KOUGA
local municipality
Good Governance through Service Excellence

ORDINARY COUNCIL MEETING

SUPPLEMENTARY 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 ngokweMigaqqo 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.

SUPPLEMENTARY AGENDA

1. **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).

2. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

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

Pages: 8 - 450

3. **REPORTS BY THE EXECUTIVE MAYOR**

3.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE**

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

Pages: 452 - 524

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

Pages: 525 - 527

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

Pages: 528 - 529

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

Pages: 530 - 531

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

Pages: 532 - 534

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

Pages: 535 - 542

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

Pages: 543 - 548

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

Pages: 549 - 566

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

Pages: 567 - 666

21/05/F26 Fees and Charges for Electricity Services in Respect of the 2021/22 Financial Year

Pages: 667 - 674

21/05/F27 Finance Directorate: Revision of Fees and Charges for the 2021/22 Financial Year

Pages: 675 - 676

21/05/F28 Revision of Various Tariffs: Planning, Development and Tourism for the 2021/22 Financial Year

Pages: 677 - 681

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

21/05/PD13 Application for waiving of penalties imposed on Building Plan Submissions to the Department Planning & Development: unauthorised building work in terms of the National Building Regulations and Standards Act, Act 103 of 1977: Extension of Period from 30 June 2021to 31 December 2021.

Pages: 683 - 685

21/05/PD14 Authorization for Call for Nomination of External Kouga Municipal Planning Tribunal (MPT) Members (5 Year Contract 2021-2026)

Pages: 686 - 691

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

21/05/LED&T5 Approval for Redirecting Portion of Winterfest Budget to the South African Longboard Championship Event 2020/2021 FY

Pages: 693 - 698

4. **CLOSURE**

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

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

REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 28 MAY 2021 **ITEM NO: 21/05/MM11**

REVIEW OF THE DRAFT IDP FOR 2021/22 (2017-2022 5 YEAR CYCLE)

1. Introduction

The purpose of this report is to table the 4th Review of the 2017-22 Integrated Development Plan, review period 2021/22 for consideration by Council.

2. Legislative requirements

Section 34 of the Local Government Municipal Systems Act, 32 of 2000 prescribes that:

"Annual review and amendment of integrated development plan – A municipal council -

(a) must review its integrated development plan –

(i) annually in accordance with an assessment of its performance measurements in terms of section 41: and
(ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process.

The legal framework, contents, processes and procedures relating to the IDP originates from Chapter 5 of the Municipal Systems Act, Act 32 of 2000 read with sections 21(1)(a) and (b); 22(a)(i) and (ii) and 17(3)(d) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) as well as section 17(3)(d) of the MFMA stipulates that any proposed amendments to the IDP following the annual review of the IDP in terms of section 34 of the Systems Act, must be tabled by the Mayor together with the budget.

The tabling of the budget must be done 90 days before the start of the new budget year in terms of section 16 of the MFMA. Section 22 stipulates that the annual budget and other documents referred to in section 17(3) must be made public and the local community must be invited to submit representations in connection with the budget.

3. Background

3.1 **Integrated Development Planning**

Integrated development planning is regulated by Chapter 5 of the Local Government Municipal Systems Act, Act 32 of 2000. Section 25(1) requires each municipal council to adopt a single, inclusive and strategic plan (IDP) for the development of the municipality within a prescribed period after the start of its elected term.

The IDP-

- is adopted by the council within one year after a municipal election and remains in force for the council's elected term (a period of 5 years);
- is drafted and reviewed annually in consultation with the local community as well as interested organs of state and other role players;
- guides and informs all planning and development, and all decisions with regard to planning, management and development;
- forms the framework and basis for the municipality's medium term expenditure framework, annual budgets and performance management system; and
- seeks to promote integration by planning the economic, ecological and social pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

3.2 **Spatial Development Framework**

Kouga Municipality has amended and adopted the Municipal Spatial Development Framework (SDF) on 26 February 2021, in terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA), and the Municipal Land Use Planning By-aw.

Section 12(5) and (6) of SPLUMA states that:

- 12(5) A municipal Spatial Development Framework must assist in integrating, coordination, aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area.
- 12(6) Spatial development frameworks must outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in spatial development frameworks.

3.2.1 *Amendments to the SDF*

The amendment process largely focused on updating outdated information contained in the SDF and addresses the following issues:

- The 2015 SDF Implemetation Plan required the municplaity to administor land applications in term of the repealed planning ordinance. The SDF was amended to align with the newly adopted Intergrated Land Use Scheme (ILUS) and compliance with the new Spatial Planning & Land Use Management Act of 2003.

- The SDF was amended to allow additional uses that are compatible with the immediate environment, therefore, encouraging mixed uses. This is aimed at reducing redtape when considering land use applications.

- Accommodating Urban Growth – In Jeffreys Bay and Humansdorp, inclusionary housing at appropriate densities is proposed to accommodate the estimated population growth. The medium-term residential growth focus is directed to the vacant land situated within existing settlement areas. This is to integrate the diverse communities whilst efficiently using the existing infrastructure.

- The SDF identifies priority intervention areas on which precinct plans must be developed. This helps guide land use decisions by proposing guidelines and parameters that are site specific.

- The vision is amended to acknowledge the unique character of all setllement areas. This will allow appropriate densities for major nodes and secondary nodes.

The amended Spatial Development framework is attached to the IDP as Annexure 1.

3.3 IDP Process Plan

28. *(1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.*
(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter4, consult the local community before adopting the 10 process.
(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

This report is the fourth (4th) review of the 2017/22 Integrated Development Plan of the Kouga Municipality. The process started with the adoption of the IDP Process Plan on 28 August 2020, Council Resolution no. 20/08/MM2 which included all the different processes and timeframes to be followed.

The process plan also made provision for compliance timeframes of the financial reporting cycles as well as performance management. The Process Plan was amended with the declaration of a national lockdown to the Covid-19 Pandemic.

3.4 Community Participation

16. (1) A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose
(a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in—

(i) the preparation. implementation and review of its integrated development plan in terms of Chapter 5.
(ii) the establishment, implementation and review of its performance management system in terms of Chapter 6.
(iii) the monitoring and review of its performance, including the outcomes and impact of such performance.
(iv) the preparation of its budget; and
(v) strategic decisions relating to the provision of municipal services in terms of Chapter 8.

(b) contribute to building the capacity of—
(i) the local community to enable it to participate in the affairs of the municipality; and
(ii) councillors and staff to foster community participation; and

(c) use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b).

(2) Subsection (1) must not be interpreted as permitting interference with a municipal council's right to govern and to exercise the executive and legislative authority of the municipality.

Community involvement/public participation processes were seriously hampered due to the strict Covid-19 regulations and innovative measures were used to reach the public in order to present this final review of the 5-year IDP. The National Disaster Regulations was amended to allow for submission of the IDP and Budget without the opportunity for public engagement through public gatherings.

3.5 **Amendments to the Final 2017/22 IDP:**

An amended process plan sets out the following:

- The scope of application of the IDP and an explanation of the IDP cycle.
- The applicable legislative framework.
- A stakeholder analysis which identifies public participation platforms.
- Sector alignment and sector plan to the IDP/SDF.
- Roles and responsibilities.
- The annual revision.
- A detailed programme and time schedule which demonstrates the integration of the budget.
- The Council Resolution adopting the process plan. The municipality's overall performance attained for the 2019/20 financial year as well as the mid-year performance for 2019/20 financial year.
- Comments from the MEC for Local Government and Traditional Affairs and other stakeholders; and
- Changing circumstances in the municipal area.

4. <u>Community Involvement</u>

According to the Local Government Systems Act, Act 32 of 2000, Section 16, a municipality must develop a culture of municipal governance that complements

formal representative government with a system of participatory governance by encouraging and create conditions for the local community to participate in the affairs of the municipality.

The 2nd round of public meetings as scheduled on the IDP Process Plan could not take place due to safety risk of municipal officials during the municipal strike as well as extra caution to Covid-19 super spreader events.

The municipality has made use of virtual meetings which was scheduled over 4 days from 12 – 15 April 2021. The meetings was spread over the following geographical areas in our jurisdiction namely:

Geographical area		**Date**	**Virtual inputs/comments**
Area 1	Jeffreys Bay and surrounds	12 April 2021	**49**
Area 2	Humansdorp and surrounds	13 April 2021	**17**
Area 3	Gamtoos Valley	14 April 2021	**3**
Area 4	Greater St Francis Bay	15 April 2021	**4**

A number of community members were able to log into and submit comments through this medium. Ward Councillors also had an opportunity to make sure that the wishes of their constituencies were met by frequenting the IDP office regularly.

The comments/inputs were dealt with virtually by the Speaker, Executive Mayor and top management.

5. <u>IDP and Budget comments on the Draft IDP 2021/22</u>

The municipality published a notice pre the draft as well as after the draft IDP to invite the public to make submissions. Comment boxes and flash disks for inputs and comments from the public were also made available. The local radio station, Oasis FM was also used as a platform for community involvement. Due to the lack of public gatherings, a limited number of submissions were made. The Ward Committees in liaison with the Public Participation Unit played a crucial and active role with ward-based planning and inputs from the different wards.
The notice (no. 78/2021)for public input was published in the local newspaper, municipal offices, constituency offices as well as the website and other social media on 8 April 2021. The closing dates for submissions/comments/inputs were 7 May 2021.

Below are the comments and inputs received from the community:

WARD	COMMENTS/INPUTS
1	• RDP Houses needed • Paving of streets in Sea Vista • Advice office for Sea Vista
2	No submission
3	• Different colour bags for refuse: - Black household refuse - Green garden refuse • All street lights in the ward must be fixed • Walk ways in Jeffreys Bay, no pavement in St Francis Street • Septic tank trucks rushes through • Traffic licencing office need in Jeffreys Bay • Gravesites to be prioritised and must be kept clean as it is seen as a heritage site
4	• Erection of speed humps in James Street • Street lights • Notice boards for "illegal dumping sites" • More police visibility • Establishment a of Neighbourhood Watch • Play Park
5	• Erection of speed hump in James Street • Street lights • Youth Care Centre and Skills Development • More police visibility
6	• No submission
7	• No submission
8	• Different colour bags for refuse: - Black household refuse - Green garden refuse • All street lights in the ward must be fixed • Walk ways in Jeffreys Bay, no pavement in St Francis Street • Septic tank trucks rushes through • Traffic licencing office need in Jeffreys Bay • Gravesites to be prioritised and must be kept clean as it is seen as a heritage site • Erection of wheelchair lanes in Kabeljous to be of an acceptable standard . (Currently to wide) • Cleaning of open spaces • Filling of potholes • Speedhumps for the following streets: - 2 x Magnolia Street - 2 x Myrtle / Broom Streets - 1 x Dogwood Street - 2 x Noorsekloof Street - 2 x Mike Heroldt Street

	• Investigate the use of other power supplies
9	• Paving of the following streets - Tshume Street - Thangana Street - Sibengile Street - Nkosinkulu Street - Vergenoeg Street • Water shortage issue to be addressed • Impounding of stray animals
10	• No submission
11	• No submission
12	• No submission
13	• Address infrastructure problems in Stofwolk and Weston • Housing needs in Weston and Hankey • Water shortage issue to be addressed • Paving and tarring of streets in Rosedale and ext. 4 • Construction of a community hall in Rosedale • High mast lights in Stofwolk new area • Street names in Stofwolk new area • Construction of an elderly and disability centre • Construction of a library in Rosedale at the production centre
14	• No submission
15	• No submission

6. IDP and Budget Steering Committee meeting

A Final IDP and Budget Steering Committee Meeting was held on 20 May 2021 to consider submissions/comments/inputs from the community as enumerated in paragraph 5 above.

The CFO also indicated that they have consulted with Planning & Development and Infrastructure & Engineering Directorates and have reviewed the building plans, augmentation fees and connection fees as provided. And amended list of fees will be presented to Council for adoption on 28 May 2021 i.e.

- Water connection fees
- Augmentation fees
- Town Planning fees

It was resolved to recommend that:

1. That an action sheet be created to list all comments/inputs and be tabled at the next top management meeting for actioning;
2. That the progress on the action sheet be monitored and evaluated by the Mayoral Committee.
3. That the revised tariffs on water connections, augmentation fees and town planning fees be tabled on 28 May 2021.

7. Financial Implications

None.

8. Comments from Departments

8.1 Director Infrastructure and Engineering
Noted.

8.2 Director Community Services

Noted.

8.3 Director Corporate Services

Noted.

8.4 Director Planning, Development and Tourism

The item is supported with amendments to the SDF section.

8.5 Chief Financial Officer

The item is supported together with the Budget Report that is circulated separately.

8.6 Acting CCO

Noted.

8.7 Comment from the Municipal Manager

The item is supported.

9. Recommendation

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

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

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

9.4 That an action sheet be created to list all comments/inputs and be tabled at the next top management meeting for actioning.

9.5 That the progress on the action sheet be monitored and evaluated by the Mayoral Committee.

Item prepared by : Colleen Dreyer
The Manager: IDP

Approved by : **The Municipal Manager**

KOUGA
local municipality
Good Governance through Service Excellence



2021/22 REVIEW

FINAL REVIEW OF THE 2017/22 5 YEAR PLAN

4TH GENERATION IDP



KEEP KOUGA SERVICED



KEEP KOUGA CLEAN



KEEP KOUGA GREEN



KEEP KOUGA SAFE



KEEP KOUGA SMART



KEEP KOUGA GROWING

DRAFT

INTEGRATED DEVELOPMENT PLAN (2017/2022)

DRAFT

REVIEW 2021/22

ADOPTED BY COUNCIL ON

28 MAY 2021

RESOLUTION NO.

21/05/MM2

Postal Address

Kouga Local Municipality
P O Box 21
Jeffreys Bay
6330

Street Address

Kouga Local Municipality
33 Da Gama Road
Jeffreys Bay
6330

Telephone no.: 042-2002200

Fax no.: 042-2008606

Municipal Manager: Mr C du Plessis

Tel.no.: 042-2002046

Cell. No.: 083 300 0126

Email: jreed@kouga.gov.za

Executive Mayor: Cllr H Hendricks

Tel.no.: 042-2002057

Cell. No.: 083 795 0200

Email: pamayor@kouga.gov.za

IDP Manager: Colleen Dreyer

Tel.no.: 042-2002023

Cell. No.: 081 760 7245

Fax: 086 522 5150

Email: cdreyer@kouga.gov.za

Website: www.kouga.gov.za

DRAFT

TABLE OF CONTENTS

		PAGE
✓	**LIST OF ABBREVIATIONS**	6-7
✓	**LIST OF TABLES**	8-11
✓	**LIST OF FIGURES**	11-12
✓	**LIST OF GRAPHS**	13
✓	**LIST OF MAPS**	13
✓	**PREFACE**	14
✓	**SYNOPSIS: STRATEGIC DIRECTOR FOR THE 2021/22 IDP REVIEW**	15-16
✓	**FOREWORD BY THE EXECUTIVE MAYOR**	17-18
✓	**EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER**	17-19
✓	**AMENDED CHAPTERS IN 2017-2020 IDP (4TH AND FINAL REVIEW)**	19-20
✓	**ANNUAL IDP ASSESSMENT FOR THE REVIEW PERIOD 2020/21**	21
✓	**MEC COMMENTS/FINDINGS OF THE FINAL IDP 2020/21**	22-25
✓	**MUNICIPAL SCAN**	26-27
✓	**SERVICE DELIVERY PERFORMANCE HIGHLIGHTS DURING THE 2020/21 FINANCIAL YEAR**	28-34
✓	**SERVICE DELIVERY HIGHLIGHTS DURING THE 5 YEARS IN REVIEW (2017/2022)**	35-43
✓	**WARD BASED PRIORITIES REPORTING DURING THE 2020/21 FINANCIAL YEAR**	44-51
CHAPTER 1	**INTRODUCTION AND BACKGROUND**	
1.1	**INTRODUCTION**	52
1.2	**LEGISLATIVE FRAMEWORK**	52-53
1.3	**IDP PROCESS**	53-54
1.4	**ANNUAL REVIEW OF THE IDP**	54-57
1.5	**LINKAGE BETWEEN IDP, BUDGET, PERFORMANCE MANAGEMENT AND RISK MANAGEMENT**	58-61
1.6	**THE ORGANIZATION**	62
1.7	**SECTOR ALIGNMENT**	57-61 62-66
CHAPTER 2	**SITUATIONAL ANALYSIS**	
2.1	**GEOGRAPHY**	67-68
2.2	**TOPOGRAPHY AND CLIMATE**	68
2.3	**WARD DELIMINATION**	68-69
2.3.1	Ward population (Census 2011 combined with Community Survey 2016)	69
2.4	**DEMOGRAPHIC PROFILE**	70
2.4.1	Population size	70
2.4.2	Comparative population figures and growth rates for municipalities in the Sarah Baartman District	70-71
2.4.3	Population per town	72
2.4.4	Population per race group	72
2.4.5	Population by gender	73
2.4.6	Population per age group	73
2.4.7	Population by Language	74
2.4.8	Education	74-75
2.4.9	Mode of transport to school	76-77
2.5	**ECONOMY**	77
2.5.1	Economic growth	77-78
2.5.2	Employment status	78-79
2.5.3	Income	80
2.5.4	Poverty	80
2.5.5	Agricultural households	81
2.5.6	Tourism	81
2.6	**OVERVIEW OF BASIC SERVICES**	82
2.6.1	Water Services	82-83
2.6.2	Electricity	83
2.6.3	Sanitation	84-85
2.6.4	Roads and Streets	85-86
2.6.5	Refuse Removal	86
2.6.6	Human Settlements	87
2.6.7	Telecommunication	88
2.7	**SOCIAL DEVELOPMENT/SPECIAL PROGRAMMES**	88
2.7.1	People living with disabilities	88
2.7.2	The Elderly	88
2.7.3	Social Security/Grants	89

DRAFT

2.7.4	Youth Development	89-90
2.7.5	Children	90
2.7.6	Health Care Facilities: Facilities	91
2.7.7	Burden of diseases: HIV, Aids, Tuberculosis treatment and care	91-92
2.7.8	New Clinics needed	92
2.8	**SAFETY AND SECURITY**	92
2.8.1	Crime statistics	92-100
2.8.2	Safety of the Public : Bus shelters and taxi ranks	100
2.9	**CONCLUDING REMARKS ON SITUATIONAL ANALYSIS**	100-101
CHAPTER 3	**SITUATIONAL ANALYSIS PER NATIONAL KPA'S**	
3.1	**MUNICIPAL FUNCTIONS**	102-103
3.1.1	Access to basic services	103
3.1.2	Basic service delivery challenges faced by the municipality	103-104
3.1.3	Local Economic Development (LED)	104-105
3.1.4	Municipal Financial Management and Viability	105-106
CHAPTER 4	**INTERGOVERNMENTAL RELATIONS ALIGNMENT**	
4.1	**INTERGOVERNMENTAL RELATIONS**	107
4.2	**INTERGOVERNMENTAL STRUCTURES**	108
4.3	**AREAS OF INTERFACE – NATIONAL, PROVINCIAL, DISTRICT AND NATIONAL GOVERNMENT**	109
4.3.1	National Development Plan (NDP) – Vision 2030	109-110
4.3.2	Provincial Development Plan – Vision 2030	110
4.3.3	District Development Priorities	110-111
4.3.4	Kouga Municipality Strategic Goals alignment with National Outcomes and Provincial Goals	111-112
4.3.5	Integrated Service Delivery Model	112
4.3.6	Back to Basics approach	112-113
4.4	**STRATEGIC POLICY DIRECTIVES**	113-114
4.5	**REPORT ON THE STATE OF THE NATION, PROVINCE AND MUNICIPALITY**	114
4.5.1	State of the Nation Address (SONA) 2021	114-116
4.5.2	State of the Province Address (SOPA) 2021	117-125
4.5.3	State of the Municipality Address (SOMA) 2021	125-133
CHAPTER 5	**STRATEGIC DIRECTIVES**	
5.1	**MUNICIPAL CONCEPTUAL FRAMEWORK**	134
5.2	**SWOT ANALYSIS**	135-136
5.3	**6 (SIX) STRATEGIC NARRATIVES**	137
5.4	**2020/21 IDP REVIEW AND ITS STRATEGIC KEY PERFORMANCE AREAS AND DIRECTION**	138
5.5	**STRATEGIC FRAMEWORK**	139-141
5.6	**STRATEGIC OBJECTIVES ALIGNED TO THE DEPARTMENTAL OBJECTIVES IN EACH DIRECTORATE**	141
5.6.1	SOD1 – Office of the Municipal Manager	142-144
5.6.2	SOD2 – Directorate I & E Services	145-147
5.6.3	SOD3 – PDT	148
5.6.4	SOD4 – Directorate CS	149-152
5.6.5	SOD5 – Corp. Serv.	152-154
5.6.6	SOD5 – Directorate Financial Services	154-157
5.7	**DEVELOPMENT PRIORITIES FOR THE MUNICIPALITY 2020/21 FINANCIAL YEAR**	158-163
5.8	**PUTTING PROGRAMMES/PLANS/STRATEGY IN ACTION**	164
5.8.1	**KPA1 – BASIC SERVICE DELIVERY AND INFRASTRUCTURE**	164-198
5.8.2	**KPA2 – LOCAL ECONOMIC DEVELOPMENT**	198-211
5.8.3	**KPA3 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**	211-260
5.8.4	**KPA4 - GOOD GOVERNANCE**	260-285
5.8.5	**KPA5 - INSTITUTIONAL TRANSFORMATION**	286-303
CHAPTER 6	**PUBLIC PARTICIPATION AND COMMUNICATION**	
6.1	**PUBLIC PARTICIPATION AND WARD COMMITTEES**	304-305
6.1.1	Status of Ward Committees and Public Participation Policies	306
6.1.2	Ward Committee Structures	307-310
6.1.3	Ward Based Planning	310
6.2	**COMMUNITY NEEDS**	311
6.2.1	Reviewed Ward priorities	311-319
6.2.2	Consolidated Ward Priorities 2021/22	320-321
6.2.3	Summary of Provincial and National Government mandate	322
6.2.4	IDP Representative Forum	322
CHAPTER 7	**PERFORMANCE MANAGEMENT**	323

DRAFT

7.1	**ORGANIZATIONAL PERFORMANCE**		323
7.2	**INDIVIDUAL PERFORMANCE**		324
7.3	**PERFORMANCE INDICATORS**		324
7.4	**PERFORMANCE REPORTING**		324
7.4.1	Quarterly Reporting		324
7.4.2	Mid-year Assessment		324
7.5	**PERFORMANCE MANAGEMENT FUNCTION**		324-325
7.6	**PERFORMANCE STANDARDS**		326-330
7.7	**INSTITUTIONAL PERFORMANCE REVIEW 2019/20**		331-378
CHAPTER 8	**PROJECTS**		
8.1	**FINAL CAPITAL BUDGET – 2021/22**		379-383
8.2	**INTERNAL PROJECTS: MIG FUNDED – 2020/21**		384
8.3	**WARD SPECIFIC PROJECT ALLOCATIONS FOR 2021/22**		385-387
8.4	**PROJECT STAGES OF DEVELOPMENT – FUNDING SECTOR DEPARTMENTS**		388-389
8.5	**PROJECT IMPLEMENTATION BY SECTOR DEPARTMENTS**		390-391
8.6	**DEPARTMENT OF EDUCATION – CURRENT PROJECTS IN HUMANSDORP CMC**		392
8.7	**DEPARTMENT OF HUMAN SETTLEMENTS – INTEGRATED HUMAN SETTLEMENT GRANT FUNDED**		393
8.8	**MULTI-YEAR HUMAN SETTLEMENT PROJECTS**		394
8.9	**COMMUNITY NEEDS REQUIRING SECTOR DEPARTMENT INTERVENTION**		394-395
		OFFICIAL SIGN-OFF	396
ANNEXURES	A	Summarised SDF	397-420
	B	IDP Process Plan	421-428

LIST OF ABBREVIATIONS

AG	**Auditor-General**
B2B	**Back to Basics Approach**
CAPEX	**Capital Expenditure**
CBD	**Central Business District**
CBP	**Community Based Planning**
CFO	**Chief Financial Officer**
CIP	**Capital Infrastructure Plan**
CMC	**Circuit Management Centre**
COGTA	**Department of Co-operative Governance**
CRU	**Community Residential Units**
DEA	**Department of Environmental Affairs**
DEAP	**Department of Environmental Affairs and Development Planning**
DM	**District Municipality**
DORA	**Division of Revenue Act**
DWA	**Department of Water Affairs**
EE	**Employment Equity**
EPWP	**Expanded Public Works Programme**
FLISP	**Financial linked Individual Subsidy Programme**
FPA	**Fire Protection Association**
GAMAP	**Generally Accepted Municipal Accounting Practice**
GRAP	**Generally Recognized Accounting Policies**
HR	**Human Resources**
HSP	**Human Settlement Plan**
IDP	**Integrated Development Plan**
IFRS	**International Financial Reporting Standards**
IHRP	**Integrated Human Resources Plan**
IMFO	**Institute for Municipal Finance Officers**
INEP	**Integrated National Electrification Programme**
ISDF	**Integrated Strategic Development Framework**
KI	**Kilolitre (1,000 litre)**
KPA	**Key Performance Area**
KPI	**Key Performance Indicator**

KSC	**Kouga Sports Council**
KWH	**Kilowatt-hour**
LED	**Local Economic Development**
LM	**Local Municipality**
LLF	**Local Labour Forum**
MAYCO	**Mayoral Committee**
MBRR	**Municipal Budget and Reporting Regulations**
MFMA	**Municipal Finance Management Act (Act no. 56 of 2000)**
MIG	**Municipal Infrastructure Grant**
MEC	**Member of Executive Council**
MI	**Megalitre (1 000 000 litres)**
MM	**Municipal Manager**
MSA	**Municipal Systems Act (Act no 32 of 2000)**
MSCOA	**Municipal Regulations on a Standard Chart of Accounts**
MTREF	**Medium Term Revenue & Expenditure Framework**
NDP	**National Development Plan**
NDPG	**Neighbourhood Development Program Grant**
NERSA	**National Energy Regulator of South Africa**
NGM	**New Generation Mindset**
NGO	**Non-Government Organisation**
NHBRC	**National Home Builders Regulatory Council**
NMU	**Nelson Mandela University**
NPO	**Non-Profit Organisation**
NSUP	**National Support Upgrading Programme**
NT	**National Treasury**
OPEX	**Operating Expenditure**
OTP	**Office the Premier**
PDFP	**Private Development Funding Program**
PDI	**Previously Disadvantaged Individual**
PDP	**Provincial Development Plan**
PMS	**Performance Management System**
P-MTSF	**Provincial Medium-Term Strategic Framework**
PSDF	**Provincial Spatial Development Framework**
PSP	**Provincial Strategic Plan**
PPP	**Public-Private Partnership**
PT	**Provincial Treasury**
R	**Rand (currency)**
ROD	**Record of decision-making**
SASSA	**South African Social Security Agency**
SALGA	**South African Local Government Organisation**
SCM	**Supply Chain Management**
SDBIP	**Service Delivery and Budget Implementation Plan**
SDF	**Spatial Development Framework**
SH	**Social Housing**
SHRA	**Social Housing Regulatory Authority**
STATSSA	**Statistics South Africa**
UISP	**Upgrading of Informal Settlements Programme**
WSP	**Workplace Skills Plan**
WTW	**Water Treatment Works**
WWTW	**Wastewater Treatment Works**

LIST OF TABLES

Table 1	Strategic objectives for 2021/22
Table 2	Responses to MEC comments
Table 3	KPA comparative ratings
Table 4	KPA1 – Findings Service Delivery and Infrastructure
Table 5	KPA2 – Findings Local Economic Development
Table 6	KPA3 – Findings Planning and Budgeting
Table 7	KPA4 – Findings Good Governance and Public Participation
Table 8	KPA5 – Findings Municipal Institutional Transformation and Organisational Development
Table 9	Municipal Scan – January 2021
Table 10	Response time to emergencies
Table 11	Number of building plans
Table 12	Law Enforcement Activities
Table 13	Wheelie bins rolled out
Table 14	Ward 1 priority reporting
Table 15	Ward 2 priority reporting
Table 16	Ward 3 priority reporting
Table 17	Ward 4 priority reporting
Table 18	Ward 5 priority reporting
Table 19	Ward 6 priority reporting
Table 20	Ward 7 priority reporting
Table 21	Ward 8 priority reporting
Table 22	Ward 9 priority reporting
Table 23	Ward 10 priority reporting
Table 24	Ward 11 priority reporting
Table 25	Ward 12 priority reporting
Table 26	Ward 13 priority reporting
Table 27	Ward 14 priority reporting
Table 28	Ward 15 priority reporting
Table 29	The Council
Table 30	Top level employees
Table 31	Sector Plans
Table 32	Area Description
Table 33	Ward Population
Table 34	Comparative population figures and growth rates for municipalities in SBDM
Table 35	Education facilities and enrolments
Table 36	Matric results 2020
Table 37	Top 5 Districts comparative matric results 2017-2020
Table 38	Mode of transport to school
Table 39	Household income category
Table 40	Agricultural households
Table 41	Sanitation
Table 42	Municipal roads
Table 43	Road network
Table 44	Human settlements
Table 45	Breakdown of main dwellings
Table 46	Ward population
Table 47	Total of Covid-19 relief grant
Table 48	Healthcare facilities
Table 49	Healthcare givers
Table 50	Burden of diseases
Table 51	Crime statistics Jeffreys Bay
Table 52	Crime statistics St Francis Bay
Table 53	Crime statistics Humansdorp
Table 54	Crime Statistics Hankey

Table 55	Crime statistics Patensie
Table 56	Crime statistics Thornhill
Table 57	Bus shelters and taxis
Table 58	Municipal functions
Table 59	Proportion of households with minimum level of basic levels
Table 60	Proportion of informal households service delivery backlogs
Table 61	Service delivery challenges
Table 62	LED challenges
Table 63	Job creation through EPWP projects
Table 64	Municipality's performance i.t.o. municipal financial viability
Table 65	Provincial Strategic Objectives
Table 66	Strategic goals alignment
Table 67	Strategic alignment matrix
Table 68	SWOT analysis
Table 69	Strategic framework
Table 70	Departmental objectives
Table 71	Executive Support
Table 72	Risk Management and internal audit
Table 73	Integrated Developmental Planning
Table 74	Performance Management
Table 75	Media and Communication
Table 76	Legal Services
Table 77	Special Programmes
Table 78	Water and sanitation services
Table 79	Electrical Services
Table 80	Roads and Stormwater Services
Table 81	Project Management
Table 82	Fleet Management
Table 83	Town Planning and building control
Table 84	Human Settlements
Table 85	Development and Tourism
Table 86	Solid Waste Management
Table 87	Environmental Health
Table 88	Public Amenities
Table 89	Fire and Disaster
Table 90	Safety and Security
Table 91	Environmental Health Management
Table 92	Human Resources
Table 93	Administration Support
Table 94	Communication Support
Table 95	Budget and reporting
Table 96	Expenditure
Table 97	Revenue
Table 98	ICT
Table 99	Supply Chain Management
Table 100	Disposal Management
Table 101	Asset Management
Table 102	Municipal priorities
Table 103	Consumer Quantities
Table 104	Water Infrastructure
Table 105	Drought Relief Interventions – Window 1
Table 106	Drought Relief Interventions – Window 2
Table 107	Sanitation Infrastructure
Table 108	Ground Water Development Grant
Table 109	Drought intervention demand management
Table 110	MIG Capital Project List

Table 111	EPWP non-financials
Table 112	EPWP Spending schedule
Table 113	EPWP Projects
Table 114	Parks and recreational facilities
Table 115	Sports facilities
Table 116	Satellite fire stations
Table 117	Total no of fire services rendered
Table 118	Fire staff training
Table 119	Emergency call-outs
Table 120	Vehicle pounds and traffic fines
Table 121	Registration and licencing
Table 122	Driver's licence
Table 123	Roadworthy services
Table 124	Law enforcement transgressions
Table 125	Law enforcement cases
Table 126	Projects EIA
Table 127	Health Care facilities
Table 128	Business licences
Table 129	Environmental Health Inspections
Table 130	Water quality monitoring
Table 131	Libraries
Table 132	Library staff component
Table 133	Libraries activities
Table 134	Housing waiting list
Table 135	Formalised erven
Table 136	Housing challenges per ward
Table 137	Heritage sites
Table 138	Overview of the 2020/21 MTREF
Table 139	Summary of main revenue sources
Table 140	Mix main revenue sources
Table 141	Operating transfers and grants receipts
Table 142	Summary of operating expenditure by standard classification items
Table 143	Repairs and maintenance per asset class
Table 144	2020/21 medium term capital budget vote
Table 145	Budget summary
Table 146	Budgeted financial performance(revenue and expenditure by standard classification)
Table 147	Budgeted financial performance (revenue and expenditure by municipal vote)
Table 148	Budgeted financial performance (revenue and expenditure)
Table 149	Property rates and services
Table 150	Budgeted capital expenditure by vote, standard classification and funding source
Table 151	Budgeted financial position
Table 152	Budgeted cash flow statement
Table 153	Cash backed reserves
Table 154	Asset management
Table 155	Basic service delivery measurement
Table 156	Breakdown of the operating revenue over the medium term
Table 157	Detail investment information
Table 158	Sources of capital revenue over the MTREF
Table 159	Detail of borrowings
Table 160	Transfers and grant receipts
Table 161	Budgeted cashflow statement
Table 162	Cash backed reserves
Table 163	Funding compliance measurement
Table 164	Surplus/deficit excluding depreciation off-setts
Table 165	Grants received
Table 166	Grants expenditure

Table 167	Allocations and grants made by the municipality
Table 168	Disclosure of salaries, allowances and benefits
Table 169	Monthly targets for revenue, expenditure and cash flow
Table 170	Property valuations
Table 171	Asset groups
Table 172	SCM meetings
Table 173	Ward councillors
Table 174	Satellite offices
Table 175	Annual council calendar
Table 176	Statutory dates
Table 177	Additional committees
Table 178	Frequency of meetings
Table 179	Audit committee members
Table 180	Audit outcomes
Table 181	Policies
Table 182	Service level agreements
Table 183	Memorandum of understanding
Table 184	Customer survey
Table 185	Communication activities
Table 186	Newsletters
Table 187	Additional communication channels utilized
Table 188	Awareness campaigns
Table 189	Social cohesion
Table 190	Municipal workforce
Table 191	Turn-over rate
Table 192	Staff demographics
Table 193	Minimum competency levels
Table 194	HR related policies
Table 195	Posts occupational category
Table 196	Posts per functional area
Table 197	Financial management qualifications
Table 198	Training
Table 199	Employment equity
Table 200	Human Resources Plan
Table 201	Personnel expenditure
Table 202	Pension and retirement funds
Table 203	Medical aid funds
Table 204	Leave
Table 205	Staff appointments
Table 206	Staff terminations
Table 207	Disciplinary matters
Table 208	Occupational Health and Safety Interventions
Table 209	Covid-19 requirements and plans
Table 210	Human Resources projects for 2019/20 financial year
Table 211	Ward structures
Table 212	Ward 1 priorities
Table 213	Ward 2 priorities
Table 214	Ward 3 priorities
Table 215	Ward 4 priorities
Table 216	Ward 5 priorities
Table 217	Ward 6 priorities
Table 218	Ward 7 priorities
Table 219	Ward 8 priorities
Table 220	Ward 9 priorities
Table 221	Ward 10 priorities
Table 222	Ward 11 priorities

Table 223	Ward 12 priorities
Table 224	Ward 13 priorities
Table 225	Ward 14 priorities
Table 226	Ward 15 priorities
Table 227	Consolidated ward priorities
Table 228	Summary of provincial and national government mandate
Table 229	Performance management process
Table 230	Performance standards
Table 231	Institutional performance review 2019/20 financial year
Table 232	Capital project list 2021/22
Table 233	Internal projects MIG – projects
Table 234	Ward specific development fund
Table 235	Project stages of development
Table 236	Project implementation by sector departments
Table 237	DOE projects
Table 238	Department of human settlement projects
Table 239	Multi-year human settlement projects
Table 240	Sector department interventions

LIST OF FIGURES

Figure 1	Synopsis: Strategic direction for the 2021/22 IDP Review
Figure 2	Amended Chapters in the 2017-2020 IDP
Figure 3	Top 10 service requests
Figure 4	5 Year corporate strategy
Figure 5	Institutional Plan
Figure 6	Strategic Alignment
Figure 7	Linkage between IDP, Budget, PMS
Figure 8	Organizational Structure
Figure 9	% Population growth in the Sarah Baartman District
Figure 10	% Population growth in Kouga Municipality
Figure 11	Population per town
Figure 12	Population per race group
Figure 13	Population per gender
Figure 14	Population per age group
Figure 15	Population per Language
Figure 16	Educational Level
Figure 17	Gross domestic product (GDP) Sarah Baartman District 2016
Figure 18	Gross value added by broad economic sector, 2016
Figure 19	Employment status 2016
Figure 20	Working age population
Figure 21	Labour Force in each ward
Figure 22	Poverty Relief - Grant and subsidies
Figure 23	% Dependency ratio between 2011 to 2016
Figure 24	Tourism – trips by purpose
Figure 25	Overall quality of basic services
Figure 26	House with access to piped water
Figure 27	Electricity
Figure 28	Toilet facilities
Figure 29	Refuse Removal
Figure 30	Type of Dwelling
Figure 31	Grants received for the past 3 years
Figure 32	Total Expenditure for the past three years financial years
Figure 33	Intergovernmental Planning Model
Figure 34	NDP 2030 Vision
Figure 35	Integrated Service Delivery Model

Figure 36	Municipal conceptual framework
Figure 37	Staff Environment and Waste
Figure 38	Main operational expenditure categories for 2020/21 financial year
Figure 39	Capital expenditure
Figure 40	Breakdown of operating revenue over the 2020/21 MTREF
Figure 41	Sources of capital revenue for 2020/21 financial year
Figure 42	Growth in outstanding borrowing
Figure 43	Scanned and profiled documents
Figure 44	Audit staff structure
Figure 45	Risk graph
Figure 46	Permanent and temporary equity
Figure 47	Covid-19 cases

LIST OF GRAPHS

Graph 1	Expenditure components
Graph 2	2019/20 Operating Expenditure
Graph 3	2019/20 Capital Budget by source of funding
Graph 4	2019/20 Long Term Loans (Annuity)
Graph 5	Capital budget spent on infrastructure projects
Graph 6	Risk Management
Graph 7	Permanent and Temporary Equity
Graph 8	Budget allocation according to IDP Priorities

LIST OF MAPS

Map 1	Kouga Municipal Area
Map 2	Ward boundaries

DRAFT

PREFACE

The document represents the 4th and final review of the 2017/22 Integrated Development Plan (IDP) adopted by Council on 31 May 2017.

The IDP is mechanism and instrument which seeks to give meaning to developmental local government, where people themselves are active participants in the identification of needs, priorities and strategies for the reconstruction and development of communities.

Why is the IDP necessary?

- It enables the municipality to manage the process of fulfilling its developmental responsibilities.
- Through the IDP, the municipality is informed about the problems affecting its residents, it is thus able to develop and implement appropriate strategies and projects to address the problems.
- It helps to make more effective use of scarce resources.
- Helps to attract additional funds.
- Helps to strengthen democracy and hence institutional transformation because its decisions are made in a democratic and transparent manner, rather than just by a few.
- Promises intergovernmental coordination.

The 2017/22 Vision, Mission and Strategic objectives adopted by the Kouga Municipality after interactions with stakeholders, was reviewed and no amendments were made to our strategic direction.

For the 2021/22 IDP review our:

- Vision (remains unchanged)
- Mission statement (remains unchanged)
- Strategic objectives (remains unchanged)

DRAFT

SYNOPSIS: STRATEGIC DIRECTION FOR THE 2021/22 IDP REVIEW

OUR VALUES, VISION, MISSION AND STRATEGIC OBJECTIVES REMAIN UNCHANGED - REVIEW PERIOD: 4th REVIEW – 2021/22

IDP 2017-2022

Vision

Good Governance through Service Excellence

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 Goals

1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.
2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.
3. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.
4. Create an enabling environment for active public participation and an administrative culture characterised by accountability, transparency and efficiency.
5. Provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government.

OUR VALUES

people 1st
performance through people

- Service excellence
- Accountability and transparency
- Morality and honesty
- Equity, dignity and respect
- Freedom and fairness
- Integrity, professionalism and discipline
- Empathy and compassion



Figure 1: Values, Vision and Mission *(Source: Kouga IDP 2017)*

In delivering on our 5 strategic objectives the 2021/22 IDP Review process identified the following priorities to be addressed:

OBJECTIVE	HOW WILL IT BE ADDRESSED IN THE CURRENT 5 YEAR CYCLE	IDP PROGRAMME / LINKAGE
Bucket eradication in the whole of the Kouga municipal area	• Identify area with the most need • Develop and implementation plan • Make adequate funding available to complete the programme at the end of the cycle	• KPA1 – Basic Service Delivery • IDP01 • Directorate I & E
Increasing housing opportunities	• Identify land for subsidised housing opportunities • Consider developing more serviced sites with the housing development site • Identify land for emergency housing • Promoting densification and integration of subsidised housing	• KPA2 – Human Settlements • IDP13 • KFA20 • Development of Integrated Human Settlements • Spatial Planning
Fire Prevention and Bush Clearing	• Identification of overgrown areas i.e. Paradise Beach and St Francis Bay • Establish Fire Risk Prevention Committees in the whole of the Kouga area	• KPA1 – Basic Service Delivery • KFA9 – Disaster Management
Formalization of illegal electricity connections	• Develop an implementation plan for the formalization of illegal electricity connections • Adequate budget to be provided in the 2020/21 budget	• KPA1 – Basic Service Delivery • KFA3 – Energy supply, efficiency and infrastructure
Stimulate the informal economy in disadvantaged areas	• Review the informal trading by-law and policy • Identify spatially trading areas • Implement SMME support development Programmes (Youth and Women) • Drafting of a Poverty Alleviation Policy linked to the LED Strategy	• KPA2 – LED • KFA28 – Economic Development and Poverty Alleviation

Table 1: Strategic objectives for 2020/21

FOREWORD BY THE EXECUTIVE MAYOR



It is my privilege to present to you the fourth review of Kouga Municipality's Integrated Development Plan (IDP) for the cycle 2017 to 2022.

As announced in my State of the Municipality Address (SOMA) earlier this year, the strategic focus areas of the municipality for 2021/2022 will be guided by seven narratives. These are:

- Keep Kouga Serviced
- Keep Kouga Clean
- Keep Kouga Green
- Keep Kouga Safe
- Keep Kouga Smart
- Keep Kouga Growing, and
- Keep Kouga Caring

Our plans to **Keep Kouga Serviced** in 2021/2022 include bringing even more boreholes online to achieve water security in the region.

To date, more than 40 exploratory boreholes were drilled at five Kouga towns. Viable boreholes were connected at Oyster Bay, Jeffreys Bay, Patensie, and St Francis Bay, while more boreholes will be connected in Hankey, Humansdorp and Cape St Francis.

We will also install additional container ablution facilities in areas where the bucket system is still in use – the highest priority in the IDP. Several container ablution facilities were already delivered across Kouga, including to residents in Thornhill, Stofwolk in Hankey and Maak 'n Las in Humansdorp.

Further plans include the rollout of electricity to areas that never had access to power, including Stofwolk in Hankey, as well as the establishment of two additional cemeteries in Hankey.

The biggest capital project is the resealing and repair of roads across the Kouga region. Apart from the resealing of 12km of road during the 2019/ 2020 financial year, more than R8 million had been budgeted for the resealing of roads in the current financial year, ending on June 30, 2021.

To show how serious we are about fixing roads, an additional R20.5 million has been secured in the adjustment budget to continue with the resealing programme – effectively addressing the inherited R500 million backlogs in road maintenance. This will also have a positive benefit on the cost of repairing potholes in the future.

This will ensure that several roads across the Kouga region will be resealed, which in turn will have a positive benefit on the cost of repairing potholes in the future.

We are, however, not ignoring the fact that there are many roads in Kouga that need pothole repairs. The roads maintenance materials have, therefore, been increased by an additional R1,5 million.

Our newly launched Waste Management and Recycling Programme, together with the regular clearing of illegal dump sites and awareness drives, will strengthen effort to **Keep Kouga Clean**.

With the aim of raising awareness of climate change and the role one of us can play to slow it down and minimise the impact on communities, we have launched an innovative, sustainable urban food garden initiative at the end of last year which will see 30 illegal dumping sites being turned into community "Gardens of Hope".

Other current projects include the monitoring and management of the Seekoei Estuary at Jeffreys Bay, strengthening the St Francis spit to prevent the sea from breaking through to the canals, and the removal and rehabilitation of encroaching dunes at Oyster Bay.

The establishment of an and integrated intelligent operation centre in Humansdorp earlier this year, will assist to **Keep Kouga Safe**, while fibre will be rolled out as a fifth utility as part of our efforts to Keep **Kouga Smart**.

To **Keep Kouga Growing** is a non-negotiable – especially now in view of the economic impact of the COVID-19 lockdown.

Recent economic investments include the launch of a mobile biochar plant in Humansdorp earlier this year, creating jobs and enhancing water security, while reversing land degradation.

The Tavcor Group, one of the oldest motor groups in the Southern Cape and Port Elizabeth, has also recently moved into the Kouga region. The branch is currently run remotely with plans to have a physical address soon.

We have shown ourselves to be a region that stands together during times of adversity. I am confident that, as long as we keep on caring for each other as we have done since the outbreak of the COVID-19 pandemic, we will persevere and, ultimately, emerge stronger and more united than ever before.

In closing, I would like to extend my heartfelt gratitude to the municipal administration and workforce for their ongoing commitment towards service excellence no matter the obstacles or risk to themselves.

It is you and our communities that have made Kouga one of the best regions to live in in South Africa. Together, we remain on course to achieve freedom, fairness and opportunity for all while respecting and celebrating our diversity.



COUNCILLOR HORATIO HENDRICKS
EXECUTIVE MAYOR
28 MAY 2021

DRAFT

EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER



The Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs all planning budgeting, management, and decision-making processes in a municipality. The IDP therefore ultimately enhances integrated service delivery and development and promotes sustainable, integrated communities, providing a full basket of services.

The Local Government: Municipal Systems Act, No 32, 2000 (MSA) mandates Municipalities to review Integrated Development Plans annually in accordance with an assessment of its performance measurements.

With this the 4th and final IDP review of the current 5-year IDP year cycle, we have made steady progress in attaining our 5 strategic objectives and we remain committed to deliver quality basic municipal services to our community.

However, this review of the IDP occurred during a time of global uncertainty as a result of the COVID-19 Pandemic with its devastating impact. The Covid-19 pandemic was declared a national state of disaster by the President of South Africa. The National State of Disaster on Covid-19 came amidst South Africa's dire economic conditions with already high levels of unemployment and uncertainty in the job market. The lock down also had a devastating effect on our economic activity especially in the tourism sector. People were left with having no or little income to provide for themselves and their families.

The municipality established workstreams consisting of relevant departments i.e. Environmental Health Practitioners, OHS in liaison with other sector departments in an effort to curb the spread of Covid-19. The impact of Covid- 19 is actively monitored on an ongoing basis and regular feedback given to the broader public as we strive to fulfill our service delivery priorities. Work programs also had to be adjusted, having some employees working from home and regular closing of offices for decontamination purposes.

The spread of the virus impacts severely on the municipal budget and prescribes certain methodologies to be utilised. The municipality has shown a decline in revenue collection due to the loss of income since businesses, households and communities is reeling from the economic outfall caused by the severe regulations enforced due to the pandemic. The National State of Disaster will affect our financial management responsibilities for the 2021/22 review and the years beyond. Sound financial measures was enforced by management with the support of Council. The Council has also embarked on a comprehensive review of the 2020/21 budget and has tabled and approved an Adjustment budget on 26 February 2021.

The public participation processes were seriously hampered due to the strict Covid-19 regulations and innovative measures were used to reach the public in order to present this final review of the 5-year IDP. The National Disaster Regulations was amended to allow for submission of the IDP and Budget without the opportunity for public engagement through public gatherings. However, the municipality electronically advertised the approved draft Budget, the amendments to the IDP for public comments through all the available social media platforms in the municipal area and on the municipal website.

The municipality also made available comment boxes and flash disks for inputs and comments. As a result of the lack of public gatherings a limited number of submissions were made. The Municipality has received 4 unqualified audits with findings during the five-year period and as a remedy for findings, we will work harder and smarter to receive a clean audit in the next few years.

The demands made on our services with the increase in indigent, unemployed and the number of businesses struggling during this pandemic means that the 2021/22 financial year will see the single biggest challenge. We should reflect on what needs to be done to ensure our ongoing financial sustainability, progress towards growth and developing and providing a basic level of support for the most vulnerable in our towns.

Bucket eradication remains a challenge for the municipality due to rapid migration patterns and remains the top priority for the municipality. The biggest cut of the capital budget for the 2021/22 financial year remains the maintenance and upgrading of roads.

The IDP for 2021/22 sets out to deliver the following objectives:

1. A sustainable financial system that is able to ensure the effective operation of the municipality.
2. A capital budget program of R61 012 540 geared at addressing the worst infrastructure backlogs such as roads.
3. A program of indigent and support to the most vulnerable households in the municipality.
4. An adequate basket of basic services that meets the minimum requirements.
5. An environment that is conducive for recovering, renewing and re-opening of the economy, especially tourism and unemployment in the municipality.

A number of challenges still remain:

1. The constant demand for low-cost housing.
2. An increasing percentage of households on the indigent program (households earning less than R3600)
3. Dependence on grant funding for infrastructure upgrades
4. High unemployment

The IDP sets out to maintain the current standard of good governance, achieving the target of a clean audit, the delivery of infrastructure services based on the internal funds and grants received, the provision of basic services and the maintenance of the financial stability that is the backbone of the municipality's capacity to perform.

The Kouga municipality was also hit hard with Covid-19 fatalities. One (1) councillor and four (4) employees succumbed to the virus. I would like to convey my heartfelt condolences to the families of the deceased.

My sincere appreciation to Council, the administration, and all external role-players for your valued contribution as we venture into the unchartered waters of Covid 19. My sincere appreciation to the Executive Mayor, Horatio Hendricks, the council and senior management who helped to formulate the strategic direction of this review period and the many staff who execute their duties with diligence and pride.



CHARL DU PLESSIS
MUNICIPAL MANAGER
28 MAY 2021

AMENDED CHAPTERS IN THE 2017-2022 IDP (4TH AND FINAL REVIEW)

The Kouga Council adopted amendments to the 2017-2022 IDP: 4th and final review and the Spatial Development Framework (SDF) on 26 February 2021. The amended SDF forms part of the municipality's fourth generation IDP 2017-2022 amendment.

Chapter 1 Legal context 	*States the introduction and background by noting the legal context of the IDP, explaining the five-year IDP process and the key timeframes followed.*
Chapter 2 Municipal profile 	*Provides a municipal development profile with an overview of the municipal area and highlights the key socio-economic data that informs the development needs in Kouga, also the physical perspective of the Kouga area.*
Chapter 3 Public Participation 	*Introduces the reader to the consultation process and inputs of the ward. The municipality intends to strengthen partnerships with role players to assist and support ward committees and sector interest groups with their social needs.*
Chapter 4 Situational analysis per national KPA's 	*Reflects on the institutional arrangements in the municipality and gives a situational analysis of our performance against the five national key performance areas.*
Chapter 5 Intergovern-mental relations /alignment 	*Reflects on the alignment of the strategic policy directives of national and provincial government and also reflects on the state of the nation address by the president of South Africa as well as the state of the municipal address by the executive mayor of Kouga Municipality.*
Chapter 6 Strategic directives 	*States the council's strategic direction, detailing the vision, mission, strategic goals and values that will pursued during the 5 years.*
Chapter 7 Performance management 	*Deals with performance management, performance indicators and targets met or planned for the next financial year. The final 2021/22 SDBIP for approval by mid-July.*
Chapter 8 Budget 	*Details the progress of projects, MIG Projects, sector department grant funding and capital budget for 2021/22.*

Figure 2: Amended Chapters

ANNUAL IDP ASSESSMENT FOR THE REVIEW PERIOD 2020/21

The Eastern Cape Government annually assesses the Draft IDP's of municipalities and a report which encapsulates the comments of the MEC for COGTA are issued to all municipalities in the Eastern Cape. The Assessment for the municipality took place from

The overall findings on the Final IDP 2020/21 of the Kouga Local Municipality can be summarized as follows:

- The municipality has tabled, adopted and submitted its 2020/21 Reviewed Integrated Development Plan for assessment.
- The municipality has conformed to the council approved IDP Process Plan.
- The municipality has conformed to the core components of the IDP as prescribed by Section 26 of the Municipal Systems Act (MSA), 2000 as amended.
- The municipality will refer to its Individual Assessment Report, however a summary of salient issues of the gaps identified per KPA during the assessment will be provided.

The municipality's IDP for 2020/21 was assessed from 18 September 2020 to 21 October 2020. The assessment was one virtually due to Covid-19 regulations. The following table reflects the comments made on the IDP:

NO.	KPA	INPUT/COMMENT	DATE
1.	**KPA1 Spatial Planning**	• Page numbers of SPLUMA are not reflected in IDP assessment document. • GIS not mentioned in IDP. • No Land invasion Policy • Not all municipal by-laws are reflected in IDP. • No Land Audit.	18 September 2020
2.	**KPA1 Basic Services and Infrastructure**	• Municipality to indicate that electrical connections for informal settlements, new connections, and new developments form part of backlogs. • Water Services Plan not updated. • No infrastructure maintenance plan. • RAMS – Municipality claiming it is completed, but there is no information in IDP. • Storm water Master Plan is not revised. • Municipality to engage with SBDM roads network. • No Coastal Zone Management Plan/Policy	29 September 2020
3.	**KPA4 Good Governance and Public Participation**	• Nothing is reflected on Disaster Recovery Policy. (e.g. - If offices are destroyed by a fire, and is there an alternative and will it be ready the next day) • Archive Management and Record Keeping is not reflected.	21 October 2020
4.	**KPA5 Institutional Transformation and Organisation Development**	• Nothing is reflected on scares and critical skills. • Critical should also be listed in WSP and Skills Audit. • Annual Review dates of HR Policies are not reflected. • Include the same table for OHS for Wellness Program.	21 October 2020

Table 2: Responses to MEC comments

The table below illustrates the comparative ratings of the review periods 2017/18, 2018/19 and 2019/20.

KPA	RATINGS 2017/18 IDP REVIEW	RATINGS 2018/19 IDP REVIEW	RATINGS 2019/20 IDP REVIEW	RATINGS 2020/21 IDP REVIEW
Basic Service Delivery	High	Medium	High	High
Financial Planning and budgets	Medium	High	High	High
Local Economic Development	High	High	High	High
Good Governance & Public Participation	High	High	High	High
Municipal Institutional Arrangements	Medium	Medium	High	High
Overall Rating	High	High	High	High

Table 3: 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.

MEC COMMENTS/FINDINGS OF THE FINAL IDP 2020/21

KPA 1: Service Delivery and Infrastructure

No.	Findings	Response
1.	The municipality needs to develop the land audit report and land invasion policy to better understand the situation in their municipality.	*Land Audit and Land Invasion policies will be reflected in the 2022/23 FY*
2.	The municipality did not budget for the non-motorized transport.	*Plans and budget for non-motorized transport will be considered in the 2022/23 FY*
3.	The municipality does not have the safety plans.	*A planning Safety summit was held in November 2020 to start the establishment of a Community Safety Forum. Plans will be developed accordingly.*
4.	The Spatial Development Plan informed by disaster vulnerability and risk assessment reports was approved on the 12 June 2020 as council resolution not reflected on the IDP. Disaster Management by-laws adopted but still need to be reviewed. The Chief Fire Officer is not appointed. Fire services tariffs are reviewed annually. The municipality does not have plans to deal with veld and forest fires, oil spillages or floods in place.	*The SDF was adopted on 26 February 2021. Disaster Management By-laws will be reviewed by the Sarah Baartman District Municipality. The municipality has a Chief Fire Officer as reflected in the IDP.* *We have the National Veld and Forest Act and uses the oil spillage and emergency response guidebook for oil spillages. The SBDM is responsible for chemical spillage. Floods no, but it will be addressed in the new draft disaster risk management plan.*
5.	There are contradictory statements within the IDP document about when last was the Water Service Development Plan (WSDP) prepared and adopted by council. Maintenance plan needs to be developed as it is very important for budgeting correctly more especially now that there are water shortages due to drought.	*Dept of Water and Sanitation appointed a service provider to update the WSDP and develop a water master plan. These processes are done electronically on a web-based portal of DWS. In progress.*
6.	While the Sarah Baartman District Municipality has an adopted AQMP, it has not yet cascaded to its Local Municipalities. The DEDEAT regional office is willing to assist also where possible to ensure your municipality has developed this plan.	*Noted, the Municipality will engage DEDEAT regarding the support offered.*
7.	The municipality has to prioritise the development of a Climate Change Response	*Kouga Municipality had plans to develop a Climate Change Strategy during the financial year 2019/2020 and*

	Strategy which there is an indication of its intention to undergo that exercise however it reflects projects which would respond to the impacts of climate change. The municipality need to systematically develop resilience to the impacts of climate change and in this regard the impacts of drought and water scarcity is the priority followed by agricultural resilience. It is also recommended that the Regional DEDEA office to provide support to Kouga Local Municipality in the development of their CCRS.	*funds had to be used for COVID-19. The municipality will welcome the assistance of DEDEAT in developing the strategy. The Municipality will engage Regional DEDEA for assistance and support.*
8.	The municipality does have an Environmental unit but no plans to protect and rehabilitate the natural environment.	*Kouga Municipality advocates for environmental protection and rehabilitation. However, the municipality has been faced with Environmental Risks which needed to be prioritised while in the process of developing sector. The municipality has also launched two programs under environmental protection in response to climate change resilience – Keep Kouga Green and Keep Kouga Clean. Due to limited resources not all protection and rehabilitation can take place. Plans will be developed in the 2022 FY.*

Table 4: KPA1 – Findings Service Delivery and Basic Services

KPA2: Local Economic Development

No.	Findings	Response
1.	The municipality should use the most current data to analyse socio economic profiles e.g. 2018 socio economic data is available from IHS Global Insight and Quantec. Caption of graphs and tables to be reflected on socio – economic information.	*The SBDM has indicated that it will be advertising for formal quotes in this financial year or the next financial year to subscribe Quantec or Global Insight. They will try and get ten user licences so each IDP Manger in each LM will have access – all depends on cost.*

Table 5: KPA3 – Findings Local Economic Development

KPA3: Financial Planning and Budgeting

No.	Findings	Response
1.	The municipality must reflect in the IDP if they do have the separate bank account for projects, if not separate bank account must be opened for conditional grants.	*The municipality do have separate bank accounts for conditional grant projects.*
2.	The municipality must spend 100% of its capital budget.	*The municipality has implemented mechanisms to try and achieve a 100% spending on its capital budget. It is also included in the directors' performance agreements.*
3.	The municipality does not have an accurate data in place for billing. The municipality should develop data cleansing strategies and bill its consumers on a monthly basis and must be reflected as such in the IDP.	*The municipality bills all consumers on a monthly basis. Data cleansing occurs on a continuous basis through customers query processes to ensure all customers are billed.*

Table 6: KPA1 – Findings Financial Planning and Budgeting

KPA4: Good Governance and Public Participation

No.	Findings	Response
1.	The IDP has been well articulated when it comes to Good Governance and Public participation issues.	*Noted.*

Table 7: KPA4 – Findings Good Governance and Public Participation

KPA5: Municipal Institutional Transformation and Organisational Development

No.	Findings	Response
1.	The municipality must reflect on the critical and scarce skills that are a challenge to the municipality.	*At this stage, the Municipality does not have an issue recruiting scarce skills positions as Kouga has become an employer of choice.*

Table 8: KPA5 – Findings Municipal Transformation and Organisational Development

DRAFT

MUNICIPAL SCAN – JANUARY 2021		
ISSUES	**STATUS:**	**COMMENTS**
Organizational Structure in place (Organogram	√	*Organizational structure is reviewed annually.*
Organizational Structure costed	√	*Organizational structure is costed annually during the budget process.*
Total staff establishment (posts on organogram)	√	*1754*
Vacancies Organizational Structure (including frozen)	√	*802*
Filled positions	√	*952*
Salary % of operating budget and total budget	√	*35%*
Free basic services (12kl water, 50 units electricity only for qualifying indigent households)	√	*Equitable Share recipients are reviewed annually.*
By-laws (general, gazetted and website)	√	*By-laws are in place and is up for review by the Sarah Baartman District Municipality.*
Internal Audit and Risk Management	√	*Internal Audit and Risk Management Unit is in place and functional*
Audit, MPAC and Oversight Committee	√	*Audit, MPAC and Oversight Committees are in place and functional*
Revenue Collection	√	*91%*
Annual Financial Statements	√	*Yes, annually*
Annual Budget, consisting of operating (inclusive of asset maintenance budget) and capital budget	√	*Yes, annually*
Audit Inspection and Report tabled	√	*Yes, annually*
MFMA Implementation (Sec 71 reporting)	√	*Yes, quarterly*
GRAP /MSCOA Compliance and Committees	√	*Yes*
SCM (Compliance and Committees)	√	*Yes, in place*
Procurement Framework	√	*Yes, in place*
Financial Delegations	√	*Yes, in p lace*
Asset Register (barcoding system)	√	*Yes, in place*
MM appointed	√	*Yes*
CFO appointed	√	*Yes*
Job Evaluations and Job Descriptions	√	*Partially completed*
Information Management System in place	√	*Yes*
Delegations Register	√	*Yes*
Performance Managed System (PMS)	√	*Yes*
Skills Development Plan	√	*Yes, reviewed annually*
Employment Equity Plan	√	*Yes, reviewed annually*
Occupational Health and Safety	√	*Yes*

Communication Strategy / Plan	**No**	*Priority for 2021/22 review.*
Indigent Policy, register and committee	**√**	*Yes*
Good Governance Survey	**√**	*Yes, conducted annually*
Customer Care Strategy	**No**	*Priority for 2021/22 Review*
HIV/Aids Plan (Institutional and SPU)	**No**	*Priority for 2021/22 Review*
Special Programmes (Youth, Gender, Disability)	**No**	*Priority for 2021/22 Review*
Disaster Management Plan	**√**	*To be reviewed by Sarah Baartman District Municipality*
Project Management Unit	**√**	*Yes, and functional*
Ward Committee System	**√**	*Yes, and functional*

Table 9: Municipal Scan 2020

DRAFT

SERVICE DELIVERY PERFORMANCE HIGHLIGHTS DURING THE 2019/20 FINANCIAL YEAR

- **Provision of integrated and sustainable HUMAN SETTLEMENTS:**
  - ***491*** State subsidised housing units provided.
  - ***0*** Social housing units provided.
  - ***491*** Erven provided with permanent water and sanitation services.
  - ***162*** Households relocated from stressed informal settlements.
  - ***Kruisfontein 391*** project completed.
  - ***Pellsrus 220 project*** 61 houses handed over.
  - ***Ocean View 1500*** installation of services at 1300 sites.

- **Provision of quality potable WATER and reliable water supply:**
  - ***29447*** number of households (both formal) have access to a basic level of water supply (including households within a 200 m radius of a standpipe).
  - ***Pressure Valves*** installed in Aston Bay, Pellsrus and Ocean View.
  - ***Water supply line*** at Mountain View, an informal settlement in Hankey.
  - ***Fencing and gates*** installed at the Jeffreys Bay Reservoir, Hankey Reservoir.
  - ***Ground Water Development*** in the St Francis Bay area.
  - ***Jeffreys Bay Water Treatment Works*** upgraded.
  - ***Kruisfontein Water Treatment Works*** upgraded.
  - Replace ***main water line from reservoirs*** to Ramaphosa Village in Patensie.
  - Replace ***internal water line*** in Hankey Town .
  - Replace ***water rising main*** from sump to Reservoirs in Oyster Bay.
  - ***201 plastic water tanks*** were installed in informal areas to mitigate the Covid-19 pandemic.

- **Provision and maintenance of ROADS:**

  11 737m of roads were resealed during the 2019/2020 financial year.
  1 972m of gravel roads were surfaced during the 2019/2020 financial year.

- **Provision of SANITATION services:**
  - ***33134*** number of households (both formal and informal) have access to a basic level of sanitation.
  - ***Fencing and gates*** installed at the Loerie Pump station.
  - ***Fencing and gates installed*** at the entire Kruisfontein Waste Treatment Works.
  - ***Commission*** St Francis Bay Wastewater Treatment Works.
  - ***Water supply line*** at Mountain View, an informal settlement in Hankey

- **Provision of ELECTRICITY and energy:**
  - ***237*** **sub-economical** and ***150*** **economic** electricity connections were provided.
  - ***Electrification*** of Kruisfontein 391 housing project.
  - ***Electrification*** of 200 plots at Donkerhoek and Arcadia in Humansdorp.
  - ***Electricity Networks upgraded*** at Humansdorp and St Francis Bay.
  - ***1000 LED streetlights*** installed.
  - ***24 solar public lights of which 12 are equipped with security cameras*** has been procured.

DRAFT

➢ **Provision of solid WASTE and ENVIRONMENT management services:**

- ***11880 wheelie bins*** distributed.
- ***Community Works Programme*** to clean illegal dumping sites, verges and sidewalks.
- ***Placed 2nd*** in the East Cape Greenest Municipality competition.
- ***Launched a Kouga Green Campaign*** with 60 school children as ambassadors.

➢ **Provision of recreational facilities and PUBLIC AMENITIES**

- ***5*** beaches were upgraded **(Kabeljouws, Dolphin, St Francis Bay, Cape St Francis Bay, Oyster Bay)** through the provision of either revetments / parking areas / walkways / security cameras / picnic facilities and/or dune stabilisation.
- ***2*** open spaces were upgraded **(Pellsrus Gym Park + Loerie Play park)** through the provision of either outdoor gym equipment / fencing / pathways / benches and/or playground infrastructure.
- ***2*** cemeteries were upgraded **(Loerie + C-Place Cemeteries)** through either the construction of berms / installation of cameras / upgrade of the sewerage system and/or the provision of fencing.
- ***100 %*** *or* ***(1)*** completion of library restoration /upgrade (**Weston Library)**
- ***Newton Hall, Kwanomzamo Hall, Kruisfontein Hall, Pellsrus Hall, Katriena Felix Hall, Dan Sandi Hall and Vusumzi Landu Hall*** revamped.
- ***Kruisfontein, Phillipsville, Tokyo Sexwale, Pellrus and Patensie Sports fields and clubhouses*** upgraded.

➢ **Response time to emergencies/SAFETY**

ACTIVITY	TOTAL
Traffic emergencies response time	**20 minutes**
Fire emergencies response time (Ave 72.31%)	**15 minutes**
Fires and incidents	**186**
Building plans scrutinized	**528**
Fire safety inspections	**64**
Certificates issued for storage of flammable liquid or dangerous substances	**16**
Controlled burn permits	**21**
Public awareness training sessions	**22**
Special fire safety awareness duties	**10**
local young candidates received internationally recognised lifesaving award	**22**
Fire risk notices	**57**
Notices and fines issued	**1434**
Driving under the influence of alcohol arrests	**4**
Taxis impounded for driving without licences	**30**
Animals impounded	**63**
Traffic signage, speed humps, street name boards, pedestrian crossings	**434**

Table 10: Response time to emergencies

- fire safety consults regarding fire safety requirements have been conducted.
- A Fire Risk Reduction committee was established to address the fire risks within the Kouga jurisdiction. R1 million has been donated by Santam Insurance to assist in clearing dense fire risk areas.
- A permanent Working on Fire team is based in Sta Francis Bay, assisting the municipality with clearing on public spaces.
- Two (2) firefighting vehicles, one (1) disaster vehicles, and one (1) lifesaving vehicle have been procured. Hollard Insure has worked in collaboration with the municipality to inspect, maintain, and restore fire hydrants throughout the whole Kouga area.

- More than 100 disaster volunteers have been contractually appointed to assist with the implementation of COVID-19 regulations in all areas within Kouga. Several JOC meetings have been held to address pressing COVID-19 matters.
- Humansdorp Fire Station Fenced

➢ **Number of BUILDING PLANS**

TOWN PLANNNING ACTIVIES FOR 2020/21	
TYPE OF ACTIVITY	**NUMBERS APPROVED**
Rezoning	**4**
Subdivisions	**8**
Consent Uses	**3**
Removal of restrictive conditions	**8**
Departures	**47**
Secondary Use	**1**
Occupational Practice	**9**
Number of applications approved	**974**
Value of building plans approved	**R713 975 800**

Table 11: Number of building plans

➢ **LAW ENFORCEMENT ACTIVITIES**

ACTIVITIES	NO OF TRANSGRESSIONS
Stray animals impounded	**63**
Illegal electricity connections	**5**
Illegal water connections	**0**
Illegal hawking	**34**
Illegal building activities	**20**
Liquor trading hours	**25**
Covid 19 Lockdown regulations	**420**
Roadblocks	**16**
Joint operations	**14**

Table 12: Law Enforcement activities

- Public complaints desk to improve service delivery was established.
- Removing of illegal taxi rank at the Shoprite
- Upgraded the Traffic Department building
- Hankey learners licence section in operation

➢ **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, Dawn View and 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 Pellrus 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.
- ***Opening of KFC in Humansdorp*** created 40 job opportunities.

➢ COMPLAINTS REGISTER / CALL CENTRE

43893 Incidences reported.

39568 incidences resolved.

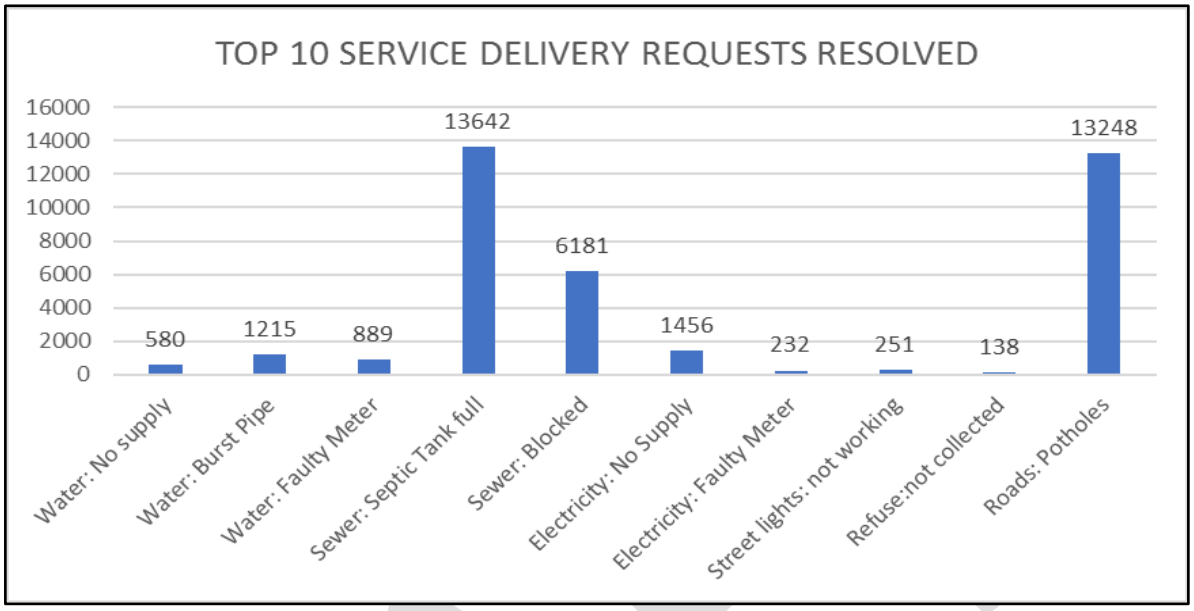


Figure 3: Top ten service requests

➢ FLEET MANAGEMENT

Total Job cards opened from 1 July 2019 to 31 December 2020

The mechanical workshop is fully operational with qualified and experienced staff.

Undermentioned are the successes of the Fleet Management Section:

- 3890 Jobs booked into the workshop and completed.
- Quantity of current fleet in Kouga Municipality are 198 operational units.
- New vehicles procured for the period of 1 July 2019 to 31 December 2020:
  1. 10 x Toyota Hilux 1ton L.D.V's for Infrastructure& Engineering and Revenue.
  2. 8 x Bell T.L.B's for Infrastructure& Engineering and Community services.
  3. 1 x Ford Ranger 4x4 for the lifesavers, Community services.
  4. 1 x Ford Ranger 4x4 for the Disaster management, Community services.
  5. 2 x Nissan MP 200 light delivery vehicles for Infrastructure & Engineering.
  6. 3 x Volkswagen Polo's for protection services, Traffic.
  7. 1 x 4x4 Quad bike for the lifesavers, Community services.
  8. 2 x Fire trucks 6000l Tanker and 2.5 ton 4x4 rural Fire fighting truck for the Fire department, Community services.
- Total new acquisitions for the **1 July 2019 to 31 December 2020** = 28 units
- For the period of 01/07/2019 to 31/12/2020 – 45 vehicles had been refurbished.
- Three old hydraulic platforms had been refurbished. 01/07/2019 to 31/12/2020
- Vehicle parks had been erected in Humansdorp and Hankey for safe keeping of vehicles.
- The workshop upgraded to a higher standard by rebuilding the engines of L.D.V's ourselves.

