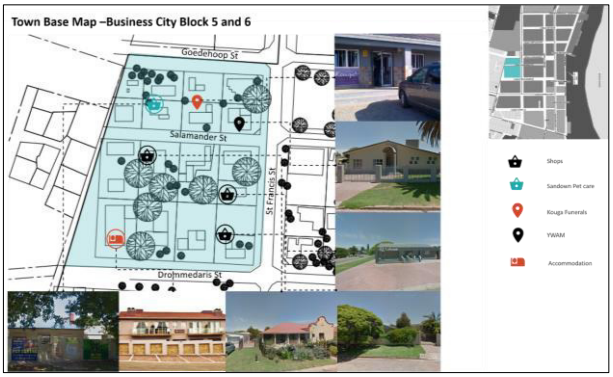

Town Base Map – City Block 2 and 3
St Croix St
Jeffrey St
Da Gama Rd
Diaz Rd
Duine Road

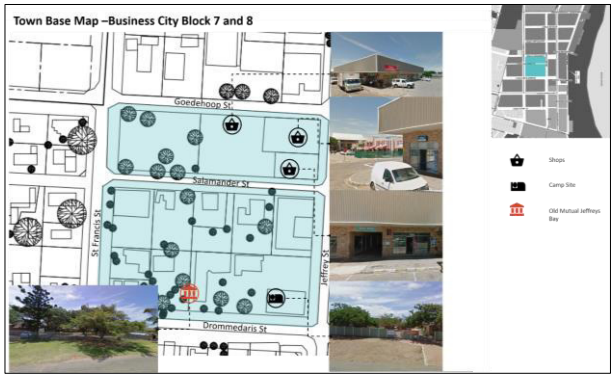

Town Base Map – City Block 4, 5, 6 and 7
Woltemade St
Geldeland St
St Croix St
Jeffrey St
Da Gama Rd
Diaz Rd

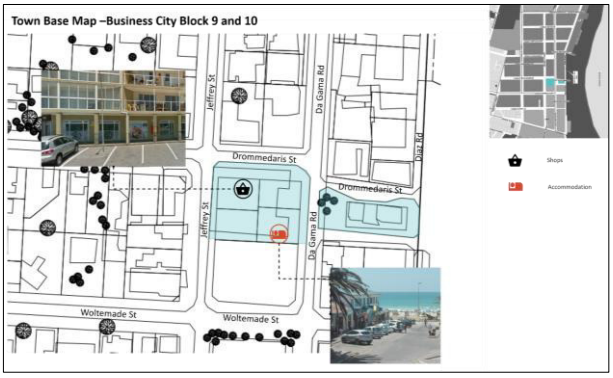

Town Base Map –Business City Block 1
St Francis St
Jeffrey St
Woltemade St
St Croix St

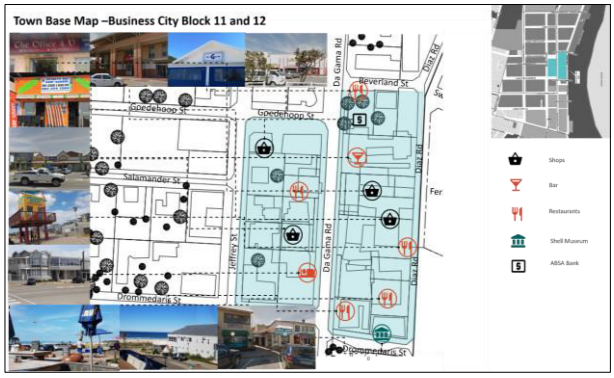

Town Base Map –Business City Block 2 and 3
St Francis St
Woltemade St
Protea St
St Croix St

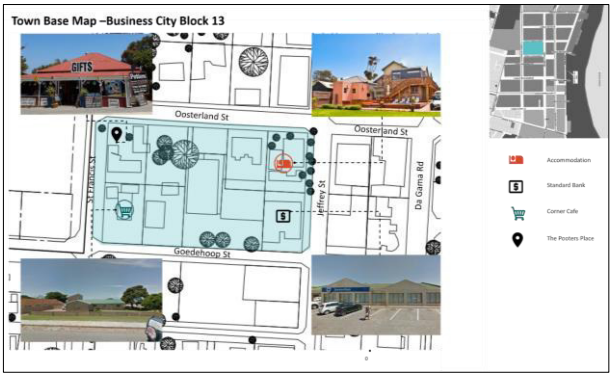

Town Base Map –Business City Block 4
Drommedaris St
St Francis St
Jeffrey St
Woltemade St

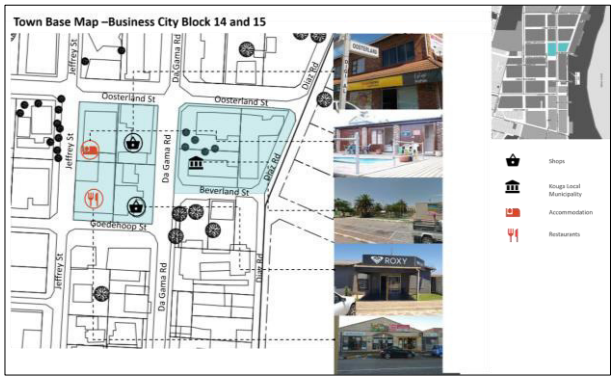

Town Base Map –Business City Block 5 and 6
Goedehoop St
Salamander St
St Francis St
Drommedaris St

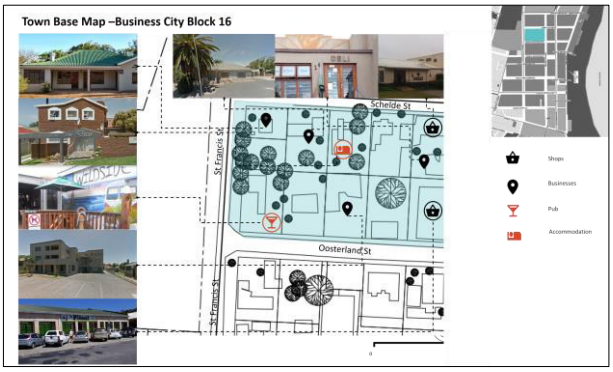

Town Base Map –Business City Block 7 and 8
Goedehoop St
Salamander St
St Francis St
Jeffrey St
Drommedaris St

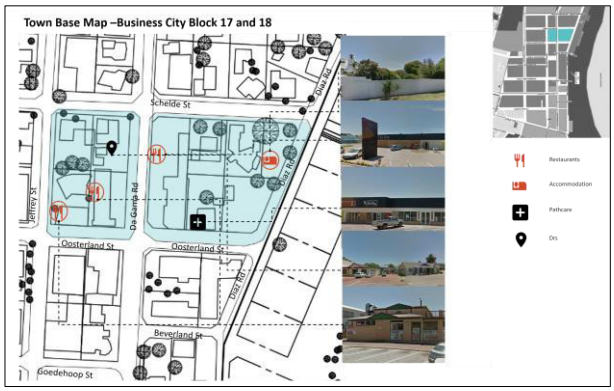

Town Base Map –Business City Block 9 and 10
Jeffrey St
Da Gama Rd
Diaz Rd
Drommedaris St
Woltemade St

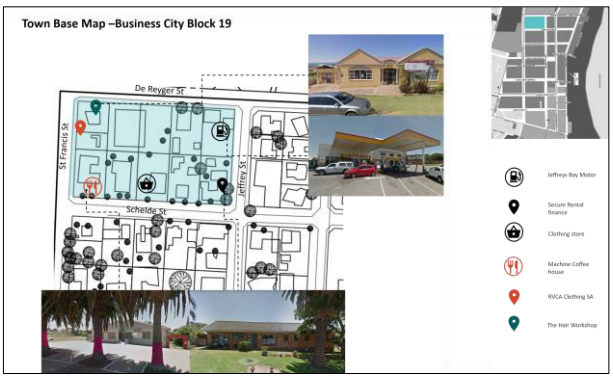

Town Base Map –Business City Block 11 and 12
Beverland St
Speedehoop St
Salamander St
Jeffrey St
Da Gama Rd
Oosterland St
Shops
Bar
Restaurants
Shell Museum
ABSA Bank

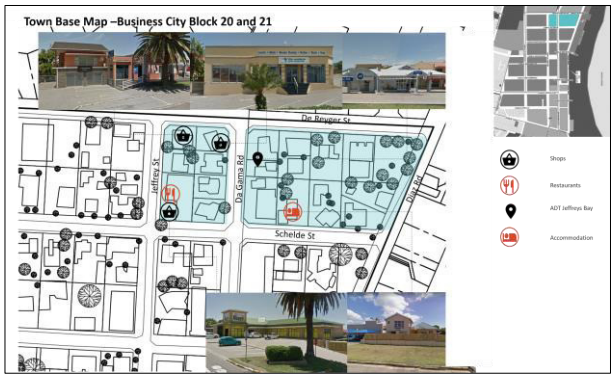

Town Base Map –Business City Block 13
GIFTS
Oosterland St
St Francis St
Jeffrey St
Da Gama Rd
Goedehoop St
Accommodation
Standard Bank
Corner Cafe
The Posters Place


Town Base Map –Business City Block 14 and 15
Jeffrey St
Da Gama Rd
Oosterland St
Beverland St
Goedehoop St
Dorp Rd
ROXY
Shops
Kouga Local Municipality
Accommodation
Restaurants


Town Base Map –Business City Block 16
Schelde St
St Francis St
Oosterland St
Shops
Businesses
Pub
Accommodation


Town Base Map –Business City Block 17 and 18
Schelde St
Jeffrey St
Da Gama Rd
Oosterland St
Dorp Rd
Beverland St
Goedehoop St
Restaurants
Accommodation
Pathcare
Drs


Town Base Map –Business City Block 19
De Reyger St
St Francis St
Jeffrey St
Schelde St
Jeffreys Bay Motor
Secure Rental finance
Clothing store
Machine Coffee house
RVCA Clothing SA
The Hair Workshop


Town Base Map –Business City Block 20 and 21
De Reyger St
Jeffrey St
Da Gama Rd
Schelde St
Dorp Rd
Shops
Restaurants
ADT Jeffreys Bay
Accommodation

3.4.1 Physical Character of the Built Environment

This refers to what the study area in general and the buildings of the study area looks like and what character / feeling is experienced. There is a relationship between the physical character of a place and how a user feels using it. Generally (but not always), places that are well maintained, have appropriate street furniture and have sufficient buildings of a cohesive 'style' or character, feel more vibrant, attractive and safe.

The general physical character of Jeffreys Bay, with a focus on its built environment, is noted as follows:

- Jeffreys Bay is a sprawling seaside suburban town, with higher density traditional CBD and immediate sea facing residential area, with much lower density mostly residential suburbs to the north and the west.
- The low scale development away from the sea and traditional CBD is characterised as being mostly single storey free-standing structures with a 'suburban' feel.
- Most structures are low scale with some multi-storey structures in the traditional CBD. This seems to better enhance the 'village' character of the traditional CBD.
- A mix-match of a variety of building 'styles' and themes. This is, like many South African towns, makes Jeffreys Bay as a whole feel loose and characterless.
- Overall, there is no pervasive stylistic character to the streets and the streets are a collection of individual buildings.
- There is a mix of building styles ranging from developer Modernist, developer faceless face brick, Post-Modern Victorian, thatch vernacular, in the study area.



De Vyswyf Restaurant.
The structure has a 'Tuscan' style



Typical heritage residence



Very mixed and characterless façade expression of a primary area of the traditional CBD



Very mixed and characterless façade expression of a primary area of the traditional CBD.

There is also evidence of significant retail changes in the traditional CBD



'Surfer-style' buildings reflecting the culture of the town to the southern end of the study area



This grassed space with retail and entertainment opportunities at the factory shop node is a very strong and positive contribution to the study area



Conventional face brick buildings in Jeffreys Street giving Jeffreys Bay a characterless feeling



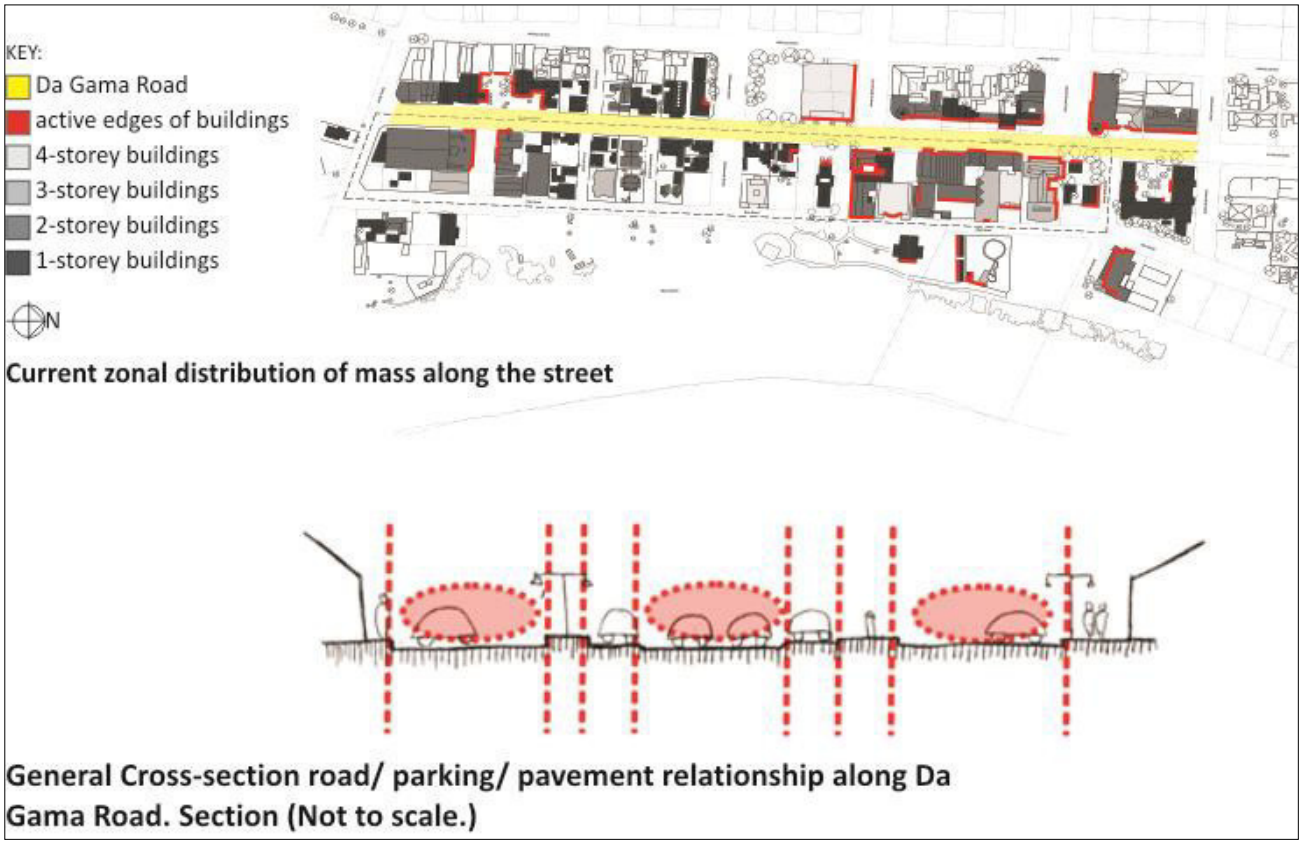
A coffee shop conversion of a heritage house with a corner entrance and eternal seating adds character and interest to the study area



InFood Bakery and Deli at the corner of Jeffreys and Schelde Streets is a popular attraction in the study area



InFood Bakery and Deli at the corner of Jeffreys and Schelde Streets is a popular attraction in the study area



Plan 16 : Concept diagram of the primary road of the study area, Da Gama Road, showing the current 'active facades' where there is activity and how this currently relates to the current parking

Some notes on the effect of the local climate on the physical characteristics of the project area are :

- The North to South orientation of the streets means that there is a change in shadow characteristics on the streets from sunrise to sunset.
- Because of the relation of the width of the street to the height of the building (wide street, relatively low building) no part of the street suffers a particularly harsh micro-climatic condition.
- Prevailing south-easterly and south-westerly winds cause blustery conditions on the street when they blow.
- The exposed coastal conditions, especially along the beachfront, do on occasion create a sense of a windswept and barren environment.

3.4.2 Heritage

▣ **Legislative Context for Heritage in the Study Area**

The notion of Heritage begins in the Constitution of South Africa, Section 24 :

> "*Everyone has the right to an environment that is not harmful to their health and well-being; and to have the environment protected for the present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources whilst promoting justifiable economic and social development*".

⇨ *The National Heritage Resources Act (NHRA) : The Notion of a National Estate*

The National Heritage Resources Act (NHRA) sets out a series of concepts that define a starting position for a discussion regarding heritage significance. Important to this is the concept of a '**national estate'** stating that a place or object can be considered part of the national estate if it has cultural significance or other special value by some attributes. Further, in terms of the NHRA, Section 27, SAHRA must identify those places with qualities so exceptional that they are of special national significance in terms of the heritage assessment criteria and must investigate the desirability of their declaration as national heritage sites. Section 3 of the Act makes provision for the protection of places to which oral traditions are attached or which are associated with living heritage, and such places must be considered part of the National Estate.

These sites include :

- Places, buildings, structures and equipment of cultural significance
- Historical settlements and townscapes
- Landscapes and natural features of cultural significance
- Geological sites of scientific or cultural importance
- Archaeological and palaeontological sites
- Graves and burial grounds
- Sites of significance relating to the history of slavery in South Africa

- **Who is the Community?**

Heritage needs a community. The subject of the composition of this community is an interesting and important contemporary heritage question. Who is this precinct, its places, structures, objects and stories important to? The premise here is that heritage is intrinsically linked to an individual or group and without this link, there is, arguably, no heritage. It is to be emphasised that the heritage resources concerned satisfy the attributes contemplated by Section 3 (3) to form part of the national estate and that the degree of their significances can be described in the definition of cultural significance in the Act and further elaborated on by Heritage Western Cape and others.

Important questions to ask here are :

- Who is the community/communities?
- What are their interests in the heritage concerned and how do they benefit from it?
- Are there specific heritage-related interest groups that focus on particular (and often important) heritage aspects in the area?

- **The Importance of 'Economic Value' in Heritage**

Of growing relevance and particular relevance to the developmental state is for heritage to be cognisant of its economic value and even, economic obligation. About the NHRA, of interest and relevance from this point of view, are some of the 'General Principles' of Section 5 such as, '…management of the heritage resources of South Africa must contribute to social and economic development'. Here, an elaboration on the links between economic and cultural values is appropriate. Within the context of the developmental state and the economic value locked in cultural built heritage, there is an imperative to allow for economic value to be more closely aligned to cultural values.

The Getty Conservation Institute attends to a wide range of issues related to this in their report, 'Economics and Heritage Conservation' of 1998 where it is noted, 'Economic factors shape the possibilities of conservation practice in fundamental ways, by influencing decisions, shaping policy, encouraging or discouraging the use of heritage, enabling conservation work through financing…' This is elaborated on by Mason who defines two types of economic values – use values (market values) and non-use values (non-market values), where use values are more easily allocated financial value and non-use values are defined by ideas of socio-cultural-economic value and 'public good'.

What is the 'public good' in this instance?

Here we suggest a careful mediating between market use values (infrastructure, increased property values and increased use opportunities) and public good values. Public values relate to issues of employment and development as well as the rights of communities and the public to have knowledge and access to their identified heritage, and the implicated socio-cultural benefits of this.

- **The 'Spirit of the Place' and Heritage**

An interesting heritage idea that seems very strong for this project is that of Genius Loci, or 'Spirit of the Place. There is a noted significance in the discussion regarding the term 'genius loci' and how it relates to places, their character, what makes them special and so potentially of heritage value to a particular individual or group. Some commentators have recently reviewed the term and related terms such as 'character', and how they can be used to understand urban context and heritage better. Massey elaborates on this notion of genius loci or, sense of place and how this sense of the local and particular can be achieved in an era of disruption and dislocation. She identifies the need for a 'progressive sense of place' that allows for the positive identity, and character values of places that people are strongly attached to such as continuity but also allows for fast-paced change and adaptability that much of contemporary life demands.

This, she suggests is obtainable by embracing multiple identities in groups rather than singular identities, by understanding a sense of place as not introverted and exclusionary but extroverted and '…which includes a consciousness of its links with the wider world, which integrates positively the global and the local' and, 'There is a specificity of the place which derives from the fact that each place is the focus of a distinct mixture of wider and more local social relations'.

What does this mean for this town?

It is argued in this report that this particular precinct has a strong 'localised genius loci'. This localised genius loci are a sense of character that is, in this case, defined by a historical street as part of a historical suburb that, through the development of modest structures alongside it, and its continuous use as a place of community importance becomes significant. This community use is largely the ordinary and every day and this character (and so 'identity') is largely defined by the localised. This is also acknowledged as a place of sameness, but also one of the current fast-paced change. It allows for a richer environment, one that has historically shown resilience and one that finds its 'heritage' in diverse places.

- **Cultural Heritage and History**

Jeffreys Bay (Afrikaans: Jeffreysbaai) (34°02'S 24°55'E) is a town located in the Eastern Cape Province of South Africa. The town is situated just off the N2 highway, about an hour's drive southwest of Port Elizabeth.

The town is bordered on both sides by nature reserves and rivers. These are the Kabeljous and Seekoei estuaries, and within Jeffreys Bay, the Noorsekloof Nature Reserve. Jeffreys Bay is located in the Cacadu District of the Eastern Cape. The name Cacadu is derived from the Khoi-Khoi word 'tkakadao', which means 'bulrush river'.

Jeffrey's Bay was occupied by the San, who became the Khoi-Khoi people, to become known as the Khoi-San tribes. Some of their rock art remains as a vestige of these ancient tribes.

The name of the town came from one Captain Jeffrey who sailed his ship up and down the East Coast of South Africa on trading expeditions in the 1840s. During one of these trips and the epidemic of scurvy broke out aboard his ship. He was forced to land his vessel and soon he realised the potential of the place where he had landed and built a primitive port on what is now the main beach. In 1852 Captain Jeffrey bought erf number 1,2,9 and 10 for a total of 79 British Pounds.

In the late 1960s and early 1970s, Jeffreys Bay was known as a hippy hangout, where the now burgeoning surf community originated. Legend has it that the father of South African surfing, John Whitmore, discovered the waves at Jeffreys Bay in the late 1950s as he drove up the Garden Route to Cape Town on a business trip.

Jeffreys Bay has grown from a sleepy little fishing town over the past few years into a rapidly expanding urban area and is one of the fastest-growing urban areas in the country.

Xhosa, Afrikaans and English are the three spoken languages in the area.

This part of the Eastern Cape has a unique climate – the landscape is mainly flat and dry between the sea and the distant mountains, and vegetation is typically aloes, fynbos, sour figs and shrubland. Temperatures are moderate with rainfall all year. Summers are warm, and winters mild, which is why water sports are so popular in the town.



Figure 5 : Vegetation found in the study area

Jeffreys Bay beaches boast over 600 types of shells. These range in size from about the size of a pin's head to well over that of a man's hand. The colours are also impressive with bright oranges, dull charcoals, and pearly rainbows, converging on a palette of marine beauty.

Due to a large number of types of shells, the coastline is deemed as one of the most abundant in South Africa.

The annual Shell Festival presents arts and crafts in a new light. Ornaments, cutlery, clothing and jewellery are all made using a plethora of local seashells.



Figure 6 : Examples of shells found in the study area

Beaches in the area have been in the past awarded the international Blue Flag status – an eco-grading given to beaches or marinas that meet the highest safety and environmental standards. Fully equipped lifeguards are always on duty. This prestigious award indicates that the beach has been examined and that it was found that the beaches adhere to the strict requirements set out.



Figure 7 : Images of the beaches of Jeffreys Bay

These criteria include :

- Areas of safety standards
- Water quality standards
- Environmental education initiatives
- Providing environmental information to the general public
- The provision of services to bathers and general environmental management standards



Figure 8 : Surfing in Jeffreys Bay

Jeffreys Bay is a world-famous surfing town. Its world-renowned surfing beaches are amongst the ten best surfing points in the world. The waves here apparently have the best point break in the world.

It hosts the annual Billabong Pro surfing competition. Thousands of people, including the world's top 45 surfers flock to Jeffreys Bay every year in July to experience the Billabong Pro surfing competition. This event marks the halfway point in the ASP World Tour – a series of 10 surfing events designed to determine the annual world champion male surfers.

Jeffreys Bay was once a port for coasters, fishing boats and whalers. Jeffreys Bay is also popular with anglers and was once a fishing village. Every year Southern Right Whales and their Humpback counterparts make their way from the cold waters of the Antarctic, where they have been feeding and building up their energy resources, to the warmer waters. They pass the South African coast during the months between June and December.

Bottle-nosed and humpback dolphins are however common in these warm waters and can be spotted all year round.



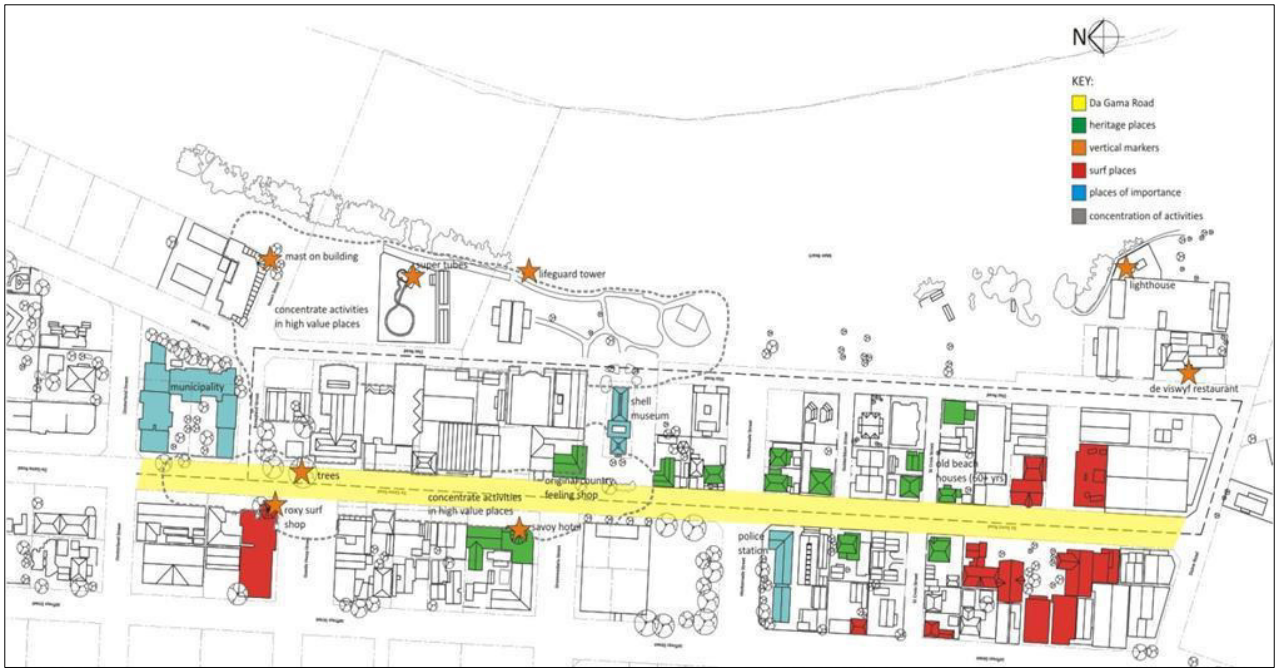
Figure 9 : Bottle Nosed and Humpback Dolphins

Built Heritage

The built heritage is an important component of the heritage context of a place and usually consists of places and structures. The built heritage structures often give places their unique 'look and feel' – Cape Town's 'Bo Kaap' area or Buenos Aires' 'La Bocca' area is world-famous and look and feel the way they do because of the unique older places and structures. In Jeffreys Bay, there are some older and special places and structures that help to define the character of Jeffreys Bay CBD.

Some of these buildings are as follows :

- Beach houses located between Da Gama Road and Diaz Road, along Woltemade Street and Gelderblom Street
- The Savoy Hotel
- The original Country Feeling Shop
- Various beach structures
- Vertical markers
- Surf Places



Plan 17 : Location Plan identifying some of these heritage and special places

⇨ *Beach Houses*

(located between Da Gama road and Diaz Road, along Woltemade Street and Gelderblom Street)

These properties are amongst the oldest in Jeffreys Bay and are modestly decorated with plaster gables and mostly have fibre cement roofs. Much of their built heritage value comes from them being grouped the way they are and their relation to the street with low boundary walls and verandas.

An interesting and important debate is whether these properties, which are well-positioned in the study area, be allowed to be redeveloped into more high-value development opportunities or remain largely as is as a 'memory' of the earlier Jeffreys Bay.



Figure 10 : Heritage Beach Houses at the southern end of the study area

⇨ *The Savoy Hotel*

This is the premier older hotel in the town and is well-positioned in the study area. It is uncertain whether this building is older than 60 years.



Figure 11 : The entrance to the Savoy Hotel with its distinctive roof shape, on Da Gama Road

⇨ *The Original Country Feeling Shop*

The original Country Feeling Shop is a 'special place' in the town that is important to the town's image and could be further enhanced as part of the upgrade.

⇨ *Various Beach Structures*

Beach structures are an important part of the look and character of a seaside place. In Jeffreys Bay, these can be identified as :

- The beach edge promenade
- The lifesaver's tower
- The 'Super Tubes' water slide



Figure 12 : Various beach structures and vertical markers found along the beachfront of Jeffreys Bay

⇨ *Vertical Markers*

Several vertical markers create emphasis on certain places and provide variety in the landscape. These include :

- The lighthouse.
- The large fig tree on Da Gama Road.
- The surf shops at the lower end of Da Gama Road.
- The cell phone mast on the building on the corner of Swart and Ferreira Streets.

⇨ *Surf Places*

Much of what Jeffreys Bay is about is centred on the beach and beach activities like surfing. The many surf shops in the CBD add to the recognisable character of this section of Jeffreys Bay.



Figure 13 : Various 'Surf Places' in Jeffreys Bay

▣ **Tourism and Marketing**

"*Jeffreys Bay is renowned worldwide as a delightful holiday and retirement centre and today has developed so to include Aston Bay, Kabeljous-on-Sea township and Paradise Beach*."

"*Jeffreys Bay is the home of thriving handcraft industries. The surf culture clothing shops are synonymous with Jeffreys, and all their clothes depict a scene in Jeffreys Bay. Other venues include surf shops, hand-crafted leather shoes and hand-crafted shell art*."

"*Jeffreys is also the hub of the calamari industry of the Eastern Cape and is thus in the fortunate position of being able to supply visitors with this delicacy in abundance*."

⇨ *The 'Culture Trip' describes Jeffreys Bay as :*

"*Although small, the picturesque surfing mecca of Jeffreys Bay boasts a considerable reputation that stretches far and wide. Most noted for producing the best right-hand surf break in the world, the streets of the town bustle from dawn to dusk with those hoping to live out their Endless Summer dreams*."

⇨ *Tripadvisor and the Culture Trip highlights the following places to visit :*

- Kitchen Windows Beach Restaurant
- Tasty Table Restaurant
- In food Bakery and Deli
- J Bay Bru Co
- De Viswijf
- Die Kospot
- Die Walskipper
- The Greek
- Brewhaha Craft Beer Restaurant
- First Light Coffee Bar
- Fifth wave Coffee
- Trawlers Seafood
- Nina's Real Food.

⇨ *Two museums in the study area are identified as :*

- "*Jeffreys Bay Surf Museum, +27 (0)84 240-1741. The Jeffreys Bay Surf Museum is situated inside the Quicksilver Shop, where the history of surfing in Jeffreys Bay is displayed by way of newspaper clippings, articles, old magazines, ancient surfboards and lots of other interesting objects.*
- *Jeffreys Bay Shell Museum, +27 (0)42 293-1945 (jbaytourism@telkomsa.net). Monday to Saturday 9 AM-4 PM, Sunday 9 AM-1 PM. J-Bay is well known for the huge quantity and the quality of shells that can be found on the beaches. A good book to use as a guide is The Seashells of Jeffreys Bay by Douw and Elise Steyn (ISBN 0-620-24008-3, Eldolise Publishers, strynde@mweb.co.za). There is an annual Shell Festival in September and a lovely Shell Museum on the corner of Drommedaris and Da Gama Roads.*"

3.5 Edges, Thresholds &and Gateways

A useful summary of the status quo understanding of both towns is found through describing the towns individually through the following descriptions of elements of the study area:

By defining edges, thresholds and gateways, so that the towns are understood in terms of scale, future development, sprawl and the urban edge. This approach is informed by the National Development Plan's description of the Built Environment aspects of a Spatial Development Framework, such as gateways and destinations, movement routes, activity streets and hubs of activity, future development trends and densities. It also allows for issues of concern such as town sprawl, the haphazard edge of town development and the 'urban edge' to be observed.

The following definitions are useful:

- **Edges**

  These are edges to the study area. It is observed that policy and good town development practice promotes increased densities and compaction of towns.

- **Thresholds and Gateways**

  These are places in the town where there is an observable sense of the place being a threshold (between different parts of the town) or being important entrances and exits from the town or parts of the town.

  It is observed that good town development practice is to strengthen these gateways and thresholds, increase their capacity and safety and improve their wayfinding signage.