➢ **Provision of solid WASTE and ENVIRONMENT management services:**

- 30054 number of households within the urban edge are receiving a weekly domestic waste collection service.
- Oyster Bay Dune rehabilitation and Brander street removal of sand
- Artificial breach at Seekoei Estuary Mouth
- Rehabilitation of the St Francis Bay Spit – rock revetment
- Keep Kouga Clean and Green Campaign ongoing
- Covid-19 education and awareness campaigns conducted at schools, creches, informal traders, taxi ranks and council offices.
- Approved projects for 2018 – 2021 by the Department of Environmental Affairs (Working for the Coast, EPWP, Youth Community Outreach Programme - Green Good Deeds: Thuma Mina)
- **240litre Wheelie Bins were rolled out to:**

2019/20		2020/21	
Hankey	**2314**	Jeffreys Bay	8956
Loerie	**474**	Oyster Bay	402
Thornhill	**403**	Cape St Francis	559
Patensie	**712**	St Francis Bay	1963
Humansdorp	**5710**	-	-
	9613		**11880**

Table 13: Wheelie bins rolled out

- Increased the recycling volumes by the appointed recycling service provider
- Acquisition of bush fire fighting vehicle for the Jeffreys bay area - Nissan Patrol 4x4
- Adopt an entrance campaign through Public Private Partnership with Woodlands, Marina Martinique and working with "Dorp van Drome" to beautify the area
- Drop off Zones have been upgraded in Oyster bay, St Francis Bay and Jeffreys Bay. The municipality is also reopening the Paradise Beach Drop off zone which was closed after the floods.
- 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.
- New entrance signs for landfills and drop off sites as well as additional no dumping signs erected.
- **OPERATION COCA – MAAK SKOON** - Kouga households had an opportunity to shape up for the summer holidays and to get rid of any unwanted items and waste they had at home that cannot be put out for standard refuse collection. This included building rubble, electronic waste, garden refuse and even old furniture and run from 2 November to 3 December 2020.
- **PLOT CLEARING** - A draft Bush Clearing Policy was workshopped and has been finalised and it includes the clearing of private plots.
- The Mayor participated in recognising the good work the reclaimers and the recycling company do on the Humansdorp landfill by reducing waste on the landfill by handing out hampers to the reclaimers donated by Extreme Recycling.
- Beautifying of the waste trucks by private sector and donation of vouchers to some of the waste staff at a function attended by the Mayor at Mentorskraal.
- The Environmental Health Practitioners embarked on a Covid Compliance and hygiene education and awareness program in line with Global Handwash Day program which is celebrated annually.

- Information Sharing Session with Funeral Undertakers & Cemetery Caretakers on Management of Human Remains in the context of Covid-19
- Minster of Health' visit to Kouga Municipality
- Waste recycling site was established in Loerie by a private recycler with the support from KM and a local farmer.
- Tree planting is ongoing and over 500 trees were planted
- Community Services department is working with animal care organisations such as the SPCA, St Francis and Jeffreys Bay Animal Rescue. The St Francis Bay Animal Rescue has started a project "Chain Free Sea Vista" and to date 20 dogs were freed from chains and the properties fenced. SFAR managed to sterilize 20 cats and dogs per month and Jeffreys Bay Animal rescue does 20 sterilisations per week.
- Evaluations at ECDC premises were conducted by Environmental Health Practitioners in terms of the Standards for ECDC premises.
- Evaluations at Packhouse premises, Supermarkets, Butcheries, Spaza Shops and restaurants premises opening for sit down diners were conducted by the EHP's in terms of Regulation R638: Regulations governing the General Hygiene of Food Premises and the Transport of Food and related matters. The premises were also inspected to ensure their Covid-19 readiness prior opening for sit down after the lockdown period.
- Water Samples at identified points as well as Tankers & JoJo tanks used for the provision of drinking water and safe water for practicing health and hygiene practices during the Covid 19 Lockdown were collected for bacteriological as well as chemical analysis
- The Environmental Health Practitioners are monitoring Covid--19 funerals for compliance to the Lock down Regulations. These funerals are also monitored to ensure compliance with the guidelines for the management of Covid-19 human remains.
- Procurement of 10 Skip Bins

➢ **Provision of recreational facilities and PUBLIC AMENITIES**

- **10** x Ablution facilities along the beach were upgraded **(Kabeljouws, Dolphin, St Francis Bay, Cape St Francis Bay, Oyster Bay, Paradise Beach, Pellsrus, Pagoda, Tecoma and Supertubes** (Landscaping, beautification, installation of benches and ballads, painting of umbrellas, concreting around braai stands, fencing, painting of ablution facilities inside and out, installation of burglars and painting)
- **2 x** open spaces were upgraded **(Verbena Crescent and Supertubes walkways)** through the provision of pathways
- **3 x** cemeteries were upgraded **(Loerie + C-Place Cemeteries, BB Keet Cemetery)** (renovation of ablution facility, installation of alarm system at C- Place Cemetery)
- **100 %** or **(1)** completion of library restoration /upgrade (**Weston Library)**
- **6 x Community Halls** revamped **Newton Hall, Kwanomzamo Hall, Kruisfontein Hall, Pellsrus Hall, Dan Sandi Hall and Vusumzi Landu Hall**.
- **4 x Tokyo Sexwale, Pellrus and Patensie Sports fields, and Thornhill clubhouses** upgraded.
- Environmental Impact assessment for new Cemeteries (Thornhill, Patensie and Hankey) approved
- Blue Flag Beach status awarded for 2020/21 Season
- Painting of 3 libraries (Humansdorp town, Ukhanyiso and 7nde Laan Container Libraries)
- Procurement of 2 x Chippers
- Procurement of a jack hammer + a generator to improve operations at cemeteries
- Procurement of 14 x Outdoor benches and 19 x bins
- Yellow woods and Jeffreys Bay Caravan Parks Fenced and upgraded

- 10 Open spaces cleared to curb crime (5 Open spaces were cleared: Seetuin Road erf 5083 in Jeffreys bay, St Francis drive erf 998 in St Francis bay, Reservoir Road erf 552 in St Francis bay, St Francis Drive erf 3395 in St Francis bay, Sunset Drive erf, 3376, St Francis Bay, The Sands (Blackberry Str, erf 8431) in Jeffreys bay, Boskloof (Boskloof Lane, erf 689/6) in Humansdorp, C-Place (Lantern Str, 966 erf) in Jeffreys Bay, St Francis Drive erf 3395 in Humansdorp, Felix Street Erf , Panorama

➢ **Response time to emergencies/SAFETY**

- **20 minutes** average response time for traffic emergencies within the Kouga municipal area (from control centre receiving notification of emergency to dispatched officer arriving at the scene).
- **15 Minutes** average response time to fire emergencies within the Kouga municipal area (from control centre receiving notification of emergency to dispatched officer arriving at the scene). This calculation is based on one (1) month and may differ from month to month due to the distance in travel to attend to incidents in Kouga area. An average of 72.31% was achieved for responding to a scene within 15 minutes for July 2020 – December 2020.
- **186 fires & incidents** have been attended to.
- **528 building plans** have been scrutinized for fire protection compliance.
- **64 fire safety inspection**s of buildings have been conducted.
- fire safety consults regarding fire safety requirements have been conducted.
- **16 certificates** for the storage of flammable liquid or dangerous substances have been issued.
- **21 controlled burn permits** have been issued to landowners. 1 November 2020 – 31 January 2021, is a fire prohibition period, therefore no burn permits are issued during that time.
- **22 public awareness** training sessions were held.
- **10 special fire safety** awareness duties were conducted.
- A Fire Risk Reduction committee was established to address the fire risks in Kouga.
- **Twenty-two (22) local young candidates** passed the examination and received the internationally recognised Lifesaving Award.
- **57 fire risk** notices have been issued.
- ***1434*** notices and fines issued.
- ***4 arrests*** for driving under the influence of alcohol.
- ***30 taxis impounded*** for driving without licences.
- ***63 animals*** impounded.
- ***434 New speed humps, street name boards and pedestrian crossings*** installed.
- A permanent Working on Fire team is based in St Francis Bay, assisting the municipality with clearing on public spaces.
- **Two (2) firefighting vehicles, one (1) disaster vehicle**s, and **one (1) lifesaving vehicle** have been procured.
- More than **100 disaster volunteers** have been contractually appointed to assist with the implementation of COVID-19 regulations in all areas within Kouga. Several JOC meetings have been held to address pressing COVID-19 matters.
- Humansdorp Fire Station was fenced.

SERVICE DELIVERY HIGHLIGTHS DURING THE 5 YEARS IN REVIEW (2017-2022)

ELECTRICITY


DONKERHOEK

- 1 596 Households have since August 2016, received access to electricity at a cost of R30 million (including bulk upgrades).
- 220 Pellsrus Housing Project were electrified.
- 160 Ocean View transit site were electrified.
- 239 informal settlements in Jeffreys Bay, including No-R10 were electrified.
- 150 at Ebumnyameni, near completion.
- 391 Kruisfontein RDP housing project were electrified.
- 306 at Donkerhoek, Kruisfontein Phase 2B were electrified.
- 100 households in Mooi Sig (Donkerhoek) were electrified.
- 30 emergency houses in Humansdorp were electrified.


LED Street Lights

ROADS



HANKEY
Repairing potholes

- Constructed the first eco-friendly road, incorporating waste plastic. The road was officially opened in Jeffreys on 19 December 2019.
- The road won two Eco-Logic awards in 2020. Gold for Eco-Innovation and silver for Eco-Build.
- 2 roads in Nerina and Felix Streets in Humansdorp were tarred in 2019/20.
- R9,2 million spent on gravel road upgrades.
- Almost 12km of roads were resealed during 2019/20 at a cost of more than R17 million.
- R12 million spent on resealing of 211 646 square metres during the first three years of governance.
- Potholes repairs accelerated in 2019/20.
- 70 temporary workers were employed for the pothole programme.
- 32 permanent employees were trained on pothole repairs.
- 15 378 potholes fixed in 2019/20 compared to 7785 in 2018/19.
- 9720 potholes repaired from July to December 2020.
- R380 million for road rehabilitation.
- R114 million for periodic maintenance.
- R44 million for special maintenance.



PATENSIE
Resealing of roads



JEFFREYS BAY
1ST "Plastic Road in Africa
Gold Eco Ward

WATER

- Local state of disaster declared in 2017 due to the prolonged drought.
- Water rationing at Hankey and Patensie since August 2018.
- R152,2 million secured in drought disaster funding and used to augment the water supply to all Kouga towns.
- New boreholes developed in Oyster Bay, Jeffreys Bay, Patensie, Hankey, Humansdorp and St Francis Bay in progress.
- Jeffreys Bay Water Treatment Works upgraded at a cost R35 million.
- Leaks repaired, meters audited, and old pipes replaced.
- Bottled water drives and awareness campaigns.



OYSTER BAY
Borehole Development



Repairing leaks



Replacing old pipes

WASTE WATER AND SANITATION

- The municipality has opened two (2) state-of-the-art waste water treatment works to unlock development in Humansdorp and St Francis.
- The Sea Vista Waste Water Treatment Works (WWTW) at St Francis Bay build at a cost of R31 million. The upgrade has more than doubled the plant's capacity, paving the way for the unlocking of the long-awaited Sea Vista 2 000 RDP housing project.

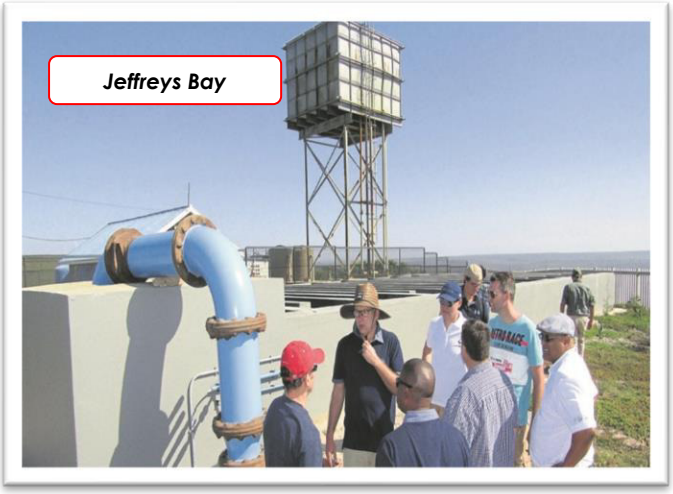


Sea Vista Sewer Plant Station



Sanitation

- The Patensie Waste Water Treatment Works is nearing completion, the upgrade of the KwaNomzamo Waste Water Treatment Works already has a contractor on site. This plant needs some serious intervention, after it was vandalised in 2016.



- Several container ablution facilities were delivered to Kouga. Twenty (20) containers have been purchased and six have already been delivered to residents in Thornhill, Stofwolk in Hankey and Maak-`n-Las in Humansdorp.
- Chemical toilets were also installed at the new section of Donkerhoek in Humansdorp.
- The operating expenditure in the adjustment budget has been increased by R9.6 million, that includes the hiring of additional tankers and jetting trucks at a cost of R5.5 million.

- Local labour totalling 44 639 hours.
- 10% of contract subcontracted to local Exempted Micro Enterprises.
- Kruisfontein Waste Water Treatment Works built at a cost of R85,6 million.
- Local labour totalling 34 000 hours.
- 4 employees were trained top operated the plant.
- At least 5 800 households expected to benefit.

FLEET REPLACEMENT PLAN

- 60 new vehicles and plant purchased over the past four years.
- Recent purchases included 10 new 4 x 4 and 4 x 2 bakkies for the electrical and waste water teams as well as 2 new fire trucks.
- Almost 130 vehicles and plant have been refurbished by the municipal fleet section over the past four years, including cherry pickers and sewer tankers.



WASTE / REFUSE

- Humansdorp and Hankey landfill sites upgraded.
- New drop-off zones opened at Jeffreys Bay, St Francis Bay and Oyster Bay.
- 2 new compactor trucks added to fleet.
- More than 21 000 wheelie bins distributed.
- Official recycler appointed.
- Recycling facilities established at waste sites and drop-off zones.
- Recycling bins distributed to schools and creches.



Wheellie bin out-roll



New grass cutting material and equipment

- 38 brush cutters, 20 industrial lawn movers, 12 grass blowers, 3 telescopic pruners and 2 wood chippers were procured.
- Ongoing clearing of dumping hotspots.
- Awareness campaigns to encourage behavioural change.

- Coco-maak-skoon initiative to help residents get rid of unwanted goods and waste that would usually not collected by refuse collectors.
- Refuse trucks were given a festive face-lift.
- New equipment procured to improve grass and tree maintenance along sidewalks and at public areas including parks, halls, and sport facilities.



Tree Planting

PUBLIC AMENITIES

- The Kwanomzamo Community Hall was repaired at a cost of R1,5 million was reopened in November 2020.
- New furniture purchased for hall.
- Upgrades to several public amenities, including halls, parks and public toilets, are systematically upgraded.



Kwanomzamo Community Hall

UPGRADE OF TOILETS IN HANKEY



SAFETY AND SECURITY



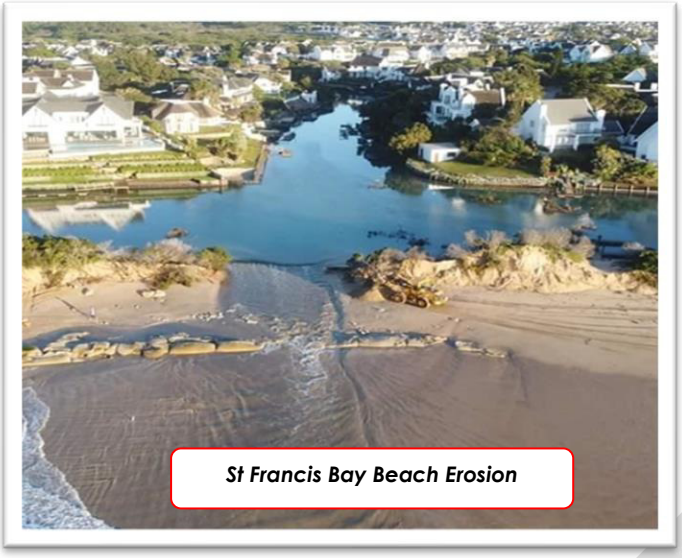
- First Public Safety Summit held in September 2020 to lay the groundwork for the compilation of Public Safety Plans and establishment of Public Safety Forums.
- CCTV security cameras installed at Jeffreys Bay beachfront.
- Support for neighbourhood watches.
- Joint traffic and law enforcement operations.
- The municipality has partnered with Santam to accelerate bush-clearing in areas at high risk of fires.





- The municipality has joined hands with Fire Killa to pilot a new type of fire extinguisher designed specifically for informal settlements.
- The municipality has partnered with Hollard Insurance to inspect and maintain fire hydrants across the region.
- 3 new fire trucks procured at a cost of almost R6 million.

ENVIRONMENTAL MANAGEMENT



St Francis Bay Beach Erosion

- Keep Kouga Clean campaign launched in 2017.
- Awareness drives at schools and communities.
- Joint clean-ups and ongoing partnerships with businesses and community groups to beautify and maintain town entrances and public areas.
- Kouga Green Campaign launched in February 2020.
- Rock revetments constructed at St Francis Bay to strengthen the spit that separates the ocean from the canals.
- Environmental approvals and funding being secured for long-term solution (groynes).

- 1 000 LED streetlights and floodlights retrofitted with energy and planet saving LED lights in 2019/20.
- Management plan compiled for Seekoei Estuary and Paradise Causeway. Joint steering committee oversees implementation.
- More than 100 delegates from 9 countries attended the 1st International Climate Change workshop in Kouga in 2019.
- The workshop was a continuance of Kouga's climate change partnership with the German Municipality Ilsefeld.

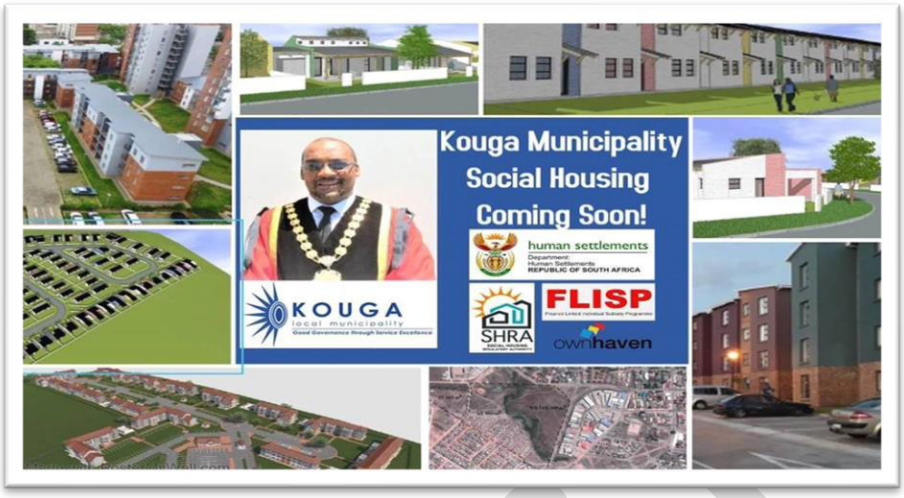


Seekoei River Estuary – Paradise Beach Causeway



ILLEGAL DUMPING SITES BEING TURNED INTO COMMUNITY "GARDENS OF HOPE"

HUMAN SETTLEMENT



- First RDP houses built in more than a decade.
- Internal services and top structures completed for Kruisfontein 391 and Pellsrus 220.
- Internal bulk services completed for Ocean View 1500.
- Hankey 990 – advanced planning phase (Stofwolk).
- The municipality has also purchased land in Kwanomzamo and Loerie for housing projects.
- 1 827 historic title deeds delivered to the rightful beneficiaries during the first phase in 2018 and 2019.
- Second phase under way, with 110 title deeds distributed thus far in 2020/2021.
- Kouga is one of six municipalities countrywide and the only one in the Eastern Cape selected to participate in the Social Housing Regulatory Authority's (SHRA) Municipal Support Programme.
- At least 1500 housing units to be built over 5 years.
- Own Haven Social Housing Institute was appointed in October 2019 for the implementation of the first Social Housing and FLISP projects in the region.

PLANNING, LED AND TOURISM

- The compilation of a precinct plan for the development of the Jeffreys Bay Central Business District (CBD) and main beachfront area is under way to grow investment and business opportunities.
- Renewed drive to support local SMME's, including changes to the Supply Chain Management Policy.
- Recent SMME projects included the construction of play parks across the region and temporary shelters in Hankey.
- 1793 building plans approved since July 2017.
- Estimated cost of R1 266 591 830 building plans approved.



- Light up Kouga campaign was launched to stimulate tourism, encouraging businesses and homeowners to decorate their property.
- A roadblock was held along the N2 to welcome visitors to Kouga to raise awareness of the drought and encourage compliance with Covid-19 protocols.



- Payment relief options rolled out for residents and businesses to help mitigate the economic impact of the lockdown on the region.
- Jeffreys Bay crowned Kwêla Town of the Year in 2018.
- Patensie crowned Kwêla Eastern Cape Town of the Year 2019.
- Drive to establish Kouga as the Events Capital of the world.

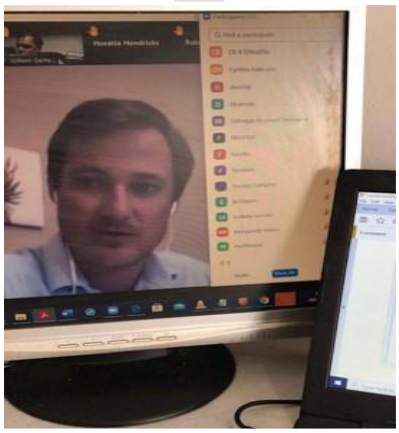
COMMUNICATION

Digitilisation

Internal communications goes virtual







- Call centre and link app launched in 2017 improved responses to service requests/complaints.
- Number of service requests and complaints received during 2018/19 and 2019/20 totalled 76 159 of these 70 434 were resolved during the same period. This is a success rate of 92.5%.
- Kouga has become the first municipality in the Eastern Cape to launch a virtual portal for the submission of building plans.
- The portal (OVVIO) can be accessed through the municipality's website and allows those who made submissions to track the progress of their applications.
- The Kouga Council has been conducting its meetings virtually since the Covid-19 lockdown.
- New systems introduced, leading to significant savings on telephone and paper costs.
- Monthly phone bill of R230 000 slashed to R16 000 through the introduction of a new PABX system
- Electronic agendas introduced for Council, Mayoral Committee and Portfolio Committees.
- Estimated paper saving of R2 million per year.
- Introduced a digitalisation strategy to address ICT shortcomings, including outdated system and lack of integration.

WARD BASED PRIORITIES REPORTING DURING THE 2020/21 FINANCIAL YEAR

Ward 1 – Councillor Z Mayoni

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Potable and quality drinking water	***Additional boreholes were drilled***	**Infrastructure & Engineering Services**
2	Land for housing and associated bulk services	***Council is awaiting transfer of land from Public works to KLM Provision of bulk services is not a HS competency***	**Planning, Development & Tourism**
3	Initiate economic and social development projects	***Ongoing***	**Planning, Development & Tourism**
4	Address sewer and storm water problems in Umzamowethu and Sea Vista	***Unfunded. Placed on 5-year IDP***	**Infrastructure & Engineering Services**
5	Upgrading of sports field in Umzamowethu	***There is no proper sports field, but grass cutting is being done on the existing piece of land on a quarterly basis. Council to engage the adjacent farmer to extend the current piece of land to develop a proper sports field.***	**Community Services**
6	Finalisation of construction works of the fire station building in Oyster Bay	***Project terminated***	**Community Services**
7	Initiate street naming project in Sea Vista	***Policy on street Naming adopted by Council in January 2021. Ward Cllr or Ward committee should initiate the application for street naming as per policy procedure.***	**Planning, Development & Tourism**

Table 14: Ward 1 priority reporting

Ward 2 – Councillor R Dennis

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Address sewer spillings in Pellsrus, Mandela Bay and Tokyo Sexwale	***Internal capital funds identified to appoint a PSP***	**Infrastructure & Engineering**
2	Eradication of bucket system in Tokyo Sexwale	***Placed on 5-year IDP – unfunded project***	**Infrastructure & Engineering**
3	Eradication of illegal dumping sites	***Illegal dumping sites were identified and will be rehabilitated. Daily cleaning of illegal dumping sites is continuing (1 completed). New program introduced where waste warriors do education and awareness to reduce illegal dumping.***	**Community Services**
4	Upgrading of ablution facilities at Pellsrus Beach	***Upgrading has started by erecting extra braai stands, repairing old braai stands, erecting fence in front as well as around the ablution facilities, new bollards were planted, ablution facility was repaired.***	**Community Services**
5	Non-compliance of liquor trading hours at taverns	***Monitored on a monthly basis.***	**Community Services/Liquor Board**
6	Upgrading of Pellsrus cemetery	***Roman Street and Duine Rd Cemeteries were fenced and cleaned regularly .***	**Community Services**

Table 15: Ward 2 priority reporting

Ward 3 – Councillor W Gertenbach

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Replace the water pipeline in Mimosa Street	***Tender to appoint PSP advertised on 2/08/2020. Bid process to follow***.	**Infrastructure & Engineering**
2	Concrete curbing along roads/streets and stormwater drains	***Unfunded***	**Infrastructure & Engineering**
3	Building of community hall	***Unfunded***	**Community Services**
4	Resurface one (1) kilometre of road in the ward per year	***Unfunded***	**Community Services**
5	Subsidised wi-fi for residents in Wavecrest	***Unfunded***	**Finance (ICT)**
6	Replacement of dilapidated electrical meter boxes	***Ongoing programme starting with critical boxes across Kouga.***	**Infrastructure & Engineering**
7	Improve reception of cell phones in lower Wavecrest	***Not our mandate***	**Corporate Services**

Table 16: Ward 3 priority reporting

Ward 4 – Councillor F Campher

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Construction of access road from Kruisfontein to N2 Road	***Unfunded***	**Department of Roads**
2	Upgrading of stormwater drainage in Smith Street	***Unfunded***	**Infrastructure & Engineering**
3	Erection of a mobile clinic	***Not our mandate. But will engage Provincial Department of Health.***	**Dept. of Health**
4	Construction of a multi-purpose centre and indoor sports centre	***Not our mandate. But will engage Provincial Department of Social Development.***	**Dept. of Social Development**
5	Paving of roads in Kruisfontein Proper	***Unfunded***	**Infrastructure & Engineering**
6	Upgrade stormwater drainage in Kruisfontein Proper	***Unfunded***	**Infrastructure & Engineering**
7	Sector department assistance with estates and subdivision of erven in “Die Berg” Kruisfontein Proper	***Will engage with the Provincial Department of Rural Development and Land Reform.***	**Planning, Development & Tourism**
8	Closure of “Die Vlei” in Kruisfontein		**Community Services**

Table 17: Ward 4 priority reporting

Ward 5 – Councillor W Coenraad

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Installation of a waterborne system in Bo-blok, Johnsons Ridge and Hobson Street	***Unfunded***	**Infrastructure & Engineering**
2	Paving of Roads	***Unfunded***	**Infrastructure & Engineering**
3	Identification of suitable land for development of a cricket pitch. (not country club)	***Planning department to identify suitable land.***	**Planning, Development & Tourism**
4	Skills Development Centre	***Not our mandate. But will engage Provincial Department of Trade and Industries.***	**Dept of Trade & Industries**
5	High Mast lights at the entrance of Vaaldam	***Tender awarded for high mast lights in the area***	**Infrastructure & Engineering**
6	Construction of sidewalks	***Unfunded***	**Infrastructure & Engineering**

Table 18: Ward 5 priority reporting

Ward 6 – Councillor V Vumazonke

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Construction of houses	***Unfunded, no human settlements projects are planned due to insufficient bulk infrastructure***	**Dept of Human Settlements**
2	Paving of roads	***Unfunded***	**Infrastructure & Engineering**
3	Widening of entrance road to Kwanomzamo	***Unfunded***	**Infrastructure & Engineering**
4	Upgrading of Kwanomzamo sports field	***MIG funding – in progress.***	**Community Services**
5	Pegging of housing sites	***All informal settlements are pegged with access to basic services***	**Planning, Development & Tourism**

Table 19: Ward 6 priority reporting

Ward 7 – Councillor E February

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Formalization of Tjoksville in Thornhill	***Informal settlement will be upgraded under the approved NUSP Program***	**Infrastructure & Engineering**
2	Acquire land for housing	***Land was acquired in 2018/19 and 19/20 FY . Transfer in progress***	**Planning, Development & Tourism**
3	Initiate skills development programmes in construction in Loerie and Thornhill	***Training was implemented in Thornhill in 2019. Due to Covid-19, the training was not implemented in 2020.***	**Planning, Development & Tourism**
4	Upgrading of roads in Loerie and Thornhill	***Unfunded***	**Infrastructure, Development & Tourism**
5	Installation of bulk infrastructure	***Unfunded***	**Infrastructure & Engineering**
6	Construction of houses in Loerie and Thornhill	***Not our mandate. But will engage Provincial Department of Human Settlements.***	**Dept of Human Settlements**
7	Identify land for commonages in Loerie and Thornhill	***Refer to Land administration and LED***	**Planning, Development & Tourism**
8	Upgrading of old and existing cemeteries in Loerie and Thornhill	***Continuous cleaning of cemeteries. EIA approved for new cemeteries (Thornhill)***	**Community Services**

9	Upgrading of the sports fields in Loerie and Thornhill	**Loerie sports field will be upgraded through MIG funding. Thornhill was done through MIG funding and council upgraded the Thornhill sports field clubhouse. (2019/20).**	**Community Services**

Table 20: Ward 7 priority reporting

Ward 8 – Councillor L Vorster

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Water leaks – Nel van der Poll, Plataan Ave., Kameeldoring and Seetuin roads	***Investing groundwater – ongoing***	**Infrastructure & Engineering**
2	Replacement of water pipes and road repairs in China Berry Streets	***Unfunded***	**Infrastructure & Engineering**
3	Fire breaks between golf course, Myrtle Street, the Sands and Karee Street	***Ongoing***	**Infrastructure & Engineering**
4	Fire hydrants along Noorsekloof nature Reserve and Camphortree Avenue	***Unfunded***	**Infrastructure & Engineering**
5	Speedhumps in Myrtle, Flamboyant, Dogwood, Salie and Broom Streets	***Unfunded***	**Infrastructure & Engineering**
6	Clearing of stormwater drains in Leadwood and Magnolia Streets	***Ongoing***	**Infrastructure & Engineering**
7	Clearing of overgrown POS and private plots	***Phase one of the project has started and some of the plots were cleared in Ward 8. POS programme is ongoing. Plots were cleared in Ward 8 and it is a continuous programme.***	**Community Services**

Table 21: Ward 8 priority reporting

Ward 9 – Councillor S Jujwana

PRIORITY	DESCRIPTION	PROGRESS	MANADATE / FUNCTION
1	Construction of houses	***Awaiting funding approval for provision of 990 service sites***	**Dept of Human Settlements**
2	Paving of tar roads (Poplar/Geelhout/ and Protea Streets)	***Unfunded***	**Infrastructure & Engineering**
3	Installation of high mast lights in Phillipsville	***To be placed on next high mast light tender***	**Infrastructure & Engineering**
4	Re-direct sewer overflow behind Centerton sports field	***Unfunded***	**Infrastructure & Engineering**
5	Construction of a new library	***Not our mandate. But will engage Provincial DSRAC.***	**DSRAC**
6	New Cemetery	***EIA approved for new cemetery in Hankey***	**Community Services**

Table 22: Ward 9 priority reporting

Ward 10 – Councillor A Mabukane

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Fencing of cemetery	***EIA approved for new cemetery (Patensie)***	**Community Services**
2	Acquire land for housing	***Refer to Land administration dept***	**Planning, Development & Tourism**
3	Construction of 2000 houses	***Not our mandate. But will engage Provincial Department of Human Settlements.***	**Dept of Human Settlements**
4	Investigate the land at the post office and Tolbos for housing	***Refer to Land administration and planning dept***	**Planning, Development & Tourism**
5	Erection of streetlights and high mast lights	***To be included in the next round of high mast tenders***	**Infrastructure & Engineering**

Table 23: Ward 10 priority reporting

Ward 11 – Councillor H Bornman

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Upgrade sewer pump station and line from La Mer to Koraal Street	***Tender advertised for appointment of PSP on 7/08/2020. Bid process to follow***	**Infrastructure & Engineering**
2	Revitalisation of CBD and beachfront	***The Jeffreys Bay CBD Precinct Plan project is in progress. Service Provider appointed and the inception meeting held. Initial proposals discussed at Top management/ Mayco.***	**Planning, Development & Tourism**
3	Installation of walkways, benches and lights from Dolphin Beach to caravan park	***Unfunded***	**Infrastructure & Engineering**
4	Paving of Erf 107 opposite Spur for parking	***Unfunded***	**Infrastructure & Engineering**
5	More playparks to be provided at beach and open spaces	***Play parks prioritised through Ward Development Fund***	**Community Services**

Table 24: Ward 11 priority reporting

Ward 12 – Alderman B Rheeder

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Fire prevention in Cape St Francis, St Francis Bay and Paradise Beach and fire breaks	***Completed with Santam funding projects.***	**Community Services**
2	Upgrading of internal roads and storm water system in all areas Ward 12	***Unfunded***	**Infrastructure & Engineering**
3	Installation of water borne sewer system for St Francis Bay and paradise Beach	***Unfunded***	**Infrastructure & Engineering**
4	Construction of spit and rock revetment at St Francis Bay Beach	***Unfunded***	**Infrastructure & Engineering**
5	Urgent structural maintenance to the bridge and fire breaks at the canals	***Unfunded***	**Infrastructure & Engineering**

6	Tarring/re-tarring of internal roads in Cape St Francis	***Unfunded***	**Infrastructure & Engineering**
7	Construction of houses in lower golf course in Kwanomzamo	***Not our mandate. But will engage Provincial Department of Human Settlements..***	**Dept of Human Settlements**
8	Installation of high mast lights in lower golf course in Kwanomzamo	***To be address under new tender***	**Infrastructure & Engineering**
9	Replacement of asbestos water pipes in Paradise Beach and St Francis Bay	***Unfunded***	**Infrastructure & Engineering**
10	Request for a container to run a soup kitchen and other activities in lower golf course		**Planning, Development & Tourism**

Table25 : Ward 12 priority reporting

Ward 13 – Councillor M Peters

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Installation of internal sewer system for Weston	***Unfunded***	**Infrastructure & Engineering**
2	Formalisation of Stofwolk	***Unfunded***	**Infrastructure & Engineering**
3	Construction of 196 houses	***Unfunded***	**Dept of Human Settlements**
4	Identify land for cemetery and land for future development	***Land identified for cemeteries throughout Kouga and submitted to relevant departments***	**Planning, Development & Tourism**
5	Construction of community hall in Rosedale	***Unfunded***	**Community Services**
6	Tarring and paving of roads	***Unfunded***	**Infrastructure & Engineering**
7	Removing old water pipes in Patensie Town	***Unfunded***	**Infrastructure & Engineering**
8	Erection of play parks for children		**Infrastructure & Engineering**
9	Outdoor gym		**Infrastructure & Engineering**

Table 26 : Ward 13 priority reporting

Ward 14 – Councillor S Makhasi

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Formalisation of informal settlements	***Unfunded. Identified Informal settlement will be upgraded under the approved NUSP Program***	**Planning, Development & Tourism**
2	Construction of ablution facility at the Aston Bay Beach	***Unfunded***	**Infrastructure & Engineering**
3	Upgrading of sewer system in Aston Bay and Ocean View	***Unfunded***	**Infrastructure & Engineering**
4	Installation of storm water drainage system in Aston Bay and old Ocean View Housing Project	***Unfunded***	**Infrastructure & Engineering**
5	Replacement of asbestos water pipes in Aston Bay	***Unfunded***	**Infrastructure & Engineering**

6	Improve low water pressure in Aston Bay	***Unfunded***	**Infrastructure & Engineering**
7	Construct acceptable speed humps in Ocean View	***Unfunded***	**Infrastructure & Engineering**

Table 27: Ward 14 priority reporting

Ward 15 – Councillor H Hendricks

PRIORITY	DESCRIPTION	PROGRESS	MANDATE / FUNCTION
1	Upgrade internal sewer system from town to upper golf course	***Unfunded***	**Infrastructure & Engineering**
2	Provision of internal reticulated sewer system for Graslaagte and Moeras River	***Unfunded***	**Infrastructure & Engineering**
3	Construction of multi-purpose centre at the Country Club	***Application was sent to DSRAC and wind farms***	**Dept of Social Services**
4	Installation of high mast lights in Arcadia	***To be addressed in future financial years***	**Infrastructure & Engineering**

Table 28: Ward 15 priority reporting

DRAFT



CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five-year cycle directly linked to the term of office of its Council. The IDP is the centre of the system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, responsive and performance-driven in character.

The 5-year IDP and this subsequent 2021/22 review has been developed to respond to the needs identified by the Kouga community, as well as the institutional requirements that will enable the municipality to address these needs. The IDP also aligns the National, Provincial and District Planning Frameworks to ensure a holistic and integrated approach to development within the municipality.

The 2020/21 IDP Review is a plan, which will inform our communities on how the Kouga Municipality will utilize its resources for the coming 2021/22 financial year in order to deliver on the adopted 5-year IDP of 2017-2022. It also serves as an institutional learning process where internal and external role-players meet and discuss the successes and challenges of the past year.

1.2 LEGISLATIVE FRAMEWORK

The following legislation defines the nature of the IDP:

1. **Constitution of the Republic of South Africa Act 108 of 1996**
   - The Act stipulates that a municipality must give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment.

2. **Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)**
   - This Act stipulates the need for a municipality to develop and adopt and IDP, which should be reviewed annually. In addition, it outlines the IDP process and components.

3. **Municipal Finance Management Act, 2003 (Act No 56 of 2003)**
   - This Act makes provision for alignment between the IDP and the municipal Budget. The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget are aligned.

4. **Local Government: Municipal Planning and Performance Management Regulations, 2001**
   - The institutional framework for the implementation of the IDP.
   - Investment and development initiatives in the municipality.
   - Key performance indicators and other important statistical information.
   - Financial plan; and
   - The Spatial Development Framework.

5. **Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)(SPLUMA)**
   - to provide for the establishment, functions and operations of Municipal Planning Tribunals.
   - to provide for the facilitation and enforcement of land use and development measures.
   - to provide alignment between the Integrated Development Plan and the Spatial Development Framework.
   - to provide for matters connected therewith.

The IDP is compiled for a 5-year period and reviewed annually within the 5-year period in terms of Chapter 5 of the Local Government: Municipal Systems Act (MSA) (Act 32 of 2000).

Section 34 of the MSA states as follows:

(a) must review its integrated development plan-
   (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and
   (ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process.

The latest results from Statistics South Africa Census 2011, Community Survey, and the non-financial census of municipalities are the key sources of data used in the IDP.

1.3 IDP PROCESS

Two processes are identified during compilation:

Drafting of the master plan – this refers to the compilation of a long-term strategic plan for the municipal area (2017-2022) as prescribed in Section 25 of the MSA. This plan is not annually amended since it is a long-term plan and not an operational plan.

On 31 May 2017 (CR 17/05/AME + SP3) Council adopted the 5-year IDP for 2017-2022 cycle as its *"single, inclusive* and *strategic plan"* that will guide and inform the development of the municipality.

Annual Planning – this refers to the review of the IDP as referred to in Section 34 of the MSA. This document represents our **4th and final review** of the adopted 2017/2022 IDP in terms of Section 34.

During August 2020, the Kouga Municipal Council approved the IDP Process Plan and Budget Schedule, detailing the process for the IDP review and budget development for 2021/22.

The municipality consulted with all stakeholders during the consultation process. The municipality takes particular pride in our efforts to ensure that members of the public participate in the planning and development in their wards and the broader community. The inputs of the ward committees in all fifteen wards, councillors and officials were taken into account during this process.

The municipality interacts with other spheres of government to further enhance intergovernmental relations. The needs expressed by the community are dynamic and by virtue of the changing nature, it has to be reviewed regularly.

The municipal council ensures that its oversight role is sufficiently mandated by the populace voice of the public through a well-functioning Ward Committee System, robust public participation and regular communication through public meetings, community newspapers, Kouga newsletter, radio, and other print media and electronic media including the municipal website.

To guide this IDP review process the Executive Mayor, as part of his responsibilities in terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (Structures Act) conducted a strategic workshop to review the 5-year vision, mission and strategic objectives of the IDP.

1.4 ANNUAL REVIEW OF THE IDP

In accordance with section 34 of the Municipal Systems Act the IDP has to be reviewed annually in order to:

- Ensure its relevance as the municipality's strategic plan.
- Inform other components of the municipal business process including institutional and financial planning and budgeting; and
- Inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant the municipality must assess implementation performance and achievement of its strategic objectives. In the light of this assessment the IDP is reviewed to reflect the impact of successes as well as corrective measures to address problems. The IDP is also reviewed in the light of changing internal and external circumstances that impact on the priority issues, outcomes and outputs in the IDP.

The figure below illustrates the **5-YEAR IDP CYCLE** and the four (4) annual reviews within the cycle:

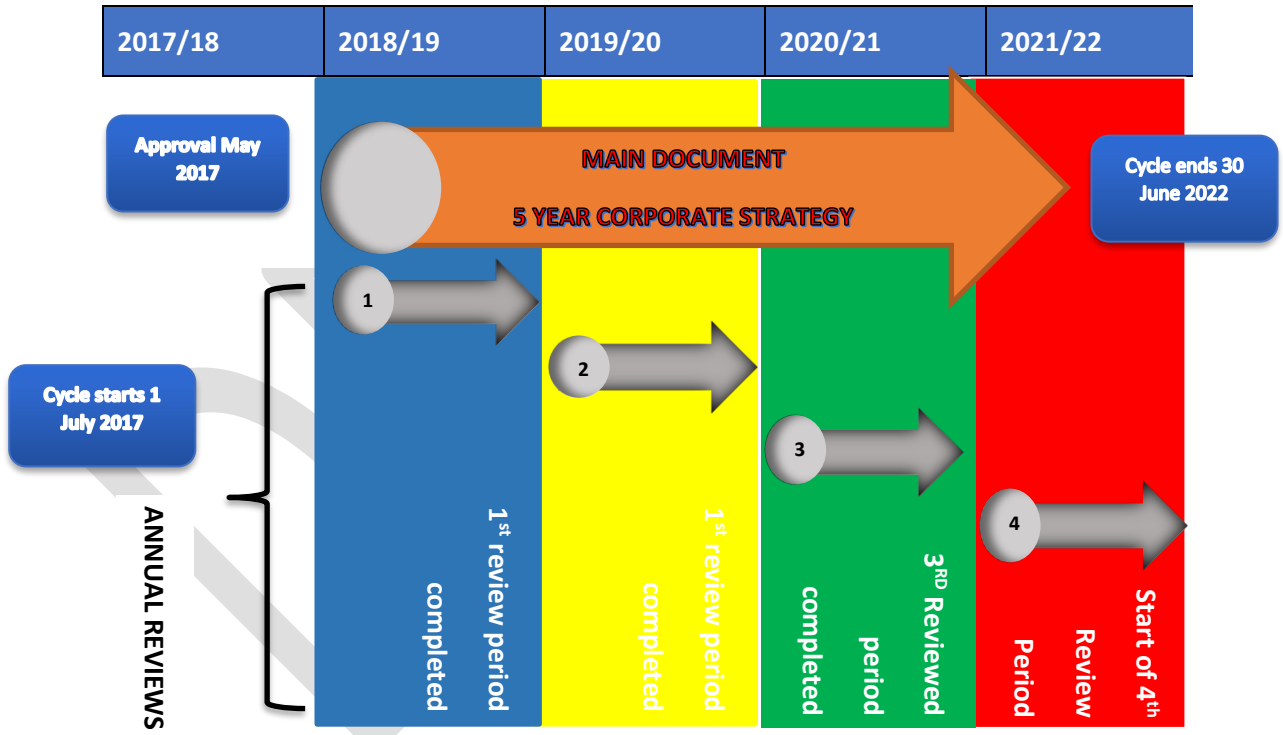


FIGURE 4: 5 Year Corporate Strategy

Review of the Spatial Development Framework

It is critical to note that Section 12(5) and (6) of SPLUMA states that:

- 12(5) *"A municipal spatial development framework must assist in integrating, coordinating, aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area."*
- 12(6) *"Spatial development frameworks must outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in spatial development frameworks.*

The municipality has established a project steering committee responsible for the compilation/review of the SDF in the year 2020. The SDF was finally adopted by Council on 26 February 2020, Council Resolution …….

Institutional Plan to develop the IDP Review for 2021/22

The diagram below illustrates the central role of the IDP as envisaged in the Municipal Systems Act. It is informed by a leadership agenda, as contained in national and provincial policy documents, as well as needs of local citizens and public, private and community organizations:

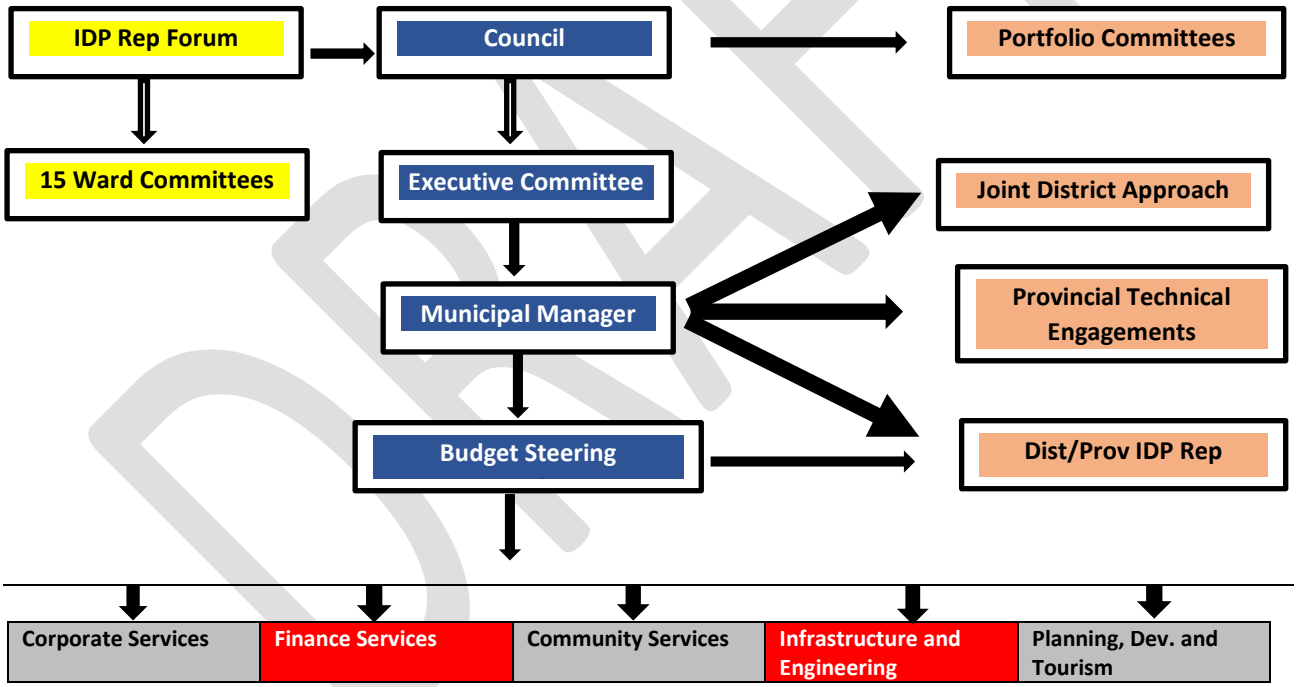


Figure 5: Institutional Plan

The key elements for the 2021/22 IDP Review include:

- An assessment of the existing level of development in the municipality.
- Reviewed strategic priorities and objectives of the council.
- Development strategies which must be aligned with National and Provincial sector plans and planning requirements.
- Operational strategies
- Financial Plan with budget projection for at least next 3 years.
- Update of the ward profiles reflecting reviewed priority ward projects.
- Update the sector plans and report on the progress of implementation.

- Alignment of the annual financial planning with the priority service delivery and development issues of communities.
- Key performance indicators and performance targets determined in terms of Section 41 of the Municipal Systems Act.

Management and Mayoral Committee Strategic Planning Session

The Municipal Manager and the top management team (directors) presented their 2021/22 strategic goals/targets verses budget to the Mayoral Committee. Management had the opportunity to convince the Mayoral Committee why the prioritisation of the one project is more important than the other.

IDP / BUDGET / PERFORMANCE / RISK ALIGNMENT

The strategic alignment concerning the Budget (Chapter 8) and the final 2021/22 SDBIP (Chapter 8). The nature of the alignment is depicted on the figure below:

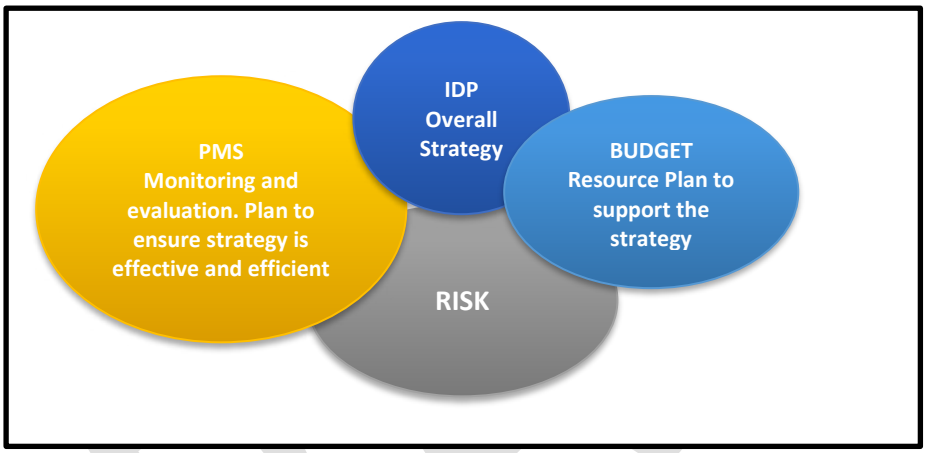


Figure 6: strategic alignment

1.4.2 4th year IDP review process followed

Drafting an IDP requires a comprehensive planning process and the involvement of a wide range of internal and external role-players. Such processes have to be properly organised and prepared. The preparation process is referred to as the "Process Plan" and should contribute to the institutional readiness of the municipality to draft or review the IDP.

The Process Plan was compiled in terms of section 28 and 29 of the Municipal Systems Act, No. 32 of 2000, which specifies that (i) each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP and (ii) that the process must be in accordance with a predetermined programme specifying timeframes for the different steps.

Furthermore, Chapter 4 and section 21(1) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) specifies that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development in terms of section 34 of the Municipal Systems Act.

The Municipal Council adopted a process plan by **resolution 20/08/MM2 on 28 August 2020** that sets out the methods and approach during the IDP planning process for the 2020/21 IDP Review. The Kouga Municipality IDP Process Plan is attached as "**ANNEXURE A".**

The approved process plan was disseminated to the relevant role-players and key stakeholders to engage meaningfully with the process and to allow proper planning between and within the different sectors. The process plan can be viewed on the municipal website at www.kouga.gov.za.
Key deliverables were:

- Tabled the IDP Process Plan for the 2020/21 IDP Review on **28 August t 2020**
- **29 September 2020 – 9 October 2020** Provincial government IDP Assessment of 2020/21 IDP Review
- During **November 2020** ward committees finalised their reviewed ward priorities and ward specific requests for 2021/22.
- **19 March 2021** Mayoral directional speech on strategic direction for 2021/22 IDP Review.
- A municipal strategic workshop was held 24 March 2021 to determine the strategic direction for the 2021/22 IDP Review.
- On **31 March 2021,** the Draft IDP Review 2021/22, Draft 2020/21 MTREF Budget and Draft top layer SDBIP 2021/22 were tabled in Council.
- The Final amended IDP was tabled in Council on **28 May 2021,** Council Resolution 20/06/MM.

1.5 LINKAGE BETWEEN IDP, BUDGET, PERFORMANCE MANAGEMENT AND RISK MANAGEMENT

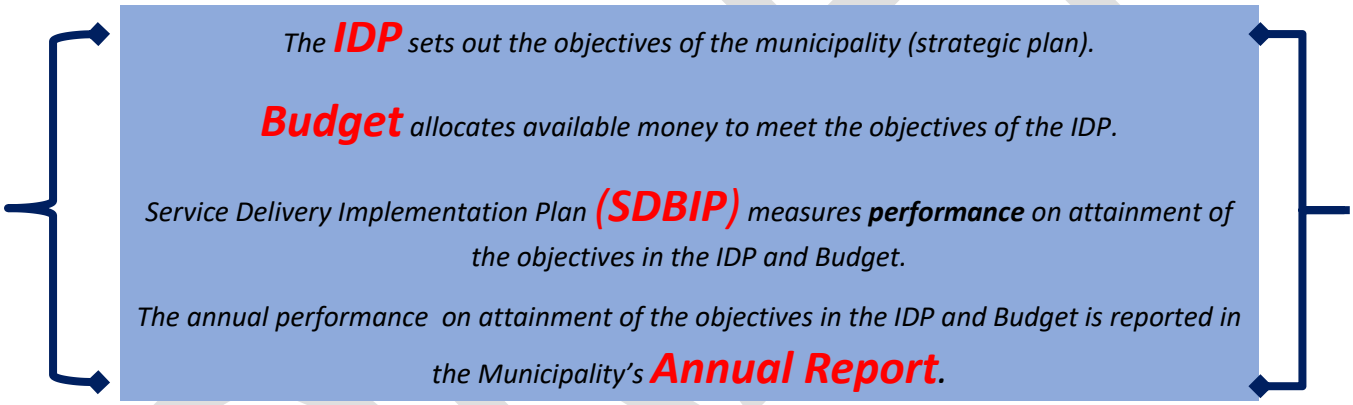


Figure 7: Linkage between IDP, Budget and PMS

The performance of the municipality is reported in the Quarterly and Mid-yearly Performance Assessment Reports as well as in the Annual Report.

In addition to the above, Risk Management forms an integral part of the internal processes of the municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Kouga Municipality. If properly executed risk management provides reasonable assurance that the institution will be successful in achieving its objectives as set out in the IDP.

1.6 THE ORGANISATION

The Governance Structure of Kouga Municipality is informed by the Municipal Structures Act, No. 117 of 1998 which stipulates the roles and responsibilities that each structure within the municipality should perform.

Political Structure

The Kouga Municipality is governed by the Democratic Alliance (DA). The political structure of the Kouga Municipality comprises of the Council, the Executive mayoral Committee, the Portfolio Committees, and the Municipal Public Accounts Committee.

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

The Council

Kouga Municipality comprises of **29 elected councillors,** made up of **15 Ward Councillors** and **14 Proportional Representation (PR) councillors**. The **Speaker** presides at meetings of the Council. Of the 29 councillors serving Kouga, 28% are female and 72% are male. The DA has the largest number of seats (17), followed by the ANC (12). The table below illustrate the narrative:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER DISTRIBUTION	
		MALE	FEMALE
Democratic Alliance	17	13	4
African National Congress	12	8	4
TOTAL	29	21(72%)	8 (28%)

Table 29: The Council

DRAFT

The Executive Mayor and Executive Mayoral Committee



Figure 1: Mayoral Executive Committee

Front: Mayoral Committee member Daniel Benson (***Community Services***), ***Executive Mayor*** Horatio Hendricks, ***Speaker*** Hattingh Bornman.

Back: Mayoral Committee members Timothy Jantjies (***Corporate Services***), Brenton Williams (***Finance***), Fred Ben Rheeder (***Planning and Development***), Willem Gertenbach ***(Infrastructure and Engineering***), Frances Baxter (***LED and Tourism***).

The Executive Mayor of the municipality, Cllr Horatio Hendricks, assisted by the Executive Mayoral Committee heads the executive arm of the Council. The Executive Mayor is at the center of the system of governance since the executive powers are vested in him to manage the day-to-day affairs of the municipality. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation.

Although responsible for the strategic direction and performance of the municipality, the Executive Mayor operates in concert with the Executive Mayoral Committee comprising of the following members Portfolio:

- Planning, Development and Tourism
- Infrastructure and Engineering
- Community Services
- Corporate Services
- Finance

Portfolio Committees

Section 80 committees are permanent committees that specialize in a specific functional area of the municipality and in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to the Council. Section 79 committees are temporary and appointed by the executive committee as and when needed. They are usually set up to investigate a particular issue and do not have any decision-making powers. Just like Section 80 committees, they can also make recommendations to Council. Portfolio Committees meet on a monthly basis and consider reports and recommendations from the various departments to the Mayoral Committee. The following committees have been established:

- Infrastructure and Engineering Portfolio Committee chaired by Councill W Gertenbach
- Corporate Services Portfolio Committee chaired by Councillor Jantjies
- Planning and Development Portfolio Committee chaired by Alderman B Rheeder
- Community Services Portfolio Committee chaired by Councillor D Benson
- Finance Portfolio Committee chaired by Councillor B Williams
- Tourism and Development portfolio Committee chaired by Councillor F Baxter

The Administration

The administrative part of the Kouga Municipality is headed by the Municipal Manager, Mr Charl du Plessis, who reports directly to the Executive Mayor and appoints an Executive Team to assist him in running the administration. He is, *inter alia*, responsible for implementing the IDP, which is the institution's five-year service delivery plan. The Executive Team comprise of 6 Senior Managers, each responsible for a portfolio, which largely matches the corresponding political portfolio.

The municipality has an approved organisational structure. About 90% of the placement process has been completed. Funding in order to secure the required staff capacity is being made available subject to affordability and whether posts are of a critical nature. The filling of all other vacancies on the structure will be rolled out as the budget is made available by Council.

The performance agreements for 2020/21 have been submitted to the Department of Cooperative Government and Traditional Affairs. The approved organisational structure provides a solid basis to ensure that Kouga Management practices and procedures are efficient and functional so that its work can be performed, and its goals can be met.

The top-level employees (Sec56 and S57) are:

Name	Position	Gender
Charl du Plessis	**Municipal Manager**	*Male*
Riaaz Lorgat	**Chief Financial Officer**	*Male*
Victor Felton	**Director: Infrastructure & Engineering**	*Male*
Nomvula Machelesi	**Director: Community Services**	*Female*
Fezeka Mabusela	**Director: Planning & Development**	*Female*
Krishen Moodley	**Director: Corporate Services**	*Female*

Table 30: Top level employees

THE STRUCTURE BELOW DEPICTS KOUGA MUNICIPALITY'S TOP LEVEL ORGANIZATIONAL STRUCTURE:

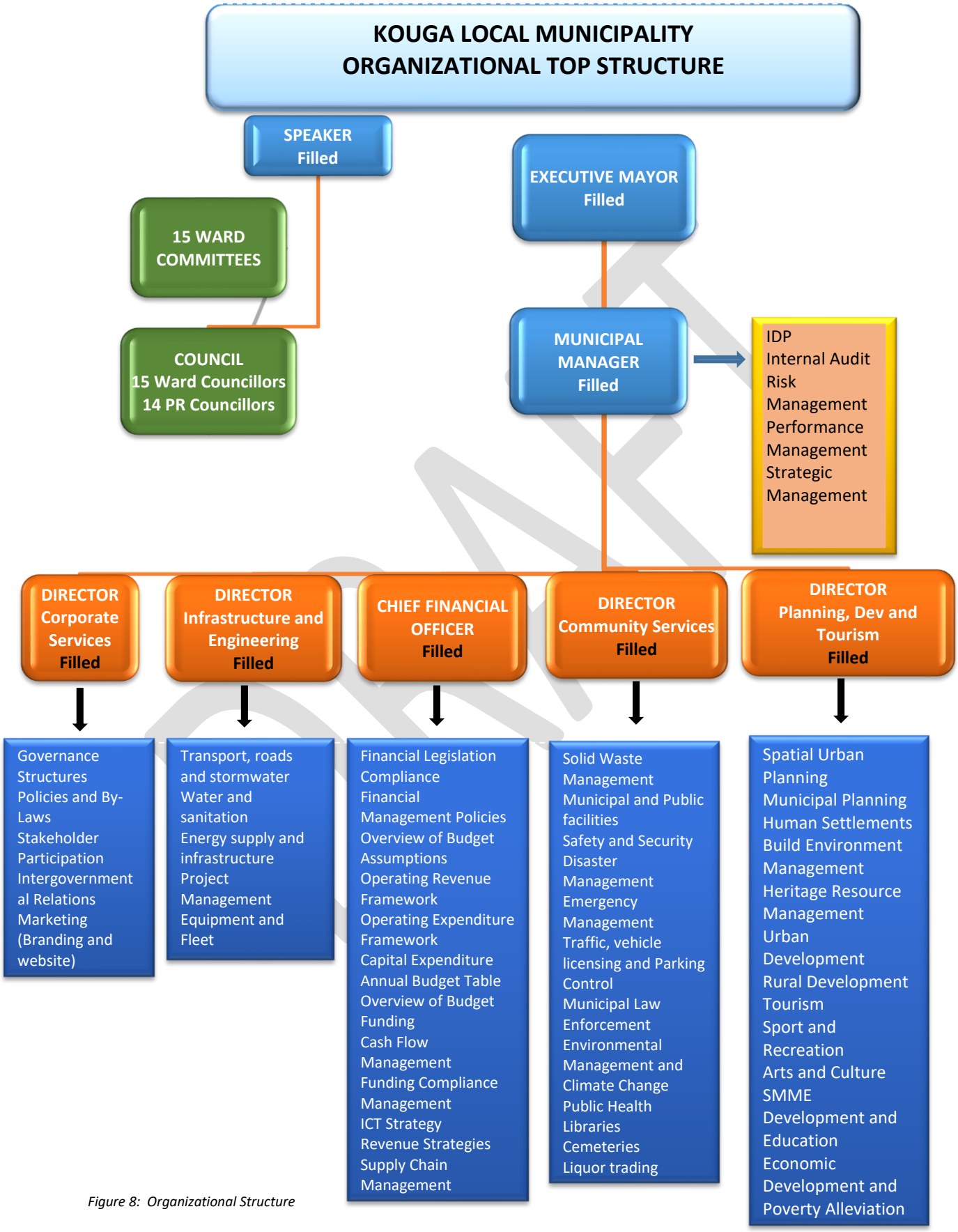


Figure 8: Organizational Structure

1.10 SECTOR PLAN ALIGNMENT

The Sector Plans focus on specific sectors within the context of local government. The alignment of sector plans and key policy documents between all spheres of government is important in ensuring integration of programmes ad maximum utilization of available resources. Each sector plan is championed by a specific department within a directorate of the municipality and normally forms the basis of the directorate's contribution towards achieving the strategic objectives of Council.

Purpose of the plan and status of the sector plans are depicted in the table below:

SECTOR PLAN	PURPOSE OF PLAN	ROLE/CONTRIBUTION TO IDP STRATEGY	STATUS OF PLAN	PLANNED ACTIVITY / OUTPUT
SPATIAL DEVELOPMENT FRAMEWORK	To make spatial provision for IDP and other strategic planning objectives of the municipality in line with the principles of sustainable development	The contribution of the SDF to the IDP strategy is to address the spatial requirements of issues identified through the IDP process. The SDF is the spatial component of the IDP as required in terms of the Municipal Systems Act.	Yes. SDF in place. Reviewed SDF was adopted by Council on 26 February 2021.	The output of an approved SDF is a spatial strategy guiding the assessment and approval of land use applications in the municipal area. The municipality is in the process to review the existing approved SDF.
PERFORMANCE MANAGEMENT PLAN	Facilitate a performance driven culture and accountable municipality.	To set performance indicators and targets that will measure the effectiveness and efficiency of the municipality in implementing the IDP Objectives.	Plan approved and in the process of being implemented. The PMS is reviewed annually to incorporate the annual SDBIP .	Quarterly performance reports, mid-year performance assessment reports, annual report, individual performance evaluations, quarterly performance audit report will be guided by the Performance Management System Framework.
LONG TERM FINANCIAL PLAN	A financial plan that will ensure the financial viability of the municipality to give effect to the strategic objectives of Council as portrayed in the IDP	The financial plan will ensure financial sustainability of the municipality in the realization of the IDP objectives.	The Plan still need to be drafted and will be undertaken in conjunction with the development of a long-term vision for the Kouga Municipality.	To be developed
HUMAN RESOURCE MANAGEMENT PLAN	To ensure that HR serve and support the municipality in achieving its strategic objectives through proper HR practices such as recruitment, training, performance management, health and safety, personnel administration and labour relations	Good Governance and transformation	In Place. Reviewed annually.	To be developed
ASSET MANAGEMENT PLAN	To record all assets of the municipality and make recommendations for the optimal economic utilisation of such assets	To preserve municipal assets and to optimally utilize these assets	Plan in place.	Bar coding Asset Register Land Audit

INTEGRATED INFRASTRUCTURE MAINTENANCE PLAN	A 5-year Infrastructure Maintenance Plan to upgrade and maintain existing infrastructure in the municipality	Maintenance and upgrade of municipal infrastructure	No plan in place. Plan to be developed. Funding has been requested for the 20/21 financial year.	To be developed
INTEGRATED INFRASTRUCTURE INVESTMENT PLAN	A 5-year Infrastructure Investment Plan to invest in new infrastructure in the municipality	Investment in new infrastructure	Yes. Document in place. Plan need to be updated.	To be reviewed
WATER AND SEWER MASTER PLAN	Determine the future capacity of adequate sustainable water sources and the capacity of the sewer reticulation system to accommodate future development	Provides current and future needs regarding required upgrading of water and sewer infrastructure network.	In place for Humansdorp is the Sewer Master Plan. As soon as funds are identified for the Sewer Master Plan, it will be rolled out to the rest of the Kouga area. Water Master Plan not done. Funds need to be identified.	Plan to be developed for the entire municipal area.
WATER SERVICES DEVELOPMENT PLAN	To co-ordinate the provision and demand of bulk potable water to different consumers in the municipality	Strategic objectives of the IDP are supported through the provision of water and sanitation services	The WSDP was approved in May 2011. Review period 2020/2	Wil be reviewed in the 2021/22 review period.
INTEGRATED WASTE MANAGEMENT PLAN	To integrate and optimise waste management, to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of all residents in the municipality	To ensure that the residents of Kouga live in a clean and healthy environment	Reviewed and adopted in June 2016 for the period 2016-2020. Plan to reviewed in 2022.	The Plan will address all areas of waste management – from waste prevention and minimization (waste avoidance) to its collection, treatment, recovery, final disposal and advance technology.
STORM WATER MASTER PLAN	To map out a 5-year master plan to implement storm water networks in Kouga Municipality and to maintain the existing storm water infrastructure	Provides the needs regarding required upgrading of stormwater network in towns as specified.	Storm water Master Plan completed and adopted by Council on 29 May 2015 under item 15/05/IPD11.	Will be reviewed in the 2021/22 review period.
ELECTRICITY MASTER PLAN	To map out a 5-year master plan to expand and improve the electrical network for the municipality and to maintain the existing electrical infrastructure.	To investigate means to reduce the town's energy usage by implementing green and alternative energy projects.	No plan in place. Plan to be developed. Funds still need to be identified.	To be developed during the 2021/22 review period.
PAVEMENT MANAGEMENT SYSTEM	To map the condition of roads, calculate backlogs, propose remedial actions, do cost estimates for budgeting and setting of priorities.	Provides current and future needs regarding required maintenance	Plan was developed by Sarah Baartman District Municipality. To be reviewed.	The Plan requires a review during the 2021/22 review period.

INTEGRATED TRANSPORT PLAN	To co-ordinate the priorities for transport and traffic patterns in the municipality and ensure that provision is made for infrastructure for public transport.	To provide current and future needs regarding required upgrading of road infrastructure network.	Document was developed by Sarah Baartman District Municipality. To be reviewed.	The local Integrated Transport Plan for the Sarah Baartman District Municipality is up for review for the 2020/21 period.
INTEGRATED COASTAL MANAGEMENT PLAN	To promote the ecological, economical and sustainable use of coastal resources and ensure that coastal management is people centred.	The coastal management plan addresses the coastal requirements. The coastal management plan also advice in terms of municipal planning and development of the coast	The Department of Environmental Affairs has appointed a consultant to develop a District Coastal Management Plan. Once the plan has been approved then only can a local plan be developed.	The Plan has been approved and adopted by Council in June 2020.
DISASTER MANAGEMENT PLAN	A plan to pro-actively identify risks and prevent disasters from happening or minimising the impact of such disasters if it cannot be avoided.	Disaster Management is an integral part of the IDP to ensure a safer community	SBDM appointed a service provider (SRK Consulting) to draft a Disaster Risk Management plan for Kouga.	Awaiting final draft to be approved by Council.
RURAL DEVELOPMENT STRATEGY	Planning for development of rural settlements and facilitate land reform projects.	To facilitate land reform projects	Currently busy compiling a Rural Development Strategy. In draft form.	Will be submitted to Council for adoption in 2021/22 review period.
LOCAL ECONOMIC DEVELOPMENT STRATEGY (LED)	Strategy to create a conducive environment for all stakeholders to stimulate economic growth and create decent job opportunities.	Outlines how Council can create and enable the environment for economic growth that will benefit. all the citizens, especially those that are poor.	Economic Development Strategy will be developed in the 2020/21 review period.	In the process to be developed.
HUMAN SETTLEMENT PLAN	To prioritise the housing needs in the municipality and co-ordinate the implementation of different housing options in line with the National and Provincial Housing Policy.	To address the housing needs of Kouga inhabitants as identified within the IDP by facilitating and providing access to housing opportunities within the municipal jurisdiction area	Document in place. Department of Human Settlement will review Kouga's human settlement plan.	Roll out of housing projects as per housing business plan
PERFORMANCE MANAGEMENT POLICY FRAMEWORK	Establishing a culture of performance throughout the whole organisation.		Document in Place.	
RISK MANAGEMENT PLAN	To identify potential risks in all systems and procedures of the municipality and develop proactive risk reduction strategies.		Drafting of a Risk Management Plan a priority for 2020/21.	To be completed in 2021/22
LAW ENFORCEMENT STRATEGY	To change the behaviour of road users and to ultimately decrease	To ensure safety for the residents of Kouga	To be developed 2021/22.	To establish a Safety Committee

	road fatalities and crime within the municipality			
COMMUNICATION STRATEGY	To develop an approach of continued interaction and communication between the municipality and a wide range of internal and external stakeholders.		Still in draft form.	Project priority for 2021/22
INTEGRATED HIV/AIDS PLAN	To facilitate awareness and pro-active strategies to combat HIV/Aids and provide support to people infected and affected by HIV/Aids.		In the review process.	Project priority for 2021/22
EMPLOYMENT EQUITY PLAN	To ensure that targets are being set for transformation of the staff structure of the municipality to reflect the demographic composition of the area.	Transformation	5-year plan is in place. The Plan is being reviewed annually. Employment Equity Committee is in place.	Continuous application of targets during recruitment and selection process to reach targets as set out in the Employment Equity Plan and report. Continuous appointment of competent staff members within the goals of the EE Plan. Approval of EE Plan and annual submission of plan.
WORKPLACE SKILLS PLAN	To co-ordinate training and capacity building of municipal staff as per their personal career objectives. To plan, budget and implement staff training activities.	Transformation	The Annual Training Report and Workplace Skills Plan are submitted to the LGSETA annually.	The WSP is developed according to the needs that are identified by employees. Implementation of the WSP activities and submission of Annual Training reports to the LGSETA
TOURISM ROUTES PLAN	To ensure that the sustainable development of the Kouga Tourism route meets the economic and social development objectives of rural tourism development in the area.	Contributes to Local Economic Development and Job Creation.	A review of the Tourism Sector Plan and Tourism Route Plan is due, and we are planning to do the review in the new financial year.	To be reviewed in the 2019/20 financial year.
KOUGA HERITAGE PLAN	To manage the heritage assets in the Kouga municipal area in line with current legislation provided together with local, provincial and national spheres of government, as well as stakeholders in the private sector, while partnering with local community stakeholders.		The final draft was submitted to the Kouga Council for approval at end of 2016; after which a workshop was requested for deeper discussions before final approval can be granted. The final approval is expected by no later than June 2018.	Draft to be submitted to Council during the 2021/22 review period.

BIODIVERSITY STRATEGY	This forms an input to all planning and policies and protects the integrity of the biodiversity and ensures sustainability.	Protects the integrity and sustainability of the municipality and the environment. Ensures participative Greener Governance.	To be developed 2021/2022	The strategy informs the SDF, other policies, plans and assists in evaluating development applications.
AIR QUALITY MANAGEMENT PLAN	The Air Quality Management Plan is a legislative requirement and forms an input to the Environmental Management Plan.	Protects the integrity and sustainability of the municipality and the environment. Ensures participative Greener Governance.	To be developed in 2021/2022	Baseline air quality assessment must be undertaken to assess and evaluate the current air quality status. Establish an Air Quality Task Team.
ENVIRONMENTAL MANAGEMENT SYSTEM	The Environmental Management System (EMS) Plan integrates environmental functions of all sections and ensures compliance with environmental legislation.	Protects the integrity and sustainability of the municipality and the environment. Ensures participative Greener Governance.	To be developed in 2021/2022	A plan should be developed during the 2021/2022 review period.
PUBLIC PARTICIPATION POLICY	To facilitate democracy by enabling broad but structured community and sector participation in council affairs.	In the spirit of participative governance in general and participation in the IDP specifically, to enable community and sector participation in the drafting, monitoring and review of the municipal IDP and Budget.	Policy in Place	To be reviewed during the 2021/22 FY.
WASTEWATER RISK ABATEMENT PLAN	Outlines Council's vision and plan to attend to all risks which might emanate from wastewater treatment facilities and have an adverse impact on the natural environment	Strategic objectives of the IDP are supported through the provision of water and sanitation services	Plan to be developed in order to form part of the Best Practices approach methodology of the municipality to achieve Green Drop Status.	The document will be a live document and the department will give feedback to the Department of Waste and Sanitation on an annual basis.

Table 31 : Sector Plans

The following sector plans were developed during the 2017-2022 IDP period: (5 year)

- Spatial Development Plan
- Asset Management Plan
- Electricity Master Plan
- Estuary Management Plan
- Human Resource Management Plan
- Skills Development Plan
- Employment Equity Plan

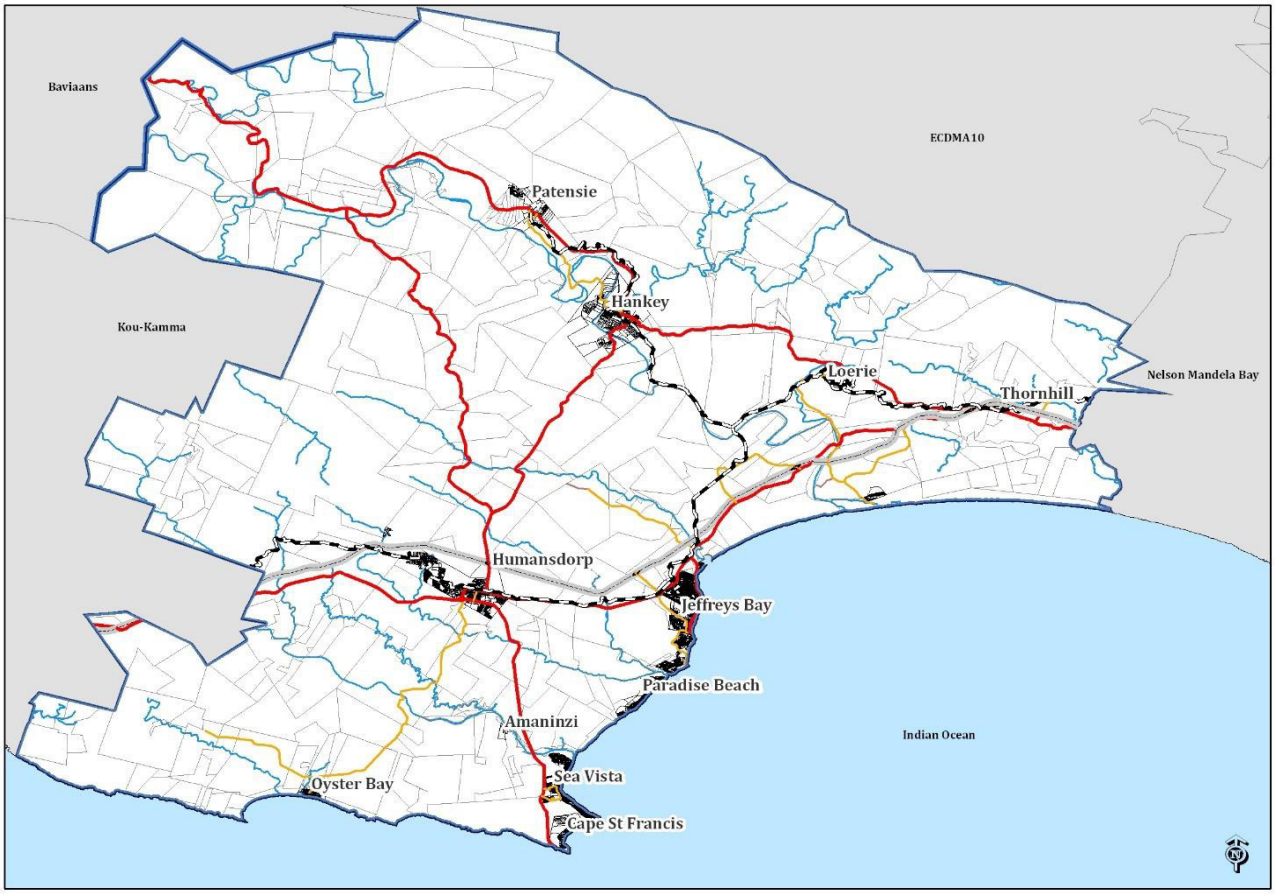


CHAPTER 2: SITUATIONAL ANALYSIS

2.1 GEOGRAPHY

The Kouga Local Municipality is in the Eastern Cape Province and is one of 7 local municipalities located within the Sarah Baartman District Municipal area. It is situated west of Nelson Mandela Bay Metropolitan Municipality (Port Elizabeth, Uitenhage and Despatch). It forms part of the Sarah Baartman District Municipality. The municipality is responsible for basic service provision to the demarcated area as illustrated in the map below.

Area	2 669.82km²
Population	***98 558 (Census 2011)***
	112 941 (Community Survey 2016)
Electoral Wards	15
Erven	31 717
Farm Portions	3 796
Primary Nodes	Jeffreys Bay, Humansdorp, St Francis Bay, Hankey, Patensie
Secondary Nodes	Loerie, Thornhill, Sunnyside, Oyster Bay, Andrieskraal and Matjiesfontein



Map 1 : of Kouga Local Municipality ***Source (Kouga GIS)***

The area is approximately 80km 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 Bay, 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.

2.2 TOPOGRAPHY AND CLIMATE

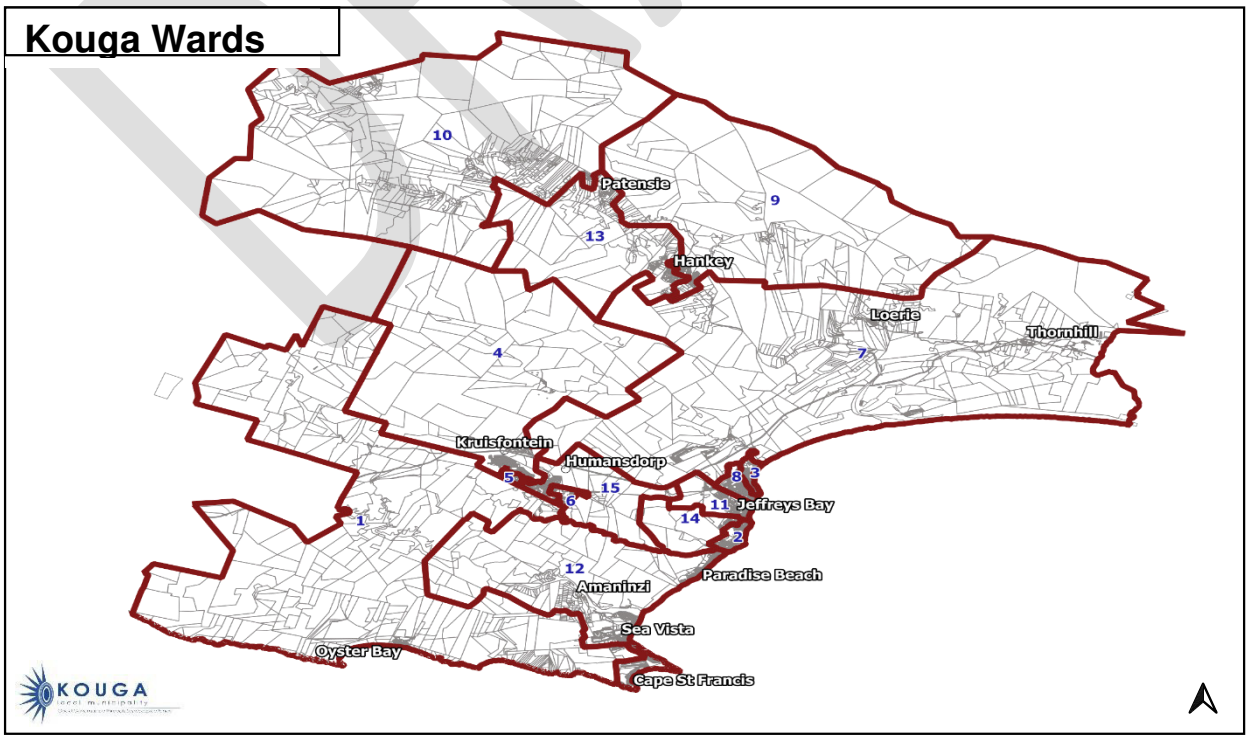
Kouga is largely an urban area, with three main topographical regions. The coastal region stretches from the Van Stadens River in the east to the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast serves as a major tourism attraction.

The Gamtoos River Valley is characterised 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 characterised by moderate slopes in the south, with steeper slopes towards the north and north-west.

THE FOUR MAIN RIVERS IN THE AREA ARE – the Kromme, Seekoei, Kabeljauws and Gamtoos – are tidal rivers. 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 utilised 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.

2.3 KOUGA WARD DELIMITATION



Map 2 Ward delimitation *Source: MDB 2020*

AREA DESCRIPTION	
GEOGRAPHICAL AREA	**WARDS INCLUDED**
COASTAL TOWNS	Ward 1 (Oyster Bay) Ward 2,3, 8, 11, 14 (Jeffreys Bay) Ward 12 (Cape St Francis, St Francis Bay)
GAMTOOS VALLEY	Ward 7 (Loerie, Thornhill) Ward 9, 13 (Hankey) Ward 10 (Patensie, Andrieskraal)
INLAND	Ward 4, 5, 6, 15 (Humansdorp)

Table 32: Area Description

2.3.1 Ward population (census 2011 combined with community survey 2016)

WARD	POPULATION IN WARD	REGISTERED VOTERS	COUNCILLOR AND AREA
Ward 1	5864	2839	***Zolani Mayoni*** *(Oyster Bay, Sea Vista and surrounding farms)*
Ward 2	5016	4212	*(Pellsrus, Tokyo Sexwale, Lootspark)*
Ward 3	1128	2499	**Willem Gertenbach** *(Lower Wavecrest)*
Ward 4	7851	3571	**Freddy Campher** *(Kruisfontein, Gill Marcus, Die Berg and surrounding farms)*
Ward 5	6643	3591	**Wilma Coenraad** *(Arcadia, Graslaagte, Johnson's Ridge and surrounds)*
Ward 6	7395	3861	**Velile Vumazonke** *(Kwanomzamo)*
Ward 7	10261	4073	**Eldridge February** *(Loerie, Thornhill, Longmore, Mondplaas and surrounds)*
Ward 8	6425	5196	**Ludwig Vorster** *(Upper Wavecrest, Kabeljous and surrounds)*
Ward 9	4271	4134	**Sibongile Jujwana** *(Hankey Town, Centerton, Phillipsville, Kleinfontein and Ext 4)*
Ward 10	6932	4040	**Amos Mabukane** *(Ramaphosa Village, Andrieskraal, Cambria and surrounds)*
Ward 11	2885	2725	**Hattingh Bornman** *(Jeffreys Bay Central, C-Place)*
Ward 12	3241	3705	**Ben Rheeder** *(St Francis Bay, Cape St Francis, Paradise Beach and lower Humansdorp Golf Course)*
Ward 13	12740	445	**Magareth Peters** *()Hankey, Weston, Rosedale, ex Nathi Farm and Patensie Town*
Ward 14	11182	5344	**Sindiswa Makhasi** *(Aston Bay, Marina Martinique, Mandela Bay, and Ocean View)*
Ward 15	6725	4023	**Horatio Hendricks** *(Humansdorp Town, Boskloof, Panorama, Upper Humansdorp Golf Course)*

Table 33 : Ward Population

The population figures of Ward 3 do not seem correct as the registered voters exceeds the total population of the ward. People may have holiday day homes in the area but are registered in different towns and provinces. Several attempts have been made to STATS SA since 2017 and recently through the Cogta Official based in Port Elizabeth but no solution has been given to rectify the matter.

2.4 DEMOGRAPHIC PROFILE

The Kouga Municipal area is made up of socially and racially diverse communities. The area has experienced a rapid growth to migration especially in the predominantly poor population. Humansdorp and Jeffreys Bay are the two primary urban settlements where the main retail and commercial activities are concentrated.

2.4.1 Population Size

The 2016 Community Survey estimated the population size of the Kouga at 112 941 (Community Survey 2016). This is a substantial growth from the 2011 Census which shown the population at 98558 (Census 2011). Despite it being the second smallest region in the Sarah Baartman District Municipality, covering only 4.1% of the district land area, Kouga Municipality is the most populous region representing approximately 24% of the total population in the district.

The Kouga Municipality also has the fastest annual growth rate in the district. Between 2001 -2011, the population has increased at an average of 3,22% per annum compared to annual growth rate of 1.1% in the district and 0.3% in the province. The KLM is characterised 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 nodes places additional pressure on the existing infrastructure of these high-density areas.

2.4.2 Comparative population figures and growth rates for municipalities in the Sarah Baartman District

The table below illustrates the population figures and growth in the Sarah Baartman District:

Municipality	Census 2011 Population	Census 2011 % Growth Rate (2001 To 2011)	Community Survey 2016	Community Survey % Growth Rate (2011 To 2016)
Sarah Baartman	450 584	16.6%	479923	6.5%
Kouga	98 558	38%	112941	14.6%
Blue Crane Route	36 002	1.6%	36063	0.1%
Makana	80 390	6.7%	82060	2.1%
Ndlambe	61 176	11.4%	63180	3.2%
Sundays River Valley	54 504	11.8%	59793	9.7%
Beyers Naude	79291	5.1%	82197	3.6%
Kou-Kamma	40 663	18.7%	43688	7.4%

Table 34: Population figures on growth rate ***(Source: Stats SA 2011 and Community Survey 2016)***

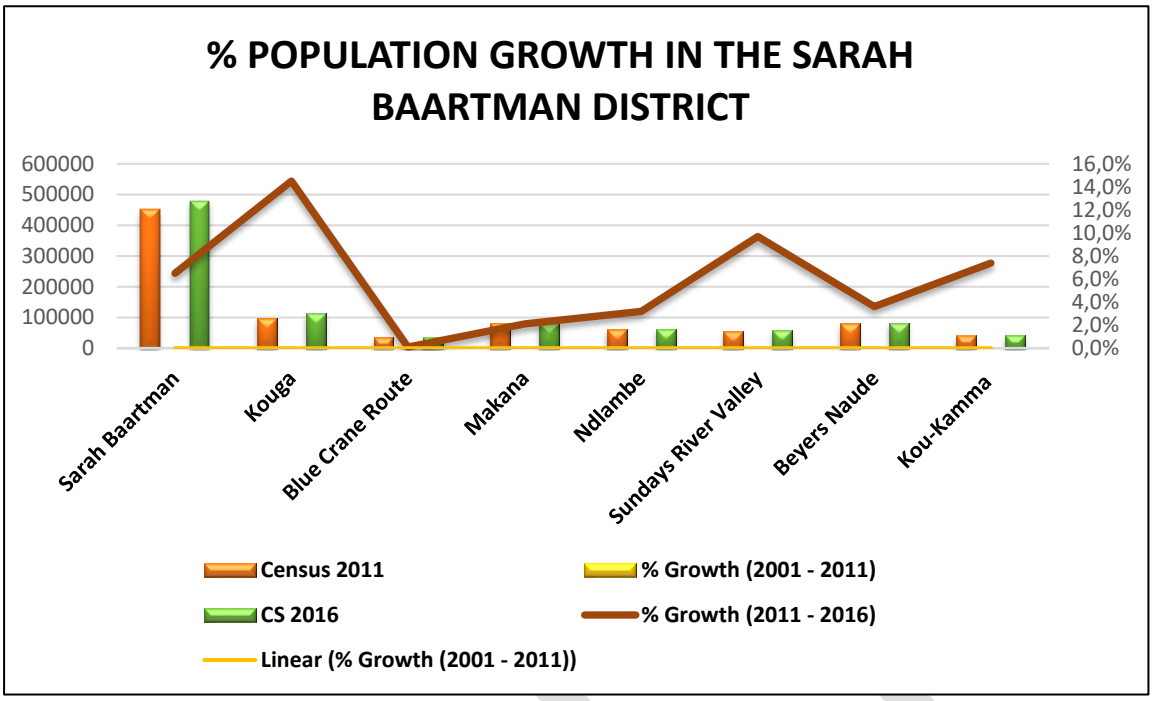


FIGURE 9: % Population Growth in the Sarah Baartman District ***(Source: Stats SA 2011 and Community Survey 2016)***

The population growth since 2011 to 2016 increased by 38% and shows the largest growth in the Sarah Baartman District

The population of the Kouga Municipality has grown by 6.5% of the period 2011 to 2016. Population growth is marked by the number of births, deaths and migration patterns in an area. One may therefore assume that the growth is due to more births or more people coming into the Kouga area. The growth is substantially higher than the 6.5% growth rate the Sarah Baartman District experienced over the period 2011 to 2016.

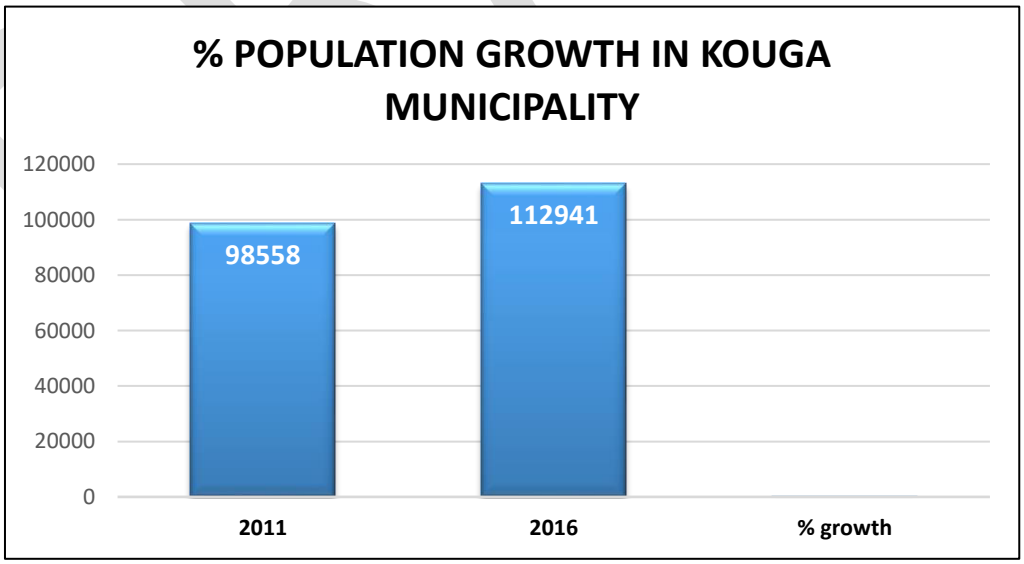


FIGURE 10 : % Population Growth in Kouga Municipality ***(Source: Stats SA 2011 and Community Survey 2016)***

2.4.3 Population per Town

The most populated areas in the Kouga are Hankey, Humansdorp and Jeffreys Bay. However, the actual population size of 112941 reflects negative in the population size per town.

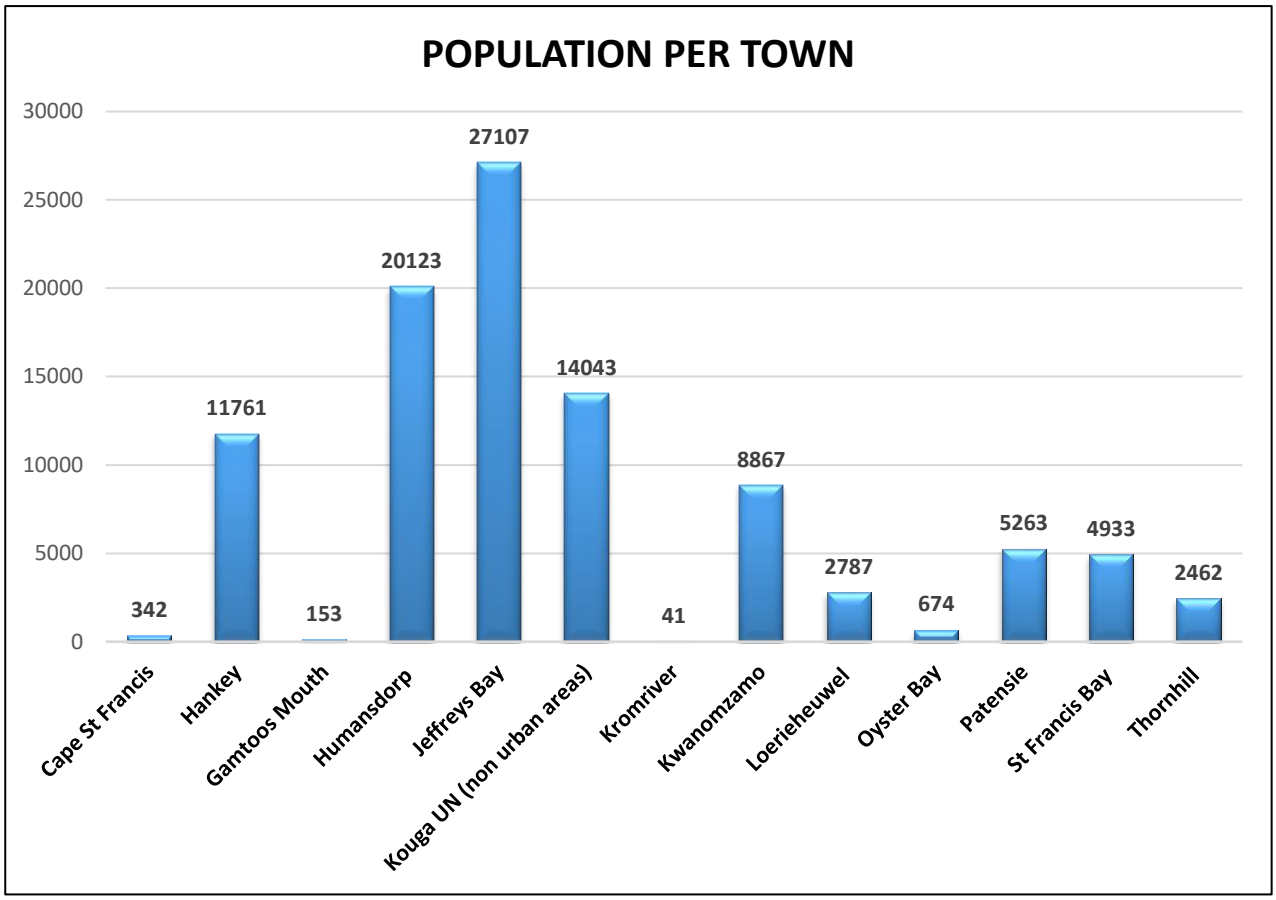


Figure 11 : Population per Town ***(Source: Stats SA 2011)***

2.4.4 Population per Race Group

The coloured population is the largest race group in the municipal area contributing 42.6% of the population, the second most dominant race group in the area being the black African population making up 38.83% of the total population. The highest growth rates have been experienced in the Asian race group, but this group only makes up a very small overall percentage (0.24%) of the population of Kouga. Significant growth has been experienced in the African race group which now makes up 38.83% of the total population.

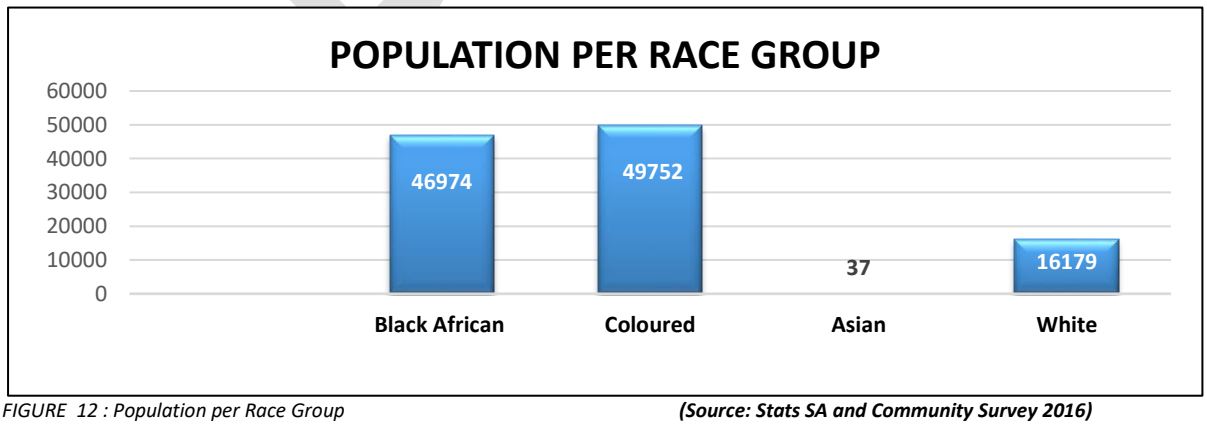


FIGURE 12 : Population per Race Group ***(Source: Stats SA and Community Survey 2016)***

2.4.5 Population per Gender

The female sex is dominant in the Kouga Municipal area by 51% to the 49% of the male sex. Although there is a slight increase in the population 98558 (2011) to 112941 (2016), the sex dominance remains the same.

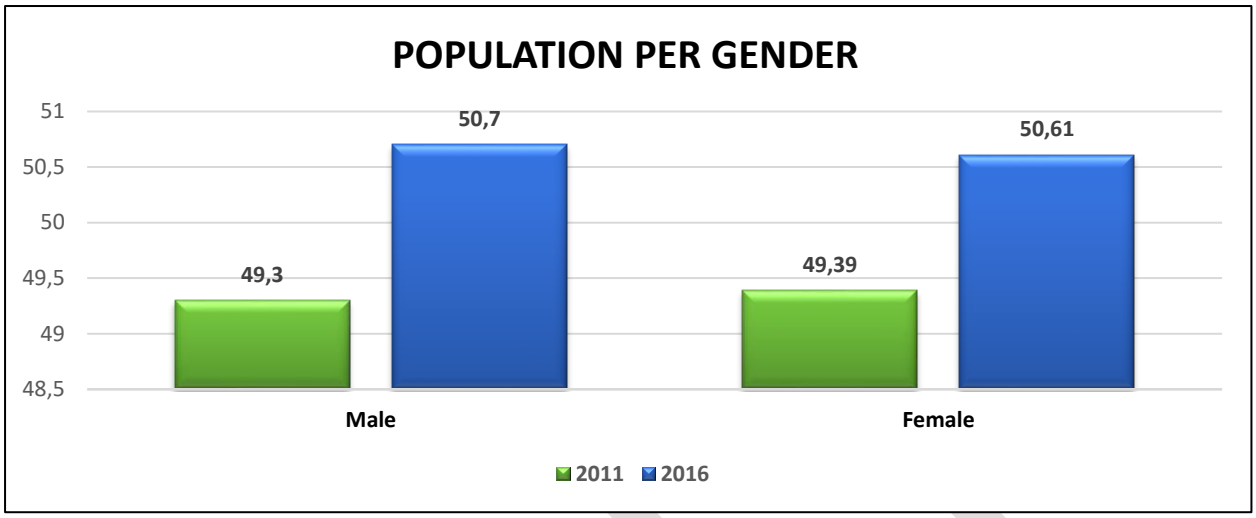


FIGURE 13: Population per Gender ***(Source: Stats SA and Community Survey 2016)***

2.4.6 Population per Age Group

52.4% of the Kouga population is between 0 to 29 years of age while approximately 50% of the population are of working age (between 16 and 65). The age profile shows a relatively youthful population very similar to the rest of the Eastern Cape and South Africa in general. No firm trend could be established that people would move to other areas for obtaining improved qualifications, this despite Kouga not having large tertiary institutions.

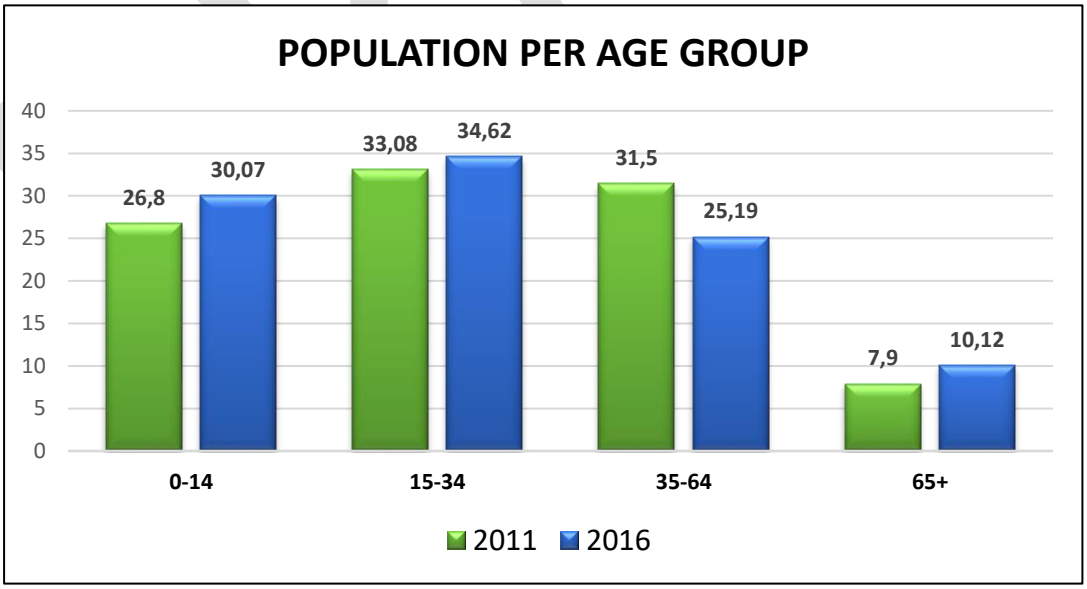


FIGURE 14 : Population per age group ***(Source: Stats SA 2011 and Community Survey 2016)***

2.4.7 Language

The Language profile shows that Afrikaans is spoken as a first language by 58.4% of the population, followed by isiXhosa (29.9%) and English (6.4%). The other languages are not prominent and are hardly used in the Kouga area.

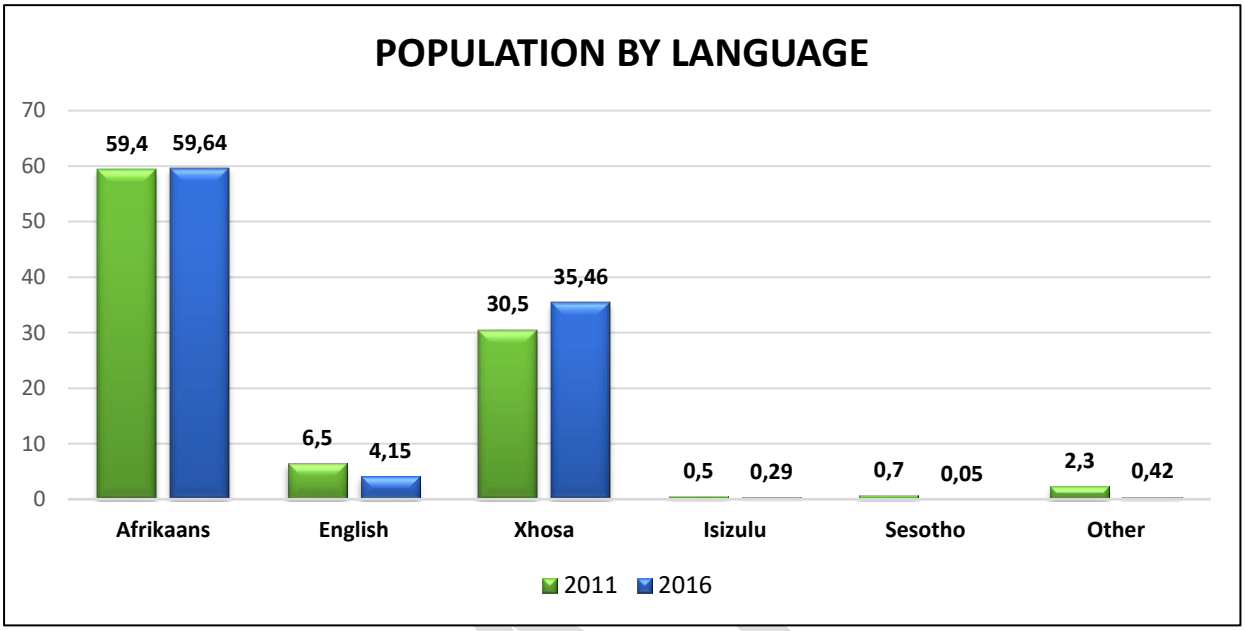


FIGURE 15 : Population by Language ***(Source: Stats SA and Community Survey 2016)***

2.4.8 Education

Education and training improve access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare. The education profile highlights the highest level of education of the population.

The distribution of people with no schooling between genders is regarded as being equal with 7094 males with no schooling compared to 6732 females without schooling. Of those aged 20 years and older, 28% have completed primary school, 20% have some secondary education, 24% have completed matric, and 5% have some form of higher education.

- **Literacy**

Literacy is used to indicate a minimum education level attained. A simple definition of literacy is the ability to read and write but is more strictly defined as the successful completion of a minimum of 7 years of formal education. Since most learners start school at the age of 7 years, the literacy is calculated as the proportion of those 14 years and older who have successfully completed a minimum of 7 years of formal education. 13% of the total Kouga population does not have any schooling.

The district also reflects an equal percent of 13% to the Kouga which compares equally with the provincial figure of 13% of the population without schooling.

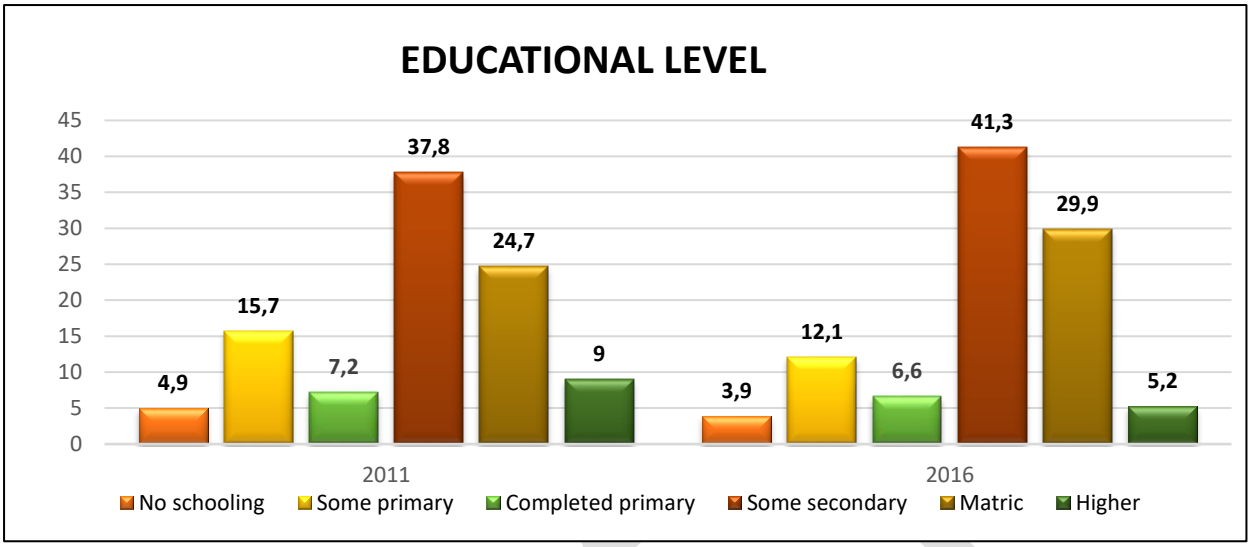


FIGURE 16: Population per educational level ***(Source: Stats SA and Community Survey 2016)***

A total of **69 100** individuals in Kouga Municipality were considered functionally literate in 2016, while **14 100** people were considered literate.

- **Education facilities and Enrolments**

The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centres could affect academic outcomes positively. During public meetings, the community voiced that dire need a FET College and an Agricultural School in the Gamtoos Valley. The Sarah Baartman Education District released the following data i.e. the currentGr12 enrolments:

Kouga High Schools Gr - 12 Learner Enrolment 2019/2020				
	EMIS NO	SCHOOL	2019	2020
1	200100325	Humansdorp Secondary	267	226
2	200101041	Global Leadership Academy	47	61
3	200100367	Jeffrey's Bay Comprehensive High School	116	110
4	200100473	Lungiso Public High School	90	114
5	200100291	Hankey Senior Secondary	107	68
7	200100571	Hoërskool Nico Malan	144	153
9	200100917	Patensie Agricultural School	26	39
10	200100640	Qhayiyalethu Intermediate School	72	23
			924	**856**

Table 35 : Educational facilities and enrolments ***Source: Department of Education)***

- The sizes of the 37 schools in the circuit are as follows:
  - 7 very small
  - 8 small
  - 8 medium
  - 8 large
  - 5 very large

- The average Learner Educator Ratio (LER) in the circuit is 30.7 indicating near satisfactory utilisation of educators.
- The average Learner Classroom Ratio (LCR) is 37.3 indicating satisfactory utilisation of classroom space.
- More English and Xhosa oriented schools needed in the Humansdorp – Jeffreys Bay area.
- There is a need for another secondary school in the Humansdorp area with will cater for both English and Afrikaans Home Languages.
- An agricultural school is to be built in Patensie.

Comparative Matric Results for Kouga Schools (2016-2020)

MATRIC COMPARATIVE RESULTS 2016 - 2020						
Name of school	**2016**	**2017**	**2018**	**2019**	**2020**	**VAR**
	% PASS	**% PASS**	**% PASS**	**% PASS**	**% PASS**	
Global Leadership Academy	100	100	100	100	100	0
Hankey Secondary School	68.8	57.4	42.4	48.8	46.3	-2.5
Humansdorp Secondary School	87.6	81.1	80.5	76.6	59.2	-17.4
Jeffreys Bay Academy				83.3	89.7	6.4
Jeffreys Bay Comprehensive			59.1	66.3	55.2	-11.1
Lungiso Secondary School	75	72.4	71.6	41.3	42.6	1.3
Nico Malan High School	98.9	98.6	98.7	95.8	98	2,2
Patensie Secondary School	43.8	68.8	29.4	52.9	52.6	11

Table 36 : Matric results 2020 ***(Source: Department of Education)***

Global Leadership and Nico Malan has shown a steady outcome for the period 2016-2020. Global Leadership Academy is the best performing high school in the Kouga area. Humansdorp High School and Lungiso High shows a drastic drop in its results, below 50%. Hankey still shows a below average result for the past 3 years, 46,3 for 2020. Patensie High School shows improvement over the years 2019 -2020. Jeffreys Bay Academy also achieved good results for 2 consecutive years, above 80%. Jeffreys Bay Comprehensive shows a decrease from 66.3% to 55.2%.

TOP 5 DISTRICTS COMPARATIVE RESULTS 2017 - 2020			
	2017	**2018**	**2019**
Alfred Nzo East	62.4%	71.9%	77.6%
Buffalo City	66.2%	73%	77.9%
Chris Hani West	67.9%	69.1%	75.4%
Nelson Mandela	72.6%	76.1%	81.4%
Sarah Baartman	71.8%	73.1%	74.5%

Table 37: Top 5 Districts comparative results 2017-2020 ***(Source: Dept of Education)***

The Sarah Baartman District shows a steady increase over a 3-year period. The outcome for 2020 stands at 74.5%

2.4.9 Mode of transport to school

MODE	NUMBER
Walking	21550
Bicycle	96
Motorcycle / scooter	57
Minibus taxi / sedan taxi	1028
Bakkie taxi	302
Public bus	-
Vehicle provided by institution	282
Vehicle by government for free	1867
Vehicle hired by group of parents/students	2222
Own car / private vehicle	2350
Other	309

Table 38: Mode of transport to school *(Source: Dept of Education)*

It is evident in the table that most pupils / student are walking to school as a mode of transport. High school learners are more likely to travel further than the younger learners, with many travelling as far as 10km and further to reach their schools.

2.5 THE ECONOMY

2.5.1 Economic Growth

The economic state of Kouga Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Sarah Baartman District Municipality, Eastern Cape Province and South Africa. The Kouga municipality does not function in isolation from its neighbouring municipalities and is therefore crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality, respectively.

a) **Gross Domestic Product (GDP)**

Definition: Gross Domestic product represents the value of all goods and services, over a period of one year, plus taxes and minus subsidies.

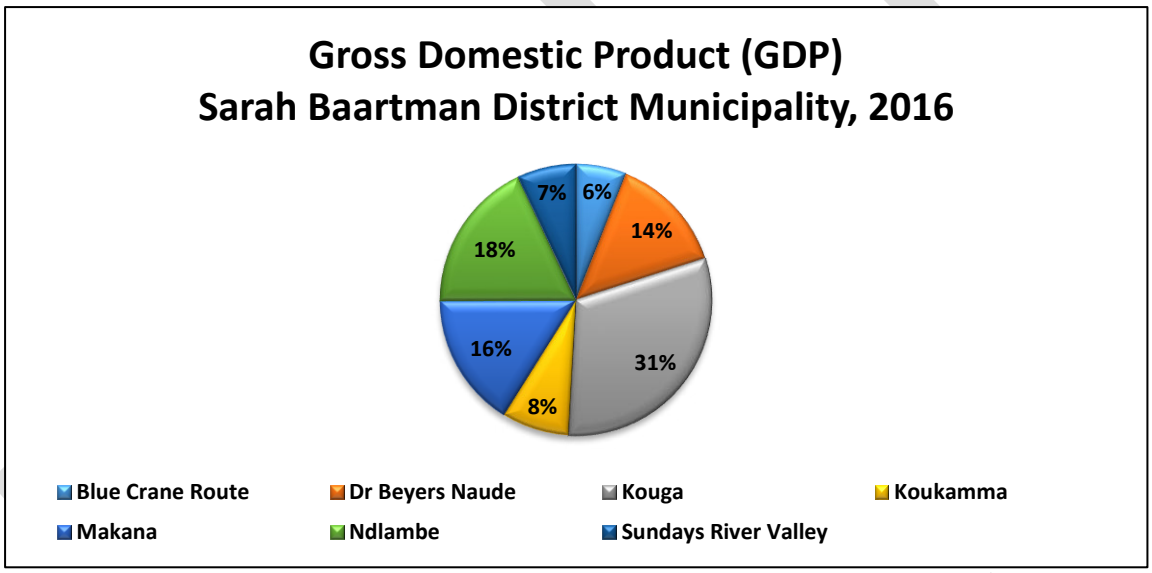


FIGURE 17 : Gross Domestic Product – Sarah Baartman 2016 ***(Source: ECSECC 2017)***

The Kouga had a GDP of R10.5 billion in 2016 and contributed 31% to the Sarah Baartman District Municipality GDP of R34.2 billion in 2016. In 2016, the Kouga Municipality achieved an annual growth rate of 0.38% over a short term and 4.39% over a longer term. For the period 2006 to 2016 the average annual growth rate of 4.39% was the highest relative to its peers in terms of growth in constant 2010 prices.

It is expected that Kouga Municipality will grow at an average annual rate of 2.11% from 2016 to 2021.

b) **Gross Value Added (GVA)**

Definition: Gross Value added is a measure of output (total production) in terms of the value that was created. GVA can be broken down into various sectors.

The broad economic sector of the Kouga Municipality is depicted in the graph below:

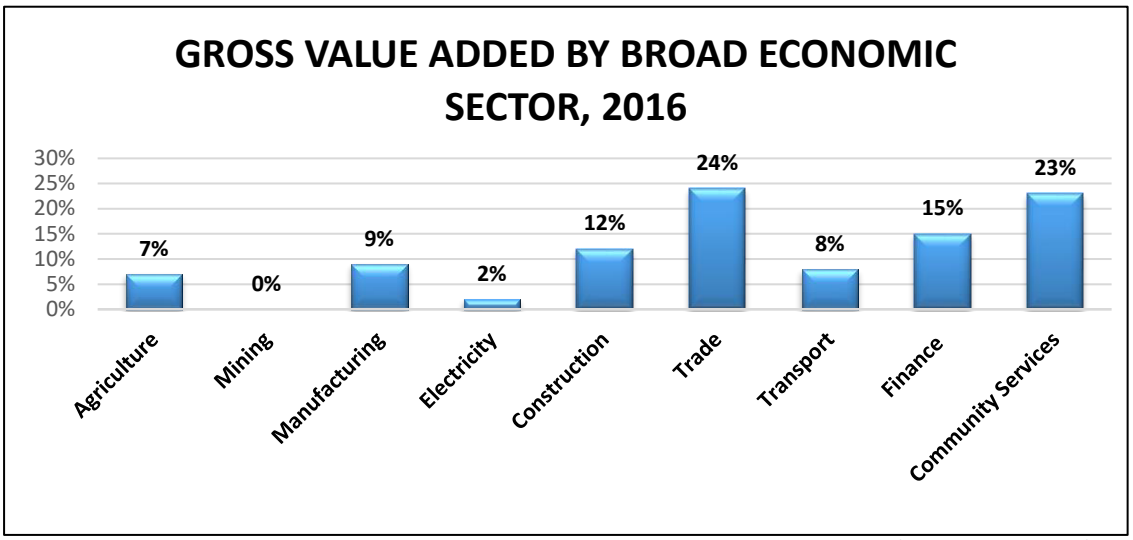


FIGURE 18 : Gross Value added by Broad Economic Sector ***(Source: ECSECC 2017)***

In 2016, the trade sector is the largest within the Kouga Municipality accounting to R2.39 billion or 24.5% of the total GVA in the municipality's economy. The sector that contributes the second most to the GVA if the Kouga Municipality is the CS sector of 23.9%, followed by the finance sector of 15.3%.

2.5.2 Employment Status

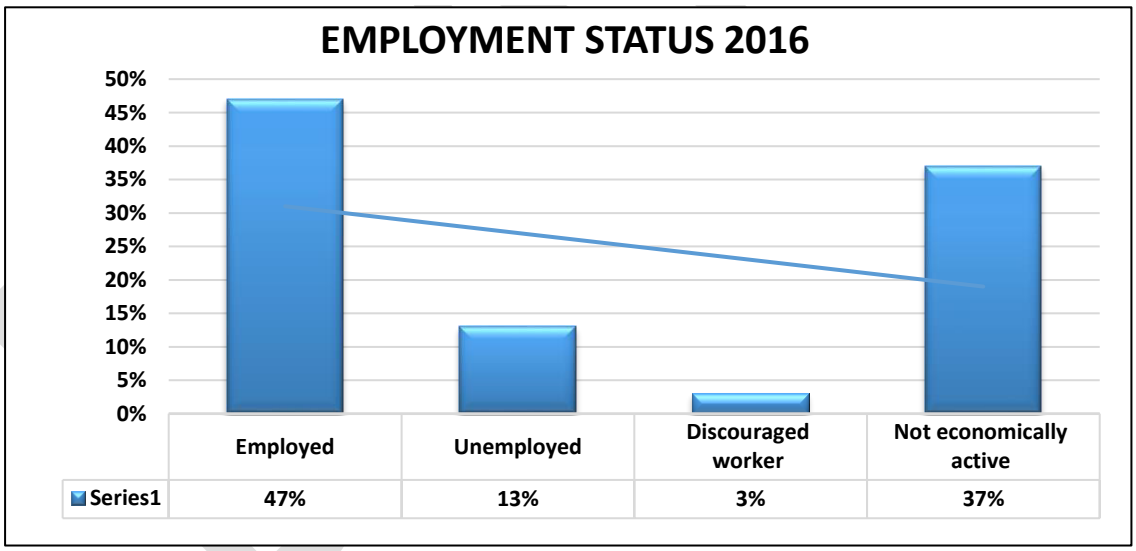


FIGURE 19 : Employment status ***(Source: Community Survey 2016)***

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Kouga municipality's EAP was 49 100 in 2016, which is 43.75% of its total population of 112 941. In 2006 the unemployment rate for Kouga was 13.4% and increased overtime to 14.7% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Kouga Municipality. In 2016, the unemployment rate in Kouga Municipality was 14.75%, which is an increase of 1.38 percentage points.

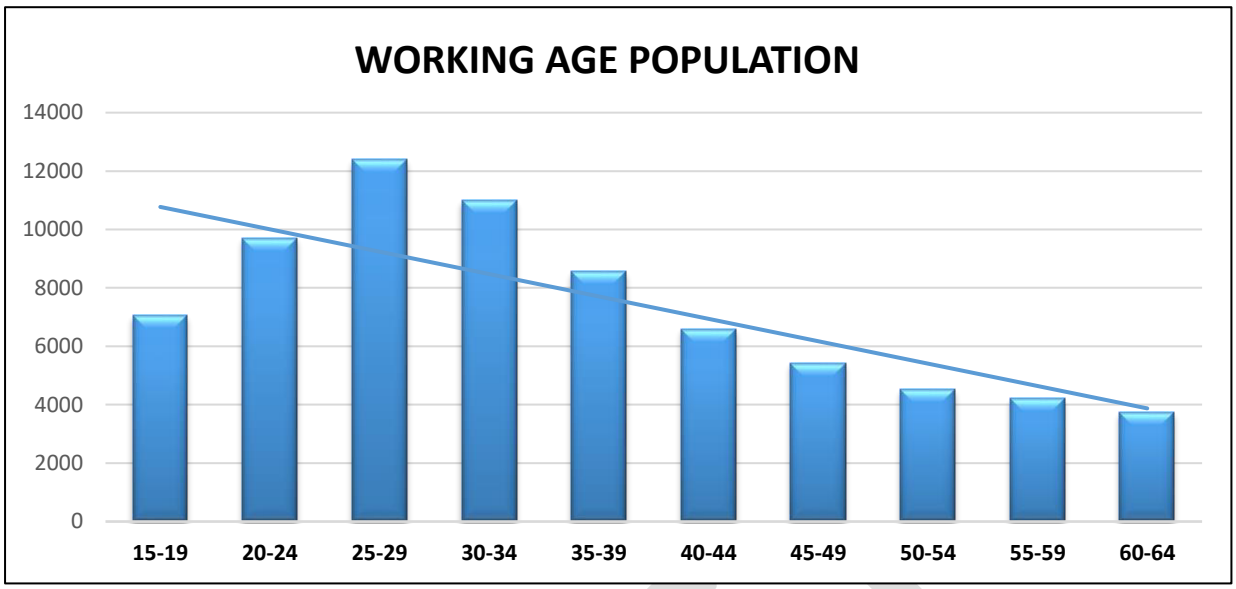


Figure 20: Working age group ***(Source: Ecsecc Outlook 2017)***

The working age population in Kouga in 2016 was 73 200, increasing at an average annual rate of 2.78% since 2006. For the same period, the working age population for Sarah Baartman District Municipality increased at 1.67% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

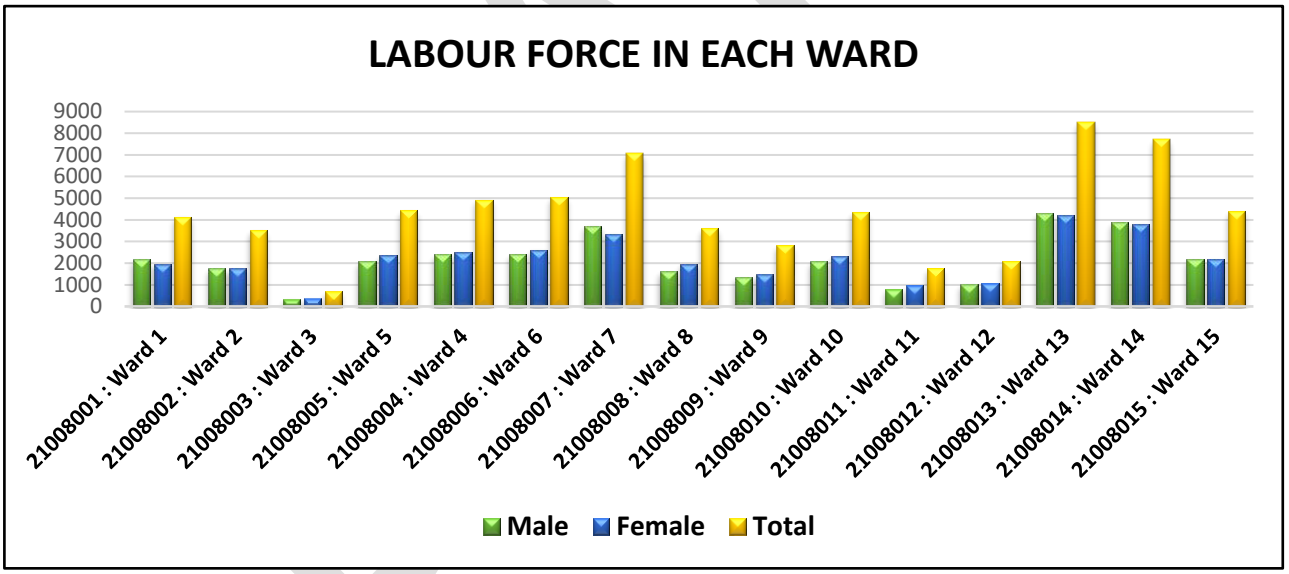


Figure 21: Labour force in each ward ***(Source: Ecsecc Outlook 2017)***

2.5.3 Income

Household income is one of the most important determinants of welfare in a region. The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households. Poverty is often defined as the lack of resources to meet these basic needs. An important indicator of poverty in a region is the number of households with an income below the poverty line.

HOUSEHOLD BY INCOME CATERGORY		
Income	Number	%
0-2400	2	27.9%
2400-6000	58	27.3%
6000-12000	460	26.0%
12000-18000	1110	26.8%
18000-30000	3210	26.2%
30000-42000	3400	24.6%
42000-54000	3050	23.0%
54000-72000	3790	23.2%
72000-96000	3470	22.5%
96000-132000	3410	24.9%
132000-192000	3230	24.9%
192000-360000	3700	25.1%
360000-600000	2210	25.5%
600000-1200000	1620	27.7%
1200000-2400000	668	33.7%
2400000+	143	40.9%

Table 39 : Household by income category ***(Source: Community Survey 2016)***

It was estimated that in 2016 14.42% of all the households in the Kouga Municipality, were living on R30 000 or less per annum. The per capita income in Kouga Municipality in 2016. The total personal income of Kouga Local Municipality amounted to approximately R6.23 billion in 2016. The per capita income in Kouga Municipality in 2016 is R55 000 which is higher than the Sarah Baartman District Municipality of R49 700.

2.5.4 Poverty

It is estimated that the poverty gap rate in the Kouga Municipality amounted to 27.2% in 2016 – the rate needed There is a slight relief in the intensity of poverty due the receipt of grants and subsidies per household.

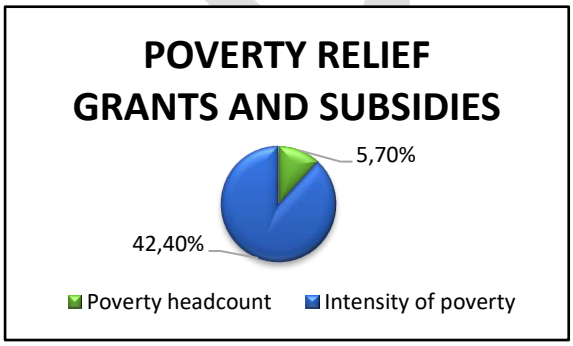


FIGURE 22: Poverty Relief Grants ad subsidies
(Source: Stats SA and Community Survey 2016)

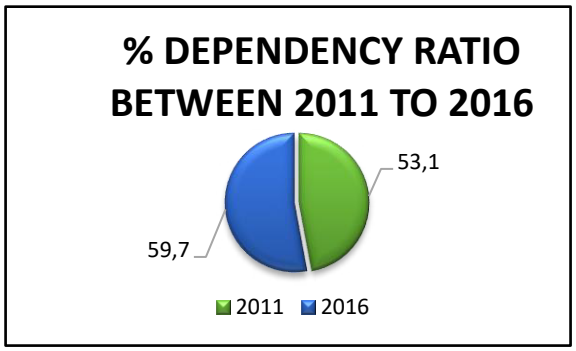


FIGURE 23 : % Dependency Ration between 2011 to 2016
(Source: Stats SA and Community Survey 2016)

2.5.5 Agricultural Households

Poultry production is the highest agricultural activity in the Kouga Municipality followed closely by livestock production.

TYPE OF SPECIFIC ACTIVITY	NUMBER	TYPE OF ACTIVITY	NUMBER	INCOME	NUMBER
Livestock production	782	Crops Only	466	No income	362
Poultry production	868	Animals Only	1016	R1 – R4 800	47
Vegetable production	661	Mixed Farming	317	R4 801 – R38 400	956
Production of other crops	318	Other	203	R38 401 – R307 200	487
Other	654			R307 201 +	88
				Unspecified	62

Table 40 : Agricultural household ***(Source: Stats SA Census data)***

2.5.6 Tourism

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical or religious trips – these are all included in tourism.

The main purpose for an overnight trip is grouped into these categories:

- Leisure
- Business
- Visits to friends and relatives
- Other (medical, religious, etc.)

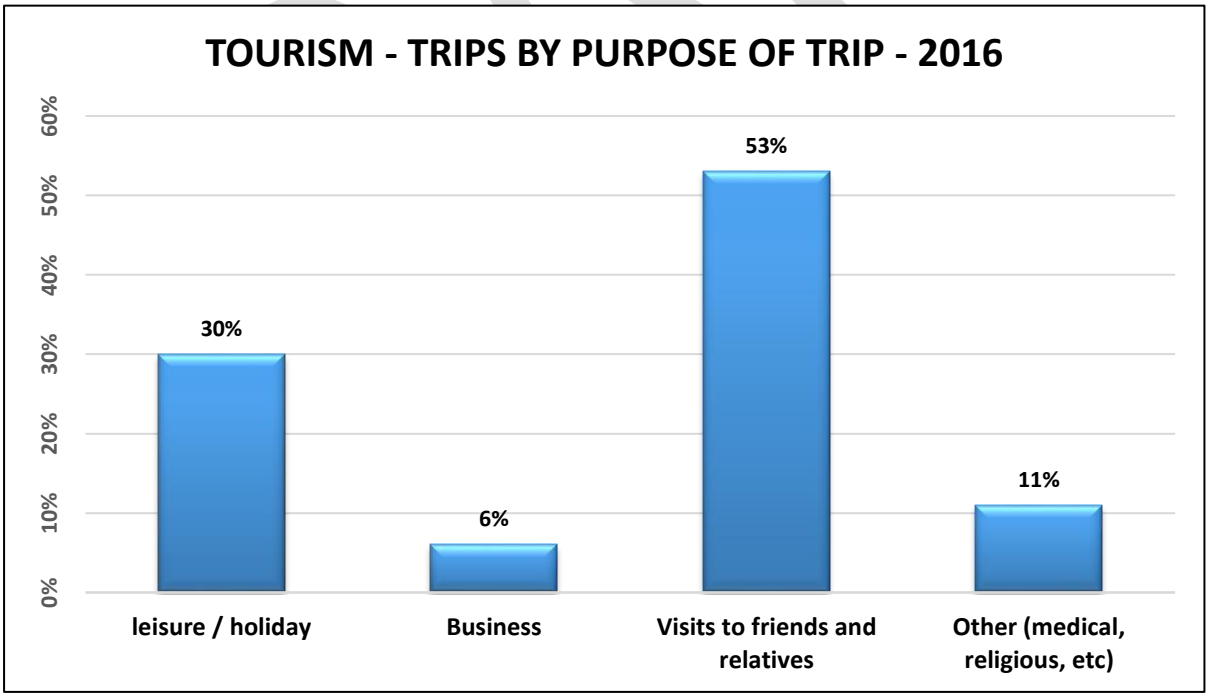


Figure 24:Tourism – trips by purpose ***(Source: Ecsecc Outlook 2017)***

2.6 OVERVIEW OF BASIC SERVICES

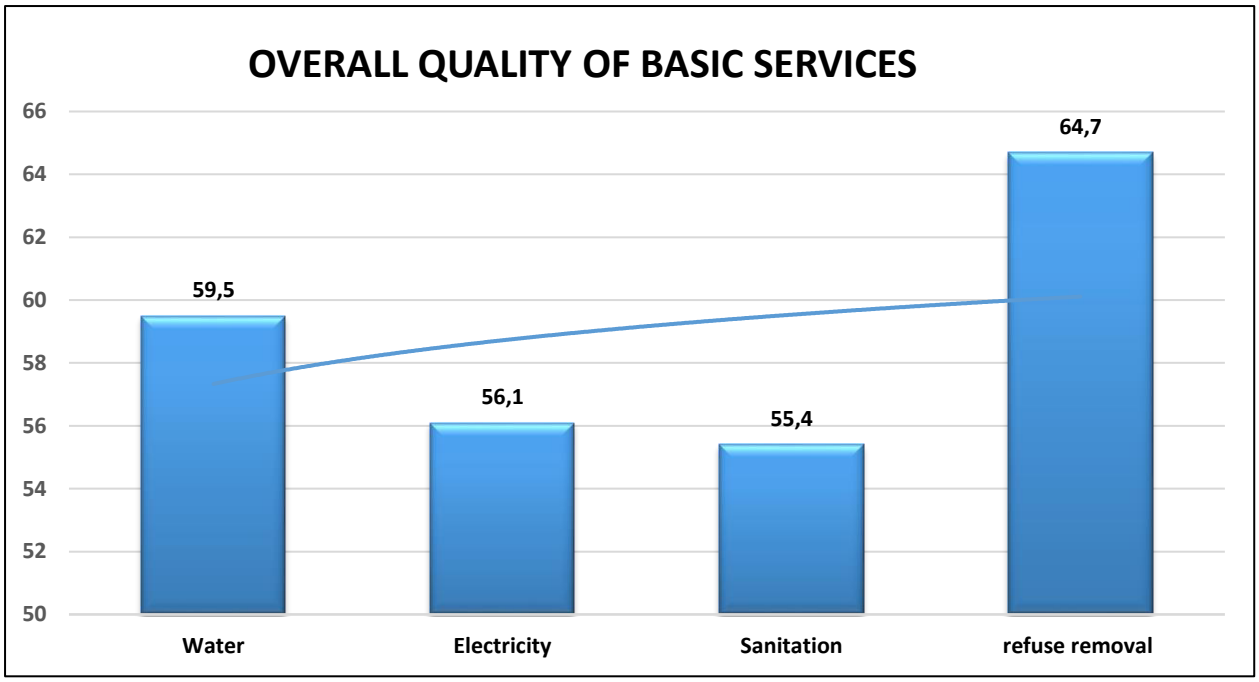


FIGURE 25 : Overall quality of basic services ***(Source: Stats SA and Community Survey 2016)***

Access to basic services within South Africa is a basic human right. Access to basic services has a wider impact on education and health and therefore also on the economy. The Municipal Economic Review and Outlook of 2016 (ECSECC) further highlights the positive economic impact of basic infrastructure on spending and the overall economy. The aim of this profile is to assist KLM in acquiring credible data to inform planning, budgeting and the accompanied prioritisation with respect to policy options. There are 29 447 households in the municipality with an average household size of 3,2 persons per household. Of all households, 60,4% have access to pipe water inside the dwelling and 86,9% have access to electricity for lighting. 35,4% of households are headed by females.

2.6.1 Water Services

A household is categorised according to its main access to water, as follows: regional/local water scheme, borehole and spring, water tank, dam/pool/stagnant water, river/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rainwater, boreholes, dams, rivers and springs.

91.4% of the Kouga Municipality's water is provided by Regional / Local water schemes operated by the municipality and or other water services provider. All areas within the municipal area have access to clean water. Water is supplied to all formal households, businesses, neighbouring farms and approximately 7500 households in the informal settlements.

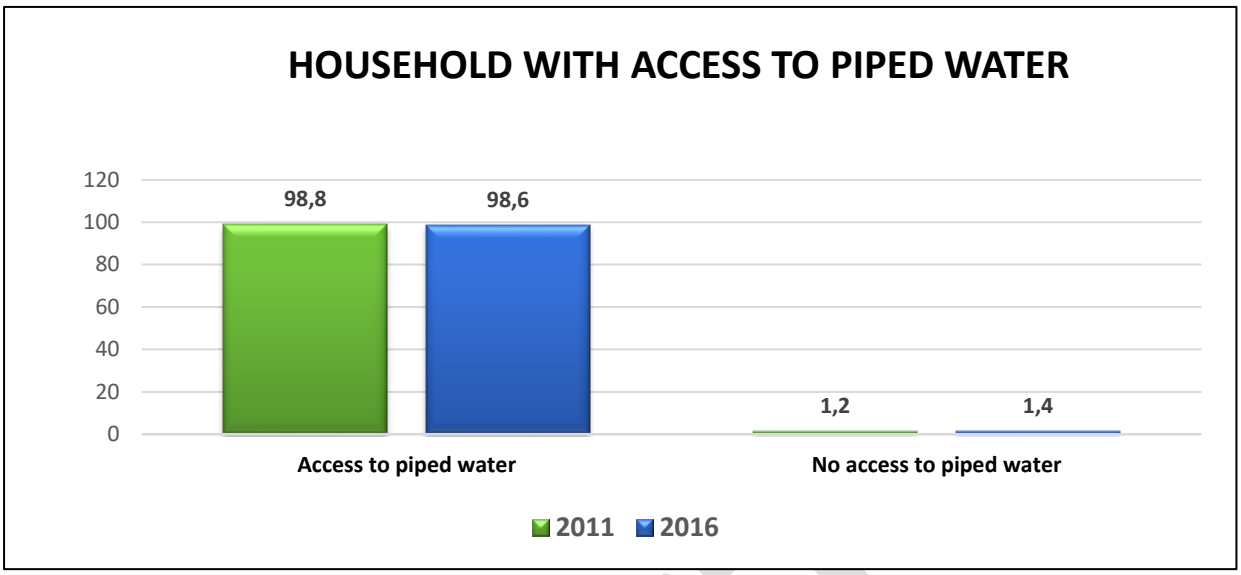


FIGURE 26 : Household with access to piped water ***Source: Stats SA and Community Survey 2016)***

The quality of drinking water supply in the Kouga area is tested weekly and the quality is constantly above the normal norms except for water quality challenges in Ward 3 and 8. The Council has not been awarded any Blue Drop or Green Drop awards and will strive to improve on water quality.

The Water Services Development Plan was reviewed during 2015 and adopted during the 2015/2016 period. The WSDP is due for update to be in line with the new 2017/2022 IDP cycle.

The municipality is doing well with the provision of piped water to households at a 98.6%. Kouga Municipality is committed and endeavours to conform to the norms and standards of SANS 214 with regards to water quality.

2.6.2 Electricity

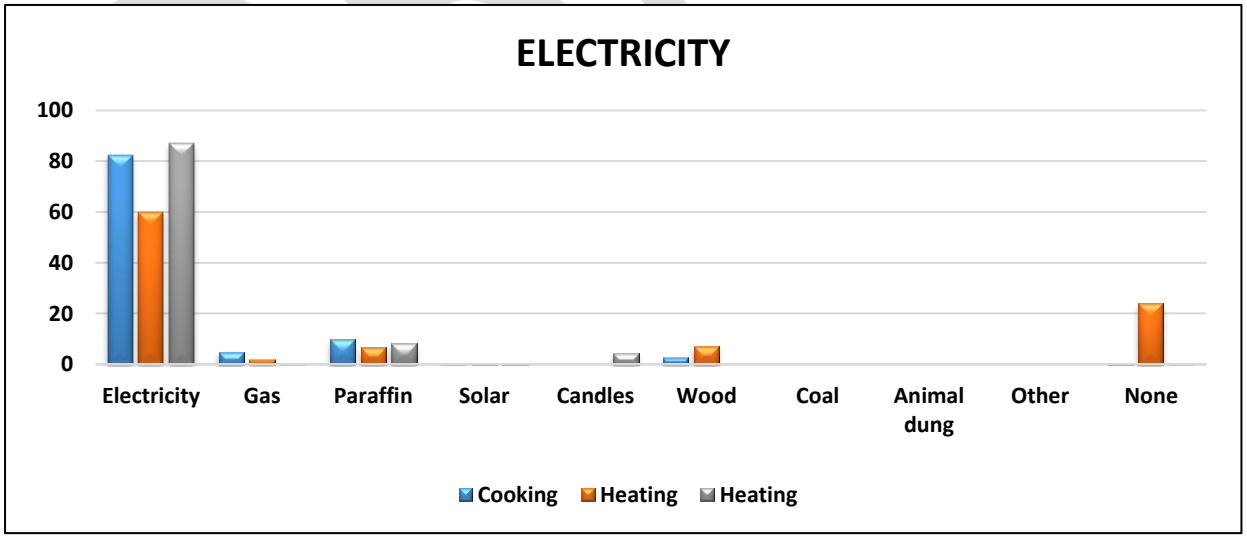


FIGURE 27: Electricity ***(Source: Stats SA and Community Survey 2016)***

Electricity and street lighting are provided to all formal households and electricity, street lighting or high mast lights to most informal areas in Kouga. 86.9% of households have access to electricity. Eskom provides electricity to Hankey, Patensie and Loerie and the Nelson Mandela Municipality provides electricity to Thornhill and surrounds.

2.6.3 Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. The sanitation categories are explained as follows:

- **No toilet** – no access to any of the toilet systems explained below.
- **Bucket system** – a top structure with a seat over a bucket. The bucket is periodically removed, and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** – a top structure over a pit.
- **Ventilation improved fit** – a pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** – waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Kouga Municipality had a total number of 29 700 flush toilets (83.4% of total households), 497 ventilation improved pit (VIP) (1.40% of total households) and 639 (1.79%) of total household's pit toilets.

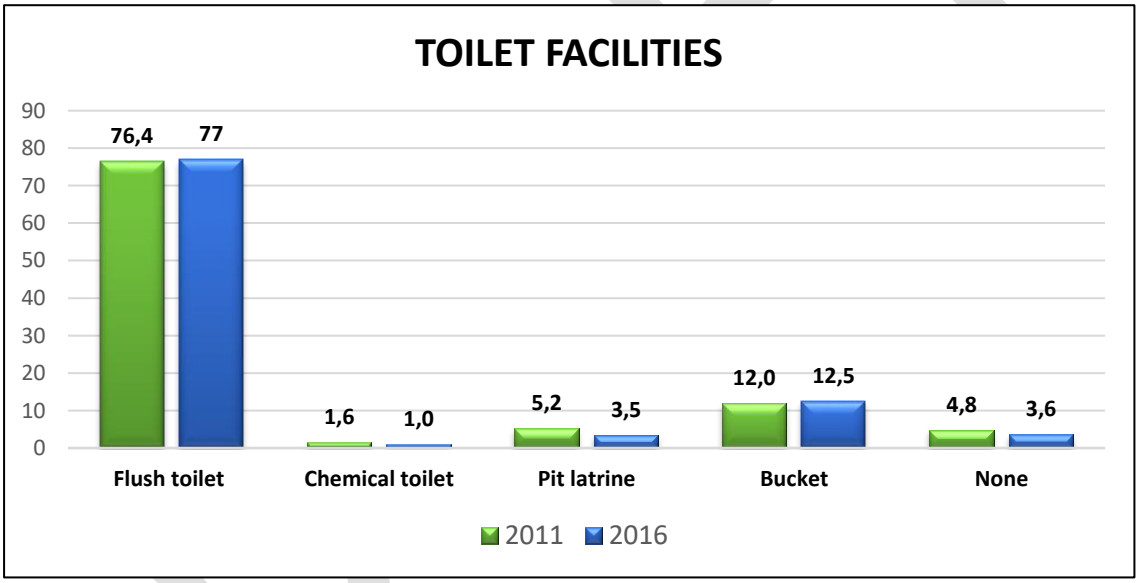


FIGURE 28: Toilet Facilities ***(Source: Stats SA and Community Survey 2016)***

The municipality's greatest challenge regarding sanitation is to expand the infrastructure to meet future development requirements. There are currently eight (8) wastewater works in the Kouga. A major upgrade is needed at the Wastewater Treatment Works which may result in additional capacity to the currently overloaded works. The outflow of the plant is monitored by Kouga Municipality and monthly chemical and biological tests are done and uploaded onto the Green Drop System of the Department of Water and Sanitation.

The bucket system is not yet fully eradicated in the Kouga area. Most bucket systems may occur due to new informal houses being built in informal settlements. The eradication of the bucket system is one of the main priorities of the municipality. The 12.5% is not an accepted figure as this is unhygienic and poses a health hazard for the communities who is still making use of this system.

Current situation regarding sanitation within the Kouga Local Municipality:

TOWN	TYPE							
	Bucket	Conservancy tank	Chemical toilets	Pit latrine	Septic tank	Small bore	VIP	Water Borne
Cape St Francis/ St Francis Bay	540	3532	18	-	-	-	-	785
Hankey	439	837	0	-	-	-	420	1501
Humansdorp	1112	939	36	-	-	-	-	5608
Jeffreys Bay	787	3340	26	-	539	-	-	8744
Loerie	260	12	5	-		150	-	334
Oyster Bay	117	100	7	-	468	-	-	-
Patensie	470	802	29	-	49	-	-	-
Thornhill	160	0	8	-	-	-	-	504
Total	**3885**	**9562**	**129**	**-**	**1056**	**150**	**420**	**17476**

Table 41 : Sanitation ***(Source: Community Survey 2016)***

2.6.4 Roads and Streets

The road network within Kouga falls under the jurisdiction of the following authorities:

- The South African National Roads Agency Limited (SANRAL), which is responsible for the National Route 2, which traverses the Kouga municipal area.
- The Eastern Cape Department of Roads, which is responsible for provincial trunk, main and district roads within the municipal area.
- The Kouga Municipality is responsible for all municipal roads.