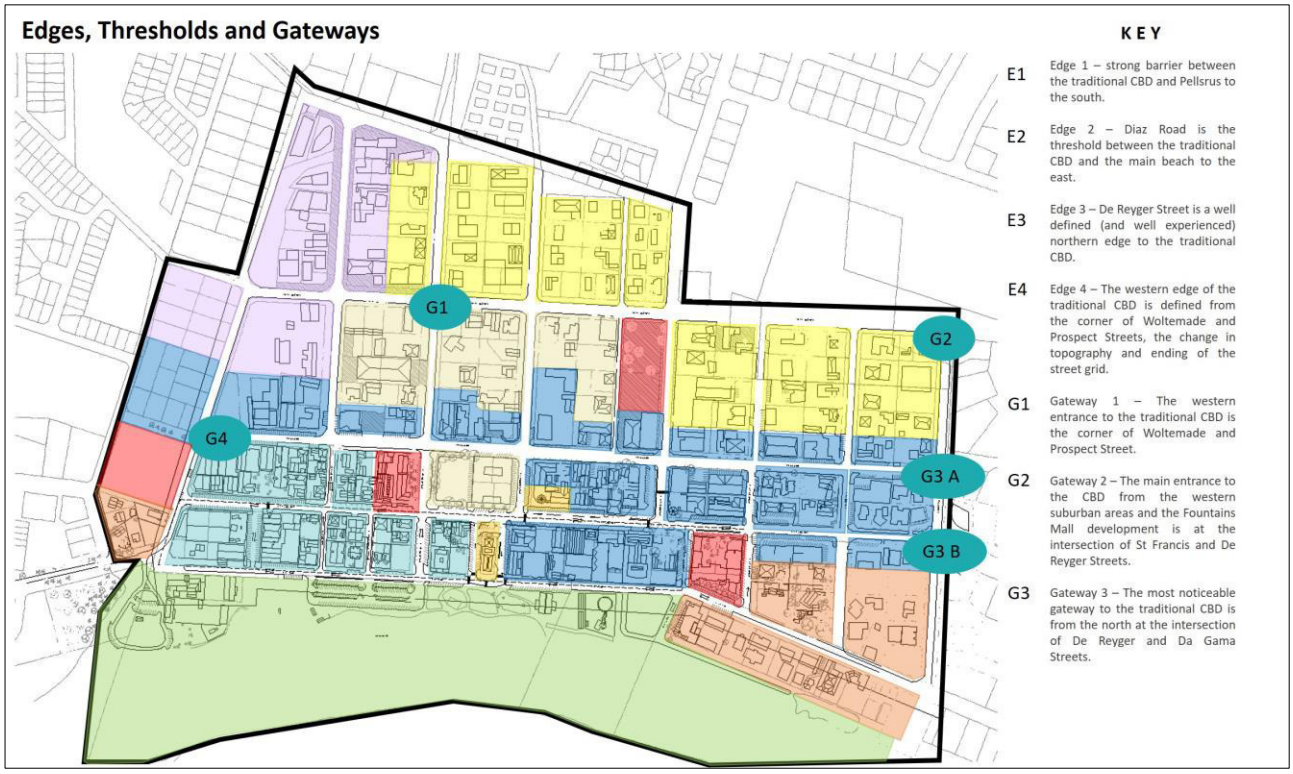
- **Key Development Nodes**

  These are key nodal development opportunities that are special, beneficial and can, through their focussed development, impact the long term development of the study area. These are places that already have some catalytic aspect such as economic activity, locational aspects and/or opportunity for future development.

In the understanding of the study area above, there are some notable edges, thresholds and gateways. These thresholds are described as :

- **Edge 1** – the strong barrier between the traditional CBD and Pellsrus to the south.
- **Edge 2** – Diaz Road is the threshold between the traditional CBD and the main beach to the east.
- **Edge 3** – De Reyger Street is a well-defined (and well experienced) northern edge to the traditional CBD.
- **Edge 4** – The western edge of the traditional CBD is defined from the corner of Woltemade and Prospect Streets, the change in topography and the ending of the street grid.

- **Gateway 1** – The western entrance to the traditional CBD in the corner of Woltemade and Prospect Street.
- **Gateway 2** – The main entrance to the CBD from the western suburban areas and the Fountains Mall development is at the intersection of St Francis and De Reyger Streets.
- **Gateway 3** – The most noticeable gateway to the traditional CBD is from the north at the intersection of De Reyger and Da Gama Streets.



Plan 1 : Concept Location Plan describing edges, thresholds and gateways of the study area

A review of the edges of the study area indicated above is described graphically by the images below :



Figure 14: Graphic description of the northern edge of the study area.



Figure 15 : Graphic description of the southern edge of the study area.





St Francis Street/Prospect Street:

1. Connects De Reyger and Duine Street
2. Industrial areas
3. Residential areas
4. No Heavy Traffic
5. Church and Mosque
6. Primary School

Figure 16 : Graphic description of the western edge of the study area.

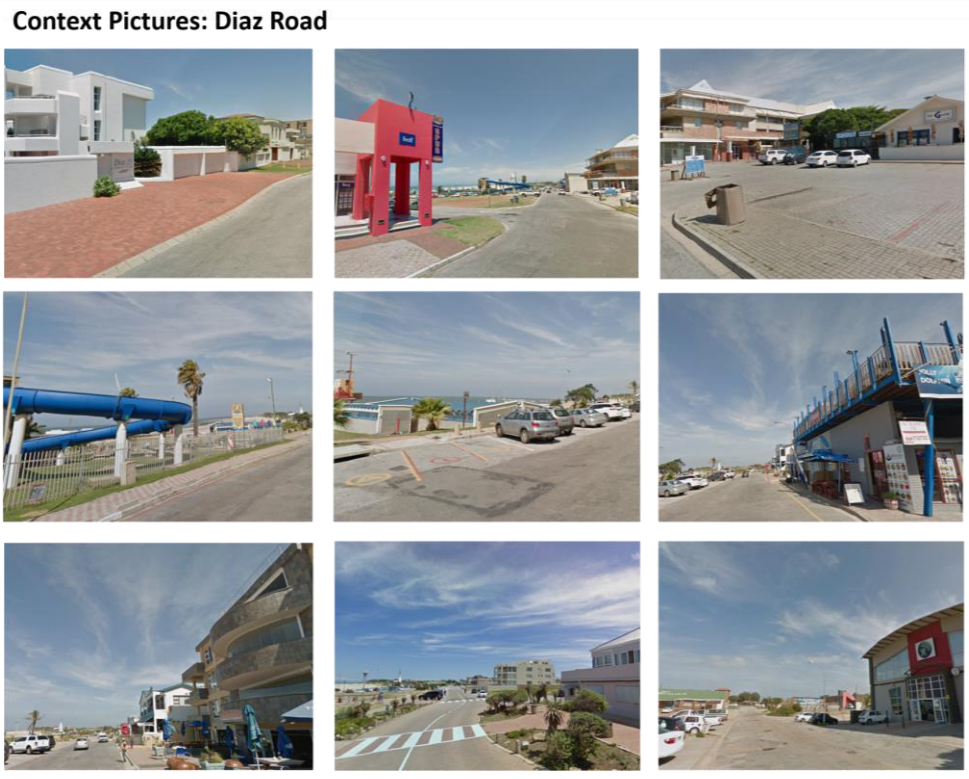


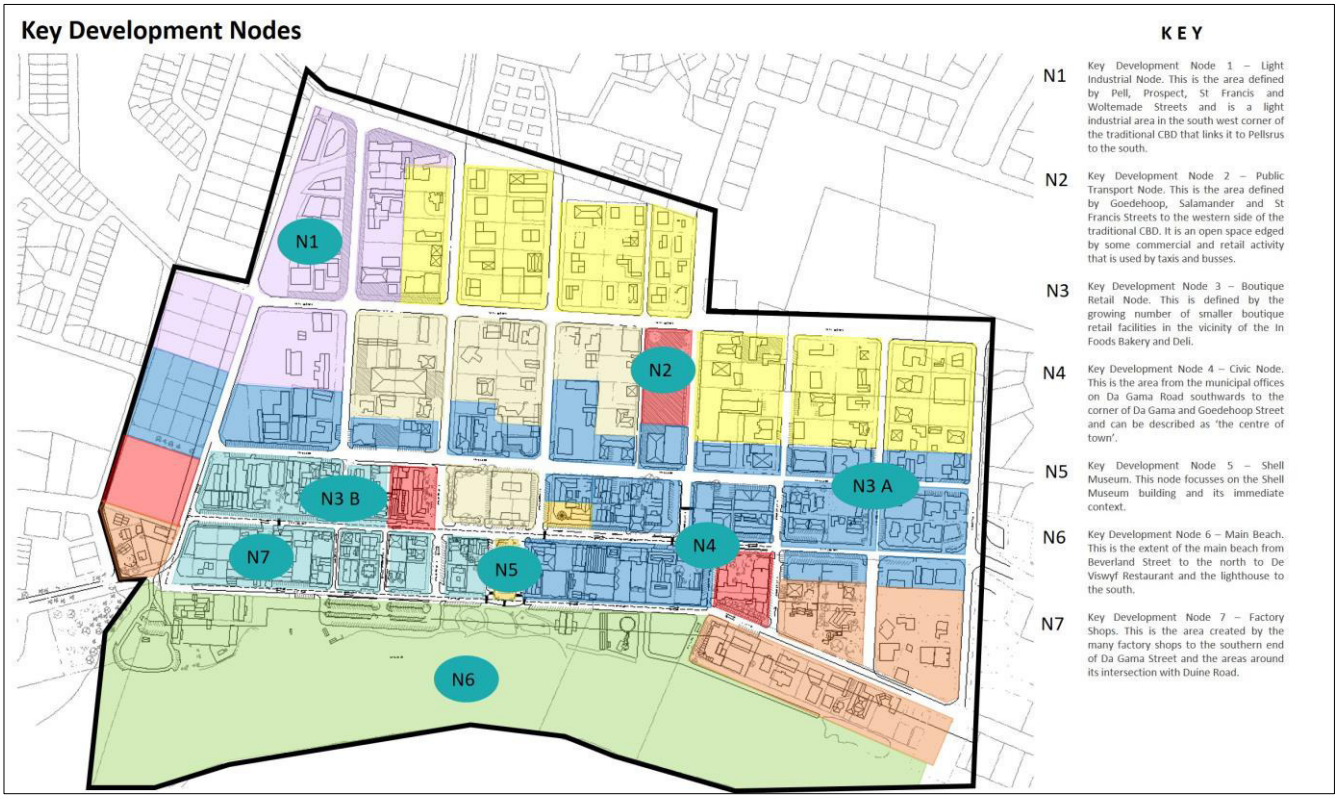


Figure 17 : Graphic description of the eastern edge of the study area.

3.6 Key Development Nodes

In the understanding of the study area above, some areas are notable areas of focus, interest and development. The 'key development nodes' and their characteristics are described as :

Key Development Node Number	Name	Description
Key Development Node 1	Light Industrial Node	This is the area defined by Pell, Prospect, St Francis and Woltemade Streets and is a light industrial area in the south-west corner of the traditional CBD that links it to Pellsrus to the south.
Key Development Node 2	Public Transport Node	This is the area defined by Goedehoop, Salamander and St Francis Streets to the western side of the traditional CBD. It is an open space edged by some commercial and retail activity that is used by taxis and busses.
Key Development Node 3 A and B	Boutique Retail Node	NODE 3A : This is defined by the growing number of smaller boutique retail facilities in the vicinity of the InFoods Bakery and Deli. NODE 3B : This is the group of heritage houses and nearby properties on the southern end of Da Gama Road before the Factory Shop node.
Key Development Node 4	Civic Node	This is the area from the municipal offices on Da Gama Road southwards to the corner of Da Gama and Goedehoop Street and can be described as 'the centre of town'.
Key Development Node 5	Shell Museum	This node focusses on the Shell Museum building and its immediate context.
Key Development Node 6	Main Beach	This is the extent of the main beach from Beverland Street to the north to De Viswyf Restaurant and the lighthouse to the south.
Key Development Node 7	Factory Shops	This is the area created by the many factory shops to the southern end of Da Gama Street and the areas around its intersection with Duine Road.



Plan 2 : Key development nodes of the study area

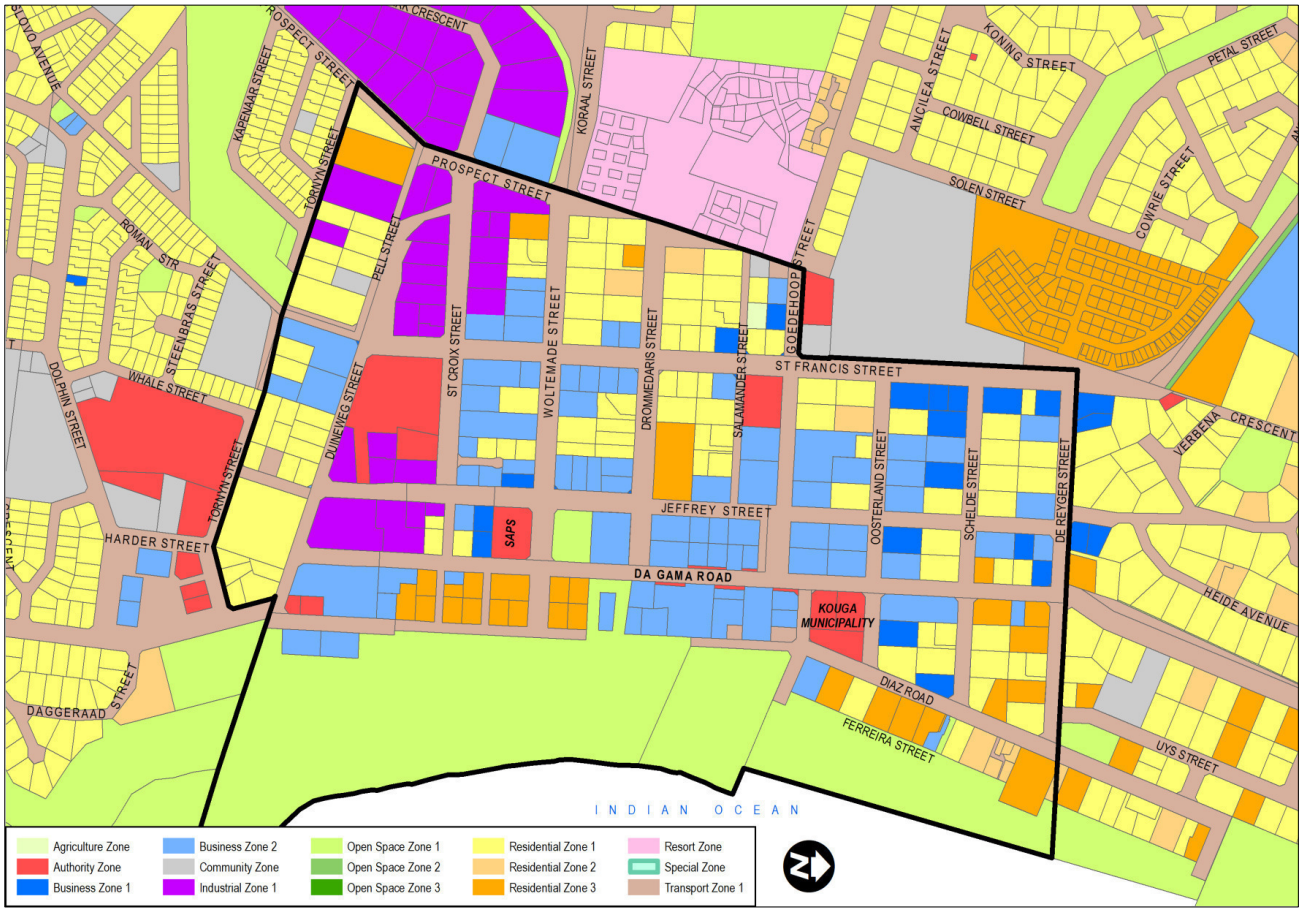
3.7 Land Use Rights and Land Use Management

Land use rights and zoning within the study area are controlled and managed by the Regulations promulgated in terms of Section 7 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

The Jeffreys Bay Zoning Scheme applies to the CBD and study area and manages land use rights. The Municipality is in the process to revise the Zoning Scheme and adopt a single Integrated Land Use Scheme for the entire Kouga Municipal area.

The diagram depicts the existing land use rights and parameters in the CBD.

3.7.1 Zoning



Plan 3 : Current zoning plan for the study area

A large percentage of the properties are zoned for Business, Medium and High-Density Residential purposes. Several opportunities exist for conversation of single residential rights to higher ntensity uses. This needs to be understood with consideration for other important aspects of the precinct such as issues of character and heritage, as well as infrastructure availability and traffic and transportation aspects elaborated on in this report

3.7.2 Land Use Management System

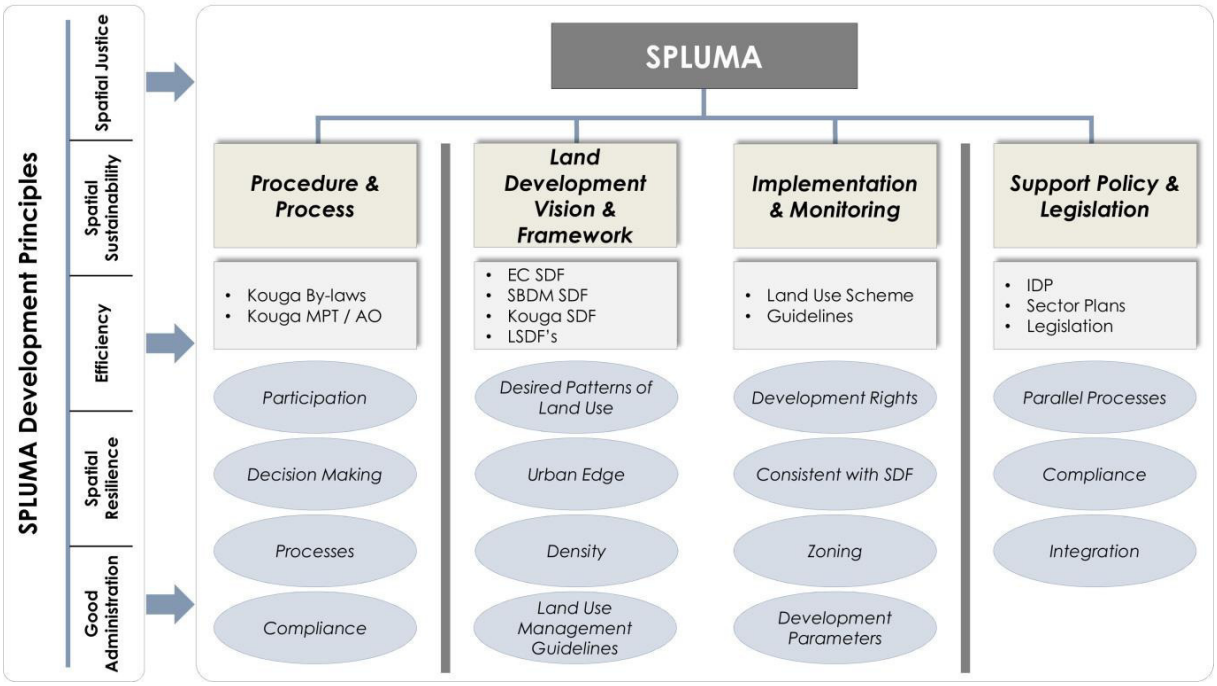
The Implementation Framework for the Jeffreys Bay Precinct Plan provides the vehicle for Precinct Plan implementation through projects, budgets, priorities and institutional arrangements to ensure implementation, monitoring and review.

Land use management as contemplated in SPLUMA comprises of various components and ideally should represent a hierarchy of plans and regulatory mechanisms within the Municipal Land Use Management System.

The Spatial Development Framework and Land Use Scheme should function as a unit and form the key pillars of the Municipal Land Use Management System.

The graphic illustrates the package of plans and the land use management system for Kouga that is entrenched through the Municipal Spatial Development Framework.

Land Use Management System & Alignment



4.0 Infrastructure

Kv3 Engineers and Clinkscales Maughan Brown provided details regarding the civil and electrical infrastructure for Jeffreys Bay CBD respectively in March 2011.

The information from this document is still relevant to a large extent and has been included in the Status Quo Infrastructure description items below, however, the information has been updated to reflect the present (2020) situation.

Updated/additional information has been obtained from the following sources :

- Discussions with the relevant officials from the Infrastructure Departments
- Jeffreys Bay Sewer Master Plan by Uhambiso Consult dated March 2020.
- 2020/21 Kouga IDP
- Kouga SDF (2021)

Jeffreys Bay was a quiet seaside holiday town during the middle 1900's. Wavecrest developed during 1970 and a sewer reticulation was installed in phases from 1985 to the present date. Rapid growth transformed the town into a high development coastal centre. The number of permanent inhabitants increased from 10 000 to approximately 30 000 at present. The large inflow of visitors in peak holiday periods (estimated at approximately 100 000) places huge pressure on bulk and internal services for relatively short periods.

4.1 Water

Jeffreys Bay obtains water from two sources, i.e., a borehole field to the west of the existing water treatment works (WTW) which is situated to the west of Wavecrest, and from the Nelson Mandela Bay Municipality (NMBM) Churchill Water Pipelines which cut through Wavecrest. The Churchill Supply Mains feed water into the Churchill Reservoirs below the Fountains Mall from where it can either be fed to the Wavecrest Reservoirs or a reservoir on the highest portion of the farm, The Fountains.

Borehole water is treated to reduce the high iron and manganese content and the aggressiveness of the water in the existing water treatment works. The water is also treated to stabilise the calcium demand and to raise the pH to acceptable levels.

The Churchill Reservoirs are on 90 m msl, the Wavecrest Reservoirs are on approximately 120 m msl and the Fountain Reservoir is on 135 MSL.

Water for the CBD is supplied from the Churchill Reservoir at approximately between 70 and 80 m pressure which is more than adequate.

The internal water reticulation in the CBD Area (Precinct Area) has been substantially improved by the installation of a relatively new 160 diameter uPVC main supply pipe, however, the balance of the network in the CBD consists mainly of old asbestos cement water pipes of 75 mm diameter fed by a 160 mm diameter pipe in Duineweg and a 200 mm diameter mains in St Francis Street.

The asbestos pipes will have to be replaced in future. This project is however part of the Kouga Municipality ongoing services upgrading and will not be included in the Estimated Costs in this report.

The below plan indicates water for details of the existing water reticulation in the CBD.



Plan 4 : Water Infrastructure

4.2 Sanitation

The Kouga Municipality appointed Uhambiso to develop a Wastewater Masterplan for the town of Jeffreys Bay. This document was issued in 2020 and the discussions regarding the capacity of the waste water treatment works (WWTW) and individual sewers in the CBD are based on information from this document as well as from information collected from the employees of the Kouga Municipality etc.

Sewers were installed in the CBD in the mid-1980s.

The existing Jeffreys Bay Wastewater Treatment Works (WWTW) is situated south-west of Wavecrest, approximately 5 km from the CBD.

The existing works have a capacity of approximately 5 Ml/Day. The present capacity is adequate to reasonably deal with load of Jeffreys Bay under normal conditions, however, the capacity is exceeded during the peak holiday periods. The peak seasons (December and June holidays and Easter Weekend) are relatively short and the flexibility that the maturation ponds provide allow the works to deal with the demand over these short periods. It is however clear that the WWTW will have to be upgraded in the medium-term future.

The existing bulk sewage collection system consists of a coastal pump system, a rising main system and a high-level gravity main system.

The coastal pump system includes a series of pump stations along the coast which pump to the main pump station, situated in the CBD Area, south of the Jeffreys Bay Main Beach. Sewage is pumped from this pump station to the WWTW through two other pump stations and sets of rising mains.

The coastal pump system has been installed in the 1980s and operates under pressure, especially during wet periods and rainstorms.

Problems are presently being experienced at the main pump station in the CBD area and with the capacity of the rising mains from the main pump station the intermediated pump stations to the WWTW. As a result, the Kouga Municipality is in the process to replace / upgrade the mentioned rising mains.

The reticulation in the CBD functions reasonably well although regular maintenance and cleaning of the pipes will improve the carrying capacity of the system. The mainline from C-Place to the main pump station is operating near full capacity and will have to be augmented should further densification and development near this line take place.

The existing sewer reticulation and main pump systems are indicated on the plan below.



Plan 5 : Sewer Infrastructure

4.3 Stormwater Drainage

Bulk stormwater drainage in Jeffreys Bay refers to well-defined stormwater drainage structures such as the Noorsekloof or Pieters River drainage structures. One of these drainage structures drains stormwater from the residential development north-east of the Mall through the Billabong precinct in the CBD towards the Main Beach at the Ski Boat Club situated in Diaz Road.

Other smaller local drainage systems are near the Shell Museum, the Change Rooms in Diaz Street and Ferreira Street. The outlets are all on Main Beach.

A new storm water pipe has been installed in a portion of Woltemade Street during the construction of the "plastic road" (a road in which plastic pebbles were used in the bitumen mix of the road).

Localized storm water challenges are experienced at the intersections of St Francis and St Croix Streets and in Jeffreys Street between Oosterland and Schelde Streets. These challenges can be due to maintenance issues and the cleaning of the catch pits and pipes must be investigated.



Plan 6 : Stormwater Infrastructure

4.4 Electricity and Communication

The extent of the existing electrical distribution network and street / area lighting installations in the Study Area are discussed as follows :

- **Electrical Distribution Network**

  This network has a primary component at 11 000 volts (Medium Voltage) and a secondary component at 400 / 230 volt (Low Voltage).

  The primary component is for the supply to distribution substations where the Medium Voltage is transformed to Low Voltage for power distribution to buildings (consumers of Kouga Municipality), streetlights, etc., i.e., the secondary component.

The primary component consists of Medium Voltage cables (mostly 50 mm² copper cored PILCA type) connected to four miniature substations (500 to 800 kVA) (steel cubicle enclosure) and one brick-built substation (3 x 500 kVA).

The secondary component consists of Low Voltage underground cables (radial feeders taken from the substations), providing connections to buildings, distribution kiosks, street/area lights, etc. Service connections to buildings are taken either directly from the substations or from kiosks. The cables are generally of the copper or aluminium cored PVCAS type and kiosks of the fibre glass enclosure type.

▣ Street / Area Lighting Installations

These installations generally consist of :

- ± 5 Metre concrete pole with post top light (125 Watt Mercury Vapour lamp).
- ± 10 Metre galvanized steel pole with goose neck and streetlight (125 or 250 Watt Mercury Vapour lamp).
- ± 12 to 14 Metre galvanized steel pole with 2 to 3 floodlights (250 or 400 Watt High-Pressure Sodium lamp).

▣ Communication

Telkom's telephone and data cables are generally within sleeves buried below ground level and interconnected with underground manholes. This service is not shown on the attached layout plans, but detailed layout drawings can be sourced from Telkom in Port Elizabeth.



Plan 7 : Electricity Infrastructure

4.5 Services Shortfalls and Demands

Water

Jeffreys Bay goes through periodic drought periods regularly. The borehole delivery reduces during this period and the supply from the NMBM is restricted.

An agreement between the Kouga Municipality and the NMBM is being re-negotiated for an increased supply from the Churchill Pipe System to provide in the future estimated demand.

The existing borehole source is being augmented to supply water for the long term. The results are promising, and it seems as if a major portion of the water demand will be able to be supplied from this source. New sources such as the desalination of seawater, demand management, etc. will be investigated and implemented in future.

The proposed regeneration of the Jeffreys Bay CBD will include limited additional water demand for landscaping and developments already zoned for development and will not increase the water demand of the CBD substantially.

The following projects have been identified in the SDF for implementation in future :

- Engage with the NMBM re-water master planning
- Prepare a Water Master Plan for Jeffreys Bay

Sanitation

The operational problems which occur at the main sewage pump station in the CBD have resulted in raw sewage effluent flowing onto the Main Beach which had serious consequences regarding tourism, the Blue Flag status of the Main Beach etc.

The Municipality is implementing various possible mitigating projects to prevent sewage from flowing onto Main Beach at present. These include reducing the flow to the main pump station by diverting the flow at the Da Gama / Noorsekloof intersection to the high-level drainage system (which drains sewage from Wavecrest directly to the WWTW), additional standby facilities at the main pump station, increasing storage facilities at the main pump station and upgrading the rising mains.

The regeneration of the CBD should not have a significant effect on the status quo as only small additional ablution facilities and limited additional developments are proposed.

The following projects have been identified in the IDP and SDF documents for implementation :

- Upgrade Main Sewer Pump Station at La Mer
- Upgrade Rising Mains from Main Pump Station to Pump Station 4B at Koraal Street.
- Improve the Ablution Facilities at the Main Beach.

▣ Stormwater

Storm water accumulates in several sub-catchment areas in the CBD area. These sub-catchments are separated from each other by water sheds. The catchments drain towards the Main Beach and the outlets erode the sandy beach area. Solid waste such as papers, plastic bottles, etc. is often washed into storm water drains and is deposited on the beach.

A possible solution may be to accumulate the storm water in detention ponds and/or provide grids at the inlets to the pipes to prevent waste to enter the storm water system. Relatively large areas are required for detention facilities, land which is not available at the Beach Front. The provision of grids is recommended although they will increase maintenance and operational costs.

The following project has been identified in the SDF :

- Develop a Storm Water Master Plan for Jeffreys Bay.

▣ Electricity and Communication

⇨ *Electrical Distribution Network*

Due to the age of this network, the above-ground level plant requires a substantial amount of cleaning-up and maintenance/refurbishment to make it aesthetically more acceptable, to improve performance and reliability, and to meet all safety requirements.

The network has sufficient capacity to meet the present demand and any alterations that may be required to the street / area lighting installations but will require upgrading when especially further commercial development takes place within the CBD. This is most likely to happen when the regeneration of the CBD takes place.

The 50 mm², copper cored, 11 000-volt cables with a thermal rating of ± 2,9 MVA, will not have sufficient capacity to meet future demands. It is expected that this cable will need replacement with at least a 150 mm² copper or 240 mm² aluminium cable to provide a capacity of ± 5 MVA. The alternative is to lay a second 11 000-volt cable through the area to supply any additional miniature substations which may be required.

More and/or upgraded substations will most likely also be required to meet the demand. The additional substations can then be placed closer to the new load points and thus negate the need for long Low Voltage cables from existing substations, which are not so cost and energy-efficient.

The additional load can take the form of upgraded and new commercial buildings, blocks of flats, pump stations, etc.

It is expected that more power points (pillars or kiosks) will be required in terms of the urban regeneration plan for seasonal trade stalls, X-mas lighting, etc.

Corrosion will have to be removed from some of the min- subs.

The following project has been identified in the IDP :

- Upgrade Main Supply from Humansdorp to Jeffreys Bay (will improve the security of electricity supply to the CBD area).

⇨ *Street / Area Lighting Installations*

These installations are generally in a poor condition, which together with the cable network supplying the power, will require near-total replacement to meet the standards required for this project.

Reasons for the replacement of these installations are :

- The installations were extended and repaired over a long period resulting in inconsistent pole and luminaire (light fitting) types, which do not comply with a common theme.
- Some poles are severely corroded and not plumb.
- The lighting from poles on which floodlights are mounted overlaps the lighting from area lights mounted on lower height poles, making the latter lights obsolete.
- There are a substantial number of dark spots (inadequate lighting levels).
- The installations are not conducive to the theme (contemporary style) proposed for this project.

The following project has been identified in the SDF :

- Installation of lights along a new walkway between Dolphin Beach and the Caravan Park

⇨ *Communication*

The upgrading of the CBD was not discussed in great detail with Telkom, since it is difficult to predict at this stage what the extent of future development and the demand for communication and data transfer will be in the CBD, however it can safely be assumed that upgrading will be required in the future, particularly in the field of optic fibre cabling and the implementation of various new IT technologies.

An additional service to be considered is the installation of a private or municipal operated radio/music/public announcement (sound) system, where the loudspeakers are fitted in the street/area light poles and the broadcast takes place from a centrally located station in the CBD. This will be of particular value for the beachfront area.

If the system is not wireless, the speakers must be interconnected with the station via underground cables drawn into sleeves.

5.0 Transport and Parking

5.1 Movement

This refers to all types of movement to and through the study area.

The key link between physical and social activity is movement. Physical activity is defined as movement by vehicle, pedestrian or non-motorised transport, either to the CBD as a destination or through the CBD to somewhere else. Several sources suggest that there are two types of movement and it is important for successful places that there is a healthy balance between them: through movement and, destination travel and a balance of the two is required.

Social activity is what is then a product of this such as people shopping or using public facilities or taking part in an activity or meeting other people.

Generally, the more connected (also sometimes described as 'accessible') a place is, the more movement potential a place has for a higher number of people.

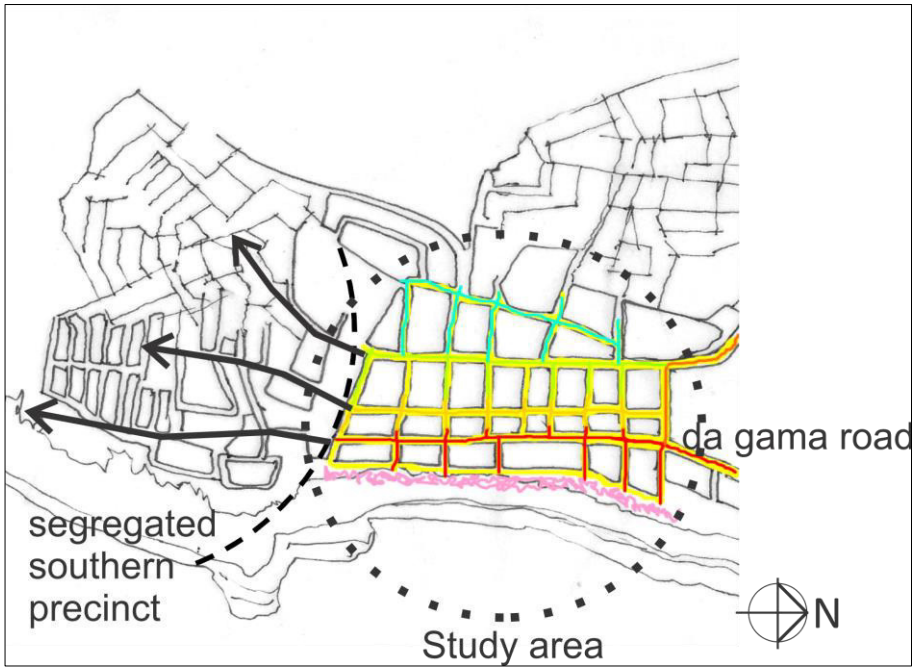
In most successful towns, these movement routes develop more naturally, they define the places, and the built environment develops around them. In artificially over-planned cities, it often happens the other way around and tends to generate sterile, inefficient and unauthentic places.

So, the deliberate "overlapping" of physical and social activities and the movement routes create an system integrating the functional aspects of the system with the other aspects such as socialising and recreation that can happen everywhere (especially on the streets) rather than in dedicated zones.

Finally, a very important general rule is that movement routes need to link into the macro scale as well as on the microscale for places to maximise their ability to be healthy destinations and through routes.

Presently the streets of the project area in the Jeffreys Bay CBD can be characterized by :

- High through vehicular traffic.
- Significant destination traffic to commercial, entertainment and retail facilities.
- Car traffic and parking predominate.
- Poor pedestrian facilities.
- No traffic calming.
- Relatively unfriendly environment for pedestrians.
- Poor road safety.
- Underused road space.
- A mix of pedestrian and vehicular traffic.
- The high concentration of pedestrian movement along the beachfront and on Da Gama Road. This concentration fluctuates seasonally.
- Vehicular concentration along Da Gama Road is high. This is specifically high in the high season when significant roadblocks are experienced.
- The parking is distributed relatively evenly throughout the system (in the form of off-street and on-street parking) with a particularly large concentration on the northern edge of the beachfront in the form of large parking lots.



Plan 8: Concept Location Plan of the southern end of the study area describing the end of the grid of streets at the buffer zone between the traditional CBD and the suburb of Pellsrus to the south



Plan 9: Concept diagram showing the levels of connectivity to the macro context

There are noticeable important cross streets between key activities on Da Gama Road eastwards to the beachfront. These are very important for the study area as they connect key public recreation beach activities to the more commercial activities of Da Gama Road.



Plan 10: Concept diagram describing 'active facades' and the relationship to the side streets

Notes on the diagram above :

- There are noticeable important cross streets between key activities on Da Gama Road eastwards to the beachfront. These are very important for the study area as they connect key public recreation beach activities to the more commercial activities of Da Gama Road.
- The important cross streets identified above are :
  - From the 'Billabong Village' area eastwards. It is noted that this is over private property and that the lower ned of this is, as of early 2021, closed by a gate. This cross street also gives view to the lighthouse in the distance.
  - The one way vehicular traffic roads on either side of the Shell Museum.
  - Various side streets that allow movement from the Municipal Offices area on Da Gama Road eastwards towards the beach.

5.2 Background and Principles

This precinct plan project also provides for the improvement of the existing traffic and transportation situation in the Jeffrey's Bay CBD. The transportation network, both motorized and non-motorized, was assessed in order to identify transportation problems and needs, which in turn provides input to the formulation of appropriate improvement measures that will benefit urban renewal of the precinct.

In terms of transportation, this project focusses on improved access and facilities for pedestrians, whilst limiting vehicle access and parking to some extent, within the CBD. In addition, given that that traffic volumes during peak holiday periods increase by approximately 150% compared to normal periods, an assessment of the operation of key junctions in the precinct has also been conducted, based on 12-hour weekday traffic surveys conducted as part of the Road Asset Management System for the Sarah Baartman District Municipality. This assessment will provide input into those traffic management measures may that be required to mitigate increased traffic volumes in the precinct.

The proposed changes are thus geared towards an improved environment in which businesses and residents can operate through the optimization of available road space and improved traffic operations and safety for all road users.

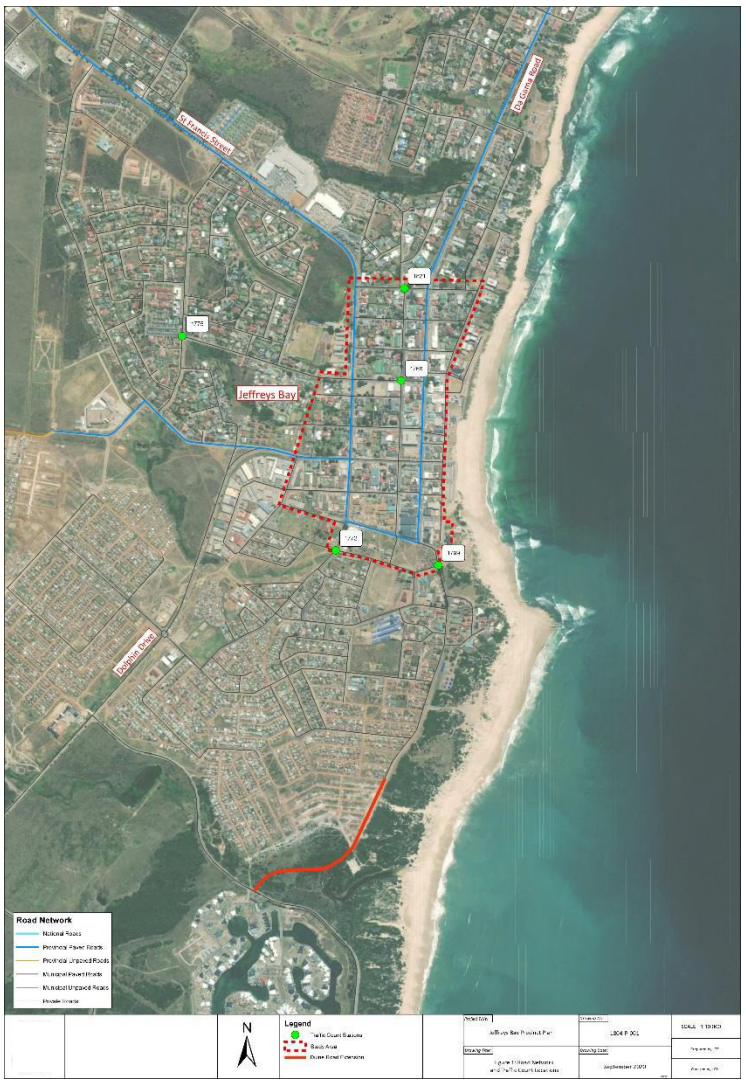
5.3 Road Networks

5.3.1 Existing Road Network

The existing road network in the Precinct consists of provincial (2.27km) and municipal (6.43km) roads.

Da Gama Road, St Francis Drive, Duine Street are a part of proclaimed Provincial Main Road MR00389, while a portion of Woltemade Street west of St Francis Street is part of proclaimed Minor Road MN50027.

All other roads are in municipal ownership - approximately 75%. The roads classified by authority are indicated on the plan below.



The main roads in the precinct are described in further detail below. The posted speed limit along all roads is 60km/h.

- **Da Gama Road (MR00389)**

  Da Gama Road is classified as a Class U3 minor arterial road from a functional perspective in terms of *TRH63: South African Road Classification and Access Management Manual (RCAM)* and is the main mobility and access link into the precinct from Port Elizabeth to the north and east via the N2 and R102. In the precinct Da Gama Road runs in a north-south direction through an urban environment and provides access to numerous adjacent properties and land uses. It also functions as the main road in the CBD precinct.

  Da Gama Road is a surfaced single carriageway road with one traffic lane in each direction. In the CBD, sidewalks and parking (on-street and off-street) are present on either side of the road. Three pedestrian crossings are located between De Reyger Street and Duine Road.

- **St Francis Road**

  St Francis Road forms part of MR00389, a provincial main road and the main access and mobility link that connects Jeffrey's Bay to the National Road (N2) and R102 to the west and to Aston Bay to the southwest via Koraal Street. It is also classified as a Class U3 minor arterial road in terms of RCAM and is located on the western edge of the CBD precinct and runs parallel to Da Gama Road, providing access to a mix of residential and commercial properties as well as the Jeffreys Bay Primary School.

St Francis Road is surfaced with one traffic lane in each direction, apart from a short left-turn lane approaching De Reyger Street from the north and has barrier kerbs along its full length. The section south of De Reyger Street has a sidewalk on the eastern side, whilst limited parking (on-street and off-street) is present along the road.

Pedestrian crossing facilities are limited to one crossing located in front of the Jeffrey's Bay Primary School, and one raised crossing on the southern leg of the St Francis Road / Woltemade Street intersection. The existing road surface, road markings and road signs are considered to be in a moderate condition.

- **Duine Road**

Duine Road is located on the south edge of the CBD precinct. The road provides an interface between the CBD precinct and the Pellsrus residential suburb to the south. Limited property access is provided along both sides although there is limited development on the south side. Access is provided to a community sporting facility via Johnny Lombaard Street. The extension of Duine Road to the south also serves as access to the Pellsrus area along the beachfront.



Duine Road is a surfaced single carriageway road with one traffic lane in each direction and mountable kerbs along each side. There are no pedestrian sidewalks along the road.

- **De Reyger Street**

De Reyger Street is a class U4 collector-distributor street along the north edge of the precinct providing a link between St Francis Road and Da Gama Road. Given its location, it serves as an important link for traffic approaching from the west destined for the Wavecrest area to the north of the precinct area and vice versa. Besides providing a mobility function, the road also provides access to residential properties, businesses and shops located along its length. The busiest section of De Reyger Street is between Da Gama Road and St Francis Road, which is a popular route used by motorists when travelling between the western and northern areas of Jeffrey's Bay.

- **Woltemade Street**

Woltemade Street is located to the south of the CBD and runs in an east-west direction between Diaz Road and Koraal Street, providing access to adjacent residential and commercial properties. It links into Koraal Street which provides access to residential areas to the west and the south, including Aston Bay and Paradise Beach via Dolphin Road.

Woltemade Street is a surfaced single carriageway road with one traffic lane in each direction. Limited sidewalks and on-street parking are present along the road, whilst no pedestrian crossing facilities are present.

- **Jeffrey Street**

  Jeffrey Street is located to the west of the CBD and runs parallel to Da Gama Road in a north- south direction, providing access to residential properties, businesses and shops located along its length.

  Jeffrey Street is a surfaced single carriageway road with one traffic lane in each direction.

  Limited sidewalks are present and pedestrian crossing facilities are limited to uncontrolled crossings at the Schelde Street intersection. A number of parking bays (on-street and off-street) are present on either side of the road

- **Diaz Road**

  Diaz Road is located to the east of the CBD providing access to the properties and parking areas located along the main beachfront area.

  Diaz Road is a surfaced single carriageway road with one traffic lane in each direction. The section south of De Reyger Street has limited sidewalks, whilst parking (on-street and off- street) is present along the road.

  Pedestrian crossing facilities are limited to three locations on the raised brick-paved section in front of the Shell Museum, and one raised brick- paved crossing (uncontrolled) adjacent to the Supertube.

- **Oosterland Street**

  Oosterland Street is an east-west oriented street between Diaz Road and St Francis Street providing access to adjacent residential and commercial properties.

  Oosterland Street is surfaced with one traffic lane in each direction. Parking in various configurations is provided in the verge areas between Da Gama and Jeffrey Streets. From Jeffrey Street to St Francis Street verges predominantly accommodate parking interspersed with landscaped areas. Paved walkways are present along some sections.

- **Schelde Street**

  Schelde Street is an east-west oriented street between Diaz Road and St Francis Street providing access to adjacent residential and commercial properties.

  Oosterland Street is surfaced with one traffic lane in each direction. Parking in various configurations is provided in the verge areas between Diaz Road and Jeffrey Streets. From Jeffrey Street to St Francis Street parking is provided both on-street and on verges depending on the adjacent land use. No continuous paved walkways are provided.

- **Goedehoop Street**

  Goedehoop Street is an east-west oriented street between Da Gama Road and St Francis Street. In the CBD it provides access to adjacent residential and commercial properties. It links into Nautilus to the west of CBD.

Goedehoop Street is surfaced with one traffic lane in each direction. Parking in various configurations is provided in the verge areas between Da Gama and Jeffrey Streets. From Jeffrey Street to St Francis Street verges predominantly accommodate parking interspersed with landscaped areas. Paved walkways are present along some sections.

West of St Francis Street, on-street parking is provided on the north side to serve the adjacent church and primary school.

- **Ferreira Street and Swart Street**

Ferreira Street and Swart Street are two-way north-south oriented access streets that provides access to leisure and residential properties along the beachfront.

- **Salamander Street**

Salamander Street is a narrow east-west oriented street operating one-way from Jeffrey Street to St Francis Street providing access to adjacent residential and commercial properties and the minibus-taxi rank.

Neither parking nor sidewalks are provided along the street. West of St Francis Street the road serves predominantly residential properties.

- **Beverland Street**

Beverland Street is an eastbound one-way street from Da Gama Road to Diaz Road. Parking and sidewalks are provided along its length. The street forms part of a one-way pair with Oosterland Street to improve traffic flow in the beachfront area.

- **Drommedaris Street**

Drommedaris Street is an east-west oriented street between Da Gama Road and Seaviews Holiday Resort. In the CBD it provides access to adjacent commercial properties. To the west of St Francis Street, it provides access to residential properties and Seaviews Holiday Resort.

Drommedaris Street is surfaced with one traffic lane in each direction. Parking in various configurations is provided in the verge areas between Da Gama and St Francis Street. Neither parking nor sidewalks are provided west of St Francis Street.

- **Johnny Lombard Street**

Johnny Lombard Street is a north-south oriented link between Duine Road and Tornyn Street. The road is surfaced and is 5m wide with no parking nor sidewalks.

- **Pell Street and Tornyn Street**

Pell and Tornyn Street are both east-west oriented streets on either side of an underdeveloped residential area on the southern edge of the precinct. The roads are both surfaced and are 5m wide with no parking nor sidewalks.

- **Prospect Street**

Prospect Street is a north-south oriented street on the western edge of the precinct that provides access to industrial land uses. The street is a two-way surfaced road with parking provided along the verge in front of the industrial properties.

5.3.2 Future Road Network

The transport network in the precinct area is likely to be significantly impacted by the future extension of Duine Road to the Northern Access road (Marina Martinique access), which will provide a more direct link between Da Gama Road and Marina Martinique and Aston Bay.

5.3.3 Road Conditions

Road conditions in the precinct area were assessed during February 2020 as part of the Road Asset Management System currently being prepared by Engineering Advice and Services on behalf of the Sarah Baartman District Municipality. The table below indicates the road conditions for provincial and municipal surfaced roads in the precinct area.

Condition	Municipal		Provincial	
	Length (km)	Percentage (%)	Length (km)	Percentage (%)
Very Good	1.13	17.55%	0.00	0.00%
Good	3.92	61.00%	0.78	34.27%
Fair	1.38	21.45%	1.30	57.23%
Poor	0.00	0.00%	0.19	8.50%
Very Poor	0.00	0.00%	0.00	0.00%
Totals	6.43	100.00%	2.27	100.00%

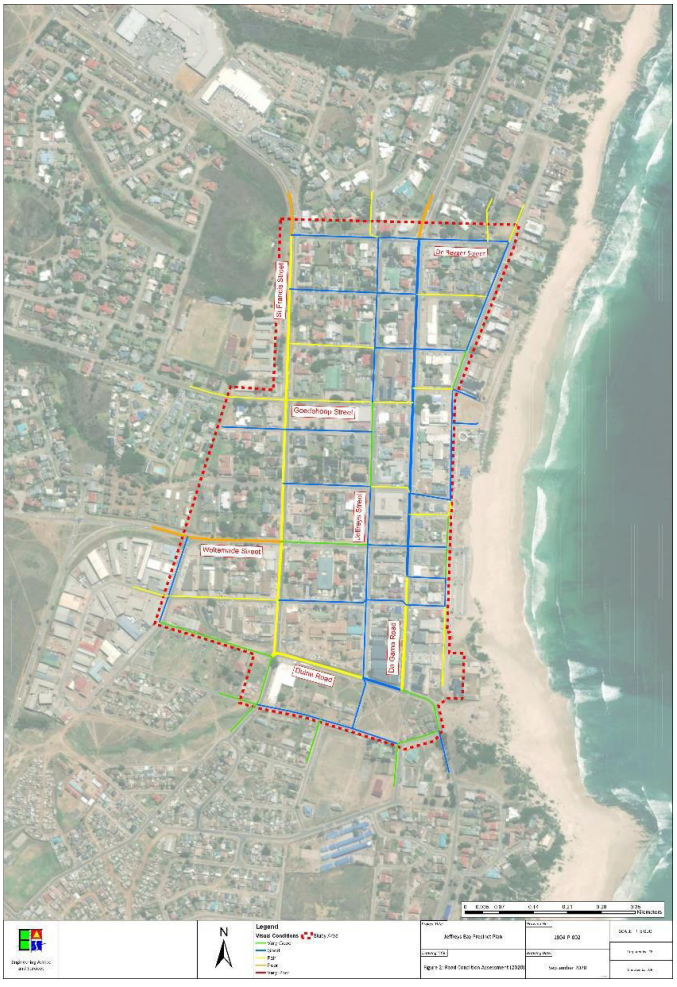
Table 1 : Condition Index – Traffic Management Plan Study Area - Surfaced Roads

The municipal roads in the precinct area are all in "Fair" or better condition.

The provincial roads are classified as being in Poor (8.5%), Fair (57.23%) and Good (34.27%) condition.

It is a heartening that all the municipal roads are rated fair or better. It is important that preventative maintenance is undertaken in order to ensure that roads do not deteriorate further which would lead to rehabilitation and in some cases reconstruction.

Of concern is that the provincial roads, particularly Da Gama Road and St Francis Street, which are the main access roads into the precinct and as such carry higher traffic volumes, are in a much poorer condition.



As part of the RAMS project, a maintenance plan is being prepared indicating the interventions required to improve these roads. These interventions will include reseals (resurfacing) and rehabilitation (repair of base layers where necessary). The Kouga LM will determine their maintenance requirements based on this Plan.

5.4 Existing Traffic Flow & Movement

Since Jeffrey's Bay is a popular tourist destination, traffic volumes fluctuate substantially throughout the year. During peak holiday periods traffic volumes can increase by approximately 150% with all the main roads in the CBD precinct (Da Gama Road, Diaz Road and Jeffrey Street), as well as the main CBD access roads (Da Gama Road, St Francis Road and Woltemade Street) experiencing very high traffic volumes. During these periods, localised traffic congestion does occur at numerous intersections, but this is only temporary.

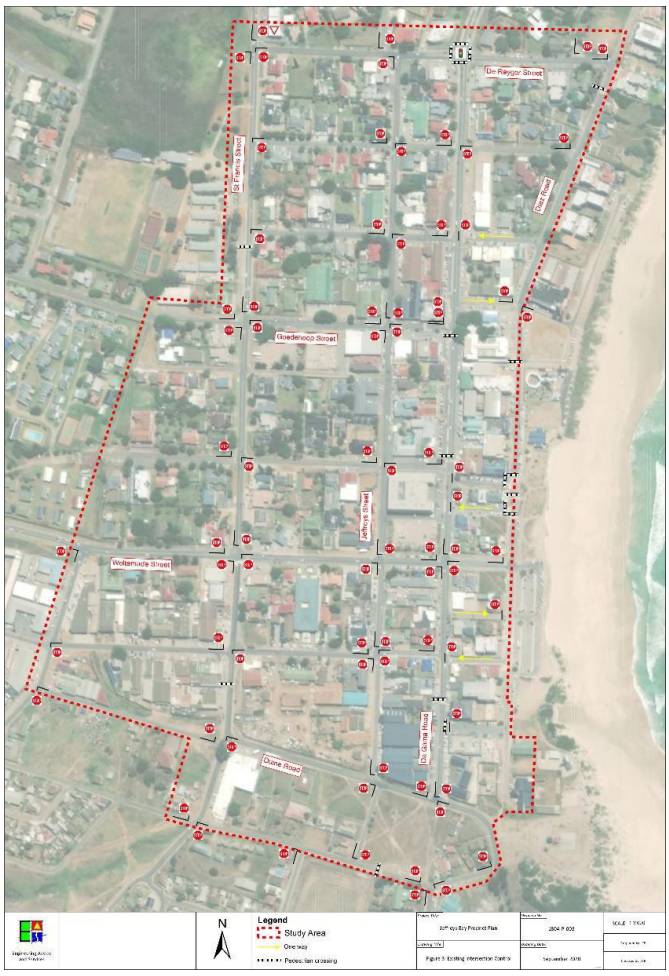
During holiday periods, high pedestrian volumes are also evident, especially in the CBD area, thus adding to the overall congestion of the CBD. Given the lack of facilities for pedestrians, particularly at some junctions, safety can be a concern.

Outside of holiday periods the traffic volumes and pedestrian movements in the CBD are considered to be relatively low.

5.4.1 Traffic Control

The plan indicates the control configuration of the junctions and the direction of flow (two-way / one-way) along the streets in the precinct area. Apart from the Da Gama Road / Reyger Street junction, all other junctions are priority controlled.

The Da Gama Road / De Reyger Street signals are controlled with a pre-set signal phasing plan and utilize vehicle detection loops on the approach lanes.



5.4.2 Traffic Flow

Traffic volumes at strategic intersections in and adjacent to (that would impact on) the Precinct Plan area were recorded over 12-hr periods from 06:00 to 18:00 during March and April 2019 as well as September / October 2020 as part of the RAMS currently being prepared by EAS on behalf of the SBDM.

The study area is urban in nature, constant traffic volumes throughout the day and high flows into the precinct from the surrounding residential areas during the morning peak period and back out during the evening peak period.

The total surveyed volumes passing through the count stations in the precinct are summarized in the graph below. The graph indicates the distribution of traffic flow throughout the day.

What is evident is that there are peaks between 07:00 and 08:00, 10:00 and 11:00 and 17:00 and 18:00.

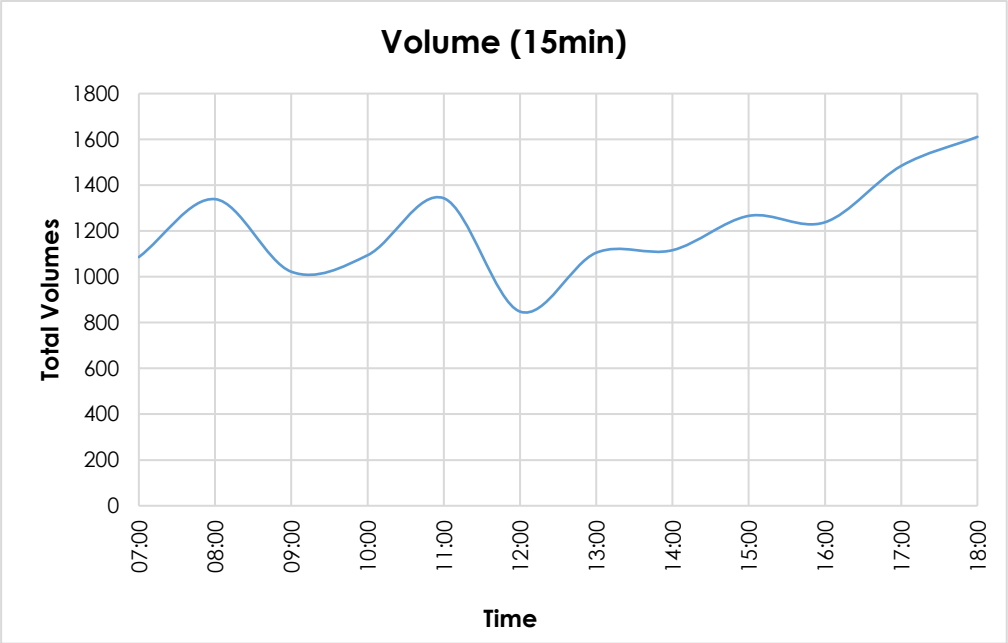


Figure 18 : Hourly Traffic Distribution

5.4.3 Traffic Composition and Distribution

The traffic count data indicates the approximate ranges of traffic volumes on the roads in the Precinct Plan area as a guide. Note that it is not possible to accurately determine volumes on all links without conducting extensive junction and link surveys.

Current traffic volumes consist of light, medium and heavy private vehicles as well as minibus-taxi vehicles. The results of the surveys indicate that approximately 2.4% of traffic recorded in the precinct area is heavy vehicle traffic. These volumes are within expected ranges.

A further 15.4% of recorded vehicles are minibus-taxis.

Heavy vehicle traffic impacts on the condition of the road network, particularly if the condition is already poor. It is then a matter of time before a road would need to be completely reconstructed.

5.4.4 Traffic Flow Variation

Capacity analysis of the junctions at which traffic volumes have been surveyed has also been conducted to indicate the level of service at these junctions, both during normal and peak season periods.

Given that the focus of this study is to assess the impact of operation of the three affected junctions with peak holiday season traffic in Jeffreys Bay, it is necessary to either source peak season volumes or apply an expansion factor to escalate normal traffic to peak season volumes.

Normal traffic is traffic that occurs on a typical weekday during a school term, while peak season traffic is traffic that occurs during the peak holiday periods – normally Easter, June/July and Christmas/New Year.

The approach used to expand normal traffic volumes is explained in the research paper Quantification of the Natural Variation in Traffic Flow on Selected National Roads in South Africa. This approach uses a Modification Factor to expand surveyed peak hour traffic volume to a required peak season peak hour making use of variations in traffic flow at a nearby permanent count station.

Traffic data at a permanent SANRAL count station on the N2 at the Jeffreys Bay interchange (Station 729) was sourced for the 2019 year (See monthly averages for the year in Figure below). The relationship between the data at this station on the same day as the peak hour traffic counts conducted in the precinct area and peak season December data was used to modify the surveyed peak hour traffic to represent peak season traffic volumes at the surveyed junctions.

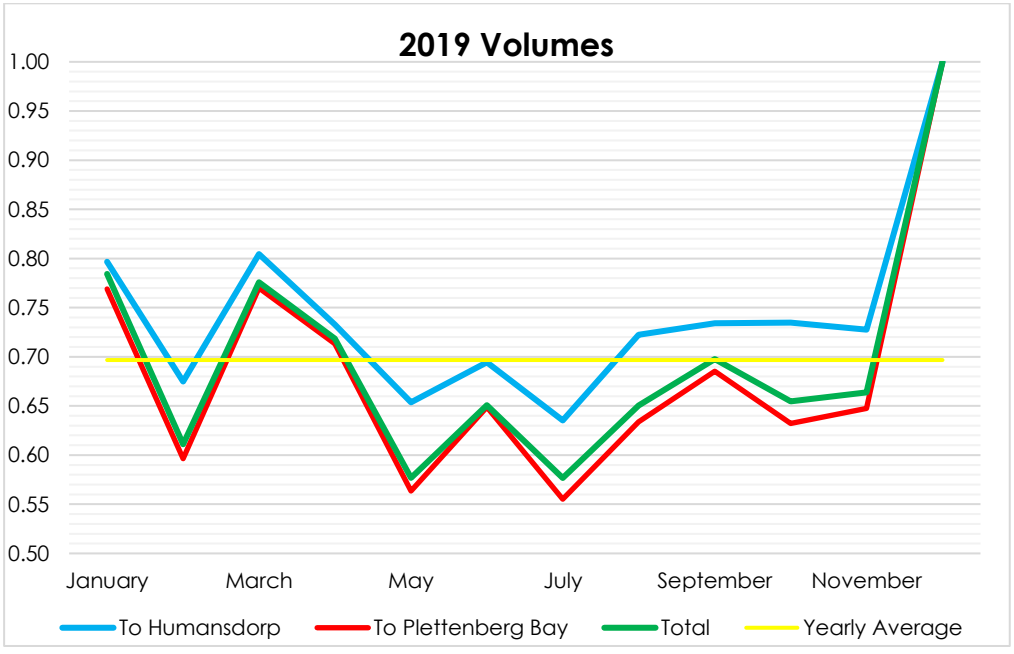


Figure 19 : 2019 Traffic Volume Variation (27 Dec = 100%)

Analysis of the N2 data throughout the year indicates that on average in May 2019 the N2 volume equates to 58% of the highest recorded daily volume on the N2 - which occurs on 27 December. The corresponding volumes when the stations were counted on 21 May were 36% of the December peak.

Over the 2019 Easter weekend, volumes reached 90% of the December period with an average in April of 72%.

During the July 2019 Winter Festival, volumes averaged 58% of the December peak.

Given the above, it is assumed that the intersection count volumes surveyed on 21 May 2019 would also represent 36% of the peak season volume (December).

5.4.5 Junction Operation (Capacity Analysis)

Level of Service (LOS) is defined as the operating condition that may occur at an intersection when it accommodates various traffic volumes. LOS is a qualitative measure of the effect of speed, travel time, traffic interruptions, freedom to manoeuvre, safety, driving comfort and convenience, and operating costs. The LOS applicable to intersections under various control conditions, as defined in the Highway Capacity Manual are indicated in the Table below.

Level of Service	Control delay per vehicle in seconds (d) (*including geometric delay*)	
	Signals and Roundabouts	**Stop Signs and Yield Signs**
A	d ≤ 10	d ≤ 10
B	10 < d ≤ 20	10 < d ≤ 15
C	20 < d ≤ 35	15 < d ≤ 25
D	35 < d ≤ 55	25 < d ≤ 35
E	55 < d ≤ 80	35 < d ≤ 50
F	80 < d	50 < d

Table 2 : Level of Service Definitions for Vehicles (Highway Capacity Manual (3) Method)

The capacity analysis was undertaken using the SIDRA Intersection 9 capacity analysis method. The results are shown in tables below.

Intersection	Delay (s)		V/C		LOS	
	AM	**PM**	**AM**	**PM**	**AM**	**PM**
1821 – De Reyger St / Jeffrey St	1.4	2.3	0.118	0.111	A*	A*
1766 – Nautilus St / Goedehoop St	16.2	15.8	0.289	0.329	C*	C*
1775 - Goedehoop St / Jeffrey St	8.2	79	0.206	0.149	A*	A*
1772 – Seekoei Road /Tornyn St	4.0	6.5	0.112	0.260	A*	A*
1799 – Duine Rd / Tornyn St	7.8	7.7	0.078	0.045	A*	A*
St Francis Dr North of De Reyger St	0.0	0.0	0.174	0.251	A*	A*

Table 3 : Results of Intersection Capacity Analysis – Surveyed Traffic Volumes

* - SIDRA Intersection Network does not calculate intersection LOS for stop-controlled intersections. The LOS indicated is sourced from the Highway Capacity Manual.

As can be seen from the results contained in Table 3, no problems are currently experienced at the affected intersections in terms of capacity.

The 2019 surveyed volumes were adjusted to reflect peak season volumes whereafter capacity analysis was again conducted to indicate whether the surveyed junctions are able to operate adequately during peak season periods.

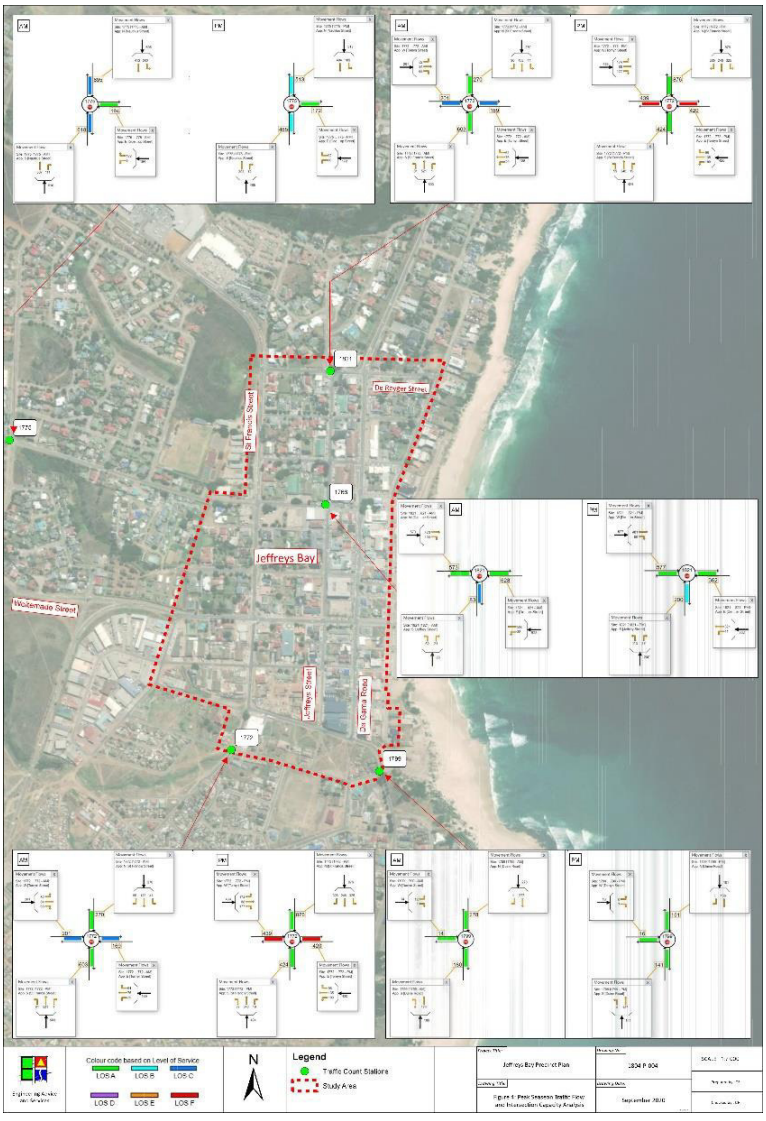
Intersection	Delay (s)		V/C		LOS	
	AM	PM	AM	PM	AM	PM
1821 – De Reyger St / Jeffrey St	3.1	3.7	0.407	0.387	A*	A*
1766 – Nautilus St / Goedehoop St	35.3	41.7	0.843	0957	E*	E*
1775 - Goedehoop St / Jeffrey St	17.7	10.6	0.876	0.533	C*	B*
1772 – Seekoei Road / Tornyn St	9.2	246.2	0.581	>1.000	A*	F*
1799 – Duine Rd / Tornyn St	8.0	7.9	0.224	0.132	A*	A*
St Francis Dr North of De Reyger St	0.1	0.3	0.501	0722	A*	A*

Table 4 : Results of Intersection Capacity Analysis – Peak Season Volumes

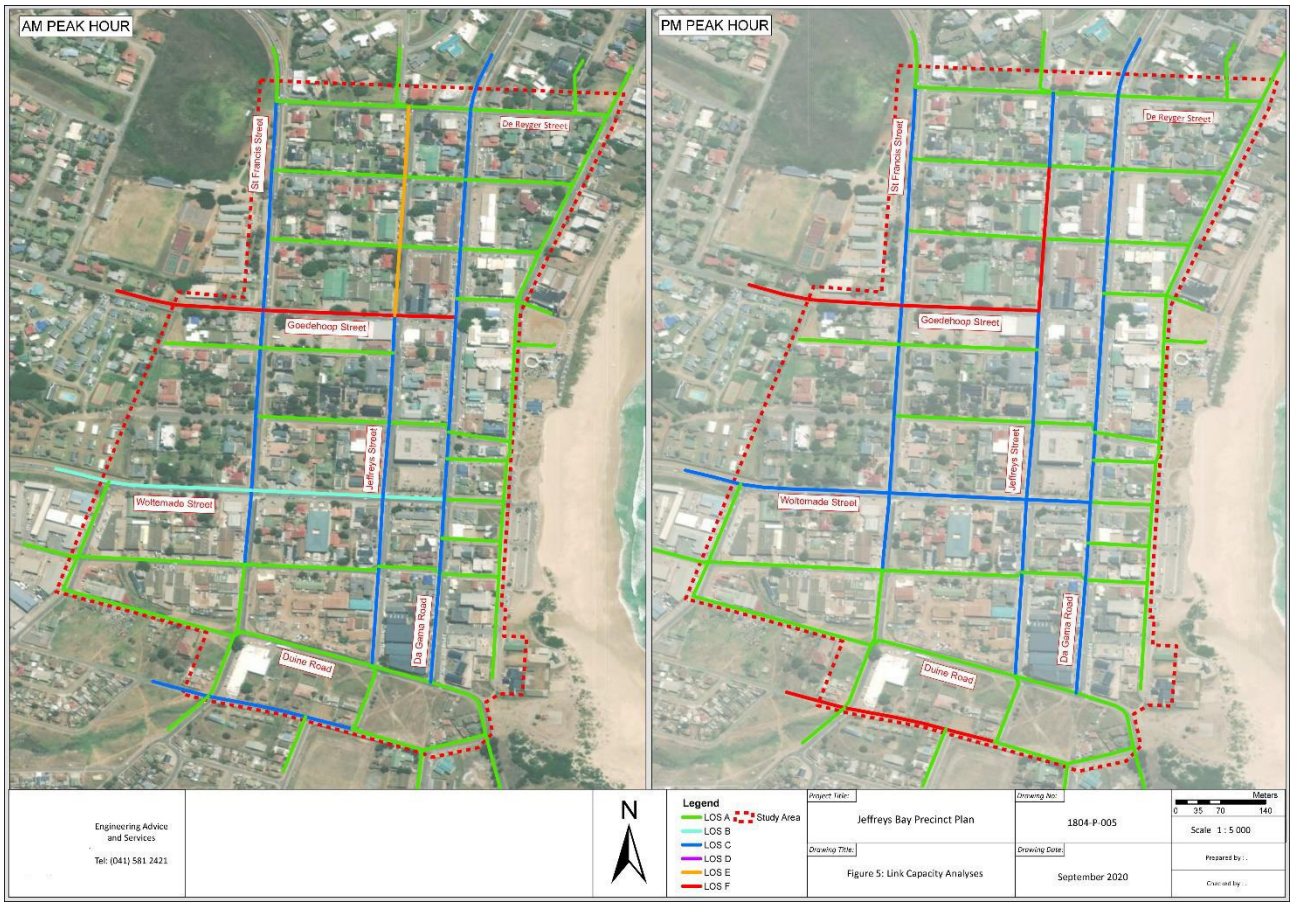
* - SIDRA Intersection Network does not calculate intersection LOS for stop-controlled intersections. The LOS indicated is sourced from the Highway Capacity Manual.