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**

Table 42 : Municipal roads **(*Source: Kouga LM*)**

The Kouga region comprise of 402.5 kilometers of municipal roads of which 80% thereof is tarred. The following roads are in the Kouga Municipality area of jurisdiction:

- N2 National (SANRAL) -
- R102 Provincial
- R391 Provincial
- MR400 Provincial

The total road network within Kouga Municipality and under the jurisdiction of KM comprises approximately 402, 5 km, of which approximately 307, 3 km (76,35%) are surfaced black-top roads. The condition of roads in the Greater Kouga Municipal area has deteriorated rapidly over the past few years due to aging of the infrastructure, increased traffic volumes, lack of sufficient funding for maintenance and the impact of floods which have occurred over the past few years. The standard of roads maintenance in all areas in the Kouga is the same whether it be 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 access to road maintenance services is done through a complaint register kept at each Administrative Unit. High level access is accommodated 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 TYPE	LENGTH (KM)
Tar	307,3 km
Concrete	0,2 km
Block paving	7,5 km
Gravel	87,50 km
Total	402,5 km

Table 43 : Road Network ***(Source: Road network under jurisdiction of Kouga Municipality)***

Like the vast majority of local authorities throughout our country, road repair and maintenance remain a challenge due to funding 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. We therefore do not possess the information to do strategic future planning with reference to timeous identification of road maintenance. There is Limited funding for routine road maintenance and rehabilitation. No funding for capital projects.

2.6.5 Refuse Removal

Most households in Kouga have access to refuse removal at least once a week by the municipality, 83,5%, in terms of a collection programme compiled by the municipality. The refuse is transferred to a landfill site in Humansdorp which complies with the national dumping site requirements. The Integrated Waste Management Plan was approved during the 2016/2017 IDP period.

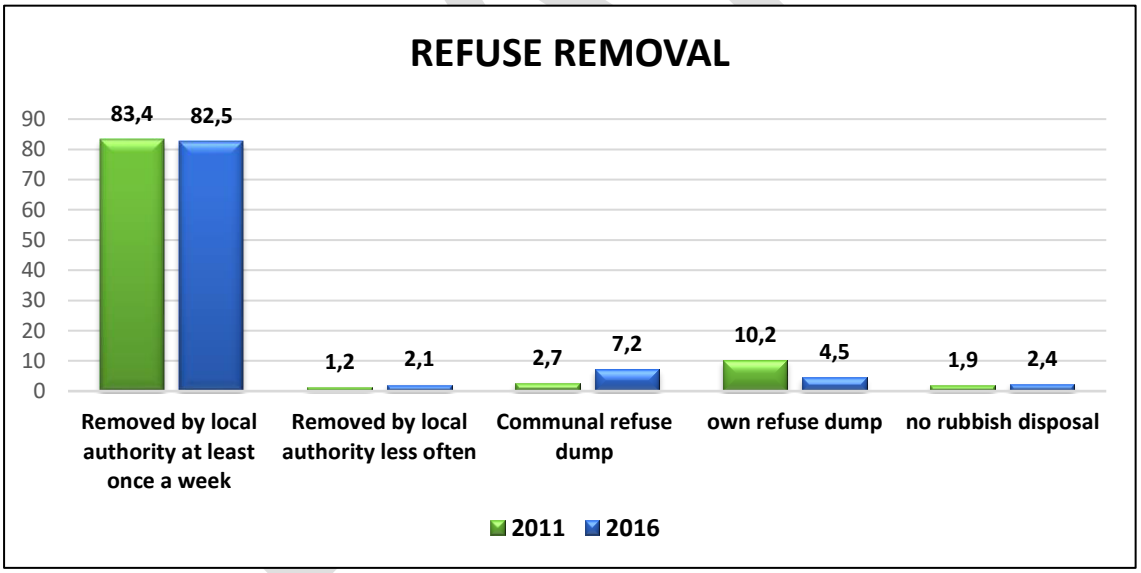


FIGURE 29 : Refuse Removal ***(Source: Stats SA and Community Survey 2016)***

2.6.6 Human Settlements

The Kouga Municipality is 85.8% urban with 14.5% being farm settlements. Most of the population occupies a formal dwelling. There are approximately 22508 formal and 5292 informal households.

AREA	PERCENTAGE
Urban	85,5%
Tribal/Traditional	0%
Farm	14,5%

Table 44 : Human Settlements (Source: Stats SA 2011)

Access to affordable and suitable accommodation remains one of the greatest challenges facing the Kouga area. While the provisioning of housing is the Constitutional mandate of Provincial and National Government, by virtue of the structure and location of local government, this function is undertaken by the Kouga municipality on an agency basis. From the figure below, it is apparent that most households in the Kouga municipality live in formal dwellings (houses and flats). However, a large percentage of households (21.6%) live in informal or traditional dwellings, which would form part of the housing backlog.

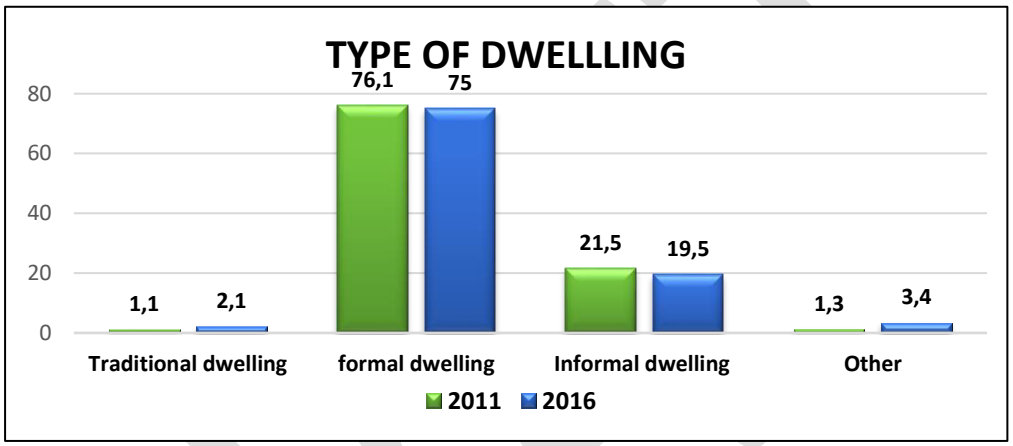


FIGURE 30: Type of Dwelling ***(Source: Stats SA and Community Survey 2016)***

A further breakdown of main dwellings that households are currently living in is illustrated in the figure below:

DWELLING	NUMBER
Formal dwelling/house or brick/concrete block structure	88246
Traditional dwelling/hut/structure made of traditional matter	1833
Flat or apartment in a block of flats	2354
Cluster house in complex	560
Townhouse (semi-detached house in a complex)	303
Semi-detached house	-
Informal dwelling/shack in backyard	5996
Informal dwelling/shack not in backyard	9677
Room/flatlet on a property or large dwelling/servants' quarter	404
Caravan/tent	-
Other	2746

Table 45: Breakdown of main dwellings ***(Source: Community Survey 2016)***

2.6.7 Telecommunication

The latest trend and preference of most households is to use mobile phones to keep up with the latest technological development, some remote areas continue to utilize Telkom as the only communication method. The cellular companies operational in the area have added communication value, including the provision and accessibility to lower cost cellphone units.
Although, most people use cellular phones as the best mode for communication, Kouga municipality utilize various forms of communication such as the loud hailing, newsletters, posters, e-mails, radio broadcasting and meetings in communicating with communities.

On the microeconomic scale small businesses and companies utilize cellular phones, telephones, television, radiobroadcasting, posters and internet to market their products. Telecommunication plays a significant role in creating a social, economic and cultural environment. It also has an impact on job creation as most companies such as Telkom, Vodacom, MTN and Cell C have appointed a number of people, so in a way telecommunication is largely contributing to the alleviation of poverty.

2.7 SOCIAL DEVELOPMENT / SPECIAL PROGRAMMES

2.7.1 People living with disabilities

The municipality aims to ensure that the new buildings and renovations to existing infrastructure should be developed in such a way that access to people with disability are provided. These efforts will be bolstered through a host of mechanisms such as:

- The municipality's efforts to partner with the Department of Social Development to develop focused social development programs up-scale representation of people with disabilities within the community and municipal decision-making process.
- A comprehensive database of people with disability should be developed to indicate their skills and competency levels and specific targets should be set in the Employment Equity Plan of the municipality; and
- A workshop should also be held to assess the challenges faced by people with disabilities in the Kouga Municipal Area.

The municipality must form a partnership with the Department of Social Development to develop focused social development programs to up-scale representation of people with disabilities within our community as well as in municipal decision-making processes. A comprehensive database of people with disability should be developed to indicate their skills and competency levels and specific targets should be set in the Employment Equity Plan Of the municipality.

2.7.2 The Elderly

The Elderly are often neglected in municipal planning, especially the poorer and more vulnerable people who cannot afford decent home accommodation. While there are a number of facilities in the Kouga Municipal Area catering for the wealthier retirees and aged, the same cannot be said for the bottom-end of the market. The issues faced by the elderly are:

- No old age and frail care center in the previous disadvantaged areas.
- Abandonment by family members leaving the elderly to look after themselves.
- Abuse of old age pension by unemployed adult children.
- Guardians to grandchildren without proper financial and other resources.

2.7.3 Social Security / Grants

Eighteen million **people** in **South Africa** rely on **social grants**, with 20% of households depending on **grants** as their main source of income.These grants are allocated to the poorest of the poor; inter alia, the vulnerable groups, disabled, foster children and the elderly. The issuing of social grants is an attempt by the government to relieve the plight of the poor and marginalized.

KOUGA AREA - SOCIAL GRANTS FOR 2020/2021			
GRANT TYPE	**NO. OF BENEFICIARIES**	**NO. OF CHILDREN**	**EXPENDITURE**
Care Dependency	280	286	531 960
Child Support (0 – 18)	14875	26121	117 720 000
Foster Care	472	636	664 560
Grant in Aid	412	-	185 400
Old Age	8114	-	15 132 020
Disability	2408	-	4 478 880
TOTAL	**26561**	**27043**	**138 712 820**

Table 46: Ward Population ***(Source SASSA: Social Grants)***

The President in a statement on 21 April 2020 introduced further economic and social measures in response to the Covid-19 epidemic. The president announced that a special Covid-19 Social Relief of Distress grant of R350 a month will be paid to individuals who are currently unemployed and do not receive any other form of social grant or UIF payment.

The table below indicates the total of beneficiaries in the Kouga area:

COVID-19 SOCIAL RELIEF GRANT	
TOWN	**NO. OF BENEFICIARIES**
Hankey	183
Humansdorp	1018
Jeffreys Bay	309
Noorsekloof	94
Patensie	377
St Francis Bay	335
Thornhill	79

Table 47 : Covid-10 Social Relief Grant ***(Source: SBDM)***

2.7.4 Youth Development

The term youth/ young person is defined as categories of 14 to 35 years as per the National Youth Commission Act No. 10 of 1996. It can be further categorized by the age groups for the purpose of specific and targeted interventions as follows:

- Youth 14 -19: The focus is on education and training.
- Youth 20- 24: The focus is on transition from school to work; Learnership; further education and training; participation in community affairs.
- Youth 25- 29: The issue of focus is job stability; career enhancement; learner ships and self-employment; participation community affairs; safety and security and consolidate patriotism.
- Youth 30- 35: Issues of focus are job stability; career achievement; home ownership; wealth creation; social investment and self- employment. This group requires social, economic, economic political support to realize their full potential. Whilst this definition is broad, encompassing a large slice of one's life. It is understood that this is a time in life when most young people are going through dramatic changes in their life circumstances as they move from childhood to adulthood. Young women and young men face many challenges and threats that are unique to them alone.

Kouga Municipality established ward-based youth forums that will work serve as the voice of young people of Kouga. The need for existence of Municipal Youth Council and Ward Youth Forums is informed by a number of reasons which include among many, the National Youth Policy (NYP) 2009- 2014 which demands meaningful participation of young people in all youth related aspects. The NYP (Right and Responsibilities – page 17) clearly articulates that "youth have the right to participate in the planning and implementation of youth development by becoming the custodians of their development. The National Youth Development Agency (NYDA) Act No 54 of 2008 calls for active Youth Structures aimed at championing youth interest and coordination of mainstreaming programmes to achieve equitable benefits for young people.

2.7.5 Children

The Convention on Rights of the Child defines the full range of children's needs and rights and provides a practical framework for addressing these needs in an integrated and holistic way. All children have rights that emanate from their humanity. In addition, all children have basic universal needs. These needs form a basic set of common standards necessary for optimal survival and development. Children are entitled to be treated according to these common standards. These standards impose obligations on adults to ensure their fulfillment. A commitment to fulfilling these obligations creates rights for children to have their needs met.

A good strategic Child Rights Programming is built on a good – quality analysis of the situation of children in the Municipality:

- Focus on children as a human being.
- Holistic view of children.
- Accountability.
- Supporting duty bearers.
- Advocacy; - being the voice.
- Children as part of the community.
- Root causes and broad issues.
- Partnerships.
- Information and knowledge.

Child participation is guided by Article 12 of the UN Convention on the rights of the children (i.e., the right to be listened to and taken seriously). The right to be heard extends to all actions and decisions that affect children's lives – in the family, in school, in local communities, at national political level.

Local Municipalities can thus safely be described as the primary location where children find themselves. They also have a key role to play in ensuring that the standards for children's rights, as outlined in the Constitution, the African Charter on the Rights and Welfare of the child as well as the United Nations Convention on the Rights of the Child. Local government are best positioned to translate national – level commitments into practice suitable to local conditions. Though Municipalities are critical for the realization of children's rights, children are not involved in decisions that affect them and their issues are not prioritized within the local government planning and budgeting.

Thus, Kouga Municipality through its Special Programmes Unit will seek the establishment of the Ward-based Children's Committees and Junior Municipal Council is to empower children to actively participate in the affairs of the Kouga Local Municipality and influence decisions that affect.

2.7.6 Health Care Services : Facilities

This section of the profile highlights the current health infrastructure and human resource capacity in the public health sector and burden of disease in the Kouga Municipal Area.

Hospital		Condom Distribution Site	Clinics		Mobile Clinic		EMS Stations		EHS Services		Total
2	Humansdorp	1	10	Andrieskraal	3	Loerie	3	Humansdorp	2	Prov	22
	PZ Meyer			Humansdorp		Patensie		Jeffreys Bay		LM	
				Imizamo Yethu		Suurbron		Patensie			
				Kruisfontein							
				Loerie							
				Masakhane							
				Pellsrus							
				St Francis Bay							
				Thornhill							
				Weston							

Table 48: Health Care facilities (***Source: Eastern Cape Depart of Health***)

A total of 1 Sessional Doctor and 1 full time for the clinics and 38 professional nurses plus 2 Commserv have been employed by the Department of Health to render health services to patients attending the primary health care facilities in the Kouga Municipal Area. The health human resource capacity reflected hereunder does not include those who are in private practice in the area. Most areas in the Kouga are in need of a clinic due to overcrowded clinics, shortage of nursing staff and long distance travelling to health facilities:

KOUGA	2016	2017	2018	2019	2020
Primary Healthcare Doctors	3	2	2	1 F/T & 1 sessional	1
Number of doctors at Hospital	11	10	10	9	8
Primary Healthcare – Professional Nurses	27	32	32	38 + 2 Commserv	35+6 Commserv
Number of Professional Nurses at Hospital	42	41	41	48	61

Table 49 : Health Caregivers ***(Source: Eastern Cape Dept. of Health)***

2.7.7 Burden of disease : HIV, Aids and Tuberculosis treatment and care

Although treatment and care are essential in the management of HIV and Aids, the need and importance of preventative care cannot be over-emphasized, especially since to date, there is no known cure. Tuberculosis (TB) is a bacterial disease, and is a serious problem in South Africa, especially in the Eastern Cape. Approximately one out of ten people develop the disease and if not treated the infectious person can infect other people or more in a year. TB can only be cured if the full course of treatment, which can be from six to eight months, is completed. People who stop treatment are likely to develop multi-drug resistance, making the TB more difficult to cure. These cases are treated at TB specialist clinics. TB can be fatal if not treated. The HIV epidemic has led to an enormous increase in the number of TB cases. People with HIV are far more susceptible to TB infection and are less able to fight it off. The municipality make provision for annual wellness awareness programs.

The table below indicates the burden of disease in the Kouga area of jurisdiction 2020:

AREA	ART PATIENT LOAD		NUMBER OF ART TREATMENT SITES	NUMBER OF TB CLINICS
	Adults	Child <15 years		
Humansdorp Clinic	15912	518	1	1
Kruisfontein Clinic	7848	533	2 (PZ Meyer TB Hosp)	2
Masakhane Clinic (Hankey)	6842	381	1	1
Weston Clinic	3075	158	1	1
Imizamo Yethu Clinic (Patensie)	2133	143	2	2
Pellsrus Clinic (Jeffreys Bay)	18403	596	1	1
Thornhill Clinic	2415	77	1	1
Loerie Clinic	2412	89	1	1
St Francis Bay Clinic	5874	150	1	1
Andrieskraal	992	41	1	1
Oyster Bay	-	-	1 Mobile visit monthly	1 Mobile visit monthly
TOTAL ON ART	**66158**	**2711**	**12**	**11**

Table 50 : Burden of Diseases ***(Source: Eastern Cape Dept. of Health)***

Community Based Programmes managed/ supported by Department of Health:

- Kwanomzamo Home Based Care Group
- St Francis Hospice
- Mom and Baby Clinic
- Ward Based Outreach Teams (Wards 6; 2; 9)

2.7.8 New Clinics Needed

New Clinics are needed in the following areas:

- Kwanomzamo (Vergenoeg) - Ward 6
- Ocean View - Ward 14
- Kruisfontein - Ward 4
- Oyster Bay - Ward 1
- Humansdorp - Ward 5
- Hankey - Ward 9
- Pellsrus - Ward 2
- Wavecrest - Wards 3, 8 11

Community Based Programmes managed/supported by Department of Social Development

- Sakhe Singamadoda
- On Eagles Wings
- Ethembeni Home Based Care Group

DRAFT

2.8 SAFETY AND SECURITY

2.8.1 Crime Statistics

There are 6 police stations in the Kouga area namely, Humansdorp, St Francis Bay, Jeffreys Bay, Hankey, Patensie and Thornhill. The following criminal statistics were recorded for the periods 2017/18 – 2018/19):

SAPS – JEFFREYS BAY					
CONTACT CRIMES (CRIMES AGAINST THE PERSON)					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/21**	**Case diff**	**% change**
Murder	13	11	11	0	0.0%
Sexual Offences	42	37	36	-1	-2.7%
Attempted Murder	24	9	14	5	55.6%
Assault with the intent to inflict grievous bodily harm	101	132	104	-28	-21.2%
Common Assault	127	135	122	-13	-9.6%
Common Robbery	29	32	24	-8	-25.0%
Robbery with aggravating circumstances	119	99	84	-15	-15.2%
TOTAL	**455**	**455**	**395**	**-60**	**13.2%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	28	24	27	3	12.5%
Sexual Assault	7	9	6	-3	-33.3%
Attempted Sexual Assault	1	4	3	-1	-25.0%
Contact Sexual Assault	6	0	0	0	0.0%
TOTAL	**42**	**37**	**36**	**-1**	**-2.7%**
SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	0	0	0	0	0.0%
Robbery at residential premises	21	10	8	-2	-20.0%
Robbery at non-residential premises	11	11	12	1	9.1%
Robbery of cash in transit	1	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	**0**	**1**	**1**	**0**	**0.0%**
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Arson	2	3	2	-1	-33.3%
Malicious damage to property	97	95	91	-4	-4.2%
TOTAL	**99**	**98**	**93**	**-5**	**-5.1%**
PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	91	81	75	-6	-7.4%
Burglary at residential premises	370	357	296	-61	-17.1%
Theft of motor vehicle and motorcycle	16	21	38	17	81.0%
Theft out of or from motor vehicle	136	144	90	-54	-37.5%
Stock theft	4	9	0	-9	-100.0%
TOTAL	**617**	**612**	**499**	**-113**	**-18.5%**
OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	272	293	337	44	15.0%

Commercial crime	82	76	82	6	7.9%
Shoplifting	39	39	42	3	7.7%
TOTAL	393	408	461	53	13.0%
Total community reported serious crimes	**1564**	**1573**	**1448**	**-125**	-7.9%
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	12	11	16	5	45.4%
Drug-related crime	279	236	280	44	18.6%
Driving under the influence of alcohol or drugs	62	47	42	-5	-10.6%
Sexual offences detected as a result of police action	1	0	0	0	0.0%
TOTAL	**354**	**294**	**338**	**44**	**15.0%**

Table 51: Crime statistics Jeffreys Bay *(Source: SAPS: Crime Statistics)*

SAPS – ST FRANCIS BAY					
CONTACT CRIMES (CRIMES AGAINST THE PERSON					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Murder	5	2	1	-1	-50.0%
Sexual Offences	10	11	17	6	54.5%
Attempted Murder	10	13	11	-2	-15.4%
Assault with the intent to inflict grievous bodily harm	60	61	62	1	1.6%
Common Assault	41	51	62	11	21.6%
Common Robbery	3	5	13	28	160.0%
Robbery with aggravating circumstances	13	18	12	-6	-33.3%
TOTAL	**142**	**161**	**178**	**17**	**10.6%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	5	11	11	0	0.0%
Sexual Assault	3	0	0	0	0.0%
Attempted Sexual Assault	2	0	5	5	5
Contact Sexual Assault	0	0	1	1	1
TOTAL	**10**	**11**	**17**	**6**	**54.5%**
SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	0	0	0	0	0.0%
Robbery at residential premises	4	8	4	-4	-50.0%
Robbery at non-residential premises	1	0	0	0	0.0%
Robbery of cash in transit	0	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	**0**	**0**	**0**	**0**	**0.0%**
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Arson	1	1	2	1	100.0%
Malicious damage to property	44	32	33	1	3.1%
TOTAL	**45**	**33**	**35**	**2**	**6.1%**

PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	71	35	37	2	5.7%
Burglary at residential premises	243	230	102	-128	-55.7%
Theft of motor vehicle and motorcycle	3	1	1	0	0.0%
Theft out of or from motor vehicle	50	40	22	-18	-45.0%
Stock theft	0	1	4	3	300.0%
TOTAL	**367**	**307**	**166**	**-141**	**-45.9%**
OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	112	117	100	-17	-14.5%
Commercial crime	24	23	243	220	956.5%
Shoplifting	1	2	1	-1	-50.0%
Total of other serious crimes	137	142	344	202	142.3%
Total community reported serious crimes	**691**	**643**	**723**	**80**	12.4%
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	0	1	1	0	0.0%
Drug-related crime	79	48	34	-14%	-29.0%
Driving under the influence of alcohol or drugs	16	16	16	0	0.0%
Sexual offences detected as a result of police action	0	0	0	0	0.0%
TOTAL	**95**	**65**	**51**	**-14%**	**-21.5%**

Table 52: Crime statistics St Francis Bay *(Source: SAPS: Crime Statistics)*

SAPS – HUMANSDORP					
CONTACT CRIMES (CRIMES AGAINST THE PERSON					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Murder	15	22	26	4	18.2%
Sexual Offences	31	39	52	13	33.3%
Attempted Murder	9	18	6	-12	-66.7%
Assault with the intent to inflict grievous bodily harm	195	162	156	-6	-3.7%
Common Assault	64	65	73	8	12.3%
Common Robbery	21	23	32	9	39.1%
Robbery with aggravating circumstances	56	42	68	26	61.9%
TOTAL	**391**	**371**	**413**	**42**	**11.3%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	29	36	43	7	19.4%
Sexual Assault	0	2	7	5	250.0%
Attempted Sexual Assault	1	1	0	-1	-100.0%
Contact Sexual Assault	1	0	2	2	2
TOTAL	**31**	**39**	**52**	**13**	**33.3%**

SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	0	0	0	0	0.0%
Robbery at residential premises	9	4	4	0	0.0%
Robbery at non-residential premises	7	12	22	10	83.3%
Robbery of cash in transit	0	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	**1**	**2**	**0**	**-2**	**-100.0%**
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Arson	3	5	6	1	20.0%
Malicious damage to property	85	100	77	-23	-23.0%
TOTAL	**88**	**105**	**83**	**-22**	**-21.0%**
PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	64	133	82	-51	-38.3%
Burglary at residential premises	202	190	156	-34	-17.9%
Theft of motor vehicle and motorcycle	13	10	3	-7	-70.0%
Theft out of or from motor vehicle	66	56	67	11	19.6%
Stock theft	33	19	15	-4	-21.1%
TOTAL	**378**	**408**	**323**	**-85**	**-20.8%**
OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	183	229	237	8	3.5%
Commercial crime	37	57	50	-7	-12.3%
Shoplifting	74	52	55	3	5.8%
Total of other crimes	294	338	342	4	1.2%
Total community reported serious crimes	**1151**	**1222**	**1161**	**-61**	**-5.0%**
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	8	16	17	1	6.3%
Drug-related crime	472	560	526	-34	-6.1%
Driving under the influence of alcohol or drugs	52	40	49	9	22.5%
Sexual offences detected as a result of police action	0	0	0	0	0.0%
TOTAL	532	616	592	-24	-3.9%

Table 53: Crime statistics Humansdorp *(Source: SAPS: Crime Statistics)*

SAPS – HANKEY					
CONTACT CRIMES (CRIMES AGAINST THE PERSON)					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Murder	9	11	9	-2	-18.2%
Sexual Offences	20	23	21	-2	-8.7%
Attempted Murder	6	8	2	-6	-75.0%
Assault with the intent to inflict grievous bodily harm	70	95	98	3	3.2%
Common Assault	17	29	36	7	24.1%
Common Robbery	9	15	13	-2	-13.3%

Robbery with aggravating circumstances	17	18	23	5	27.8%
TOTAL	**148**	**199**	**202**	**3**	**1.5%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	15	21	19	-2	-9.5%
Sexual Assault	1	1	1	0	0.0%
Attempted Sexual Assault	3	1	1	0	0.0%
Contact Sexual Assault	1	0	0	0	0.0%
TOTAL	**20**	**23**	**21**	**-2**	**-8.7%**
SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	0	0	0	0	0.0%
Robbery at residential premises	5	1	2	1	100.0%
Robbery at non-residential premises	1	3	4	1	33.3%
Robbery of cash in transit	0	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	0	0	0	0	0.0%
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Arson	1	3	1	-2	-66.7%
Malicious damage to property	20	12	19	7	58.3%
TOTAL	**21**	**15**	**20**	**5**	**33.3%**
PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	19	13	21	8	61.5%
Burglary at residential premises	89	75	63	-12	-16.0%
Theft of motor vehicle and motorcycle	0	0	0	0	0.0%
Theft out of or from motor vehicle	20	10	29	19	190.0%
Stock theft	9	11	7	-4	-36.4%
TOTAL	**137**	**109**	**120**	**11**	**10.1%**
OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	79	63	103	40	63.5%
Commercial crime	9	3	6	3	100.0%
Shoplifting	11	7	12	5	71.4%
Total other serious crime	99	73	121	48	65.8%
Total community reported serious crimes	**405**	**396**	**463**	**67**	16.9%
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	2	3	2	-1	-33.3%
Drug-related crime	114	110	45	-65	-59.1%
Driving under the influence of alcohol or drugs	17	8	24	16	200.0%
Sexual offences detected as a result of police action	0	0	0	0	0.0%
TOTAL	**133**	**121**	**71**	**-50**	**41.3%**

Table 54: Crime statistics Hankey *(Source: SAPS: Crime Statistics)*

SAPS – PATENSIE					
CONTACT CRIMES (CRIMES AGAINST THE PERSON)					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Murder	11	6	3	-3	-50.0%
Sexual Offences	23	25	30	5	20.0%
Attempted Murder	2	0	2	2	2
Assault with the intent to inflict grievous bodily harm	93	88	72	-16	-18.2%
Common Assault	42	53	68	15	28.3%
Common Robbery	2	6	8	2	33.3%
Robbery with aggravating circumstances	8	7	6	-1	-14.3%
TOTAL	**181**	**185**	**189**	**4**	**2.2%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	20	23	21	-2	-8.7%
Sexual Assault	0	0	4	4	4
Attempted Sexual Assault	3	2	3	1	50.0%
Contact Sexual Assault	0	0	2	2	2
TOTAL	**23**	**25**	**30**	**5**	**20.0%**
SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	0	0	0	0	0.0%
Robbery at residential premises	1	1	0	-1	-100.0%
Robbery at non-residential premises	0	1	0	-1	-100.0%
Robbery of cash in transit	0	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	0	0	0	0	0.0%
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% Change**
Arson	1	0	2	2	2%
Malicious damage to property	23	23	19	-4	-17.4%
TOTAL	**24**	**23**	**21**	**-2**	**8.7%**
PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	17	16	14	-2	-12.5%
Burglary at residential premises	64	50	55	5	10.0%
Theft of motor vehicle and motorcycle	1	0	0	0	0.0%
Theft out of or from motor vehicle	11	11	12	1	9.1%
Stock theft	4	0	3	3	3
TOTAL	**97**	**77**	**84**	**7**	**9.1%**
OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	70	49	71	22	44.9%
Commercial crime	2	3	4	1	33.3%
Shoplifting	1	10	8	-2	-20.0%
Total other serious crimes	73	62	83	2121	33.9%
TOTAL	**375**	**347**	**377**	**30**	**8.6%**
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	3	0	0	0	0.0%
Drug-related crime	88	92	30	-62	-67.4%

Driving under the influence of alcohol or drugs	10	11	20	9	81.8%
Sexual offences detected as a result of police action	0	0	0	0	0.0%
TOTAL	**101**	**103**	**50**	**-53**	**-51.5%**

Table 55: Crime statistics Patensie *(Source: SAPS: Crime Statistics)*

SAPS – THORNHILL					
CONTACT CRIMES (CRIMES AGAINST THE PERSON					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Murder	4	4	2	-2	-50.0%
Sexual Offences	3	10	10	0	0.0%
Attempted Murder	3	7	8	1	14.3%
Assault with the intent to inflict grievous bodily harm	29	37	36	-1	-2.7%
Common Assault	28	22	30	8	36.4%
Common Robbery	1	1	4	3	300.0%
Robbery with aggravating circumstances	7	19	13	-6	-31.6%
TOTAL	**75**	**100**	**108**	**3**	**3.0%**
SEXUAL CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Rape	3	7	6	-1	14.3%
Sexual Assault	0	3	4	1	33.3%
Attempted Sexual Assault	0	0	0	0	0.0%
Contact Sexual Assault	0	0	0	0	0.0%
TOTAL	**3**	**10**	**10**	**0**	**0.0%**
SOME SUB-CATEGORIES OF AGGRAVATED ROBBERY					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Carjacking	1	0	0	0	0.0%
Robbery at residential premises	3	6	3	-3	-50.0%
Robbery at non-residential premises	1	4	3	-1	-25.0%
Robbery of cash in transit	0	0	0	0	0.0%
Bank robbery	0	0	0	0	0.0%
Truck hijacking	0	1	0	**-1**	**-100.0%**
CONTACT RELATED CRIME					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Arson	3	4	1	-3	-75.0%
Malicious damage to property	16	12	9	-3	-25.0%
TOTAL	**19**	**16**	**10**	**-6**	**-37.5%**
PROPERTY-RELATED CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Burglary at non-residential premises	7	12	16	4	33.3%
Burglary at residential premises	40	55	47	-8	-14.5%
Theft of motor vehicle and motorcycle	3	1	0	-1	-100.0%
Theft out of or from motor vehicle	5	3	4	1	33.3%
Stock theft	8	15	5	-10	-66.7%
TOTAL	**63**	**86**	**72**	**-14**	**-16.3%**

OTHER SERIOUS CRIMES					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
All theft not mentioned elsewhere	51	44	44	0	0.0%
Commercial crime	1	1	6	5	500.0%
Shoplifting	1	0	0	0	0.0%
Total of other crimes	53	45	50	5	11.1%
Total community reported serious crimes	**210**	**247**	**235**	**-12**	**-4.9%**
CRIME DETECTED AS A RESULT OF POLICE ACTION					
CRIME CATEGORY	**2017/18**	**2018/19**	**2019/20**	**Case diff**	**% change**
Illegal possession of firearms and ammunition	2	6	1	-5	-83.3%
Drug-related crime	103	59	34	-25	-42.4%
Driving under the influence of alcohol or drugs	25	15	12	-3	20.0%
Sexual offences detected as a result of police action	0	0	0	0	0.0%
TOTAL	130	80	47	-33	-41.3%

Table 56: Crime statistics ***Thornhill*** *(Source: SAPS: Crime Statistics)*

The Community Police and Safety Forum focus each year on the effective implementation of the following joint national and local crime prevention campaigns:

- Child Protection Week
- 16 Days of Activism against violence against women and children
- International Drug Awareness Day
- Victim Support Programme
- Substance Abuse Awareness Programmes
- Holiday Programmes

2.8.2 Safety of the Public : Bus Shelters and Taxi Ranks

The following is the number of bus shelters and taxi ranks to secure the safety of the public against natural elements are:

TOWN	BUS SHELTER	TOWN	TAXI RANKS
Cape St Francis	0	Humansdorp	1
St Francis Bay	5	St Francis Bay	1
Kwanomzamo	3	Hankey	1
Arcadia	6	Jeffreys Bay	1
Kruisfontein	3		
Gill Marcus	1		
Hankey	0		
Patensie	1		
Loerie	1		
Thornhill	2		
Jeffreys Bay	5		
TOTAL	**27**	**TOTAL**	**4**

Table 57: Bus shelters and taxi

There are a marked shortage of taxi ranks in the Kouga area and should be addressed by a needs analysis and identified demarcated areas.

2.9 CONCLUDING REMARKS ON SITUATIONAL ANALYSIS

The Covid pandemic had an adverse effect this IDP review, being that people had died, business closed, and people lost their jobs. The economy of the area has felt the brunt especially in the tourism industry.

The growth in the population size is at a much faster rate than the economy. People come to the Kouga area looking for jobs and it increases the total for jobless people in the Kouga. This migration pattern also put a huge burden on the service delivery budgets of the municipality. The Kouga, according to the SA Stats Community Survey, had an increase of 14.6% growth in population between 2011 to 2016. The 2021 census may show a further growth in the population size of the municipality.

There is a shortage of educational facilities and the age group 15-34 expressed their need for an FET College, Skills Development Centre and an Agricultural School. The positive of the 2019/20 financial year is that an Agricultural school is to be built in Patensie.

Some of the high schools in the municipal area Matric results are still not on an acceptable level. High schools of concern are Lungiso High School, Patensie High School, Jeffreys Bay Comprehensive and Humansdorp High School. English and Xhosa schools are needed in the Kouga area.

Education and training improve or better the chances of employment opportunities and may help our communities to sustain themselves and accelerate overall development of the people of Kouga therefore the need of an FET Centre, Skills Development Centre and Agricultural School.

Household incomes is one of the most important determinants of the welfare of a municipality. More than 50% of the households in the Kouga fall under the low-income bracket which increases the burden on the municipal financial resources. The low-income households affect the ability to pay municipal services, however there is some relief due to the grants and subsidies per household.

Crime has become a huge problem in the Kouga area, especially in Humansdorp. It has invaded the school grounds of Humansdorp Senior Secondary School where gangsterism amongst the youth has ended up in death and serious injuries. The law enforcers, stakeholders and community should make a concerted effort to kerb this evil in our beautiful tourism towns.

The increase in taverns as well as spaza shops, without the necessary approval documents has also become a major challenge for the municipality. The by-laws and policies of the municipal should be enforced to address and eradicate illegal activities in its jurisdiction.

The overall development and growth are still not fully explored by the municipality. The Kouga has the most beautiful tourist attractions, and the natural environment adds to the unique opportunity to attract investments to the area.

DRAFT



CHAPTER 3:
SITUATIONAL ANALYSIS PER NATIONAL KPA'S

The functional competencies of a municipality are inter alia contained in Schedule 4B and 5B of the Constitution of South Africa. The most prominent functions for part of the situational analysis. These functions provide a fundamental point of departure for determining the Key Focus Areas of the Municipality.

Further to the analysis per KFA, this section also provides an overview of the current state of each KFA and responses to these through the identification, resourcing, implementation, monitoring and evaluation of key initiatives, programs and projects within the parameters of statutory and internally agreed intervals and timeframes.

3.1 MUNICIPAL FUNCTIONS

The Kouga Municipality is authorised to perform the following functions:

MUNICIPAL FUNCTION	MUNCIPAL RESPONSIBILITY
CONSTITUTION, 1996, SCHEDULE 4, PART B FUNCTIONS:	
Air pollution	Community Services
Building regulations	Engineering and Infrastructure
Electricity reticulation	Electro-technical Services
Firefighting services	Community Services
Tourism development and creative industries; and local economic development including agriculture, fishing and events	Planning, Development and Tourism
Municipal planning	Engineering and Infrastructure
Municipal public transport	Community Services/Engineering and Infrastructure
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	Engineering and Infrastructure
Storm water management in built-up areas	Engineering and Infrastructure
Trading regulations enforcement	Community Services
Water and sanitation services limited to potable water supply and domestic water-water and sewage disposal systems	Engineering and Infrastructure
CONSTITUTION, 1996, SCHEDULE 5, PART B FUNCTIONS:	
Beaches and amusement facilities	Community Services
Billboards and the display of advertisements in public places	Engineering and Infrastructure
Cemeteries, funeral parlours and crematoria	Community Services
Cleansing	Community Services
Control of public nuisances	Community Services
Local amenities	Community Services/Engineering and Infrastructure
Local sport facilities	Community Services
Municipal parks and recreation	Community Services
Municipal roads	Engineering and Infrastructure

Noise pollution	Community Services
Public places	Community Services
Refuse removal, refuse dumps and solid waste disposal	Community Services
Street trading	Community Services
Street lighting	Engineering and Infrastructure
Traffic and parking	Community Services

Table 58: Municipal Functions

3.1.1 Access to basic services

Proportion of households with minimum level of basic services			
Description	**2017/18**	**2018/19**	**2019/20**
Electricity service connections	100%	100%	100%
Water – available within 200m from dwelling	100%	100%	100%
Sanitation – households with at least VIP Service	100%	100%	100%
Waste collection – curb side collection once a week	100%	100%	100%

Table 59: Proportion of households with minimum level of basic services

Proportion of informal households with service backlogs				
Service backlogs at as 19/20				
Households (HHs)				
	***Service level above minimum standard**		***Service level above minimum standard**	
	No. of HHs	**% HHs**	**No. of HHs**	**% of HHs**
Water		**%**		**%**
Sanitation		**%**		**%**
Electricity		**%**		**%**
Waste Management		**%**		**%**
Housing		**%**		**%**
*% HHs are the service above/below minimum standard as a proportion of total HHs. Housing refers to *formal and ** informal settlements*				

Table 60: Proportion of Informal households service delivery backlogs

3.1.2 Basic service delivery challenges faced by the municipality

The table below illustrates the service delivery challenges faced by the municipality:

Service area	Challenge	Progress made in the 2020/21 financial year
Roads	○ Lack of sufficient funding to reduce backlogs of the resealing of roads	Progress was made with the allocation of funds for the maintenance of roads within the Kouga area. Stormwater master plan develop and in place but need to be projectized and costed.
	○ Inadequate stormwater network in certain neighbourhoods	
	○ Deterioration of gravel roads	
	○ Increased number of potholes	
Sanitation	○ Bucket eradication	Chemical toilets were also installed at the new section of Donkerhoek in Humansdorp.
Water and Sewerage	○ Ageing infrastructure	A number of aging bulk water reticulation lines were replaced during the drought funded projects as part of water conservation and demand management initiatives.
	○ Water losses	
	○ Sewer blockages and spillages	

All basic services including electricity	○ Vandalism / Theft ○ Illegal connections	Illegal connections: Planned operations with SAPS and Law Enforcement are conducted to disconnect the illegal connections but as soon as the officials leave the site, reconnections take place. A lot of infrastructure is being destroyed by these occurrences. The Ocean View substation are being relocated at a cost of R3 million as it has been destroyed by the community. 591 illegal units have been electrified with internal funding to reduce or alleviate the problem.
Stormwater	Stormwater infiltration into sewer networks	Building inspectors to inspect and monitor households for compliance
Sewerage systems	High number of blockages	Services provider appointed for high pressure jetting. Blockages occur due to low flow conditions as a result of water restrictions and water shedding due to the drought
Water	High water losses	Retro fitting for ATTP completed bulk and domestic water audits completed . Old bulk water pipes replaced in Hankey, Patensie and Oyster Bay
Refuse	Illegal dumping	Ongoing clearing of dumping hotspots.

Table 61: Service delivery challenges

3.1.3 Local Economic Development (LED)

The following challenges with regard to Local Economic Development (LED) are:

Description	Progress made in 2020/21 to address challenges
Strategy and Policy Development i.e., LED Strategy and Poverty Alleviation Policy	The final draft LED strategy document will be workshopped on the 17-18 March thereafter it will be tabled to council for adoption. The SMME & Co-operative Development policy is in draft and will workshopped in the next Policy workshop.
SMME Development and Training	SMME training is implemented quarterly, training is also implemented in partnership with Sector Departments, other issues relating to Development Finance will be addressed in the SMME and Co-operative support Policy.
Area specific approach given the vast area and different characteristics of the different areas	The destination marketing approach must ensure inclusion of all corners of the municipality's outreach. Destination Marketing is done by KLTO on behalf of the municipality.
Outreach and community interface with specific emphasis on groups, stakeholders, and sector needs	The department will expand on an outreach by engaging experienced and well positioned community officers. LED will also engage its stakeholders in the LEDF which takes place on a quarterly basis.
Alignment with skills with work opportunities	Skills Audit will be conducted to the SMME's in 2020/2021 as part of SMME capacity building so that training intervention is aligned, and target gaps identified and implement the right training that will empower SMME's to manage and grow their businesses and become entrepreneurs. The Department will also engage local, private firms in assessing work opportunities and required skills and conduct a study of skills gap in the market.
Introduction of a bail-out programme to assist failing businesses	Keep check on early signs of business struggle and encourage people to communicate. This is done through the implementation of BR&E programme which seeks to identify local business issues, concerns and potential opportunities that Local Government and other stakeholders can address proactively.
Assistance to emerging farmers	Assistance to emerging farmers will improve once the policy is approved, currently LED is working closely with DRDAR to solicit assistance for the Emerging Farmers.
Outstanding land claims	Land Claims not recorded.

Number of livestock in the area	Information not available.
Job creation and investment opportunities	Jobs are created through EPWP, Government projects implemented in Kouga municipal jurisdiction, PPP, Events and Tourism. Kouga Municipality marked as an International Events Capital to attract Investors to Kouga. Kouga was participated in two (2) Investor Conferences in East London and Port Elizabeth.

Table 62: LED challenges

The table below provides detail of job opportunities created through the Expanded Public Works Programme (EPWP) initiatives in the municipal area for the past three (3) financial years:

JOB CREATION THROUGH EPWP PROJECTS		
Year	**No. of EPWP Projects**	**No. of jobs created through EPWP projects**
2017/18	25	177
2018/19		19
2019/20		474

Table 63:: Job Creation through EPWP Projects

3.1.4 Municipal Financial Management and Viability

Strong revenue management is crucial in the current tough economic climate. The containment of outstanding debtors is critical for financial viability by applying strict credit control measures.

The table below indicates the municipality's performance in terms of Municipal Financial Viability:

KPA & Indicator	2017/18	2018/19
Cost average – (available cash + investments/monthly fixed operational expenditure	**1.73**	**1.90**
Total outstanding service debtors to revenue – (total outstanding service debtors/annual revenue received for services)	**13.8**	**12.9**
Debt coverage – (total operating revenue – operating grant/debt service payments due within financial year)	**0.02**	**0.01**

Table 64 : Municipality's performance i.t.o. Municipal Financial Viability

The following graph reflects the municipality's reliance on grants for the past three (3) years:

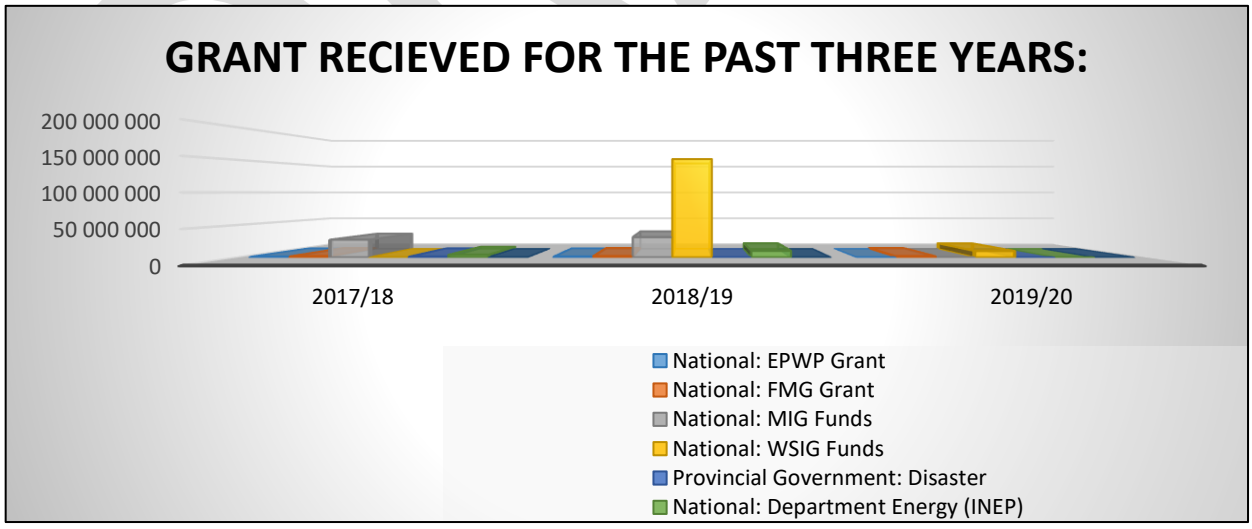
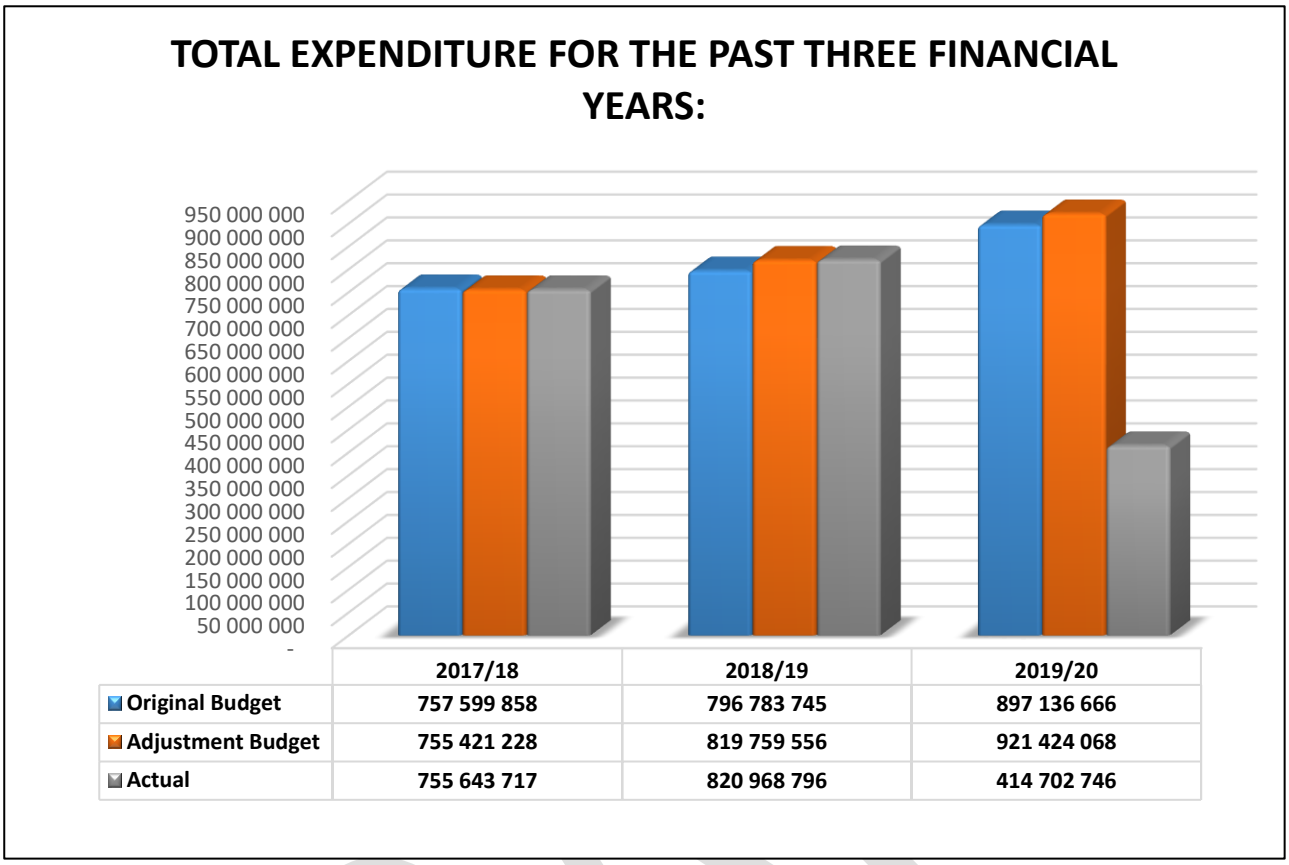


Figure 31: Municipality's reliance on grants for the past 3 years

The following graph indicates the municipality's total operating expenditure for the past three (3) financial years:



	2017/18	2018/19	2019/20
Original Budget	757 599 858	796 783 745	897 136 666
Adjustment Budget	755 421 228	819 759 556	921 424 068
Actual	755 643 717	820 968 796	414 702 746

Figure 32: Total expenditure for the past 3 years



CHAPTER 4: INTERGOVERNMENTAL RELATIONS ALIGNMENT

4.1 INTERGOVERNMENTAL RELATIONS

Section 24(1) and (2) of the Municipal Systems At provides for the legislative Framework for the enhancement of co-operative governance in municipal planning. The Act states the following: "(1) the planning undertaken by the municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other organs of state to give effect to the principles of co-operative government contained in section 41 of the Constitution. (2) municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution."

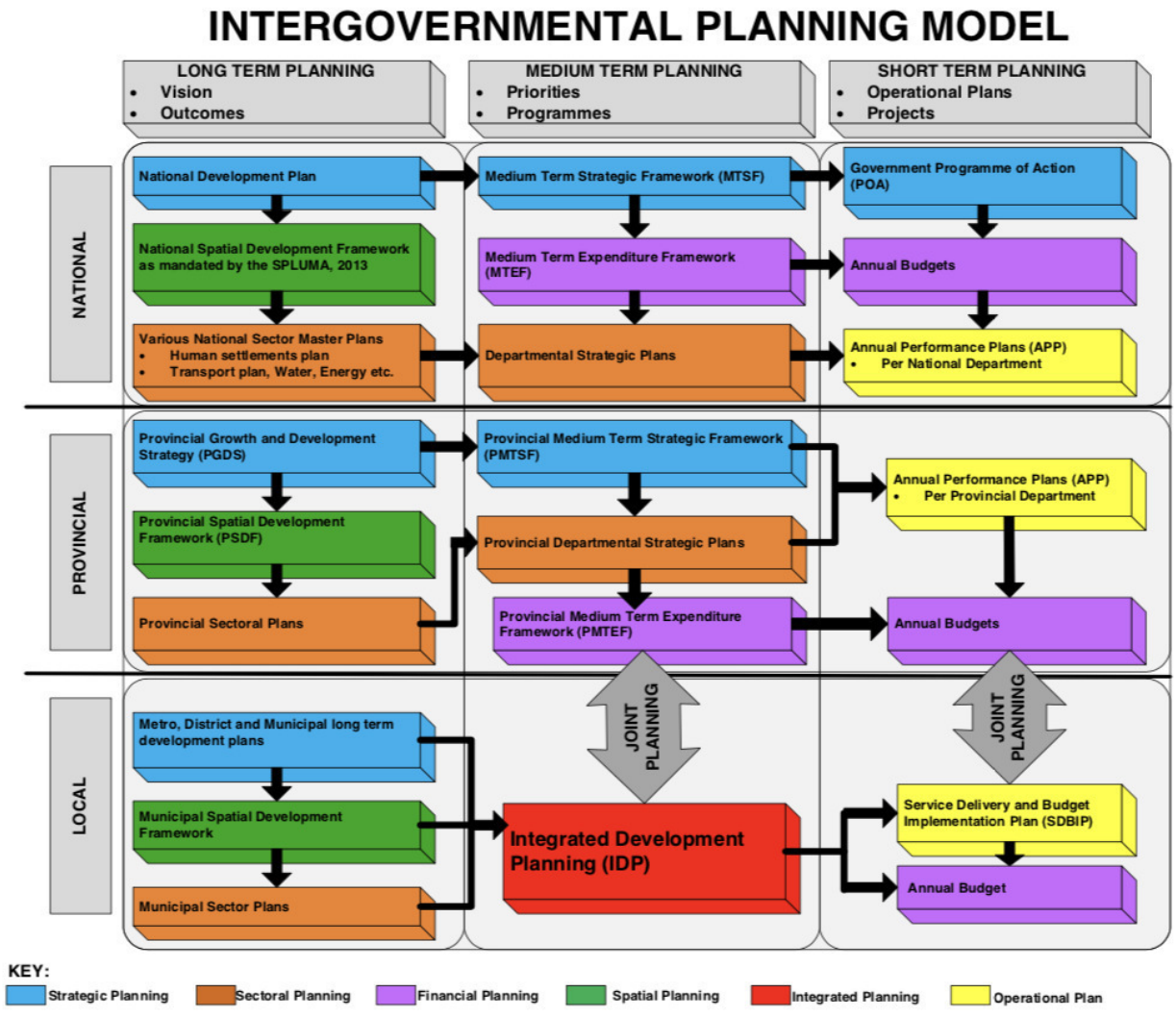


FIGURE 33 : Intergovernmental Planning Model

4.2 INTERGOVERNMENTAL STRUCTURES

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions; adhering to agreed procedures and avoid legal proceedings against each one another. To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

a) **Municipality's participation in IGR structures**

- Premier's Coordinating Forum(PCF)
- District Coordination Forum (DCF)
- Mayor's and Municipal Manager's Forum
- Chief Financial Officer Forum
- Provincial Local Economic Development Forum
- Provincial LED and Tourism Forum
- Provincial Public Participation and Communication Forum
- Provincial IDP Manager's Forum
- Provincial Public Participation Workshops and Training Courses
- Provincial Social Housing Forum
- SALGA Working Groups(Human Settlement Stream and HR stream)
- Provincial Skills Development Forum
- Human Resource Management Forum
- Provincial Disaster Management Advisory Forum
- Provincial Roads and Public Works Forum
- Back to Basics
- Operation Masiphathisane
- SALGA BIGM partnership with Port Edward County
- NUSP Forum (National Upgrading Support Program)

b) **District / Municipal Forms**

- Municipal Managers Forum
- SALGA Working Groups
- District Coordinating Forum
- IDP Managers Forum
- LED Managers Forum

DRAFT

4.3 AREAS OF INTERFACE – NATIONAL, PROVINCIAL, DISTRICT AND NATIONAL GOVERNMENT

4.3.1 National Development Plan (NDP) – VISION 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This programme set out government's plans to address various key government programmes. The President also ensure that the National Development Plan remains the foremost blueprint to take forward the fight against poverty, inequality and unemployment. All programmes of government are aligned to the NDP.

The Key focus areas of the Plan are illustrated in the figure below:

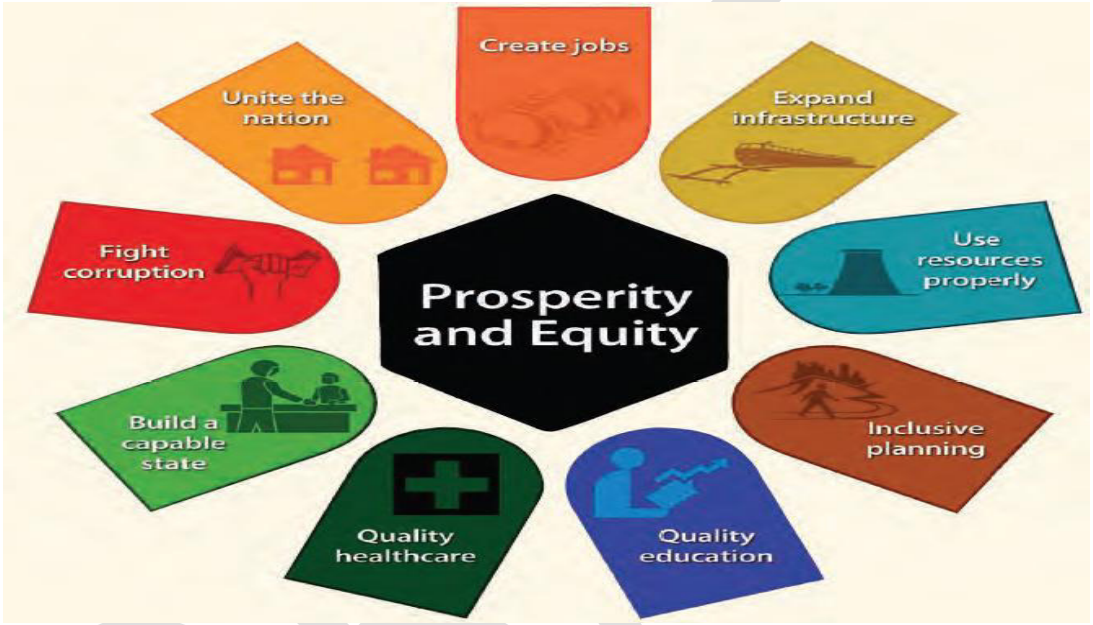


FIGURE 34 : NDP 2030 Vision

The 12 National Outcomes are:

NOC2: A long and health life for all South Africans
NOC 1: Improve quality of basic education
NOC3: All people in South Africa are and feel safe
NOC4: Decent employment through inclusive economic growth
NOC5: A skilled and capable workforce to support an inclusive growth path
NOC6: An efficient, competitive and responsive economic infra structure network
NOC7: Vibrant, equitable and sustainable rural communities with food security for all
NOC8: Sustainable human settlements and improved quality of household life
NOC9: A responsive, accountable, effective and efficient local government
NOC10: Environmental assets and natural resources that are well protected and continually enhance
NOC11: Create a better South Africa and contribute to a better and safer Africa and the world
NOC12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Of the 12 Outcomes, Outcome 9 holds reference to District and Local Municipalities as a mechanism to formalize 'A Responsive, accountable, effective and efficient local government system'.

Outcome 9 identifies 7 Critical Outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support.
Output 2: Improving Access to Basic Services.
Output 3: Implementation of the Community Work Program.
Output 4: Actions supportive of the human settlement outcomes.
Output 5: Deepen democracy through a refined Ward Committee model.
Output 6: Administrative and financial capability.
Output 7: Single Window Coordination.

4.3.2 Provincial Development Plan – VISION 2030

The Principles of the Provincial Development Plan is to depart from a principled premise that confronts the ***structural features*** hobbling the provincial economy.

The principles are the following:

- Social, economic and spatial justice.
- Gender equality.
- Intergenerational equity – prevent inequalities being passed down to future generations.
- Citizen participation and co-responsibility for development.
- Promotes ethical, integrated multi-agent action predicated on the relative strengths of institutional partners.
- Public good – government must prioritise the common interest above personal gain.
- Respects evidence and critical deliberation.
- And takes accountability seriously.

The PDP is designed to deal with the spread and incidence of poverty and unemployment in the Eastern Cape Province as well as the spatial inequality between different regions. The Premier of the Eastern Cape, Hon presented the Provincial Strategic Plan 2020-2025 comprising of the following key strategic objectives:

PROVINCIAL STRATEGIC OBJECTIVES 2020-2025	
1.	Improved governance
2.	Coordination and integration of Service Delivery Support Programmes
3.	Implementation of the District Development Model
4.	Accelerated Service Delivery by Municipalities through the implementation of B2B
5.	Improved developmental capacity of the Institution of Traditional Leadership

Table 65 : Provincial Strategic Objectives ***(Source: Provincial Strategic Plan)***

4.3.3 District Development Priorities

Section 29(2) of the MSA, Act 32 of 2000 clearly states that district municipalities must:

- Plan integrated development for the area of the district municipality but in co-operation with the local municipalities in the area.
- Align its integrated development plan with the framework adopted; and
- Draft its integrated development plan, considering the integrated development processes of and proposals submitted to it by the local municipalities in that area.

The Sarah Baartman District municipality identified capacity building to local municipalities as its key focus area. It is also the centre of co-ordination on behalf of its 7 local municipalities. The integrated development of the district includes services rendered by all sector departments to the communities in the Sarah Baartman area of jurisdiction. Sector alignment therefore forms an integral part of the district's IDP.

4.3.4 Kouga Municipality Strategic Goals alignment with National Outcomes and Provincial Goals

NATIONAL OUTCOMES	PROVINCIAL GOALS	KOUGA STRATEGIC GOALS
NOC 1: Improve quality of basic education	**PG2**: An educated, empowered and innovative citizenry	**KG3:** To provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government
NOC2: A long and health life for all South Africans	**PG3:** A healthy population	**KG1:** To provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga
NOC3: All people in South Africa are and feel safe	**PG4:** Vibrant, equitably enabled communities	**KG1:** To provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga
NOC4: Decent employment through inclusive economic growth	**PG1:** A growing, inclusive and equitable economy	**KG2:** To create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment
NOC5: A skilled and capable workforce to support an inclusive growth path	**PG2:** An educated, empowered and innovative citizenry	**KG3:** To provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government **KG5:** To build sustainability of Kouga Municipality by empowering staff to achieve a good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency
NOC6: An efficient, competitive and responsive economic infra structure network	**PG1:** A growing, inclusive and equitable economy	**KG2:** To create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment
NOC7: Vibrant, equitable and sustainable rural communities with food security for all	**PG4:** Vibrant, equitably enabled communities	**KG2:** To create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment
NOC8: Sustainable human settlements and improved quality of household life	**PG4:** Vibrant, equitably enabled communities	**KG1:** To provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga
NOC9: A responsive, accountable, effective and efficient local government	**PG5:** Capable, conscientious and accountable institutions	**KG4:** To create an enabling environment for active public participation and an administrative culture characterised by accountability transparency and efficiency **KG5:** To build sustainability of Kouga Municipality by empowering staff to achieve a good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency
NOC10: Environmental assets and natural resources that are well protected and continually enhanced	**PG4:** Vibrant, equitably enabled communities	**KG1:** To provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga
NOC11: Create a better South Africa and contribute to a better and safer Africa and the World	**PG4:** Vibrant, equitably enabled communities	**KG4:** To create an enabling environment for active public participation and an administrative culture characterised by accountability transparency and efficiency
NOC12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	**PG5:** Capable, conscientious and accountable institutions	**KG4:** To create an enabling environment for active public participation and an administrative culture characterised by accountability transparency and efficiency

Table 66: Strategic goals alignment

4.3.5 Integrated Service Delivery Model

The as follows:

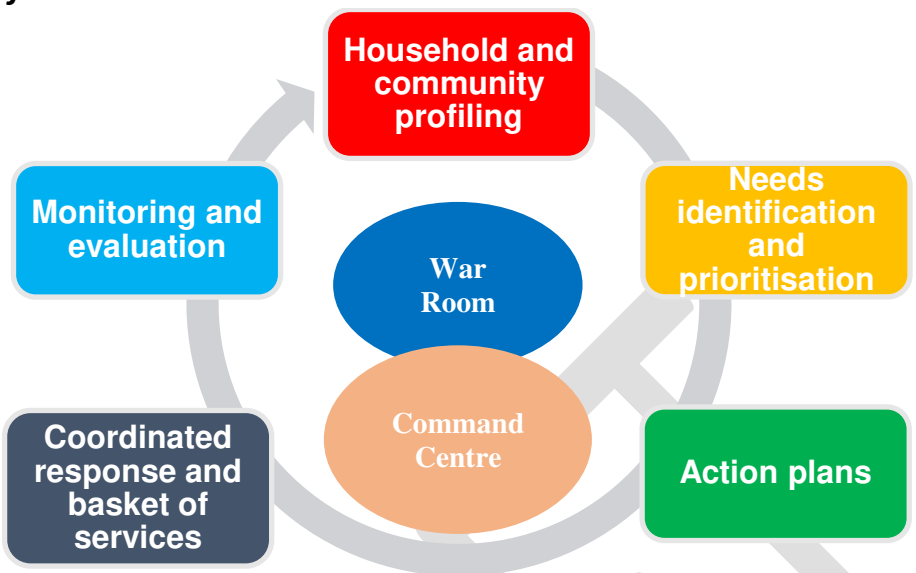


FIGURE 35: Integrated Service Delivery Model ***(Source: Gogta)***

The benefits of the ISDM are:

- Coordination and alignment of public planning (Ward-based, IDP's, APPs,) to give credibility to IDP's'.
- Integration of services in one structure and having services available in one location.
- Improved vertical and horizontal linkages and governance and pooling of resources (human and financial.
- People-centred and empowering: encouraging community participation.
- Streamlining of existing structures: working together for knowledge sharing and training.
- Integrative reporting from local government to all spheres of government and improved accountability.

The Kouga Municipality has not established war rooms as the ward committee system addresses the need for stakeholder and public participation processes in planning in the municipality.

4.3.6 Back to Basics Approach

The Back-to-Basics programme driven by the Department of Cooperative Governance relates to the core services that local government needs to provide namely clean drinking water, sanitation, electricity and waste removal. It also includes other essential services such as roads and shelter. The aim of the back-to-basics program is to ensure good governance. Municipalities are obliged to render these services and to create a safe, healthy and economically sustainable environment for their respective communities.
The goal of the back to basics is to improve the functioning of municipalities to better serve communities by getting the basics right.

The back-to-basics programmes also ensures legal compliance on the following:

- The holding of council meetings as legislated.
- The functionality of oversight structures such as municipal public accounts committees and other oversight meetings.
- Progress on matters listed on the back-to-basics programme.
- The existence and efficiency of anti-corruption measures.
- The extent to which there is compliance with legislation and the enforcement of by-laws.
- The rate of service delivery protests and approaches to address them.

A further focus is on public participation and in this regard the following is highlighted:

- Efficient communication systems to communicate regularly with communities and disseminate urgent information.
- The existence of the required number of functional ward committees.
- The number of effective public participation programmes conducted by councils.
- The regularity of community satisfaction surveys carried out.

Sound financial management is a corner stone of the programme as it forms an integral part of the success of the municipality. The institutional capacity is another focus area to ensure that strong municipal administrative systems and processes are in place. It includes ensuring that administrative positions are filled with competent and committed people whose performances is closely monitored.

4.4 STRATEGIC POLICY DIRECTIVES

The IDP requires alignment with other spheres of government at different stages during the IDP process. Alignment is the instrument to synchronize and integrate the IDP Process between different spheres of government. The alignment process must reveal how National and Provincial Government and the District Municipality could assist the municipality in achieving its developmental objectives.

It is int interest of the sectors to participate in the IDP Process to ensure that its programmes and those of municipalities are aligned. The IDP is an integrated inter-governmental system of planning which requires the involvement of all three spheres of government. Some contributions have to be made by provincial and national government to assist municipal planning and therefor government has created a range of policies and strategies to support and guide development and to ensure alignment between all spheres of government as stated by the Municipal Systems Act, Section 24.

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions; adhering to agreed procedures and avoid legal proceedings against each one another.

The mandate for the municipality is guided by, but not limited to, the following:

Municipal Key Performance Area (MKPA)		**National Key Performance Area (NKPA)**	**National Outcome (NOC)**	**Sustainable Develop-ment Goals (SDG)**	**National Develop-ment Plan (NDP**	**Provincial Strategic Objectives**	**Sarah Baartman District Municipality Objectives**
Ref No.	**MKPA**	**NKPA**	**NOC**	**SDG**	**NDP**	**PSO**	**SBDM**
KPA1	Basic Services and Infrastructure	NKPA1	NOC1	SDG3	NDP4	PSO3	DMO1
		NKPA2	NOC6	SDG4	NDP10	PSO4	
		NKPA3	NOC7	SDG9	NDP16		
		NKPA4	NOC8	SDG10			
		NKPA5	NOC9	SDG12			
			NOC10				
			NOC11				
KPA2	Local Economic Development	NKPA4	NOC4	SDG4	NDP1	PSO1	DMO3
			NOC5	SDG11	NDP3	PSO4	
			NOC8				
KPA3	Municipal Financial Viability and Transformation	NKPA1	NOC4	SDG8	NDP9	PSO4	DMO2
		NKPA4	NOC9		NDP10		
					NDP11		

KPA4	Good Governance and Public Participation	NKPA2 NKPA1 NKPA5 NKPA1	NOC6	SDG8	NDP3	PSO2	DMO4
			NOC10	SDG15	NDP7	PSO4	
			NOC12	SDG17	NDP13		
KPA5	Municipal Transformation and Organisational Development	NKPA5	NOC5	SDG9	NDP11	PSO2	DMO5

Table 67: Strategic Alignment Matrix

4.5 REPORT ON THE STATE OF THE NATION, PROVINCE AND MUNICIPALITY

4.5.1 State of the Nation Address (SONA) 2020



The President, Cyril Ramaphosa tabled his State of the Nation Address on 11 February 2021 as he faces the tough task of tackling economic recovery, corruption, electricity shortages, and Covid-19 pandemic issues. The following are the most urgent tasks he presented during the State of the Nation Address:

Covid-19 Vaccine Rollout

The government intended to start providing shots developed by AstraZeneca Plc and the University of Oxford to health-care workers this month. Its plans were thrown into disarray this week when a study showed the vaccine had little impact on mild infections caused by a variant of the virus first identified in South Africa. Ramaphosa noted the findings of Astra-Zeneca's low efficacy against the 501-Y variant prevalent in South Africa and applauded our scientists for their research.

He said rolling out the Johnson & Johnson vaccine is now government's immediate contingency plan.

"We have secured 9 million doses of the Johnson & Johnson vaccine. The first batch of 80,000 doses, will arrive in the country next week. The success of the vaccination programme will rely on active collaboration between all sectors of society," Ramaphosa said.

A further 12 million jabs will be supplied by COVAX, and Pfizer are set to give us 20 million doses. These two inoculations will start arriving in this country from March onwards.

"We are greatly encouraged by the active involvement of business, labour, the health industry and medical schemes in particular, in preparing for this mass vaccination drive," he added.

The President also said we have decided to extend the period for the Special COVID-19 Grant of R350 by a further three months.

Economic Recovery

The central bank estimates that Africa's most-industrialized economy shrank 7.1% in 2020 because of the pandemic and accompanying lockdowns. Ramaphosa unveiled a recovery plan in October last year that targets an average annual economic growth rate of 3% over the next decade and focuses on job creation and increased infrastructure investment.

In his speech, Ramaphosa said a priority intervention of the Recovery Plan is to support a massive increase in local production and to make South African exports globally competitive.

"They have identified 42 products – ranging from edible oils to furniture, fruit concentrates, personal protective equipment, steel products and green economy inputs – that can be sourced locally." "If we achieve our target, we will significantly expand our productive economy, potentially returning more than R200 billion to the country's annual output."

Last year, we undertook to create a larger market for small businesses and designate 1,000 locally produced products that must be procured from SMMEs" said Ramaphosa.

"Through the implementation of the poultry master plan, the industry has invested R800 million to upgrade production. South Africa now produces an additional one million chickens every week. The sugar master plan was signed during the lockdown, with a commitment from large users of sugar to procure at least 80% of their sugar needs from local growers."

Eskom / Measures to address Electricity shortages

South Africa has been plagued by rolling blackouts since 2005 because state power utility Eskom Holdings SOC Ltd. has been unable to meet demand for electricity from its old, poorly maintained plants. Power utility Eskom estimates that, without additional capacity, there will be an electricity supply shortfall of between 4,000 and 6,000 megawatts over the next five years, as old coal-fired power stations reach their end of life.

To address this shortfall, Ramaphosa said that government will in the coming weeks issue a request for proposals for 2,600 megawatts from wind and solar energy as part of a bid window. He said restoring Eskom to operational and financial health and accelerating its restructuring process is central to this objective. Eskom has been restructured into three separate entities for generation, transmission and distribution.

"Over the last year, we have taken action to urgently and substantially increase generation capacity in addition to what Eskom generates." "Eskom has already started work to expedite its commercial and technical processes to allow this additional capacity onto the grid without undue delay."

The Department of Mineral Resources and Energy will also soon be announcing the successful bids for 2,000 megawatts of emergency power. In the coming weeks, a request for proposals for 2,600 megawatts from wind and solar energy as part of Bid Window 5 will be issued, followed by another bid window in August 2021. Eskom will be looking to partner with investors to repurpose and repower part of its coal fleet, Ramaphosa said.

Smart Cities

The President announced that government is currently 'conceptualising' a number of post-apartheid smart cities in provinces around the country. He said that these infrastructure projects form a key part of the government's Covid-19 recovery plan.

Lanseria Smart City will become the first new city to be built in a democratic South Africa.

"The draft masterplan for this smart city – which will become home to between 350,000 to 500,000 people within the next decade – was completed in November 2020 and is now out for public comment." "In the State of the Nation Address last year, I said that our vision for industrialisation is underpinned by sector master plans to rejuvenate and grow key industries."

President Ramaphosa says we have launched "two major human settlements projects that will provide homes to almost 68 000 households in the Gauteng province", since the announcement of the Reconstruction and Recovery Plan.

Infrastructure

Ramaphosa added that government's R100 billion infrastructure funds are now in operation and that the country has billions of rands in planned infrastructure development, including upgraded highways.

"We have now developed an infrastructure investment project pipeline worth R340 billion in network industries such as energy, water, transport and telecommunications," he said.

"This includes the rehabilitation of the N1, N2 and N3 highways, the student housing infrastructure programme, and the Mokolo and Crocodile River water project."

Land and Agrarian Reform Agency

During the course of the next financial year, government will establish a Land and Agrarian Reform Agency to fast-track land reform.

To date, government has redistributed over 5 million hectares of land, totalling around 5,500 farms, to more than 300,000 beneficiaries. This is in addition to the land restitution process, which has benefited over two million land claimants and resulted in the transfer of around 2.7 million hectares.

Jobs

Ramaphosa said and the intervention of an employment stimulus to create jobs and support livelihoods was one of four of his government's priority interventions.

"Over the past year, South Africa has experienced a sharp decline in growth and a significant increase in unemployment. Poverty is on the rise. Inequality is deepening. In the third quarter of 2020, our economy was 6% percent smaller than it was in the last quarter of 2019. There were 1.7 million fewer people employed in the third quarter of 2020 than there were in the first quarter, before the pandemic struck. Our unemployment rate now stands at a staggering 30.8%,"

"The Presidential Employment Stimulus is one of the most significant expansions of public and social employment in South Africa's history. By the end of January 2021, over 430 000 opportunities have already been supported through the stimulus. A further 180 000 opportunities are currently in the recruitment process. These opportunities are in areas like education, arts and culture, global business services, early childhood development, and small-scale and subsistence farming," Ramaphosa said. He announced that the National Youth Development Agency and Department of Small Business Development would provide grant funding and business support to 1 000 young entrepreneurs within 100 days.

"While the programme had to be put on hold due to the coronavirus restrictions, it nevertheless managed to reach its target of 1 000 businesses by International Youth Day on August 12, 2020. This provides a firm foundation for our efforts to support 15,000 start-ups by 2024," he said.

Fighting Corruption

Ramaphosa was frank in his assessment of corruption among government officials.

"Corruption is one of the greatest impediments to the country's growth and development," Ramaphosa said. "The revelations from the Zondo Commission of Inquiry lay bare the extent of state capture and related corruption. Testimony at the Commission has shown how the criminal justice system was compromised and weakened."

"We will shortly be appointing the members of the National Anti-Corruption Advisory Council, which is a multi-sectoral body that will oversee the initial implementation of the strategy and the establishment of an independent statutory anti-corruption body that reports to Parliament," he said.

DRAFT

4.5.2 State of the Province Address (SOPA) 2020



The Premier, Oscar Mabuyane of the Eastern Gape Government, delivered the State of the Province Address on 23 February 2021. The Premier in his address has highlighted the following projects/programmes:

Covid-19 Relief

- An amount of R75 million was approved to augment the budget for this fund.
- 38 businesses have benefited to the value of R26. 6 million, thus ensuring the retention of 1 538 jobs in the province.
- As at 05 February 2021, the Temporary Employer/ Employee Relief Scheme benefitted 76 692 employers and 763 470 employees at a value of R3.164 Billion.
- Through the Covid-19 Agriculture Support Disaster Fund, R80.4 million was also disbursed to support 1 915 smallholder and communal farmers.
- The job stimulus fund will remain one of the key instruments for support to distressed businesses in the new financial year.

Government buildings and state properties

- The Province has to date 20 147 immovable assets which include 7 959 assets in human settlements. The value for our audited assets is R8.1 billion, and the total estimated value is R42 billion. We are going to use this portfolio to transform the property sector.
- The Province will see the completion and handover of the government Office Park in Maletswai, Komani and Mt Frere as we consolidate Government Office Precincts strategy in Mt Ayliff, Addo and Bhisho in partnership with Infrastructure South Africa.
- The protracted litigation on the Bhisho Erf 1 which many of you know as Amatola Sun has been settled. We estimate that this will unlock more than R4 billion in new property development investment to complement the new Bhisho Government Office Precinct.
- In Lusikisiki, a state-of-the-art modernised office has been built for the Department of Home Affairs, as part of improving of services to our people, and it is ready to be opened officially.

Technology

We are pursuing a basket of multi-sectoral priority projects, which include technology and broadband, infrastructure, participation in the roll-out of SA Connect, elimination of inappropriate structures in schools using alternative technology, the eradication of informal settlements and investing in rural roads and construction of bridges.

Bulk Water Infrastructure

- The availability of water is one of the major challenges facing our province. COVID-19 has exposed the glaring inadequacies of water provision in our province and the health risks associated with the lack of clean portable water. The water situation is also undermining the economic potential of our province. We continue with our commitment to the water security intervention programme starting with Ndlambe and Makana water security interventions.
- With respect to the delivery of bulk water infrastructure, several projects are being implemented across the Province, particularly through the Regional Bulk Infrastructure Grant program.
- More than nine bulk water infrastructure projects valued at R4.9 billion are implemented in the province and are at varying stages of completion.
- The Amatola Water Six Plant Upgrade comprises six water supply schemes valued at R500 million.
- The development of the Small Harbour and Beachfront Water Development Projects will catalyse the re-imagining of a new Coastal City which will enhance our Wild Coast Development Plans.

DRAFT

- The uMzimvubu Multipurpose water project has been gazetted as a Strategic Infrastructure Project. The technical feasibility studies have been completed and is now at the stage of review to improve affordability. The construction of advance infrastructure will commence before end of 2021 as we complete the financing options for the multi-billion development.

Roads

- The South African National Roads Agency Limited (SANRAL) has been a credible partner in our growth and development aspirations in the last decade and our key trade routes have improved phenomenally during this period.
- We welcome the R16.8 billion investment in our roads budgeted over the next 2 years with R4,6 billion awarded to 14 Projects from Kareedouw to Humansdorp, Jansenville to Wolwefontein, King Williams Town, Fort Beaufort to Alice, Middleburg, Molteno, Maletswai to Lady Grey to Barkley East, from Whittlesea to Komani, Dordrecht to Indwe, Engcobo and throughout the Province contractors are on site contributing to building the Eastern Cape we all want.
- The N2 Wild Coast Toll Road project heralds a breakthrough in the development of the Wild Coast Corridor. When the sun rises in Mpondoland, the dust and cranes at the 580m long cable-stay bridge over the Msikaba gorge is confirmation that our dream for balanced geo-spatial development to reverse apartheid planning will be realized. This year will see SANRAL concluding the process to find a replacement contractor for Mtentu bridge. The next phase will be the construction of roads from Lingeni to Msikaba Bridge and from Msikaba Bridge to Mtentu Bridge. We are committed to increasing local content and adherence to our Local Economic Development Framework by ensuring that construction material is sourced locally.
- The R61 road from Bhaziya to Mthatha airport junction is in the final stages of procurement and an award is due out shortly by SANRAL. Contractors are on site in many of our provincial roads from Jansenville to R63 near Graaff Reinet, Makhanda to Port Alfred, Magusheni to Flagstaff and Phase 3 to Mzamba, the N2 to Siphethu Phase 4 Road and R61 to Hluleka Game Reserve, Willowvale to Dwesa acknowledging that we are prioritising the road infrastructure to our tourism destinations.

Bridges

- Through our partnership with the National Department of Public Works & Infrastructure, and the SANDF we have already completed 8 of the 9 bridges from Zazulwana, Matatiele and Nyosana in PSJ and, from Nkobongo, Tora, Bilatye and Fini Bridges in the Chris Hani District, with Jozana and Sterkspruit in Joe Gqabi being the last bridge to be constructed. These are the first of the 107 bridges we have submitted as part of the 400 bridges to be built countrywide.

Investments

- The East London SEZ and Coega SEZ, continue to be our shining stars for investment attraction and job creation. Through these SEZs we have been able to attract over R19 billion worth of investment into our Province.
- The East London SEZ completed the construction of 9 investor facilities and the expansion of three existing facilities. These facilities will create an additional 1534 manufacturing and services jobs, and these will be operationalized within the next two years. The construction phase created an additional 4039 construction job opportunities between 2019 and 2020. The current year will see an additional 6 new investor facilities being constructed on the EL SEZ Platform, while an additional two investors will be expanding their facilities in the zone. One of these will be Sundale Dairy which will be building a new cheese facility in the zone. These investors will create 409 additional manufacturing and services jobs which will be operationalized from 2021/22. The construction phase will lead to the creation of 1 800 construction job opportunities.

- A black owned company, VA Automotive in Berlin which is operating a blanking facility was contracted by MBSA to supply parts for the W206 model (latest C Class). VA Automotive is gearing for optimum operation by the month of June as MBSA would have ramped up for the full roll out at the time. The operation is set for a full launch aligned with the launch of the W206 model.

- The Coega Development Corporation has created 481 operational jobs and 3 951 construction jobs by the third quarter of the 2020/21 financial year. We expect these numbers to increase by the end of the fourth quarter.

Electricity

- Considerable work was done on the Gas-to-Power Programme to host additional gas-driven power generation of between 1000 to 3000 MW. We will host the first infrastructure site for the importation of Liquefied Natural Gas (LNG).
- The Coega Development Corporation has signed a Joint Development Agreement with Central Energy Fund and Transnet which will anchor this project. The construction of this infrastructure will catalyse the development of a gas industry in the province and energy intensive investments.
- We envisage a network of pipelines from the existing Dedisa power plant to other major industrial areas and new gas to power plants that will be built when the Department of Mineral Resources and Energy (DMRE) invites bidders for the construction of new Gas to Power Plants.
- We are looking at other domestic gas opportunities beyond the LNG. In particular, we all are aware of the discovery of natural gas and condensate through the Brulpadda and Luiperd wells by the Total-led consortium that holds a licence for a site that is located near Mossel Bay. We are positioning Coega as the natural location for the critical off-take projects that will be needed to unlock the development of the offshore projects, and thus use this domestic gas for power generation and gas-based industrialisation. This is the critical next phase of the work to develop the gas hub at Coega.
- Project sponsors are negotiating with the DMRE, and from our perspective we are ready to support all these processes that will lead to multi-billion-dollar investments both offshore as well as at the Coega SEZ over the next decade. We will be working with all the partners, including relevant SOC's and the DMRE, to make this potential realised.
- The Wild Coast SEZ will contribute to the development of economic infrastructure in the eastern part of the Province, particularly freight and logistics. Progress to date in the Wild Coast SEZ includes completion of the Land and Topographic surveys, appointment of the bulk and top infrastructure consultants and a fencing contractor.
- Through support from Department of Trade, Industry and Competition and the use of the provincial economic stimulus fund, an amount of R178.8 million has been allocated for the critical upgrading of infrastructure at these parks. Infrastructure projects have commenced in Komani, Dimbaza and Vulindlela Industrial Parks.

Agriculture

- The agriculture sector was one of the sectors with a positive growth to the national and provincial GDP growth levels throughout the pandemic. According to the Q3 Review, in the primary sector agriculture increased at 16.5%.
- Citrus yielded R3.4 billion in exports in the last season. With the support of government, black citrus farmers grew by 25% from 2019 to 2020.
- Our two export abattoirs, namely the East London Red Meat and Sovereign Poultry Abattoir recorded an export output of 4 593 tons, valued at R359 million, during the period April 2020 to January 2021, and provided employment for 2 152 workers.
- We have set aside R332 million for the next financial year towards support for the development of the agriculture value chains for major commodities in the Province which encompass both crop and livestock production.
- The Cannabis plant remains in our radar for economic growth and job creation. The Departments of Agriculture and Rural Development, Health and DTIC are developing legislation to commercialize cannabis production.
- The bill on the use of cannabis for private purposes is currently being considered by the National Assembly.

DRAFT

- Government is also working on the commercialization of hemp and we are pleased to announce that hemp has been de-scheduled from the restrictive schedules of the medicines and related substances act of 1965 and this paves the way for hemp to be declared as an agricultural crop. Our medium-term strategic goal is to establish five Cannabis Production Corridors focusing on creating a value chain for medicine, fibre, fuel and food.
- With respect to Irrigation Schemes, our work at Ncora has resulted in the planting of 439 ha of grain, 100 ha of beans and 150 ha of vegetables. We have a working model in the Ncora Irrigation Scheme, and we will build on growing the investment that has attracted the interest of Anglo-Gold Ashanti and EXXARO who will contribute towards the creation of 1 277 permanent jobs in the 5 000 hectors which are under irrigation.
- The R1 billion investment in dairy and related agricultural production will be the base for agro-processing investment in the Wild Coast SEZ.
- At Qamata we planted 185 ha of maize and 150 ha of vegetables, while at Zanyokwe we are supporting an area of 43 ha with irrigation schemes for 100 ha of vegetables. We will leverage the partnership with Infrastructure South Africa to refurbish infrastructure in our irrigation schemes in Chris Hani, Amathole and OR Tambo Districts.
- The commodity diversification at Mqanduli and Mbizana RED Hubs have been finalized and have continued to support local markets with super maize meal, samp and animal feed.
- Mqanduli RED hub processed 332 tons of grain, while Mbizana processed 325 tons. Furthermore, with respect to grain production, a total of 27 269 ha has been planted this season, with a target yield of 4 tons per ha.
- The Biofuel initiative has been revived. Moreover, we are accelerating the implementation of the Magwa- Majola Agri-Ecotourism project. We have stabilised governance, increased the market footprint and are in the process of commodity diversification targeting other viable markets.
- Our province is the lead producer of livestock, and we are now the exporter of cattle, sheep and goats to other countries. Our potential to capture world markets requires investment in science and technology to improve the quality of our livestock and develop a research plan to improve the production and quality of local farmers and producers. 886 animals were also sold from the 15 custom feedlots which are in Chris Hani, OR Tambo, Amathole, Joe Gqabi and Alfred Nzo, generating R8.3 million in revenue.
- Through District Mechanisation centres we have provided cost effective mechanisation services to farmers to enable local communities to increase the utilisation of the arable land. In addition to the 3 mechanisation centres, which are Chris Hani, OR Tambo and Joe Gqabi, 3 more centres with a budget allocation of R7.9 million will be established in Sarah Baartman, Amathole and Alfred Nzo in partnership with district municipalities and their development agencies.
- Working with the relevant national departments, we are pursuing the establishment of a veterinary science school at the University of Fort Hare. This will transform the animal production, food production and support the development of local farmers to anchor of our livestock production and meat markets.
- In fostering co-ordination and alignment of financial and non-financial resources towards agricultural support in the Province, we have renewed our close relationship with the Land Bank. Our specific focus will be on Commercialization of Emerging and Development of farmers in Rural, Semi Urban and Urban areas, together with the creation of a broader pool of Black entrepreneurial practitioners in the broader Agriculture value chain beyond primary agriculture.

Tourism

- The East London Beachfront Development and East London Waterworld are under construction.
- The upgrading of beaches at Ndlambe Local Municipality will start in the next financial year.
- The six-days hiking trail from Coffee Bay to Port St Johns is under construction and focuses on three sites along the coastal zone nature reserves such as Mngazana, Mpande and Hluleka.

DRAFT

- The province has an 800-kilometre coastline, from which we aim to benefit from several opportunities including fishing, bunkering, oil and gas industry development, coastal and marine tourism, as well as marine transport and manufacturing. Since the approval of the Oceans Economy master plan.
- We have invested R206 million from the stimulus fund for development of the first 100 ha of the Aquaculture Development Zone in Coega. Phase 1 construction started in September last year and will be completed in November 2021. This project is targeted to create 500 construction and 5 600 operational jobs. Yinkitha yemisebenzi ezoxhanyulwa ngoonyana neentombi zephondo lethu leyo.
- The Eastern Cape Rural Development Agency is working with Mbhashe Municipality to facilitate implementation of this project which has a potential to create 4 700 jobs on aquaculture farms and processing facilities and benefit over 150 000 small scale farmers who will supply feedstock for the fish feed. The OR Tambo District Municipality has procured 4 refrigerated containers for the four coastal municipalities and fishing gear for small scale cooperatives.

Ports and railways

- We welcome the decision to relocate the Transnet National Ports Authority Head Offices to our province as it will contribute towards the growth of our economy. Our Ports play an integral part in the facilitation of trade for the country, and they contribute immensely to the growth and development of the provincial economy. These Ports must provide efficient, cost effective port services to a number of sectors in the South African economy.
- Transnet has committed to invest in the East London Port to grow volumes and expand the capacity of the port. They will deepen and widen the entrance channel to accommodate larger vessels. This will enable the port to support the city's positioning as a manufacturing hub anchored by a strong automotive sector. This commitment will cater for the continuous growth of export volumes by Mercedes Benz SA in the next three years. Kuzakusetyenzwa kubemdaka iisali.
- The R16 billion investment by Ford in South Africa. Transnet will invest in the extension and the upgrade of the SouthCor rail corridor, which will realize the high logistics rail corridor for the movement of goods between Gauteng and Nelson Mandela Bay. Working with Transnet we are going to turn the Port of Port Elizabeth into a mixed-use precinct anchored by the waterfront development. By the end of December 2021, the Manganese terminal will be relocated to the Port of Ngqurha.
- Transnet will also initiate a process to identify a cargo owning equity partner for the Transnet Port Terminals at Ngqura to drive the transhipment strategy on volume uplift from Asia, specifically China.
- The railway branch lines are critical to improve trade routes in the Province. The branch lines from Cookhouse to Blaney and the East London to Mthatha are currently being restored. This will enable the transhipment of containers from Port Elizabeth to East London and Mthatha.

Transport

- The SA Civil Aviation Authority has granted a category 5 license to the Mthatha Airport, placing the facility in a better footing to attract other airlines. We also welcome the news that British Airways operated by Comair will start flights to East London in March this year. This is a sign of growing confidence by business in our province.
- The Competition Commission has issued new guidelines that will introduce significant transformation in the automotive industry. This will increase the number of authorized body-repairers, as the Original Equipment Manufacturers will be required to increase the entry of new motor-body repairers, with preference for companies owned by historically disadvantaged individuals. These changes will be beneficial for the government as they will improve the effectiveness of managing and maintenance of our fleet.

Local Economic Development

- R16, 8 billion (61.4%) was spent on Eastern Cape based suppliers and service providers. Similarly, R4.1 billion (39.6%) was spent on SMMEs, while R1.5 billion was spent on designated groups, amounting to 15.3% of total expenditure.

- The 'Have-I-Been-Paid' system to eight more provincial departments in order to improve turnaround times for the payment of service providers within 30 days has been rolled out. The rollout of this system has reduced the average turnaround time for the payment of service providers to 14 days. We are paying special attention to the Departments of Health and Education to improve their turnaround times.
- 713 spaza shop applications were approved from the Spaza Shop Scheme, which has saved 850 jobs.
- In terms of the revitalization of our small towns we are now going to give assistance to a new cohort of small towns such as Whittlesea, Komga, Ngqamakwe, Engcobo, Mqanduli, and Koukamma. These towns will be assisted to improve access to basic services with specific focus on transport hubs, roads, electricity, water and sanitation underpinned by local economic development. Ntabankulu Local Municipality will be included in our small-town revitalization work in the 2021/22 financial year.

ITC

- ICT has enabled government and other sectors of society to operate effectively under the Covid-19 restrictions. Through ICT connectivity, we have been able to coordinate the work of all three spheres of government through virtual platforms. This demonstrates the need for more investment into ICT for improved connectivity.
- At the end of March this year we will have connected 150 sites, and this will grow to 600 sites by December 2021 through the broadband project. SMMEs will be included in the implementation of the broadband project. SITA has accredited 114 SMMEs that will be able to participate in the rollout of broadband connectivity.
- Through the EL SEZ we are also rolling out an ICT Service s strategy that will see the development of a Multi-Purpose ICT hub. In addition to this, Liquid Telecoms South Africa has committed to establish an ICT academy in Mthatha which will broaden the participation of our people in the broadband connectivity project.
- The 2Africa undersea cable will be landing in the Coega SEZ. This will have two immediate benefits, namely the creation of a Focal Point for Digital Transformation, as well as the retention of ICT Skills that will have a multiplier effect in the Eastern Cape.

Youth Development

- The Isiqalo Youth Fund has done well disbursing R16,3 million to support 21 businesses owned by young people across the Province.
- The province fostered partnerships with the private sector and have entered into an Empowerment Partnership with Microsoft South Africa. The intention of this partnership is to drive digital transformation in various sectors of the provincial economy which will lead to the realization of the 2030 vision of an educated citizenry, targeting young people and 5 SMMEs in ICT that will be certified as partners by Microsoft.

Education, Skills and Health

- The strategic focus on education is on creating functional schools, strengthening administration and management of curriculum delivery and the use of ICT to improve education outcomes.
- Fifty-five thousand tablets were issued to all Grade 12 learners in Quintile 1 to 3 schools.
- 39 schools have been completed through the National and Provincial Departments of Education.
- The Science Centre in Cofimvaba is ready for commissioning and there are already various exhibiters from all over the country planning to use the Science promotion space for permanent living exhibitions and will occupy space in March 2021.
- The School Nutrition Programme fed 1.6 million learners fed, against the target of 1.5 million.
- We are also increasing access to early childhood development, and we are consolidating the function in the Department of Education.
- The number of learners who benefitted from the scholar transport program was slightly higher at 124 000, and this year the department plans to transport 103 000 learners.

DRAFT

- We welcome the investment in student accommodation by the Department of Higher Education and Training that saw building of new student accommodation to yield 2 000 beds at the Nelson Mandela University, 2 047 student beds at the University of Fort Hare, 3000 beds at Walter Sisulu University, and 1 000 beds at King Hintsa TVET College.
- Rhodes University also plans to refurbish its Chemical and Pharmaceutical Sciences Building and is also planning to build an innovation and Nanotechnology Institute to house the exceptional and cutting-edge research work of Professor Tebello Nyokong and her team.
- The Department of Higher Education and Training will invest R569 million in building 4 new TVET campuses in the Eastern Cape province. R166 million will build a new Ikhala TVET College campus in Sterkspruit, R122 million will build another new Ikhala Campus in Maletswai, R112 will build a new East Cape Midlands campus in Graaf Reinet, R169 million will build a new Ingwe TVET college in Ngqungqushe.
- R590,4 million was invested in the refurbishment of 67 health facilities, from which 85 awards or 98% were to Eastern Cape based Contractors. There were 152 local Small, Medium, Micro Enterprises (SMMEs) that were subcontracted on various projects to the tune of R47,5 million. Through this investment, we now have new high care units in health facilities and areas that did not have them before. We installed oxygen infrastructure in health facilities that never had such capacity before. We also increased our human resource capacity to meet the added demands that Covid-19 placed on our health system. These, and other interventions have led to the reduction of the burden of Covid-19 in our province.
- Covid-19 has demonstrated the importance of implementing the National Health Insurance which we piloted at OR Tambo and Alfred Nzo districts. At the moment NHI readiness interventions are implemented in all districts. Our focus is on strengthening of health systems and improving the quality-of-service offerings in accordance with the norms and standards of health facilities. To this extent, 145 clinics and four health centres qualified as ideal facilities.
- In regard to communicable and non- communicable diseases, we are accelerating the implementation of the 90-90-90 strategy for HIV/AIDS, TB, Cancer, and Non-Communicable diseases.
- The Nelson Mandela Academic Hospital is expanding its sub-specialist services for oncology, urology, cardiology, ear and nose, orthopaedic and advance imaging and diagnostic services to provide super speciality services for the people of the Eastern Cape.
- The national department of health has uplifted the development of the academic and super speciality platform for the Nelson Mandela Academic Hospital to establish a centre of excellence for advance surgical procedures such as cochlear implants, penile reconstruction, and advance cardiology imaging and surgical procedures.
- Nelson Mandela Academic Hospital has successfully implemented 22 cochlear implants that have made children hear for the first time, reconstructed and restored 52 penile amputations and provided ongoing cardiac repairs using modern cardiac interventions. The academic hospital has produced specialist training and produced top specialists and scientists for our provinces.

Poverty Relief

- 776 882 applications amounting to R271.9 million, were approved up to January 2021. The President in his State of the Nation Address has extended this grant by a further three months.
- A total of 95 697 work opportunities were reported, which is equivalent to 102% to the EPWP annual target of 93 687 work opportunities.
- The Public Service Sector Education & Training Authority (PSETA) is also funding the training of disabled youth on public administration for possible placement in the public service. This project will also boost the employment equity of disabled persons in the public service sector.

Electricity

- 777 connections in Buffalo City Metro, 3 624 connections in Amathole District, 1 492 connections in Chris Hani District, 1 391 connections in Joe Gqabi District, 2 832 connections in OR Tambo District, and 3 692 connections in Alfred Nzo District.

- In the 2021/22 financial year, we plan to effect 19 416 connections, at a planned cost of R653 million.

Traditional Leaders

- Last year we made reference to the promulgation of the new Traditional and Khoi-San Leadership Act. The President has since announced the implementation date of the Act as the 01 April 2021. To adapt the new legislation to our province, we are reviewing the provincial legislation by drafting the Eastern Cape Traditional Leadership and Khoi-San Bill which will be finalized in the course of the 2021/22 financial year.

Spatial development and human settlements

- Significant progress has been made on the eradication of informal settlements starting in Duncan Village and Greater Buffalo City Metro.
- Another development receiving urgent attention is the R22.6 billion Sinati Housing development located near Kwelera. This development is expected to yield 24 000 affordable units, and 3 600 social units. The Provincial Government is working with the Buffalo City Metro and ISA to get the appropriate zoning rights and unlock the bulk infrastructure.
- The Baywest Housing project is at an advanced stage of unlocking the R18 billion development. This is delivery of an effective partnership of ISA, the Nelson Mandela Metro and a prominent black-owned developer which is projected to yield 20 400 affordable units and 5 040 social units. All the rights are in place for this development and Government is finalizing the bulk infrastructure funding which should be completed by August 2021.
- In respect to the provision of integrated human settlements, 3 399 housing units and 3162 serviced sites was delivered, while 255 units were rectified.
- A further 247 housing units were delivered to military veterans.
- With the support of the National Department of Human Settlements, we are busy with the repair of houses that were damaged in the recent disasters in our province.

Safety and Security

- The restrictions on the sale of alcohol during Covid-19 have seen a significant reduction in the crimes induced by the abuse of alcohol.
- Statistics indicate that an overall 13.3% decrease in the incidences of serious crime in the Eastern Cape in the past 12 months.
- Most noticeable decreases were in the following areas: illegal possession of firearms and ammunition by 19.1%, drug-related offences by 25.0%, driving under the influence of alcohol or drugs by 58.0%, and sexual offences by 56.3%.
- Non-residential burglaries increased by 5.2% while truck-hijacking depicted an increase of 46.8%.

Gender Based Violence

- We are working in collaboration with the national Department of Women, Youth and Persons with Disability, on the full implementation of all the pillars of the National Strategic Plan on GBV/F in the Province. The South African Police Service is in the process of establishing a manual and semi-automated DNA processing system in the Eastern Cape. This will help with the speedy resolution of sexual offences.

Sport and Recreation

- A budget of R9 million was set aside to support 373 distressed artists.
- 46 projects were approved for funding to the value of R2.1 million. In promoting our heritage, we will continue with our multilingual programme for the development of our languages, including the development of sign language.
- Last year, we repatriated and reburied the mortal remains of struggle stalwart, Mr. Vuyisile Mini at his birthplace in Tsomo. We also launched the centenary of Raymond Mhlaba which will be officially closed on 26 February 2021.

DRAFT

- More work needs to be done to improve the state our recreational facilities in the province using available resources such as MIG grants as seen with the construction of the state-of-the-art multipurpose centre in Ntabankulu. Completing the construction of the Mthatha stadium is both an economic and social imperative. In this regard we will continue to mobilise resources to support finalisation of the stadium.

4.5.3 State of the Province Address (SOPA) 2020



The year 2020 will go down in history as a year of disruption in Kouga Municipality. History will, however, also show the resilience of people who refused to bow down.

In the past financial year, our focus was on the development and expansion of our six organisational goals, which we believe are imperative to Kouga to keep moving forward.

These goals tell the narrative of how we intend to entrench a system of good governance in Kouga. This includes providing a capable state, being accountable to our clients and adhering to the rule of law. In doing so, we place people at the centre of everything we do.

These organisational goals include:

- Keep Kouga Serviced
- Keep Kouga Clean
- Keep Kouga Green
- Keep Kouga Safe
- Keep Kouga Smart, and
- Keep Kouga Growing

The past 12 months were filled with turbulence and triumph with the COVID-19 pandemic ravaging lives and economies across the world. Kouga was not immune to the devastation, but we stood firm against adversity and held the line.

KEEP KOUGASERVICED

The effort to keep Kouga serviced, despite the challenges brought about by the COVID-19 pandemic and prolonged drought, presented us with the most challenging trials we have never seen in many decades. But keeping Kouga serviced, was never optional.

<u>Sanitation</u>

Over the past year, Kouga has opened not one, but two, state-of-the-art waste water treatment works to unlock development in Humansdorp and St Francis. Just three months after opening the cutting-edge Kruisfontein Waste Water Treatment Works, another state-of-the-art sewer plant has been completed in the Kouga region. Built at a cost of R31 million, the Sea Vista Waste Water Treatment Works (WWTW) at St Francis Bay was opened at the end of February last year. The upgrade has more than doubled the plant's capacity, paving the way for the unlocking of the long-awaited Sea Vista 2 000 RDP housing project.

Local labour was also used exclusively, clocking in at 44 639 hours. In addition, 10% of the contract value was sub-contracted to Exempted Micro Enterprises (EMEs). While the Patensie Waste Water Treatment Works is nearing completion, the upgrade of the KwaNomzamo Waste Water Treatment Works already has a contractor on site. This plant needs some serious intervention, after it was vandalised in 2016, and I would urge our administration to move with haste.

I am also pleased to report that several container ablution facilities were delivered to Kouga and are key to our efforts to eradicate the bucket system in our region once and for all. Twenty containers have been purchased and six have already been delivered to residents in Thornhill, Stofwolk in Hankey and Maak-`n-Las in Humansdorp. Chemical toilets were also installed at the new section of Donkerhoek in Humansdorp. Furthermore, the operating expenditure in the adjustment budget has been increased by R9.6 million, that includes the hiring of additional tankers and jetting trucks at a cost of R5.5 million.

Roads

Roads provide access to livelihoods and supports our local economic development. In other words, roads represent progress. It provides a visible buffer against economic decline. Kouga is making considerable progress in the resealing and repair of roads across the region – effectively reducing the R500 million backlog in road maintenance we inherited from the previous term.

More than R25 million has been pumped into the resealing of roads since March 2020, while close to R1 million was spent on gravel road maintenance since July 2020. Almost twenty-three thousand eight hundred and seventy-six metres (23 876m) of road were resealed since March 2020 to February 2021, and we hope to reseal twelve thousand three hundred metres (12 300m) more over the next four months.

Roads that recently received a new lease on life are the access roads to Loerie, Dolphin Street in Pellsrus and the access road to Ocean View that passes Jeffreys Bay Comprehensive High. Other roads that were resealed include Du Plessis Street in Humansdorp, and Uys Street and Noorsekloof in Jeffreys Bay. A section of Judy Street in Loerieheuwel, Charlie Malan, Tier and Stuurman Street in Patensie were also resealed. Tshume Street in Hankey was recently surfaced.

Since declaring war on potholes in September 2018, pothole repairs are an ongoing operational priority across the region. A total of fifteen thousand nine hundred and three (15 903) potholes were fixed over the last 12 months – that is more than one thousand three hundred and twenty-five (1 325) potholes per month. Over the last three years, thirty-nine thousand and sixty-six (39 066) potholes were fixed. To demonstrate how serious, we are about fixing roads, an additional R20.5 million has been secured in the adjustment budget to continue with the resealing programme until the end of June 2021. This will also have a positive benefit on the cost of repairing potholes in the future.

However, we are not ignoring the fact that we have many roads in Kouga that need pothole repairs and we have increased the roads maintenance materials by an additional R1.5 million. Kouga proudly boasts the first eco-friendly road in Africa, sparking national and international interest. This road took gold in the Innovation category and silver in the Eco-build category at the 9th annual Eco-Logic Awards. I would like to thank our road teams for their hard work and perseverance. Roads are the arteries that feed our economy, it is imperative that leaders in local government comprehend this.

Water security

The Kouga dam sits at a precarious 6% capacity, with less than 3% of its water available for use. Over the last three years we have put R151 million drought disaster grant to good use to achieve water security for all communities. The drought though, aggravated by climate change, remains a grave concern.

The level of the Impofu Dam – the biggest dam serving Jeffreys Bay, Humansdorp and St Francis Bay – stood at only 15.8% on Monday, March 15, and the smaller Churchill Dam at 39.59%. But we cannot allow nature to hold us back. The Jeffreys Bay Water Treatment Plant is being upgraded to cater for additional borehole water. The augmentation of the Kruisfontein water supply will see other water sources – for example springs – connected to the system.

Furthermore, the operating expenditure in the adjustment budget has been increased by R9.6 million to cater for the hiring of additional tankers. We are also securing jetting trucks at a cost of R5.5 million. This is to ensure that when we have breakages in water services, we are able to respond to it immediately.

During lockdown, when vulnerable groups were most at risk to contract COVID- 19, more than 200 rainwater tanks were installed in rural areas and informal settlements in partnership with the Department of Human Settlements. To further strengthen our capacity to deal with future water security, we are working closely with the German municipality, Ilsfeld, to augment water supply to local communities. The projects being considered include rainwater harvesting, developing the natural springs at Kruisfontein in Humansdorp and interlinking Kouga's bulk water supply systems.

A Smart Leak Detection Vehicle from Germany to Kouga is expected around October 2021, and an engineer sponsored by GIZ, specialising in water demand management, will also assume duty with us at around the same time.

Electricity

The electrification of 100 houses at Donkerhoek in Humansdorp was completed earlier this year and power is set to be installed to a further 200 houses in Kruisfontein. Some R5.2 million having been budgeted for this purpose. The switch-on brings the total number of sub-economic houses and sites to be electrified in Humansdorp, over the past four years to 797. This includes the 391 RDP houses built at Kruisfontein, as well as a further 306 sites at Donkerhoek.

Six informal settlements also received electricity at a combined cost of R2.5 million. This includes No-10 Rand, Pellsrus, Police Camp, Gamtoos Camp and Ebumnyameni. Fifty more units in Ebumnyameni will receive electricity soon. Kouga is one of few local municipalities in the Eastern Cape, if not the only one, to electrify informal settlements. the electrification of the informal settlement of Stofwolk in Hankey is happening. Soon, this community will have electricity for the first time ever since it came into existence in the year 2000.

With the national failure of Eskom to provide us with a consistent supply of energy, we realise that to save power the municipality would have to play its part to conserve energy, as well as combat climate change at the same time. We are busy replacing standard streetlights with energy-efficient LED lights. More than 1 000 street- and floodlights across the region have been retrofitted with LED lights. The programme was first rolled out in the 2019/20 financial year after the municipality's electrical services section secured R4 million from the national Department of Energy for the Energy Efficiency Demand Side Management (EEDSM). The funding also made provision for job creation, which enabled us to employ six youths from the area for three months. The municipality already secured further funding from its own budget to purchase another 1 000 LED lights as part of our commitment towards service excellence and cutting down on carbon emissions to help save the planet by supporting green energy.

To secure power supply, the electricity networks at Jeffreys Bay, Humansdorp and St Francis Bay have been upgraded and two generators have been procured as backups. We improved our response time to call-outs with the purchase of an additional five new bakkies for the municipality's Electrical section – improving our services to communities.

The ongoing upgrade of the 66kv double circuit overhead line between Melkhout Substation in Humansdorp and the main intake substation in Jeffreys Bay is on track. An amount of R1.3 million was spent on the upgrade in the current financial year, while R1.8 million was spent in the previous financial year.

Three additional high mast lights will be installed in this financial year in Humansdorp to improve community safety. We will procure more in the next financial year. The upgrading and refurbishment of the Saffery Substation in Humansdorp at a cost of R4.5 million over the next three years, are also on the cards. The municipality is, furthermore, in the process to request the Minister of Minerals & Energy to grant us permission to procure our own renewable energy plant.

Public Amenities

The municipality recently built 30 play parks across the region. Most of the play parks were funded through the Ward Development Fund (WDF), allocated to ward councillors to initiate, and support projects in their respective wards.

The ablution facilities at the Pellsrus Beach Park in Jeffreys Bay were upgraded after it was vandalised last year, and extra braai stands were installed. The Kruisfontein Civic Centre, Thornhill Clubhouse, KwaNomzamo, Pellsrus, Patensie, Vusumzi Landu and Newton Hall, and the Tokyo Sexwale sports field were upgraded to a very high standard. The Jeffreys Bay and Yellowwoods Caravan Park received a new lease on life, while the parks at Kabeljouws, Pellsrus and Cape St Francis Main Beach were upgraded.

C-Place Cemetery was painted, and burglar bars and an alarm system were installed, while BB Keet Cemetery's ablution facility was upgraded. SMME's were employed to clean the cemeteries at C-Place, KwaNomzamo, Arcadia, Humansdorp town, Loerie, Hankey and Patensie. Two new cemeteries are also to be constructed in Hankey.

Fleet

Kouga's fleet section has overseen the procurement of 57 new vehicles, including eight TLB's, three firefighting and eight Toyota LDV's vehicles and two chippers. They have furthermore repaired and refurbished over 115 vehicles. One of the latest refurbishments is an old Komatsu TLB and a MAN tipper truck, two cherry pickers and one old fire truck. They have also repaired and refurbished four sewerage suction tankers, and one old redundant refuse compactor has been converted into a sanitation truck.

96% of the municipality's vehicles are on the road every-day, thanks to the incredible turn-around of our fleet section.

KEEP KOUGACLEAN

The municipality has launched our Waste Management and Recycling Programme in Humansdorp. The programme will initially see the employment of 20 women from three wards, working for three months. They will be trained on sustainable waste management and recycling, and community-based educator and effective communication. After training, the women will be involved with street cleaning in their wards, door-to-door education and awareness programmes on sustainable waste management and recycling. They will also distribute bin liners for the separation of recyclable materials at home. Other activities include tree planting, as well as river and coastal cleaning.

To date a total of twenty-one thousand four hundred and ninety-three (21493) wheelie bins have been distributed across the Kouga region. Four refuse compactor trucks had been fitted with bin lifters to enable refuse collection teams to empty the wheelie bins quickly and efficiently. The idea is for the bins to replace black bags, which will make it easier for residents to keep their immediate surroundings clean.

The launch of the Coca-Maak Skoon initiative, afforded Kouga residents the opportunity to get rid of any unwanted items and waste they have at home that could not be put out for standard refuse collection. This included building rubble, electronic waste, garden refuse and even old furniture.

Municipal work crews, in conjunction with the Community Works Programme, regularly clear illegal dumping spots while our grass-cutters and litter-pickers have been doing a sterling job in keeping verges, and our towns tidy. To keep town entrances and sidewalks clean and attractive, as well as to improve the maintenance of public facilities, the municipality secured 20 industrial lawn mowers, 38 brush-cutters and 12 grass-blowers. Two wood-chippers have also been added to the municipal fleet at a cost of more than R500 000 to improve bush and tree-clearing operations. Furthermore, an additional amount of R1,5 million have been made available in the adjustment budget for the hiring of landfill site equipment.

KEEP KOUGA GREEN

We entered the 2019 East Cape Greenest Municipality awards competition and was placed second. The launch of the Keep Kouga Green campaign followed this achievement. The award recognised several initiatives introduced by the municipality, aimed at promoting sustainable development to the benefit of all communities and the planet. These include proactive steps to reduce the amount of paper used by the municipality, tree-planting drives, and the appointment of an official recycler. It furthermore includes Dolphin Beach's ongoing success in the international Blue Flag eco-programme.

Kouga launched an innovative, sustainable urban food garden initiative at the end of last year which will see 30 illegal dumping sites being turned into community "Gardens of Hope". One such garden is the Pellsrus organic vegetable garden, which once was a litter-strewn illegal rubbish dump. It now flourishes as a productive, clean, and sustainable vegetable garden.

A small food forest, comprising of indigenous pioneer, fruit, and nut trees, are being planted to provide shelter from the wind, and to create a biodiverse green habitat that will supply fresh fruit and nuts in the future. An organic compost pile will be used to process organic garden cuttings from the area to provide organic compost material to improve soil fertility and soil structure. A worm farm will also be used to produce vermi-compost from organic kitchen waste from neighbouring households and to provide actively aerated compost tea. The site is also used for training and equipping the community to grow vegetables at home. The garden will provide workshops and offer training and assistance to adjacent community members to implement their own home vegetable gardens. The aim is for the gardens to provide valuable nutrition and sustainable livelihoods to local communities.

We, furthermore, planted 781 trees this year to help combat climate change. Other current projects include the monitoring and management of the Seekoei Estuary at Jeffreys Bay, strengthening the St Francis spit to prevent the sea from breaking through to the canals, and the removal and rehabilitation of encroaching dunes at Oyster Bay.

KEEP KOUGA SAFE

Keeping Kouga safe, be it from disease, fire, accidents, or crime has become increasingly important, and we therefore launched the first ever Public Safety Summit in September of 2020. In February 2021, a successful community safety workshop at Mentors Country Estate was held, which forms an integral part of the Keep Kouga Safe Campaign. On the back of a very successful Safety Plan workshop, we have now established an Integrated Intelligent Operation Centre in Humansdorp, that was launched at the end of February. Hosted by retired General Major, Roland de Vries, the workshop – which focused on preventing and combating crime through a collective approach – brought together safety and security experts from across the region, as well as residents and business owners to lay the foundation of an effective community safety plan.

With the use of technology, including CCTV cameras, the Integrated Intelligence Operation Centre will direct and orchestrate the community safety plan on a 24/7 basis. The Centre will work in close collaboration with all relevant stakeholders, including the South African Police Service, agricultural and civic rights organisations, municipal departments, law enforcement and emergencies agencies, NSRI, nature reserves, private security companies, businesses, schools, and churches. In addition to the Centre, five Community Safety Units will be established. Sector 10 in Jeffreys Bay, Sector 20 in Humansdorp and Cape St Francis, Sector 30 Gamtoos Valley, Sector 40 in Oyster Bay and Tsitsikamma, Sector 50 in Kareedouw and Storms river.

The establishment of Community Safety Forums is also a high priority and will enable the municipality to dedicate funding and capacitate residents to join forces with law enforcement agencies to make neighbourhoods safe again. As part of our broader community safety initiatives, Kouga formed a partnership with Hollard Insured, and piloted an initiative at the end of last year to inspect all the fire hydrants in the municipality.
Nine young people have been temporarily recruited and trained to perform the work required. This included locating fire hydrants and recording their GPS coordinates, identifying the hydrants, cleaning, marking, and painting them, and testing water pressure. An added advantage of the initiative is that it produced reliable data for the Water Services Department on areas requiring intervention, as all faults were referred to this department.

Some 50 residents from informal areas, including Sea Vista, were armed with innovative new fire extinguishers. The fire extinguisher piloted and donated by the Port Elizabeth-based company Fire Killa, is specifically designed to kill small fires, and saturate the immediate vicinity to prevent flames from spreading. Two new fire trucks also strengthened the capacity of our Fire Department to help keep Kouga safe.

Together with Gamtoos Irrigation Board and Working for Water, about 60 men and women from Humansdorp and St Francis Bay cleared alien vegetation in crime hotspots. Clearing alien vegetation helps to preserve and restore the groundwater supply, which is critical in this time of severe drought. It also improves the safety of people in the vicinity by reducing the risk of fires breaking out and making it more difficult for criminals to hide from their intended victims or the police. In addition, it provides temporary work to thousands of residents who would, otherwise, be unable to put food on their family's tables.

The Fire and Disaster Management section attended to 280 fires and 116 accidents during 2020. They also intensified efforts to reduce fire risks in those areas prone to destructive blazes. These heroes should be applauded for their sterling work. Kouga's Traffic Department remains committed to keeping road-users safe. A total of 3 063 notices and fines were issued by the Traffic Department during 2020 and 13 arrests were made for drunken driving.

More than 86 animals were impounded during 2020 for posing a threat to road users. A further 502 complaints were resolved, or fines issued for transgressions ranging from trading illegally to illegal electricity connections.

Various road-safety improvements have further been made, including the installation of new speed bumps and street name boards. Pre-planning for the extension of Duine Road in Jeffreys Bay has also started, including a Traffic Impact Assessment and specialist Environmental studies. The Duine Road extension will serve as an alternative route between Jeffreys Bay and Aston Bay, which has become a necessity due to increased safety concerns along the Aston Bay Road. Pedestrians, including school children, travelling to and from Ocean View must cross the busy road, increasing the risk of someone being hit by a vehicle.
The municipality has, in partnership with businesses, put in place additional safety measures along the road such as fencing and pedestrian crossings. An alternative route will, however, also help to lessen the amount of traffic and further lower the risk of accidents.

The illegal taxi rank from Shoprite was moved from to the designated taxi rank in Humansdorp.

A new 4x4 bakkie and quad bike for was procured for the Lifeguards and a new 4x4 bakkie has also been procured for the Disaster Management section.

A new safety project was launched the Co-op to build and maintain a safe walkway from Kwanomzamo to Nico Malan High School to keep learners safe.

KEEP KOUGA SMART

New technology

Kouga took a big step forward technologically when the Link service delivery app was introduced just more than three years ago. The app, supported by the Kouga Call Centre, has proven to be an effective link between the municipalities and communities. More than forty-three thousand three hundred and ninety (43 390) incidents were resolved through the Call Centre and Link app from March 2020 to February 2021 alone. In addition, the Call Centre is now fully equipped to handle account balance enquiries and to register ratepayers online. The Call Centre also allowed us to harness the power of data on service delivery and to plan and respond effectively to breakdowns and preventative maintenance.

Technology is also a game-changer when it comes to opening economic opportunities for our communities and business sector. Jeffreys Bay has become the perfect digital nomad destination since the national COVID-19 pandemic and subsequent lockdown last year. Remote working has become the norm for many companies and individuals, and Jeffreys Bay is perfectly positioned to take advantage of this new normal.

Not only does the town offer top co-working hubs, but also boasts a major deployment of fibre with Telkom, Herotel and Vodacam all rolling out fibre, with other companies like Frogfoot in the planning phase. Kouga has become one of the first municipalities in the Eastern Cape to launch a virtual portal for the submissions of building plans. Building plans could continue despite COVID-19 lockdown restrictions. Over the past year alone, 325 building plans for Jeffreys Bay were approved and 36 for Humansdorp.

The COVID-19 lockdown accelerated the digitalisation of the municipality. Councillors 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. All meetings are now done using media platforms, such as tele- and videoconferencing. Councillors and officials had been trained in using the applications, to ensure that effective deliberation, decision-making and oversight could take place despite the COVID-19 lockdown restrictions.

KEEP KOUGA GROWING

We are in the process of developing an Investment Incentive Policy to attract job creation investment into the local economy, with a specific focus on making it a preferred business destination. The development of the Jeffreys Bay and Humansdorp CBD precinct plans are firmly underway. The two CBD's have been identified as a strategic investment node in the municipality's LED strategy and Spatial Development Framework, the latter which is also under review. The idea is to revive the CBD's in partnership with role-players and, in doing so, to increase business and employment opportunities. We are also in the process of appointing a service provider to develop a precinct plan for the Jeffreys Bay and Humansdorp Central Business Districts.

The Spatial Development Plan has been redone to bring it in line with a 30-year vision and our Local Economic Development Plan has been revised to ensure we have an inclusive and growing economy.

Economic growth

The effect of COVID-19 related lockdowns has had a severe effect on our local economy. Kouga is very dependent on seasonal tourists to support our economic growth.

The Tavcor Group, one of the oldest motor groups in the Eastern Cape and Port Elizabeth, has recently moved into the Kouga region. The branch is currently run remotely with plans to have a physical address soon. The reason for their establishment in the Kouga area, is to create job opportunities and deliver affordable vehicles and services to potential clients.

The municipality further approved the launch of a first-of-its kind mobile biochar plant in Humansdorp earlier this year, that will create on-site jobs as well as sustainable income for about 50 SMMEs. The plant will also enhance water security, while reversing land degradation. One Blue Gum tree can consume 500 litres of water per day. It is, therefore, imperative that we eradicate Alien Invasive Vegetation in our area that is choking rivers and decimating the water table especially in areas affected by drought.

Kouga, in partnership with Sarah Baartman District Municipality and the Department of Small Business Development, hosted an SMME Roadshow in Jeffreys Bay in October last year to present the District Development Model, with a specific focus on SMME development. The model is a planning style aimed at aligning, integrating and accelerating service delivery under one developmental plan per district. The aim is to utilise the model to implement the Department of Small Business Development's (DSBD) mandate of developing entrepreneurs and small enterprises, focusing on rural towns and townships. The platform was also used to table the Township and Rural Entrepreneurship Programme (TREP). This programme is set to capacitate Local Economic Development practitioners and community development workers in using the SMME-SA portal. It will also assist SMMEs, who have challenges with connectivity and internet access to register. Considering the COVID-19 pandemic, more than 100 SMMEs took part in various workshops during the current financial year. More of these programmes are to be rolled out for this year.

The development of fresh produce and craft markets at Jeffreys Bay and Hankey is also underway and will make it easier for entrepreneurs to connect with potential buyers. Big potential investors have further started to approach Kouga, excited by improvements they have seen in the region and eager to play a role in growing our economy and opening job opportunities.

Human Settlements

Housing projects were at a standstill for nearly 10 years, and it has been heartening to see the incredible progress that has been made since the election of this Council. Kouga is set to boast affordable social rental opportunities soon in Jeffreys Bay. Some 300 temporary and 20 permanent job opportunities will, furthermore, be created through this initiative.

The social housing programme was officially launched at the corner of Koraal and Dolphin Street in Ocean View, Jeffreys Bay on Monday, February 22. This will open rental opportunities for residents who earn between R1 500 and R15 000. With construction of the first phase set to commence in the 2021/ 2022 financial year, the target is to deliver at least 1 500 rental units over the next five years. Kouga is the only municipality in the Eastern Cape to have been selected for the municipal social housing support programme and one of only six local authorities countrywide.

The municipality has, furthermore, provided 172 Kouga families with brand new RDP houses in Pellsrus. The houses, which are part of the Pellsrus 220 RDP housing development in Jeffreys Bay, is the first housing development under construction in the area in more than ten years. We plan to build another 139 RDP houses in Humansdorp soon.

History was made in the Gamtoos Valley, where ten local SMMEs have been employed by the municipality to build temporary shelters for beneficiaries of the upcoming Hankey RDP housing development.

In November 2020, 110 residents received the title deeds of their houses. This brings our distribution of title deeds to three thousand and sixty-five (3 056) property owners. A total of one thousand seven hundred and ninety-three (1 793) building plans with an estimated combined value of over R1.267 billion were approved from July 2017 to December 2020. Since March last year, the increase in submission of building plans can be contributed to the fact that Jeffreys Bay became the perfect digital nomad destination.

Financial growth

Despite the severe impact COVID-19 has had on the local economy and in particular the tourism industry, which has resulted in businesses like restaurants, accommodation establishments and activity related operations suffering, we have weathered the storm.

We budgeted for an 85% collection rate for the 2020/ 2021 financial year. To put this into perspective, we had a 96% collection rate in our draft budget for the specific financial year. It is pleasing to report that at the end of December 2020, and six months into the financial year, our collection rate is at 91%. This shows how resilient our economy is, despite the challenges posed by COVID-19. We will be increasing the budgeted collection rate for the remainder of the financial year. This increase will facilitate the resealing of more roads in Kouga, the installation of additional lights in areas prone to crime and ensuring we keep Kouga clean.

That the municipality once again received a clean audit in our finances and have kept our Eskom bill up to date, despite the drop in collections during the financial year. Kouga remains in a stable financial position and most of our creditors are now paid within 30 days.

KEEP KOUGA CARING

Every problem has in it the seeds of its own solution. The problem of COVID-19 brought forth the seeds of a caring society that fought together against the spread of the virus. 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. Since the outbreak of the COVID-19 pandemic in March last year and the subsequent nationwide lockdown, Kouga has ploughed back close to R40 million into the community.

Apart from COVID-19 relief, the municipality has increased its adjustment budget by R31 million in September last year to improve service delivery in the region – one of only a few municipalities able to do so, if not the only. A further R25 million has also been added to the 2021/ 2022 budget to take service delivery to even greater heights in the new financial year. Relief measures included various payment relief for residents affected by the pandemic. Residents could have applied for reprieve on interest charges on overdue accounts from the start of the lockdown until December 31, 2020.

All debt collection measures have also been stopped for six months and blocked electricity meters were unblocked for the same period. Other measures included a retrospective holiday, reprieve from interest on outstanding accounts, and a six-month payment arrangement.

In addition to the payment relief measures, the municipality secured 201 water tanks to help vulnerable communities combat COVID-19, extra chemical toilets were put in place, taxi ranks, pick-up points and public facilities have been sanitised. A temporary homeless shelter had been established, and some fifteen thousand (15 000) food parcels were distributed. This amounted to almost 200 tonnes of food at a cost of R4.5 million. One hundred and ten Disaster Management volunteers were deployed to help keep Kouga communities safe from COVID-19. Their role was to encourage residents to adhere to the basic safety precautions. This is an ongoing programme.

Municipal law enforcement, security and traffic officers have been working with SAPS and private security companies to ensure residents and businesses adhere to lockdown regulations. Apart from COVID-19 initiatives, new wheelchairs were donated to old age homes and individuals across Kouga.

DRAFT



CHAPTER 5: STRATEGIC DIRECTIVES

5.1 MUNICIPAL CONCEPTUAL FRAMEWORK

The municipality's strategic directive is based on the following conceptual framework, namely the organisation, workforce and technology in order to deliver the best services to the local communities:

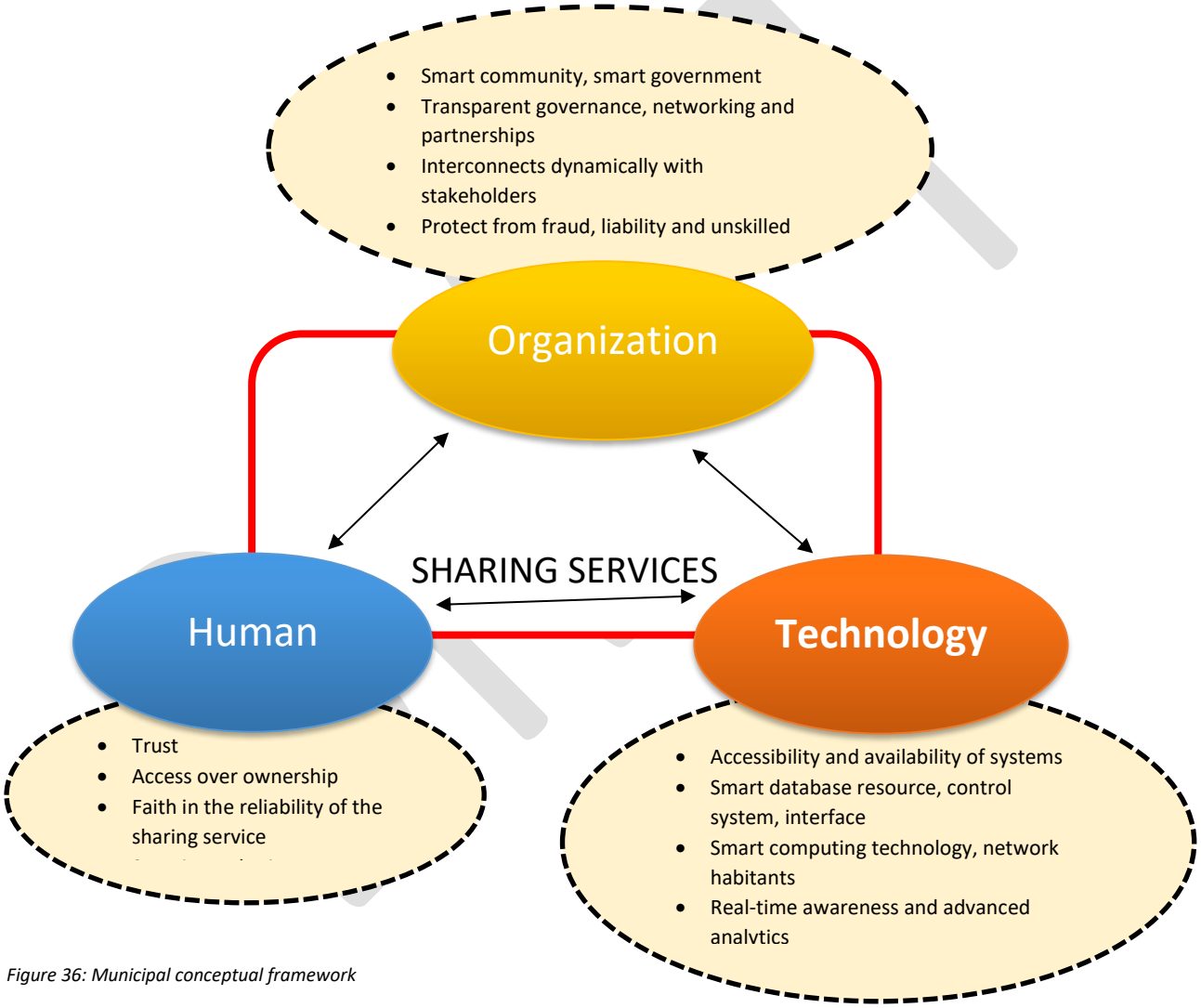


Figure 36: Municipal conceptual framework

5.2 SWOT ANALYSIS

For this review, the 2017/2022 SWOT Analysis, Vision, Mission and Strategic objectives were workshopped at a Strategic Planning Session held on 13 March 2020. The strategic objectives remain unchanged for the 2020/21 IDP Review.

To lend strategic direction to the review of the IDP process, the mayoral committee and top management team critically reviewed issues that might keep Kouga from realizing its vision and mission that can help to ensure that the local authority's stability over the long term. The resultant SWOT analysis revealed that Kouga Municipality finds itself in the fortunate position that the positives (strengths and opportunities) outweigh the negatives (weaknesses and threats), with ample scope to explore more opportunities.

The municipality is reliant on the equitable share grant allocation to finance indigent subsidies to the poor. Kouga has a developed internal road network providing for good vehicular access to many urban facilities and opportunities. The road network supports a rad-based public transport system by providing an internal as well an external service, connecting the towns with the rural settlements.

The **SWOT ANALYSIS** for the 2021/22 IDP Review remains unchanged.

	HELPFUL	HARMFUL
INTERNAL ORIGIN (organization)	**S - STRENGTH** ➢ **Ethical, participative and accountable governance** • Resilient organization where tried and trusted practices to promote public participation in the affairs of government. • Open-door relationships. • Transparency. • Trust. • Mutual respect across the board. • Effective control systems. • Support corruption-free administration. • Positive strides with audit outcomes. ➢ **Stable, skilled and highly knowledgeable workforce** • Dynamic leaders. • Foster a culture of learning and innovation to remain on top of developmental challenge. ➢ **Available and well-maintained infrastructure than enhances social and economic growth.** • High quality of the natural environment. • Unlocked tourism and investment opportunities. • Reputation as a place one can work, live and play, in a clean, safe and secure environment. • Attractive and recognized world class tourism destination. • Collaboration with many established local voluntary organizations.	**W - WEAKNESS** ➢ Outdated / ageing infrastructure. ➢ Lack of suitable land for urban expansion in certain areas due to topography. ➢ Lack of affordable residential accommodation. ➢ Inadequate and/or non-existing public. transport services that hamper opportunities to develop local economy. ➢ Gaps in pro-active and timely communication through the relevant mechanisms. ➢ Increasing levels of drug related crime. ➢ High rate of unemployment.

EXTERNAL ORIGIN (environment)	O – OPPORTUNITY	T - THREAT
	➢ **Diverse economic income streams** • Harnessing intergovernmental relationships to gain excess to external funding opportunities. • Optimal utilization of municipal owned land/properties. ➢ **Capitalise on its ability to foster local economic development** • Collaboration with local based business. information in the formal and informal economy. • Growth in both domestic and international tourism markets. ➢ **Capacity building of elected statutory structures to be able to deal with challenges in local communities** • Involving the local community, local community organizations and NGO's to promote diversity management, equity and inclusivity in a manner that is free from hate speech and discrimination.	➢ **Adverse economic climate affecting the revenue stream of the municipality** • Lack of funding, resulting in inability to replacing ageing infrastructure and deteriorating fleet. • High cost of a wide variety of equipment to render services. • Affordability of municipal services due to negative impact of cost drivers (fuel and electricity). • Challenges with local employment levels • Fluctuations in the tourism, construction and fishing industry. • Steep increase in population. • Limited resources to address the service delivery and infrastructure demand and backlogs. • Lack of sector and master plans. • Water shedding in Gamtoos. • Water quality in Wavecrest. • Load shedding. • Lack of land Audit. ➢ **Excessive red tape** • Complexity, sheer volume and cost implication of laws, rules, regulations and policies and by-laws resulting in service delivery being hampered and impact on ease on doing business.

Table 68: SWOT Analysis

DRAFT

5.3 6(SIX) STRATEGIC NARRATIVES



KEEP KOUGA SERVICED



KEEP KOUGA CLEAN



KEEP KOUGA GREEN



KEEP KOUGA SAFE



KEEP KOUGA SMART



KEEP KOUGA GROWING

DRAFT

5.4 2021/22 IDP REVIEW AND ITS STRATEGIC KEY PERFORMANCE AREAS AND DIRECTION

For the 2021/22 IDP Review the vision, mission, values and strategic goals and objectives of the current 5-year IDP remain unchanged.

The Kouga Municipality's GOALS and STRATEGIES are aligned with Government key performance areas:

- KPA 1: Basic Services and Infrastructure
- KPA 2: Local Economic Development
- KPA 3: Financial Management and Viability
- KPA 4: Good Governance and Public Participation
- Institutional Development and Transformation

The strategic goals and objectives are linked to service areas and departmental objectives and the information will be used to develop predetermined objectives and align them with the municipal budget and performance management system.

Goal 1: Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.

Goal 2: Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.

Goal 3: Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.

Goal 4: Create an enabling environment for active public participation and an administrative culture characterised by accountability, transparency and efficiency.

Goal 5: Provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government.

The five (5) KPA's to guide the 5-year IDP Cycle 2021/2022 were retained.

1. Basic Service delivery and Infrastructure
2. Local Economic Development
3. Municipal Financial Management and Viability
4. Good Governance and Public Participation
5. Institutional Transformation

DRAFT

5.5 STRATEGIC FRAMEWORK

The Strategic Framework is the principal informant of the Kouga 5-year Performance Plan, Multi-year Budget, Annual Service Delivery and Budget Implementation Plan and Performance Agreements of senior managers. The setting of key performance indicators and targets against which the performance of the municipality and its senior management and leadership are measured derive its mandate from the IDP.

The Kouga Strategic Framework comprises of the following key performance areas and key focus areas:

KPA	STRATEGIC OBJECTIVE	OUTCOMES
KPA1 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	❖ An adequate and well-maintained infrastructure network complementing the developmental goals of the municipality. ❖ A caring municipality that is sensitive to the needs of the community based on a sound and embedded value system ❖ Respond to all emergencies within predetermined times in order to mitigate risks and hazards ❖ Develop and approve Strategic and Disaster Risk Management Plans that feeds into the IDP ❖ Render community safety ❖ Increase staff complement ❖ Increase vehicle fleet ❖ Integrated and sustainable Human Settlement Plan that address the needs based on the available financial resources ❖ To establish an environment where the poor and most vulnerable are empowered through the building of social capital, the implementation of development programmes and support and sustainable livelihood strategies
KPA2 LOCAL ECONOMIC DEVELOPMENT	• To create an enabling environment for economic growth that attracts investors and tourists, encourages innovation and facilitates pro-poor inventions	❖ Well-developed strategies implemented to promote economic growth and development in the municipal area
KPA3 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	❖ Affordable and sustained revenue base to finance capital and operating expenses. ❖ Sound financial management practices and clean audit reports to build the public's confidence in management.
KPA4 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	❖ A responsive municipality based on sound principles which embodies and embrace the rule of law, public participation, accountability and responsibility
KPA5 INSTITUTIONAL TRANSFORMATION	• To develop progressive strategies to optimise the use of available human resources	A motivated and skilled workforce that supports the operational needs of the municipality in the implementation of the IDP Objectives

Table 69: Strategic Framework

The five (5) KPA's were linked to the following KFA's (KEY FUNCTIONAL AREAS) in guiding the corporate planning and operations of the municipality:



KFA1 Transport, Roads, Stormwater and Infrastructure
KFA2 Water, Sanitation Services and Infrastructre
KFA3 Ellectricity Supply, Efficiency and Infrastructure
KFA4 Project Management
KFA5 Equipment and Plant
KFA6 Solid Waste Management & Infrastructure
KFA7 Municipal & Public Facilities
KFA8 Safety and Security
KFA9 Disaster Management
KFA10 Emergency Management
KFA11 Traffic, Vehicle Licensing and Parking Control
KFA12 Municipal Law Enforcement
KFA13 Environmental Management & Climate Change
KFA14 Public Health
KFA15 Libraries
KFA16 Cemeteries



KFA17 Spatial Urban Planning
KFA18 Municipal Planning
KFA19 Human Settlement
KFA20 Build Environment Management
KFA21 Heritage Resource Management
KFA22 Urban Development
KFA23 Rural Development
KFA24 Tourism
KFA25 Arts and Culture
KFA26 Skill Development and Facilitation
KFA27 LED and Poverty Alleviation

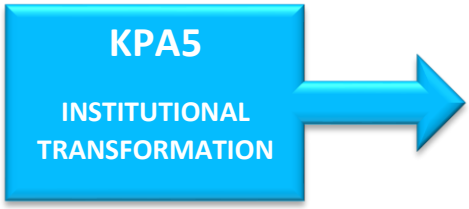


KFA28 Financial Legislation and Compliance
KFA29 Financial Management Policies
KFA30 Overview of Budget Assumptions
KFA31 Operating Revenue Framework
KFA32 Operating Expenditure Framework
KFA33 Capital Expenditure
KFA34 Annual Budget Tables
KFA35 Overview and Budget Funding
KFA36 Cash Flow Management
KFA37 Property Valuation and Property Management
KFA38 Information and Communication Technology (ITC)
KFA39 Revenue Strategies
KFA40 Supply Chain Management

DRAFT



KFA41 Governance Structures
KFA42 Audit and Compliance
KFA43 Policies and By-laws
KFA44 Intergovernmental Relations
KFA45 Complaints Management
KFA46 SLA's and MOU's entered into
KFA47 Legal Services
KFA48 Municipal Court
KFA49 Communication (Internal and External)
KFA50 Marketing and Branding
KFA51 Social Cohesion



KFA52 Organizational Structure
KFA53 HR Policies and other related documents
KFA54 Human Capital and Skills Development

5.6 STRATEGIC OBJECTIVES ALIGNED TO THE DEPARTMENTAL OBJECTIVES IN EACH DIRECTORATE

NO.	DIRECTORATE	OBJECTIVE
SOD1	**Office of the Municipal Manager**	To ensure that municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution
SOD2	**Directorate I & E Services**	To manage infrastructure services provisioning and project management
SOD3	**Directorate PDT**	To manage and provide town planning services and ensure the economic upliftment and development in the municipal area.
SOD4	**Directorate Corp. Serv.**	To transform the institution into a high-performance organisation with a skilled and diverse workforce
SOD5	**Directorate CS**	To render integrated CS to enhance community development in general and promote a clean and safe environment
SOD6	**Directorate Financial Services**	To manage and provide financial services to ensure financial viability, compliance and reporting

Table 70: Departmental objectives

5.6.1 SOD2 – OFFICE OF THE MUNICIPAL MANAGER

Objective: To ensure that municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution

SOD1.1 EXECUTIVE SUPPORT: ***To provide office management services to the Municipal Manager.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Performance Management	Number of institutional performance reports submitted to Council	Submit 4 institutional performance reports to Council at 1 report per quarter	4	4	4	4	

Table 71: Executive support

SOD1.2 RISK MANAGEMENT AND INTERNAL AUDIT: ***To assess municipal risks and provide an independent appraisal of the adequacy and effectiveness of financial controls in the municipality.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Internal Audit	Number of Audit Committee Meetings	Attend 4 Audit Committee Meetings	4	4	4	4	
Risk Management	Number of Risk Management Committee Meetings	Attend 4 Risk Management Committee Meetings	4	4	4	4	
Good Governance and Public Participation	Number of reviews of the Institutional Risk Assessment by due date	Institutional Risk Assessment reviewed by 30 June 2021		1	1	1	

Table 72: Risk Management and Internal Audit

SOD1.3 INTEGRATED DEVELOPMENT PLANNING: ***To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Integrated Development Planning	Due date compliance with IDP review processes	Develop a Process Plan for the 2020/21 IDP by 31 August 2019	1 31 Aug 2018	1 31 Aug 2019	1 31 Aug 2020	1 31 Aug-2021	
		Draft copy of the IDP to Council by 31 March 2020	1 31 1Mar 2018	1 31 Mar 2019	1 31 Mar 2020	1 31 Mar 2021	
		IDP to be submitted to Council by 31 May 2020	1 31 May 2019	1 31 May 2019	1 31 May 2020	1 31 May 2021	

		Number of IDP Public Meetings to determine ward priorities	15	15	15	15	All
		Number of IDP Representative Forum Meetings held annually	2	2	2	2	
		Number of ward-based planning sessions held with ward committees	1	1	4 (Cluster into wards)	4 (Cluster into wards)	
		Arrange 1 strategic planning session annually to review objectives of the IDP	1	1	1	1	
		Number of IDP's uploaded on the on the municipal website by 15 June 2020	2	2	2	2	

Table 73: Integrated Development Planning

SOD1.4 PERFORMANCE MANAGEMENT: ***To develop, maintain and monitor the institutional performance management system/SDBIP in the municipality.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
SDBIP	SDBIP submitted to the Executive Mayor within 14 days of adoption of the budget	1 SDBIP to the executive Mayor within 14 days of the adoption of the budget	1	1	1	1	
	SDBIP tabled to Council by 31 July 2020	1 SDBIP tabled to the Council by 31 July 2020	1	1	1	1	
	SDBIP uploaded to website by 5 August 2020	1 SDBIP uploaded to the website by 5 August 2020	1	1	1		
	Number of SDBIP implementation reports submitted to Council	4 SDBIP implementation reports submitted to Council	4	4	4	4	
Performance Contracts	Number of performance agreements submitted to Council by 31 August 2020	6 performance agreements submitted to Council by 31 August 2020	6	6	6	6	
	Number of performance agreements uploaded to the website	6 performance agreements uploaded to the website within 5 days of approval	6	6	6	6	

Table 74: Performance Management

SOD1.5 MEDIA LIAISON: ***To provide comprehensive media and intergovernmental relations services.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Media and communication	Number of Kouga News publications prepared and circulated	1 Kouga News publication per annum prepared and circulated	1	1	1	1	
Municipal Website	Overhaul the functionality of the website to include payment portals for various functions like traffic fines.	Overhaul the functionality of the website to include payment portals for various functions like traffic fines 30 June 2021	-	30 Jun 2020	30 Jun 2021	30 Jun 2022	

Table 75 : Media and Communication

SOD1.6 LEGAL SERVICES: ***To provide professional, effective and efficient legal support to Council and Administration, to protect the municipality's interests, mitigate legal risks and ensure legal compliance.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	All departments
Mitigate Legal Risks	Number of reports on legal risks submitted to Council	4 legal risks submitted to Council	4	4	4	4	
Municipal Delegation Framework	Number of delegation registers reviewed by Council	1 delegation register reviewed by Council by 30 June 2020	-	30 Jun. 2020	30 Jun. 2021	30 Jun. 2022	
Municipal Code	Audit and review by-laws	Audit and review by-laws by 30 June 2020	-	30 Jun. 2020	30 Jun. 2020	30 Jun. 2020	

Table 76: Legal Services

SOD1.7 SPECIAL PROGRAMMES: ***To coordinate and manage all special programmes to address special needs in society.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Social Development	Women Empowerment Number of meetings of the Kouga Women's Forum	Establishment of Ward based Women forums and the establishment of a Kouga Women Forum that will represent women 4 Meetings of the Kouga Women's Forum with 1 meeting per quarter	4	4	4	4	All wards
	Youth Development Number of meetings of the Kouga Youth Forum	Reviving and establishment of Youth Forums 4 Meetings of the Kouga Youth Forum with 1 meeting per quarter	4	4	4	4	All wards
	Number of meetings of the Kouga Vulnerable Groups Forum	4 Meetings of the Kouga Vulnerable Groups Forum with 1 meeting per quarter	4	4	4	4	

Table 77: Special Programmes

5.6.2 SOD2 - DIRECTORATE I & E SERVICES

SOD2.1 WATER AND SANITATION SERVICES: ***To manage the rendering of water service and to provide bulk and potable water and sanitation services to the community.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Infrastructure	% households in formal residential areas with access to potable water	100% of residents have access to potable water	100%	100%	100%	100%	
	% of informal households within the urban edge with access to water within 200m	100% of informal households within the urban edge with access to water within 200m	100%	100%	100%	100%	
	% of clinics within the urban edge have access to water	100% of clinics within the urban edge have access to water	100%	100%	100%	100%	
	% of schools within the urban edge have access to water	100% of schools within the urban edge have access to water	100%	100%	100%	100%	
	Number of water demand / conservation management loss reduction programs completed	1 water demand / conservation management loss reduction programs completed by 31 October 2019	1	1	-	-	
	% reduction in water losses	35% reduction in water losses	35%	36%	36%	36%	
	% capital expenditure on water infrastructure projects	100% capital expenditure on water infrastructure projects	100%	100%	100%	100%	
	% expenditure of water supply infrastructure repairs and maintenance budget	100% expenditure of water supply infrastructure repairs and maintenance budget	100%	100%	100%	100%	
	Informal households using bucket sanitation Number of households converted from bucket sanitation to water-based sanitation system	Eradicate the number of households using bucket sanitation • Stofwolk (connect waterborne) • Thornhill (connect waterborne) • Sea Vista (connect waterborne) • Ramaphosa Village (connect waterborne) • Oceanview (connect waterborne) • Kwanomzamo (connect waterborne)	100	1500	2000	2000	
	% of formal households with access to sanitation services residential areas serviced by Kouga Municipality	100% of formal households in areas serviced by Kouga Municipality has access to sanitation services	100%	100%	100%	100%	
	% of clinics within the urban edge have access to sanitation services	100% of clinics within the urban edge have access to sanitation services	100%	100%	100%	100%	
	% of schools within the urban edge have access to sanitation services	100% of schools within the urban edge have access to sanitation services	100%	100%	100%	100%	