Analysis for the peak season volumes indicates that LOS deteriorates at stations 1766, 1775 and 1772.

The plan indicates the LOS for each approach leg to the surveyed junctions for Peak Season traffic flow.



Based on this analysis, the LOS has been extrapolated to the rest of the network as indicated on the plan below.



5.5 Pedestrian Movement

As discussed above, the precinct area does not provide a pleasant and safe experience for pedestrians. Pedestrian facilities are minimal, with pedestrians competing with parking bays, parking area access ways and delivery accesses.

Sidewalks are not uniform in width and are also disjointed with numerous level differences.

5.6 Parking / Loading

Parking is provided in the CBD area as indicated on the plan. This includes on-street parking areas (parallel and angled bays), off-street parking areas, loading bays and parking for tour buses, as indicated in the following tables overleaf.



Roads and Parking – Vertical Roads

ROAD	EXISTING	
Diaz Road	Dedicated parking bays	170
	Disabled Bays	5
	Bulk overflow parking	3 Assume 200
	Loading zones	3
	Bus parking	0
	Total	378
Da Gama Road	Dedicated parking bays	177
	Disabled Bays	10
	Bulk overflow parking	Assume 100
	Loading zones	10
	Bus parking	0
	Total	
Jeffreys Street	Dedicated parking bays	231
	Disabled Bays	6
	Bulk overflow parking	0
	Loading zones	4
	Bus parking	0
	Total	241

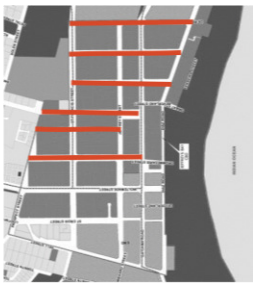
ROAD	EXISTING	
St Francis Street	Dedicated parking bays	61
	Disabled Bays	0
	Bulk overflow parking	4 Assume 250
	Loading zones	0
	Bus parking	4
	Total	315
Prospect Street	Dedicated parking bays	0
	Disabled Bays	0
	Bulk overflow parking	Assume 150
	Loading zones	0
	Bus parking	0
	Total	150



Roads and Parking – Horizontal Roads

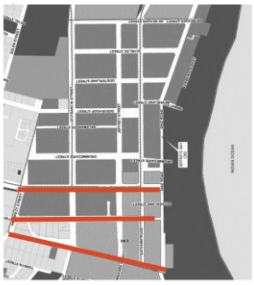
ROAD	EXISTING	
De Reyger Street	Dedicated parking bays	20
	Disabled Bays	0
	Bulk overflow parking	0
	Loading zones	0
	Bus parking	0
	Total	20
Schelde Street	Dedicated parking bays	100
	Disabled Bays	2
	Bulk overflow parking	0
	Loading zones	0
	Bus parking	0
	Total	102
Oosterland Street	Dedicated parking bays	50
	Disabled Bays	0
	Bulk overflow parking	0
	Loading zones	0
	Bus parking	0
	Total	50

ROAD	EXISTING	
Goedehoop Straat	Dedicated parking bays	65
	Disabled Bays	4
	Bulk overflow parking	0
	Loading zones	5
	Bus parking	0
	Total	74
Salamander Street	Dedicated parking bays	5
	Disabled Bays	1
	Bulk overflow parking	1 Assume 50
	Loading zones	0
	Bus parking	0
	Total	56
Drommedaris Street	Dedicated parking bays	72
	Disabled Bays	3
	Bulk overflow parking	0
	Loading zones	0
	Bus parking	0
	Total	75



Roads and Parking – Horizontal Roads

ROAD	EXISTING	
Woltemade Street	Dedicated parking bays	60
	Disabled Bays	1
	Bulk overflow parking	0
	Loading zones	3
	Bus parking	0
	Total	64
St Croix Street	Dedicated parking bays	30
	Disabled Bays	1
	Bulk overflow parking	Assume 300
	Loading zones	0
	Bus parking	0
	Total	301
Duine Street	Dedicated parking bays	10
	Disabled Bays	0
	Bulk overflow parking	0
	Loading zones	0
	Bus parking	0
	Total	10



The following table summarizes comments and recommendations previously raised by Interested and Affected Parties.

No.	Issue	Comment	Recommendations
1	*Make provision for tour buses and tour bus parking areas.*	Tourism is vital and should be a growth industry in Jeffrey's Bay.	Make provision for two or three tour bus bays at a suitable location, e.g. close to Tourism Office.
2	*Manage parking adequately.*	Parking can be managed by introducing metering or enforcement to ensure a turnover of parking. This benefits business, but not the holiday maker who wants to spend time on the beach, having lunch etc. During non-holiday periods, parking meters will not be effective and will probably be underutilised.	Recommended that parking meters not be introduced. A mixture of parking areas could be introduced with appropriate time restriction signage e.g. short term in Da Gamma adjacent to the shops and long term (or no control) further away or in side streets. This will require law enforcement.
3	*Retain and redevelop existing parking areas.*	Existing parking is "informal" on or off-street and not clearly demarcated.	Parking should be developed in appropriate areas. Parking areas should be properly demarcated (painted lines or other means) and signposted.
4	*Support reduced traffic movement and increased pedestrianisation.*	The existing environment is car dominated and there are poor or no facilities for pedestrians. The road reserves are wide and there is space for wide sidewalks and bump-outs (kerb buildouts) while still retaining some on street parking, loading bays and through traffic lanes.	It is recommended that the urban design retain some through traffic lanes and angled parking along the edges (not central herring bone as this creates congestion). Wide pedestrian walks and crossings should be provided.

No.	Issue	Comment	Recommendations
5	*Carefully consider street closures but maintain access to individual businesses.*	During the peak season, the traffic situation is chaotic and unsafe for the large number of pedestrians. However, the situation is different during the week and the off - season where some limited vehicular access still make sense and will in fact encourage locals to use the area without have to walk from remote parking areas.	Limited street closure is recommended while still retaining some vehicular access and parking. Possible peak season traffic management measures could be considered i.e. no vehicle access streets for periods except for delivery traffic.
6	*Ensure accessibility for Physically challenged and visually impaired persons.*	There is no provision for the physically challenged in the CBD. This makes it difficult or impossible for the physically disabled to access the area at all.	Proper consideration for universally accessible facilities is required. Stairs should be replaced with ramps, kerbs must have ramps at road crossing points, disabled bays must be provided and enforced. Tactile surfaces can be provided for the blind and a pedestrian crossing with signalised "buzzer" warning can be provided.

Table 5 : Summary of Parking Related Issues and Recommendations

5.7 Transport Shortfalls and Demand

The following transport related shortfalls have been identified within the study area:

- CBD has good vehicle access but poor pedestrian access
- Limited or no pedestrian and cycle facilities
- Limited pedestrian crossings with some having poor visibility
- No continuation of pedestrian facilities
- Some road infrastructure in a poor condition – particularly St Francis Street
- Limited public transport facilities
- On-street parking not clearly demarcated
- High number of on-street parking (angled & parallel)
- Fluctuating traffic volumes – 150% higher than the norm during holiday periods
- Poor traffic control
- Unsafe road environment for pedestrians

Some of the above shortfalls fall outside the scope of the urban renewal project and therefore require further investigation.

The following table summarizes comments and recommendations that address general transport related concerns previously raised by Interested and Affected Parties (I & AP's).

No.	Issue	Comment	Recommendations
1	*Implement dual functional streets, i.e. seasonal pedestrian vs. traffic accessibility.*	Some streets can well be closed on a temporary basis during special events like the Shell Festival.	It is recommended the urban design make provision for a designated area for special events. A traffic management plan can then be put in place for the limited period of the closure.
2	*Prioritize pedestrian safety.*	There are limited facilities for pedestrians in Da Gamma Road. During the peak season, there are lots of pedestrians crossing the roads and safety is a problem. Pedestrians are forced to walk in the street or between parked cars.	Strong and well-designed pedestrian links, sidewalks and crossings should be provided. Crossings could have special traffic calming measure on the approaches to improve safety.
3	*Prioritise access to Pellsrus and Tokyo Sexwale.* ***AND*** *Extend Da Gama Road towards Island Palm Drive to improve accessibility of southern areas.*	It is assumed that this means the extension of Da Gamma Road to the south of Duine Road. At present pedestrians cross the open space towards Harder Street. The area is untidy and there are no proper facilities or crossings over Duine Road.	This open space could be upgraded and a proper pedestrian link between Duine Road and Harder Street provided. A narrow road with strong traffic calming could be provided leading to some off-street parking (this is close to the factory shops in Da Gamma Street). A landscaped traffic circle could be provided at the intersection of Duine Road and Da Gamma Street.
4	*Include cycle and pedestrian-friendly routes and areas, incorporating the beachfront / boardwalk.*	At present the pedestrian links between Da Gamma Street and the Beachfront and along the beachfront are not well defined and there are poor or no facilities.	It is recommended that a network of pedestrian facilities and crossings be identified and proper facilities installed.

Table 6 : Summary of General Transport Related Issues and Recommendations

6.0 Synthesis and Key Development Issues

Seven development challenges and priorities are highlighted :

- Transport related issues
- Land use-related issues
- Maintenance and services issues
- Issues relating to the 'character' of the study area
- Safety and security issues
- Issues relating to the management of the study area and understating the roles and responsibilities of the various role-players
- Issues relating to funding and implementation

Key development challenges and priorities are :

- **Access, Parking and Transport**

  Some challenges and priorities include :

  - Make provision for tour buses and tour bus parking areas.
  - Manage motor car parking adequately.
  - Retain and redevelop existing parking areas.
  - Support reduced traffic movement and increase pedestrianisation.
  - Carefully consider street closures but maintain access to individual businesses.
  - Implement dual-functional streets i.e., seasonal pedestrian vs traffic accessibility.
  - Prioritise access to Pellsrus and Tokyo Sexwale suburbs.
  - Include cycle and pedestrian-friendly routes and areas, incorporating the beachfront and boardwalk.
  - Extend Da Gama Road towards Island Palm Drive to improve the accessibility of southern areas.
  - Ensure accessibility for handicapped and visually impaired persons.

- **Land Uses**

  Some challenges and priorities include :

  - Retain business activity and mixed-use.
  - Prevent decentralisation of business activity.
  - Accommodate street hawkers and traders during the season.
  - Adequately manage summer activities and open-air festivals/activities.
  - Multi-use activities and facilities for residents and tourists.
  - Re-assess the location of Municipal offices in the Shell Museum building.

- **Maintenance and Services**

  Some challenges and priorities include :

  - Upgrade La Mer Pump Station and Sewer system.
  - Facilities for solid waste management and removal.
  - Protect the beach's Blue Flag status.
  - General maintenance of infrastructure, sidewalks, roads and Municipal facilities.
  - Maintain sidewalks, grass cutting and refuse removal.

- **Development Theme and Character**

  Some challenges and priorities include :

  - Preserving the unique character of Jeffreys Bay and the CBD.
  - Establish a specific theme that can also become a tourist attraction.
  - Establish the Central Business District (CBD) as a destination.
  - Support surfing and activities traditionally linked to the Jeffreys Bay character.

- **Safety and Security**

  Some challenges and priorities include :

  - Improve security, cleanliness and management of car guards.
  - Implement law enforcement.
  - Stop vandalism and implement the vandal-proof infrastructure.

▣ **Management and Role Player**

Some challenges and priorities include :

- Implement hawkers policy and car guard management policy.
- Improve management of Shell Festival and other activities.

▣ **Funding and Implementation**

Some challenges and priorities include :

- Assess the possibility of a strong anchor tenant/hotel or other key development.
- Development and maintenance of Municipal properties.
- Explore options of funding through the Kouga Municipality, Provincial Departments and others.
- Urban renewal project in itself to create funding opportunities and identify sources.
- Kouga Development Agency to facilitate funding mechanisms.
- Explore public/private partnerships, special development areas, special rates areas and rates rebates.
- Establish a CBD management and upgrade forum committee.
- Kouga Municipality to show commitment by providing a CBD upgrade budget.
- Re-evaluate business properties and re-assess Municipal Tax ratio for CBD area.
- Prioritise urban renewal implementation.
- Minimise the impact of the construction and upgrading process.
- Create marketing strategy and branding.
- Implement incentives for individual building upgrade and maintenance.
- Include Jeffreys Bay in existing tourism routes, as part of a broader tourism management plan.

4 Chapter 4 : Spatial Development Framework

1.0 Background

The Spatial Development Framework proposals for Jeffreys Bay CBD comprises of the following components, i.e. :

- Spatial Directives and Vision
- Spatial Strategies and LSDF Drivers
- Structuring Elements
- Land Use Management Guidelines
- Urban Design Guidelines and Urban Regeneration
- Transportation and Movement Strategies
- Infrastructure Provision

The spatial vision is based on guiding principles and vision directives as derived from National Policy, SPLUMA and the outcome of the Situation Analysis.

The spatial concept unpacks structuring elements that guide spatial development within rural and urban areas. It further illustrates the spatial vision of the Municipality, with specific reference to the various structuring elements, i.e. :

- Macro Context and Function
- Built Environment and Heritage
- Development Nodes
- Edges, Thresholds and Gateways
- Movement and Corridors

The above structuring elements provide a spatial concept on which strategies can be formulated.

The spatial strategies relate to the location of development and where it should take place with land use guidelines in the various precincts. The spatial strategies further provide strategic guidelines for the change of land use, including densification and infill development, architectural guidelines circulated and services provision, and how new development or expansion should take place.

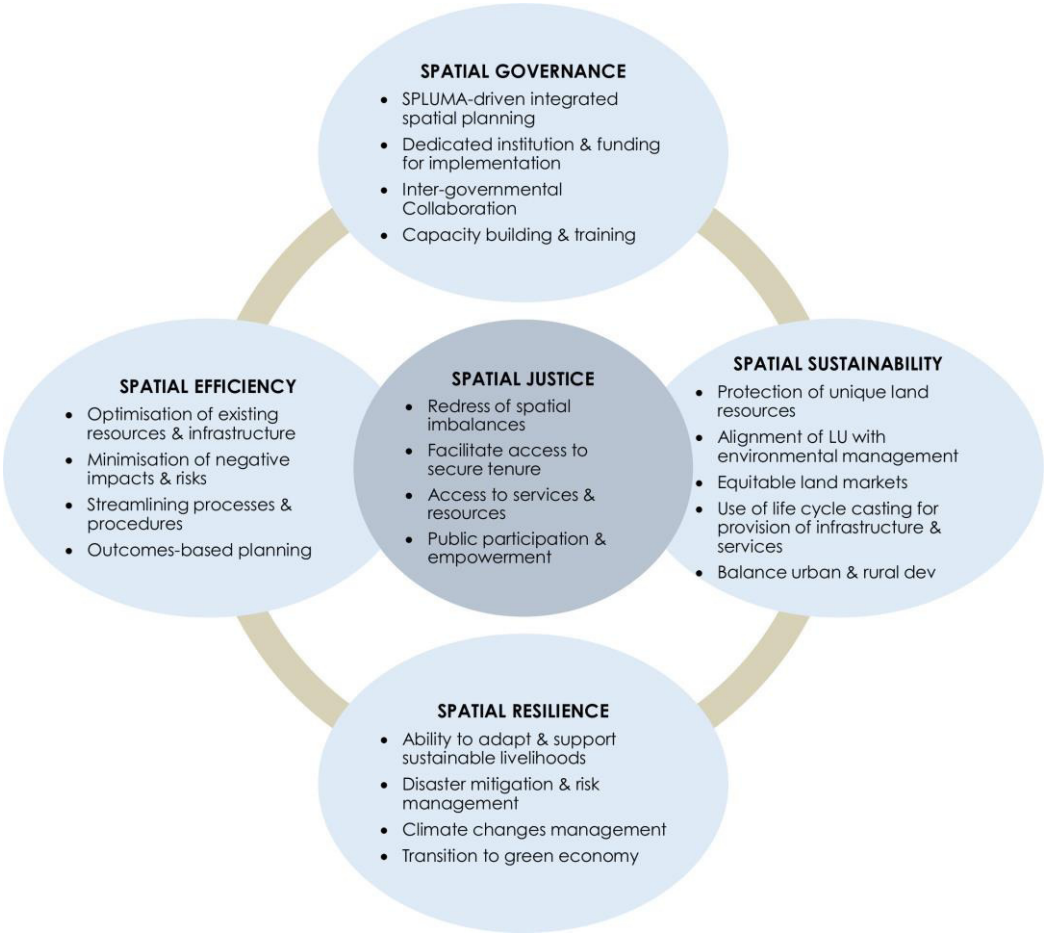
2.0 Spatial Vision

2.1 Vision Directives

- **SPLUMA**

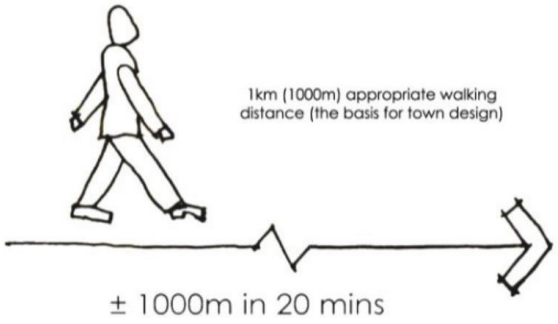
  The SPLUMA Founding Principles must guide preparation, adoption and implementation of the Local Spatial Development Framework, policy formulation concerning spatial planning and development or use of land. SPLUMA reinforces and unifies the National Development Plan's vision and policies by using spatial planning mechanisms to eliminate poverty and equality while creating conditions for inclusive growth by seeking to foster a high employment economy that delivers on social and spatial cohesion.

The Narrative Principles set out in SPLUMA and Chapter 8 of the NDP apply to the Jeffreys Bay CBD LSDF :



2.2 Settlement Planning Principles

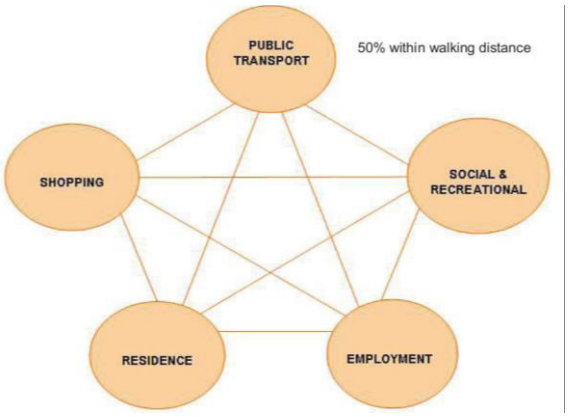
The spatial concept and strategies are driven by principles for settlement planning and urban development. Principles on good spatial practice should inform all deliberations on spatial planning as a golden thread from the start. The Settlement Planning Principles further refine the SPLUMA principles, norms and standards.

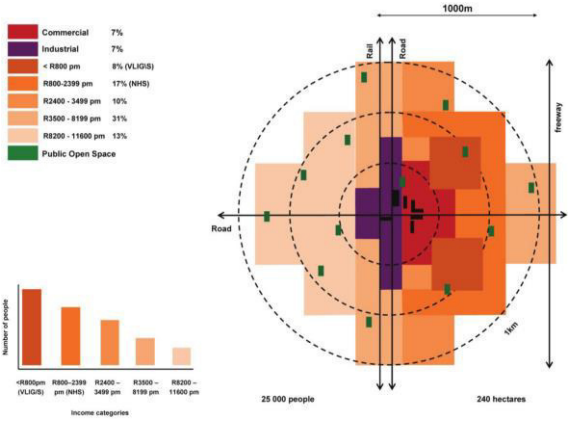


▣ Accessibility

The need to ensure that people have access to a variety of opportunities is implied in the SPLUMA principles. This requires an understanding of the relationships between different activities in terms of spatial proximity (close and far), access and time. In the past accessibility has mostly been considered in terms of travel time in private vehicles.

However, this measurement is not only environmentally unsustainable, as it is mostly dependent on access to private motor vehicles but also reflects a denial of the reality that the majority of our citizens do not have private vehicles, may not always be able to afford public transport and thus have to spend significant time and energy walking to fulfil their needs. Thus, appropriate walking distance should always be used as the measure for accessibility. 20 minutes or 1km is regarded as an acceptable distance to walk and should be used as a basis of settlement design.



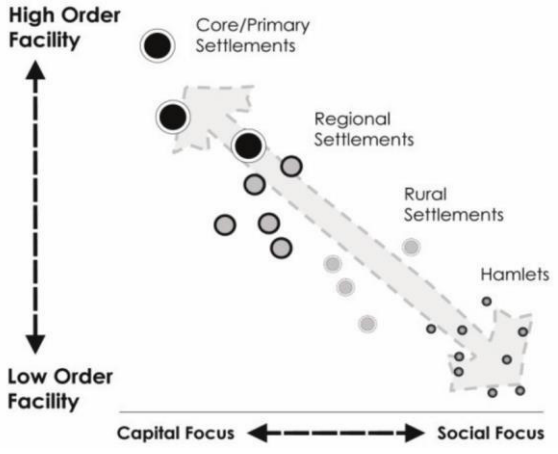


▣ Functional Integration

The implementation of the walking distance principle to promote greater access to opportunities for all people will require the functional integration of urban activities. At least 50% of urban activities should be within walking distance of where people live.

▣ Socio-Economic Integration

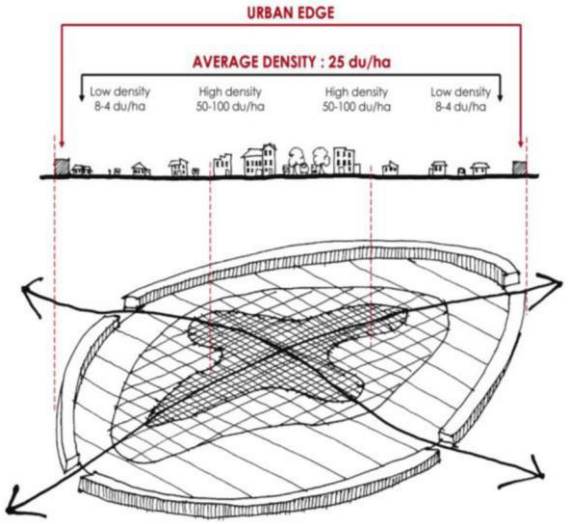
The principle of access and integration also requires socio-economic integration. In reality, there is often community resistance to the integration of poor, middle and high-income communities. The use of a socioeconomic gradient with relatively small differences in income and property value between adjacent communities can help mediate this problem.



A high level of socio-economic integration can be achieved in a 1km radius by applying this principle. In particular, efforts should be made to locate low-income neighbourhoods nearer to the core or nodes of settlements and away from the periphery.

- **Efficient Urban Structure**

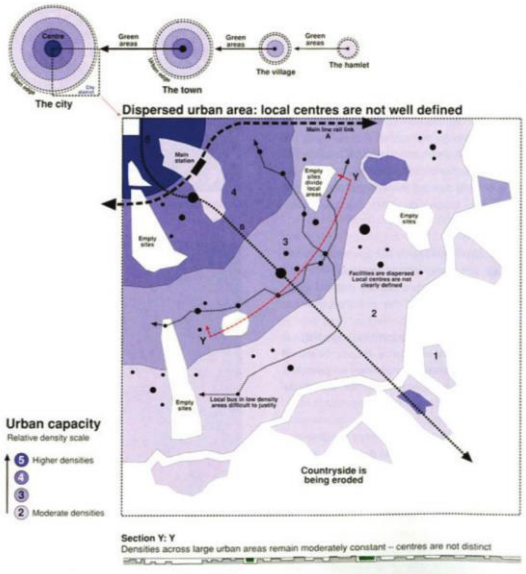
Applying the principles of walking distance access and functional integration will contribute to creating more efficient (i.e., where urban infrastructure is used optimally) settlements. Currently, settlements are characterized by segregation of land uses and low-density development that cannot support public transport, or small businesses. To address these issues and achieve better access and integration, appropriate densification will have to be promoted in settlements.



- **A Logical Nodal and Settlement and Nodal Hierarchy**

The concept of nodal development allows for the efficient accommodation of a large population. In large urban areas, decentralised nodes are connected by high-speed arterials. This concept is applicable, where the various settlements should be allowed to grow optimally according to their character and function, whilst protecting agricultural, natural and scenic resources between settlements.

To increase economic activity, social facilities and employment opportunities should be grouped or clustered according to a spatial hierarchy logic, i.e., higher-order facilities in the most accessible locations and vice versa, rather than randomly scattered depending on where sector departments' individual landholdings happen to be.



- **Compaction and Densification**

Understanding densities and how they may be altered depending on the kind of urban growth outcomes that are desirable and has given rise to a debate between the desirability of urban sprawl, generally associated with uncontrolled low-density growth, versus compact growth.

Compact growth is seen as being clearly focused and structured to efficiently provide transport and services, creating viable business thresholds and attractive public places, and reducing the impact of urban growth on scarce resources such as arable, scenic and high biodiversity potential land.

- **Protection and Enhancement of the Environment**

  The Municipality, in their decision-making, should give protection and improvement of the urban environment, the quality of life it allows, and the conservation of its biophysical and socio-economic resources.

  The Municipality should carry out measures to enhance the urban environment and must encourage developers to implement policies, which enhance the local environments adjacent to their development. Environmental Management Regulations should form part of all application for all major development as stipulated by legislation.

- **Discourage Illegal Land Use**

  The Municipality should discourage the illegal use of land. Illegal land use results in a fragmented land use pattern creates conflict and infringe on land use rights.

  As people are protected from being illegally evicted, the Municipality should focus on ways to prevent illegal land-use practices. Sound planning guidelines and speedy land developments are key mechanisms to prevent illegal land-use practices.

- **Efficient Public Participation and Capacity Building**

  The objective requires that the Municipality should introduce mechanisms to ensure that the public, and in particular communities affected by land development, have opportunities to influence planning decisions. This objective is to ensure that the full resources of the region are utilised in facilitating land development. The underlying idea is a public-private sector partnership because neither sector on its own has the skills or capacity to do the job.

2.3 CBD Spatial Vision

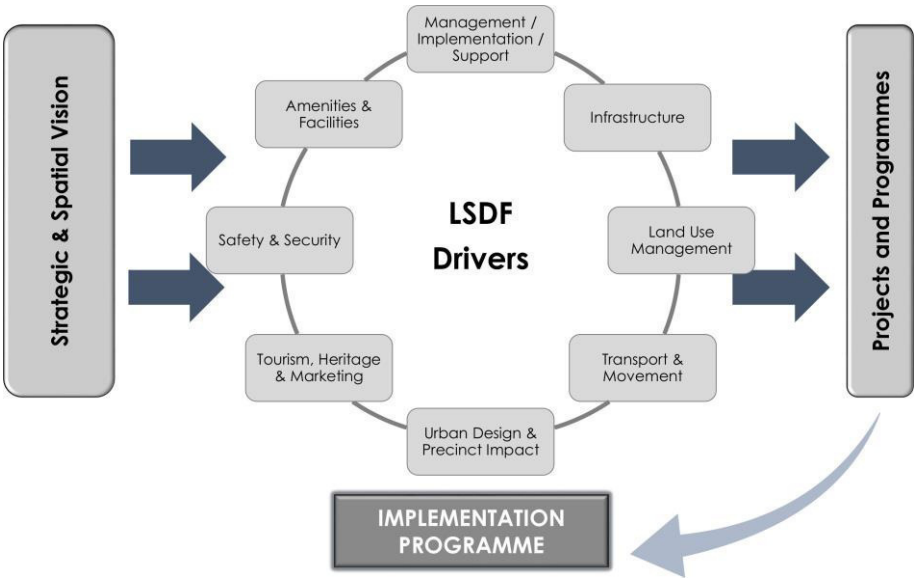
The spatial vision for the Jeffreys Bay CBD is underpinned by the following principles :

Promote and facilitate sustainable development through well-informed and proactive land use decisions and strategies, in support of private and Government investment
Support Local Economic Development through investment incentives
Retain and strengthen the small town character and historic function of the CBD
Promote a themed approach and "adventure destination" with emphasis on tourism, surfing and ocean
Implement ongoing and phased urban renewal programmes to ensure a more functional and liveable space
Attract investment, tourism and economic development through urban renewal programmes and improvement of mobility and streetscapes
Access and explore alternative funding and investment measures to assist with urban renewal, i.e. crowd funding, government grants, special rates areas, investment incentives

3.0 LSDF Drivers and Spatial Strategies

3.1 Drivers

Achieving the Jeffreys Bay precinct Spatial Vision requires a multi-sectoral approach. Eight (8) LSDF Drivers have been identified.



LSDF Drivers	Strategies
Management / Implementation / Support	• Implement Management Committee / Forum • Heritage and Urban Design Committee • Rates rebate options and special rates area • Overlay Zone with shortened decision making processes • Align management of events and seasonal utilisation • LSDF annual priority update and IDP alignment
Infrastructure	• Prioritise maintenance and management of infrastructure demand • Align infrastructure priorities with annual IDP review cycle • Implement infrastructure proposals and upgrading as per the CEF
Land Use Management	• Land use parameters to promote investment • Support urban design guidelines • Amend development parameters to promote investment • Promulgate Overlay Zone • Land Use Guidelines to manage CBD identified zones
Transport & Movement	• Maximise Public Parking • Improve NMT Safety • Improve Accessibility • Reduce Traffic Congestion
Urban Design & Precinct Impact	• Promote nodes of focus and activity • Promote gateways at the entrances to the study area • Flexible environments are a necessity for seasonal towns and in times of uncertainty • The Public Realm is the Most Important • Active, People Friendly Places
Tourism, Heritage & Marketing	• Why is heritage important to small towns? • Identify and develop heritage nodes • How does the town change for the tourism season? • The marketing needs to align with the first impressions • Small town identity
Safety & Security	• Implement safety strategies • Acknowledging grime and vandalism • Main streets and side streets
Amenities & Facilities	• Public facilities are key to great public places • Facility management and maintenance • Facility provision and IDP budget alignment

3.2 Development Objectives and Spatial Implications

To achieve the spatial vision and implement the spatial concept for the Jeffreys Bay CBD on an urban and rural level, the following development objectives and spatial implications will guide the spatial strategies for the individual urban areas and rural hinterland. The development priorities are aligned with the Kouga IDP 2020/2021.

LSDF Driver	Strategies	Intervention
Management / Implementation / Support	*Implement Management Committee / Forum*	• Consider establishment of a dedicated committee or structure to drive SDF implementation objectives • Implement bi-annual feedback mechanisms through monitoring and support • Align with IDP review
	Heritage and Urban Design Committee	• Establish a heritage / aesthetic or urban design committee to assist with development proposals assessment • This can be part of the planning and infrastructure office and institutional structure
	Rates rebate options and special rates area	• Options for rate rebate and possible promulgation of a rates rebate area • This should be done on sound principles and extensive public participation as part of the Jeffreys Bay CBD implementation strategy
	Overlay Zone with shortened decision making processes	• Establish an Overlay Zone for the CBD Study Area in terms of the new Integrated Land Use Scheme • Overlay Zone will eliminate applications and application procedure for departures of height, parking and building line requirements
	LSDF annual priority update and IDP alignment	• Ensure alignment of Capital Expenditure Framework with IDP budget and implementation strategy on an annual basis • Ensure revision of Jeffreys Bay CBD LSDF with Kouga LSDF review cycle • Prioritise and allocate budgets to create an inducive environment for LSDF strategy implementation
Infrastructure	*Prioritise maintenance and management of infrastructure demand*	• Support infrastructure, maintenance and implementation based on various sector plans and annual IDP review • Align infrastructure priorities with macro needs within the greater Jeffreys Bay and within budget constraints • Assess grant funding and lobby support departments for urban regeneration implementation
Land Use Management	*Land use parameters to promote investment*	• Declare the Jeffreys Bay CBD as an Overlay Zone with supporting initiatives for investment and abstract decision making • Use heritage and urban design committee as a support function to promote development approval • Assess options to mitigate CBD decisions to the Authorised Official to fast track development approvals • Amend development parameters to promote investment
	Land Use Guidelines to manage CBD identified zones	• Support urban design guidelines and all development should be supported by detailed Site Development Plans
Transport and Movement	*Maximise Public Parking*	• Change traffic flow to one way along Da Gama Road (SB) and Jeffrey Street (NB) • Reconfigure on-street parking • Change east-west streets to one-way pairs • Identify and develop off-street parking sites • Accommodate tour buses away from Diaz Road
	Improve NMT Safety	• Change traffic flow to one way along Da Gama Road (SB) and Jeffrey Street (NB) • Reconfigure on-street parking • Change east-west streets to one-way pairs • Consider closure of street during season • Reconfigure for Universal access • Cycle facilities
	Improve Accessibility	• Change traffic flow to one way along Da Gama Road (SB) and Jeffrey Street (NB) • Reconfigure St Francis Drive / De Reyger Street Junction • Change east-west streets to one-way pairs • Link Duine Road to Diaz Road • Clear directional signage
	Reduce Traffic Congestion	• Change traffic flow to one way along Da Gama Road (SB) and Jeffrey Street (NB). • Reconfigure on-street parking • Change east-west streets to one-way pairs • Reconfigure St Francis Drive / De Reyger Street Junction. • Adjust signal phasing – Da Gama / De Reyger.