	% capital expenditure on internally funded sanitation capital projects	100% capital expenditure on internally funded sanitation capital projects	100%	100%	100%	100%	
	% expenditure of sanitation infrastructure repairs and maintenance budget	100% expenditure of sanitation infrastructure repairs and maintenance budget	100%	100%	100%	100%	

Table 78: Water and Sanitation Services

SOD2.2 ELECTRICAL SERVICES: ***To manage the provisioning and maintenance of electrical services.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Infrastructure	% reduction in electricity losses	Reduce electricity losses to 16%	18%	17%	16%	12%	All wards
	% formal residential households services by Kouga have access to electrical services	100% formal residential households' services by Kouga have access to electrical services	100%	100%	100%	100%	All wards
	% of clinics within the urban edge have access to electricity	100% of clinics within the urban edge have access to electricity	100%	100%	100%	100%	Kouga
	% of schools within the urban edge have access to electricity	100% of schools within the urban edge have access to electricity	100%	100%	100%	100%	Kouga
	% capital expenditure on internally funded electrical infrastructure projects	100% capital expenditure on internally funded electrical infrastructure projects	100%	100%	100%	100%	100%
	% expenditure of electrical infrastructure repairs and maintenance budget	100% expenditure of electrical infrastructure repairs and maintenance budget	100%	100%	100%	100%	100%
	Number of Road Master Plans developed	1 Road Master Plan developed by 30 June 2020	-	30 June 2020	-	-	

Table 79: Electrical Services

SOD2.3 ROADS AND STORMWATER SERVICES: ***To manage the construction, repair and maintenance of roads and storm water systems.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Infrastructure	% capital expenditure for the construction of roads	100% capital expenditure for the construction of roads	100%	100%	100%	100%	
	% planned road construction completed	100% planned road construction completed	100%	100%	100%	100%	
	% formal residential households within the urban edge with access to gravel or graded roads	100% formal residential households within the urban edge with access to gravel or graded roads	100%	100%	100%	100%	All wards

	% reduction in road infrastructure requiring update	1% reduction in road infrastructure requiring update	1%	1%	1%	1%	
	% capital expenditure on road infrastructure	100% capital expenditure on road infrastructure	100%	100%	100%	100%	
	% expenditure of stormwater infrastructure repairs and maintenance budget	100% expenditure of stormwater infrastructure repairs and maintenance budget	100%	100%	100%	100%	

Table 80 : Roads and Stormwater Services

SOD2.4 PROJECT MANAGEMENT: *To manage the coordination and implementation of project management processes with regard to engineering projects (MIG, EPWP and other grant funded projects).*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
	% MIG Expenditure	100% MIG budget expenditure on MIG approved projects	100%	100%	100%	100%	

Table 81: Project Management

SOD2.5 FLEET MANAGEMENT : *To effectively service, maintain, monitor and replace municipal fleet and equipment.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
	Number of fleet/ mechanical workshop established	Establish 1 fleet/mechanical workshop	-	-	-	1	Ward 15

Table 82: Fleet Management

5.6.3 SOD6 - DIRECTORATE PDT

SOD3.1 TOWN PLANNING & BUILDING CONTROL: ***To manage the rendering of spatial and land use planning, surveying, valuations and building control services.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
Building Control	% of a building plans finalized within 30 days of submission of a compliant plan	100% of a building plans finalized within 30 days of submission of a compliant plan (Less than 500^{m}2	100%	100%	100%	100%	
Town Planning	% land use applications finalized within 60 days of a complaint submission	100% land use applications finalized within 60 days of a complaint submission	100%	100%	100%	100%	
	% informal settlements formalized	100% informal settlements formalized by 30 June 2020	-	1%	1%	1%	

Table 83 : Town Planning and Building Control

SOD3.2 HUMAN SETTLEMENTS: ***To manage the funding, administrations of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Housing Administration	% informal settlements formalized	100% informal settlements formalized by 30 June 2020	-	1%	1%	1%	
	Number of housing audits completed	1 housing audit completed by 30 June 2020	-	1	1	1	
	Number of service providers appointed for the review of the Human Settlement Plan	1 Service provider appointed for the review of the Human Settlement Plan by 30 June 2020	-	1	1	1	

Table 84: Human Settlements

SOD3.3 DEVELOPMENT (LED) AND TOURISM: ***To plan and develop a coherent and integrated framework for local economic development and tourism.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	NA
LED	LED Strategy reviewed by 30 June 2020	1 LED Strategy reviewed by 30 June 2020	-	1	1	1	
	Number of LED Forum Meetings held	4 LED Forum meetings per year with 1 meeting per quarter	4	4	4	4	
	% Expenditure of Budget for LED programs and projects	100% Expenditure of Budget for LED programs and projects	100%	100%	100%	100%	All
	Number of jobs created through PPP	20 Jobs created through PPP	-	20	20	20	All
	Number of SMME training programs provided	4 training opportunities provided to SMME's	4	4	4	4	

Table 85: Development and Tourism

DRAFT

5.6.6 SOD4 - DIRECTORATE COMMUNITY SERVICES

SOD4.1 SOLID WASTE MANAGEMENT: *To coordinate all functions/powers regarding solid waste management assigned to the municipality.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
Waste	Due date compliance with the review of a Waste Management Plan for Kouga Municipality	Integrated Waste Management Plan for Kouga Municipality reviewed annually	-	30 June 2020	30 June 2021	30 June 2022	All
	% of formal households provided with a refuse removal service once per week	100% of formal households provided with a refuse removal service once per week	100%	100%	100%	100%	
	% increase in refuse removal coverage of informal areas	Increase coverage of recognized informal residential areas serviced with refuse removal services once per week by 5%	5%	10%	15%	20%	
	% of commercial enterprises provided with a refuse removal service 3 times per week	100% of commercial enterprises provided with a refuse removal service 3 times per week	100%	100%	100%	100%	
	Number of wheelie bins provided to residents	4240 bins delivered to part of Humansdorp	5947	3908	11880	1000	
	Number of Waste Management Strategies reviewed	1 Waste Management Strategy reviewed	1	1	1	1	
	% Capital budget expenditure on waste management projects	100% Capital budget expenditure on waste management projects (Procurement of TLB)	100%	100%	100%	100%	
	% of formal households within the urban edge provided with refuse removal services once a week	100% formal households within the urban edge provided with refuse removal services once a week	100%	100%	100%	100%	
	% of commercial enterprises within the urban edge provided with refuse removal services 3 times per week	100% commercial enterprises within the urban edge provided with refuse removal services 3 times per week	100%	100%	100%	100%	
	% of clinics within the urban edge provided with refuse removal services	100% clinics within the urban edge provided with refuse removal services	100%	100%	100%	100%	
	% of schools within the urban edge provided with refuse removal services	100% schools within the urban edge provided with refuse removal services	100%	100%	100%	100%	
	Number of reports for refuse removal in informal areas	4 reports for refuse removal in informal areas	4	4	4	4	

Table 86 : Solid Waste Management

SOD4.2 ENVIRONMENTAL HEALTH: *To ensure that visitors and residents have a safe and healthy environment.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Water Quality Control	Number of water samples submitted for bacteriological and chemical for analysis	420 water samples subjected to bacteriological analysis and 140 water samples subjected to chemical analysis	420 Bact 140 Chem	420 Bact 140 Chem	420 Bact 140 Chem	420 Bact 140 Chem	All Wards
Health Surveillance of Premises	Number of premises subjected to environmental health inspections	740 premises subjected to environmental health inspections	740	740	800	850	All wards

Table 87 : Environmental Health

SOD4.3 PUBLIC AMMENITIES: *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.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Cemeteries	Number of cemetery design and layout	Design and layout plans completed for 2 cemeteries by 30 June 2020	25%	100%	-	25%	
	Number of cemetery EIA's	1 Environmental authorization implemented by 30 June 2020	-	-	3 - November 2021	-	
Public ablution facilities (beaches)	Number of public ablution facilities upgraded (Pellsrus, Kabeljauws, Cape St Francis)	Upgrade Pellsrus, Kabeljauws and Cape St Francis ablution facilities	4	3	3	3	2, 3 & 12
Caravan Parks	Number of caravan parts upgraded (Yellow Woods, Jeffreys Bay)	• Upgrading of Yellow Woods, Jeffreys Bay Caravan Park and Pellsrus Caravan Park	2	2	2	2	3 & 9
Sport and Recreation	Number of community halls to upgraded (Kruisfontein Newton Hall)	• Upgrade Kruisfontein Pellsrus Hall and Loerie Hall	4	2	2	2	5 & 11
	Number of tables and chairs to procure for community halls	Procure 1000 chairs and 100 tables for community halls	-	1000 chairs	-	100 tables	2,5,6,7,9,10, 11
	Number of sports fields upgraded (Pellsrus, Sea Vista, Kwanomzamo)	3 sports fields upgrade (Pellsrus, Sea Vista, Kwanomzamo)	-	3 MIG	3	3	1,2,6
Parks and Open Spaces	Number of play parks to be upgraded	Upgrade Gill Marcus, Arcadia, Kwanomzamo, Kabeljauws play parks	-	4	4	4	3, 4, 5 & 6
	% budget expenditure on grass cutting and bush clearing equipment	100% expenditure on grass cutting and bush clearing equipment	100%	100%	100%	100%	All wards

Table 88: Public Amenities

SOD4.4 FIRE AND DISASTER: *To provide effective and efficient fire and disaster management services.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Disaster Management	Final draft of Disaster Risk management Plan for Kouga Municipality	1New Disaster Risk Management Plan for Kouga	-	-	June 21	-	-
	Disaster Risk Management Advisory Forum Meeting	4 Disaster Risk Management Forum Meetings held	-	4	15	4	
Life Saving	Number of vehicles and equipment procured for the lifesaving services, fire and disaster	Procure 4 vehicles fire and 2 rescue equipment for lifesaving services	-	5	2	1	All Wards
	Number of professional lifeguards trained	60 lifeguards to be trained in the next 3 years	8	15	20	14	All wards

Table 89: Fire and Disaster

SOD4.5 SAFETY AND SECURITY: ***To provide effective and efficient Safety and Security services.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Safety and Security	Number of new vehicles to be procured for Safety and Security	3 vehicles to be procured	6	3	0	2	All Wards
	Number of stray animals impounded	Impound 120 roaming animals	100	120	140	160	
	% of safety equipment to be procured	100% expenditure of budget provided for safety equipment	-	100%	100%	100%	All Wards
	Number of municipal court established	1 municipal court to be established	-	-	-	1	Ward 15

Table 90 : Safety and Security

DRAFT

SOD4.6 ENVIRONMENTAL MANAGEMENT: *To ensure clean & safe environment that is well maintained and managed.*

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	NA
Coastal Management	% Completion of Coastal Management Plan	50% completion of a Coastal Management Plan	-	50%	100%	-	1, 2, 3, 7, 8, 11, 12, 14
Climate Change	% Completion of a of climate change strategy	25% Development of a climate change strategy	-	25%	25%	100%	All Wards
	Pre-planning for development of climate change strategy – complete framework	1 climate change strategy framework to be completed	-	-	-	1	
Environmental Management	Number of environmental awareness campaigns conducted	4 Environmental awareness campaigns conducted	4	4	4	4	
	Number of progress reports submitted to the portfolio committee on rehabilitation of St Francis Bay spit and Oyster Bay dunes	4 progress reports submitted to the portfolio committee on rehabilitation of St Francis Bay spit and Oyster Bay dunes	4	4	4	4	
	Number of trees planted	A 1000 trees will be planted in the next 3 years	-	200	400	400	All wards
	Number of Environmental Management Forum Meetings conducted	4 Environmental Management Forum Meetings held	-	4	4	4	All wards

Table 91: Environmental Management

5.6.5 SOD5 - DIRECTORATE CORPORATE SERVICES

SOD5.1 HUMAN RESOURCE MANAGEMENT: ***To render human resources management and support services to the municipality that will sustain the optimum utilisation of the municipality's human capital.***

Focus	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
Organogram	Number of organogram reviews	1 Organogram review by 30 June 2020	1	1	1	1	Entire municipality
	Vacancy rate for approved budgeted posts	2.7% vacancy rate for approved budgeted posts	2.7%	2.7%	2.7%	2.7%	
	% staff cost compared to operational budget	35% staff cost compared to operational budget	35%	35%	35%	35%	

Employment Equity	Number of people from employment equity target groups employed in the three highest levels of management in accordance with the approved Employment Equity Plan by end of June	2 African females 2 African males	2 African females 2 African males	2 African females 2 African males	NA	NA	NA
	Number of Employment Equity reports submitted to the Dept of Labour	1 Employment Equity reports submitted to the Dept of Labour by 15 January 2020	15 Jan 2019	15 Jan 2020	15 Jan 2021	15 Jan 2022	NA
Skills Development	% expenditure of Skills Development Budget	100% expenditure of Skills Development Budget	100%	100%	100%	100%	NA
	Number of Workplace Skills Plans submitted to LGSETA	1 Workplace Skills Plans submitted to LGSETA 30 April 2020	30 Apr 2019	30 Apr 2020	30 Apr 2021	30 Apr 2022	
OHS	Number of Occupational Health and Safety Representative forum meetings held	4 of Occupational Health and Safety Representative forum meetings held	4	4	4	4	NA
	Number of OHS Assessments completed	1 OHS Assessments completed by 30 June 2020	1	1	1	1	NA

Table 92: Human Resources

SOD5.2 ADMINISTRATION: ***To provide professional, effective and efficient administrative support to Council and Administration.***

Administrative Support

Focus Area	**Annual Targets 2018-2022**						**Wards**
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
Council Agendas	Number of documents imaged and stored off-site	250 000 documents imaged and stored off-site	-	250 000	250 000	250 000	
Accommodation	% completion of library conversion	100% completion of library conversion	100%	100%			
Auxiliary	Amount reduction in Telkom Bill against budgeted amount	R60 000 reduction in Telkom Bill against budgeted amount	R60 000	R60 000	R5000	R5000	

Table 93 : Administration Support

Communication Support

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Communications Policy & Strategy	Formulate Communications Policy & Strategy	Approved Policy by 15 Aug 2022				15 Aug 2022	
Branding & Promotional Material	Appoint Service Provider for various promotional items	Appoint Service Provider by 30 Aug 2021				R250 000 Appoint SP by 30 Aug 2021	
Brand Visibility	Appoint Service Provider	Appoint Service provider by 30 Sept 2021				R150 000	
Digital Marketing	Procure Digital Screens for Municipal Offices	Procure Digital Screens by 30 Aug 2021				R90 000	

Table 94: Communication Support

5.6.6 SOD6 - DIRECTORATE FINANCIAL SERVICES

SOD6.1 BUDGET AND REPORTING: ***To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance .***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	NA
Sound financial planning	% staff cost compared to operational budget	35% staff cost compared to operational budget	35%	35%	35%	35%	
	% compliance with National Treasury reporting calendar	100% compliance with National Treasury reporting calendar	100%	100%	100%	100%	
	Number of Annual Financial Statements submitted to the Auditor-General	1 of Annual Financial Statements submitted to the Auditor-General by 30 August 2020	30 Aug. 2019	30 Aug. 2020	30 Aug. 2021	30 Aug. 2022	
	Number of draft budgets submitted	1 draft budget submitted by 31 March 2020	31 Mar. 2019	31 Mar. 2020	31 Mar. 2021	31 Mar. 2022	
	Number of final budgets submitted	1 final budget submitted 30 May 2020	30 May 2019	30 May 2020	30 May 2021	31 May 2022	
	Adjustment budget compiled and submitted to the MM and Portfolio Chairperson by 15 December 2020	1 adjustment budget submitted to the MM and Portfolio Chairperson by 15 December 2020	15 Dec. 2019	15 Dec. 2020	15 Dec. 2021	31 Jan 2022	
	Budget Monitoring Committee	10 Budget Monitoring Commit	10	10	10	4	
	Liquidity ratio 1:1	1:1 liquidity ratio	1:1	1:1	1:1	1:1	
	Obtain unqualified audit opinion from AGSA	1 unqualified audit opinions from AGSA	1	1	1	1	

Table 95: Budget and Reporting

SOD6.2 EXPENDITURE: ***To administer the recording, authorisation, executing and reporting of expenditure transactions.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Expenditure	% of creditors paid within 30 days of receipt of statement	100% of creditors paid within 30 days of receipt of statement	100%	100%	100%	100%	

Table 96: Expenditure

SOD6.3 REVENUE: ***To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	Target	18/19	19/20	20/21	21/22	
Revenue enhancement	% revenue collection rate between revenue raised and revenue collected	96% revenue collection rate between revenue raised and revenue collected	94%	96%	85%	90%	-
	Number of VAT recovery service providers appointed	1 appoint a Vat Recovery provider by 30 September 2020	-	30 September 2019	-	-	-
	Number of Debt Collection Service Providers appointed by 31 December 2020	1 Debt Collection Service Provider appointed by 30 October 2020	30 June 2019	31 December 2019	-	-	-
	Number of handovers to debt collectors of debt exceeding 90 days	6 handovers to debt collectors exceeding 90 days	6 Meetings	6 Meetings	6 Meetings	4 Meetings	
	Number of Debt Collection Committee Meetings	4 Debt Collection Committee Meetings (Bad debt write off meetings)	4 Meetings	4 Meetings	4 Meetings	4 Meetings	-
	Number of Revenue Enhancement Meetings (Task Team Meetings))	6 Meetings to be held annually on progress with the implementation of the Revenue Enhancement Strategy	6 Meetings	6 Meetings	6 Meetings	10 Meetings	-
	Number of Revenue Collections Monitoring Meeting	8 Revenue Collection Monitoring Meetings per annum	8 Meetings	8 Meetings	8 Meetings	4 Meetings	-
Indigent support	% of indigent residents as per Indigent Register with access to free basic services	100% indigent residents as per Indigent Register with access to free basic services	Annually 100%	Annually 100%	Annually 100%	Annually 100%	All wards
	Number of Indigent Steering Committee Meetings	Quarterly Indigent Steering Committee Meetings	4	4	4	4	-
	Number of Indigent Registration drives	1 Indigent Registration Drive	1	1	1	1	

Table 97 : Revenue

SOD6.4 ICT SERVICES: ***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.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
ITC systems	1st Phase implementation of ERP Solution project	1st Phase implementation of ERP Solution project by 30 June 2020	-	1st phase 30 June 2020	2nd phase 30 June 2021	-	-
	Number of ERP Project Managers appointed by 31 March 2020	1 ERP Project Manager appointed by 31 March 2020	-	1	-	-	
	% Up time of ICT System	98% up time of ICT System	98%	98%	98%	98%	
	Number of ICT Steering Committees	6 I CT Steering Committee Meetings per annum	6 meetings	6 meetings	6 meetings	4 meetings	
ITC Policies	% of ICT Policies reviewed	100 ICT Policies reviewed by 30 November 2020	30 Nov. 2019	30 June 2020	30 June 2021	30 June 2022	-
Operational Software	Number of ICT reports submitted to Finance Portfolio Committee	6 ICT reports submitted to every portfolio committee meeting.	6 meetings	6 meetings	6 meetings	6 meetings	
		1 Feedback on all software applications used in the municipality including operational expenses	6 reports	6 reports	6 reports	6 reports	
	Number of ICT software application and cost reports submitted to the Finance Portfolio Committee	6 ICT software application and cost reports submitted to the Finance Portfolio Committee	6 Reports	6 Reports	6 Reports	6 Reports	

Table 98: ICT

SOD6.5 SUPPLY CHAIN MANAGEMENT (SCM): ***To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics, assets and disposal management.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	
Budget spending	% compliance with the Procurement Plan	90% average compliance with the annual Procurement plan	90%	90%	90%	90%	-
	% Capital budget expenditure	95% expenditure of capital budget	95%	95%	95%	-	-
	Number of days for the processing of requisitions	Requisitions processed within 5 working days (order issued)	Within 5 working days	Within 5 working days	Within 5 working days	Within 5 working days	-
	Number of working days for the evaluation of 7 days notices	7 working days for the evaluation of 7-day notices	Within 7 working days	Within 7 working days	Within 7 working days	Within 7 working days	-
	Number of days for the preparation of tender reports by leading departments from closing date of tender	30 days for the preparation of tender reports by leading departments from closing date of tender	30 days	30 days	30 days	30 days	-

	Number of days for the adjudication of tender from closing date	100 days for the adjudication of tender from closing date	100 days	100 days	100 days	90 days	-
	Number of Meetings on the implementation of the Procurement Plan	6 Meetings on the implementation of the Procurement Plan	6 meetings	6 meetings	6 meetings	10 meetings	-

Table 99: Supply Chain Management

SOD6.6 DISPOSAL MANAGEMENT: ***To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics, assets and disposal management.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	NA
Budget spending	Number of reports submitted on dysfunctional and redundant movable assets to be disposed of submitted to Council	1 report submitted on dysfunctional and redundant movable assets to be disposed of submitted to Council by 30 September 2020	-	1	-	1	

Table 100: Disposal Management

SOD6.7 ASSET MANAGEMENT: ***To administer asset management, leases registers.***

Focus Area	Annual Targets 2018-2022						Wards
	Indicator	**Target**	**18/19**	**19/20**	**20/21**	**21/22**	NA
Land register	Number of municipal land audits conducted	1 municipal land audit conducted by 31 December 2020	1	1	1	1	
	Number of land registers completed	1 land register completed by 31 December 2020	-	31 December 2020	-	-	
	Number of Land Advisory Committee Meetings	6 Land Advisory Committee meetings per annum	6 meetings	6 meetings	6 meetings	6 meetings	
Insurance	Number of service providers appointed for the insurance of municipal assets	1 service provider appointed for the insurance of municipal assets	-	1	-	-	
	Number of reports on insurance claims submitted to the Finance Portfolio Committee (Bi-monthly reports)	6 reports on insurance claims submitted to the Finance Portfolio Committee (Bi-monthly reports)	6 reports	6 reports	6 reports	6 reports	
	% of insurance claims finalized within 90 days of incident	100% insurance claims finalized within 90 days of incident	100%	100%	100%	100%	
Management of fixed assets	Update and validate all municipal lease agreements by 31 December 2020	Maintenance of all municipal lease agreements for maximising revenue for the municipality by 30 June 2020	1	1	1	1	

Table 101: Asset Management

5.7 DEVELOPMENT PRIORITIES FOR THE MUNICIPALITY 2021/22 FINANCIAL YEAR

NO.	KPA	PRIORITY	OBJECTIVE	PROJECT	TOWN / SUBURB	BUDGET YEAR 2021/2022	RESPONSIBLE DIRECTORATE
IDP01	1	**WATER**	• To provide residents and visitors with high quality road networks under Kouga's jurisdiction	Replace 250mm Water Main – Mimosa Street, Jeffreys Bay pre-planning	Wavecrest	Funded	Infrastructure and Engineering
				Replace 250mm Water Main – Mimosa Street, Jeffreys Bay pre-planning	Wavecrest		
				Replace 250mm Water Main – Canal Road, St Francis Bay pre-planning	St Francis Bay	Funded	
				Replace main water line Sout River Bridge crossing – St Francis Bay pre-planning	St Francis Bay	Funded	
				Repair leaking concrete water tower – Paradise Beach pre-planning	Paradise Beach	Funded	
				Upgrade main bulk water supply line	Paradise Beach	Funded	
				Replace aging main internal water lines	Jeffreys Bay	Grant transfer	
				Replace aging main internal water lines	St Francis Bay	Grant transfer	
				Replacing aging water line	Kruisfontein	Grant transfer	
				New main water rising main	Humansdorp	Grant transfer	
				New water reservoir 5MI	Kwanomzamo	Grant transfer	
				New water storage reservoir 2MI	Thornhill	Grant transfer	
				Water treatment works new storage reservoir 5MI	Humansdorp	Grant transfer	
				New water storage reservoir 5MI	Jeugkamp/ Kruisfontein Proper	Grant transfer	
				New bulk storage reservoir 5MI	Paradise Beach	Grant transfer	
				Upgrade water treatment plant	Humansdorp	Grant transfer	
				Expand existing RO plant at Links to increase capacity to treat boreholes	St Francis Bay	Grant transfer	
				Upgrade and expand water treatment plant to treat saline borehole water and increase treatment capacity	Hankey	Grant transfer	
				Equip and connect 4 x existing boreholes near Melkhout to water treatment plant. Including pipeline.	Humansdorp	Grant transfer	
				Develop water master plan	Municipal area	Grant transfer	
				Fencing municipal treatment works and reservoir	All town	Grant transfer	

IDP02	1	**SANITATION**	• To provide residents in **informal** residential areas with minimum acceptable, other than buckets, levels of sanitation services . • To provide all residents in the Kouga area with access to high quality sanitation services.	Eradication of bucket system	All areas	Funded	Infrastructure and Engineering
				Construct emergency overflow pond – Koraal Sewer pump station pre-planning	C-Place	Funded	
				New by-pass rising main and pump station – Jeffreys Bay pre-planning	Jeffreys Bay	Funded	
				Upgrade Centerton sewer pump station	Centerton	Funded	
				Upgrade Loerie sewer pump station pre-planning	Loerie	Funded	
				Upgrade sanitation system Old Hankey	Old Hankey	Funded	
				Upgrade sewer rising mains – Jeffreys Bay (La Mer 4A – 4B) pre-planning	Jeffreys Bay	Funded	
				Piped reticulation – St Francis Bay pre-planning	St Francis Bay	Funded	
				Fencing main substation	Jeffreys Bay	Funded	
				Security cameras for sub stations	All towns	Funded	
				Install water borne sewer reticulation, sewer pump station and rising to Waste Water Treatment works	Cape St Francis	Grant transfer	
				Install water borne sewer reticulation	St Francis Bay	Grant transfer	
				Install water borne sewer reticulation	Paradise Beach	Grant transfer	
				Install waste water borne sewer reticulation	Loerie	Grant transfer	
				Install water borne sewer reticulation including waste water treatment works	Oyster Bay	Grant transfer	
				Upgrade main sewer rising main from La Mer pump station to waste water treatment works	Jeffreys Bay	Grant transfer	
				Install internal sewer reticulation	Wavecrest	Grant transfer	
				Industrial area new bulk outfall gravity sewer to Kruisfontein WWTW	Kruisfontein	Grant transfer	
				Sewer pump station and rising main	Loerie	Grant transfer	
				Upgrade beach sewer pump station and rising main	Wavecrest	Grant transfer	
				Upgrade sewer pump stations	St Francis Bay	Grant transfer	
				Upgrade waste water treatment works (additional capacity)	Thornhill	Grant transfer	
				Upgrade wastewater treatment works	Loerie	Grant transfer	
				Upgrade waste water treatment works (additional clarifier)	Jeffreys Bay	Grant transfer	
				New waste water treatment works	Paradise Beach	Grant transfer	
				Upgrade / refurbish waste wate works	Humansdorp	Grant transfer	
				Construct emergency overflow pond Koraal sewer pump station	Jeffreys Bay	Grant transfer	
				Construct sewer lines	All towns	Grant transfer	
				Develop sewer master plan	Municipal area	Grant transfer	

IDP03	1	**ELECTRICAL**	To provide residents in formal residential areas with access to electricity services ***(Exclusive of the Gamtoos area and areas serviced by ESKOM)***	Electrification of Humansdorp, Kruisfontein Donkerhoek project.	Ward 5	Funded	Infrastructure and Engineering
				procure new generator to Jeffreys Bay main office to secure uninterrupted power supply	Jeffreys Bay main office	Funded	
				Construction of new 66kV overhead lines (Jeffreys Bay to Melkhout Substation)	Wards 2,3,8,11,12,14	Funded	
				Retrofit oil circuit breakers main sub-station – Jeffreys Bay.	Wards 2,3,11,14,15	Funded	
				Installation of high mast lights in Humansdorp.	Wards 5,15	Funded	
				Electrification of informal settlements	Wards 2,14,15	Funded	
				Saffery substation replacement and upgrade of circuit breakers	Ward 15	Funded	
				Retrofit oil circuit breakers with Vacuum or SF6 breakers.	Wards 4,12,14	Funded	
				Machinery & Equipment	All wards	Funded	
				Miniature substations 22 & 11kV	All wards	Funded	
				St. Francis Bay ring main switches.	St Francis Bay	Funded	
				Apiesdraai/ Paradise substation upgrade.	Wards 12,14	Funded	
				Electrical transformers Humansdorp 22/11kV 3 150kVA	Wards 4,5,15	Funded	
				LED lights	All wards	Funded	
				Construct / upgrade existing main incoming 66Kv line	Jeffreys Bay	Funded	
				New ring feed	Paradise Beach Aston Bay Ocean View	Grant transfer	
				2nd 22Kw circuit line	Kwanomzamo	Grant transfer	
				Upgrade main electrical substation	Jeffreys Bay	Grant transfer	
				Upgrade substation	Kruisfontein	Grant transfer	
				Develop electrical master plan	Municipal area	Grant transfer	
IDP04	1	**ROADS AND STORMWATER**	To provide residents and visitors with high quality road networks under Kouga's jurisdiction	Upgrading of gravel roads in Humansdorp , Thornhill Jeffreys Bay - 3 year project	Humansdorp, Jeffreys Bay, Thornhill	Funded	Infrastructure and Engineering
				Develop transport master plan	Municipal area	Grant transfer	
				Upgrade provincial roads	Da Gama Rd Voortrekker Rd St Francis Drive	Grant transfer	
				Upgrade gravel roads to full surfaced roads	All towns	Grant transfer	
				Upgrade stormwater as per master plan	Municipal area	Grant transfer	
				Upgrade parking layout in main Street	Humansdorp	Grant transfer	

IDP05	2	**SAFETY AND SECURITY**	Safeguarding municipal infrastructure in the Kouga Area	Fencing all cemeteries in the Kouga municipal area	Thornhill, Patensie, Hankey, part of Humansdorp Town cemetery (Ward 7,9,10,15)	Unfunded	Community Services
				Fencing of community halls	Sea Vista, Loerie, Weston (Wards 1,7,13)	Funded	
				Fencing of Humansdorp fire station	Humansdorp	Funded	
				Security cameras for Kouga			
IDP06	1	**HUMAN SETTLEMENTS**	• To upgrade and provide access to basic services for residents in Kouga • To provide affordable housing opportunities to middle income	Upgrading of Informal Settlements • Donkerhoek – 363 • Ocean View – 730 • Cyril Ramaphosa – 278 • Polar Park – 350 • Shukushukuma – 250 • Thornhill – 160 • Bungalows – 103 • Golf Course – 153 • Sea Vista – 2000 No. R10 – 190			Planning, Development and Tourism
				Facilitate implementation of FLISP and Social Housing			
				Establishment of business support centre in Ocean View			
				Development of Erf 353 Caravan Park Humansdorp for Mixed Land Use Development			
				Land acquisition for future housing projects			
				Commonage land and agricultural support			
IDP07	1	**REFUSE**	To provide residents of Kouga with proper waste removal services	Procure recycling back centres	Pellsrus, Ocean View, Patensie, Hankey	Unfunded	Community Services
				Upgrading Humansdorp Landfill in line with landfill permit	Humansdorp	Unfunded	
				Procurement of waste fleet and plant	All areas	Unfunded	
				Procurement of skip bins	Sea Vista, Thornhill	funded	
IDP08	1	**PUBLIC AMENITIES**	To provide high quality recreational facilities to residents and visitors to Kouga	Upgrading of caravan parks in the Kouga area	Jeffreys Bay, Yellowwoods, Pellsrus	Funded	Community Services

				Upgrading of ablution facilities			
				Upgrading of community halls	Kwanomzamo, Sea Vista	MIG Funding	
					Kruisfontein, Phillipsville	Internal funding	
				Upgrading of sports fields			
			• To provide suitable accommodation for the municipality to facilitate improved service delivery • To provide council with a well-designed and equipped meeting facility	Finalise the design for the construction of a new municipal building	Jeffreys Bay	Funded	Corporate Services
				Upgrading of Council Chamber in Jeffreys Bay			
IDP09	1	**LED**	• To encourage business development to the residents in Kouga. • To ensure efficient development of urban nodes in Kouga. • To provide recreational facilities to residents and visitors to Kouga • To provide recreational facilities to residents and visitors to Kouga	Establishment of Business Support Centre – Ocean View	Ocean View	Funded	Planning, Development and Tourism
				Precinct Plan Development for Primary and Secondary Nodes. (Jeffreys Bay, Humansdorp and St Francis Bay)	Jeffreys Bay, Humansdorp, St Francis Bay	Funded	
				Restoration of Fisherman gravesite	Pellsrus	Funded	
				Upgrading / Renovation of Phillips Tunnel	Hankey	Funded	
				Procure new vehicle			
IDP10	1	**ENVIRONMENTAL MANAGEMENT**	To provide high quality recreational facilities to residents and visitors to Kouga	Rehabilitate Spit Dune, Kromme River mouth spit and beach in St Francis Bay	St Francis Bay	Funded	Community Services
				Stabilization of Oyster Bay Dunes	Oyster Bay	Funded	
IDP11	3	**ICT UPGRADE**	To improve and integrate IT systems of the municipality to enhance workflows to drive efficiencies	Further development on the current Financial and Other Systems	Municipal area	Funded	Finance
				Procure computer equipment, software and office equipment			
IDP12	1	**WARD DEVELOPMENT**	To provide wards with sustainable projects	Ward Councillor Capital Projects	All wards	Funded	All wards

IDP13	4	**MUNICIPAL BY-LAW ENFORCEMENT**	• To ensure a safe and healthy community • To ensure that the community adhere to by-laws	Municipal By-Law Enforcement	Municipal area	Funded	Community Services
IDP14	1	**FLEET AND MECHANICAL WORKSHOP**	To effectively service, maintain, monitor and replace municipal fleet and equipment.	Establish fleet/mechanical workshop	Humansdorp	Grant transfer	Infrastructure and Engineering

Table 102: Municipal priorities

DRAFT

5.8 PUTTING PROGRAMMES/PLANS/STRATEGY INTO ACTION

5.8.1 KPA 1 – BASIC SERVICE DELIVERY AND INFRASTRUCTURE

The long-term sustainability of the municipal area is of utmost importance. Therefor the efficient provision, operation and maintenance of infrastructure for basic services are crucial. In the municipal context, basic service delivery are water, sanitation, electricity, sewerage and solid waste, and roads and stormwater.

Infrastructure for basic services must be provided to realize the spatial development goals as set out in the spatial development framework (SDF) of the municipality.

KFA1: TRANSPORT, ROADS AND STORMWATER INFRASTRUCTURE

Roads and Transport

Kouga has a developed internal road network providing for good vehicular access to many urban facilities and opportunities. The road network supports a rad-based public transport system by providing an internal as well an external service, connecting the towns with the rural settlements.

Not all formal erven have access to roads. The roads including the national roads running through Kouga is in a very bad condition. Many roads especially in the informal settlements are poor and relatively inaccessible, especially for medical and rescue services. The municipally must make provision for resealing, gravelling or paving and rehabilitation of roads in some of the more seriously affected areas. Although Council's responsibility towards maintenance of roads is that of achieving goals set as KPI standards, there are still many gravel and surfaced roads in the municipal area of jurisdiction that are not up to standard. During the 2014/2015 financial year funding amounting to R 1,947,000-00 was provided for the resealing of surfaced roads on the Operating budget. A total of 46 561 m² of resealing was done during 2014/2015. A Storm Water Master Plan was developed for the entire Kouga area by a professional service provider, which was funded through MISA. The Storm water master plan was adopted by Council on 29 May 2015. The Kouga Roads Forum is functional and meets on a six-weekly basis. The forum is chaired by the Portfolio Councillor for Infrastructure, Planning and Development, while secretarial support is provided by the Provincial Department of Public Works and Roads.

Like the vast majority of local authorities throughout our country, road repair and maintenance remain a challenge due to funding 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. We therefore do not possess the information to do strategic future planning with reference to timeous identification of road maintenance.

There is Limited funding for routine road maintenance and rehabilitation. No funding for capital projects. The construction and surfacing of gravel roads (backlog) are approximately 87, 5 km. It is anticipated that an estimated amount of R 380 000,00 m will be required for the elimination of this backlog.

The growth in population and economic development in the Kouga Municipal area continues to put pressure on the municipal road network. Commuter and tourist related traffic grow and need to be accommodated through continued maintenance and upgrading of existing roads, as well as construction of new roads. The demand for improved roads and public transport especially in rural areas grows daily, and appropriate strategies are required to meet these demands.

Plastic Road Project

An eco-friendly road, a first in Africa, was launched in Jeffreys Bay. A R300 strip of Woltemade was re-tarred using a plastic-infused asphalt mix, which make roads more durable and to help combat plastic pollution and climate change. The same method will be used to construct a new access road to Crossways near Thornhill.

- **Public Transport Services in the Kouga Municipal Area**

❖ **Rail services**

There are no commuter rail services in the Kouga Municipal area.

❖ **Bus services**

- There is currently no Long-Distance Bus Services within the Kouga Area.
- Minibus taxi services operate within the Kouga, Koukamma and Nelson Mandela Metro jurisdictions. Taxi services operate long distance e.g. church trips to other towns (Cape Town etc).

❖ **Scholar transport services**

These services are operational in Kouga especially between Jeffreys Bay and Humansdorp; St Francis Bay to Humansdorp; Loerie/Thornhill to Hankey and Patensie and surrounding farms. Although the responsibility to manage and ensure that the services are being rendered efficiently, the Communities end up holding Council responsible when things go wrong with the services. A joint strategy should be initiated to deal with this challenge.

❖ **Non-motorised transport**

Due to low-income levels in the in the municipality, the population of Kouga must use non-motorised transport as their mode of choice. The non-motorised transport comprises of walking, cycling, and a few animal drawn vehicles in the area. There is generally inadequate provision for pedestrian travel in the municipal area and people mainly walk or cycle on the road shoulders. This put the lives of pedestrians and cyclists at risk. The community of Jeffreys Bay and St Francis Bay have requested to the municipality budget for cycling lanes in future budgets.

❖ **Public transport facilities**

The development of a formal transport facility in the Jeffreys Bay and Humansdorp CBD's could be identified as future projects. The reason for this is that the taxis operate mainly from unmarked, unsurfaced and unsheltered patches of land or in shopping centre's parking areas.

❖ **Aircraft transport**

There is an airstrip in the Paradise Beach which is used for private landing.

❖ **Freight transport**

The exclusively road-based freight transport in the region is almost entirely related to agricultural activity in Humansdorp and the Gamtoos Valley, with considerable seasonality.

Municipal concerns relating to the above public transport services:

- The Kouga municipality is strategically placed between Port Elizabeth and Cape Town and the municipality should reflect this in planning, upgrading and funding of transport.
- A Central bus stop area should be developed for long distance passengers on an area close to the N2.
- Kouga Municipality needs a central taxi terminal to do away with the informal taxi ranks. This need to be funded by the Department of Transport.
- The airfield in Paradise Beach is a strategic facility and the expansion or upgrading will increase the economic viability of the town.
- The tarring or paving of roads in the whole of the Kouga area was also placed as a need on the 5-year IDP public participation.

Storm Water Services

Kouga LM experience storm water problems in several areas within our area of jurisdiction. Flood line studies or investigations have not been done in most of the areas that are currently affected by flooding. The high cost of providing storm water infrastructure is a huge challenge in addressing the situation.

KFA2: WATER AND SANITATION SERVICES AND INFRASTRUCTURE

Water Services

It is a legal requirement that a municipality prepares a Water Services Dev elopement Plan (WSDP) to progressively ensure efficient affordable, economical and sustainable access to water and sanitation services that promote sustainable livelihoods and economic development.

One of the Core objectives of Kouga Municipality is to maintain a reliable water service to all households and to develop water infrastructure to accommodate economic growth and development in the area. The municipality always aspires to achieve the following goals:

- Delivery of sustainable water services
- Integrated water resource management; and
- Efficient and effective water services and institutional arrangements.

The Municipality has developed a Comprehensive Infrastructure Plan (CIP) and close linkages are established between the WSDP process and the information included in the CIP. The availability of water resources and existing infrastructure capacity also need to be considered when planning new infrastructure.

The Present Consumer Quantities are:

TOWN	PUBLIC OPEN SPACE	RESIDENTIAL ERVEN	AGRICULTURE	INSTITUTIONAL/ COMMERCIAL/ INDUSTRIAL	TOTAL
HUMANSDORP	6	5169	1776	2380	9331
JEFFREYS BAY	81	12863	2	1933	14879
ST. FRANCIS BAY	90	3694		422	4206
CAPE ST FRANCIS	9	893		73	975
OYSTER BAY	8	537		39	584
HANKEY		1891	427	859	3177
PATENSIE	7	639	33	239	918
LOERIE		499	2	13	514
THORNHILL/ Gamtoos/ Crossways/ Uitenhage RD	34	1051	278	243	1606
TOTAL					**36190**

Table 103: Consumer quantities

The current system to be operated and maintained is as follows:

WATER INFRASTRUCTURE	
Pipelines	401 km
Pump stations	17
Reservoirs	37

Table 104 : Water Infrastructure

Drought Relief Interventions

A Business Plan for drought relief interventions were prepared and submitted by the District to the Provincial Disaster Management Centre. The business plan covers short term medium term and long term interventions. The application was accepted and the following grants were approved for the Kouga Local Municipality:

Drought – 2018/19 FY (1st Window of Application – 5B)

Kouga Town	Project Description	Project Budget	Allocation
Kouga LM	Groundwater development	**R8 401 000**	**R58 728 000**
Hankey	Groundwater development	**R33 179 000**	
Jeffreys Bay	Development of boreholes	**R4 500 000**	
Humansdorp	Equipping boreholes	**R5 427 000**	
Cape St Francis	Equipping boreholes	**R5 910 000**	
Oyster Bay	Equipping boreholes	**R1 311 000**	

Table 105: Drought Relief Interventions - Window 1

Drought – 2018/19 FY (2nd Window of Application – 5B)

Kouga Town	Project Description	Allocation	Amount Transferred	Amount Spent Jan 2019
Kouga LM	Meter and internal leak audits, repairs to leaks, water meters repairs, reticulation pipe replacement and reservoir level control. Groundwater development	R92 500 000	R37 000 000	R2 763 400

Table 106 : Drought Relief Interventions - Window 2

Sanitation Services

SANITATION INFRASTRUCTURE	
Pipelines	310 km
Pump stations	53
Water treatment plants	8

Table 107: Sanitation Infrastructure

Kouga LM adopted a policy a few years back that the minimum accept standard for sanitation services will be a waterborne system in all areas. Due to the limited funding scenario presently experienced, Bulk Infrastructure rehabilitation is only performed when it is triggered by housing developments. The main funding role players in the provision of Bulk Sanitation Services are the Department of Human Settlements and the Municipal Infrastructure Grant.

Internal reticulation in all areas that is currently serviced by conservancy tanks, needs to be addressed in future because of the increase in volume and the pressure on service delivery it brings during the peak holiday season. The backlog that presently exists at Wastewater Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 Ml/day.

Four (4) levels of sanitation services are provided:

- buckets only for the informal housing areas,
- 47,7% full waterborne,
- 37,1% with septic tanks/conservancy tank
- digesters and or chemical toilets.

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, 17381 of the consumer units are already serviced with full waterborne/small bore sanitation, and 10713 being served by septic/conservancy tanks. As indicated earlier, all the projects being implemented and planned in the Municipality are geared to achieving the above goal. One of the greatest challenges for the Kouga LM has been to ensure that a sustainable form of surface/groundwater can be developed to ensure that this higher level of sanitation be provided.

The municipality's greatest challenge regarding sanitation is to expand the infrastructure to meet future development requirements. There are currently eight (8) wastewater works in the Kouga. A major upgrade is needed at the Wastewater Treatment Works which may result in additional capacity to the currently overloaded works. The bucket system is not yet fully eradicated in the Kouga area. Most bucket systems may occur due to new informal houses being built in informal settlements.

The eradication of the bucket system is one of the main priorities of the municipality. The 12.5% is not an accepted figure as this is unhygienic and poses a health hazard for the communities who is still making use of this system.

Drought Management

In terms of Section 24(b)(iii) of the Constitution of the Republic of South Africa, 1996, everyone "*has the right to have the environment protected, for the benefit of present and future generations, tHRough reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*"

The root causes of vulnerability to drought disaster in South Africa remain a low average rainfall, poverty and inequitable development. Rapid population growth and urbanisation, inequitable patterns of land ownership, lack of education and subsistence agriculrure on marginal land lead to deforestation and environmental degradation, malnutrition and unemployment, all of which heighten vulnerability.

As water agencies, municipalities conticnously investigate opportunities to upsurge resilience and local water supply and its reliability in the opposing face of drought and rising water scarcity, water conservation streategies and the reuse of treated municipal waste water are gathering significant attention and adoption.

All the consumers within the Kouga Municipality receive basic water services at or above RDP standards. Based on the Service Level Policy of Kouga to provide higher level of service, a first order of assessment indicates that Kouga requires R70,5 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 560 million. Kouga Municipality conform to the norms and standards of the Blue drop requirements with regards to water quality.

Borehole water quality in Wavecrest Jeffreys Bay is also not within standards with regards to the presence of Iron and Manganese, and it remains a challenge that needs to be addressed. This has partially been addressed with funding from Department of Water and Sanitation through the ACIP (Accelerated Community Infrastructure Program), whereby exploration boreholes were drilled, existing boreholes refurbished, and a pilot biological treatment plant was constructed at the Jeffreys Bay waterworks with the purpose to remove iron and manganese.

Drought Intervention

The prolonged drought and its impact on Kouga's water sources have prompted the Kouga Council to declare a local state of disaster in terms of the Disaster Management Act (57 of 2002). The declaration was made at a meeting of the Council at Jeffreys Bay last week (31 May) during which the implementation of the municipality's Part C emergency water tariffs was also approved. Drought in Kouga Municipality reclassified as national disaster in Government Gazette No. 41439 on 13 February 2018. Water restrictions and Part B (critical but not emergency) water tariffs have been in place in the Kouga municipal region since December 2016. Drought relief funds were allocated to Kouga Municipality in the amount of R151 m which was Gazetted on 4 October 2018 in Government Gazette No 41958. Funds were allocated as follows:

A. **GROUND WATER DEVELOPMENT GRANT- R 58,728m**

PROJECT NAME	DESCRIPTION SUMMARY	AMOUNT
Patensie water supply	Groundwater development/Boreholes	R 8,401,216.00
Hankey water supply	Groundwater development/Boreholes	R 33,179,000.00
Jeffreys Bay water supply	Groundwater development/Boreholes	R 4,500,000.00
Humansdorp water supply	Groundwater development/Boreholes	R 5,427,708.00
Cape St Francis water supply	Groundwater development/Natural springs	R 5,910,000.00
Oyster Bay water supply	Groundwater development/Boreholes	R 1,311,015.00
TOTAL PROJECT AMOUNT		R 58,728,939.00

Table 108 : Ground Water Development Grant

B. **IMPLEMENTATION OF DROUGHT INTERVENTION/WATER CONSERVATION AND DEMAND MANAGEMENT (WCDM) PROJECTS - R 92,5M**

PROJECT NAME	DESCRIPTION SUMMARY	AMOUNT
KOUGA AREA	Meter and internal leak audit, Repairs to internal leaks (Assistance to the poor ATTP) and water meters. Reservoir level control. Meter replacement	R 15,550,000.00
PATENSIE	Reticulation pipeline replacement; Main line reservoirs to Ramaphosa Village and internal leak repairs	R 10,500,000.00
HANKEY	Reticulation pipeline replacement Replace old AC pipes.	R 11,000,000.00
OYSTER BAY	Reticulation pipeline replacement Replace old AC pipes.	R 450,000.00
JEFFREYS BAY	Refurbish/Upgrade water treatment works	R 35,000,000.00
HUMANSDORP	Augmentation of Kruisfontein water supply	R 20,000,000.00
Total project amount		R 92,500,000.00

Table 109: Drought Intervention demand management

The municipality has embarked on the following drought interventions:

- Received R90 000 from Gogta to drill boreholes in Oyster Bay.
- Received R1 000 000 from Gogta to drill boreholes in Patensie and Hankey.
- Received R1 000 000 from the Sarah Baartman District Municipality to drill boreholes in the Kouga area.
- Total amount allocated on adjusted Drought Intervention Budget amounts to R11,34 million (above funds plus internal funds.
- Boreholes established:
  - Hankey – 2
  - Oyster – 2
  - Jeffreys Bay – 3
  - Patensie – 2
  - Humansdorp – 2
  - St Francis Bay - 1

- Established 5 000 litre Rainwater Harvesting Tanks at:
  - Hankey Secondary School – 8
  - Hankey Primary School (Phillipsville) – 5
  - Hankey Primary School (other) – 8
  - Hankey Satellite Fire Station – 4
  - Hankey Municipal Officers – 6

KFA3: ENERGY SUPPLY EFFICIENCY AND INFRASTRUCTURE

Electricity Services

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, where at each town a bulk supply is taken from the Eskom grid. 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 township, which includes street lighting and supplying pump stations, etc. Hankey, Patensie, Loerie and Thornhill also fall within the municipal boundaries, but consumers in the first three (3) towns are serviced with electricity by Eskom, and Thornhill by the Nelson Mandela Municipality.

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 accepted norms. In order to reduce the financial burden on consumers, particularly in terms of the capital requirements for new distribution networks, applications are made to all relevant institutions for financial assistance in a well-planned manner. The Electricity Service Delivery and maintenance Management Plan was adopted in 2014 and needs to be reviewed and updated.

The Kouga Municipality has adequate capacity to deliver electricity in the short term but the following main electricity infrastructure network, the 66kV overhead line between Eskom's Melkhout Substation at Humansdorp and the Municipality's Main Intake Substation at Jeffreys Bay need attention to provide a more reliable supply. This line is of wooden pole construction, it is a single circuit line currently being replaced with a dual circuit, i.e. no standby if fault occurs. This will require an investment of approximately R27 mil to rectify and to provide full standby capacity (second line). The main intake substation St Francis Bay is to be upgraded and several items of remedial work are required. Some of the upgrading work was also not completed in the past due to lack of funds.

There are small sections of electrical distribution networks in Jeffreys Bay, Humansdorp and St Francis Bay, which requires remedial work and upgrading. Hankey, Patensie, Loerie and Thornhill fall within the Kouga Municipality boundaries, but the consumers in the first three (3) towns are serviced with electricity by Eskom and Thornhill by the Nelson Mandela Metropolitan Municipality. The Kouga Municipality is the registered supply authority for Humansdorp, Jeffreys Bay, Cape St Francis, St Francis Bay and Oyster Bay, where at each town a bulk supply is taken from the Eskom grid. 32 high mast lights have been installed to provide a safe environment for all communities in the Kouga Municipality. Eskom has upgraded the 132KV Line to Melkhout and has built an additional 132KV line which has freed up considerable electrical capacity. A Master Plan will be drafted on the electricity network to different towns on the Kouga grid. High mast lights should form part of the draft in the different wards and submitted for MIG funding as some of the wards have a need for high mast lighting.

The Kouga Municipality has finalized agreements and paid out landowners to secure the servitude for the 6kV overhead line across their properties. The municipality has paid Eskom for a second 66kV Transformer and switching bay at Melkhout substation to accommodate the second feeder on the electrical infrastructure.

Kouga municipality are in the process of looking for alternative energy generation to reduce power failures and to curb load shedding for their consumers. This will improve economic development activities in the area with a more sustainable energy supply which will also contribute to the reduction in the carbon footprint and the drive towards a green economy.

Wind Farms

Six (6) Coastal Windfarms have been established in the Western part of the Sarah Baartman District area of which 4 are in the Kouga municipal area:

- Kouga
- Jeffreys Bay
- Gibson Bay
- Oyster Bay
- Metro, and
- Tsitsikamma

4 Wind Farms are currently operating in the Kouga area. The area is strategically placed from a wind resource and grid connectivity perspective, to play a key role in the provision of renewable energy on a national level. Generally, wind generating facilities dominate with small proposals for solar PV. Implementation of renewable energy is based on the Renewable Energy Land Use Policy as per the SDF. These windfarms are committed to support in terms of social responsibility. For example, Kouga wind farm has a development on the primary nodal areas of Umzamowethu, Sea Vista Township and St Francis Bay, Kwanomzamo and Kruisfontein in Humansdorp.

Some of the projects that Kouga windfarms have sponsored are:

- Jeffreys Bay mom and baby clinic
- Sea Vista boys brigade
- St Francis hospice
- Kwanomzamo crèche
- Drug Rehabilitation centre in Humansdorp
- Sea Vista Library
- Computer lab in school

Kouga Windfarms requires the following assistance from Kouga Local Municipality:

- Sea Vista library with an IT Section.
- School after care/ extra mural activity program: dance classes, lifesaving club, sports etc.,
- Learners & drivers licence program: teaching unemployed youth learners and license.
- Kikwete crèche upgrade.
- Wilderness foundation program: selection of students who are doing grade 12 for skills development and after completion they are placed into jobs.
- Financial intelligent training: management of money, saving and budgeting.
- Bicycle path between Humansdorp and St. Francis Bay.
- Assisting students who failed grade 12 and wish to rewrite grade12, community involvement is needed.

The LED department works closely with the Wind Farms on their social economic development projects as well as preparing the youth for careers in this discipline such as facilitating career expo's and exhibitions, advocacy for bursaries for learners and university students. The department also assists in facilitating training for SMME's in preparation of services needed in wind farm development.

DRAFT

KFA4 : PROJECT MANAGEMENT

Municipal Infrastructure Grant Management

The total indicative MIG grant funding as published in the Division of Revenue Act (DoRA) for the 2019/2020, 2020/2021 and 2021/22 financial years amounts to R37 146 000.00, R31 578 000.00 and R34 069 000.00, respectively. As per the MIG guidelines 5% of the allocation is for the operational budget to the MIG Unit for the 2019/2020, 2020/2021 and 2021/2022 financial years and amounts to R1 588 550.00, R1 578 900.00 and R 1 703 450, respectively. The balance of the funding is allocated for capital projects and is split as per the MIG guidelines as per table below.

MIG Capital Project List

Project Name	Ward	Consultant Appointed	Approved MIG Budget	Proposed 2019/20 Budget	Proposed 2020/21 Budget	Proposed 2021/22 Budget	Status	Comments
Allocation				37 146 000	31 357 000	33 386 000		
PMU				1 588 550	1 578 900	1 669 300		
B Component								
Patensie Sewage Package Plant	10	Zutari	15 103 564.11	6 497 950.73	8 365 371.63	0.00	Construction	
St Francis Bay WWTW upgrade	12	SRK Consultants	53 745 039	14 962 913.50		0.00	Completed	
Upgrading of sanitation system in Hankey	9,13	JG Afrika	47 180 000	500 000	14 357 567.15	10 615 000.00	Tender	PSP Appointed
Upgrading of Gravel Roads	Kouga	To be appointed	0.00	418 204	1 999 999.50	16 344 200.00	Registered	
P Component								
Sport Facilities	1,2	None	29 757 396	6 399 288.50	4 499 865.00	4 757 500	Construction	Pellsrus Sports Field Completed Sea Vista Sports Field contractor appointed.
Upgrading of Sport field in Kwanomzamo	6,15	Bosch Projects	6 225 000	6 225 000	0.00	0.00	Tender	PSP Appointed
E Component								
LED (Social institutions & micro enterprise infra-structure)	9,11	To be appointed	3 955 496	1 404 094		250 000.00	Tender	Informal markets for SMME's in Jeffreys Bay and Hankey

Table 110: MIG Capital Project List

Expanded 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.

The purpose of the Extended Public Works Programme is to:

- Address the issue of unemployment and poverty,
- Create temporary work for the poor, unskilled unemployed people,
- Provide some income for a certain period to feed their dependants,
- Provide work experience, and
- Provide accredited and unaccredited training.

Non- Financials

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	54
2 (October – December 2019)	19	53	111
3 (January – March 2020)	20	87	194
4 (April – June 2020)	3	1	217
TOTAL	**65**	**82**	**576**

Table 111: EPWP Non-financials

Financials

The total amount transferred to Kouga Municipality amounts to R1 013 000.00, and was distributed in 3 tranches as follows:

- August – R 255 000.00
- November – R 455 000.00
- February – R 303 000.00

Spending Schedule:

The Expanded Public Works Programme Incentive Grant Funds received for the 2019/20 financial year were spent as follows:

MONTH	AMOUNT
July 2018	R 109 316.00
August 2018	R 123 315.00
September 2018	R 98 917.00
October 2018	R 119 262.00
November 2018	R 100 365.00
December 2018	R 341 486.00
January 2019	R 120 339.00
February 2019	R0.00
March 2019	R0.00
April 2019	R0.00
May 2019	R0.00
June 2019	R0.00
TOTAL	**R1 013 000.00**

Table 112: EPWP Spending schedule

Total Amount spend from integrated grant – R1 013 000. The current expenditure is 100%.

Projects implemented or assisted with over the mentioned period:

PROJECT	Yes/No
Jeffrey's Bay Environmental	**Yes**
Jeffrey's Bay Infrastructure	**Yes**
Humansdorp Environmental	**Yes**
Humansdorp Infrastructure	**Yes**
St Francis Bay Environmental	**Yes**
St Francis Bay Infrastructure	**Yes**
Gamtoos Environmental	**Yes**
Gamtoos Infrastructure	**Yes**
Data Capturing	**Yes**

Table 113: EPWP Projects

❖ **Challenges**
- Under and non-reporting by other internal departments
- Non-submission of certified documents
- Training and reporting on the information system

❖ **Recommendations**
- Inclusion of performance targets of senior managers
- Department of Public Works to facilitate the enrolment of all EPWP Champions as Commission of Oaths
- One on one training to be conducted on information system

KFA5: EQUIPMENT AND FLEET MANAGEMENT

In order to render effective services, the municipality must have an effective Fleet Services Unit to maintain, monitor and replace municipal fleet and equipment. Municipal fleet and equipment are managed well by the municipality. Equipment and fleet consist of heavy plant, refuse compactors, trucks, light delivery vehicles, passenger cars and small plant equipment.

It is the Fleet Department's responsibility to suitably enforce the Fleet Policy and to ensure that misuse and negligent behaviour of municipal workers with regard to the use of vehicles will not be tolerated. It is also the department's responsibility to make sure that all the vehicles in the fleet are operational and in proper running condition in compliance with traffic rules and regulations to ensure that Kouga Municipality can render a high standard of service delivery within the community.

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.

The fleet department has done tremendous work in refurbishing old vehicles, trucks, cherry picker, tractors, tankers as well as upgrading the mechanical workshop.

Departmental achievements during the 2019/2020 Financial year:

- 3 (three) trucks received recondition engines which were done by the Municipal Workshop staff.
- Municipal Machenics rebuilding an Isuzu L.D.V engine, a total of four engines had been rebuilt.
- Installed an electrical motor at gate in j/bay municipal yard for better access control.
- Repaired water supply to wash bay facility for trucks in j/bay municipal yard.
- Installed 15 cameras in fleet section [admin offices and workshop area].
- Procured a total of 22 new vehicles.
- Upgrading of store facility in Jeffreys bay Municipal yard

The challenges in the fleet department, to keep the fleet up and running for the line departments so that proper service delivery can be rendered to Kouga Community, is huge. Most challenging is the need to achieve the best service with limited staff. The current fleet is in a 99% running condition and all relevant departments basic needs are met except for CS which needs two new skip trucks and two tipper trucks and a landfill compactor for the refuse sites, three sewerage trucks need to be replaced.

KFA6: SOLID WASTE MANAGEMENT AND INFRASTRUCTURE

Most households in Kouga have access to refuse removal at least once a week by the municipality, 83,5%, in terms of a collection programme compiled by the municipality. The refuse is transferred to landfill sites in Humansdorp and Hankey which complies with the national landfill and disposal management requirements. The Integrated Waste Management Plan was developed during the year 2017/2018 IDP period.

Kouga has purchased 240l wheelie bins with serial numbers to ensure more efficient service provision and revenue accuracy. The serial number will assist the municipality to identify bins that are lost, stolen or illegally serviced. This will result in improved operational efficiencies and more effective management of labour, vehicles and services.

Kouga will aim to further enable the re-use or recycling of waste materials into economic resources, at the same time reducing waste to landfill, and contributing to a resource-efficient economy by continuing to implement various waste minimisation and recycling projects across the municipality. These include the drop-off sites in Jeffreys Bay, Oyster Bay and St Francis Bay and a planned one for Paradise Beach.

The staff complement of the environment and waste related functions reflect as follows:

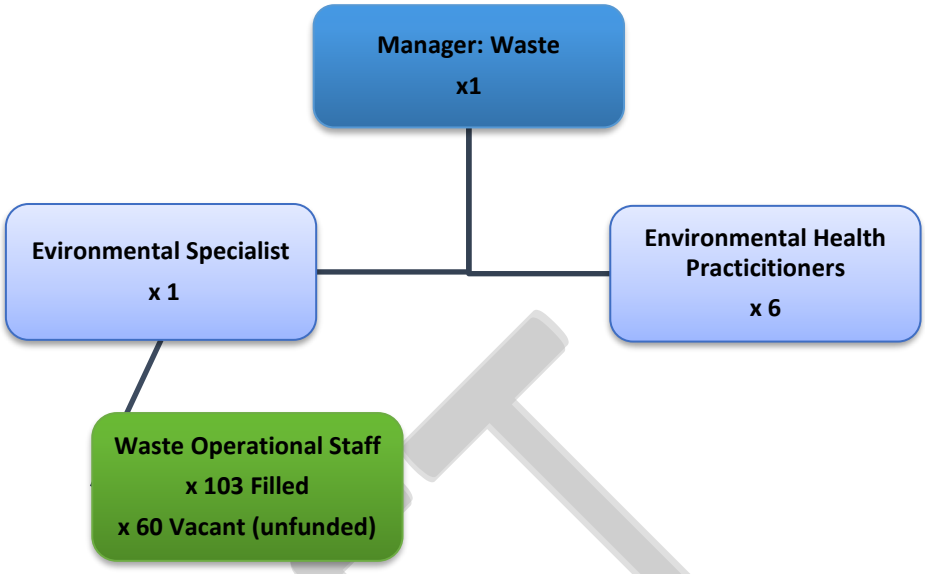


Figure 37: Environment and Waste staff

KFA7: MUNICIPAL AND PUBLIC FACILITIES

Cemeteries

Kouga cemeteries are under severe pressure as many cemeteries are full especially those in the low-cost areas. Thornhill, Patensie Ramaphosa, Hankey Centerton Cemeteries are full to its capacity and is a huge challenge for Council and the Community.

A process of land acquisition should be embarked on as the outcry for land has become more than serious. Some of the cemeteries are not fenced and it leaves it open for vandalism of gravesites, roaming of stray animals and hide-out for criminals. The tender for fencing cemeteries has been finalised and cemeteries earmarked for fencing are C- Place in Jeffreys Bay and Centerton in Hankey. Milton Cemeteries has been identified for Hankey residents and they have started to make use of it.

The tender process for the Environmental Impact Assessment (EIA) for the development of new cemeteries is at advertisement stage and it is envisaged that a period of 6 to 18 months will be taken for the process to be completed / finalised.

Caravan Parks and Community Halls

Kouga in its nature of location is an attractive tourist destination. It is therefore imperative that the municipality play's an important role in the facilitation of accommodation and security of its visitors. Some of the caravan parks are run at a loss, especially the Ben Marais Caravan Park in Humansdorp which was burnt down by the Ward 6 & Ward 15 residents, the Pellsrus and Jeffreys Bay Caravan Parks in Jeffreys Bay are being maintained on a yearly basis. There has been a huge improvement on the income generated of the Pellsrus Caravan Park and Jeffreys Bay Park.
Maintenance of the play parks has been voiced by most of the wards during the public participation process hence a tender to procure play parks was advertised and the procurement of play parks to be installed soon. The municipality has addressed it in an inclusive strategy that can service all play parks in the area.

Most of the facilities in the Kouga area are in dire need of upgrading and maintenance especially the community halls, sports fields and play parks hence a maintenance strategy was developed to address the needs. The development of additional multi-purpose facilities is crucial in that there is not enough space to accommodate all sports as well as for practice sessions and fixtures. There is also not a dedicated human resource allocation for the upkeep of and maintenance of sport facilities, Caretakers for the various areas were appointed.

All community halls in the Kouga Area have been maintained during the 2018/19 financial year. Wards 3 and 14 is need of community halls. The need is captured in the ward priority list of the respective wards.

Sports and Recreational Facilities

The following parks and recreational facilities are available in the Kouga Municipal Area:

LOCATION OF PARKS AND RECREATIONAL FACILITIES				
Sport facilities	**Play parks**	**Libraries**	**Community halls**	**Caravan Parks**
Jeffrey's Bay Cricket Grounds	Kwanomzamo	Jeffreys Bay Tokyo Sexwale Modular	Newton Hall	Jeffreys Bay Caravan Park
Pellsrus Sport grounds:	Arcadia	Patensie Mbuyuseli Nkonsinkulu	Pellsrus Community Hall	Pellsrus Caravan Park
Tokyo Sports grounds	Gill Marcus	Humansdorp Ukhanyiso Kruisfontein 7de Laan Container	Aston Bay Hall	Ben Marais / Humansdorp Caravan Park
Kruisfontein Sport grounds:	Wavecrest	Hankey South Hankey North N B Mathodlana	Kruisfontein Civic Centre:	Gamtoos Mouth Caravan Park
Country Club Sport field	C-Place	Thornhill	Country Club	Yellowwoods
	Pellsrus	Loerie	Kwanomzamo Hall	Loerie Nature Reserve
			Vergenoeg Hall	
Sea Vista Sport-grounds	Loerie	Sea Vista	Sea Vista Hall	
Centerton Sports grounds			Oyster Bay Hall	
Hankey Cricket Pitch			Andrieskraal Hall	
Phillipsville (old Hankey) Patensie Sports ground			Vusumzi Landu Hall	
Weston Sports ground			Patensie Dan Sandi Hall	
Loerie Sports ground			Weston Hall	
Thornhill Sports ground			Loerie Hall	
			Thornhill Hall	

Table 114: Parks and recreational facilities

Kouga has rehabilitated twelve (12) sport fields over the period of five (5) years.

Below is the list of Sport fields:

FACILITY NAME	WARD	COMMENT
Kruisfontein Sport-grounds:	4	Rehabilitation of The Kruisfontein Sport field is completed. 518m fence was not erected
Jeffrey's Bay Cricket Grounds	3	To be rehabilitated
Pellsrus Sport-grounds:	2	Rehabilitated during 2019/20 budget cycle (MIG) Completed
Tokyo Sportsgrounds	14	To be rehabilitated
Patensie Sportsgrounds	10	To be rehabilitated
Phillipsville (Old Hankey):	9	To be rehabilitated during 2021/22 budget cycle (MIG)
Centerton Sports grounds:	9	**Rehabilitation completed during the** 2015/16 budget cycle but vandalized again
Weston Sport grounds:	18	To be rehabilitated during 2018/19 budget cycle. Not yet handed over
Loerie Sports grounds:	7	To be rehabilitated
Thornhill Sports grounds	7	**Construction completed 2016/17**
Sea Vista Sport grounds	1	To be rehabilitated during the 2020/21 budget cycle (MIG)
Hankey Cricket Pitch	9	To be rehabilitated during 2022/23 budget cycle

Table 115: Sports facilities

Beaches

The Blue Flag was awarded to Kouga Municipality for the 12th (twelfth) consecutive year. The Blue Flag status is a major economic boost for local businesses and creates a number of seasonal employment opportunities. The Management of the Blue Flag Programme reinforces a high quality of standards and quality of services e.g. water quality and safety services and information. The daily operation at the beaches is from 09:00 – 22:00 for seven days a week.

Cape St Francis is in its 3 (third year) of a pilot status. Future is to develop the infrastructure of the beach in order to get a full blue flag status. The pilot phase for the past 2 (two) seasons was implemented successfully however, comments were received to recommend a green flag status for Cape St Francis Beach.

Our safety management plans were executed successfully by Sea Rescue, SAPS, Private Care Ambulance Services and Metro Ambulances. As more tourist flock to the Blue Flag Beaches, they become more exposed to criminal activities e.g. pick pocketing. A Beach Committee was established in 2012 and is still functioning well and comprise of the Beach Manager, Coast Care Project Manager, APD and coastal ward councillors.

Effective supervision of waste collecting, and cleaning of beaches remains a challenge on both beaches Pellsrus and Dolphin (Blue Flag) due to broken trucks. Dolphin Beach was again awarded as the best beach in the Eastern Cape for 3rd consecutive years. Boardwalks were renovated to prevent dune deterioration and as a part of environmental management. The following projects were completed, and some are still in progress by Greeco Pty through the Coast Care project on behalf of the Department of Environmental Affairs:

- Coastal clean-up (Daily clean-up of all beaches in business plan)
- Mass Employment

KFA8: SAFETY AND SECURITY

Section 12 of the Constitution prescribes that every person has the right to safety and security and subsequently, the strategic objective to strongly focus on ensuring a safe and secure environment for the people who live in the Kouga as well as visitors to the area. The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential derail both social and economic prosperity. **There are 6 police stations in the Kouga area namely, Humansdorp, St Francis Bay, Jeffreys Bay, Hankey, Patensie and Thornhill.**

The Community Police and Safety Forum focus each year on the effective implementation of the following joint national and local crime prevention campaigns:

- Child Protection Week
- 16 Days of Activism against violence against women and children
- International Drug Awareness Day
- Victim Support Programme
- Substance Abuse Awareness Programmes
- Holiday Programmes

There are a marked shortage of taxi ranks in the Kouga area and should be addressed by a needs analysis and identified demarcated areas.

KFA9: DISASTER MANAGEMENT

The Disaster Management Act, 2002 is a legal instrument that provides coherent and transparent information with an aim of reducing, minimizing and preventing disaster through risk assessment and mitigation strategies. This can be achieved by excellent communication and expertise of different services, access of funds and access to sufficient resources.

Priority will be given to development measures that reduce the vulnerability of disaster-prone areas, communities, agriculture and infrastructure within each line function. Disaster Management is also responsible to promote disaster management training and community awareness to reduce vulnerability to communities most at risk. The ability to respond quickly and effectively will depend on good preparation.

Emergency Preparedness:

- This plan is designed to establish the framework for implementation of the provisions of the future.
- The purpose of this plan is to outline procedures for both the pro-active disaster prevention and the reactive disaster response and mitigation phases of Disaster Management.
  It is intended to facilitate multi-agency & multi-jurisdictional coordination in both proactive and reactive programs.

Risk reduction

- Risk awareness programs
- Risk prevention programs
- Formal and informal training with regard to emergency services and disaster relief
- Research in formal and informal settlements with regard to location, growth and development
- Upgrading of vehicles, equipment and protective clothing

Section 53 (1) of the Disaster Management Act, 57 of 2002 requires that each municipality must prepare a disaster management plan for its area.

The disaster management plan for a municipal area:

- Forms an integral part of a municipality's IDP.
- Anticipates the types of disasters that are likely to occur in the municipal area and their possible effect.
- Places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities, and households.
- Seeks to develop a system of incentives that will promote disaster management in the municipality.
- Identify the areas, communities, or households at risk.
- Considers indigenous knowledge relating to disaster management.
- Promotes disaster management research.
- Identifies and address weaknesses in capacity to deal with disasters.
- Provides for appropriate prevention and mitigation strategies.
- Facilitates maximum emergency preparedness; and
- Contains contingency plans and emergency procedures in the event of a disaster.

Covid-19 Pandemic

The Covid-19 virus was declared a global pandemic by the World Health Organisation (WHO). South Africa registered its 1st positive case on 5 March 2020. Having considered the magnitude and severity of the virus and the possible future impact thereof in South Africa, the Minister of Corporate Governance and Traditional Affairs on 15 March 2020 officially declared a national state disaster as per Section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

The President of South Africa, Cyril Ramaphosa announced a nationwide shutdown which came into effect on 27 March 2020.

According to Government Gazette 43147 (Section 6.3.2) and the Disaster Management Act, 2002 (Act 57 of 2002), section 27 (2) it directs that municipalities:

- Prepare and roll out awareness campaigns on Covid-19, using available media platforms (print, radio and social media), to the public within their area of jurisdiction.
- Ensure that communication materials include details on prevention methods, identification, infection control, local reporting channels and emergency contacts in order to raise public awareness and encourage appropriate preventative behaviours and practices.
- Conduct advocacy and awareness programs on the prevention and control of Covid-19 and establish communication protocols for the reporting of cases relating to employees and councillors.

The municipality communicated all the national / provincial statements related to the community through social media in terms of their safety.

The municipality established a Joint Operational Committee comprising of different sections in the municipality which was chaired by the Municipal Manager.

KFA10: EMERGENCY MANAGEMENT

Fire Services

The Kouga Municipality's Fire and Emergency Service is a service orientated organisation dedicated to the saving of lives and the property of all residents within the boundaries of the Kouga and beyond. This is achieved through active consultation with communities, business, schools, non-governmental organisations and Ward Committees and via various means of communication with residents.

According to the Fire Brigade Services Act, 99 of 1987, as amended, the mandate of the Fire and Emergency Services is the following:

a) Preventing the outbreak or spread of a fire.
b) Fighting or extinguishing a fire.
c) The protection of life or property against a fire or other threatening danger.
d) The rescue of life or property from a fire or other danger.