LSDF Driver	Strategies	Intervention
Urban Design and Precinct Impact	*Promote nodes of focus and activity*	Certain places within the study area are special and places of focus. This is identified and needs to be further promoted by: • Sometimes there is a concentration of certain activities, like the factory shop retail facilities at the end of Da Gama Street. This is widely regarded as a good way of creating special interest precincts and should be promoted. • Identify and focus on an area that can be called the 'Centre of town'. • Allow for nodes that can focus on certain needs of the study area, such as the development of the industrial area or the formalising of a public transport node.
	Promote gateways at the entrances to the study area	The study area has several access points, and these are to be reinforced to accommodate: • Increased focus on safe movement of cars and pedestrians so that both can enter the study area easily and safely. • Clear signage that gives direction and notification of entering the Jeffreys Bay CBD. • Information to be provided for special regulations regarding the study area, especially during the peak seasons. • Give an indication of parking in the study area, especially in the peak season.
	Flexible environments are a necessity for seasonal towns and in times of uncertainty	Allow for a mix of uses by responding to the following: • A space that is comfortable and looks inviting is likely to be successful. • Promoting increased density and mixed-use has proven to be a recipe for success for redefining CBD'S. • The street space can have a variety of uses depending on the season and holiday use of the town CBD. • Allow for uses that cater for in and out of season scenarios.
	The Public Realm is the Most Important	All materials, finishes and elements to be minimal and timeless in style, colour and form: • The public realm is to be kept minimal. • Space is more 'neutrally and naturally' defined rather than heavily themed or decorated. • Promote a minimal selection of materials and finishes that are both hardwearing and easily repaired/replaced.
	Active, People Friendly Places	Sufficient activities that are convenient are key drivers for creating busy and economically prosperous town centres. The following is to be considered: - Promote sufficient variety and number of activities in the public realm. • Some similar and aligned activities often work better when they are grouped. The factory shop node at the lower end of Da Gama Street is a good example of this. • Safe and simple to understand access to facilities is important. • Allow for safe and sufficient parking at activities. • Facilities and activities are to vary (and have varying opening and closing times) for in and out of season. • Allow for extended in season operational hours for facilities and services. • Understand the variety of users and cater to these quite different user groups. The interaction of vehicles and pedestrians is important and needs to respond to the following: • Allow for a clear distinction of roads where there are a vehicular priority and places where the pedestrian is preferenced. • In small towns in South Africa, full pedestrianisation of streets is not recommended but, there may be an opportunity for short stretches of streets to be closed off in peak season to allow for increased pedestrian movement. • Primary vehicular routes into the study area are to be reinforced with a focus on safety and ease of movement into and through the

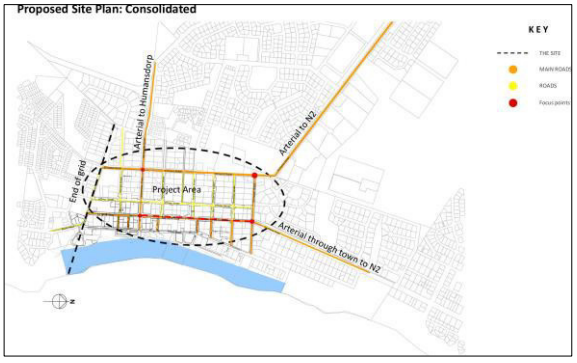
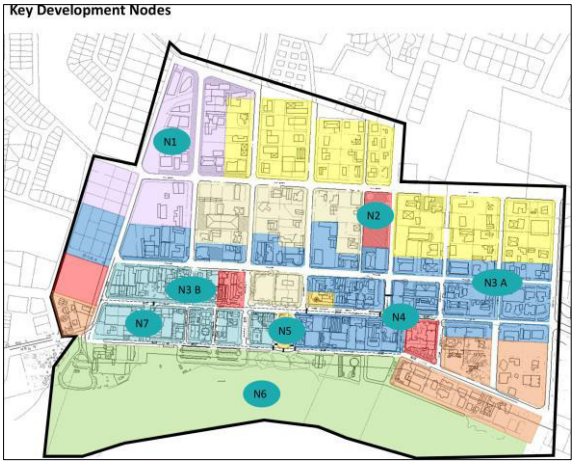
LSDF Driver	Strategies	Intervention
		study area. In this study area, these are mostly the north to south roads. • Secondary vehicular routes can, in some instances, be de-prioritised and be better used for parking in the peak season and for pedestrian movement from east to west for this study area. • Allow for traffic calming in places where the prioritised vehicular movement meets with pedestrian movement. This is to include raised pedestrian crossings and road narrowing. • Allow for bulk overflow parking areas for the peak season. These are not to be dedicated to hard surface parking areas but rather accessible grassed areas on the edges of the study area that become parking areas in the peak seasons.
Tourism, Heritage and Marketing	*Why is heritage important to small towns?*	Generally, history and heritage is a key factor in defining character ('look and feel') for a small town. The study area has built heritage that gives it character. These include: • Heritage beach houses towards the end of Da Gama Road to be identified and developed into a heritage/boutique retail node. • The Savoy Hotel is an important building in the study area. • The many surf shops are an important part of the reason for tourists visiting the town. • Beach structures such as lifesaver towers, lighthouses and the beach promenade are an integral part of the character of Jeffreys Bay.
	Identify and develop heritage nodes	There is a noticeable node of heritage houses between the factory shops at the end of Da Gama Street and the centre of town that is to be identified and developed.
	How does the town change for the tourism season?	Small towns that are seasonal need to be very adaptive to short peak seasons. This is to include the following: • Allow for limited seasonal road changes including short limited pedestrianisation and one way systems. • Allow for a variety of permanent facilities such as markets and outdoor sport and music. • Allow for additional temporary facilities such as toilets for peak seasons. • Allow for temporary overflow parking for the peak seasons.
	The marketing needs to align with the first impressions	The small town needs to align its marketing and promotional imagery with the first impressions of the town and this study area. Important factors in this regard include: • Arrival to the study area at the various gateways is to be acknowledged and provide a strong visual impression and provide suitable information (though signage, for example), • The study area needs to make a strong first impression regarding cleanliness and hygiene. • A sense of comfort for the user is an important factor. This includes perceptions about safety, cleanliness, and the availability of places to sit. • Are spaces clean and free of litter and are there sufficient dust bins?
	Small town identity	• Places with character are unique and have particular characteristics throughout. A particular character consists of common elements that together create a unit and unity.
Safety and Security	*Implement safety strategies*	Primary concepts that promote safer public spaces include: • Clearer access to into and out of public places like parks and beach fronts. • Fewer 'behind building conditions' where activities can occur out of sight of passing traffic. • Limit dead ends as these often create quite un-monitored places. • Trim (but do not remove) planting and trees so that there are clear sightlines at the pedestrian level. • Enforcement such as cameras and security guards also need to be considered, especially in the peak seasons.
	Acknowledging grime and vandalism	A key concern in the public realm in most small towns (and cities) in South Africa is that of vandalism and grime. The following is to be considered:

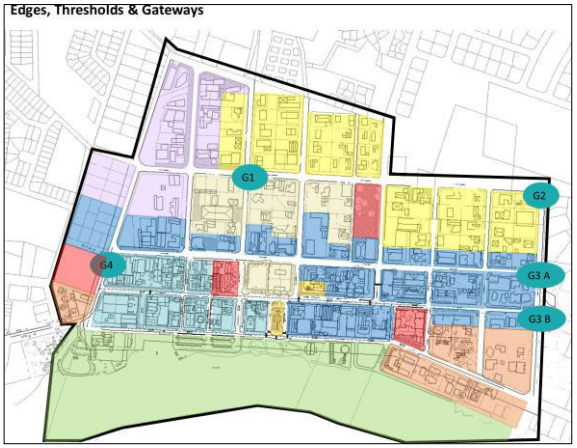
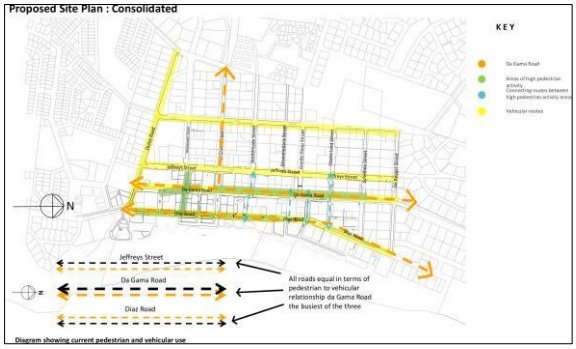
LSDF Driver	Strategies	Intervention
		• All aspects of the public realm to be hard-wearing and low maintenance. • Within the context of small-town maintenance and hygiene generally, and now specifically with the awareness of pandemics such as COVID-19, issues of hygiene have become important aspects of the public realm. This is to include routine maintenance, high-pressure cleaning and sanitising of areas such as public toilets, seating and dustbins.
Amenities and Facilities	*Public facilities are key to great public places*	Public facilities are a basic requirement of the public realm and need to be well considered and integrated with other infrastructure and street furniture.
	Facility management and maintenance	Amenities and facilities are, once built/installed, a lifelong and costly operational and financial commitment to the local authority. The following is to be considered: • Allocation of sufficient operational and management resources from the local authority. • Allocation of sufficient lifelong financing for their operations and maintenance. • Allowance for their operations and management to change for the different use of the low and high season. This, then, needs to allow for: - Sufficient operational and management resources. - Facilities need to be lockable for the low season. - Increased security and monitoring to be allowed for in the low season to minimise the threat of vandalism. - Increased lighting for use in the high season and monitoring in the low season.

3.3 Structuring Elements

Structuring elements are spatial tools and concepts required to achieve specific development objectives. Management and implementation intensity of these structuring elements are tools for redevelopment and development implementation.

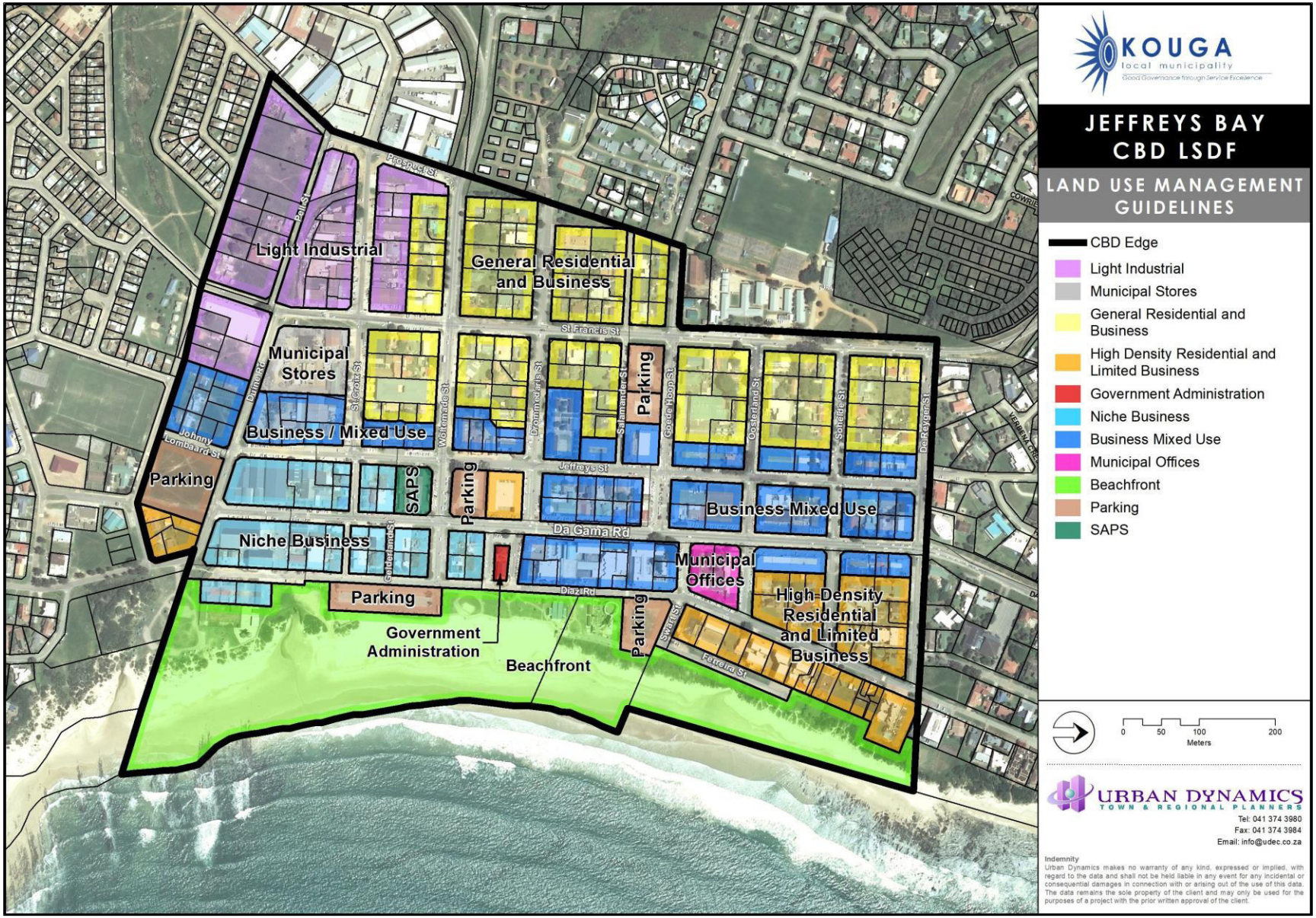
The following structuring elements are relevant to the study area, informing the Spatial Development Framework.

Macro Context and Function	Key Development Nodes
	

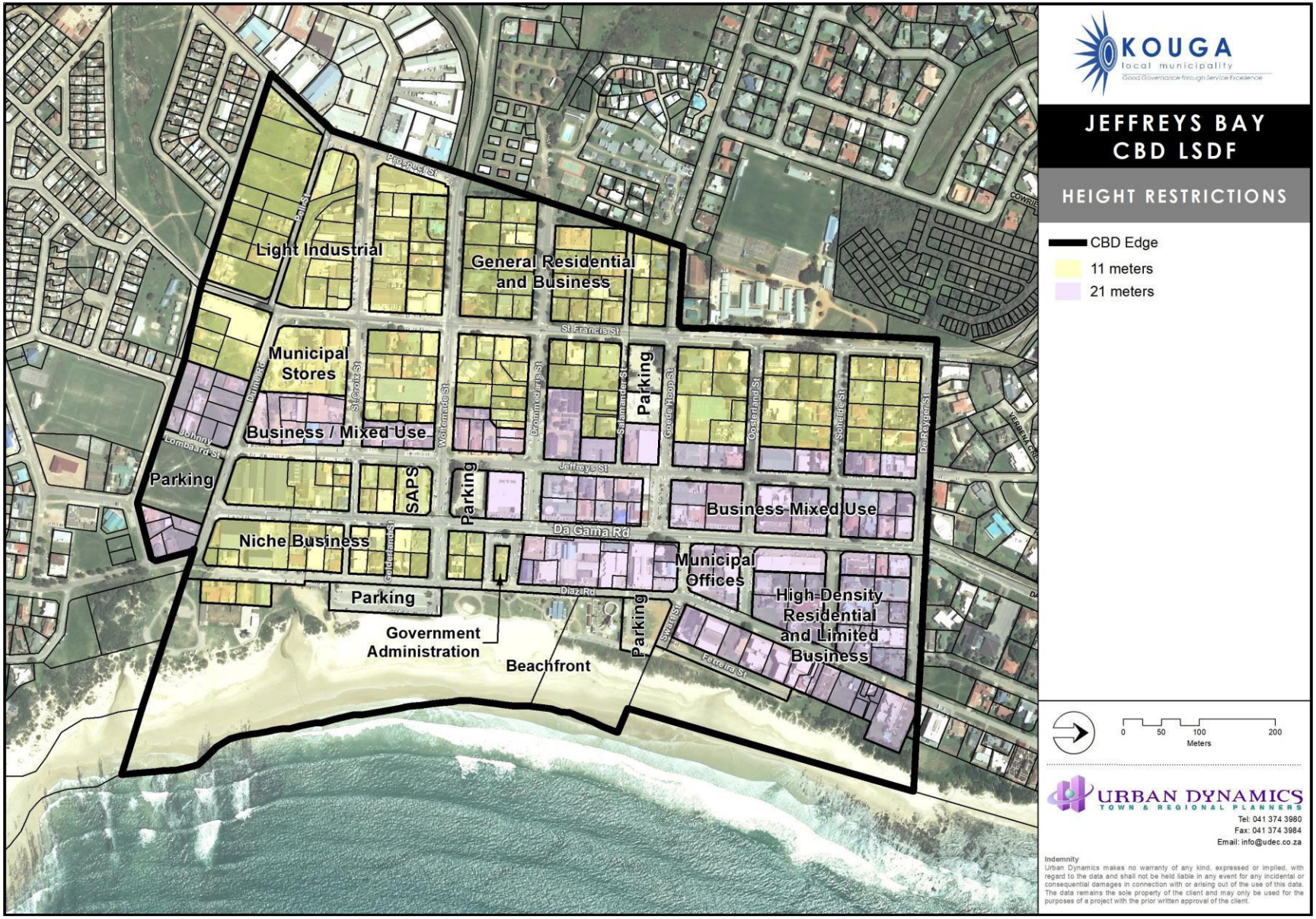
Edges, Thresholds and Gateways	Movement and Corridors
	

3.3.1 Land Use Management Guidelines

The following land use management guidelines apply to the various spatial proposals indicated on the Precinct Plan. The land use management guidelines are directly linked to the Kouga ILUS and its various components, zoning and primary use definitions. The land use management guidelines should guide decision making in and in cases of conflict or uncertainty, general interpretation of the LSDF designation should be applied, aligned with the ILUS provisions.



Plan 11 : Land Use Management Guidelines



Plan 12 : Height Restrictions

Precinct / Functional Area	Development Objective	Land Use Guidelines	ILUS Alignment
CBD Edge *(area north of Tornyn Road, east of Prospect Street, east of St Francis Street, south of De Reyger Street and west of the highwater mark)*	• to demarcate a delineated boundary for LSDF land use management proposals • to demarcate and confirm an area for urban regeneration, urban renewal and incentivised investment	• Delineate CBD precinct area • Amended land use parameters to achieve the spatial vision and promote urban growth and regeneration	• Refer to precinct proposals
Light Industrial *(area north of Tornyn Road, east of Prospect Road, along St Croix Street and south of Dana Road)*	• to accommodate the expansion of the existing industrial area, east of Prospect Road, to ensure employment opportunities close to areas of residence and within the impact sphere of the Central Business District • to ensure light industrial development expansion with a minimal environmental and aesthetic impact • to ensure job creation opportunities and economic growth	• *PERMITTED USES :* Light industry, light manufacturing, warehousing, industrial hive, service trades, workshops, office and commercial associated with light industrial use • *EXCLUDING :* Noxious uses, any hazardous or offensive uses, scrap yards and open dumping areas • Uses should not interfere with the amenity of the area through noise, area emissions and negative visual impact • Sites to be adequately secured with boundary walls of at least 1.8 m in height • Additional screening and fencing / walling may be required by the Municipality for specific areas • Additional aesthetic control can be required by the Municipality to reduce or minimise impact • SDP to be submitted for all new development or development changes	• Industrial Zone 1 • Business Zone 2 • Height : 11 m
Municipal Stores *(Erf 6633 Jeffreys Bay)*	• to ensure land availability for possible SMME development and investment for light industrial / manufacturing and small business purposes	• *PERMITTED USES :* Manufacturing, light industrial, business and mixed use • *EXCLUDING :* Noxious use, hazardous and offensive uses, scrap yards and open dumping areas	• Industrial Zone 1 • Business Zone 2 • Height : 11 m
General Residential and Business *(north of St Croix Street, east of Prospect Street, south of De Reyger Street and west of the Jeffreys Street midblock)*	• to permit redevelopment of existing businesses and single residential units for higher density general residential and business / office purposes • to afford investors the opportunity to develop business and trade in close proximity to the main CBD area, i.e. Da Gama and Jeffreys Street • to expand the CBD to accommodate future business development and mixed use activity over a 10-20 year development horizon	• *PERMITTED USES :* Single, medium and high density residential, general businesses, office, social facilities, institutions, restaurants, guest lodging, tourist facilities, medical uses • *EXCLUDING :* Manufacturing, industry, light industry, warehousing and open air storage • All parking to be provided on-site as in accordance with the Kouga Land Use Scheme provisions	• Residential Zones 1, 2 and 3 • Business Zone 2 • Height : 11 m

Precinct / Functional Area	Development Objective	Land Use Guidelines	ILUS Alignment
High Density Residential and Limited Business *(north of Swart Street, west of Ferreira Street, along Diaz Road and south of De Reyger Street)*	• to open up opportunity for high density residential development with opportunities for ground floor retail, with specific reference to restaurant and activities directly related to support of the tourism industry • to permit higher heights in support of sea views and high density residential investment opportunities	• *PERMITTED USES :* Medium and high density residential, restaurants, tourist facilities, offices • *EXCLUDING :* General retail, manufacturing, warehousing, storage • All parking to be provided on-site as in accordance with the Kouga Land Use Scheme provisions	• Residential Zones 1, 2 and 3 • Business Zone 1 • Height : 21 m
Government Administration *(Erf 6558)*	• to retain this building for community services and Government Department operations in close proximity to tourist attractions and service delivery within the CBD	• *PERMITTED USES :* Offices, government functions and associated activities • *EXCLUDING :* Activities not associated with government functions and support	• Authority Zone • Height : 11 m
Niche Business *(north of Duine Road, east of Jeffreys Street, south of Woltemade Street and along Diaz Road)*	• to acknowledge the unique character of existing niche businesses that developed in this precinct and afford the opportunity for future similar investment in support of the Jeffreys Bay CBD character and spatial vision • to support retail activity and linkages with entertainment, restaurants, factory shops and small industries in direct support to the tourism industry and existing character of this precinct	• *PERMITTED USES :* General business and mixed use, micro manufacturing, tourist facilities, restaurants, accommodation and storage associated with the retail activity • *EXCLUDING :* Industry, light industry, warehousing and any uses regarded as intrusive and not in support of the existing theme and character • Parking to be provided on-site, if practically possible • Alternative parking arrangements can be accepted, subject to a detailed parking assessment and design plan. This can include alternative sites or on-street parking	• Business Zone 2 • Height : 11 m
Business Mixed Use *(west of Johnny Lombaard Street, west of Diaz Road, along Da Gama Road, along Jeffreys Street and south of De Reyger Street)*	• to acknowledge the historic and existing Jeffreys Bay CBD and support for high intensity mixed use business, retail, commercial and high density residential	• *PERMITTED USES :* General business, mixed use, medium and high density residential, social facilities, micro manufacturing • *EXCLUDING :* Manufacturing, industry, warehousing and fitment centres	• Business Zone 2 • Height : 21 m
Municipal Offices *(Erven 271, 272 and 273))*	• to assess opportunities for relocation of existing municipal offices (medium to long term) • to afford opportunities for private sector investment with emphasis on the tourism and administrative sectors, i.e. hotel, restaurant, conferencing facilities	• *PERMITTED USES :* Offices, government functions and associated activities, tourist facilities, restaurants, hotel, guest lodging and conferencing facilities and function venue • *EXCLUDING :* General business and mixed use, manufacturing, warehousing, industrial and service trades	• Business Zone 1 • Residential Zone 3 • Height : 21 m

Precinct / Functional Area	Development Objective	Land Use Guidelines	ILUS Alignment
Beachfront *(east of Diaz Road)*	• to redevelop the beachfront precinct as per the urban design guidelines with improved access, parking and tourist facilities	• *PERMITTED USES :* Open space, recreation, formal and overflow parking, events, informal trading	• N/A
Parking *(Erven 63, 7905, 6614, 14/335 and selected beachfront areas))*	• to provide designated parking on a permanent basis • to align parking expansion with the Transport Strategy of the CBD	• *PERMITTED USES :* Parking, bus and taxi stops	• N/A

3.3.2 Urban Regeneration and Urban Design Guidelines

The urban regeneration and urban design guidelines below are developed as a consequence of the earlier understanding of the context of the study area and the resultant establishment of key development nodes. This is separated into guidelines that are focused on the whole study area and then focussed guidelines for each key development node.

These are understood within the context of the regulatory framework and the Spatial Development Framework established for the study area. Each guideline is named, described in terms of its design intent and/or objective, and then elaborated on with appropriate urban design development criteria.

▣ Public Space

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Key Views	Key views in the north and south direction, as well as along the cross streets and those towards high elements like the lighthouse, for example, are important aspects of a rich townscape and this town.	• Key views are to be reinforced and not blocked by public or private development. • Where new tall infrastructure is required (such as a cell phone tower, for example) its potential negative impact on the hierarchy of tall landmark elements needs to be considered. • Planting and vegetation that obscures these key views are to be trimmed, but not removed.
The Public Realm and Street Furniture	The public realm is the most important part of any town CBD. It is intended that this is a high quality, a hard-wearing environment that is well used and where users feel safe.	• High value and low maintenance elements are important to the public realm. • These need to be considered in an integrated way to minimise clutter and be strategically positioned. Examples include: o Built-in and free-standing benches. o Lighting and lampposts. o Planting, planter boxes and trees. o Dust bins. o Bollards. • The following is to be considered concerning grime and crime aspects of the public realm: o All aspects of the public realm to be hard-wearing and low maintenance. This does not mean that there should be NO maintenance. Rather, extensive, continuous, and meaningful maintenance is required in the public realm. o This is a significant operational and financial issue for small towns that need to be catered for. • It is recommended that all elements in the public realm avoid the use of steel and other elements of recycling value as much as possible. Preferred materials include: o Concrete. o Timber. o Timber composites. o Steel composites. o Brickwork. • Within the context of small-town maintenance and hygiene generally, and now specifically with the awareness of pandemics such as COVID-19, issues of hygiene have become important aspects of the public realm. This is to include: o Routine maintenance, o high-pressure cleaning, and, o Sanitising of areas such as public toilets, seating, and dustbins.
Signage and Wayfinding	Wayfinding and signage are important, particularly in a small town where many of the users are not familiar with the layout of the town.	The following strategies are to be considered: • Key signage to be positione3d at gateways and at key nodes to direct vehicular and pedestrian movement.

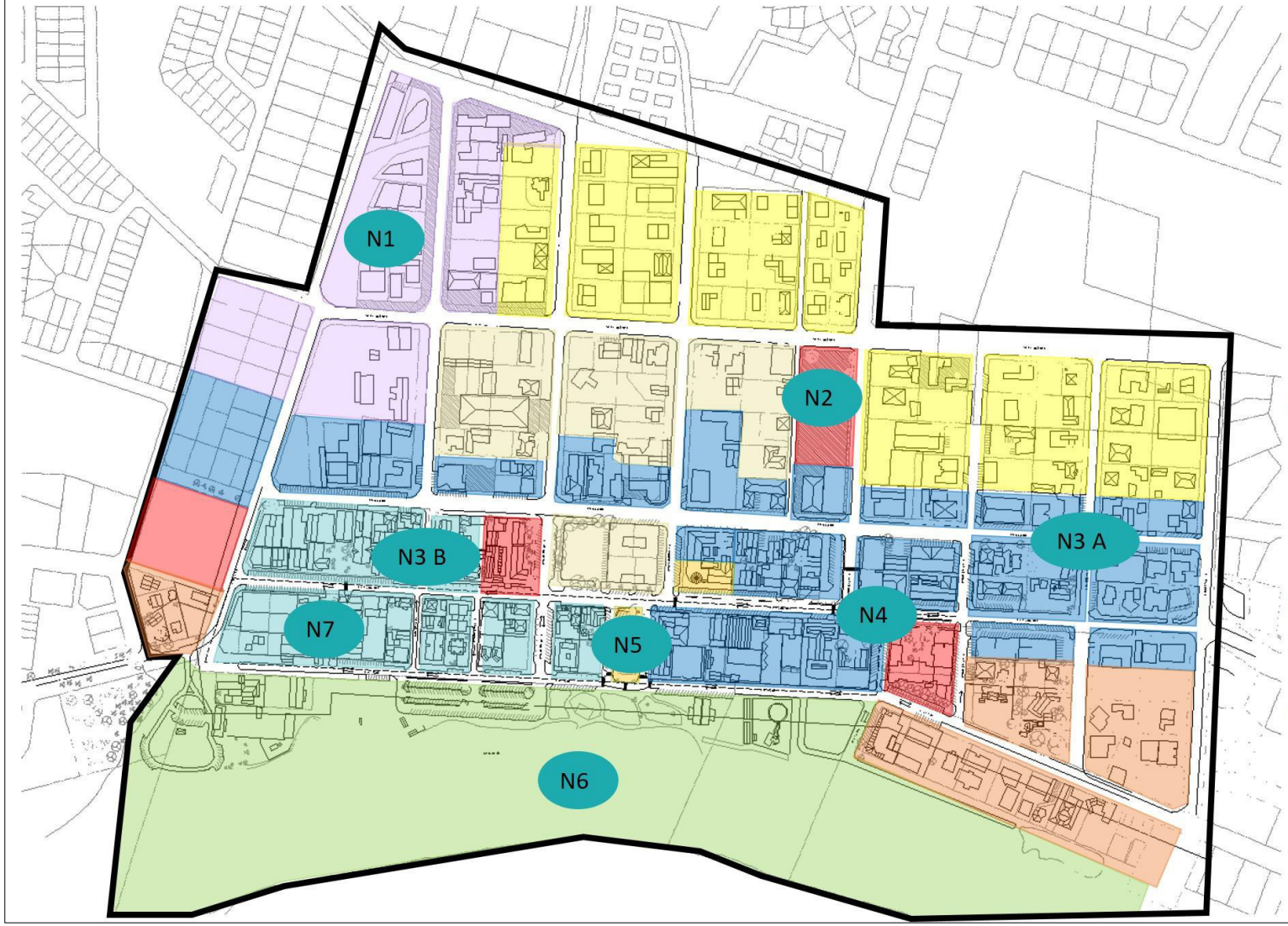
		• Signage to be kept minimal and integrated with other signage to avoid signage clutter. • Signage to be designed to be regulatory compliant but also have a cohesive 'look and feel'.
Side Streets	The shorter east to west side streets are an important component of the study area and connect the longer north-south streets as well as connecting the study area to the beachfront.	• The side streets can become quiet and underused, especially when not in the peak season. Consideration of increasing the sense of safety to these side streets includes: o Appropriate tree and bush pruning as described elsewhere. o Consideration for longer and clearer sight lines increase the sense of security for the user entering the area. • Allow for increased parking opportunities to the side streets to increase the activity on these streets. • Generally, allow for increased lighting to main and side streets. This is at the vehicular and pedestrian level.
Public Art	Public art has become a common component of the public realm in cities and towns in South Africa. Public art can heighten awareness, question assumptions, transform a landscape, or express community values, and for these reasons, it can have the power to overtime transform a city's image.	• The public art should focus on decorative integrated mosaic paving designs (utilising the themes of sea, water, and shells) which link iconic artworks at each end of the subject area. • These artworks are to be commissioned through a public art program. • Direct stakeholders would include artists, local craftspeople and the unemployed.
'Theming' of the public realm	Some 'aesthetic controls' are useful and could allow for the town CBD to feel more cohesive, but care needs to be taken to not be too prescriptive and so lose the 'seaside town' variety that is currently prevalent.	• Subtly enhance the naturally unique qualities of place already existent on a site • Do not bring foreign styles to the town and rather focus on strengthening existing townscape elements. • The public realm is to be stylistically contemporary and 'neutral'. • Source local materials and use these in public and private works. • Reuse existing buildings and places before demolishing and rebuilding. • Enhance landscape and natural features that are key to the feeling of the Jeffreys Bay CBD such as the beachfront.

▣ Private Development

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Built Environment Character	Places with character are unique and have particular characteristics throughout. A particular character consists of common elements that together create a unit and unity	This project proposes to reinforce the unique character of Jeffreys Bay by focussing on the following: • Identify special places and make them important. This includes heritage aspects indicated elsewhere but also surf shops, outdoor verandas to restaurants, places where people can sit, places for public transport and popular tourist facilities such as the shell and ice cream shops. • Focus on the particular characteristics of common elements that together create a unity. These are to be incorporated into the development controls as described in the town planning land use conditions for the various nodes.
Site Organisation	Any new development or redevelopment of an existing site (probably with existing buildings on it) is to be undertaken in a coordinated manner that reinforces the general urban design aspects of the study area and the specific feeling and character of the key development nodes.	• All new work to respond and align to the geometry of the site boundaries and the road. • Where possible, driveway accesses are to be to the side property boundaries to allow access to the back of the property. • Where required and appropriate, parking to be to the side or rear of the property. • Limit or exclude parking to the front of the property. • Allow for access to the building directly from the pedestrian pavement. • Buildings to be positioned as close as possible to the front building and/or property line OR, if it is more appropriate, to align its front façade with other neighbouring buildings on the street. • Where possible, no fences or walls allowed to the front of the properties. Property frontages to include pedestrian access, hard and soft surfaces, planting where appropriate and low walls where appropriate. • Loading and service areas to be, if possible, at the rear of the building or, if not possible, to be concealed. • All external services and infrastructure such as drainage pipes, air conditioner units, TV dishes etc are to be concealed as much as possible and not be visible from the street access to the property. • All signage to be carefully considered, minimal positioned to direct the user to the pedestrian access to the facility.
Building Ground Floor Design	The ground floor of the building is usually where the activities inside the building interacts with the outside of the building. This is to be vibrant, accessible, and safe,	• Access to the site and building is to be clear, direct, and accessible for the pedestrian. • Where possible, the ground floor is to include increased glazing and visibility into the facility. • A large, long blank wall on the ground floor is discouraged.

		• Where possible, and where the ground floor is immediate to the pedestrian areas of the pavement, canopies and other shading devices are to be considered. • Where possible, and where appropriate to the use of the facility, the use of the space on the street side of the building is encouraged for use such as patios, seating areas and external display areas. • The use of external space and decks is encouraged. • Care is to be taken to create places that are protected from the wind.
Building Upper Floor Design	Multiple storied buildings, in the appropriate places, is encouraged as it increases development opportunities and promotes a compact town CBD.	• Where there are upper floors, these are to have windows facing onto the street. • Balconies and upper floor terraces are encouraged. • Where the building is taller than 3 storeys, strategies of stepping back the upper floors are to be considered.
Building Roofscape	The roofscape is an important character-defining element of a town. It comprises issues such as height, silhouette, and shape. Jeffreys Bay's CBD topography is relatively flat and the roofscape is varied and prominent.	• Roofscape and impact of the roof of the development to be considered concerning views of it from neighbouring buildings. • Where possible, the roofscape is to be similar or the same as the neighbouring roof shapes. • Allow for tall elements like chimneys or tower elements where appropriate. • Roofs to have gutters. Rainwater downpipes and water tanks to be concealed from the street façade.
Landscaping and Sustainability	Within the context of water scarcity and consistent wind, the strategic planting of indigenous trees and vegetation is important.	• Demolition or extensive trimming of vegetation is not permitted. • The extensive planting of indigenous trees and vegetation is encouraged. • The demolition / 'clearing' of the indigenous bush is not encouraged. • All vegetation to be well pruned and trimmed to allow for clear unobstructed views at the level of the pedestrian. • Indigenous planting is preferred over grass.
Building Materials	The town currently is characterised by a varied built environment of form, roofscape and building material. A more consistent set of building materials is promoted to create a greater cohesive aesthetic.	• Building materials to be hard-wearing and, where possible, high quality. • Materials to be used in their natural state, for example, brick, timber, stone etc. • A more limited palette of materials and detailing to buildings is preferred. • Where possible, buildings to increase consistency and order with neighbouring buildings by using similar materials and colours. • Extensive contemporary glazing (specifically reflective glazing) is not preferred.

Key Development Nodes



KEY

N1 Key Development Node 1 – Light Industrial Node. This is the area defined by Pell, Prospect, St Francis and Woltemade Streets and is a light industrial area in the south west corner of the traditional CBD that links it to Pellsrus to the south.

N2 Key Development Node 2 – Public Transport Node. This is the area defined by Goedehoop, Salamander and St Francis Streets to the western side of the traditional CBD. It is an open space edged by some commercial and retail activity that is used by taxis and busses.

N3 Key Development Node 3 – Boutique Retail Node. This is defined by the growing number of smaller boutique retail facilities in the vicinity of the In Foods Bakery and Deli.

N4 Key Development Node 4 – Civic Node. This is the area from the municipal offices on Da Gama Road southwards to the corner of Da Gama and Goedehoop Street and can be described as 'the centre of town'.

N5 Key Development Node 5 – Shell Museum. This node focusses on the Shell Museum building and its immediate context.

N6 Key Development Node 6 – Main Beach. This is the extent of the main beach from Beverland Street to the north to De Viswyf Restaurant and the lighthouse to the south.

N7 Key Development Node 7 – Factory Shops. This is the area created by the many factory shops to the southern end of Da Gama Street and the areas around its intersection with Duine Road.

▣ Node 1 : Light Industrial Node

This is an area of the CBD to the south-west of the study area, bounded by Woltemade Street, Prospect Street, Pell Street to the south and mid-block between St Francis Street and Jeffreys Street to the east and is described by:

- It is a well-established light industrial area in the CBD with a well-established built environment.
- This consists largely of simple shed structures with their roof pitches facing onto the street and extending into the property.
- The streets are narrow and pavements relatively large and mostly used for parking.
- There is limited pedestrian-friendly pavement space.



Figure 20: Street view eastwards on St Croix Street. This is a typical view in N1 - Light Industrial Node.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians.	• Create more defined brick paved pavement parking areas. • Create a continuous 1,5 meter wide brick paved pedestrian walkway along street edge. • Allow for limited street furniture such as benches and dustbins. • Ensure that pedestrian routes through the node are clear and straight and allow for high levels of visibility.
Activity and Use	Increase the mixed use abilities of the node and so, extend its use to after hours, weekends and holidays.	• Promote increased mixed use in the node. • Promote increased use in the node during the day, evening and weekends.
Physical Character	Consolidate and strengthen the established light industrial aesthetic.	• Enforces signage control regulations to control the size and placement of signage on buildings. • Promote the use of high quality simple building materials and finishes including: o Majority materials: Facebrick to match existing buildings. o Minority material: Smooth plastered and painted walls with light colours to match existing structures. o Dark grey sheeting and rainwater goods. • Encourage the development of continuous enclose between buildings to avoid unwanted access to the rear of properties as well as to avoid dead ends.
Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety and increased parking opportunities.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting. • Rationalise and limit infrastructure elements on the pavement and in pedestrian areas. • Increase hard surface pavement finishes. • All large trees to be pruned and maintained. • Enforce regulations to control long term parking and vehicle repairs on the pavement. • Consider the need for public toilets.

Heritage and Tourism	• This is limited in this node. • Consider opportunities for tourism impact on the node.	• Special places in this node include: o The well established ' German Motors'. o The Jeffreys Bay Mosque. • Increase opportunities for 'direct to public' factory shops.
Future Development	Anticipate a higher density, high value light industrial node that is well used, safe and promotes small business development and employment.	
Integration and Connections	Allow for this node to be a safe and well used connector into the suburb of Pellsrus and northwards and southwards into the Jeffreys Bay CBD.	

▣ **Node 2 : Public Transport Node**

This is an area at the centre of the CBD, bounded by Francis Street, Goedehoop Street, Jeffreys Street and Salamander Street to the south, and is described by:

- It is a large undeveloped open site in the centre of the CBD that is currently being used a public transport rank.
- The site is well located close to shops and civic activities.
- There are limited facilities and features of the site including a public toilet, some seating, converted shipping container facilities, a bus stop, and a large tree.
- Access is off Goedehoop Street.
- There is limited pedestrian-friendly pavement space.



Figure 21: Typical street view of N2 – Public Transport Node on Goedehoop Street, looking eastwards with site on the right hand side.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	• Create a safe, well used and popular public transport place in the centre of the CBD.	• Create a formalised public transport node including vehicular access, waiting areas, pedestrian areas and related facilities. • Allow for significant street furniture such as benches and dustbins. • Ensure that pedestrian routes through the node are clear and straight and allow for high levels of visibility. • Allow for high levels of public street lighting throughout the node. • Create clear, safe and practical vehicular movement through the node.
Activity and Use	Allow for this to be a vibrant, well used and safe mixed use node.	• Create places for small formal and informal trade opportunities. • Allow for these trading opportunities to be flexible to seasonal changes. • Promote increased use in the node during the day, evening and weekends.
Physical Character	Develop this into a vibrant CBD node that reinforces and strengthens the physical characteristics of its context.	• Create new permanent facilities on the site. • Promote the use of high quality simple building materials and finishes including: o Majority materials: Facebrick to match existing buildings. o Minority material: Smooth plastered and painted walls with light colours to match existing structures. o Dark grey sheeting and rainwater goods. • Maintain and prune large established trees on the site and develop the facilities to take these trees into consideration.
Public Realm	• Create a strong public realm that is focussed on the pedestrian. • Public facilities are a basic requirement of the public realm and need to be well-considered and integrated with other infrastructure and street furniture.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Rationalise and limit infrastructure elements on the pavement and in pedestrian areas. • Create high quality brick paved hard surface pavement finishes. • . Allow for public art and decoration of elements such as the public art currently on the side of the bus stop shelter.

		• Create public ablutions with appropriate signage. Public ablutions to be carefully positioned and designed to allow for safe use, management and cleaning. • Allow for extensive benches with consideration of the following: o Allow for some benches in the sun and some to be in the shade. o Pedestrians usually prefer to sit with their back to a solid surface like a wall and have a view of other pedestrians moving in their vicinity. o Pedestrians usually prefer benches that are positioned in areas that are well connected to the general activity of the area and have a view, even if it is a limited view. • Allow for dustbins to be strategically placed, usually near benches. Dustbins to be hard wearing with the ability to be maintained and cleaned.
Heritage and Tourism	• A public transport node is often the first place of arrival for visitors to a town and so needs to have appropriate signage and clear useful information.	• Allow for directional and information signage.
Future Development	Anticipate the creation of a well positioned, well used, safe and popular public transport node that is a welcoming arrival for visitors to the town.	
Integration and Connections	This public transport node is by its nature a connector. It is well positioned and well integrated into the town CBD as well as connecting the town to the suburbs and other towns.	

▣ **Node 3A and 3B : Boutique Retail Nodes**

These are two areas of the CBD:

- Node 3A is centred on the intersection of Schelde and Jeffreys Streets to the north west of the study area.
- Node 3B is centred on the southern section of Da Gama Road, bounded by Jeffreys Street to the west and Diaz road to the east, Woltemade Street to the north and extend to N7 – Factory Shop Node to the south.

These are described by:

- It is a well-established heritage built environment mostly consisting of modest single storey pitched roof residential structures, although some have been converted and modified.
- The streets are relatively wide and pavements relatively large, except at some places along Da Gama Road where it becomes narrower. These are used for parking but are also planted in some places.
- There is limited pedestrian-friendly pavement space.



Figure 22: Typical street view of 3A – Boutique Retail Node, from the corner of Schelde and Jeffreys Street looking south.



Figure 23: Typical street view of 3B – Boutique Retail Node from the corner of Woltemade Street and Da Gama Road looking southwards.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians and visitors to the town.	• Allow for a careful balance of increased parking and clear and safe pedestrian walkways. • Create more defined brick paved on street and on pavement parking areas. • Create a continuous 1,5 meter wide brick paved pedestrian walkway along street edge, with paved access walkways to the entrance to facilities. • Allow for limited street furniture such as benches and dustbins. • Avoid cluttering pavements at the intersection of streets with signage, planting and infrastructure. Rather allow these corners to be clearer, paved and highly visible areas for periodic high pedestrian use. • Ensure that pedestrian routes through the node are clear and straight and allow for high levels of visibility. • Where established trees and planting obstructs the above, the planting is not to be removed but is to be pruned and maintained. • Allow for appropriate pedestrian street crossings in high pedestrian areas. • Allow for increased pedestrican lighting in these areas.
Activity and Use	Promote niche tourism activities in these nodes, but also allow for complimentary 'out of season' uses.	• Promote increased mixed use in the node. • Promote increased use in the node during the day, evening and weekends. • Promote uses that are complimentary to existing niche tourism and retail activities in the area. • Promote uses that are complimentary with the limitations of some of the existing heritage buildings in the area.
Physical Character	Consolidate and strengthen the established low key 'heritage' aesthetic.	• Actively promote the use and reuse of the existing heritage building in this area. • Actively discourage the demolition of these buildings and the consolidation of erven • Enforce signage control regulations to control the size and placement of signage on buildings. • Promote the use of high quality simple building materials and finishes focussed on smooth plastered and painted walls with light colours to match existing structures.

		• Reinforce the use of existing architectural elements such as: o Pitched roofs. o Buildings built close to the road with windows and doors directly onto the pavement space. o Low boundary walls. • Avoid adding walls and fences between the building and the pavement.
Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety and increased parking opportunities.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting, especially at pedestrian level. • Rationalise and limit infrastructure elements on the pavement and in pedestrian areas, especially at street intersections. • Maintain soft grassed and vegetated pavement surface finishes. • All large trees and vegetation to be pruned and maintained.
Heritage and Tourism	Generally, history and heritage are a key factor in defining character ('look and feel') for a small town and these nodes are strengthened by this..	• Identify and record what part of the town's history and heritage is important to its communities. • Use this in heritage related elements such as information boards and public art. • Allow this to be integrated in other elements such as benches and bollards, for example. • Actively promote legislation and other methods to protect, strengthen and promote these aspects. • Allow for these aspects to be integrated into the marketing of the town.
Future Development	Anticipate diverse, vibrant and safe places for town users, especially tourists, that can engage with facilities with awareness of the heritage of the town.	
Integration and Connections	Maintain these nodes as public, accessible and well connected parts of the CBD.	

▣ Node 4 : Civic Node

This is an area at the centre of the study area, on Da Gama Road bounded by Oosterland Street to the north to Goedehoop Street the south and is described by:

- It is a well-established civic and commercial area and the 'centre of town'.
- This consists largely of double storey structures along Da Gama Road, the municipal offices, and several large trees with a small retail structure.
- The retail facility at the corner of Da Gama Road and Oosterland Street is a well-established surf shop that is part of the heritage of the town.
- On the seaside of this intersection are several well established trees and side street access to the beachfront and well known restaurants, such as 'The Greek'.
- The streets and pavements are relatively large with a mix of use for parking, the pedestrian and limited vegetation.



Figure 24: Typical street view of N4 – Civic Node, from the corner of Goedehoop Street and Da Gama Road looking northwards.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians and visitors to the town.	• Allow for a careful balance of increased parking and clear and safe pedestrian walkways. • Create a continuous 1,5 meter wide brick paved pedestrian walkway along street edge, with paved access walkways to the entrance to facilities. • Allow for limited street furniture such as benches and dustbins. • Avoid cluttering pavements at the intersection of streets with signage, planting and infrastructure. Rather allow these corners to be clearer, paved and highly visible areas for periodic high pedestrian use. • Where established trees and planting obstructs the above, the planting is not to be removed but is to be pruned and maintained. • Allow for appropriate pedestrian street crossings in high pedestrian areas. • Reinforce the pedestrian routes from this node eastwards to the beachfront. • Maintain and strengthen long straight lines of sight eastwards to the beachfront and westwards to the public transport node.
Activity and Use	Promote increased mixed use, variety and density of activities in this node.	• Promote increased mixed use in the node. • Promote increased use in the node especially out of season. • Promote uses that are complimentary to existing niche tourism and retail activities in the area.
Physical Character	Consolidate and strengthen the established mixed, commercial, and civic aesthetic.	• This node is given character by the large established trees and surf shops at the intersection of Oosterland and Da Gama Road. • These elements are to be maintained. • Enforce signage control regulations to control the size and placement of signage on buildings. • Where extensions, or new building work is required, promote the use of high quality simple building materials and finishes focussed on smooth plastered and painted walls with light colours to match existing structures. • Encourage the development of continuous enclose between buildings to avoid unwanted access to the rear of properties as well as to avoid dead ends.

Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety and increased parking opportunities.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting, especially at pedestrian level. • Increase and maintain high quality brick paved hard surface pavements. • Use this brick surface paving to connect this node to the public transport node to the west. • All large trees and vegetation to be pruned and maintained. • Promote the opportunity for facilities to use the pavement with elements such as furniture, decks and temporary elements.
Heritage and Tourism	Generally, history and heritage are a key factor in defining character ('look and feel') for a small town.	• Identify and record what part of the town's history and heritage is important to its communities. • Use this in heritage related elements such as information boards and public art. • Allow this to be integrated in other elements such as benches and bollards, for example. • Actively promote legislation and other methods to protect, strengthen and promote these aspects. • Allow for these aspects to be integrated into the marketing of the town.
Future Development	Anticipate a highly connected, diverse, vibrant and safe 'centre of town' that has civic facilities at the municipal offices and a mixture of other entertainment, retail and commercial activities.	
Integration and Connections	Reinforce this node as the 'centre of town'.	

▣ Node 5 : Shell Museum Node

This is an area of the CBD around the Shell Museum building between Diaz Road to the east and Da Gama Road to the west and is described by:

- It is an area around the established and well known Shell Museum building.
- This building has one way streets and parking to either side. This street is Drommedaris Street.
- To the north of the building is a row of established retail and entertainment facilities including well known ice cream and shell shops. On the first floor of the building at the corner of Drommedaris Street and Da Gama Street is a popular Mexican restaurant with an attractive balcony.
- Across Da Gama Road from this corner is the entrance to the well-established Savoy Hotel.
- The Shell Museum building itself is a double storey building.
- The streets are narrow with one way traffic and diagonal parking with limited but well used pavements.



Figure 25: Typical street view of N5 – Shell Museum, from the intersection of Drommedaris Street and Da Gama Road, looking eastwards to the beach. The Shell Museum is on the right hand side.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians and visitors to the town.	• Allow for a careful balance of increased parking and clear and safe pedestrian walkways. • Allow for limited street furniture such as benches and dustbins. • Avoid cluttering pavements at the intersection of streets with signage, planting and infrastructure. Rather allow these corners to be clearer, paved and highly visible areas for periodic high pedestrian use. • Where established trees and planting obstructs the above, the planting is not to be removed but is to be pruned and maintained. • Vegetation on Da Gama Road in front of the Shell Museum blocks views in this node and is to be heavily pruned or removed. • Allow for appropriate pedestrian street crossings in high pedestrian areas.
Activity and Use	Promote increased mixed use, variety and density of activities in this node that is focussed on the Shell Museum.	• Focus the node on the Shell Museum as a key family activity, especially for tourists. • Promote sufficient variety and number of activities in the public realm. These activities could include: - Destination retail and commercial activities. - Coffee and ice cream shops. - Tourist shops. - Museums and educational facilities (like the Shell Museum). - Rental facilities for bicycles and surfboards, for example. - Walking, cycling etc along the beachfront promenade. - Places to play sport. - ATMs and other services that can be provided in the public realm. - Places to sit and watch activities. - Allow for outdoor public realm use for temporary events like music, concerts and displays, for example. - Tourist and other information offices. • Promote increased use in the node especially out of season.
Physical Character	Consolidate and strengthen the established mixed, commercial, and retail aesthetic, with a focus being the shell museum.	• This node is given character by: o The free standing shell museum, o Small niche shops such as the ice cream shop and shell shops. o The balcony to the restaurant at thee corner of Drommedaris Street and Da Gama Street • These elements are to be maintained.

		• Enforce signage control regulations to control the size and placement of signage on buildings. • Where extensions, or new building work is required, promote the use of high quality simple building materials and finishes focussed on smooth plastered and painted walls with light colours to match existing structures.
Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety and increased parking opportunities.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting, especially at pedestrian level. • Increase and maintain high quality brick paved hard surface pavements. • . Allow for extensive benches with consideration of the following: o Allow for some benches in the sun and some to be in the shade. o Pedestrians usually prefer to sit with their back to a solid surface like a wall and have a view of other pedestrians moving in their vicinity. o Pedestrians usually prefer benches that are positioned in areas that are well connected to the general activity of the area and have a view, even if it is a limited view. • Allow for dustbins to be strategically placed, usually near benches. Dustbins to be hard wearing with the ability to be maintained and cleaned. • Promote the opportunity for facilities to use the pavement with elements such as furniture, decks and temporary elements. • Extend the public realm into the open arcade to shops to the north f the Shell Museum.
Heritage and Tourism	Generally, history and heritage are a key factor in defining character ('look and feel') for a small town.	• Identify and record what part of the town's history and heritage is important to its communities. • Use this in heritage related elements such as information boards and public art. • Allow this to be integrated in other elements such as benches and bollards, for example. • Actively promote legislation and other methods to protect, strengthen and promote these aspects. • Allow for these aspects to be integrated into the marketing of the town.
Future Development	Anticipate a highly connected, node that is between Da Gama Road and the beach front that is focussed on tourist activities, including the Shell Museum.	

Integration and Connections	Create a connector node between the 'main street' activities of Da Gama Road and the beachfront.

▣ Node 6 : Main Beach Node

This is the large beachfront area to the east of Diaz Road bounded by Swart Street (and the Spur Restaurant) to the north, the end of Diaz Road (and De Viswijf Restaurant) to the south.

This area is described by:

- This is the main beach and entertainment area of the town. It is the area including the main beach and supporting entertainment facilities such as the Super tubes water slide, public bathrooms, parking areas and lifesaving facilities.
- This is a key tourist destination for the town in high season. Out of season it is largely underused.
- The Super tubes water slide and the lifesavers towers are well known tall landmarks if the town.



Figure 26: Typical street view of N6 – Main Beach, from Diaz Road, looking north east towards various existing beach structures.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians and visitors to the town.	• Allow for a careful balance of increased parking (especially in limited peak season periods) and clear and safe pedestrian walkways. • Allow for limited street furniture such as benches and dustbins. • Create open public green space that avoids cluttered pavements with signage, planting and infrastructure. Rather allow these areas to be clearer, paved and highly visible areas for periodic high pedestrian use. • Where established trees and planting obstructs the above, the planting is not to be removed but is to be pruned and maintained. • Allow for increased visual connections between the various parts of this area and avoid areas that are not visible by passers by. • Review safety in this area and institute a comprehensive safety plan that could include cameras, security guards and information signage. • Allow for universal access to all areas. This will notably impact on thresholds such as kerbs and changes in level. • Allow for appropriate pedestrian street crossings in high pedestrian areas.
Activity and Use	Promote a diversive, vibrant activity area that is focussed on bachfront activities.	• Promote sufficient variety and number of activities in the public realm. These activities could include: - Destination retail and commercial activities. - Coffee and ice cream shops. - Tourist shops. - Rental facilities for bicycles and surfboards, for example. - Walking, cycling etc along the beachfront promenade. - Places to play sport. - ATMs and other services that can be provided in the public realm. - Places to sit and watch activities. - Allow for outdoor public realm use for temporary events like music, concerts and displays, for example. - Tourist and other information offices. • Promote increased use in the node especially out of season.
Physical Character	This node is the key tourist facility of the town and is characterised by beachfront elements.	• This node is given character by the beachfront activities in an open public green space, and the beach itself.

		• These elements are to be maintained.
Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting, especially at pedestrian level. • Increase and maintain high quality brick paved hard surface pavements. • . Allow for extensive benches with consideration of the following: o Allow for some benches in the sun and some to be in the shade. o Pedestrians usually prefer to sit with their back to a solid surface like a wall and have a view of other pedestrians moving in their vicinity. o Pedestrians usually prefer benches that are positioned in areas that are well connected to the general activity of the area and have a view, even if it is a limited view. • Allow for dustbins to be strategically placed, usually near benches. Dustbins to be hard wearing with the ability to be maintained and cleaned. • Promote the opportunity for facilities to use the pavement with elements such as furniture, decks and temporary elements.
Heritage and Tourism	Generally, history and heritage are a key factor in defining character ('look and feel') for a small town.	• Identify and record what part of the town's history and heritage is important to its communities. • Use this in heritage related elements such as information boards and public art. • Allow this to be integrated in other elements such as benches and bollards, for example. • Actively promote legislation and other methods to protect, strengthen and promote these aspects. • Allow for these aspects to be integrated into the marketing of the town.
Future Development	Anticipate a world class beachfront that is an asset to the town.	
Integration and Connections		

▣ Node 7 : Factory Shops Node

This is an area to the southern end of Da Gama Road and Jeffreys Street where there is a number of factory retail shops and other retail facilities and is described by:

- It is a well-established mixed use light industrial area in the CBD at the end of Da Gama Road.
- It is a well-connected area that connects the CBD to the southern suburb of Pellsrus. Pellsrus is a previously Apartheid separated suburb that is still currently separated by a large, underdeveloped buffer zone between Duine Road and Tornyn Street.
- This factory shop area consists of a variety of structures including light industrial buildings and converted residential buildings.
- It is characterised by a vibrant and mixed use character and is, arguably, the best public space in Jeffreys Bay.
- The streets are relatively large, and pavements used for parking, pedestrians, and some vegetation.



Figure 27: Typical street view of N7 - Factory Shop Node, on Da Gama Road, looking south.

Name of Element	Design Intent / Objective	Appropriate Urban Design Development Criteria
Movement	Allow for destination and through movement of users, especially pedestrians and visitors to the town.	• Allow for a careful balance of increased parking and clear and safe pedestrian walkways. • Create more defined brick paved on street and on pavement parking areas. • Invstigate and implement vehicular and pedestrian routes from this node southwards to the suburb or Pellsrus. • Create a continuous 1,5 meter wide brick paved pedestrian walkway along street edge, with paved access walkways to the entrance to facilities. • Allow for limited street furniture such as benches and dustbins. • Avoid cluttering pavements at the intersection of streets with signage, planting and infrastructure. Rather allow these corners to be clearer, paved and highly visible areas for periodic high pedestrian use. • Ensure that pedestrian routes through the node are clear and straight and allow for high levels of visibility. • Where established trees and planting obstructs the above, the planting is not to be removed but is to be pruned and maintained. • Allow for appropriate pedestrian street crossings in high pedestrian areas. • Allow for increased pedestrican lighting in these areas.
Activity and Use	Promote niche tourism activities in this node, but also allow for complimentary 'out of season' uses.	• Promote increased mixed use in the node. • Promote increased use in the node during the day, evening and weekends. • Promote uses that are complimentary to existing niche tourism and retail activities in the area. • Promote uses that are complimentary with the limitations of some of the existing heritage buildings in the area.
Physical Character	Consolidate and strengthen the well established beach and surf' aesthetic.	• Actively promote the use and reuse of the existing heritage and industrial building in this area. • Actively discourage the demolition of these buildings and the consolidation of erven • Enforce signage control regulations to control the size and placement of signage on buildings.

		• Avoid adding walls and fences between the building and the pavement.
Public Realm	Create a stronger public realm presence with increased pedestrian support and general safety and increased parking opportunities.	• General repairs and maintenance to streets and kerbs as described elsewhere in this report. • General infrastructure repairs and maintenance as described elsewhere in this report. • Repairs and installation of street lighting, especially at pedestrian level. • Rationalise and limit infrastructure elements on the pavement and in pedestrian areas, especially at street intersections. • Maintain soft grassed and vegetated pavement surface finishes. • All large trees and vegetation to be pruned and maintained.
Heritage and Tourism	Generally, history and heritage are a key factor in defining character ('look and feel') for a small town and these nodes are strengthened by this..	• Identify and record what part of the town's history and heritage is important to its communities. • Use this in heritage related elements such as information boards and public art. • Allow this to be integrated in other elements such as benches and bollards, for example. • Actively promote legislation and other methods to protect, strengthen and promote these aspects. • Allow for these aspects to be integrated into the marketing of the town.
Future Development	Anticipate a diverse, vibrant and safe place for town users, especially tourists, that can engage with facilities with awareness of the heritage of the town.	
Integration and Connections	Maintain this node as public, accessible and well connected parts of the CBD that connects the CBD to Pellsrus to the south.	

3.3.3 Transportation and Movement Strategies

The current situation in the CBD precinct is not conducive to a safe environment for non-motorised transport modes in particular. More so pedestrians, as the current environment in Da Gama Street is vehicle dominant, with pedestrians having to find their way through parking areas – between parked vehicles and manoeuvring areas, negotiating landscaped areas on verges and in some cases having to walk in the roadway.

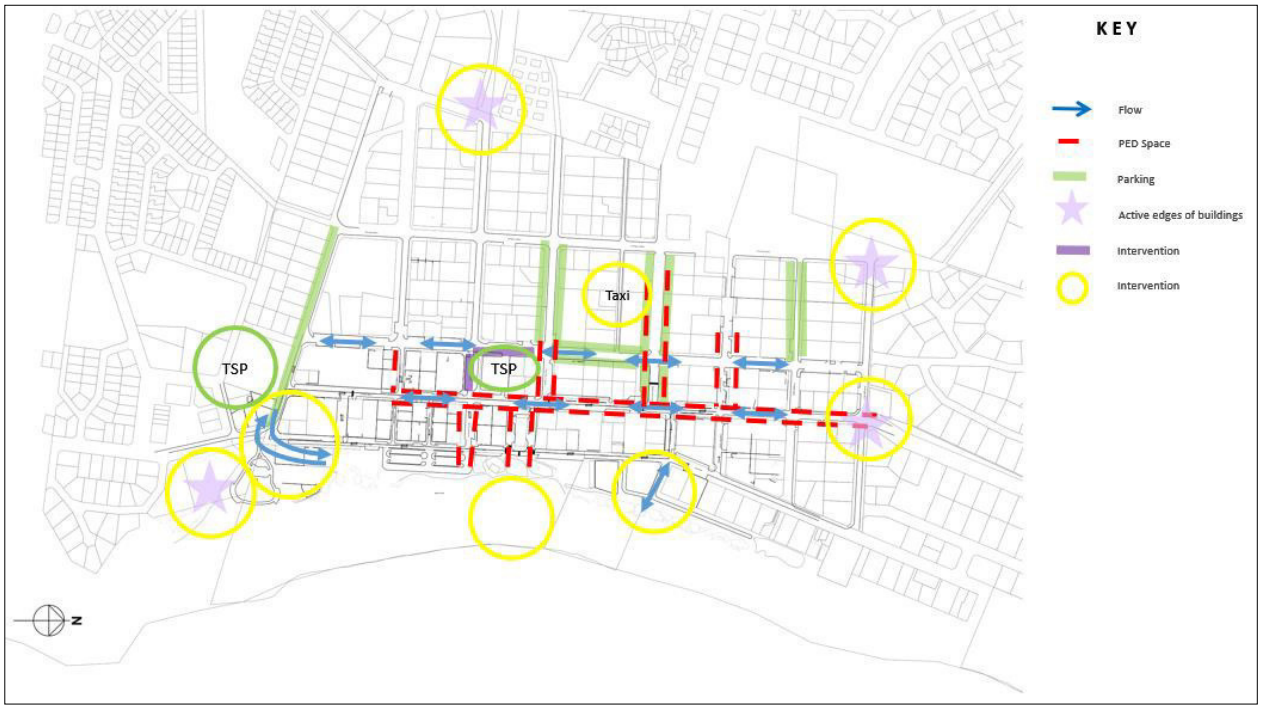
This is as a result of an attempt to maximise parking in the streets abutting the main beachfront area and to serve businesses along Da Gama Street and the side roads.

In an effort to create an environment conducive to pedestrian activity while at the same time maximising parking opportunities in the streets in the precinct, it is evident that parking may be compromised as pedestrian space, parking and the roadway are not able to be equally accommodated in the existing road reserve, particularly in Da Gama Street.

During peak holiday periods, traffic activity in the precinct increases by up to 70% compared to the norm throughout the rest of the year. The contributors to this increase in traffic are the location of key attractors in the precinct, namely the beachfront leisure activities (beach, restaurants, coffee shops) as well as the niche retail activity located at the southern end of the precinct, and the through traffic movement from the west along St Francis Drive to Wavecrest via De Ruyger Street.

There are two options in dealing with the need to improve the experience for all road users, particularly pedestrians, in the precinct.

Option 1 – Status Quo (two-way flow)



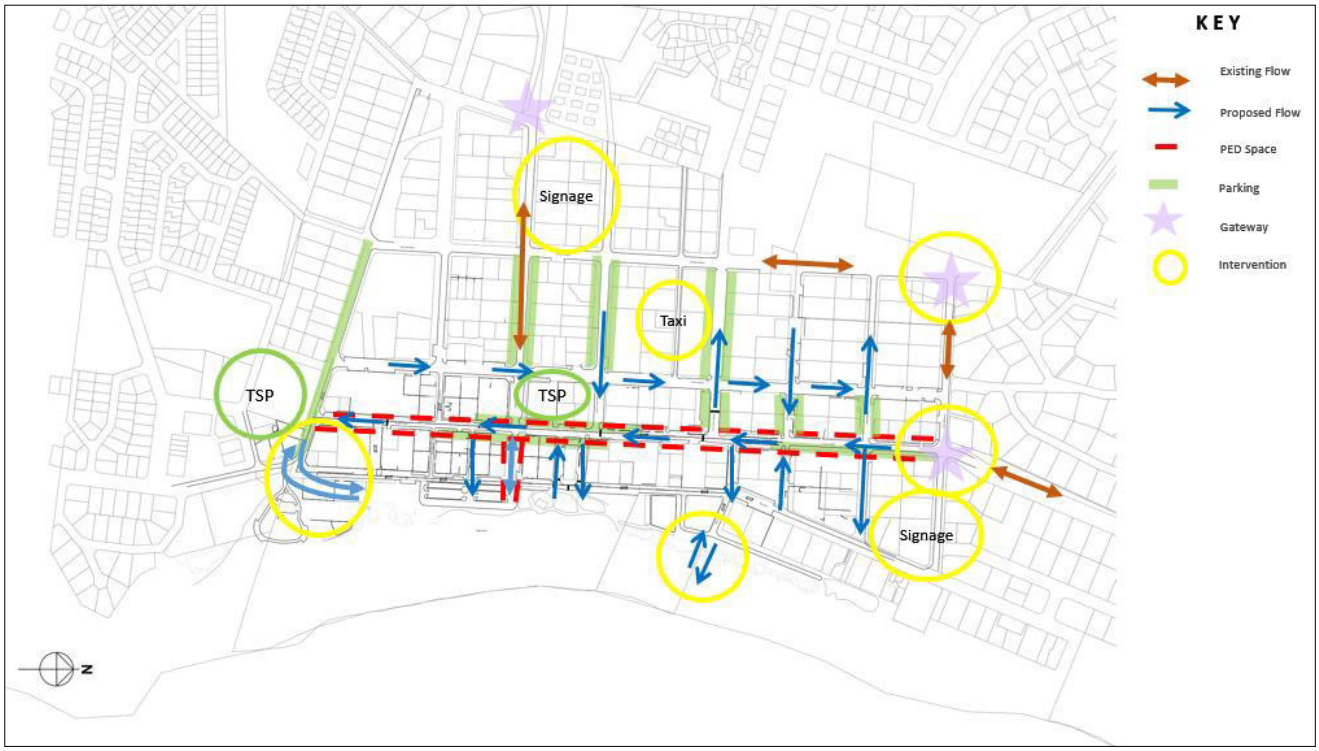
Plan 13 : Status Quo – Two-way traffic flow

Option 1 entails the retention of current traffic flows, i.e., two-way traffic flow along streets in the precinct.

Implementing this option will require the space outside of the existing roadway to be rationalised in order to maximise pedestrian space. In some cases, this may lead to either a reduction in parking, or should parking be retained, increased congestion as the existing parking is moved to positions adjacent the traffic lanes.

In order to minimise congestion, the provision of a median island in Da Gama Road would become a requirement to prevent right-turning across oncoming traffic.

Option 2 – One -way Operation – Main and Side Roads



Plan 14 : One-way traffic flow

In option 2, it is proposed to change the current two-way operation along Da Gama Road and Jeffrey Street to one-way flow. St Francis Drive and Diaz Road will remain as two-way flow given their location along the western periphery of the precinct and against the beach respectively.

The direction of flow in Da Gama Road is proposed from North to south and in Jeffrey Street from south to north.

In addition, it is proposed that those side roads in the precinct, with the exception of De Reyger Street, Woltemade Street and Duine Road will convert to one-way operation as indicated in the image above.

This proposal will enable road space to be reduced for traffic movements, parking to be retained and in some sections increased and most importantly, pedestrian space maximised.

It is further noted that discussions with The District Roads Engineer be entered into with regards to upgrades and reconfiguration of Da Gama Road as it is a provincial proclaimed main road (MR389). Such discussion will need to confirm the DRE's acceptance of the proposals and will perhaps also explore the possibility of the Kouga Municipality assuming responsibility of that section of Da Gama Road and St Francis Drive south of De Ruyger Street.

It is vital that visitors to the beachfront precinct are able to park once, either in the vicinity of the beach area or in an overflow or satellite parking facility, and then are able to freely move around on foot given the short distances between attractions.

It is important to note that these options are permanent solutions. Whichever option is implemented, it is still possible to implement short-term temporary one-way operation during peak holiday periods, particularly on Diaz Road, as such operation will simply require the preparation of a clear traffic management plan that can be implemented during such periods.

Such a Traffic Management Plan will need to include mechanisms to put in place the necessary road closures as well as communication protocols, including suitably positioned road traffic signage to advise motorists of the proposed traffic arrangements before they enter the precinct.

Recommended Strategy

When assessing the merits of each option, it is recommended that Option 2 be implemented, on the basis that the following benefits would be realised :

- Maximisation of pedestrian space;
- Maximisation of parking provision as space required for traffic movements can be reduced.
- Improved safety for pedestrian road users as a result of reduced potential for collisions with motor vehicles – pedestrians crossing roadways need only look for traffic approaching from one direction;
- Reduction of potential for collisions at junctions due to the reduction in conflict points; and
- Separation of road, parking and pedestrian space.

Furthermore, it is recommended that the KM enter into discussions with the District Roads Engineer (Sarah Baartman District) of the Eastern Cape Department of Transport with regard to KM assuming responsibility and ownership of those portions of Da Gama Road and St Francis Drive (MR389) in the precinct area.