The Fire & Emergency Services of Kouga Local Municipality must cover an area of 2 669.82km², which include the following towns:

- Jeffreys Bay
- St Francis Bay
- Oyster Bay
- Humansdorp
- Hankey
- Patensie
- Loerie
- Thornhill
- Aston Bay
- Paradise Beach

For this Department to render services to all areas, the satellite fire stations need to be established throughout the Kouga jurisdiction. Satellite fire stations are established in the following areas:

AREA/LOCATION	NUMBER OF STAFF	NUMBER OF VEHICLES
Hankey - Corner of Main & Damon Streets	8	1
St Francis Bay - St Francis Drive	8	2
Jeffreys Bay - St Croix Street	12	3
Humansdorp - R 330 – Hankey road	12 4 control room operators	4

Table 116: Satellite Fire Stations

The management function includes:

- 1 x Chief Fire Officer
- 2 x Station Commanders
- 1 x Platoon Officer
- 1 x Admin Officer

DRAFT

Total staff component for Fire & Emergency staff

- 43 fire fighters
- Control Room Operators
- 1 Admin Officer

Total of fire services rendered:

	CATEGORY	ANNUAL
1.	**NUMBER OF FIRES AS FOLLOWS**	
	Buildings	**7**
	Dwellings (formal - brick & mortar)	**7**
	Informal dwellings (shacks/mud/hut etc.)	**58**
	Electrical	**1**
	Rubbish	**24**
	Vegetation	**86**
	Transport (cars/busses/trains/aircraft/ship)	**6**
	Other (not specified above)	**5**
2.	**Number of special services**	
	Accidents (cars/busses/trains/aircrafts etc.)	**72**
	Rescue (people/animals trapped/lost from machinery or water etc.)	**1**
	Spillages (oil, diesel on road services)	**0**
	Miscellaneous (any other not specified)	**8**
	Hazmat spillages (chemicals etc.)	**0**
3.	**Number of ancillary services**	
	Provision of potable water	**0**
	Locked premises	**0**
	Any other types of humanitarian services	**0**
4.	**Number of no services**	
	Extinguish before arrival	**0**
	False alarm good intent	**2**
	False alarm malicious	**3**
	TOTAL	**280**

Table 117 : Total of fire services rendered

Fire Staff Training

External training	Number of staff completed	Percentage
Fire Fighter 1	**39**	**93.02%**
Hazmat Awareness	**39**	**93.02%**
Level 3 First aid	**39**	**93.02%**
Fire Fighter 2	**33**	**76.7%**
Hazmat Operational	**33**	**76.76%**

Table 118: Fire Staff Training

The fire department is responsible for the following activities:

- 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 services

The following are departmental achievements:

- Establishment of a Fire Risk Reduction committee in St Francis Bay
- Procurement of two fire fighting vehicles to the value of R 4 974 119.20
- Procurement of hydraulic equipment to the value of R 300 000.00
- Fencing of Hankey satellite fire station to the value of R 200 000.00
- Fire fighter 1, Hazmat Awareness and First Aid Level 3 training for 3 employees
- Fire fighter 2, Hazmat Operational training for 3 employees
- Fire Risk assessment and prevention training for 1 employee
- Basic Excel course for 3 employees
- CPMD training for 9 employees
- Procurement of fire fighting equipment to the value of R 145 000.00
- Appointment of one (1) Control Room Operator

The following are departmental requirements:

- Establishment of satellite fire stations in Thornhill and Oyster Bay
- Additional vehicles and equipment
- Appointment of additional staff

A full-time professional Fire Service will provide support to nearby towns and areas with experience, operational support, training, awareness programs, demonstration, fire prevention, law enforcement. The most important advantage of an integrated fire service is the rapid deployment of specialized vehicles, equipment and staff to all areas or towns throughout the district with less duplication and cost.

To determine the level of fire services in a particular area or town, it would be necessary to categorise these areas/towns in the Kouga region.

Lifesaving Services

During the past two (2) years we have made great strides as the lifesaving department in Kouga and have seen many positive achievements. This past year stands out as the most significant because it was the first time that Kouga lifesaving appointed twenty-two (22) locally trained youth from the Kouga Community.

DRAFT

The most important strategic objectives where pleasing progress has been made:

- We have continued to set up and maintain partnerships with the local N.S.R.I.
- We continued to develop our drowning prevention programme.
- Our initiative to train and register members from the community is an added advantage as it resolved a lot of issues.
- We continue to strive for a non-drowning culture in the Kouga jurisdiction.

We try to improve our drowning prevention awareness and education at school and municipal level. During the festive season with the influx of people to Kouga beaches, visitors to the beaches were made aware about their safety and what to do during and incident. Our lifeguards conducted daily visible patrols on all Kouga`s beaches and interacted with the bathers to warn them about the dangers when swimming. These duties were rendered successfully despite the lack of facilities. The NSRI volunteers that back up the lifeguards have been responding to several people in difficulty close to the shore. These rescues were predominantly for people caught in rip currents on beaches with no lifeguards.

Two (2) Senior Lifeguards were appointed to manage the fifty-two (52) seasonal lifeguards, of which twelve (12) were assigned to the blue flag beach, and thirty-eight (38) to the rest of the beaches as well as two (2) shark spotters. All lifeguards were issued with uniform that identified them as Kouga lifeguards. The rest of the beaches included the following beaches:

- Cape St Francis Bay
- St Francis Bay
- Oyster Bay
- Kabeljous
- Pellsrus Beach
- Aston Bay Beach
- Paradise Beach
- Paradise Lagoon
- Gamtoos

The following are December 2020 emergency call-outs statistics for the department:

AREA	KEY PERFORMANCE AREAS					
	Rescues	Administering First Aid	CPR	Help outs	Drowning	Near drowning
St Francis main	**1**	0	**6**	0	0	0
Granny's Pool	0	0	0	0	0	0
Cape St Francis	0	0	0	0	0	0
Oyster Bay	0	0	0	0	0	**1**
Dolphin Beach	0	**4**	**11**	0	0	0
Checkers Beach	0	0	0	0	0	0
Kabeljous	0	0	0	0	0	0
Pellsrus Beach	0	0	0	0	0	0
Aston Bay	0	0	0	0	0	0
Lagoon	0	0	0	0	0	0
Paradise Beach	0	0	0	0	0	0

Table 119 : Emergency call-outs

DRAFT

The following are departmental requirements:

- Appointment of a crew leaders to manage the rest of the beaches.
- Procurement of lifesaving Inflatable Rescue Boat (Rubber Duck)
- Procurement of lifeguard shelters
- Procurement of lifesaving equipment

KFA11: TRAFFIC, VEHICLE LICENSING AND PARKING CONTROL

Traffic Services

Traffic Law Enforcement is functions in accordance with the National Department's rules and regulations, and the National Road Traffic Act 93 of 1996 and the Criminal Procedure Act 51/1977. Eight traffic officers are patrolling national, provincial and local roads/streets on a daily basis. Six trained officers are doing office bound work, as it became essential to develop their skills in other areas e.g. examiner of driving licences and eNatis registration.

The Kouga municipality acts as an agent for the Department of Transport to render registration, licensing and driver and learner licensing services and render registration and licensing of new and second-hand motor vehicles. Driving License testing centre in Humansdorp is a grade B testing centre which mean that only motor vehicles and heavy motor vehicles can be tested except motorcycles. The Hankey Centre is only a grade l (one) testing centre where only learner's licenses can be issued.

Traffic Law Enforcement functions is in accordance with the National Department's rules and regulations, and the National Road Traffic Act 93 of 1996 and the Criminal Procedure Act 51/1977. Eight traffic officers are patrolling national, provincial and local roads/streets on a daily basis. Six trained officers are doing office bound work, as it became essential to develop their skills in other areas e.g. examiner of driving licenses and e-Natis registration. The centers are currently servicing the Kouga and parts of Koukamma areas and as far as Port Elizabeth.

The following services are available:

- Renewing of driving licenses
- Conversion of driving licenses
- Professional driving licenses
- Appointments for learner/driving licenses.

Other services are:

- Free roadworthy tests during festive season.
- Arrive Alive awareness programs annually.
- Scholar Patrols are monitored on a daily basis.

The following Primary Schools are rendering Scholar Patrol services:

- Gamtoos Primary School -Patensie
- Hankey Primary School
- Graslaagte Primary School
- St Patricks Primary School
- Stulting Primary School
- Mzingisi Primary School
- Sea Vista Primary School

- Jeffreys bay Primary School
- Makhukanye Primary School
- King College Jeffreys Bay

Vehicle Pound and Traffic Fines

18 illegal taxis were confiscated and impounded during the period in review.

TRAFFIC FINES	2018/2019	2019/2020	2020/2021
Seatbelts	469	792	228
No Driving License	438	1046	664
Learner License	53	58	23
Cellphone Driving	113	70	14
Expired Driving License	334	290	-
Defective Unroadworthy vehicles	291	320	116
Manual Speed	396	286	136
Overload of vehicles	56	59	32
Drunk and Driving	14	22	4
Camera Speed	43129	-	-
Parking Offenses	296	67	15
No Operating License	-	127	30
TOTAL	45589	3137	1262

Table 120: Vehicle pounds and traffic fines

Public Transport

3 Traffic Officers daily enforce the National Land Transport Act on public Transport in the entire Kouga Municipal areas. Taxi operations were held every week between the South African Police Services and the Kouga Municipality Traffic Law Enforcement Officers.

Registration and Licensing

The Registration and Licensing Section serves the whole of Kouga and surrounding areas with the Registration and licensing of new and secondhand vehicles.

REGISTRATION & LISENCING 2019/20	HUMANSDORP 2019/2020	2020/2021	HANKEY 2019/2020	2020/2021
Applications for Roadworthy (heavy MV)	8	39	-	-
Applications for Roadworthy (light MV)	41	75	-	-
Applications for Roadworthy (motorcycles)	17	-	-	-
Roadworthy Certificates issued	296	82	-	-
Application for Special Permits	35	6	9	2
Application for Blank Permits	11	8	-	-
Duplicate BRNC issued	41	5	-	-
Duplicate TRN issued	9	5	-	-
Duplicate Registration certificates issued	193	176	24	6
Motor Vehicle Licenses	8 231	8 313	2 123	1 295
Motor Vehicle Registrations	1 781	1 091	339	86
Registration Penalties		146		23
Confirmation of Motor vehicle info	3	-	-	

Issued MTN	3		3	
Allocate PLN to vehicles	12		4	
Arrears and Penalties on Licenses				
Transaction Fees				
Allocate SLN to vehicles	7		1	
De-registration of vehicles	96		37	
TOTAL	**10 784**		**2 540**	

Table 121: Registration and licensing

DRIVERS LICENCE	HUMANSDORP	HANKEY
Driving licence Renewal applications	2259	
Learner Licence Test Applications	2133	23
Driver Licence Test Applications	2827	
Temporary licence	2287	
PDP's	502	

Table 122: Drivers Licence

Taxi Rank at Corner OF Du Plessis and Bureau Street ablution facilities

During an operation in August 2020 illegal taxis were removed from Shoprite parking area. Regular upgrading was done on the ablution facilities to prepare the taxi rank for the operating procedures. Taxi meetings were held every month to discuss challenges. Consent use agreement was completed with HTA. Three (3) containers on the premises are still on the premises.

Training of Traffic Officers to Identify Operating Licences

Training took place on March 2020 arranged by Department of Transport under leadership of Mr. Siwa. The following departments were presented during the training session:
Kouga Local Municipality Traffic Law Enforcement Officers, Department of National Public Prosecution, Department of Transport and Justice dept.

Vehicles/ Staff

The Safety & Security department received 1 new vehicle to perform official duties. Eight (8) Contractual Traffic Officers were appointed for a period of one year to assist with Disaster Management Act. and Covid - 19.

AARTO (Administrative Adjudication of Road Traffic Offences Act)

The Implementation date for AARTO is envisage for later date to be announce by the Minister of Transport, however the department is facing the following challenges:

- All Traffic Officers and back office staff need to be trained.
- All computers software needs to be updated.
- The department not ready for the AARTO.
- The registration process of the new firearm is still in process.

Shift Implementation

The shift system currently works well, yet there are challenges during split shift when only half of staff compliment are working due to rest days.

Roadworthy Services

ROADWORTHY SERVICES 2019/20	HUMANSDORP	HANKEY
Applications for Roadworthy (heavy MV)	8	-
Applications for Roadworthy (light MV)	41	-
Applications for Roadworthy (motorcycles)	17	-
Roadworthy Certificates issued	296	-
Application for Special Permits	35	9
Application for Blank Permits	11	-
Duplicate BRNC issued	41	-
Duplicate TRN issued	9	-
Duplicate Registration certificates issued	193	24
Motor Vehicle Licenses	8 231	2 123
Motor Vehicle Registrations	1 781	339
Confirmation of Motor vehicle info	3	-
Issued MTN	3	3
Allocate PLN to vehicles	12	4
Allocate SLN to vehicles	7	1
De-registration of vehicles	96	37
TOTAL	**10 784**	**2 540**

Table 123: Roadworthy Services

KFA12: MUNICIPAL BY-LAW ENFORCEMENT

This function ensures that the Municipal By-Laws are enforced and adhered to at all time. The function is also to assist other related stakeholder's e.g. SAPS, Neighbourhood Watches with joint operations to curb crime within the Kouga municipal boundaries. The by-Law enforcement section assists other Departments within the Institution with compliance legislation e.g. Town Planning, Human Resource and others. Monitoring at beaches and parks is done by visible foot and vehicle patrols to safeguard the public from any possible crime. Law Enforcement is also a prerequisite for approval of Blue Flag status which our Municipality achieved for 12 consecutive years.

Stray animals remain a serious issue which causes the most motor vehicle accidents in the area. There is a need for the provision of adequate signage to warn road users about stray animals. A private pound is available in Humansdorp and the impoundment of stray animals are being done with the assistance of the owner.

Illegal electrical connections operations with the leading department and SAPS are also being done monthly. The Kromme River is currently under a Section 21 Company named the Kromme Joint River Committee (KJRC) since November 2016.

The following law enforcement transgressions were reported:

LAW ENFORCEMENT TRANSGRESSIONS FOR 2020/21	
Stray animals impound	86
Illegal electricity connections operations	15
Illegal gambling machines operations	2
No Hawkers permits	16
No permits for Spaza shops	61
Dogs per erf	-
Hinder/interfere an officer in his work	2
Display of advertising signs	382
Food on floor in shops	1
Shop not clean	4
Illegal dumping	2
Disturbers of the peace	-
Dogs not on leash	2
Burning of waste	1
Not wearing mask in the public	9
Illegal events	-
Accountability certificate	-
Sleeping in shops	62
Expired food in shops	64
Not provide sanitizer in shop	54
Operations Covid 19 regelation in Humansdorp, Hankey, Patensie, St Francis Bay and Thornhill	9

Table 124: Law Enforcement transgressions

The following law enforcement cases were reported:

LAW ENFORCEMENT CASES REPORTED 2020/21		
Warrants of arrests		
Summonses issued		
Law enforcement	Cases	**284**
	Court Cases	**6**

Table 125 : Law enforcement cases

Community Safety

Kouga Municipality, the Department of Safety and Liaison (DSL), and the Deutshen Gesellschaft Für Internationale Zusammenarbeit (GIZ), have established a Kouga Community Safety Forum at the Newton Hall on 14 February 2017. A number of training sessions and workshops was conducted during 2017 prior to the establishment of the forum. The aim of the training sessions and workshops was to equip and enable ward committee members, responsible for Safety, to conduct community safety audits in order to develop a Kouga Safety Plan. The aim of the Kouga Safety Plan is to enhance and support social crime prevention processes, especially the functionality of Community Safety Forums (CSF) and participatory safety planning.

A planning Safety summit was held in November 2020 to kickstart the establishment of a Community Safety Forum. A successful community safety workshop was consequently het at Mentors Country Estate in February 2021 and is in line with one of the municipality's directives "KEEP KOUGA SAFE". The municipality is set to launch an integrated intelligent operation centre in Humansdorp to clamp down on escalating crime in the region and neighbouring towns. The centre will work in close collaboration with all relevant role players, including the South African Police Service, agricultural and civic rights organisations, municipal departments, law enforcement, emergency agencies, NSRI, nature reserves, private security companies, businesses, schools and churches.

In addition, five (5) community safety units will be established:

- Sector 10 : Jeffreys Bay and the surrounding informal settlements and rural homesteads.
- Sector 20 : Humansdorp and Cape St Francis.
- Sector 30 : Gamtoos Valley (Baviaans, Patensie, Hankey, Loerie, Crossways, Thornhill, and Gamtoos Mouth).
- Sector 40 : Oyster Bay.
- Sector 50 : Tsitsikamma, Kareedouw and Stormsriver.

KFA13: ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE

Environmental Degradation

The natural environment, inclusive of elements such as land, inland water, biodiversity and oceans and coastlines are increasingly under pressure because of certain socio-economic factors such as population growth rates and increased land use. These pressures on natural resources also pose limitations to economic growth.

The development pressures on sensitive land in towns and surrounding areas may ultimately lead to environmental degradation. Amongst the most serious issues over and above those of pollution already mentioned, are vegetation clearing and earthwork activities within the Kouga area, invasive alien species and choking watercourses. The municipality should monitor and attempt to mitigate any clearing of conservation-worthy plants as with exposing of large areas of soils, excavation of infilling which presents erosion risks. The municipality should also embark on initiatives to identify areas highly impacted by invasive plant species and the control thereof.

➢ Spit Dune Rehabilitation in St Francis Bay

Kouga Municipality has designed and constructed the access road as well as rock revetment on the St Francis Bay Spit. While constructing the road the municipality has also repaired failed revetments along the access road. The municipality plans to rebuild the dune at the spit as it is too thin to hold the weight of the rock. The municipality has procured rock for the spit. As from April 2020 the municipality started with the construction of 533 meters rock revetment on the St Francis Bay Spit and also protection of municipal infrastructure and properties on Shore Road.

Phase two Environmental Impact Assessment (EIA) has gone through public participation process for both the Scoping Report as well as the Draft Environmental Impact Report. Department Economic Development Environmental Affairs and Tourism (DEDEAT) approved the final Scoping Report on the 25th of October 2019. The final Environmental Impact Assessment report has been submitted to DEDEAT and currently awaits authorization.

➢ Seekoei River Estuary and Causeway – Paradise Beach

In accordance with the National Estuary Management Protocol (No 341) published 10 May 2013; Kouga Municipality is compelled to initiate processes to develop Estuary Management Plans for all the estuarine systems within its municipal jurisdiction. Kouga Municipality was advised by Department of Economic Development, Environmental Affairs and Tourism to prioritize the development of an Estuarine Management Plan (EMP) for the Seekoei River Estuary.

During numerous meetings between Kouga Municipality and the Department of Economic Development, Environmental Affairs and Tourism, it was agreed that Kouga Municipality engage the Department of Botany and Institute for Coastal and Marine Research at the Nelson Mandela Metropolitan University for assistance with the development of Estuarine Management Plan (EMP). A Memorandum of Understanding (MoU) was concluded between Kouga Municipality and Nelson Mandela University (NMU) during July 2017. The NMU are currently busy with the Management Plan and it is expected to finalize all processes by July 2018.

The MEC for Economic Development, Environmental Affairs and Tourism has adopted the Seekoei Estuarine Management Plan in terms of Section 53 of the National Environmental Management: Integrated Coastal Act, 24 of 2008. The municipality has developed and submitted the maintenance plan to the Department in terms of section 24 of the National Environmental Management Act, 107 of 1998.

- **Dune Rehabilitation in Oyster Bay**

The Kouga Municipality has commenced with the rehabilitation of the coastal sand dunes encroaching on Brander Street and adjacent properties. Currently an estimation of 32 000m³ have been removed from in front of the properties and a section of Brander Street has been opened. The municipality is planning to commence with the rehabilitation in partnership with the Department of Environmental Affairs: Working for the Coast Project.

The Department of Environmental Affairs has approved R10 million towards Oyster and is currently finalizing the funding process. The Department will determine when the implementation will start.

Integrated Coastal Management Programme

A Coastal Management Programme has been developed by the Department of Environmental Affairs through the District municipality to manage Kouga's coastline. The Coastal Management Programme was gazetted by the MEC Economic Development and Environmental Affairs for public comments from November until December 2019.
Risks identified during the development phase were inappropriate development in ecological process areas/dynamic areas, development in proximity to the highwater mark, the estuarine functional zone, and wetlands resulting in sand management issues such as coastal erosion. The programme has now been adopted by the MEC and Kouga Municipality and approved by Council in June 2019.

The municipality plans to optimize oceans economy and develop livelihood opportunities. The municipality will also formulate a coastal zone management by-law. A key aspect of the by-law is to prevent private property owners from encroaching onto sensitive dune systems along municipality's coastline. As they provide natural buffers against storm surges, the retention of functional coastal dune cordons is a priority for the municipality in reducing the impacts of climate change.

This will offer a better understanding of the municipality's coastline from a development perspective, as well as provide more detailed development guidance for identified priority areas or sites in the medium term; provide a strategic plan to prioritize and coordinate future capital investment along the coastline; and provide an understanding of appropriate investment approaches for future development processes.

Invasive Species Management

Kouga's invasive species management project will be rolled out to all municipal owned lands/properties across the municipality. In line with the regulations of the National Environmental Management: Biodiversity Act (NEMBA), Act 10 of 2004, this will see the identification, control and management of existing as well as new and emerging invasive species, preventing them from spreading and building viable populations.

At the same time, green job opportunities will be created through labour-intensive control methods and associated tasks. National and provincial stakeholders as well as private landowners within the boundaries of the municipality will be engaged, as well as collaboration will be essential. The municipality is looking at innovative ways to reuse the biomass so that it does not land up at the landfill sites and is working closely with "Working for Water" teams. The municipality will address all waste minimisation strategies in the reviewed Integrated Waste Management Plan.

Kouga Municipality is also working with projects such as working for water and working on fire to eradicate alien invasive species.

Biodiversity Management Project

Kouga's biodiversity and ecosystem services will be restored and manged to ensure their long-term sustainability and efficiency, as well as improve the municipality's resilience to climate change. This will be done through both on-and-off-reserve management, guided by the Provincial Bioregional Plan, with a special focus on optimising socio-economic benefits and opportunities where this is ecologically sustainable. The project will include:

- securing the protection of a targeted 65% if the Biodiversity Network
- the continued implementation of the Bio-reginal Plan, and
- educational, events and visitor programme aimed at conservation.

Kouga Municipality is developing a management plan for the Noorsekloof Nature Reserve in Jeffreys Bay and will also develop a management plant for the Yellowoods Nature Reserve in Hankey during the financial year 2021-2022.

Air Quality Management

The Air Quality Management Plan is a statutory requirement in the National Environmental Management Air Quality Act 39 of 2000, Section 15(1). The objective of the plan is to investigate the state of air quality management planning. Exposure to ambient air pollutants can cause a range of significant effects on quality of life such as offensive odours, irritation of the eyes, the upper respiratory system and skin, and acute and long-term toxic effects. The municipality acknowledges the fact that Kouga Municipality has not adopted or developed an Environmental Management Plan for the management of environmental challenges such as:

- Protected and sensitive areas
- Bio-diversity
- Wet Land Management
- Management of proclaimed reserves

The development, adoption and implementation of an Environmental Management Plan have been determined as a program priority for 2020/21 and will include an Air Pollution Management Policy.

An increase in traffic, particularly heavy vehicles, mean more vehicular emission which has a negative air quality impact, but this is relatively limited to the number of vehicles in more populated areas. Some impoverished households within Kouga still rely on open fires for heating and cooking. This practice contributes very little to atmospheric pollution but, because of the scale, can have health concerns to residents if fires are lit inside without adequate ventilation. The development of a municipal by-law on Air Quality Management should be a priority for the 2020/21 year in review. The Air Quality Management By-law should be developed in conjunction with the Sarah Baartman District Municipality.

Projects requiring Environmental Impact Assessments

PROJECTS REQUIRING: ENVIRONMENTAL IMPACT ASSESSMENTS	
PROJECTS	**AREA**
Crossing/ walking Ramp (Pilot Beach)	Cape St. Francis
Oyster Bay Dunes	Oyster Bay
Green Energy Projects	Kouga Area
Dune Management Plan	Kouga Municipality Coastline
Air Quality Management Plan	Kouga Area

Table 126: Projects EIA

Impact of Pollution and Waste

Despite efforts to maintain the cleanliness of the towns, particularly in close proximity to the seashore, estuary and other conservation areas, it must be emphasized that any pollution within the urban area impact on the seashore and estuary as it is eventually carried along streams and storm water channels. Similarly, the natural watercourses, storm water channels and groundwater may be polluted from a number of human-induced factors.

These can be summarized as:

- Informal settlement areas having limited or no access to adequate toilet and wastewater disposal systems.
- Leaks and blockages in sewer infrastructure- or sewer pipes often in close proximity to storm water pipes.
- Private septic tank units leaking or not operating effectively.
- Operation failure and constraints at wastewater treatment plants.
- Illicit disposal of chemicals in storm water system or natural water sources; and
- Leaks and contamination form industrial and business activities.

The Council is aware of the danger posed by this issue and has invested in the Wastewater Treatment Works.

The Municipality has appointed a service provider, Xtreme Recycling to collect recyclable waste from municipal drop off sites and Humansdorp Landfill. The service provider has placed the necessary equipment where required. Xtreme Recycling will also identify businesses and schools to roll out recycling programmes. Certain Schools have been provided with recycling bins. All events will be used for recycling. The municipality is also looking at diverting green waste from being disposed of at landfill sites and is currently investigating the possibility of composting.

The Department of Environmental Affairs has provided 22 Environmental Ambassadors (15 general workers and 7 Environmental Educators). The 15 general workers will assist with illegal dumping sites and the educators will conduct door to door environmental awareness in the communities of Kouga.

The municipality has also embarked on a project to assist schools with recycling initiatives and has distributed recycling wheelie bins to schools around Kouga. Education and awareness campaigns have also been rolled out in 15 schools around Kouga.

Impact of Climate Change

Climate change presents serious threats to the future of the town and its environs. Climate change also poses significant bio-physical and economic risks and as such, sustainable and effective resource use and climate change response, should be both a provincial as well as a municipal strategy priority. Changing rainfall patterns and extreme weather conditions have already had an impact on the towns and environs in the past.

The Kouga Municipality has recently implemented restrictive measures to secure a supply of water for the growing population. Some areas have also suffered fires under the dry and hot conditions in the area. These issues not only affect the human population, but the endemic flora and fauna are particularly susceptible to lasting changes in climate conditions. Over the long term this will lead to major loss of biodiversity. Administrators, businesses and communities need to identify their strengths and weaknesses in the face of climate impacts – deciding how they will act together to minimize the impact of climate change on their local economy, environment and society. Climate affects multiple systems and so risks from climate requires a systematic, coordinated response strategy.

The Kouga Municipality has partnered with Illsfeld Municipality IN Germany to combat climate change. During January 2019, a German delegation visited the municipality, possible projects workshopped, and seven (7) projects were considered for mitigations and adaptation. Five (5) projects will be implemented through the Technical Services Department and two (2) projects through the Department of CS. The municipality will also start a Climate Change Committee within Kouga. The aim of the committee would be to drive climate change and the development of a Climate Change Policy and Strategy.

The proposed projects are:

1. Solar system – water pump for municipal boreholes to supply fresh water.
2. Led street lighting.
3. Rainwater harvesting
4. Water detection vehicle
5. Waste Management /Education and awareness
6. Alien vegetation clearing
7. Urban Greening (planting of indigenous trees)

Mitigation Climate Change Project

Kouga will aim to reduce the municipality's carbon footprint in order to contribute to the global reduction of greenhouse gas emissions and make the local economy more competitive. This will be done through the implementation of a range of carbon emission reduction projects that have been identified during the German delegation programme between Kouga Municipality and Illsfeld Municipality.

The environment is essential for human survival, well-being, cultural diversity and economic prosperity. Environmental goods and services are the benefits that people derive from nature and they include, air, water, food and other basics such as medicines and natural wood. These services are essential for human livelihoods and well-being and are particularly significant for the informal sector, where the dependence of people on the natural resource base is more direct.

Natural population growth and urbanization have increased pressure on land, air, water and energy resources. In addition, the increased demand for housing has seen the conversion of a significant expanse of natural areas into urbanized spaces across the country. Natural resources such as land and water are scarce resources in Kouga, and they need to be used in a prudent and sustainable manner.

Migration into the area has increased. The housing backlog has increased, and land is not readily available to erect houses for the destitute. Water resources is almost depleted due to the drought and the Kouga area has been declared as a disaster area. The municipality has embarked on measures to supplement the scarce such as the drilling of boreholes, investigations on a possible desalination plant and a vigorous save water campaign.

Kouga Municipality hosted an International Climate Change workshop in October 2019 which concluded phase six of Engagement Global Municipal Climate Partnerships programme. During the workshop, several municipalities shared their action plans on adapting and mitigating programmes against climate change. The Kouga municipality is planning to develop its climate change strategy to mitigate and adapt to climate change.

Kouga Municipality has also launched the Keep Kouga Green campaign in February 2020, to mitigate against climate change. Projects rolled out under this campaign includes Tree Planting, Community gardens for all wards, recycling to name a few. The Community garden will eradicate illegal dumping in communities and also deal with the issue of poverty. People from the community have been identified to monitor and maintain the gardens.

KFA14: PUBLIC HEALTH

Health Care Services: Facilities

This section of the profile highlights the current health infrastructure and human resource capacity in the public health sector and burden of disease in the Kouga Municipal Area:

Area	Community Health Centres	Community Day Centres	Clinics	Satellite Clinics	Mobile Clinics	Total
Jeffreys Bay	0	0	1	0	0	1
Humansdorp	2	-	2	-	-	4
St Francis Bay	-	-	1	-	-	1
Cape St Francis	-	-	-	-	-	-
Oyster Bay	-	-	-	-	1	1
Loerie	-	-	1	-	1	2
Thornhill	-	-	1	-	-	1
Hankey	-	-	2	-	-	2
Patensie	-	-	2	-	1	3
Andrieskraal	-	-	1		-	1

Table 127: Health Care facilities (***Source: Eastern Cape Depart of Health***)

Environmental Health Services

Kouga Municipality has entered into a Service Level Agreement with the Sarah Baartman District Municipality to render the Environmental / Municipal Health Services on behalf of the District Municipality, in its respective jurisdiction.

BUSINESS LICENCES are issued the undermentioned sectors and the following was issued during the 2019/2020 financial year:

TYPE OF BUSINESS	CURRENT LICENCES	NEW LICENCES ISSUED	TEMPORARY LICENCES ISSUED
Food preparation (restaurants and take-aways)	378	89	0
General dealers	26	0	0
Spaza shops (**no licencing due to land usage transgression**)	0	0	0
Accommodation establishments	88	2	0
Funeral parlours	8	1	0
Hawkers	102	44	21 seasonal & 23 events
ECDC (Early Childhood Development Centres)	61	15	0
Schools	2	0	0
Hospitals	1	0	0
Prisons	1	0	0
Old age homes	4	3	0
Milk farms	11	1	0
Other businesses (clothing, cell phones, etc.)	103	27	8
TOTAL	785	182	52

Table 128: Business licences

Environmental Health Inspections

Inspections are also done regularly, and the following number of inspections were done during the 2019/2020 + 2020/21 financial year:

TYPE OF ESTABLISHEMENT	NO OF INSPECTIONS		NO OF TRANSGRESSIONS		NO OF TRANSGRESSIONS CORRECTED	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Food premises (restaurants and take-aways)	520	383	85	102	72	102
General dealers	40	90	10	15	10	15
Spaza shops	568	500	568	500	0	0
Accommodation establishments	74	5	0	0	0	0
Funeral parlours	24	17	1	0	0	0
Hawkers	161	52	7	5	0	5
ECDC (Early Childhood Dev. Centre)	188	65	6	0	3	0
Schools	25	42	7	2	0	2
Hospitals	4	1	0	0	0	0
Prisons	0	3	0	0	0	0
Old age homes	2	8	0	0	0	0
Milk farms	1	0	0	0	0	0
Clinics	3	8	0	0	0	0
Other businesses (clothing, cell phones etc.)	60	46	0	0	0	0
Public amenities (public toilets, halls, etc.)	25	0	4	0	0	0
Complains investigations	1814	605	688	500	85	85

Table 129: Environmental Health Inspection

Water Quality Monitoring

Water Quality Monitoring is one of the main functions of the department to ensure that the communities receive water that is fit for human consumption. A total of 528 samples were collected for bacteriological and chemical analysis during the 2019/20 financial year.

2019/20	2020/21
Bact 495	245
Chem 215	70

Table 130: Water quality monitoring

KFA15: CEMETERIES

The cemeteries in C-Place in Jeffreys Bay and Centerton, Hankey have been fenced. The process for the environmental Impact Assessment (EIA) for the development of new cemeteries will take between 6 to 18 months to be completed/finalised. The municipality has applied for a Section 30A and awaits approval from DEDEAT.

KFA16: LIBRARIES

Library services ensure that people of Kouga have access to facilities and resources that libraries offer, develop skills, preserve and conserve their culture and natural heritage. The table below depicts the number of libraries within the Kouga area as well as the areas that need a library:

TOWN	TYPE (Fixed or mobile)	NUMBER
Jeffreys Bay	Fixed	1
Humansdorp	Fixed	3
Hankey	Fixed	3
Patensie	Fixed	2
Loerie	Fixed	1
Thornhill	Modular	1
Tokyo Sexwale	Modular	1
7de Laan	Modular	1
Sea Vista	Fixed	1

Table 131: Law enforcement cases

Libraries services are needed in the following areas:

- Ocean View
- Oyster Bay
- Sea Vista **(under construction)The building is finished, and the library is operational from May 2019**
- Cambria

The staff complement for Library Services are:

LIBRARY STAFF	
Management and Planning	1
Librarians	8 (employed by DSRAC)
Senior Library Assistants	6
Library assistants	10
Cleaner	3 (Cleaners falls under Cleansing & Parks)

Table 132: Library staff component

The table below depicts the statistics on the type of activity in the library:

KOUGA LIBRARY STATISTICS					
Type of Activity	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
No. of people using the libraries	278 459	259 729	253 246	324 702	260 419
No. of books issued	155 482	147 203	152 297	148 614	100 557

Table 133: Libraries Activities

From the 18th of March 2020 the libraries were closed due to lockdown and were re-opened on the 1st of September 2020.

The conditional grant allocation to rehabilitate and refurbishment of the Jeffreys Bay Library over a 5 period which commenced from the 1 of April 2019 to 30 April 2023 amounts to R11.2 million.

5.8.2 KPA 2 – LOCAL ECONOMIC DEVELOPMENT

KFA17: SPATIAL URBAN PLANNING

The Spatial Development Framework was approved during the 2019/2020 IDP period. A summary of the approved Spatial Development Framework can be viewed on the municipal website www.kouga.gov.za.

- The Spatial Planning and Land Use Management by-law was adopted in December 2015.
- Spluma by-law was gazetted in March 2016.
- Members to serve on Municipal Planning Tribunal (MPT) were approved by Council on 9 September 2016 under Council Resolution No. 16/09/IPD1.
- MPT members signed Memorandum of Agreements and received appointment letter in October 2016.
- MPT members were gazetted under Gazette No. 3813 on 14 March 2017 and the first meeting was held on 17 April 2017.
- The Appeal Authority was established and gazetted under Gazette No. 3921 on 19 September 2017.
- The review of the Land Use and Building Plan Electronic System (Ovvio) commenced in November 2018 to ensure faster turn-around times in the approval of land use and building plan applications.
- Building plan submissions are 100% on electronic platform since January 2021 and town planning application submissions will be within this financial year.

Integrated Land Use Scheme (ILUS)

The Integrated Land Use Scheme (ILUS) incorporated all existing Land Use Schemes in the Kouga Municipal area into one Scheme, thereby streamlining them in such a way to fulfill the objectives laid down in SPLUMA.

A draft Integrated Land Use Scheme was adopted in November 2015. In the 2018/2019 financial year a consultant was appointed by the municipality to finalise the draft Integrated Land Use Scheme (ILUS,2015). Section 25 of SPLUMA (Spatial Planning and Land Use Management Act, Act 16 of 2013) provides an outline of the purpose and contents of a Land Use Scheme.

The act requires a Land Use Scheme "to give effect to and be consistent with the Municipal Spatial Development Framework and determines the use and development of land within the municipal area to which it relates in order to promote economic growth, social inclusion and efficient land development and minimal impact on public health, environment and national resources".

The 1st Project Steering Committee meeting was held on 31 January 2020 where a project implementation strategy was presented by the service provider and adopted . The Service Provider has met the milestones as per implementation plan during 2020 and a final document was presented to the PSC at the end of November 2020. The document has been advertised as per legislative requirement for 60 days and no objections were received . The PSC approves the final document in January 2021.
The finalization of this project has been concluded in January 2021 and is submitted for final approval by Council for implementation March 2021.

KFA18: MUNICIPAL PLANNING

The function of the building regulations and standards legislation is to regulate building development. This includes the processing and assessment of new building plan applications, the monitoring of building work to ensure compliance with the approved building plan and to implement appropriate action where unauthorised building activities occur. These actions all form the basis for the promotion of orderly building development that will benefit and promote the living environment of the citizens of the municipal area.

The following projects were implemented in the 2020/2021 financial year:

- Review of the Spatial Development Framework (SDF) 26 February 2021
- Compilation of an Integrated Land Use Scheme (ILUS)
- Deployment of the Building Control Management System 2020/21
- Development of the Jeffreys Bay Central Business District (CBD) Precinct Plan 2021/2022
- Development of Humansdorp precinct plan (CBD) 2021/22

Urban renewal, or urban regeneration is a program of land development in areas of moderate to high density urban land use. Changes in the spatial economy can easily create imbalances in the urban environment and this requires mitigation. The impact of renewal on the urban environment cannot be underestimated and plays an important role in the history and demographics of cities.

Urban renewal involves the relocation of businesses, the demolition of structures, and the use of public assets to revitalise the urban milieu for the benefit of all its users. Policies such as Special Ratings Area, Restructuring Zones and Special Use Areas are tools to assist in renewal. The Urban Renewal of the business areas of Humansdorp Jeffreys Bay remain a priority. The municipality has appointed a service provider to develop a Precinct plan for the Jeffreys Bay Central Business District (CBD) and the Humansdorp CBD area. The municipality will budget and implement priority projects that will be identified in the plan. A Special Ratings Area Policy has been developed and once approved the St Francis Bay Town will be declared as a Special Ratings Area (SRA) to encourage investors to invest in the town.

GIS

The Section have successfully implemented an online/digital platform for building plans and land use submissions on Ovvio System.

We have also updated the Kouga property zoning information as part of the Integrated Land Use Scheme, the new scheme will be a-wall-to-wall scheme which will replace the old planning scheme ordinances. We have updated the all the cadastre information in January 2021 with the latest cadastre information from the Office of the Surveyor General.

Furthermore, we have obtained and updated the Ward Boundaries on our GIS, which was approved by the Demarcation Board in October 2020.

KFA19: HUMAN SETTLEMENTS

The municipality wishes to pursue the delivery of housing, within the framework of National and Provincial policy, by addressing issues of land, services and infrastructure and creating an enabling environment for housing development. It is also committed to ensure that sustainable habitats are created to contribute to the improvement of the living conditions of the poor.

The waiting list for the 10082 dwellings is calculated as follows:

WARD	TOWNSHIP	NO	STATUS	COMMENT
1	Sea Vista	**2000**	Approved	• Funding for Pre-planning activities has been approved. • Awaiting transfer of land from DPW to KLM. Feasibility studies will commence after land transfer
2	Pellsrus	**957**	Approved – project is under implementation stage (site establishment)	Ikhaya Project was appointed for this project and construction of 220 top structures was completed and handed over to beneficiaries in October 2020
4	Kruisfontein	**1415**	Approved - project is at the implementation stage	• The municipality received environmental and project approval to construct 391 housing units out of the 2500 originally approved. • Project was completed in December 2020. Meeting for practical completion of project was held on 27/1/2021.
5	Arcadia	**688**	Approved	• The implementation of project is planned for 2021/22 FY. • Pegging of the site is complete. • Request for the extension of the Record of decision (ROD) was approved
6	Kwanomzamo	**400**	Approved	• Upgrading of WWTW will be implemented as a multi-year project commencing in 2020/21 financial year. • Funding application for project planning is dependent on the availability of sufficient infrastructure.
7	Thornhill	**1116**	Approved	• Project is blocked due to insufficient bulk infrastructure. • Funding application for project planning is dependent on the availability of sufficient infrastructure.
9	Hankey	**990**	Approved – busy with beneficiary registration process and application for funding	• Finalisation of transfer from PPC to KLM is underway. The layout plan was approved by Council. • Pegging of sites is complete. • Awaiting approval of project funding for 990 serviced sites.
10	Patensie	**531**	Approved – planning stage is currently underway (installation of bulk infrastructure) Planned	• Layout plan was approved for this project. • Extension of Record of decision (ROD) was approved. • Funding application for project planning is dependent on the availability of sufficient infrastructure.
	Patensie (Rectification)	**6**		• Rectification of 6 housing units.

				• Houses are dilapidated and need to be demolished and new houses need to be constructed. • Awaiting funding approval from ECDHS.
13	Weston	**490**	Approved	• Pegging of the sites is complete. • Funding for the top structures has already been submitted to the Provincial Department of Human Settlements. • Awaiting approval from Department. • Request for the extension of the Record of decision (ROD) was approved.
14	Ocean View	**1773**	Approved	• 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. • Tender for appointment of Project Manager for design and supervision of 200 top structures closed in January 2021
15	Pellsrus (Galjoen St)	**51**	Planned	• Informal settlement upgrading. • Application for upgrading of Informal settlement was submitted for the 2021/2022 financial year.

Table 134: Housing waiting list

DRAFT

The above status gives a clear mandate to the municipality to identify, plan, implement, and construct sustainable and integrated human settlements in effective and efficient manner. The most important key factor in the human settlement delivery strategy is to provide adequate and quality house that is linked to water, sewerage and electrical connection with proper access roads as defined in the National Housing Code of 2009.

The municipality is faced with the following internal shortcomings to achieve municipal housing accreditation:

- Influx and migration patterns.
- Current and growing bulk limitations to promote and implement human settlements.
- Formalisation of informal settlements.
- Lack of a bulk master plan.
- Shortage of suitable land to establish new settlements.

Upgrading of Informal Settlements 2020/21

Ward	Township	Number
1	Donkerhoek	**200**
2	N0. R10	**193**
3	Ocean View	**730**
4	Cyril Ramaphosa	**278**
5	Phola Park	**350**
6	Shukushukuma	**250**
7	Thornhill	**160**
8	Bungalows	**103**
TOTAL		**2234**

Table 135: Formalised erven

In addition to population projects, the projections on the number of households form the basis of municipal service delivery planning and essentially inform budget allocations towards basic services such as water, electricity, sanitation and refuse removal. It is therefore vital that for budget planning and implementation purposes a municipality rely on credible and accurate household estimates.

The municipality was identified by the National Department of Human Settlements to participate in the National Upgrading Support Programme (NUSP). The NUSP is an initiative by the National Department is designed to support the Provincial Departments and the municipalities in their implementation of the Upgrading of Informal Settlements Programme (UISP), with the objective for eventually assisting in the upgrading of informal settlements across South Africa.

The NUSP is an important intervention measure by the National Department of Human Settlements to assist in laying the platform for investments by other government departments or by municipalities to achieve the objective of creating sustainable human settlements. R 18 000 000,00 of grant funding was approved for the upgrading of nine (09) informal settlements in the Gamtoos Valley and Coastal Areas.

Implementation of the informal settlements upgrading plans will commence in the 2021/22 FY.

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 R3500, 00 subsidy threshold. The FLISP project will enable sustainable and affordable first-time home-ownership opportunities to South African citizens and legal permanent residents earning between R 3501 and R 22 000 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 R 15001 – R 7500 per month, will quality for affordable rental housing opportunities in well located areas.
A close tender process was followed to solicit prospective bidders to plan and implement the project, and bidders were invited. The award of Notice 88/2019 Farm 335, Portion 125 FLISP/ Social Housing development was awarded to Own Haven Housing Association. Council approved the appointment of Own Haven Housing Association on 12 December 2019.

The Kouga Municipality was chosen as one of the 7 (seven) municipalities to participate in the SHRA municipal social housing support program (MSHSP) under the management of NASHO. The MSHSP intends to assist those municipalities with a firm commitment to developing their institutional capacity to support deliver and have a structured strategy that ensures sustainable delivery. The project will also show municipalities how targeted social housing developments anchor urban regeneration.

The programme will use a range of interventions to support the participating municipalities in the following program functions:

- Institutionalizing a Social Housing Strategy and Policy.
- Smart partnership arrangements between municipalities and SHIs.
- Land pipeline management and land release for social housing.
- Municipal incentives for social housing.
- Project agreements and performance monitoring.

The MSHP will provide hands-on support until the municipality achieves new projects that are tenanted and managed by good SHIs. This approach is founded on the SHRA intent to support the organizational change at local government level to strengthen the sector to increase delivery. This will be done within the contracted agreement between the SHRA and Kouga Municipality.

Housing Challenges per Ward

WARD	CHALLENGES
2	The Pellsrus area is faced with a shortage of land for the construction of low-cost houses and an estimate of **22 ha** of land is needed to address the backlog of **752 prospective beneficiaries** registered on the housing needs register.
5	The Arcadia area is faced with a shortage of land for the construction of low-cost houses and an estimate of 13 ha of land is needed to address the backlog of **541 prospective beneficiaries** registered on the housing needs register.
6	The Kwanomzamo area is faced with a shortage of land for the construction of low-cost houses and an estimate of **22 ha** of land is needed to address the backlog of **749 prospective beneficiaries** registered on the housing needs register.
7	The Thornhill area is faced with a shortage of land for the construction of low-cost houses and an estimate of **34 ha** of land is needed to address the backlog of **1229 prospective beneficiaries** registered on the housing needs register.

9	The Hankey area is faced with a shortage of land for the construction of low-cost houses and an estimate of **36 ha** of land is needed to address the backlog of **1439 prospective beneficiaries** registered on the housing needs register.
10	The Patensie area is faced with a shortage of land for the construction of low-cost houses and an estimate of **18 ha** of land is needed to address the backlog of **540 prospective beneficiaries** registered on the housing needs register.
12	The Sea Vista area is faced with a shortage of land for the construction of low-cost houses and an estimate of **52 ha** of land is needed to address the backlog of **2000 prospective beneficiaries** registered on the housing needs register.
13	The Weston area is faced with a shortage of land for the construction of low-cost houses and an estimate of **18 ha** of land is needed to address the backlog of **548 prospective beneficiaries** registered on the housing needs register.
15	The Kwanomzamo area is faced with a shortage of land for the construction of low-cost houses and an estimate of **15 ha** of land is needed to address the backlog of **400 prospective beneficiaries** registered on the housing needs register.

Table 136 : Housing challenges

In total, the Kouga Municipality requires 230 ha of land to be able to address the backlog as currently reflected on the housing needs register. To address the shortage of land for sustainable human settlements projects, council has intervened by assisting the provincial department of human settlements and approved the purchase of land (own funds) in Kwanomzamo and Loerieheuwel. Sub-division of Kwanomzamo is complete.

Challenges

The biggest challenges that the municipality is facing with the delivery of houses is the lack of bulk infrastructure and suitable land. The municipality applied for 10 Human Settlement Projects, but due to a lack of bulk infrastructure, the municipality only managed to unlock the Kruisfontein 391 (2500) housing project Pellsrus 220 housing project and the Ocean View 1500 housing project. The Provincial Department of Human Settlements assisted the municipality to address some of the challenges and as a result thereof the municipality had applied for funding for the provision of services and top structures for the following projects, namely:

- Hankey 728 (990)
- Patensie 278
- Weston 196
- Arcadia 139

KFA20: BUILD ENVIRONMENT MANAGEMENT

The function of the building regulations and standards legislation is to regulate building development. This includes the processing and assessment of new building plan applications, the monitoring of building work to ensure compliance with the approved building plan and to implement appropriate action where unauthorised building activities occur. These actions all form the basis for the promotion of orderly building development that will benefit and promote the living environment of the citizens of the municipal area.

KFA21: HERITAGE RESOURCE MANAGEMENT

The protection of Kouga's rich and diverse heritage is a priority for the municipality. Heritage assets can be building, monuments, sites, places, areas of landscapes which have been positively identified as having a degree of significance. The interest of a heritage asset may be archaeological, architectural, artistic or historic. Many of these assets have a local communal value.

Heritage assets are non-renewable resources which can bring social, economic and environmental benefits through conservation. Heritage development includes the management and day to day running of the Humansdorp Museum, Shell Museum, repairs and maintenance of heritage assets and general heritage development.
The Humansdorp Museum Association is responsible for the Humansdorp Museum and the Shell Museum. The Heritage Council has become defunct in 2016 and the Humansdorp Museum Association is currently responsible for all aspects of heritage development. Various events and school visits are also hosted by the Humansdorp Museum Association.

The Kouga Municipality established a Kouga Heritage Council in 2014 and developed a Kouga Heritage Database. Although not inclusive, the Database includes details of all known heritage sites in the Kouga region.

The following is a list of the sites included in the heritage database:

SITE DESCRIPTION	CATEGORY
KRUISFONTEIN	
Klip Skool	Place
Kruisfontein Dam (100 erfs) N Felix Dam	Place
Kruisfontein Station Boards Apple Express	Place
Kruisfontein graveyard	Graves
Dorsvloer	Place
Congregational Church	Structure
Old Kruisfontein Homes	Structure
HANKEY	
Hankey 4 (Weston)	Structure
Hankey Congregational Church	Structure
John Phillips's Grave	Grave
Sarah Baartman Grave	Grave
Hankey Dance Hall	Structure / place
Hankey Primary School	Structure / place
Foot of Sarah Baartman Graves – Duplex Street (homes)	Structure
Du Plex – Die Berg – Du Plex Street	Geological
Dower College and Dower School	Structure / place
Trading Wagon	Structure
Wetlands	Natural
Hankey Station	Structure / place
JEFFREYS BAY	
7 Day Adventists Church	Structure / place
Ferreira's Dorp, Wavecrest, Beach Hotel	Place
Grave sites, Pellsrus (Fisherman's Graves, 2 sites)	Graves
Geelstert Fishing Boat in front of Shell Museum	Structure
Savoy Hotel	Structure / place
Pell's Grave (Pellsrus)	Grave
Bo Blok houses	Structures
Khoekom Middens (Super Tubes)	Archaeological
Surf Museum	Structure
MILTON	
Milton Graveyards	Grave
De Meule (Milton Water Mills)	Structure
Milton Congregational Church	Place / structure
Congregational School	Place / structure
Phillip's Tunnel	Place

OYSTER BAY	
Fish Traps	Place
Thyspunt Graves	Graves
CAPE ST FRANCIS	
Cape St Francis Light House	Place
Mr Flack's Grave at the Light House	Grave
ST FRANCIS BAY	
Archaeological sites St Francis Bay (Links Golf Course)	Archaeological /place
HUMANSDORP	
National Hall (National Party) Volkspele	Place
Congregational School Moerasrivier	Structure / place
Markgebou, 1938, Groot Trek	Structure / place
Humansdorp Meule	Structure
War Monument, Hero's Acre	Graves
Matthys Gerhardus Human 1858	Grave
St Marks Anglican Church	Structure
Humansdorp Museum	Structure
Boutique Hotel	Structure
PATENSIE	
Scotts Cave	Geological
Queen Victoria (Rock Face)	Geological
Baviaanskloof	Natural
N G Kerk / Dutch Reformed Church	Structure / place
Andrieskraal School	Structure / place
LOERIE	
Loerie NG Kerk	Structure / place
Loerie Station	Structure / place
WESTON	
Heroes Liberation Monument	Structure
THORNHILL	
Thornhill Baptist Church	Structure
GAMTOOS	
Narrow Gauge Bridge	Structure

Table 137: Heritage sites

KFA22: URBAN DEVELOPMENT

Urban renewal, or urban regeneration is a program of land development in areas of moderate to high density urban land use. Changes in the spatial economy can easily create imbalances in the urban environment and this requires mitigation. The impact of renewal on the urban environment cannot be underestimated and plays an important role in the history and demographics of cities.

Urban renewal involves the relocation of businesses, the demolition of structures, and the use of public assets to revitalise the urban milieu for the benefit of all its users. Policies such as Special Ratings Area, Restructuring Zones and Special Use Areas are tools to assist in renewal. The Urban Renewal of the business areas of Humansdorp Jeffreys Bay remain a priority. A Special Ratings Area Policy has been developed and once approved the St Francis Bay Town will be declared as a Special Ratings Area (SRA) to encourage investors to invest in the town.

KFA23: RURAL DEVELOPMENT

Rural development is multi-dimensional and much broader than poverty alienation through Human Resource Development (HRD) and social and economic programmes. It places emphases on changing environments to enable rural people to earn more, invest in themselves and their and their communities and contribute towards maintenance of key infrastructure. However, the notion of rural-urban linkages and how they can be improved to reduce poverty and inequality, enhance inclusive development and economic growth are being recognized.

The National Department of Rural Development and Land Reform has the mandate to deliver in terms of vibrant, equitable and sustainable rural communities and food securities for all. However, it is expected that municipalities play a critical role and form part of the implementation forum/task teams which drives the achievement of this outcome, for the following reasons:

- Local government is closest to the people.
- Municipalities have a constitutional mandate to undertake a developmental approach in implementing policies and programmes.
- Municipalities are required to exercise powers and functions to maximise the impact of social development, meeting needs of poor and ensuring growth of local economy, as per applicable legislation. This is also proposed in the SALGA position regarding the role of municipalities in agriculture.

In general, in order to meet the basic needs of rural and framing communities, municipalities should:

- Establish an environment (whether directly or indirectly) that will contribute and/or result in transformed rural communities, in a sustainable manner (facilitation, processes).
- Co-operate and align policies and programmes with other government entities.

KFA24: TOURISM

The Covid-19 pandemic had a severe negative impact on the economy of the Kouga Municipality especially in the business sector and tourism. Many people have lost their jobs and small businesses had to close their doors. Township economy was also severyly affected as SMME's in all sectors were affected by the lockdown.

The Department Planning, Developing & Tourism are responsible for facilitating arts and culture, heritage and museums and tourism development and events in the Kouga region. Various council's/associations were established to facilitate these different aspects of development and ensure community participation through planning and implementation.

The department have Memorandums of Agreement with the undermentioned councils/associations, which is the umbrella bodies for the tourism partners in the Kouga municipal area:

- **Kouga Local Tourism Association**
- **Kouga Heritage Council**
  - The Museums also look after the Duine Street Cemetery in Pellsrus, ensure that the grass is cut, and the area is maintained on a monthly basis.
- **Kouga Museums Association**
  - The museum participated during September in a Heritage day event at the Fountains Mall and the exhibition manned by Mart Mare and Susan Hammond. A few booklets with traditional recipes were printed and these proved to be so popular it had to be reprinted.
  - A Heritage Day colouring competition was also held for learners from the Pellsrus School and the theme was the importance of farming and cows in particular, dietary importance of milk, hides used for furniture, handbags, meat used to feed people, etc.

- **Kouga Arts Council – not funded.**
- **Kouga Events Committee**
  - Events planning also forms part of the directorates functions and comprise of representatives of all the departments in the Kouga, some councillors as well as the SAPS who evaluate, approve or reject all event applications.

The municipality monitors the councils/associations through meetings, discussions and quarterly reporting which are d to council.

Economic Impact on tourism in Kouga

Kouga Municipality has positioned itself to become the events capital of South Africa. This is a strategic focused on promotion of events tourism through supporting new and old events in Kouga as an events Capital. This type of tourism is focused on attracting tourists coming into a region to either participate in an event or to see an organized event put on by the city/region. *https://en.wikipedia.org/wiki/Tourism#Event_tourism).*

The Covid-19 pandemic had a severe negative impact on the economy of the Kouga Municipality especially in the business sector and tourism. Many people have lost their jobs and small businesses had to close their doors. Township economy was also severyly affected as SMME's in all sectors were affected by the lockdown.

The outbreak of the Corona virus pandemic has made it difficult for Kouga to implement its planned events and especially businesses has felt the full brunt of the pandemic. Many businesses in the Kouga area had to close down during the harsh level 5 lockdown regulations.

The events that were cancelled due to Covid-19 are:

- Jeffreys Bay Beach Carnival in April
- Aloe Cup in June, the JBay Winterfest in July
- Humansdorp Lente fees in August, the St Francis Calamari Festival
- JBay Makietie
- SA Junior Surfing Championships in September
- Beer festival in October
- Biker rally in November
- Opening of Season and Countdown to the New Year in December

Tourism Support

The Sarah Baartman District implement the following programmes to ensure the tourism sector remains afloat:

- Digital marketing of establishments
- Financial support to 7 LTO's (branding, signage, marketing etc.)
- Website revamp
- Implementation of Tourism Marketing Plan
- SMME support (financial and non-financial)
- DM procuring PPE's to ensure that the 14 tourism officers are safe to receive tourists.

KFA25: ARTS AND CULTURE

The Kouga Arts Council not only develop the arts in the Kouga area, but also assists with various events through supplying and organising artists.

Rehabilitation of the fishermen gravesite in Pellsrus

The fishermen gravesite in Pellsrus in the process of being refurbished.

KFA26: SKILLS DEVELOPMENT AND EDUCATION

Several skills development projects, focused on the youth, are underway. A total of 371 youths is participating in 11 learnership and five skills development programmes, facilitated by the municipality. Nine youths are also working at Kouga as interns through the Finance Management Grant and a further two internships are being funded by the Municipal Infrastructure Support Agent (Misa). Other upcoming programmes include 42 apprenticeships in electricity and plumbing.

The municipality has a very good working relationship with the NSRI's Jeffreys Bay station. A lifeguard unit has been established as part of the NSRI's operations and our senior lifeguards will be offering free lifeguard training to local young people through the unit.

KFA27: ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION

The municipality's approach to economic development is in the process of adaptation and refocussing. Essentially the municipality aims to identify the competitive advantage of the municipal area and develop strategic initiatives to facilitate the optimization of investment opportunities to promote sustainable economic growth and job creation.

The Annual Local Economic Development Service Delivery Strategy for the Directorate PDT (PD&T) is identified in the IDP funded projects for the financial year, which is budgeted for, and on which the Service Delivery, Budget and Implementation Plan (SDBIP) is based. From the SDBIP, work plans are created in consultation with staff to determine the implementation plans (timeframes and budgets included) for the year. This is monitored continuously and reported on throughout the year.

The municipality must develop a comprehensive Economic Development Plan which are aligned with the economic indicators and the SDF. The need for land to accommodate emerging farmers is a challenge that must be addressed during the IDP cycle in conjunction with the relevant government departments.

Local Economic and Youth Support

The Sarah Baartman will implement the following programmes to ensure the sector remains afloat:

- Youth Fund
- SMME Support (financial and non-financial) by both SBDM and Kouga

Implementation of post Covid-19 Economic Stimulus Plan
The following projects were identified and will be funded by Kouga Municipality and private developers:

- Development of solar park in Kouga
- Development of a port terminal MERSK
- Agri-hub development
- Installation of smart meters in Kouga through PPP

Biomass Harvesting in Kou-Kamma and Kouga

The project is being implemented by Coastal 5 Wind Farm. It is an alien vegetation removal project. It is also an electricity generation project i.e. alternative energy. 60 people will be employed, and 18 settlements will be involved. The project will set up 5 timber harvesting teams and the project duration will be 5 years.

Private Development Funding Program (PDFP)

The PDFP is a funding mechanism which enables a municipality to direct the unlocked funding to projects that will assist the municipality to achieve its section 152 and 153 development goals and objectives as defined in the Constitution, Act 108 of 1996.

The Council has in principle pursued a project funding agreement with IDIS (International Diverse Innovation Solutions) (PTY)(Ltd).

Building Green Inclusive Municipalities

Kouga Municipality (KM) is part of the Building Inclusive Green Municipality Programme (BIGM), an International partnership between Federation of Canadian Municipalities and South African Local Government Association (SALGA), and funded by the Government of Canada. The MOU between Kouga and Prince Edward County was signed in March 2018. The purpose of the BIGM is to strengthen the capacity of Municipal Sector in South Africa, and to contribute to South Africa's development priorities through reducing poverty, supporting economic growth, and responding to climate change. The BIGM Programme will run for a period of 51 months (4 years and 3 months).

Kouga Municipality and Prince Edward County (PEC) have been partnered together under component 1000 ***(Local Economic Development)*** of BIGM Project. The Objective of this partnership is a more Effective, Innovative and Inclusive Local Economic Development with strong consideration of Woman, Youth and Vulnerable Groups in Kouga. Kouga Municipality and Prince Edward County entered a MOU in March 2018, committing to one another to work together and share experiences and knowledge in matters concerning Local Economic Development as well as formulating strategic direction that will promote Inclusive, Sustainable Development and Catalytic Economic Development Projects in Kouga.

Kouga BIGM Projects

Formulation of Local Economic Development Strategy - Clear Vision, Goals, and Strategic Pillars to Achieve Lucrative Economic Development Programmes. Setting a strategic direction considerate of integrating vulnerable groups into mainstream economy.

- ***Business Retention and Expansion*** - Focus on retaining and growing existing businesses in Kouga in order to Develop and implement effective - economic development plans Improve business and community competitiveness as well as Increase business investment and job retention & creation.
- ***Tourism Development and Destination Marketing*** - Creating Economic Value chain through reviving of Tourism and Heritage Assets in Kouga.
- Effective methods for meaningful community engagement in strategy formulation.
- ***Setting up of Cross Functional Team*** Engaged with various Departments to understand impact of all Municipal departments on Local Economic Development. Establishing institutional integration system in Kouga to achieve Local Economic Development Objectives.

While unemployment remains a serious concern, the municipality has helped to create more than 1 000 jobs during the first six months of the current financial year. Of these, a total of 351 were municipal appointments while a further 151 job opportunities were created through infrastructure and water projects. At least 500 temporary jobs were created through events supported by the municipality while the holiday influx in December again provided hundreds of Kouga locals with seasonal employment. A total number of jobs created is 389 for Q1 and Q2.

5.8.3 KPA3: MUNICIPAL FINANCIAL VIABILITY AND TRANSFORMATION

KFA28: FINANCIAL LEGISLATION AND COMPLIANCE

The following reflects the status of implementation of some of the key MFMA areas:

IDP

A revised 2021/22 IDP has been developed, which will be considered at a Council meeting to be held on 31 March 2021. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP. The final version of the revised 2021/22 IDP will be considered at a Council meeting scheduled for 31 May 2021.

BUDGET

The draft annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

ANNUAL REPORT

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2019/20 Annual Report will be considered at a Council meeting scheduled for 31 May 2021.

OVERSIGHT REPORT

The Municipal Public Accounts Committee has considered the 2019/20 Annual report. Its Oversight Report will be considered at a Council meeting scheduled for 31 May 2021.

IN-YEAR REPORTING

The municipality submits the various reports required to the Executive Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

SUPPLY CHAIN MANAGEMENT POLICY (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements. All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

BUDGET AND TREASURY

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

AUDIT COMMITTEE

An Audit Committee has been established and meets on a quarterly basis.

INTERNAL AUDIT FUNCTION

The Municipality's Internal Audit Function reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2021/22 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Maintaining its unqualified audit status.
- Further strengthening of the integration and linkages between the IDP, Budget, SDBIP and Annual Report.

INTERNSHIP PROGRAMME

The municipality has a total of five Interns on the Municipal Financial Management Internship programme, as approved by National Treasury.

MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA)

In accordance with the Municipal Regulations relating to mSCOA, municipalities were required to be compliant with the mSCOA classification framework by 1 July 2017. It is to be noted that the Municipality has been transacting on the mSCOA compliant financial system since July 2017.

KFA29: FINANCIAL MANAGEMENT POLICIES

REVIEW OF CREDIT CONTROL AND DEBT COLLECTION POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.
A number of policies have been adopted by the Council. The policies govern the financial management functions of the Municipality, such as supply chain management, budget virements, credit control and debt collection, etc. The Customer Care, Credit Control and Debt Collection Policy was reviewed and approved by Council on 30 October 2018. The 2021/22 MTREF has been prepared on the basis of achieving an average revenue collection rate of 93% of current billings for property rate and service charges.

Supply Chain Management Policy

A revised Supply Chain Management Policy was adopted by Council in 29 March 2018.

Property Rates Policy

A revised Property Rates Policy was adopted by Council in February 2018.

Funding and Reserves Policy

The Funding and Reserves Policy was adopted by Council in May 2016.

Cost Containment Policy

The Cost Containment Policy was adopted by Council in May 2016.

Cash Management and Investment Policy

The Cash Management and Investment Policy was adopted by Council in May 2016.

Borrowing Policy

The Borrowing Policy was adopted by Council in May 2016.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Indigent Policy.
- Budget virement Policy.

KFA30: OVERVIEW OF BUDGET ASSUMPTIONS

The key service delivery priorities, as reflected in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability.
It is also to be noted, that cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75,78,79,85,86, 88, 89, 91, 93, 94, 98, 99, 107 and 108 (refer to Annexures "A and B") was used to guide the compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF).

The Municipality faced the following significant challenges during the compilation of the 2021/22 MTREF:

- Maintaining an acceptable employee related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The following budgeting principles and guidelines directly informed the compilation of the 2021/22 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs.

- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- In accordance with Section 19 of the Municipal Finance Management Act, the relevant Directors must submit comprehensive reports in relation to new projects, inter alia; dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

In view of the aforementioned, the following table represents an overview of the proposed 2021/22 Medium-term Revenue and Expenditure Framework:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	Adjusted Budget	Budget Year 2021/22	% Increase /(decrease)	Budget Year 2022/23	% Increase /(decrease)	Budget Year 2023/24	% Increase /(decrease)
R thousands							
Total Operating Revenue	922 858	965 400	4.61%	1 022 807	5.95%	1 075 898	5.19%
Total Operating Expenditure	1 037 915	1 074 449	3.52%	1 111 859	3.48%	1 158 229	4.17%
Surplus/(Deficit)	(115 057)	(109 049)	-5.22%	(89 052)	-18.34%	(82 330)	-7.55%
Capital Expenditure	85 164	61 013	-28.36%	41 311	-32.29%	60 869	47.35%

Table 138: Overview of the 2021/22 MTREF

Total operating revenue has increased by 4.61% or R 42,542 million for the 2021/22 financial year, compared to the 2020/21 Adjustments Budget.

For the two outer years, operational revenue increases by 5.95% and 5.19% respectively, resulting in a total revenue growth of R 153,041 million over the MTREF, when compared to the 2020/21 financial year.

Total operating expenditure for the 2021/22 financial year amounts to R 1,074,449 billion, resulting in a budgeted deficit of R 109,049 million. Compared to the 2020/21 Adjustments Budget, operational expenditure increased by 3.52% in the 2021/22 Budget.

For the two outer years, operational expenditure increases by 3.48% and increases by 4.17% respectively. The 2022/23 and 2023/24 budgets reflect operating deficits of R 89,052 million and R 82,330 million, respectively.

The major operating expenditure items for 2021/22 are employee related costs (35.24%), bulk electricity purchases (26.99%), other expenditure (9.34%), depreciation (8.55%) and debt impairment (5%).

Funding for the 2021/22 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation, environmental management fees and refuse collection (55.74%), property rates (22.65%), grants and subsidies received from National and Provincial Governments (15.81%).

In order to fund the 2021/22 Operating Budget, the following increases in property rates and service charges have been proposed, with effect from 1 July 2021:

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

The capital budget of R 61,013 million for 2021/22 is R 24,151 million or 28.36% less than the 2020/21 Adjustments Budget. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as the municipality has reached its prudential borrowing limits, whilst limited internal funding is available.

KFA31: OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- Tariff Policies.
- Property Rates Policy.
- Indigent Policy and provision of free basic services.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to take into account the maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Efficient revenue management, targeting a 93% annual collection rate for property rates and service charges.

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Revenue By Source				
Property rates	207 801	218 711	230 193	242 278
Service charges - electricity revenue	291 625	334 173	355 059	377 250
Service charges - water revenue	83 642	89 581	95 941	102 753
Service charges - sanitation revenue	55 057	58 635	62 447	66 506
Service charges - refuse revenue	53 237	55 744	58 414	61 257
Rental of facilities and equipment	1 122	1 169	1 220	1 275

Interest earned - external investments	5 552	5 780	6 034	6 306
Interest earned - outstanding debtors	10 253	10 674	11 143	11 645
Fines, penalties and forfeits	2 150	2 238	2 336	2 441
Licences and permits	24 732	25 746	26 878	28 088
Transfers and subsidies	166 745	152 602	162 338	164 810
Other revenue	20 941	10 348	10 804	11 290
Total Revenue (excluding capital transfers and contributions)	**922 858**	**965 400**	**1 022 807**	**1 075 898**

Table139: Summary of main revenue sources

The following table illustrates the mix of main revenue sources, supporting the 2021/22 MTREF:

DESCRIPTION	CURRENT YEAR 2020/21		2021/22 MEDIUM TERM REVENUE & EXPENDITURE					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Revenue By Source								
Property rates	**207 801**	22.52	**218 711**	22.65	**230 193**	22.51	**242 278**	22.52
Service charges - electricity revenue	**291 625**	31.60	**334 173**	34.61	**355 059**	34.71	**377 250**	35.06
Service charges - water revenue	**83 642**	9.06	**89 581**	9.28	**95 941**	9.38	**102 753**	9.55
Service charges - sanitation revenue	**55 057**	5.97	**58 635**	6.07	**62 447**	6.11	**66 506**	6.18
Service charges - refuse revenue	**53 237**	5.77	**55 744**	5.77	**58 414**	5.71	**61 257**	5.69
Rental of facilities and equipment	**1 122**	0.12	**1 169**	0.12	**1 220**	0.12	**1 275**	0.12
Interest earned - external investments	**5 552**	0.60	**5 780**	0.60	**6 034**	0.59	**6 306**	0.59
Interest earned - outstanding debtors	**10 253**	1.1%	**10 674**	1.11	**11 143**	1.09	**11 645**	1.08
Fines, penalties and forfeits	**2 150**	0.23	**2 238**	0.23	2 336	0.23	**2 441**	0.23
Licences and permits	**24 732**	2.68	**25 746**	2.67	26 878	2.63	**28 088**	2.61
Transfers and subsidies	**166 745**	18.07	**152 602**	15.81	162 338	15.87	**164 810**	**15.32**
Other revenue	**20 941**	2.27	**10 348**	1.07	10 804	1.06	**11 290**	**1.05**
Total Revenue (excluding capital transfers and contributions)	**922 858**	100.00	**965 400**	100.00	1 022 807	100.00	**1 075 898**	**100.00**
Total Revenue from Property Rates and Service Charges	**691 362**	74.92	**756 844**	78.40	802 053	78.42	**850 044**	**79.01**

Table 140: Mix of main revenue sources

In the 2020/21 financial year, rates and service charges amounted to R 691,362 million. This increases to R756,844 million, R 802,053 million and R 850,044 million in the 2021/22, 2022/23 and 2023/24 financial years, respectively.

The major operating revenue sources for 2021/22 are electricity (34.61%), property rates (22.65%), operating grants & subsidies (15.81%), water (9.28%) and sanitation (6.07%).

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue: General Revenue: Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**

Table 141: Operating Transfers and Grant Receipts

The Municipality is faced with the significant challenge of providing services with its limited financial resources. Against this background, the Municipality has undertaken the tariff determination process relating to property rates and service charges as follows:

Property Rates

Property rates fund the costs associated with the provision of general services, such as fire, library and roads and stormwater services.

The following provisions in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- An additional R85 000 rebate will be granted to registered indigents in terms of the Indigent Policy.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.

A property rates increase of 5.25% is proposed as from 1 July 2021.

The proposed property rates increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment.

Sale of water and impact of tariff increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

A tariff increases of 7.1% is proposed as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- The cost of bulk water purchases increased by R1.367 million.
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate.

Sale of electricity and impact of tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Nersa has determined that the Municipality's consumer tariffs will be increased by 14.59% on average to offset the additional electricity bulk purchase costs, as from 1 July 2021.

The proposed tariff increases are mainly influenced by the following:

- Employee related costs increased by 8.59%.
- The cost of bulk electricity purchases increased by 17.80%.
- Repairs and maintenance of electricity infrastructure.
- Costs of servicing existing external borrowing to fund electricity infrastructure.
- Providing for debt impairment.

Sanitation and impact of tariff increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF. Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 6.5% is proposed as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment.

Refuse collection and impact of tariff increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2015. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

A tariff increases of 6.5% is proposed for refuse collection, as from 1 July 2021.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment

Environmental management fees and impact of tariff increases

A tariff increases of 0% is proposed for the environmental management fee, as from 1 July 2021.

KFA32: OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA.
- A balanced budget approach by limiting operating expenditure to the operating revenue.

The following table is a high-level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure):

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Expenditure By Type				
Employee related costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Debt impairment	70 162	53 726	40 660	34 468
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Bulk purchases	246 173	290 000	302 760	316 384
Other materials	63 363	66 261	71 947	74 024
Contracted services	93 559	78 598	79 299	80 156
Transfers and subsidies	761	650	650	650

Other expenditure	111 062	100 339	103 047	108 374
Total Expenditure	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**

Table 142: Summary of operating expenditure by standard classification item

The total operating expenditure increased by R 36,534 million (3.52%) from R 1,037,915 billion in 2020/21 to R 1,074,449 billion in 2021/22. Below is a discussion of the main expenditure components.