3.3.4 Infrastructure Implementation

Subject to final input and amendments based on Stakeholder Participation process.

5 Chapter 5 : Implementation Framework

The Implementation Framework for the Jeffreys Bay CBD LSDF provides the vehicle for LSDF implementation through projects, budgets, priorities and institutional arrangements to ensure implementation, monitoring and review.

1.0 Legal Framework and Alignment

1.1 Package of Plans and Land Use Management System

Land use management as contemplated in SPLUMA comprises of various components and ideally should represent a hierarchy of plans and regulatory mechanisms within the Municipal Land Use Management System.

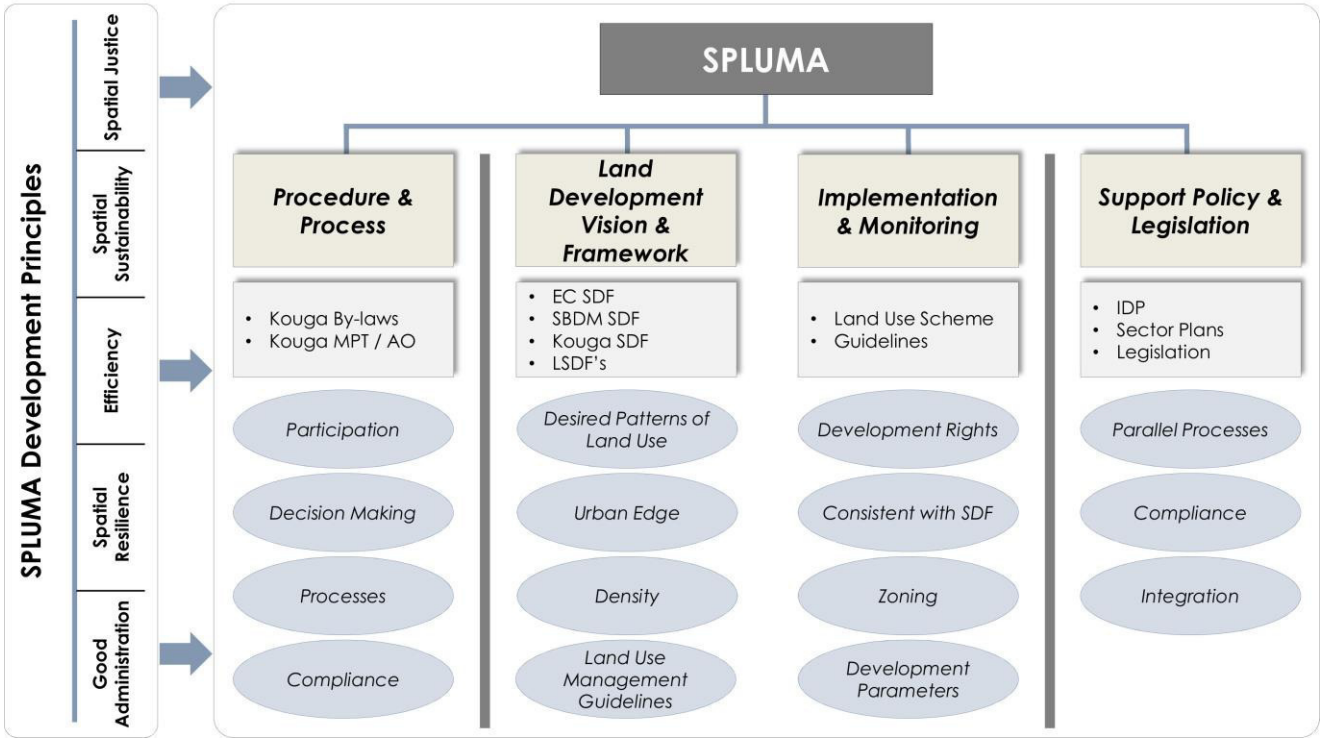
The 2 main components of a Land Use Management System as contemplated in SPLUMA are :

1. **Section 20 :** *Spatial Development Frameworks* as guiding principles and short and long term vision for development and development implementation.
2. **Section 24 :** *Land Use Scheme* as a regulatory mechanism to manage land use parameters and development on a site by site basis.

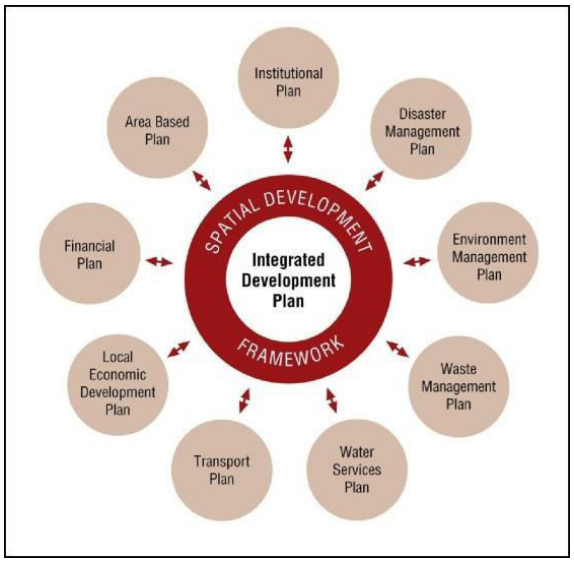
The Spatial Development Framework and Land Use Scheme should function as a unit and form the key pillars of the Municipal Land Use Management System. The Jeffreys Bay CBD Spatial Development Framework functions within a package of plans and forms part of a broader spatial planning network of informants, policy and existing strategies within the municipal area. This well-defined hierarchy of plans adds significant strength to the Land Use Management System for the Kouga Municipality and one of the key objectives of the Jeffreys Bay CBD Spatial Development Framework is to acknowledge the existing policy and ensure continuation of implementation and alignment.

The graphic illustrates the package of plans and the land use management system for Kouga that is entrenched through the Municipal Spatial Development Framework.

Land Use Management System & Alignment



1.2 Municipal Land Use Scheme Alignment



- The Kouga Municipality recently compiled and Council approved an Integrated Land Use Scheme (2021). The Land Use Scheme was prepared in terms of SPLUMA and the relevant legislation as per the Kouga SPLUM By-laws.
- The LSDF implementation and annual review process should identify posisble confilicts between the Land Use Scheme and the LSDF. This specifically relates to land use management guidelines and development parameters as outlined in the Land Use Scheme.
- The LSDF provides a land use management matrix, aligned with the Land Use Scheme zoning categories, densities and development parameters. These guidelines should be interpreted as relatively flexible to accommodate the overall objections and vision of the LSDF.
- As part of future LSDF review cycles, amendments and possible overlay zones for inclusion in the Land Use Scheme should be identified and incorporated.

1.3 Sector Plan Alignment

The LSDF is a long term, transversal planning and coordination tool and a spatial expression of the Kouga Municipality's IDP. While the LSDF is informed by the Sector Plans, strategically and spatially, the Sector Plans should be led by the MSDF. To this end, with the adoption of this revised SDF for the Kouga Municipality, when the Municipality's Sector Plans are reviewed, the LSDF must be a key consideration or framework for such a review to ensure alignment and for the sector plans to realise their full potential as implementation tools of the LSDF.

2.0 Policies and Guidelines for Decision Making

2.1 Objectives of Land Use Management

The key objective for implementation of land use management through the various land use management tools are based on 2 key underlying principles, i.e. :

- Resistance to and management of uncontrolled land development
- Promotion of development types and desired land development to realise the predetermined spatial vision

Land development decisions are therefore implemented to address a number of concerns, the precise mix of which is determined by the particular social, economic and political contexts of different times and places. These concerns, amongst others, include :

- ***Environmental concerns :*** uncontrolled development of land can have adverse effects on natural habitats, cultural landscapes and air and water quality.
- ***Health and safety concerns :*** uncontrolled development can lead to overcrowding and unsafe building construction. Certain land uses can also be detrimental to the health and safety of neighbours.
- ***Social control :*** the control of land uses and building types has long been a means of exerting social control, particularly through the exclusion of certain types of person, household or economic activity from certain areas through the application of particular development controls limiting, for instance, plot sizes, plot coverage and home industries.
- ***The efficiency of infrastructure provision and traffic management :*** increasingly it has become clear that where the granting of development permissions is not coupled with the provision of adequate infrastructure and traffic management the consequences can be severe. Similarly, where infrastructure is provided, generally at a high financial cost, without considering likely and relevant land-use and settlement patterns the opportunity costs to society are very high.
- ***Determination of property values for purposes of rating :*** the market value of land is the basis on which property valuation is determined and the extent and nature of the development permitted on the land is a key factor in that determination.
- ***Aesthetic concerns :*** the control of land development enables the government to prescribe certain design parameters for buildings.
- ***Investment promotion :*** changing the applicable land-use management instruments is often seen as a prerequisite for attracting certain types of investment to certain areas. This can take the form of both relaxing controls in those areas and increasing controls in other areas which might be more favoured by the market. These strategies are likely to be linked to local economic development initiatives.

2.2 Guiding Principles for Decision Making

Decision making within the Land Use Management System (rezoning, subdivision, departure, consent use, etc.) should be based on the following guiding principles :

- Promotion and support of the IDP and long term development vision.
- Support the key principles for development and development management as per the LSDF.
- Support the LSDF Conceptual Framework and Spatial Development Framework proposals, objectives and goals.
- Adhere to legislative requirements relevant to all forms of development, with specific reference to, but not limited to, environmental conservation, heritage, infrastructure, municipal powers and functions, National and Provincial Government legislation, guidelines and policy.
- Due cognisance to the principles of sustainability, equality, efficiency and integration as outlined in SPLUMA.
- Impact of development on the general welfare, safety, amenity and living environment of development on its and/or surrounding land uses and inhabitants.
- Adequate participation of the affected community and interested and affected parties.
- Economic sustainability, long term advantages and economic growth prospects.

SPLUMA and the Kouga SPLUM By-laws provide specific legislative requirements for decision making and emphasis the requirement that decisions should be consistent with the LSDF. However, consistency with the LSDF refers to the entire spatial vision, objectives and strategies of the LSDF and its proposals. Decisions should be based on an overall assessment of the LSDF and not only the LSDF plans and graphic presentations. A holistic and flexible approach should be adopted. Section 22 (2) of SPLUMA makes provision for specific circumstances that justify a departure from the LSDF provision.

Departures from the LSDF, as provided for in Section 22 (2) of SPLUMA and Section 13 of the Kouga SPLUM By-laws should :

- Carefully consider the specific land use proposal impact on the environment, urban form and municipal infrastructure.
- Provide a detailed motivation for departure and site-specific circumstances that warrant the departure.
- Ensure compliance with the overall spatial vision for the area and alignment with the SPLUMA principles.
- Section 22 (2) implementation should only be considered in extraordinary circumstances that specifically demonstrate merit for the amendment of the LSDF.

Decisions that depart from the SDF should be implemented as provided for in Section 13 of the Kouga SPLUM By-laws.

2.3 Legislative Requirements

Guidelines for decision making is captured in the relevant National and Municipal spatial planning legislation, with specific reference to the SPLUMA and Kouga SPLUM By-laws. Decision making on implementation of the LSDF should be guided, but not limited to the following sections.

Section 22 of Spatial Planning and Land Use Management Act

22. (1) A Municipal Planning Tribunal or any other authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development, may not make a decision which is inconsistent with a municipal spatial development framework.

(2) Subject to section 42, a Municipal Planning Tribunal or any other authority required or mandated to make a land development decision, may depart from the provisions of a municipal spatial development framework only if site-specific circumstances justify a departure from the provisions of such municipal spatial development framework.

Section 42 of Spatial Planning and Land Use Management Act

42. (1) In considering and deciding an application a Municipal Planning Tribunal must—

(a) be guided by the development principles set out in Chapter 2;

(b) make a decision which is consistent with norms and standards, measures designed to protect and promote the sustainable use of agricultural land, national and provincial government policies and the municipal spatial development framework; and

(c) take into account—

(i) the public interest;

(ii) the constitutional transformation imperatives and the related duties of the State;

(iii) the facts and circumstances relevant to the application;

(iv) the respective rights and obligations of all those affected;

(v) the state and impact of engineering services, social infrastructure and open space requirements; and

(vi) any factors that may be prescribed, including timeframes for making decisions.

(2) When considering an application affecting the environment, a Municipal Planning Tribunal must ensure compliance with environmental legislation.

(3) An application may be approved in whole or in part, or rejected.

Section 13 of Kouga Spatial Planning and Land Use Management By-laws

13. Departure from municipal spatial development framework

(1) For purposes of section 22(2) of the Act, site specific circumstances include –
  (a) a departure, deviation or amendment that does not materially change the desired outcomes and objectives of a municipal and local spatial development framework, if applicable;
  (b) a subsequent discovery that renders the site unsuitable for the proposed development as reflected in the municipal spatial development framework; or
  (c) an unique circumstance pertaining to a discovery of national or provincial importance that results in an obligation in terms of any applicable legislation to protect or conserve such discovery.

(2) The Municipal Planning Tribunal or Authorised Official may support an application that will result in a departure from the municipal spatial development framework, but such support must be made subject to the condition that the Council approves the amendment to the municipal spatial development framework and the application cannot be approved until the amendment of the municipal spatial development framework is approved by the Council.

(3) If a Municipal Planning Tribunal or Authorised Official supports an application contemplated in subsection (2), it, he or she must inform the Council of such support and request the Council to consider an amendment of the municipal spatial development framework.

(4) The Council must consider such a proposed amendment and may amend the municipal spatial development framework in terms of the provisions of this Chapter.

(5) For purposes of this section, "site" means a spatially defined area that is impacted by the decision, including neighbouring land.

Section 53 of Kouga Spatial Planning and Land Use Management By-laws

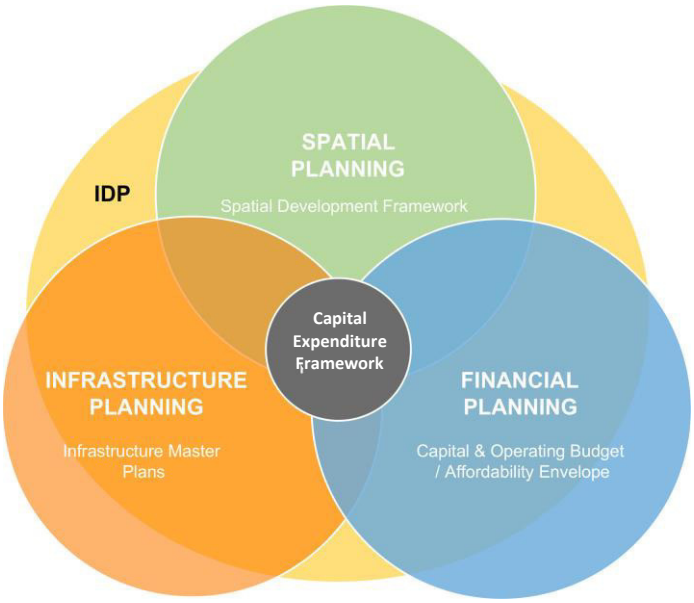
53. General criteria for consideration and determination of application by Municipal Planning Tribunal or Authorised Official

(1) When the Municipal Planning Tribunal or Authorised Official considers an application submitted in terms of this By-law it, he or she must have regard to the following :
  (b) the desirability of the proposed utilisation of land and any guidelines issued by the member of the Executive Council regarding proposed land uses;

(4) For the purpose of subsection (1)(b), desirability is the degree of acceptability of the proposed utilisation of land and matters which impact on the desirability which may be considered by the Municipal Planning Tribunal or Authorised Official are, amongst others:
  (a) the land's suitability for proposed utilisation of land in terms of location, accessibility and physical characteristics;
  (b) conformity with the municipal spatial development framework or the local spatial development framework, if applicable;
  (c) the compatibility of the proposed utilisation of land with the character and the existing spatial structure of the surrounding area;
  (d) the accessibility of the land regarding existing development and infrastructure;
  (e) the cost and availability of required services and infrastructure;
  (f) the external visual impact of the proposed utilisation of the land;
  (g) any potential disruption of or damage to the environment or public nuisance as a result of the proposed utilisation of land and proposed mitigation measures;
  (h) the potential impact on immediate neighbours and existing rights as well as the surrounding community;
  (i) the proposed layout, including street pattern, density and open space and community facility provision; and
  (j) traffic impact and access arrangements

3.0 Capital Expenditure Framework (CEF)

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long term (10 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 articulates how the spatial proposals are to be achieved sequentially, with attention to projects, timeframes, budgets and funding. Planning inputs are based on the spatial planning proposals, Municipal, Provincial and National Government financial planning and capital budgets and the Municipality's Infrastructure Master Plans and infrastructure programme rollout.

Reflecting on plan investments in the Jeffreys Bay CBD over the medium term (3 years), these are generally based on critical infrastructure backlogs and the need for investment in bulk supply systems. Municipal budgets are severely constrained and most capital investment is from Provincial and National Government Department Grants.

3.1 Project Focus and Prioritisation

3.1.1 Project Focus

Objectives and vision are achieved through the project and programme implementation.

Given various budgetary constraints, the need for sustainable development and other issues likely to affect the implementation of identified projects, the implementation strategy should be focused on the following principles :

- Focus on projects that promote the optimal use of existing infrastructure and services and also enable the local municipality to make better returns from existing and newly built infrastructure
- Upgrading engineering services and infrastructure capacity is critical to accommodate the needs of new property developments
- Focus on projects that will stimulate the objectives and priorities
- Acknowledge existing IDP programmes and initiatives
- Acknowledge community prioritisation through ward prioritisation
- Focus on District and Provincial Programme Alignment
- Prioritise projects that could better unlock or trigger more investment into the area.
- Focus on projects that require low capital budget but have a high impact (quick wins)
- Focus on projects that utilize and harness local initiatives

NOTE : Project Identification to be aligned with Kouga IDP 2021/2022 budget and programme.

6 Chapter 6 : Monitoring and Review

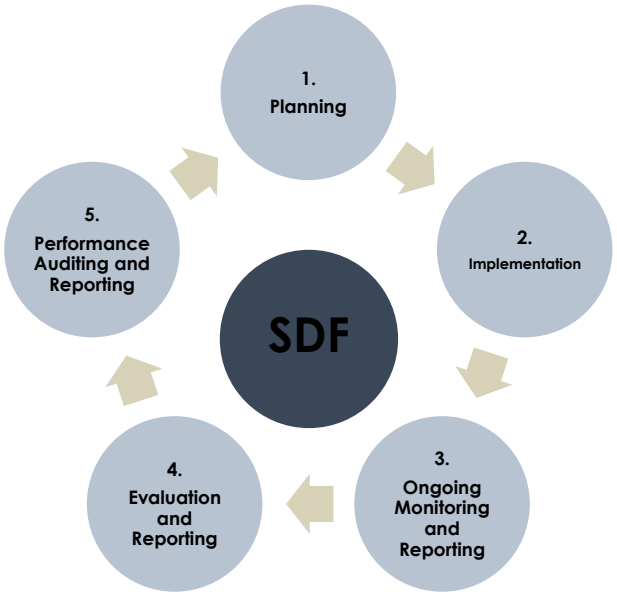
1.0 Monitoring

The Jeffreys Bay CBD LSDF is not a stand-alone sector plan and should be an integral part of the annual IDP review cycle, IDP implementation strategy and monitoring mechanism. It is not recommended to establish parallel or separate monitoring, review and implementation mechanisms, but rather align with the existing performance management framework implemented by the Kouga Municipality.

Performance management and implementation in Local Municipalities are guided and informed through various legislative mechanisms with specific reference to :

- Municipal Systems Act (32 of 2000)
- Municipal Planning and Performance Management Regulations (2000)
- Municipal Finance Management Act (56 of 2003)
- Spatial Planning and Land Use Management Act (16 of 2013)

The legislation contains mechanisms for implementation monitoring, evaluation and review, and as indicated, the Jeffreys Bay CBD LSDF should be part of this review cycle. In addition, the Kouga Municipality's Performance Management Policy should apply and expand to include SDF monitoring and review.



Annual Kouga SDF review should be an integral part of the IDP cycle.

The purpose of the LSDF is to provide a medium to long term vision and a set of strategies to attain this vision. SPLUMA requires that this be translated into an implementation framework that takes a 5-year view to inform the municipality's Integrated Development Plan and Budget. As a development, whether it be the public sector or the private sector, takes multiple years to be realised, it is not appropriate that the LSDF is substantially reviewed annually. The LSDF must encourage consistency and predictability in planning decisions to achieve the desired outcomes. Transformation of the built environment, in particular, is a long term process that requires determination and persistence.

Processes, including public participation processes, associated with the review of an LSDF are prescribed by SPLUMA and the Kouga Municipality SPLUM By-Law.

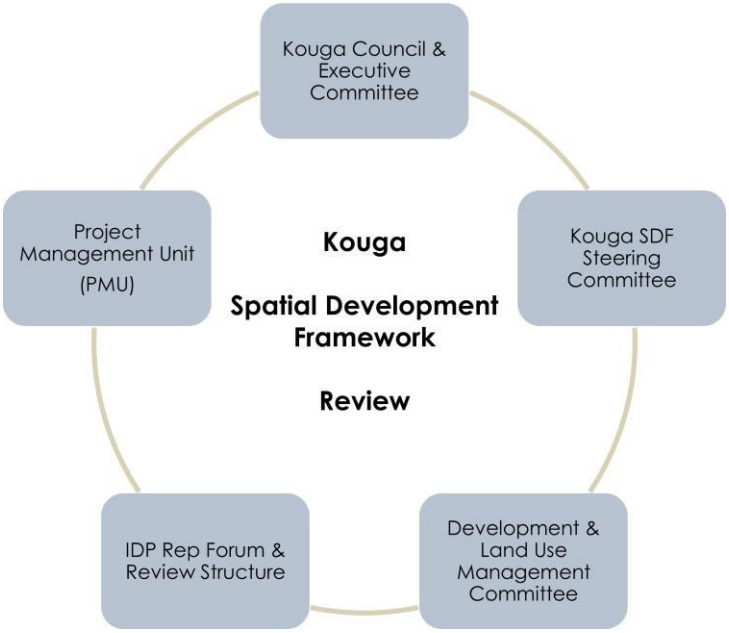
2.0 Review

The LSDF review cycle is managed and legislated through :

- Spatial Planning and Land Use Management Act
- Municipal Systems Act
- Kouga Spatial Planning and Land Use Management By-laws

These core legislative instruments confirm the LSDF review to be part of the Municipal Integrated Development Plan and therefore, the annual IDP review process should incorporate LSDF alignment. It is further required that the Kouga Municipality review its SDF through a 5-year review cycle.

LSDF Review can only be implemented successfully with the co-operation and integration of all sectors, departments and structures within the Municipality. However, the ultimate responsibility of LSDF Review and approval remains with the Council as a final decision-making structure. For the purposes of the Kouga SDF Review Cycle, the following structures will be instrumental in ensuring that the development vision is realised, and the Capital Expenditure Framework is implemented.



KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO: 21/05/PD9**

APPLICATION: ALIENATION OF LAND AND PURCHASE OF VARIOUS PROPERTIES IN HANKEY: MGM TRUST (MR. DU PREEZ)

1. Introduction

The purpose of this item is to request the Council to grant final approval to dispose various properties in the Hankey area to MGM Trust. **(See annexure A).

2. Background

The item was previously submitted to Council on 29 October 2020 for an in-principle approval under item 20/10/PD10.

20/10/PD10 **APPLICATION: ALIENATION OF LAND AND PURCHASE OF VARIOUS PROPERTIES IN HANKEY: MGM TRUST (MR. DU PREEZ)**

Resolved (29 October 2020)

1. That In terms of the Regulation 5(1) (b) of the Municipal Approval Transfer Regulations (2008), Council **grants in-principle approval** for the disposal of erven to MGM Trust as contemplated in Plan No. Y101 Baser3 as prepared by Maarschalk and Partners, at a fair market related value.

2. That Council grant authorization to advertise the intended disposal of the immovable property herein.

3. That Council consider disposing the land parcels Out of Hand based on historical use of land by MGM Trust, and on the condition provided in the resolution to lease with the option to purchase.

4. That Council confirm that the land to MGM Trust as contemplated in Plan No. Y101 Baser3 as prepared by Maarschalk and Partners is not needed to provide the minimum level of basic municipal services as stipulated in s14 of the MFMA.

5. That the unregistered erven 303 and 326, Hankey be registered in the name of Kouga Municipality.

6. That market related valuations be done on the applicable portions of erf 17, 303 and 326, Hankey.

7. That MGM Trust ensure that the adjoining property owners of 261, 273, 289, 305, 322 and other privately owned plots have secure access.

8. That Council ensures that the land in question is not suitable for future housing development.

3. Comment

In terms of the applicable legislation the Council is the final decision-making structure for disposal of municipal land.

The Council advertised and invited for motivated objections, comments or inputs in respect of the application. No, objections were received against the application and Council's intention to dispose the immovable assets. **(See annexure B)

4. Financial Implications

The table below provides information in respect of the current valuation of the municipal erven that forms part of the application of MGM Trust.

ERF	AREA	EXTENT	VALUATION	TOWN PLANNING	TECHNICAL
17 including streets	Hankey	391 172m²	1 170 000,00	√	√
288	Hankey	991m²	20 000,00	√	√
303	Hankey	8852m²	290 000,00	√	√
326	Hankey	981m²	50 000.00	√	√
331	Hankey	979m²	20 000,00	√	√
336	Hankey	1021m²	20 000,00	√	√
341	Hankey	8898m²	180 000,00	√	√
342	Hankey	990m²	20 000,00	√	√

It should be noted that a separate valuation was done on the applicable portions of erf 17 including erven 303 and 326, which formed part of the application. ** (See annexure C) Erven 303 and 326 are currently unregistered and need to be registered in the Deeds Office.

The applicant, MGM Trust will be held responsible for the consolidation and other land use application-related costs that might be required.

5. Legal Implications

The Legal Section to draft a sales agreement for the consideration and authorisation by Accounting Officer and the applicant.

6. Comment from Directorates (Section 14)

6.1 Comment by: Infrastructure & Engineering

In terms of Section 14, supports the alienation of land and purchase of various properties in Hankey and confirmed that the erven may be sold as they are not required for basic municipal services.

6.2 Comment by: Town Planning

In terms of Section 14, supports the application with objection thereto.

7. Recommendation

7.1 That Council **grants Final approval** for the disposal of the following municipal properties in Hankey namely, a portion of erf 17 including street, 288, 303, 326, 331, 336, 341 and 342 to MGM Trust.

7.2 That the properties contemplated herein, be sold to MGM Trust at the stipulated market related valuation amounts:

ERF	VALUATION (R)
17 including streets	1 170 000,00
288	20 000,00
303	290 000,00
326	50 000.00
331	20 000,00
336	20 000,00
341	180 000,00
342	20 000,00
Total	**1 770 000,00**

7.3 That Council authorizes the Accounting Officer to enter into a sale agreement with MGM Trust, for the sale of the properties mentioned in 6.1 above at the fair market value of R1 770,00.00 (all inclusive).

7.4 That the Applicant MGM Trust be responsible for payment of transfer, subdivisions and other Land Use related costs linked to this application.

Item prepared by **: Acting Manager: Land Administration**

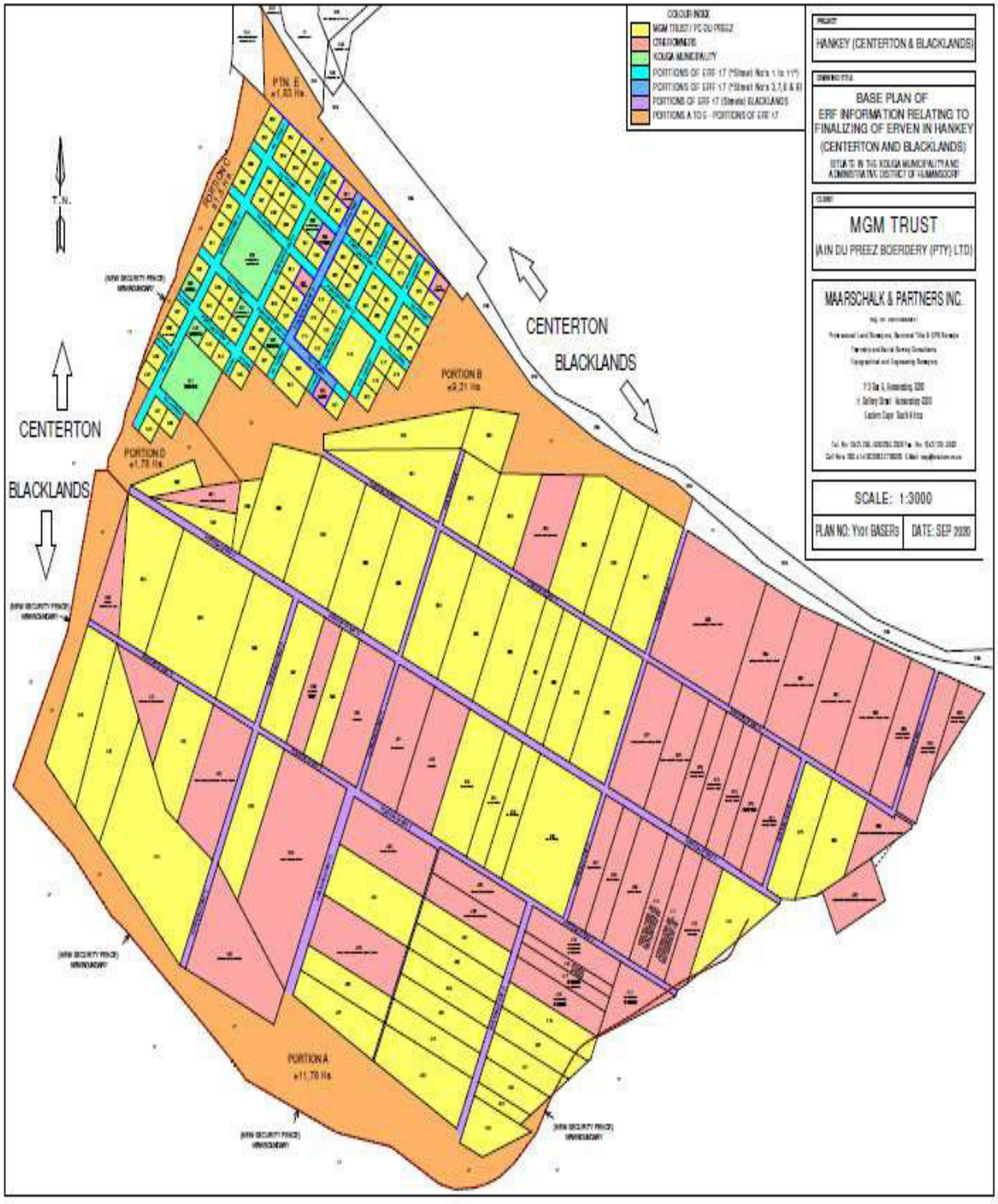
.....

Item approved by **: The Director: Planning, Development & Tourism**

.....

Item noted by **: The Portfolio Chairperson: Planning & Development**

Annexures A


COLOUR INDEX
MGM TRUST / PC DU PREEZ
CREDITORS
KOUGA MUNICIPALITY
PORTIONS OF ERF 17 (Street Nos's 1 to 11)
PORTIONS OF ERF 17 (Street Nos's 3,7,8 & 9)
PORTIONS OF ERF 17 (Streets) BLACKLANDS
PORTIONS A TO G - PORTIONS OF ERF 17
HANKEY (CENTERTON & BLACKLANDS)
BASE PLAN OF
ERF INFORMATION RELATING TO
FINALIZING OF ERVEN IN HANKEY
(CENTERTON AND BLACKLANDS)
SITUATE IN THE KOUGA MUNICIPALITY AND
ADMINISTRATIVE DISTRICT OF HUMANSDORP
MGM TRUST
(AIN DU PREEZ BOERDERY (PTY) LTD)
MAARSCHALK & PARTNERS INC.
SCALE: 1:3000
PLAN NO: Yvor BASERs
DATE: SEP 2020
T.N.
CENTERTON
BLACKLANDS
PTN. E
±1.83 Ha
PORTION B
±8.21 Ha
PORTION D
±1.78 Ha
PORTION A
±11.78 Ha
CENTERTON
BLACKLANDS

Annexures B

KOUGA local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)

NOTICE NO. 214/2020

PUBLIC PARTICIPATION NOTICE: INVITATION FOR COMMENTS/INPUTS/ OBJECTIONS TO THE ALIENATION OF MUNICIPAL LAND PARCELS ERVEN 1382, SEA VISTA; 288 HANKEY; 303, HANKEY; 326, HANKEY; 331, HANKEY; 336, HANKEY; 341, HANKEY; 342, HANKEY; PORTIONS OF ERF 17, HANKEY.

Notice is hereby given that in an Ordinary Council Meeting held on 29 October 2020 (RESOLUTION 20/10/PD9 and 20/10/ PD10), Council resolved on the alienation of immoveable Municipal assets (vacant land) at a fair market related selling price in accordance with Section 5 (12) of the Municipal Policy and Procedures for the Disposal of Immovable Assets:

Land earmarked for sale

Erf 1382 - Sea Vista

ERF 288 – Hankey
ERF 303 - Hankey
ERF 326 – Hankey
ERF 331 – Hankey
ERF 336 – Hankey
ERF 341 – Hankey
ERF 342 – Hankey
Portions of Erf 17 (Street No's 1 to 11) - Hankey
Various Portions of Erf 17 - Hankey

Members of the public or interested parties are hereby invited to submit any objections/ comments or inputs in writing to the Municipal Manager, 33 Da Gama Road, Jeffreys Bay on or before Friday, 3 January 2021.

Further particulars are available for inspection at the office of the Directorate: Planning, Development & Tourism: Municipal Offices, 16 Woltemade Street, Jeffreys Bay. Contact No: Mr. S. Grootboom: 0422002168

C. DU PLESSIS
MUNICIPAL MANAGER

P.O. Box 21
JEFFREYS BAY
6330

SONDLO & KNOPP ADVERTISING

Annexures C

EVERGREEN VALUERS Pty Ltd
Year Round Meticulous

PROPERTY DESCRIPTION:
Erf 326 Hankey (±981m²), Eastern Cape (Citrus)

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 50 000.00
(Fifty Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 22 January 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

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Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

EVERGREEN VALUERS Pty Ltd
Year Round Meticulous

PROPERTY DESCRIPTION:
Erf 303 Hankey (±8852m²), Eastern Cape (Citrus)

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 290 000.00
(Two Hundred & Ninety Thousand Rand Only)

L. Ferreira
L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 22 January 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

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info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

EVERGREEN VALUERS Pty Ltd
Year Round Meticulous

PROPERTY DESCRIPTION:

Portions A-E of Erf 17 Hankey (Including Streets) (± 391 172m²), Eastern Cape (Citrus)

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 1 170 000.00
(One Million One Hundred & Seventy Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 22 January 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

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info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO: 21/05/PD10**

DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP

1. Introduction

The purpose of this item is to request Council to grant final approval for the disposal and closure of certain public roads situated in the Humansdorp Industrial area. The subject roads herein are as follows: Long Street, Pnt. of Bloubok Street, Bokmakierie Street and Pnt. of Heron Street (Annexure "A")

2. Background

At an Ordinary Council meeting held 26 February 2020, the Kouga Municipal Council resolved as follows:

21/02/PD13 **DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP**

Resolved (26 February 2021)

1. That Council grants an in-principle approval for the alienation and closure of Erf 763 and a portion of Erf 2077 Humansdorp by way of an Out-of-Hand process as the applicant will own all the adjoining erven.

2. That the alienation be subject to the outcome of application for formal closure of Long Street, portion of Bloubok Street, Bokmakierie Street and portion of Heron Street.

3. That Council authorizes the Accounting Officer to advertise Council's intention to alienate the immovable property listed in 1. above to the applicant herein.

4. That Council confirms that it has considered the fair market value and accepts the valuation of the immovable property herein, as follows:

PROPERTY DESCRIPTION	VALUATION
Long Street	R210 000.00
Pnt of Bloubok Street	R180 000.00
Bokmakierie Street	
Pnt of Heron Street	

5. That Council confirm that immovable property listed in 3. above is not needed to provide the minimum level of basic municipal services.

6. That the 100mm diameter water pipeline which transverses Erf 2078 and Bloubok Street be rerouted along Felix Street.

7. That a 6.0m servitude be observed along Bloubok Street to accommodate the 315mm diameter water pipeline in favor of Kouga Municipality

8. That the overhead electrical line that transverses Erf 2079 and along Bloubok Street be relocated to Erf 1 that is to the north-boundary of Erf 2079.

9. That the applicant be responsible for the cost associated with the closure of public roads and transfer of property.

3. Comment

In terms of the applicable legislation the Council is the final decision-making structure for disposal of municipal land.

The intended disposal (immovable property) was advertised under Notice 71/2021. No objections thereto were received. **(See annexure B)

4. Financial Implication

The market value of the public roads herein has been valued at R390 000.00. **(See annexure C)

PROPERTY DESCRIPTION	VALUATION
Long Street	R210 000.00

Ptn of Bloubok Street	R180 000.00
Bokmakierie Street	
Ptn of Heron Street	

5. Legal implication and applicable legislation

It would be illegal for the municipal council to alienate the public roads mentioned herein before the said public roads being formally closed. A road closure process would thus have to be embarked on and any alienation shall be subject to the outcome of said formal road closure process.

6. Section 14 (2) Confirmations by service departments

The Technical Services Section (civil) of the Infrastructure & Engineering Department indicated that there is municipal infrastructure that transverse some of the erven and public roads in question.

It is suggested should Council resolve to alienate the public roads that the following recommendations be observed in-order to secure the municipal infrastructure: (See Annexure "B")

- That the 100 mm diameter water pipeline that transverses a portion of erf 2078 and Bloubok Street be rerouted along Felix Street. The pipe is made of asbestos and needs to be replaced with a 110mm up vc pipeline as the use of asbestos pipes is no longer permitted.

- That the 315mm diameter water pipeline that connects to the reservoir (erf 3775) and which runs along Bloubok Street be secured by virtue of a servitude of at least 6 meters.

- That the electrical powerline that transverses erf 2079 and which runs along Bloubok Street be secured by a 6-meter servitude, however, it will be more beneficial for both parties if the electrical line is relocated to erf 1 (municipal erf) which abuts erf 2079 to the north-boundary.

7. Public Participation Process

The disposal and closure of Long Street, Bokmakierie Street, Portion of Bloubok Street, and Portion of Heron Street – Public Roads in the Industrial Area Humansdorp was advertised under Notice 71/2021. No objections thereto were received.

8. Section 14 Process

8.1 Comment by: Infrastructure & Engineering

In terms of Section 14, supported the disposal and closure of Long Street, Bokmakierie Street, Portion of Bloubok Street, and Portion of Heron Street – Public Roads in the Industrial Area Humansdorp and confirmed that the portions are not required for the provision of basic municipal services.

8.2 Comment by: Town Planning

In terms of Section 14, supported the application with no objection thereto.

9. Recommendation

9.1 That in view of no objections received from the public participation process, the Council **grants final approval** for the disposal and closure of erf 763(Long Street) and a portion of erf 2077(Portion of Bloubok, Portion of Heron and Bokmakierie Streets) Humansdorp by way of an Out-of-Hand process to Woodlands Dairy.

9.2 That the process of closure of Long Street, a portion of Bloubok Street, Bokmakierie Street, and a portion of Heron Street be finalized.

9.3 That Council authorizes the Accounting Officer to conclude a Sale agreement in respect of the properties specified in 9.1 above at the combined fair market value of **R390 000.00 (Three Hundred and ninety Thousand Rands only).**

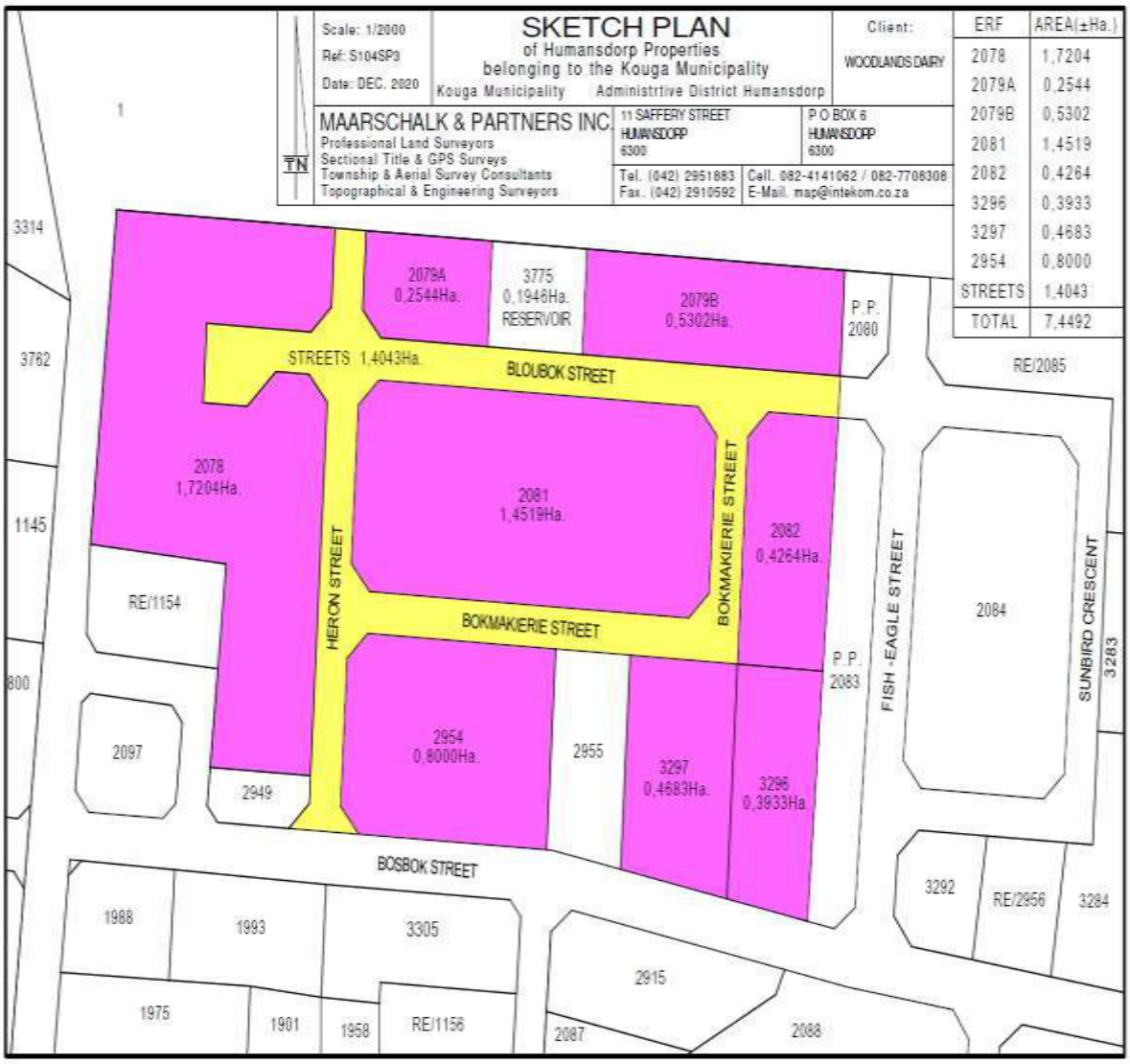
9.4 That the applicant be responsible for the costs associated with the closure of public roads and transfer of property.

Item prepared by: Acting Manager: Land Administration

Item approved by the Director PDT:

Item noted by the Portfolio Chairperson:

Annexure "A"


SKETCH PLAN
of Humansdorp Properties
belonging to the Kouga Municipality
Kouga Municipality Administrtive District Humansdorp
Scale: 1/2000
Ref: S104SP3
Date: DEC. 2020
Client:
WOODLANDS DAIRY
MAARSCHALK & PARTNERS INC.
Professional Land Surveyors
Sectional Title & GPS Surveys
Township & Aerial Survey Consultants
Topographical & Engineering Surveyors
11 SAFFERY STREET
HUMANSDORP
6300
P O BOX 6
HUMANSDORP
6300
Tel. (042) 2951883
Fax. (042) 2910592
Cell. 082-4141062 / 082-7708308
E-Mail. map@intekom.co.za
TN
ERF AREA(±Ha.)
2078 1,7204
2079A 0,2544
2079B 0,5302
2081 1,4519
2082 0,4264
3296 0,3933
3297 0,4683
2954 0,8000
STREETS 1,4043
TOTAL 7,4492
2078 1,7204Ha.
2079A 0,2544Ha.
3775 0,1946Ha. RESERVOIR
2079B 0,5302Ha.
P.P. 2080
STREETS 1,4043Ha.
BLOUBOK STREET
RE/2085
2081 1,4519Ha.
HERON STREET
BOKMAKIERIE STREET
2082 0,4264Ha.
RE/1154
BOKMAKIERIE STREET
P.P. 2083
FISH - EAGLE STREET
2084
SUNBIRD CRESCENT
3283
2097
2954 0,8000Ha.
2955
3297 0,4683Ha.
3296 0,3933Ha.
2949
BOSBOK STREET
3292
RE/2956
3284
1988
1993
3305
2915
1975
1901
1958
RE/1156
2087
2088
1
3314
3762
1145
800

Annexure "B"

KOUGA
localmunicipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)
NOTICE NO: 71/2021

PUBLIC PARTICIPATION NOTICE
ALIENATION AND PERMANENT CLOSURE OF PUBLIC ROADS

The Council has received the following application:

APPLICATION FOR THE PURCHASE AND PERMANENT CLOSURE OF PUBLIC ROADS, ERF 763 (LONG STREET) AND A PORTION OF ERF 2077 (PORTION OF BLOUBOK, PORTION OF HERON & BOKMAKIERIE STREET) HUMANDORP, INDUSTRIALAREA

This is for the alienation of immovable assets (public roads as mentioned above) at a fair market related value in terms of Section 6 (6.8) of the Municipal Policy and Procedures for the Disposal of Immovable Assets, Kouga Municipality, 2020 and in line with the resolution taken at the Council Meeting held on 26 February 2021 (Resolution 21/02/PD13). The application was submitted by Woodlands Dairy (Pty) Ltd.

Further particulars are available for inspection at the office of the ***Directorate: Planning, Development & Tourism, Municipal Offices, Planning and Development Department, 16 Woltemade Street, Jeffreys Bay. Contact Person: Mr. Sadrick Grootboom:*** *Act. Manager: Land and Properties.* ***Tel. 042-2002200*** *or* ***E-Mail Address:*** cgrootboom@kouga.gov.za

Motivated objections, if any, against the application, must be lodged in writing, to reach the undersigned not later than 30 days after publication of this notice.

All correspondence relating to this application must be addressed to Ms J. Reed @ E-Mail Address: jreed@kouga.gov.za

C. DU PLESSIS
MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

SONDLO & KNOPP ADVERTISING

Annexure "C"

EVERGREEN VALUERS Pty Ltd
Year Round Meticulous

PROPERTY DESCRIPTION:
Portion of Erf 2077 Humansdorp (Public Road-unimproved) (±13 739m²), Eastern Cape

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 180 000.00
(One Hundred & Eighty Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 22 January 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

EVERGREEN VALUERS Pty Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

EVERGREEN VALUERS Pty Ltd

Year Round Meticulous

PROPERTY DESCRIPTION:

Remainder of Erf 763 Humansdorp (Long Street) (±6851m²), Eastern Cape

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 210 000.00

(Two Hundred & Ten Thousand Rand Only)

Ferreira

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 30 September 2020

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

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info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO: 21/05/PD11**

LAND SWAP: A PORTION OF ERF 6650 IN FAVOUR OF ERF 6649, JEFFREYS BAY: MR. S. STANLEY

1. Introduction

The purpose of this item is to request Council to grant final approval for the land swap: a portion of erf 6650 in favour of erf 6649 due to the encroachment of the turning circle of Salamander Street over erf 6649, Jeffreys Bay. ** (See Annexure A)

2. Background

The item was previously submitted to Council on 26 February 2021 for an in-principle approval under item 21/02/PD12.

21/02/PD12 LAND SWAP: A PORTION OF ERF 6650 IN FAVOUR OF ERF 6649, JEFFREYS BAY: MR. S. STANLEY

Resolved (26 February 2021)

1. That Council grant in-principle approval for swapping a portion of Erf 6650 equivalent to the land lost in respect of Erf 6649, due to the encroachment of the turning circle of Salamander Street.

2. That Council grant authorization to advertise the intended swap of the immovable property herein.

3. That Council confirms that the land is not needed to provide the minimum level of basic municipal services.

4. That a 2.0m building line being observed along the western lateral boundary for possible future services.

5. That a 2.0m building line being observed along the eastern lateral boundary for access to the existing watermain passing through the Erf.

6. That the sub-division and consolidation processes of the land be concluded.

3. Comment: Director Infrastructure and Engineering

The section Technical Services (civil) of the Infrastructure & Engineering Department indicated that it has no objection to the land swap proposal in principle.

However, there is a water main passing through erf 6649 from north to south along the eastern lateral erf boundary. Further, there is also a strong possibility that the municipality might need to utilize the building line space along the western erf boundary for the provision of additional services.

The Technical Services Section support of the land swap agreement is subject to the following conditions being observed and should form part of the said agreement:

i) A 2.0m building line being observed along the western lateral boundary (for possible future services).
ii) A 2.0m building line being observed along the eastern lateral boundary (for access to the existing water main passing through the erf).

4. Financial implications

There will be financial implications.

i) Land surveyor cost (subdivision, consolidation, surveyor diagrams, and registration fees)
ii) Legal (Transfer costs)

5. Public Participation Process

The intended land swap of erf 6650 in favour of erf 6649 (immovable property) was advertised under Notice 70/2021. No objections thereto were received. **(See annexure C)

6. Section 14 Process

6.1 Comment by: Infrastructure & Engineering

In terms of Section 14, supported the land swap: a portion of erf 6650 in favour of erf 6649, Jeffreys Bay and confirmed that the erf is not required for the provision of basic municipal services.

6.2 Comment by: Town Planning

In terms of Section 14, supported the application with no objection thereto.

7. Legal implications

Legal transfer costs.

8. Recommendation

8.1 That Council **grant Final approval** for the land swop of a portion of erf 6650 to the extent of 245m² to compensate for the land lost by property owner of erf 6649, due to the encroachment of the turning road circle in Salamander Street.

8.2 That Legal Services attend to the transfer and registration processes in implementing the resolution 8.1 above.

8.3 That the Municipality be liable for all Transfer, subdivision and consolidation costs linked to this transaction.

8.4 That Council notes that the portion of 6650 to be alienated is not needed for future basic services, in terms of s14 of the MFMA read together with the MTAR (2008) and Municipal Policy on Disposal of Council Immovable Assets.

Item prepared by: Acting Manager: Land Administration

Item approved by the Director PDT:



Item noted by the Portfolio Chairperson:



Annexure "A"



The hatched area illustrates the new erf 6649 after swapping an equivalent portion of erf 6650 and consolidation with erf 6649.

Annexure "B"

KOUGA
localmunicipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)
NOTICE NO: 70/2021

PUBLIC PARTICIPATION NOTICE

The Council has received the following application:

APPLICATION FOR THE SWAPPING OF A PORTION OF MUNICIPAL LAND, ERF 6650 IN FAVOUR OF ERF 6649, JEFFREYS BAY

The swapping of the equivalent portion of erf 6650 (municipal land) in favour of erf 6649 (private land) due to an encroachment of the turning circle of Salamander Street (municipal road) onto erf 6649 is in accordance with the resolution taken at the Council Meeting held on 26 February 2021 (Resolution 21/02/PD12). The above-mentioned erf (6649) belongs to Mr. M. Stanley who has agreed to the proposal from Council to swap the property portions as mentioned above.

Further particulars are available for inspection at the office of the ***Directorate: Planning, Development & Tourism, Municipal Offices, Planning and Development Department, 16 Woltemade Street, Jeffreys Bay. Contact Person: Mr. Sadrick Grootboom:*** *Act. Manager: Land and Properties.* ***Tel. 042-2002200*** *or* ***E-Mail Address:*** cgrootboom@kouga.gov.za

Motivated objections, if any, against the application, must be lodged in writing, to reach the undersigned not later than 30 days after publication of this notice.

All correspondence relating to this application must be addressed to Ms J. Reed @ E-Mail Address: jreed@kouga.gov.za

C. DU PLESSIS
MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

SONDLO & KNOPP ADVERTISING

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO: 21/05/PD12**

FUNDING APPROVAL FOR THE INSTALLATION OF 990 CIVIL SERVICES INFRASTRUCTURE, HANKEY

1. Introduction:

The Hankey Housing Project was identified by the Municipality and approved for development in 2009 with the aim of prioritising housing development for the much-needy and vulnerable residents in this area. The need increased over the past years, which necessitated the prioritization of the implementation of this Housing Development. The upgrading of bulk services has been completed and an ROD was obtained for this project.

The first application for Environmental Authorization to the Eastern Cape DEDEAT was submitted towards the end of 2015 and approved around the 07th of July 2016.

Application to extend this first Environmental Authorization (EA) was submitted the 28th of February 2018, as the Housing Development project was not implemented by the Kouga Local Municipality on time. Approval of the Amendment was granted on 28 March 2018, with the condition to : " …. *reflect an extension of time frame for commencement for the installation of internal service infrastructure of 24 months from the date of this Amendment Notice*."

The Municipality submitted a letter to DEDEAT in terms of the conditions of Environmental Authorisation Provincial: ECO8/C/LN 1&3/M/30-2015, informing them about commencement with activities on abovementioned erven on 02/9/2019, and appointed ECO.

The funding application for the provision of 990 service sites was submitted in 2019 and an approval/resolution of **R 40, 545 232.32** was received on 10 May 2021. The funding approval is for the following,

- Sanitation
- Water
- Roads
- Stormwater
- Completion of outstanding planning related items

- Project Management

As per annexure "A", the Funding approval for completion of 990 pre planning activities and installation of 990 civil infrastructure services, and Preliminary implementation plan/program is outlined.

The Preliminary Implementation Plan / Programme to procure a Contractor and to execute the work during the Construction Stage is as follow :

- Tender Documentation to Bid Specifications Committee : Mon, 17 May 2021
- Tender Advertise Date : Tue, 25 May 2021
- Compulsory Tender Clarification Meeting (for Contractors) : Thu, 3 June 2021
- Tender Closing Date : Thu, 24 June 2021
- Tender Evaluation (by Kouga LM, SCM) – 3 weeks : Fri, 16 July 2021
- Award of successful Contractor : Tue, 20 July 2021
- Construction contractual matters (Form of Offer, Guarantee, OHS) : Fri, 6 Aug 2021
- Construction Commencement Date / Site Hand-over : Tue, 10 Aug 2021
- Construction Duration – 12 months
- Construction Completion : 31 July 2022

2. Purpose

This report is to apprise Council on the funding approval for completion of 990 pre planning activities and installation of 990 civil infrastructure services in Hankey, and provisional implementation plan/program

3. Comments by the relevant Director

Item is supported.

4. Financial implications

No comment

5. Legal implications

None

6. Other implications

None

7. Recommendation

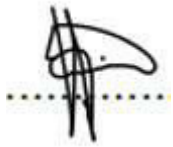
7.1 That the report on the funding approval of **R 40 545 232.32** grant funding for the completion of pre planning activities and installation of 990 civil infrastructure services in Hankey be noted.

7.2 That the preliminary implementation plan/program for the Hankey 990 housing project be noted.

7.3 That all progress reports on this housing project be submitted to the Planning & Development Portfolio Committee.

Item prepared by: Manager: Integrated Human Settlements

Item approved by the Director PDT:



Item noted by the Portfolio Chairperson:



ANNEXURE "A"

Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

DATE : 19 APRIL 2021
ITEM NO. : SBDM 202001
SUBJECT : KOUGA MUNICIPALITY: HANKEY 990 HOUSING PROJECT: APPLICATION FOR FUNDING TO COMPLETE PRE-PLANNING AND INSTALL CIVIL INFRASTRUCTURE SERVICES

Resolved that:

a) The application for funding to complete pre planning related items in the Hankey 990 housing project **be approved.**

b) The application for funding to install civil infrastructure services in the Hankey 990 housing project **be approved.**

c) The financial detail recommendation **be approved** as follows:

No.	Funding Source	NO OF UNITS	Funds currently required per unit	TOTAL COSTS
	A. DIRECT COSTS			
1	Sanitation	919	R9,278.36	R8,526,812.84
2	Water	919	R5,215.19	R4,792,759.61
3	Roads	919	R11,877.53	R10,915,450.07
4	Storm water	919	R2,206.02	R2,027,332.38
	TOTAL A		**R28,577.10**	**R26,262,354.90**
	B. INDIRECT COSTS			
5	Safety Inspector	919	R101.18	R92,984.42
6	Environmental Control Officer	919	R101.18	R92,984.42
7	Traffic Impact Studies	919	R103.29	R94,923.51
8	Project Management	919	R1,586.80	R1,458,269.20
9	Civil Engineer	919	R2,378.00	R2,185,382.00
10	Site Supervision	919	R505.92	R464,940.48
11	Ph 2 Geotech Invest	919	R110.67	R101,705.73
12	Construction work permit	919	R55.00	R50,545.00
	TOTAL B		**R4 942.04**	**R4,541,734.76**
	C. VARIANCE ALLOWANCES			
13	Soil	919	R7,343.09	R6,748,299.71
14	Topography	919	R2,078.29	R1,909,948.51
15	Additional Professional Fees	919	R1 178.34	R865,826.66
	TOTAL C		**R10,599.72**	**R9,741 142.68**
	PROJECT TOTAL		**R44 118.86**	**R40,545 232.32**

d) That it **be approved** that the relevant funding agreement be amended accordingly.

1

ITEM NO. : SBDM 202001
SUBJECT : KOUGA MUNICIPALITY: HANKEY 990 HOUSING PROJECT: APPLICATION FOR FUNDING TO COMPLETE PRE-PLANNING AND INSTALL CIVIL INFRASTRUCTURE SERVICES

COMPILED BY CORPORATE SECRETARIAT

Recommended / ~~Not Recommended~~

Recommended by the committee for approval / inline with (a) (b) (c) & (d) of this submission.

CHAIRPERSON: PROJECT APPRAISAL COMMITTEE

19/04/2021
DATE

Recommended / ~~Not Recommended~~

Region to ensure that the implementation of the project is done within allocated budget. The project funding is recommended for infrastructure services for the current financial year.

CHIEF FINANCIAL OFFICER

20/04/2021
DATE

ITEM NO. : SBDM 202001
SUBJECT : KOUGA MUNICIPALITY: HANKEY 990 HOUSING PROJECT: APPLICATION FOR FUNDING TO COMPLETE PRE-PLANNING AND INSTALL CIVIL INFRASTRUCTURE SERVICES

Recommended / ~~Not Recommended~~

Provision of pre planning & civil infrastructure namely water reticulation, water borne sanitation, roads & storm water control management

HEAD OF DEPARTMENT

21/04/2021
DATE

Approved / ~~Not Approved~~

Support the pre-planning activities for the project at Hankey within Kouga Municipality in Sarah Baartman.

HON.MEC: NONCEBA KONTSIWE
DEPARTMENT OF HUMAN SETTLEMENTS

07/05/2021
DATE

REPORTS FOR INFORMATION

REPORTS FOR INFORMATION AND NOTING PURPOSES

20.1 **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

(Refer to complete items with annexures of the Mayoral Committee meeting held on 28 April 2021)

21/04/MM1 **MAYORAL RESOLUTIONS: ACTIONS SHEETS – 16 FEBRUARY 2021**

Resolved (28 April 2021)

1. That the updated Action Sheets reflecting resolutions of the Mayoral Committee meeting for 16 February 2021, be noted.

2. That it be noted that all resolutions are referred to Top Management meetings for discussion whereafter outstanding reports are submitted to their respective Portfolio Committee meetings.

3. That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.

21/04/MM2 **CALL CENTRE REPORT ON SERVICE DELIVERY REQUESTS JANUARY TO FEBRUARY 2020**

Resolved (28 April 2021)

1. That the report on the Call Centre Service Delivery Requests for January to February 2021 be noted.

2. That the committee notes the resolution rate of 91% and 87% consecutively for January and February 2021.

3. That user departments who have been provided with Smart phones as a tool of trade to access the Link App, do so to monitor and report resolution of issues logged.

4. That Corporate Services investigate the Link application's functional status.

21/04/MM3 **REPORT ON CALL CENTRE SERVICE DELIVERY REQUESTS NOT RESOLVED FROM 1 OCTOBER 2017 TO 30 OCTOBER 2020**

Resolved (28 April 2021)

1. That the report on the unresolved call centre service delivery requests, be noted.

2. That the Committee notes that a total of 321 service delivery requests out of 759 have been resolved.

3. That a report be extracted and submitted to relevant Managers and Directors on a weekly basis for resolution of matters.

4. That the report be referred to Top Management for immediate intervention to reduce the backlog on unresolved cases.

21/04/MM4 **MEDIA REPORT: THIRD QUARTER 2020/2021**

Resolved (28 April 2021)

1. That the media report for the third quarter of the 2020/2021 financial year be noted.

21/04/MM7 **REPORT: ESTABLISHMENT OF THE LOCAL KOUGA SPORTS COUNCIL (KSC)**

Resolved (28 April 2021)

1. It is recommended that this report be noted and the launch of the KSC be supported.

21/04/MM8 **REPORT: ESTABLISHMENT OF THE LOCAL DRUG ACTION COMMITTEE**

Resolved (28 April 2021)

1. That the Local Drug Action Committee be established in accordance with the Act.

2. That the Committee be in place by the end of April 2021. It is further recommended that letters be written to all stakeholders identified by the Act, to allow them to nominate a representative that will be appointed by the Mayor as stipulated.

3. That a virtual launch be held to fast tract the establishment of the KLDAC.

20.2 **REPORTS BY THE CHAIRPERSON: FINANCE**

(Refer to complete items with annexures of the Mayoral Committee meeting held on 13 May 2021)

21/05/F16 **REPORT ON THE PERFORMANCE (SDBIP) FOR FINANCE**

Resolved (13 May 2021)

1. That progress on the Operational and Capital SDBIP as at 31 March 2021 be noted.

20.3 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

(Refer to complete items with annexures of the Mayoral Committee meeting held on 28 April 2021)

21/04/CORP2 **CORPORATE SERVICES OPERATIONAL AND CAPITAL SDBIP REPORT AS AT 28 FEBRUARY 2021**

Resolved (28 April 2021)

1. That progress on the Operational and Capital SDBIP as at 28 February 2021 be noted.

21/04/CORP3 **MONTHLY REPORT FOR THE CORPORATE SERVICES DIRECTORATE: ADMINISTRATION SECTION AS AT END FEBRUARY 2021**

Resolved (28 April 2021)

1. That the monthly report for the Corporate Services Directorate: Administration Section be noted.
2. That the Speaker encourage Councillors who receive hardcopy agendas to use electronic agendas in an attempt to reduce photocopy costs.
3. That signage at Ward Offices be prioritised.

21/04/CORP4 **HR REPORT FOR JANUARY 2021 TO FEBRUARY 2021**

Resolved (28 April 2021)

1. That the monthly HR report be noted.

20.4 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

(Refer to complete items with annexures of the Special Mayoral Committee meeting held on 13 May 2021)

21/05/I&E1 **RE: PROGRESS ON GRANT FUNDING (MIG, WSIG & EPWP) AS AT 12 APRIL 2021**

Resolved (13 May 2021)

1. That the progress report be accepted.

21/05/I&E2 **PROGRESS REPORT ON THE ROAD RESEALING PROGRAM FOR 2020/2021 FINANCIAL YEAR**

Resolved (13 May 2021)

1. That the report be accepted.

21/05/I&E3 **RE: UPGRADING OF GRAVEL ROADS PROGRAMME – MIG PROJECT**

Resolved (13 May 2021)

1. That the report be noted and accepted.

21/05/I&E4 **RE: ELECTRICAL MAINTENANCE REPORTS: JANUARY 2021 AND FEBRUARY 2021**

Resolved (13 May 2021)

1. That the electrical maintenance reports for the months of January 2021 and February 2021, be noted.

21/05/I&E5 **REPORT: 200 ELECTRIFICATION PROJECT: PROGRESS AND SPENDING UP TO DATE**

Resolved (13 May 2021)

1. That the report on the Kruisfontein 200 electrification project for the month of February 2021 be noted.

2. That the Department of Human Settlement be alerted that the success with the project is dependent on the occupation by beneficiaries.

21/05/I&E6 **REPORT: REPLACEMENT OF THE 66KV OVERHEAD LINE BETWEEN MELKHOUT (ESKOM) SUBSTATION TO JEFFREYS BAY MAIN SUBSTATION**

Resolved (13 May 2021)

1. That the report on the performance of the 66Kv Overhead line between Melkhout substation and Jeffrey's Bay project be noted.

21/05/I&E9 **DAY TO DAY OPERATIONS OF THE FLEET SECTION DURING THE PERIOD OF JANUARY 2021 & FEBRUARY 2021**

Resolved (13 May 2021)

1. That the report on the Day-to-Day operations during the period of January 2021and February 2021 be noted.

21/05/I&E12 **REPORT ON THE PERFORMANCE CAPITAL (SDBIP) AND OPERATIONAL PERFORMANCE REPORTING FOR INFRASTRUCTURE & ENGINEERING AS AT 31 MARCH 2021**

Resolved (13 May 2021)

1. That the SDBIP, for quarter 3 ended 31 March 2021, be noted.

2. That minor errors and omissions on the SDBIP report be corrected.

20.5 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

(Refer to complete items with annexures of the Special Mayoral Committee meeting held on 13 May 2021)

21/05/CS1 **DRINKING WATER QUALITY REPORT FOR JANUARY – FEBRUARY 2021**

Resolved (13 May 2021)

1. That the report on the drinking water quality for Kouga Municipality be noted.

21/05/CS2 **COVID 19 DRINKING WATER QUALITY REPORT JANUARY – FEBRUARY 2021**

Resolved (13 May 2021)

1. That the report on the Covid 19 drinking water quality for Kouga Municipality be noted.

21/05/CS10 TRAFFIC FINE REVENUE INCOME PERIOD JANUARY – FEBRUARY 2021

Resolved (13 May 2021)

1. That the Committee be informed of the revenue income from traffic fines, and the challenges to recover outstanding revenue due to lengthy court procedures and processes.

21/05/CS11 KOUGA MUNICIPALITY IN COLLABORATION WITH WORKING ON FIRE INITIATIVE

Resolved (13 May 2021)

1. That the report on the fire risk reduction program being conducted in partnership with Working on Fire, be noted.

21/05/CS13 MONTHLY REPORT COMMUNITY SERVICES: FEBRUARY 2021

Resolved (13 May 2021)

1. That the quarterly report of Community Services Directorate for February 2021 be noted.

2. That any recommendations arising from the quarterly report of Community Services for February 2021 be forwarded to the Mayoral Committee for consideration.

21/05/CS14 PROGRESS REPORT ON THE IMPLEMENTATION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AS AT 31 MARCH 2021

Resolved (13 May 2021)

1. That the progress report on the progress with regards to the on the implementation of the SDBIP as at 31 March 2021 be noted.

20.6 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

(Refer to complete items with annexures of the Special Mayoral Committee meeting held on 13 May 2021)

21/05/PD2 REPORT ON THE UNLAWFUL DWELLERS OF THE ASTON BAY CARAVAN PARK

Resolved (13 May 2021)

1. That the that the report of the unlawful occupiers of the Aston Bay Caravan Park be noted.

2. The suitable land be made available to assist the Provincial Department of Human Settlement in fast tracking the application process for emergency housing units.

3. That the Kouga Human Settlements Department ensure that all current occupiers in the Aston Bay Caravan Park are captured on the National Housing Needs Register.

4. That the Acting Manager: Land & Property Administration submit the report on identified land in the next Portfolio Committee.

5. That the Land department submit a report of which of the three erven would have lowest costs for resettlement.

6. That the homeless shelter in the Pellsrus Caravan Park be considered for relocation to one of the three sites.

7. That a public participation process and stakeholder engagement be embarked on once a suitable site is identified.

21/05/PD5 **LAND AND PROPERTY: PROGRESS REPORT: QUARTER 3: JANUARY TO MARCH 2021**

Resolved (13 May 2021)

1. That the content in the Land and Properties progress report be noted.

21/05/PD6 **ERF 554, SEA VISTA: SUBDIVISION, REZONING & CLOSURE OF PUBLIC OPEN SPACE**

Resolved (13 May 2021)

1. That the progress report on the proposed subdivision, rezoning & closure of public open space on Erf 554, Sea Vista, be noted.

21/05/PD7 **INSTITUTIONAL PERFORMANCE REPORT: 2020 /2021 FINANCIAL YEAR: 3RD QUARTER PERIOD 1 JANUARY TO 31 MARCH 2021**

Resolved (13 May 2021)

1. That the content of the Quarter 3 Institutional Performance Report on the implementation of the 2020/21 Service Delivery and Budget Implementation Plan for the period 1January and 31 March 2021 be noted.

20.7 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

(Refer to complete items with annexures of the Special Mayoral Committee meeting held on 13 May 2021)

21/05/LED&T4 **REPORT ON SARAH BAARTMAN DISTRICT MUNICIPALITY SMME GRANT FUNDING**

(Resolved 13 May 2021)

1. That the Mayoral Committee notes the report of Sarah Baartman District Municipality's SMME grant funding.

2. That expenditure reports from the beneficiaries be submitted to SBDM and Kouga Municipality to ensure funds are appropriately spent.