Employee related costs

The 2021/22 budget provides for a general increase of 6%, the salary and wage collective agreement for the period 01 July 2018 to 30 June 2020 has come to an end. The total budget provision of R 378,677 million represents an increase of 8.59% over the 2020/21 budget. Employee related costs in the 2021/22 Budget, represent 35.24% of the total operating expenditure.

Remuneration of councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs, in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). There is no proclamation in terms of Remuneration of Councillors yet.

Debt impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 93% for property rates and services charges. For the 2021/22 financial year this amounted to R 53,726 million and decrease to R 34,468 million in 2023/24. While this expenditure represents a non-cash flow item, it is taken into account in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

Depreciation and asset impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Fixed Assets Register. The budget amounts to R 91,830 million for the 2021/22 financial and equates to 8.55% of the total operating expenditure.

Finance charges

Finance charges consist primarily of the repayment of interest on existing long-term borrowing (cost of capital). Finance charges constitute 0.07% (R 0,716 million) of total operating expenditure for 2021/22.

Bulk electricity purchases

The bulk purchases of electricity increased by R 43,827 million (17.80%), from R 246,173 million in 2020/21 to R 290,000 million in 2021/22. Bulk electricity purchases constitute 26.99% of total operating expenditure for 2021/22.

Other materials

Other materials relate to the inventory items, such as bulk water purchases, material and supplies, consumables, printing and stationery, fuel and oil etc., initially budgeted under bulk purchases and general expenses, being transferred to other materials. This is in line with the mSCOA requirements. The budget for 2021/22 amounts to R 66,261 million and equates to 6.17% of the total operating expenditure.

Contracted services

In the 2021/22 financial year, the budget provision amounts to R 78,598 million and equates to 7.32% of the total operating expenditure.

Transfers and subsidies

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy. In the 2021/22 financial year, the budget provision amounts to R 0,650 million and equates to 0.06% of the total operating expenditure.

Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality.
In the 2021/22 financial year, the budget provision amounts to R 100,339 million and equates to 9.34% of the total operating expenditure.

The graph below reflects the expenditure components of the budgeted statement of financial performance:

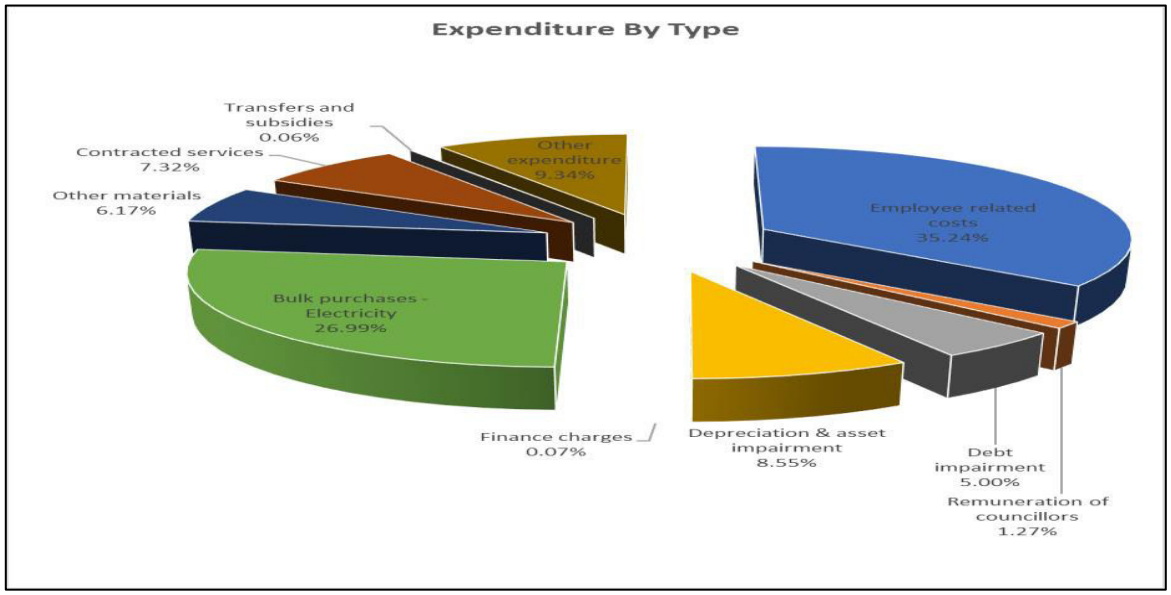


Figure 38: Main operational expenditure categories for the 2021/22 financial year

Priority relating to repairs and maintenance

The repairs and maintenance expenditure in the 2021/22 financial year, decreased by R 16,193 million or 24.86% compared to the 2020/21 Adjustments Budget.

It is to be noted that repairs and maintenance, constitutes 4.56%, 4.01% and 3.91% of the total operating expenditure, for the 2021/22, 2022/23 and 2023/24 financial years, respectively.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Repairs and Maintenance by Asset Class	**65 146**	**48 953**	**44 627**	**45 317**
Roads Infrastructure	30 049	11 590	1 660	1 734
Storm water Infrastructure	1 406	1 355	1 414	1 484
Electrical Infrastructure	5 353	7 227	9 955	10 318
Water Supply Infrastructure	8 829	6 386	6 665	6 960
Sanitation Infrastructure	3 022	2 915	3 043	3 179
Rail Infrastructure	207	730	803	827
Information and Communication Infrastructure	1 050	1 312	1 578	345
Infrastructure	***49 916***	***31 515***	***25 118***	***24 847***
Community Facilities	1 468	2 267	2 503	2 657
Sport and Recreation Facilities	2 219	2 044	3 559	3 700
Community Assets	***3 687***	***4 311***	***6 062***	***6 357***
Operational Buildings	3 002	2 579	2 319	2 434
Other Assets	***3 002***	***2 579***	***2 319***	***2 434***
Machinery and Equipment	**748**	**732**	**802**	**839**
Transport Assets	**7 794**	**9 816**	**10 325**	**10 840**
TOTAL EXPENDITURE OTHER ITEMS	**65 146**	**48 953**	**44 627**	**45 317**

Table 143: Repairs and maintenance per asset class

For the 2021/22 financial year an amount of R 31,515 million (64.38%) of total repairs and maintenance, will be spent on infrastructure assets.

Free basic services : Indigent Support

The indigent support assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services, the households are required to register in terms of the Municipality's Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the indigent support of the registered indigent households is largely financed by national government through the local government equitable share allocation, received in terms of the annual Division of Revenue Act.

KFA33: CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

DESCRIPTION	CURRENT YEAR 2020/21		2021/22 MEDIUM TERM REVENUE & EXPENDITURE					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Capital expenditure - Vote								
Vote 1 - EXECUTIVE COUNCIL	1 832	2.15	2 740	4.49	500	1.21	500	0.82
Vote 2 - FINANCIAL SERVICES	2 865	3.36	2 460	4.03	500	1.21	-	0.00
Vote 3 - CORPORATE SERVICES	2 386	2.80	1 923	3.15	200	0.48	200	0.33
Vote 4 - COMMUNITY SERVICES	8 307	9.75	7 490	12.28	2 700	6.54	13 010	21.37
Vote 5 - INFRASTRUCTURE AND ENGINEERING	67 685	79.48	45 230	74.13	36 811	89.11	45 439	74.65
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	2 088	2.45	1 170	1.92	600	1.45	1 720	2.83
Capital multi-year expenditure sub-total	**85 164**	**100.00**	**61 013**	**100.00**	**41 311**	**100.00**	**60 869**	**100.00**

Table 144: (2021/22 Medium-term capital budget per vote

Infrastructure and Engineering receives the highest allocation of R 45,230 million in 2021/22, which equates to 74.13%, followed by Community Services at R 7,490 million (12.28%), Executive & Council at R 2,740 million (4.49%), Financial Services at R 2,460 million (4.03%), Corporate Services at R 1,923 million (3.15%), and Planning, Development and Tourism at R 1,170 million (1.92%).

Annexure "C" provides a summary of the capital projects included in the Capital budget.

The following graph provides a breakdown of the capital budget over the MTREF.

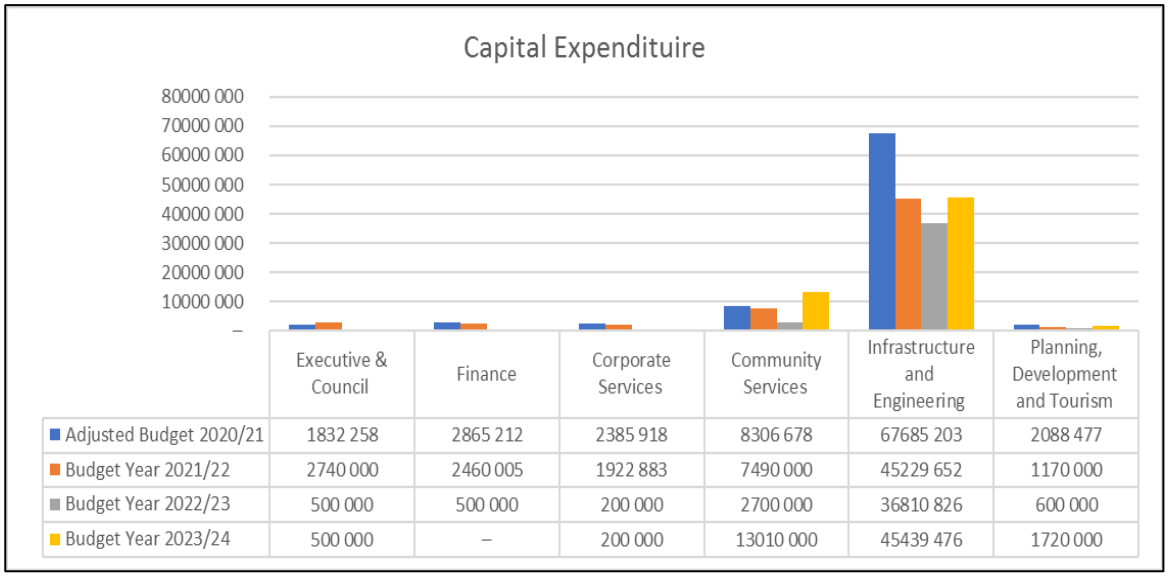


Figure 39: Capital Expenditure

KFA34: ANNUAL BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2021/22 Budget and MTREF to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousands	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Financial Performance				
Property rates	207 801	218 711	230 193	242 278
Service charges	483 561	538 133	571 860	607 766
Investment revenue	5 552	5 780	6 034	6 306
Transfers recognised - operational	166 745	152 602	162 338	164 810
Other own revenue	59 198	50 174	52 382	54 739
Total Revenue (excluding capital transfers and contributions)	922 858	965 400	1 022 807	1 075 898
Employee costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Materials and bulk purchases	309 536	356 261	374 707	390 408
Transfers and grants	761	650	650	650
Other expenditure	274 783	232 664	223 006	222 998
Total Expenditure	1 037 915	1 074 449	1 111 859	1 158 229
Surplus/(Deficit)	(115 057)	(109 049)	(89 052)	(82 330)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	53 586	40 256	41 919	43 217
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	(61 471)	(68 793)	(47 133)	(39 113)
Share of surplus/ (deficit) of associate	–	–	–	–
Surplus/(Deficit) for the year	(61 471)	(68 793)	(47 133)	(39 113)
Capital expenditure & funds sources				
Capital expenditure	85 164	61 013	41 311	60 869
Transfers recognised - capital	50 006	35 985	35 831	36 959
Public contributions & donations	–	–	–	–
Borrowing	–	–	–	–
Internally generated funds	35 158	25 028	5 480	23 910
Total sources of capital funds	85 164	61 013	41 311	60 869

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousands	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Financial position				
Total current assets	207 271	170 054	183 461	186 232
Total non-current assets	2 318 735	2 287 917	2 234 148	2 196 458
Total current liabilities	237 238	182 327	182 327	182 327
Total noncurrent liabilities	163 445	163 445	163 445	163 445
Community wealth/Equity	2 125 323	2 112 199	2 071 837	2 036 918
Cash flows				
Net cash from (used) operating	43 801	23 037	47 947	59 446
Net cash from (used) investing	(85 164)	(61 013)	(41 311)	(60 869)
Net cash from (used) financing	(9 608)	(6 747)	–	–
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Cash backing/surplus reconciliation				
Cash and investments available	90 062	45 339	51 975	50 552
Application of cash and investments	71 940	31 693	23 137	17 986
Balance - surplus (shortfall)	18 122	13 646	28 838	32 566
Asset management				
Asset register summary (WDV)	2 318 722	2 287 904	2 234 135	2 196 445
Depreciation	89 066	91 830	95 080	98 560
Renewal of Existing Assets	13 173	5 215	–	7 500
Repairs and Maintenance	65 146	48 953	44 627	45 317
Free services				
Cost of Free Basic Services provided	50 662	54 308	57 740	61 402
Revenue cost of free services provided	19 429	20 451	21 526	22 658
Households below minimum service level				
Water:	–	–	–	–
Sanitation/sewerage:	–	–	–	–
Energy:	–	–	–	–
Refuse:	–	–	–	–

Table 145: Table A1 - Budget Summary

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

FUNCTIONAL CLASSIFICATION DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Revenue - Functional				
Governance and administration	**343 256**	**334 164**	**353 884**	**368 321**
Executive and council	734	29	31	32
Finance and administration	342 522	334 135	353 853	368 289
Internal audit	–	–	–	–
Community and public safety	**13 588**	**11 799**	**12 111**	**12 443**
Community and social services	2 498	2 516	2 537	2 559
Sport and recreation	6 054	6 302	6 579	6 875
Public safety	1 985	735	736	737
Housing	(0)	–	–	–
Health	3 051	2 246	2 259	2 272
Economic and environmental services	**26 303**	**27 734**	**27 520**	**28 751**
Planning and development	6 573	6 870	7 223	7 541
Road transport	18 341	19 419	18 788	19 633
Environmental protection	1 389	1 446	1 509	1 577
Trading services	**593 297**	**631 958**	**671 212**	**709 600**
Energy sources	304 317	349 113	369 827	392 131
Water management	112 133	109 904	117 647	124 886
Waste water management	104 840	99 787	106 640	112 295
Waste management	72 006	73 154	77 098	80 289
Other	**–**	**–**	**–**	**–**
Total Revenue - Functional	**976 444**	**1 005 656**	**1 064 726**	**1 119 115**
Expenditure - Functional				
Governance and administration	**238 130**	**243 963**	**253 740**	**260 577**
Executive and council	43 932	50 592	51 830	54 784
Finance and administration	194 178	193 351	201 884	205 763
Internal audit	21	20	25	30

FUNCTIONAL CLASSIFICATION DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Community and public safety	**99 017**	**107 514**	**116 055**	**122 817**
Community and social services	10 540	11 186	11 642	12 357
Sport and recreation	50 848	54 230	59 104	61 954
Public safety	25 397	29 328	31 812	34 129
Housing	6 643	5 884	6 229	6 594
Health	5 590	6 886	7 267	7 783
Economic and environmental services	**152 034**	**157 693**	**155 446**	**164 137**
Planning and development	40 583	45 303	46 442	48 702

Road transport	109 440	109 560	105 982	112 179
Environmental protection	2 011	2 830	3 022	3 256
Trading services	**546 626**	**561 444**	**582 822**	**606 895**
Energy sources	317 278	354 858	366 199	379 118
Water management	93 914	86 287	88 655	92 177
Waste water management	67 477	59 888	61 948	64 801
Waste management	67 957	60 412	66 021	70 799
Other	**2 107**	**3 834**	**3 796**	**3 803**
Total Expenditure - Functional	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/(Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Table 146: Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

VOTE DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Revenue by Vote				
Vote 1 - EXECUTIVE COUNCIL	706	–	–	–
Vote 2 - FINANCIAL SERVICES	340 936	332 484	352 130	366 488
Vote 3 - CORPORATE SERVICES	307	1 435	1 498	1 566
Vote 4 - COMMUNITY SERVICES	105 577	105 755	110 926	115 426
Vote 5 - INFRASTRUCTURE AND ENGINEERING	524 996	561 899	595 909	631 181
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	3 922	4 082	4 262	4 454
Total Revenue by Vote	**976 444**	**1 005 656**	**1 064 726**	**1 119 115**
Expenditure by Vote				
Vote 1 - EXECUTIVE COUNCIL	45 903	52 647	52 887	55 927
Vote 2 - FINANCIAL SERVICES	108 439	107 877	108 774	112 017
Vote 3 - CORPORATE SERVICES	47 075	57 087	62 364	59 684
Vote 4 - COMMUNITY SERVICES	206 883	213 660	232 009	247 641
Vote 5 - INFRASTRUCTURE AND ENGINEERING	601 518	609 620	621 671	647 070
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	28 096	33 558	34 153	35 889
Total Expenditure by Vote	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/ (Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Table 147: Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned. Operating revenue and expenditure are thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Revenue By Source				
Property rates	207 801	218 711	230 193	242 278
Service charges - electricity revenue	291 625	334 173	355 059	377 250
Service charges - water revenue	83 642	89 581	95 941	102 753
Service charges - sanitation revenue	55 057	58 635	62 447	66 506
Service charges - refuse revenue	53 237	55 744	58 414	61 257
Service charges - other	–	–	–	–
Rental of facilities and equipment	1 122	1 169	1 220	1 275
Interest earned - external investments	5 552	5 780	6 034	6 306
Interest earned - outstanding debtors	10 253	10 674	11 143	11 645
Dividends received	–	–	–	–

Fines, penalties and forfeits	2 150	2 238	2 336	2 441
Licences and permits	24 732	25 746	26 878	28 088
Agency services	–	–	–	–
Transfers and subsidies	166 745	152 602	162 338	164 810
Other revenue	20 941	10 348	10 804	11 290
Gains	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**922 858**	**965 400**	**1 022 807**	**1 075 898**
Expenditure By Type				
Employee related costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Debt impairment	70 162	53 726	40 660	34 468
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Bulk purchases	246 173	290 000	302 760	316 384
Other materials	63 363	66 261	71 947	74 024
Contracted services	93 567	78 598	79 299	80 156
Transfers and subsidies	761	650	650	650
Other expenditure	111 055	100 339	103 047	108 374
Losses	–	–	–	–
Total Expenditure	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/(Deficit)	**(115 057)**	**(109 049)**	**(89 052)**	**(82 330)**

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	53 586	40 256	41 919	43 217
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	0	0	0	0
Transfers and subsidies - capital (in-kind - all)	**–**	**–**	**–**	**–**
Surplus/(Deficit) after capital transfers & contributions	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Taxation	–	–	–	–
Surplus/(Deficit) after taxation	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Attributable to minorities	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Share of surplus/ (deficit) of associate	–	–	–	–
Surplus/(Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Table 148: (Table A4 - Budgeted Financial Performance (revenue and expenditure)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.
2. Total revenue (excluding capital transfers and contributions) amounts to R 965,400 million in 2021/22 and increases to R 1,075,898 billion in 2023/24.This represents a year-on-year increase of 4.61% for the 2021/22 financial year and increases of 5.95% for the 2022/23 financial year and 5.19% for the 2023/24 financial year, respectively.
3. Revenue from property rates amounts to R 218,711 million in the 2021/22 financial year and increases to R 242,278 million in 2023/24, which amounts to 22.65% of the total operating revenue base of the Municipality.
4. Services charges relating to electricity, water, sanitation, environmental management and refuse collection constitute the biggest component of the total revenue base, amounting to R 538,133 million for the 2021/22 financial year and increasing to R 607,766 million in 2023/24. For the 2021/22 financial year services charges amount to 55.74% of the total revenue base.
5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It is to be noted that the grants decreased by 8.48% for 2021/22, increases by 6.38% for 2022/23 and increased by 1.52% for 2023/24, compared to the 2020/21 Adjustments Budget.

Below a breakdown of property rates and service charges for 2021/22:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE	
	Adjusted Budget	Budget Year 2021/22	%
R thousands			
Revenue By Source			
Property rates	207 801	218 711	5.25
Service charges - electricity revenue	291 625	334 173	14.59
Service charges - water revenue	83 642	89 581	7.10
Service charges - sanitation revenue	55 057	58 635	6.50
Service charges - refuse revenue	38 566	41 073	6.50
Service charges - environment management revenue	14 671	14 671	0.00

Table 149: Table A4 – Property rates and service charges

VOTE DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Capital expenditure - Vote				
Multi-year expenditure *to be appropriated*				
Vote 1 - EXECUTIVE COUNCIL	1 832	2 740	500	500
Vote 2 - FINANCIAL SERVICES	2 865	2 460	500	–
Vote 3 - CORPORATE SERVICES	2 386	1 923	200	200
Vote 4 - COMMUNITY SERVICES	8 307	7 490	2 700	13 010
Vote 5 - INFRASTRUCTURE AND ENGINEERING	67 685	45 230	36 811	45 439

Vote 6 - PLANNING DEVELOPMENT AND TOURISM	2 088	1 170	600	1 720
Total Capital Expenditure - Vote	**85 164**	**61 013**	**41 311**	**60 869**
Capital Expenditure - Functional				
Governance and administration	**7 133**	**8 963**	**2 080**	**2 410**
Executive and council	1 132	2 240	500	500
Finance and administration	6 001	6 723	1 580	1 910
Internal audit	–	–	–	–
Community and public safety	**18 886**	**8 987**	**5 917**	**11 081**
Community and social services	–	570	520	1 300
Sport and recreation	12 245	6 217	4 797	4 681
Public safety	5 882	2 200	600	4 100
Housing	760	–	–	1 000
Health	–	–	–	–

VOTE DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Economic and environmental services	**6 880**	**15 555**	**8 953**	**32 000**
Planning and development	2 871	1 120	600	720
Road transport	4 009	14 435	8 353	31 280
Environmental protection	–	–	–	–
Trading services	**52 164**	**27 458**	**24 360**	**15 379**
Energy sources	18 984	9 783	6 182	6 087
Water management	7 827	2 245	180	180
Waste water management	24 453	14 630	17 649	3 262
Waste management	900	800	350	5 850
Other	**100**	**50**	**–**	**–**
Total Capital Expenditure - Functional	**85 164**	**61 013**	**41 311**	**60 869**
Funded by:				
National Government	44 888	34 385	35 831	36 959
District Municipality	5 118	1 600	–	–
Transfers recognised - capital	**50 006**	**35 985**	**35 831**	**36 959**
Internally generated funds	35 158	25 028	5 480	23 910
Total Capital Funding	**85 164**	**61 013**	**41 311**	**60 869**

Table 150: (Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programme is funded from national grants and internally generated funds. For 2021/22, capital transfers totals R 35,985 million (58.98%) and amounts to R 36,959 million for 2023/24 (60.72%). Internally generated funding amounts to R 25,028 million, R 5,480 million and R 23,910 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in Section 2.6 (Overview of Budget Funding).

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
ASSETS				
Current assets				
Cash	24 281	12 224	14 012	12 589
Call investment deposits	65 781	33 116	37 962	37 962
Consumer debtors	67 394	67 296	67 222	67 161
Other debtors	41 014	48 618	55 462	59 717
Current portion of long-term receivables	3	3	3	3
Inventory	8 798	8 798	8 798	8 798
Total current assets	**207 271**	**170 054**	**183 461**	**186 232**
Non-current assets				
Long-term receivables	13	13	13	13
Investments	–	–	–	–
Investment property	242 552	242 552	242 552	242 552
Investment in Associate	–	–	–	–
Property, plant and equipment	2 074 493	2 042 419	1 988 400	1 950 410
Agricultural	–	–	–	–
Biological	–	–	–	–
Intangible	1 677	2 934	3 184	3 484
Other non-current assets	–	–	–	–
Total non-current assets	**2 318 735**	**2 287 917**	**2 234 148**	**2 196 458**
TOTAL ASSETS	**2 526 006**	**2 457 971**	**2 417 609**	**2 382 690**
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Borrowing	6 747	0	0	0
Consumer deposits	17 378	17 378	17 378	17 378
Trade and other payables	183 464	135 300	135 300	135 300
Provisions	29 649	29 649	29 649	29 649
Total current liabilities	**237 238**	**182 327**	**182 327**	**182 327**
Noncurrent liabilities				
Borrowing	–	–	–	–
Provisions	163 445	163 445	163 445	163 445
Total noncurrent liabilities	**163 445**	**163 445**	**163 445**	**163 445**
TOTAL LIABILITIES	**400 683**	**345 772**	**345 772**	**345 772**
NET ASSETS	**2 125 323**	**2 112 199**	**2 071 837**	**2 036 918**
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	2 125 323	2 112 199	2 071 837	2 036 918
Reserves	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**2 125 323**	**2 112 199**	**2 071 837**	**2 036 918**

Table 151: (Table A6 - Budgeted Financial Position)

Explanatory notes to Table A6 - Budgeted Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e., assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	187 021	203 401	218 684	232 587
Service charges	435 205	500 464	543 267	583 455
Other revenue	48 944	39 500	41 238	43 094
Transfers and Subsidies - Operational	166 705	152 602	162 338	164 810
Transfers and Subsidies - Capital	37 164	40 256	41 919	43 217
Interest	14 780	15 706	16 620	17 485
Dividends	–	–	–	–
Payments				
Suppliers and employees	(843 870)	(927 527)	(975 470)	(1 024 551)
Finance charges	(1 388)	(716)	–	–
Transfers and Grants	(761)	(650)	(650)	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**43 801**	**23 037**	**47 947**	**59 446**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(85 164)	(61 013)	(41 311)	(60 869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(85 164)**	**(61 013)**	**(41 311)**	**(60 869)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(9 608)	(6 747)	–	–

NET CASH FROM/(USED) FINANCING ACTIVITIES	**(9 608)**	**(6 747)**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 970)**	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the year begin:	141 032	**90 062**	**45 339**	**51 975**
Cash/cash equivalents at the year-end:	**90 062**	**45 339**	**51 975**	**50 552**

Table 152: (Table A7 - Budgeted cash flow statement)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus cash outflows that are likely to result from the implementation of the budget.
3. The cash position of the Municipality increases over the 2021/22 to 2023/24 period, from R 45, 339 million to R 50,552 million.
4. Cash and cash equivalents amount to R 45,339 million as at the end of the 2021/22 financial year and increases to R 50,552 million in 2023/24.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Cash and investments available				
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Other current investments > 90 days	(0)	0	0	0
Non-current assets - Investments	–	–	–	–
Cash and investments available:	**90 062**	**45 339**	**51 975**	**50 552**
Application of cash and investments				
Unspent conditional transfers	–	–	–	–
Unspent borrowing	–	–	–	–
Statutory requirements				
Other working capital requirements	70 766	28 517	19 961	14 810
Other provisions	1 174	3 176	3 176	3 176
Long term investments committed	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–
Total Application of cash and investments:	**71 940**	**31 693**	**23 137**	**17 986**
Surplus(shortfall)	***18 122***	***13 646***	***28 838***	***32 566***

Table 153: Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.
4. It is to be noted that the budget moves from a funding surplus of R 13,646 million in 2021/22 to a funding surplus of R 32,566 million in 2023/24.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CAPITAL EXPENDITURE				
Total New Assets	**45 603**	**25 845**	**11 562**	**20 897**
Electrical Infrastructure	14 204	8 383	6 182	6 087
Water Supply Infrastructure	–	570	520	300
Sanitation Infrastructure	16 955	3 430	800	800
Solid Waste Infrastructure	250	1 370	–	–
Information and Communication Infrastructure	757	700	500	6 500
Infrastructure	***32 166***	***14 453***	***8 002***	***13 687***
Community Facilities	3 092	1 650	700	100
Sport and Recreation Facilities	–	200	–	–
Community Assets	***3 092***	***1 850***	***700***	***100***
Revenue Generating	100	–	–	–
Non-revenue Generating	360	–	–	1 000
Investment properties	***460***	**–**	**–**	***1 000***
Operational Buildings	469	1 106	–	–
Housing	–	–	–	–
Other Assets	***469***	***1 106***	**–**	**–**
Licences and Rights	1 516	1 257	250	300
Intangible Assets	***1 516***	***1 257***	***250***	***300***
Computer Equipment	**2 578**	**1 350**	**530**	**660**
Furniture and Office Equipment	**1 310**	**1 770**	**900**	**770**
Machinery and Equipment	**3 612**	**2 960**	**1 180**	**1 880**
Transport Assets	**400**	**1 100**	**–**	**2 500**
Total Renewal of Existing Assets	**13 173**	**5 215**	**–**	**7 500**
Roads Infrastructure	2 270	–	–	7 500
Electrical Infrastructure	3 000	–	–	–
Water Supply Infrastructure	1 350	1 565	–	–
Infrastructure	***6 620***	***3 065***	**–**	***7 500***
Community Facilities	100	50	–	–
Sport and Recreation Facilities	200	–	–	–
Community Assets	***300***	***50***	**–**	**–**
Revenue Generating	6 253	2 100	–	–
Investment properties	***6 253***	***2 100***	**–**	**–**
Total Upgrading of Existing Assets	**26 387**	**29 952**	**29 749**	**30 873**
Roads Infrastructure	1 739	14 235	8 353	23 780
Electrical Infrastructure	–	1 400	–	–
Water Supply Infrastructure	400	–	–	–
Sanitation Infrastructure	13 175	9 830	16 849	2 462
Information and Communication Infrastructure	5 087	–	–	–
Infrastructure	***20 401***	***25 465***	***25 202***	***26 242***
Sport and Recreation Facilities	5 986	4 237	4 547	4 631
Community Assets	***5 986***	***4 237***	***4 547***	***4 631***
Computer Equipment	**–**	**250**	**–**	**–**

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Total Capital Expenditure	**85 164**	**61 013**	**41 311**	**59 269**
Roads Infrastructure	4 009	14 235	8 353	31 280
Electrical Infrastructure	17 204	9 783	6 182	6 087
Water Supply Infrastructure	1 750	2 135	520	300
Sanitation Infrastructure	30 130	13 260	17 649	3 262
Solid Waste Infrastructure	250	1 370	–	–
Information and Communication Infrastructure	5 845	2 200	500	6 500
Infrastructure	***59 188***	***42 983***	***33 203***	***47 429***
Community Facilities	3 192	1 700	700	100
Sport and Recreation Facilities	6 186	4 437	4 547	4 631
Community Assets	***9 379***	***6 137***	***5 247***	***4 731***
Revenue Generating	6 353	2 100	–	–
Non-revenue Generating	360	–	–	1 000
Investment properties	***6 713***	***2 100***	**–**	***1 000***
Operational Buildings	469	1 106	–	–
Other Assets	***469***	***1 106***	**–**	**–**
Licences and Rights	1 516	1 257	250	300
Intangible Assets	***1 516***	***1 257***	***250***	***300***
Computer Equipment	**2 578**	**1 600**	**530**	**660**
Furniture and Office Equipment	**1 310**	**1 770**	**900**	**770**
Machinery and Equipment	**3 612**	**2 960**	**1 180**	**1 880**
Transport Assets	**400**	**1 100**	**–**	**2 500**
TOTAL CAPITAL EXPENDITURE - Asset class	**85 164**	**61 013**	**41 311**	**59 269**
ASSET REGISTER SUMMARY - PPE (WDV)	2 318 722	2 287 904	2 234 135	2 196 445
Roads Infrastructure	625 091	563 801	510 032	472 342
Storm water Infrastructure	46 564	62 134	62 134	62 134
Electrical Infrastructure	481 825	481 785	481 785	481 785
Water Supply Infrastructure	344 636	353 087	353 087	353 087
Sanitation Infrastructure	82 945	67 176	67 176	67 176
Solid Waste Infrastructure	16 009	16 009	16 009	16 009
Information and Communication Infrastructure	0	250	250	250
Infrastructure	***1 597 070***	***1 544 241***	***1 490 473***	***1 452 783***
Community Assets	34 096	25 628	25 628	25 628
Investment properties	242 552	242 552	242 552	242 552
Other Assets	144 063	151 324	151 324	151 324
Intangible Assets	1 677	2 934	2 934	2 934
Computer Equipment	9 143	9 198	9 198	9 198
Furniture and Office Equipment	14 246	17 122	17 122	17 122
Machinery and Equipment	16 212	28 792	28 792	28 792
Transport Assets	19 534	26 344	26 344	26 344
Land	240 131	239 771	239 771	239 771
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**2 318 722**	**2 287 904**	**2 234 135**	**2 196 445**

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
EXPENDITURE OTHER ITEMS				
Depreciation	89 066	91 830	95 080	98 560
Repairs and Maintenance by Asset Class	**65 146**	**48 953**	**44 627**	**45 317**
Roads Infrastructure	30 049	11 590	1 660	1 734
Storm water Infrastructure	1 406	1 355	1 414	1 484
Electrical Infrastructure	5 353	7 227	9 955	10 318
Water Supply Infrastructure	8 829	6 386	6 665	6 960
Sanitation Infrastructure	3 022	2 915	3 043	3 179
Rail Infrastructure	207	730	803	827
Information and Communication Infrastructure	1 050	1 312	1 578	345
Infrastructure	***49 916***	***31 515***	***25 118***	***24 847***
Community Facilities	1 468	2 267	2 503	2 657
Sport and Recreation Facilities	2 219	2 044	3 559	3 700
Community Assets	***3 687***	***4 311***	***6 062***	***6 357***
Operational Buildings	3 002	2 579	2 319	2 434
Other Assets	***3 002***	***2 579***	***2 319***	***2 434***
Machinery and Equipment	**748**	**732**	**802**	**839**
Transport Assets	**7 794**	**9 816**	**10 325**	**10 840**
TOTAL EXPENDITURE OTHER ITEMS	**154 212**	**140 783**	**139 707**	**143 877**
Renewal and upgrading of Existing Assets as % of total capex	*46.5%*	*57.6%*	*72.0%*	*64.7%*
Renewal and upgrading of Existing Assets as % of depreciation	*44.4%*	*38.3%*	*31.3%*	*38.9%*
R&M as a % of PPE	*3.1%*	*2.4%*	*2.2%*	*2.3%*
Renewal and upgrading and R&M as a % of PPE	*5.0%*	*4.0%*	*3.0%*	*4.0%*

Table 154: Table A9 - Asset Management

Explanatory notes to Table A9 - Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and also reflects the relevant asset categories. The associated repairs and maintenance and depreciation are also reflected. It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.
2. National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE. In this regard the expenditure relating to the renewal/rehabilitation of existing assets amounts to 57.6% of the capital budget, whilst repairs and maintenance constitute 2.4% of PPE.

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Household service targets				
Water:				
Piped water inside dwelling	–	–	–	–
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (at least min.service level)	–	–	–	–
Other water supply (at least min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Using public tap (< min.service level)	–	–	–	–
Other water supply (< min.service level)	–	–	–	–
No water supply	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	–	–	–	–
Sanitation/sewerage:				
Flush toilet (connected to sewerage)	–	–	–	–
Flush toilet (with septic tank)	–	–	–	–
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Bucket toilet	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–
No toilet provisions	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	–	–	–	–
Energy:				
Electricity (at least min.service level)	–	–	–	–
Electricity - prepaid (min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	–	–	–	–
Refuse:				
Removed at least once a week	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Removed less frequently than once a week	–	–	–	–
Using communal refuse dump	–	–	–	–
Using own refuse dump	–	–	–	–
Other rubbish disposal	–	–	–	–
No rubbish disposal	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	–	–	–	–

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Households receiving Free Basic Service				
Water (6 kilolitres per household per month)	36 063 383	38 317 522	40 725 697	43 298 452
Sanitation (free minimum level service)	9 123 753	9 716 797	10 348 389	11 021 034
Electricity/other energy (50kwh per household per month)	5 474 948	6 273 743	6 665 852	7 082 468
Refuse (removed at least once a week)	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)				
Water (6 kilolitres per indigent **household per month)**	36 063	38 318	40 726	43 298
Sanitation (free sanitation service to indigent households**)**	9 124	9 717	10 348	11 021
Electricity/other energy (50kwh per indigent **household per month)**	5 475	6 274	6 666	7 082
Refuse (removed once a week for indigent households**)**	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–
Total cost of FBS provided	**50 662**	**54 308**	**57 740**	**61 402**
Highest level of free service provided per household				
Property rates (R value threshold)				
Water (kilolitres per household per month)				
Sanitation (kilolitres per household per month)				
Sanitation (Rand per household per month)				
Electricity (kwh per household per month)				
Refuse (average litres per week)				
Revenue cost of subsidised services provided (R'000)				
Property rates (tariff adjustment) **(** impermissible values per section 17 of MPRA**)**	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	19 429	20 451	21 526	22 658
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–
Housing - top structure subsidies	–	–	–	–
Other	–	–	–	–
Total revenue cost of subsidised services provided	**19 429**	**20 451**	**21 526**	**22 658**

Table 155: Table A10 - Basic Service Delivery Measurement

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

KFA35: OVERVIEW AND BUDGET FUNDING

Medium-term outlook - operating revenue

The following table provides a breakdown of operating revenue over the medium-term:

The following graph is a breakdown of the operational revenue per main category for the 2021/22 financial year.

DESCRIPTION	CURRENT YEAR 2020/21		2021/22 MEDIUM TERM REVENUE & EXPENDITURE					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Revenue By Source								
Property rates	207 801	22.52	218 711	22.65	230 193	22.51	242 278	22.52
Service charges	483 561	52.40	538 133	55.74	571 860	55.91	607 766	56.49
Transfers and subsidies	166 745	18.07	152 602	15.81	162 338	15.87	164 810	15.32
Other revenue	64 750	7.02	55 954	5.80	58 416	5.71	61 044	5.67
Total Revenue (excluding capital transfers and contributions)	**922 858**	**100.00**	**965 400**	**100.00**	**1 022 807**	**100.00**	**1 075 898**	**100.00**

Table 156: Breakdown of the operating revenue over the medium-term

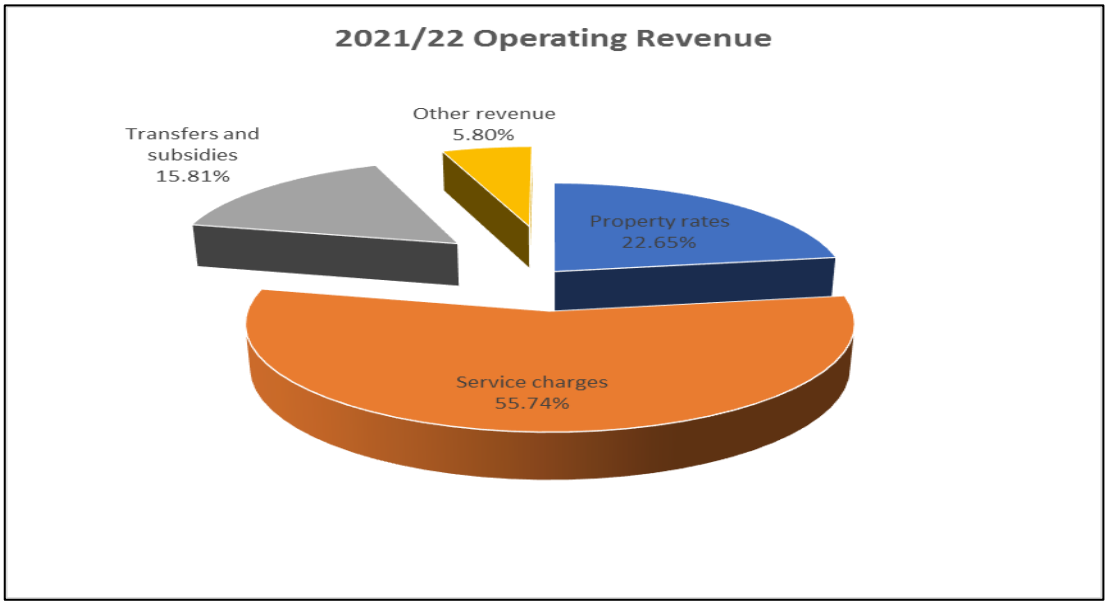


Figure 40: Breakdown of operating revenue over the 2020/21 MTREF

Tariff determination is important in ensuring appropriate levels of revenue, in order to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- The Property Rates Policy.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.

- The level of property rates and tariff increases to take into account maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Efficient revenue management, targeting an 93% annual collection rate for property rates and service charges.
- Growth in the revenue base.

The aforementioned principles guided the annual increases in property rates and tariffs, charged to the consumer.
Property rates amounts to R 218,711 million in the 2021/22 financial year and increases to R 242,278 million in 2023/24, representing 22.65% of the total operating revenue for the 2021/22 budget.

Services charges relating to electricity, water, sanitation, environmental management and refuse collection constitute the largest component of the revenue base, amounting to R 538,133 million in the 2021/22 financial year and increasing to R 607,766 million in 2023/24. For the 2021/22 financial year, services charges amount to 55.74% of the total revenue base.

Operational grants and subsidies amount to R 152,602 million, R 162,338 million and R 164,810 million for each of the respective financial years of the MTREF, or 15.81% of total operating revenue for 2021/22.

The table below provides investment particulars by type:

INVESTMENT TYPE	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand				
Parent municipality				
Securities - National Government				
Listed Corporate Bonds				
Deposits - Bank	90 062	**45 339**	**51 975**	**50 552**
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers' Acceptance Certificates				
Negotiable Certificates of Deposit - Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements - Banks				
Municipal Bonds				
Municipality sub-total	**90 062**	**45 339**	**51 975**	**50 552**
Entities				
Securities - National Government				
Listed Corporate Bonds				
Deposits - Bank				
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers' Acceptance Certificates				

Negotiable Certificates of Deposit - Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements - Banks				
Entities sub-total	–	–	–	–
Consolidated total:	**90 062**	**45 339**	**51 975**	**50 552**

Table 157: SA15 – Detail Investment Information

Investments are anticipated to increase from R 45,339 million in 2021/22 to R 50,552 million in 2023/24.

Medium-term outlook - capital revenue

The following table provides a breakdown of the funding components of the 2021/22 medium-term capital programme:

VOTE DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Funded by:				
National Government	44 888	34 385	35 831	36 959
Provincial Government	0	–	–	–
District Municipality	5 118	1 600	–	–
Transfers recognised - capital	**50 006**	**35 985**	**35 831**	**36 959**
Public contributions & donations	–	–	–	–
Borrowing	–	–	–	–
Internally generated funds	35 158	25 028	5 480	23 910
Total Capital Funding	**85 164**	**61 013**	**41 311**	**60 869**

Table158: Sources of capital revenue over the MTREF

The above table is graphically represented as follows for the 2021/22 financial year:

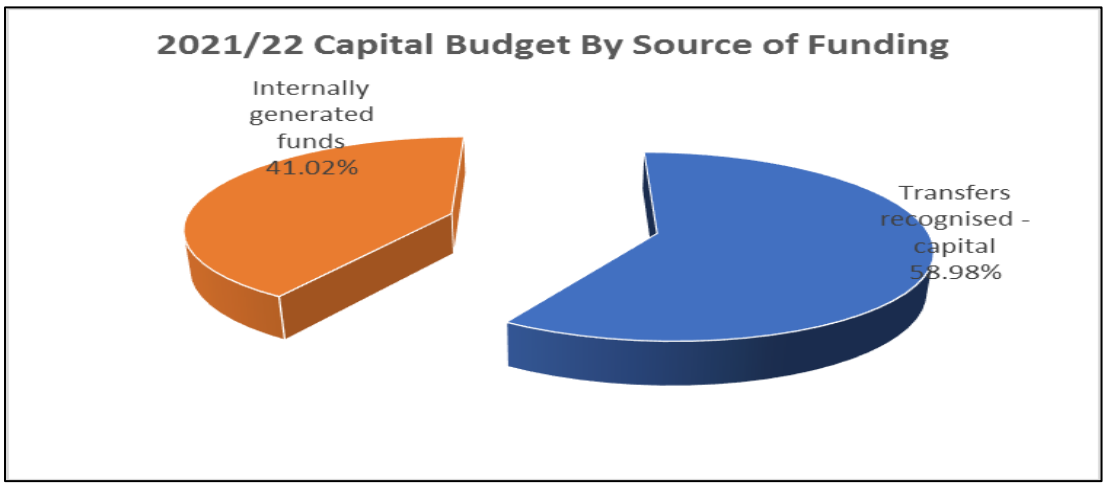


Figure 41: Sources of capital revenue for the 2020/21 financial year

Capital Grants constitute 58.98% of the total funding sources, amounting to R 35,985 million for the 2021/22 financial year and amounting to R 36,959 million or 60.72% in the 2023/24 financial year. It is to be noted that no borrowing is planned for the 2021/22 MTREF, in view of financial affordability considerations.

The following table provides a detailed analysis of the Municipality's borrowings.

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Parent municipality				
Annuity and Bullet Loans	6 747	–	–	–
Total Borrowing	6 747	–	–	–

Table 159: Table SA 17 - Detail of borrowings

The following graph illustrates the outstanding borrowing for the 2021/22 to 2023/24 period:

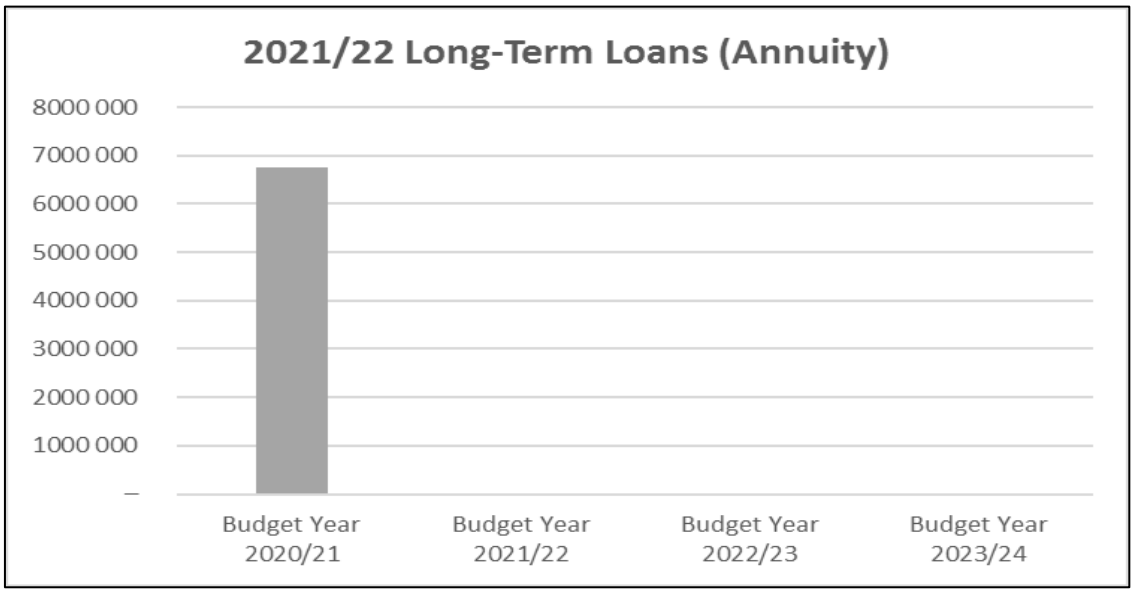


Figure 42: Growth in outstanding borrowing (long-term liabilities)

The following table indicates the capital transfers and grant receipts:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue: General Revenue: Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050

District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**
Capital Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total Capital Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

Table 160: Table SA 18 - Transfers and grant receipts)

KFA36: CASH FLOW MANAGEMENT

Cash flow management and forecasting is a critical step in determining whether the budget is funded over the medium-term. The table includes some specific features:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Budgeted cash flow statement

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	187 021	203 401	218 684	232 587
Service charges	435 205	500 464	543 267	583 455
Other revenue	48 944	39 500	41 238	43 094
Transfers and Subsidies - Operational	166 705	152 602	162 338	164 810
Transfers and Subsidies - Capital	37 164	40 256	41 919	43 217
Interest	14 780	15 706	16 620	17 485
Dividends	–	–	–	–
Payments				
Suppliers and employees	(843 870)	(927 527)	(975 470)	(1 024 551)
Finance charges	(1 388)	(716)	–	–
Transfers and Grants	(761)	(650)	(650)	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**43 801**	**23 037**	**47 947**	**59 446**

CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(85 164)	(61 013)	(41 311)	(60 869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(85 164)**	**(61 013)**	**(41 311)**	**(60 869)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(9 608)	(6 747)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(9 608)**	**(6 747)**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 970)**	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the year begin:	141 032	**90 062**	**45 339**	**51 975**
Cash/cash equivalents at the year-end:	**90 062**	**45 339**	**51 975**	**50 552**

Table 161: Table A7 - Budgeted cash flow statement

For the 2021/22 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R 45,339 million in 2021/22 million to R 50,552 million in 2023/24.

Cash backed reserves/accumulated surplus reconciliation

DESCRIPTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Cash and investments available				
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Other current investments > 90 days	(0)	0	0	0
Non-current assets - Investments	–	–	–	–
Cash and investments available:	**90 062**	**45 339**	**51 975**	**50 552**
Application of cash and investments				
Unspent conditional transfers	–	–	–	–
Unspent borrowing	–	–	–	–
Statutory requirements				
Other working capital requirements	70 766	28 517	19 961	14 810
Other provisions	1 174	3 176	3 176	3 176
Long term investments committed	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–
Total Application of cash and investments:	**71 940**	**31 693**	**23 137**	**17 986**
Surplus(shortfall)	**18 122**	**13 646**	**28 838**	**32 566**

Table 162: Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The underlying purpose of Table A8 is to reflect the predicted cash and investments that are available at the end of a particular budget year and how these funds were used. A surplus would indicate that sufficient cash and investments were available to meet commitments, whilst a shortfall would indicate inadequate cash and investments were available to meet commitments.

The available cash and investments amount to R 45,339 million in the 2021/22 financial year and increases to R 50,552 million in 2023/24. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) – no unspent grant funding is anticipated over the 2021/22 MTREF.
- There is no unspent borrowing from previous financial years.
- The main purpose of the other working capital requirements is to ensure that sufficient funds are available to meet commitments as and when they fall due. A key challenge is often the mismatch between the timing of receipts from debtors and payments due to employees and creditors. High levels of non-payment by debtors will result in a greater requirement for working capital, ultimately causing cash flow challenges.
- Current provision relates to Post-retirement Medical Aid Benefits Liability which has been provided for.

It is concluded that the Municipality's cash backed, and accumulated surpluses reconciliation reflects surpluses of R 13,646 million, R 28,838 million and R 32,566 million for the 2021/22, 2022/23 and 2023/24 financial years, respectively. It is to be noted that the 2021/22 MTREF is funded, when considering the funding requirements of section 18 and 19 of the MFMA. The cost coverage ratio is, however, 0.6 months, 0.7 months and 0.6 months for the 2021/22, 2022/23 and 2023/24 financial years, respectively.

Funding compliance measurement

National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below.

DESCRIPTION	MFMA SECTION	CURRENT YEAR 2020/21	2020/21 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
		Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Funding measures	_				
Cash/cash equivalents at the year-end - R'000	18(1)b	90 062	45 339	51 975	50 552
Cash + investments at the yr endless applications - R'000	18(1)b	18 122	13 646	28 838	32 566
Cash year end/monthly employee/supplier payments	18(1)b	1.3	0.6	0.7	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(61 471)	(68 793)	(47 133)	(39 113)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(5.4%)	3.5%	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	89.4%	92.1%	94.0%	95.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.1%	7.1%	5.1%	4.1%
Capital payments % of capital expenditure	18(1)c;19	111.6%	115.2%	105.6%	124.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a		0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	(13.8%)	6.9%	5.8%	3.4%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.1%	2.4%	2.2%	2.3%
Asset renewal % of capital budget	20(1)(vi)	17.3%	9.9%	0.0%	15.3%

Table 163: Funding compliance measurement

Below is a discussion of the different measures:

Cash/cash equivalent position

The forecasted cash and cash equivalents for the 2021/22 MTREF amounts to R 45,339 million, R 51,975 million and R 50,552 million for the respective financial years.

Cash plus investments less application of funds

For the 2021/22, 2022/23 and 2023/24 budgets, the available cash and investments exceed the application of funds by an amount of R 13,646 million, R 28,838 million and R 32,566 million, respectively.

Monthly average payments covered by cash or cash equivalents

As part of the 2021/22 MTREF, the projected cash position causes the ratio to decrease from 1.3 months to 0.6 months.

Surplus/deficit excluding depreciation off-sets

For the 2021/22 MTREF the indicative outcome is a deficit of R 109,049 million, R 89,052 million and R 82,330 million, respectively. This is made up as follows:

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Surplus/(Deficit)	(115 097)	(109 049)	(89 052)	(82 330)
Transfers and subsidies - capital	53,586	40 256	41 919	43 217
Total	**(61 471)**	(68 793)	(47 133)	(39 113)

Table 164: Surplus/deficit excluding depreciation off-sets

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective, and therefore the first two measures in the table are critical.

Property rates/service charge revenue as a percentage increase less macro inflation target

This is calculated by deducting the maximum macro-economic inflation target (which is currently 4.1%), so as to determine the real increase in revenue. The percentage growth totals 3.5%, 0.0% and 0.0% for the respective financial years of the 2021/22 MTREF.

Cash receipts as a percentage of ratepayer and other revenue

The outcome is approximately 92.1% for the 2021/22 and 94.0% for the 20222/23 and 95.0% for the 2023/24 financial years.

Debt impairment expense as a percentage of billable revenue

The provision has been set at 7% for property rates and services, for the 2021/22 and 5% for the 2022/23 and 4% for the 2023/24 financial years, in line with the revenue collection trends.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into account in forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions

No borrowing has been planned for the 2021/22 MTREF.

Transfers/grants revenue as a percentage of government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. All transfers are included in the budget.

Repairs and maintenance expenditure level

The expenditure constitutes 2.4%, 2.2% and 2.3% of Property, Plant and Equipment respectively, over the 2021/22 MTREF, whilst National Treasury has suggested an 8% level.

EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Grants received

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue: General Revenue: Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–

Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**
Capital Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total Capital Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

Table 165: Grants received

Grants expenditure

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	**Adjusted Budget**	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue: General Revenue: Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total operating expenditure of Transfers and Grants:	**166 705**	**152 602**	**162 338**	**164 810**
Capital expenditure of Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total capital expenditure of Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

Table 166: Grants expenditure

Allocations and grants made by the municipality

The table below reflects the grants and allocations made by the Municipality. It includes grants-in-aid made in accordance with the Municipality's grants-in-aid policy and transfers to entities and other organisations to primarily support their operational expenditure.

DESCRIPTION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash Transfers to Entities/Other External Mechanisms				
Various Organisations	761	650	650	650
Total Cash Transfers To Entities/Ems'	**761**	**650**	**650**	**650**
TOTAL CASH TRANSFERS AND GRANTS	**761**	**650**	**650**	**650**
TOTAL TRANSFERS AND GRANTS	**761**	**650**	**650**	**650**

Table 167: Allocations and grants made by the municipality

Councillors and employee benefits

DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

SUMMARY OF EMPLOYEE AND COUNCILLOR REMUNERATION	CURRENT YEAR 2020/21	2021/22 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Councillors (Political Office Bearers plus Other)				
Basic Salaries and Wages	9 104	9 104	9 696	10 326
Motor Vehicle Allowance	3 081	3 081	3 282	3 495
Cell phone Allowance	1 465	1 465	1 560	1 662
Sub Total - Councillors	**13 651**	**13 651**	**14 538**	**15 483**
Senior Managers of the Municipality				
Basic Salaries and Wages	6 106	6 954	7 406	7 887
Pension and UIF Contributions	36	106	113	120
Medical Aid Contributions	13	31	33	35
Performance Bonus	453	23	25	26
Motor Vehicle Allowance	811	1 605	1 709	1 820
Cell phone Allowance	6	10	11	12
Other benefits and allowances	50	1	1	1
Payments in lieu of leave	1 150	2 358	2 511	2 674
Sub Total - Senior Managers of Municipality	**8 624**	**11 088**	**11 808**	**12 576**
Other Municipal Staff				
Basic Salaries and Wages	224 540	232 525	247 590	263 683
Pension and UIF Contributions	33 121	36 881	39 278	41 831
Medical Aid Contributions	17 256	23 684	25 105	26 737

Overtime	28 149	31 142	33 166	35 322
Performance Bonus	–	23	25	26
Motor Vehicle Allowance	9 393	9 871	11 217	11 946
Cell phone Allowance	288	85	91	97
Housing Allowances	905	1 787	1 904	2 027
Other benefits and allowances	24 869	29 863	31 854	33 925
Payments in lieu of leave	27	25	27	28
Long service awards	1 557	1 702	1 813	1 930
Sub Total - Other Municipal Staff	**340 105**	**367 590**	**392 070**	**417 554**
Total Parent Municipality	**362 380**	**392 328**	**418 416**	**445 613**
TOTAL SALARY, ALLOWANCES & BENEFITS	**362 380**	**392 328**	**418 416**	**445 613**
TOTAL MANAGERS AND STAFF	**348 729**	**378 677**	**403 878**	**430 130**
TOTAL TRANSFERS AND GRANTS	**761**	**650**	**650**	**650**

Table 168: Disclosure of salaries, allowances and benefits

Monthly targets for revenue, expenditure and cash flow

MONTHLY CASH FLOWS	BUDGET YEAR 2021/22												MTREF
R thousand	July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2021/22
Cash Receipts By Source													
Property rates	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	203 401
Service charges - electricity revenue	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	310 781
Service charges - water revenue	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	83 310
Service charges - sanitation revenue	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	54 531
Service charges - refuse revenue	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	51 842
Rental of facilities and equipment	97	97	97	97	97	97	97	97	97	97	97	97	1 169
Interest earned - external investments	482	482	482	482	482	482	482	482	482	482	482	482	5 780
Interest earned - outstanding debtors	827	827	827	827	827	827	827	827	827	827	827	827	9 927
Fines, penalties and forfeits	186	186	186	186	186	186	186	186	186	186	186	186	2 238
Licences and permits	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	25 746
Transfers and Subsidies - Operational	50 867					50 867			50 867				152 602
Other revenue	862	862	862	862	862	862	862	862	862	862	862	862	10 348
Cash Receipts by Source	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**433 733**	**911 674**

MONTHLY CASH FLOWS	BUDGET YEAR 2021/22												MTREF
R thousand	July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2021/22
Cash Payments by Type													
Employee related costs	30 195	30 195	30 195	30 195	46 526	30 195	30 195	30 195	30 195	30 195	30 195	30 198	378 677
Remuneration of councillors	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	13 651

Finance charges	60	60	60	60	60	60	60	60	60	60	60	60	716
Bulk purchases - Electricity	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	290 000
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	66 261
Contracted services	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 551	78 598
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	54	54	54	54	54	54	54	54	54	54	54	54	650
Other expenditure	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 364	100 339
Cash Payments by Type	**76 046**	**76 046**	**76 046**	**76 046**	**92 377**	**76 046**	**76 046**	**76 046**	**76 046**	**76 046**	**76 046**	**76 053**	**928 893**
Other Cash Flows/Payments by Type													
Capital assets	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 085	61 013
Repayment of borrowing	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	6 747
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**74 384**	**81 131**	**81 131**	**81 131**	**97 461**	**81 131**	**81 131**	**81 131**	**81 131**	**81 131**	**81 131**	**94 632**	**996 652**
NET INCREASE/(DECREASE) IN CASH HELD	**(27 699)**	**(34 446)**	**(34 446)**	**(34 446)**	**(50 776)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**343 764**	**(44 723)**
Cash/cash equivalents at the month/year begin:	90 062	62 363	27 917	(6 528)	(40 974)	(91 750)	(126 196)	(160 642)	(195 087)	(229 533)	(263 979)	(298 425)	90 062
Cash/cash equivalents at the month/year end:	62 363	27 917	(6 528)	(40 974)	(91 750)	(126 196)	(160 642)	(195 087)	(229 533)	(263 979)	(298 425)	45 339	45 339

MONTHLY CASH FLOWS	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
R thousand	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Cash Receipts By Source			
Property rates	203 401	218 684	232 587
Service charges - electricity revenue	310 781	337 306	362 160
Service charges - water revenue	83 310	91 144	98 643
Service charges - sanitation revenue	54 531	59 324	63 846
Service charges - refuse revenue	51 842	55 493	58 807
Rental of facilities and equipment	1 169	1 220	1 275
Interest earned - external investments	5 780	6 034	6 306
Interest earned - outstanding debtors	9 927	10 586	11 179

Fines, penalties and forfeits	2 238	2 336	2 441
Licences and permits	25 746	26 878	28 088
Transfers and Subsidies - Operational	152 602	162 338	164 810
Other revenue	10 348	10 804	11 290
Cash Receipts by Source	**911 674**	**982 147**	**1 041 431**
Other Cash Flows by Source			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40 256	41 919	43 217
Total Cash Receipts by Source	**951 930**	**1 024 066**	**1 084 648**

MONTHLY CASH FLOWS	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
R thousand	**Budget Year 2021/22**	**Budget Year 2022/23**	**Budget Year 2023/24**
Cash Payments by Type			
Employee related costs	378 677	403 878	430 130
Remuneration of councillors	13 651	14 538	15 483
Finance charges	716	–	–
Bulk purchases - Electricity	290 000	302 760	316 384
Bulk purchases - Water & Sewer	–	–	–
Other materials	66 261	71 947	74 024
Contracted services	78 598	79 299	80 156
Transfers and grants - other municipalities	–	–	–
Transfers and grants - other	650	650	650
Other expenditure	100 339	103 047	108 374
Cash Payments by Type	**928 893**	**976 120**	**1 025 201**
Other Cash Flows/Payments by Type			
Capital assets	61 013	41 311	60 869
Repayment of borrowing	6 747	–	–
Other Cash Flows/Payments	–	–	–
Total Cash Payments by Type	**996 652**	**1 017 431**	**1 086 071**
NET INCREASE/(DECREASE) IN CASH HELD	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the month/year begin:	90 062	45 339	51 975
Cash/cash equivalents at the month/year end:	45 339	51 975	50 552

Table 169: Monthly targets for revenue, expenditure and cash flow

Annual budgets and service delivery and budget implementation plans – Directorates

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

(a) Monthly projections of

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Executive Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2021/22 financial year will be approved by the Executive Mayor during July 2021, following the approval of the Budget.

KFA37: PROPERTY VALUATION AND PROPERTY MANAGEMENT

Valuers: DDP Valuers from Pretoria were appointed as Council Valuers on 26 April 2017. Mr Morne Coetzee, Professional Valuer was appointed as Municipal Valuer and the date of the General Valuation was 1 July 2017 and implemented on 1 July 2018. The next date of valuations is 30 June 2023.

Properties are valued as follow:

One Supplementary Valuation per year but if necessary, more than one can be maintained.

CATEGORY DESCRIPTION	*COUNT*	*VACANT*	*IMPROVED*	*TOTAL*
		Land	***Land***	***Value***
Residential Developed	*10101*		*13,300,669,000*	*13,300,669,000*
Residential-Vacant Land	*3583*		*1,034,389,000*	*1,034,389,000*
Residential-SS Residential	*2658*		*2,209,253,000*	*2,209,253,000*
Residential-SS Garage	*344*		*19,340,000*	*19,340,000*
Industry-Developed	*115*		*294,491,000*	*294,491,000*
Industry-Vacant	*27*		*20,744,000*	*20,744,000*
Bus/Com-Developed	*485*		*1,327,414,000*	*1,327,414,000*
Bus/Com-Vacant Land	*103*		*110,474,000*	*110,474,000*
Bus/Com-SS Bus/Com	*475*		*200,658,000*	*200,658,000*

Bus/Com-Accom (B&B/Guest)	*171*		*485,656,000*	*485,656,000*
Bus/Com/Ind-Accom (SS Resorts)	*35*		*29,360,000*	*29,360,000*
Farm-Agricultural	*2339*		*3,362,797,400*	*3,362,797,400*
Farm-Bus/Com (Wind Farms)	*3*		*431,000*	*431,000*
Farm-Residential	*71*		*62,676,000*	*62,676,000*
Farm-Private Towns-SS Residence	*112*		*306,201,000*	*306,201,000*
Smallholding-Agricultural	*102*		*1,962,000*	*1,962,000*
State Owned-National Govt.	*345*		*311,452,700*	*311,452,700*
State Owned-Provincial Govt.	*235*		*181,932,000*	*181,932,000*
Municipal-Developed	*4076*	*95,462,000*	*248,196,000*	*343,658,000*
Municipal-Vacant Land	*1033*	*133,441,000*	*7,488,000*	*140,929,000*
Municipal-Public Roads	*94*	*104,000*	*218,000*	*322,000*
Municipal-P.O.S.	*424*	*53,958,000*	*9,983,000*	*63,941,000*
Municipal-Agricultural	*75*	*37,522,900*	*9,658,000*	*47,180,900*
Public Service Infra. (PSI)	*248*		*19,890,000*	*19,890,000*
Private Towns-Res Developed	*1252*		*1,895,263,000*	*1,895,263,000*
Private Towns-Res Vacant Land	*1301*		*409,080,000*	*409,080,000*
Private Towns-SS Residential	*525*		*444,364,000*	*444,364,000*
Private Towns-SS Garage	*26*		*1,040,000*	*1,040,000*
Private Towns-Bus Developed	*6*		*40,100,000*	*40,100,000*
Private Towns-Bus Vacant Land	*1*		*3,000,000*	*3,000,000*
Private Towns-SS Business	*36*		*23,161,000*	*23,161,000*
Private Towns-Accom(B&B/Guest)	*1*		*3,300,000*	*3,300,000*
Privately Owned(Exempt)-P.O.S.	*527*		*76,022,000*	*76,022,000*
In/Formal Settlement-Sub Econ	*8455*		*430,370,000*	*430,370,000*
In/Formal Settlement-Remainder	*83*		*3,097,000*	*3,097,000*
Communal Land-Farm Property	*8*		*21,084,000*	*21,084,000*
Prov of Land/Restitution Act	*5*		*5,950,000*	*5,950,000*
Protected Areas-Nature Reserve	*4*		*19,790,000*	*19,790,000*
PBO-Churches	*160*		*120,113,000*	*120,113,000*
PBO-Charities	*3*		*7,200,000*	*7,200,000*
PBO-Sport	*1*		*1,800,000*	*1,800,000*
PBO-Museums	*1*		*150,000*	*150,000*
PBO-Care Facilities	*11*		*59,759,000*	*59,759,000*
Multiple Purposes	*87*		*155,228,000*	*155,228,000*
Total	**39747**	**320,487,900**	**27,275,204,100**	**27,595,692,000**

Table 170 : Property valuations

During our process we had 322 Objections, 19 Appeals and 96 Reviews. Currently the members of the Appeal Board are not yet appointed by Provincial Government.

General basis of valuation

- All properties, residential, business, farms etc. were valued at market value.
- The draft roll was submitted on 30 November 2017 and the certified roll 31 January 2018.
- Objection Closing Date: 30 April 2018 - Outcome of objections: 15 July 2018.
- Appeal Closing date: 03 September 2018.

Property Management

The Kouga Municipal Asset and Property Management function has formed an integral part of Finance Management Plan by maintaining a creditable and GRAP compliant Financial Asset Register (FAR). During the financial year 2016/17 the Municipality appointed A2A Kopano a qualified service provider with a track record in providing Asset Management Support Services to assist the municipality with a compilation of a GRAP compliant Asset Register. Currently the Asset Management team consist of 5 employees which is responsible for day to day functioning of the Asset Management department.

The Asset Management Department Key Performance Areas (KPA) are set out in the following manner:

Asset Management

- Ensuring a GRAP Compliant Asset Register.
- Ensuring compliance with Asset policy/Accounting Policy.
- Asset Verification process- year end procedures
- Reconciliations between Asset Register and General Ledger.
- Capitalization of PPE
- Impairment/Condition assessment of Asset
- Report on Capital expenditure for Movable Assets and Infrastructure Assets/WIP.
- Identification of redundant and obsolete Assets

Insurance and Litigation

- Processing of Insurance claims against and for Municipality
- Administration of Accident reports
- Insurance of Municipal Assets
- Insurance policy (review policy)
- Report on Insurance claims and litigations to Council on a monthly basis

Property Management

- Compilation of lease register
- Compilation of property register
- Property Inspections and verifications
- Drafting of lease agreements
- Contract Management
- Reporting to council on alienation of land

The Asset Register consist of +-38552 items with a total net Value of R 2.1 Billion. During the 18/19 financial year, capital addition to the Asset Register amounted to R34 million. Out of these four infrastructure projects were completed and added to the Asset Register with a total value of R 22million, R 9 million of movable asset additions and R 1.9 million of finance leased assets.

DRAFT

The Asset Register can be broken down in the following categories

ASSET GROUP	NUMBER OF ASSETS
Intangible Assets	76
Investment Property	213
Land and Buildings	851
Community Assets	41
Infrastructure Assets	27305
Other Asset	10444
Leased Assets	23

Table 171: Asset Groups

The Asset Management department are and formidable team and quite clued up with the management of Municipal Assets. This a clear indication that Kouga Municipality is moving in the right direction due to the progress that has been made over the years.

The Asset Register can be broken down in the following categories

KFA38: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) STRATEGY

The standardisation of Microsoft within the KLM will enhance the ICT environment with immediate effect, as it constantly develops new products to not only meet current requirements but create new methods of achieving goals. Furthermore, skills for programming, maintenance and support for Microsoft are readily available and taught by most of tertiary institutions.

The following areas (functionalities) within ICT will be given priority in terms of the development, upgrading and ongoing monitoring of its systems and services rendered.

- Procuring internet equipment management tools to control and manage access to the Internet.
- Upgrading the wireless backbone.
- Upgrading e-mail archiving.
- Replacing the e-mail filtering device.
- Procuring network access security devices.
- Consolidating all ICT services.

The ICT focus will remain on strengthening the ICT governance framework, including paying attention to protecting the institution's ICT network in the face of growing and sophisticated security threats, extending the reach of ICT services offered by the Municipality to communities to better enhance access to municipal services and, in the process, building on continuing efforts to bridge the digital divide and lay the foundation for a knowledge economy in the Kouga area.

The need for an updated coherent, comprehensive Information and Communications Technology (ICT) Strategy for the Municipality is self-evident. To be meaningful, the ICT Strategy must be updated, aligned to the vision of the municipal leadership and provide the documentary framework within which the information systems infrastructure of the Municipality is developed and expanded to meet the demand for facilities and information.

The strategic objectives of ICT Management are therefore as follows:

- Aligning information systems to support the Municipality's business objectives.
- Providing the Municipality with quality information and/or knowledge to support and enhance decision making, collaboration and information sharing.

- Providing the abovementioned through integrated information management, communications and systems technology.
- Improving the service delivery of the Information Communication Technology Section.
- Providing strategic direction and high-level technology architecture designs to the ICT Section.
- Catering for electronic public access to municipal accounts and other relevant information via the Internet.

Websites

The municipal website, which can be found at 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 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 wide a reach as possible. Other information placed on the website includes municipal contact numbers, events and media releases. Application and registration forms can also be downloaded from the website.

The web site also hosts an integrated portal where ratepayers can access their account information once registered on the billing system to ensure that we reach local and international property owners in the Kouga area.

ICT Services

The department are in the process of installing wireless access points at all administrative municipal buildings in order to support the paper less technology solution as a cost cutting measure. This will enable councillors to have wireless internet connection to access the electronically formatted agendas for various council meetings. The municipal intranet will be utilized as a security mechanism. The municipality currently utilises radio network devices to link all satellite municipal buildings to the Jeffreys Bay administrative unit. All voice / telephone services and internet & email communication channels travel via the radio links to the main frame network which is in Jeffreys Bay. This allows the municipal staff to make and receive calls at no cost between municipal buildings.

The following Key ICT policies and strategic documents are in the process of council approval, implementation to follow as to strengthen ICT Governance in the municipal ICT environment:

- Corporate Governance of ICT Policy
- ICT Disaster Recovery Policy

The department are currently understaffed, a process was started to fill the critical vacant positions within the department to support the business.

KFA39: REVENUE STRATEGIES

The municipality's revenue strategy is built around the following components:

- National Treasury's guidelines and macro-economic policy.
- Growth in the municipality and continued economic development.
- Efficient revenue management, which strives to ensure a 95% annual collection rate for property rates and other key service charges.
- Electricity tariff increases as approved by the National Regulator of South Africa (NERSA).

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act no 6 of 2004)
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The municipality's aim is not to exceed inflation in its annual tariff adjustments, but the following factors hamper such goal and are often beyond the control of the municipality:

- The new general valuation
- ESCOM electricity increases
- Bulk water purchases and
- National collective agreements on salary increases.

KFA40: SUPPLY CHAIN MANAGEMENT

The municipality has established a Supply Chain Management Unit. The municipality has also established the required Bid Committees, being the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. These structures are responsible for ensuring that the Municipality's procurement processes comply with the Supply Chain Management Regulations and Supply Chain Management Policy.

MEETINGS	Jan- Dec 2020
Bid Specification Committee Meeting	23
Bid Evaluation Committee1	33
Bid Evaluation Committee2	29
Bid Adjudication Committee Meeting	18

Table 172 : SCM Meetings

5.8.4 KPA 4 – GOOD GOVERNANCE

KFA41: GOVERNANCE STRUCTUURES

The governance structure of Kouga Municipality is informed by the Municipal Structures Act, No. 117 of 1998, which stipulates the roles and responsibilities that each structure within the municipality should perform. Section 53 of the Municipal Systems Act, (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political office bearer of the municipality and of the city manager must be defined.

The Kouga Municipality is a Category B Municipality with a Mayoral Executive System combined with a Ward Participatory System. The Kouga Municipality is currently a Category 5 municipality, however, there has been an indication the grading of the municipality will be reviewed.

Speaker and Council

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion.

Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The Council comprise of 29 elected councillors, made up of 15 Ward Councillors and 14 Proportional Representation (PR) councillors, as per the tables below:

NAME OF COUNCILLOR	POLITICAL PARTY		WARD/PR	GENDER
	Democratic Alliance (DA)	African National Congress (ANC)		
Amos Mabukane		ANC	Ward 10	Male
Benjamin Rheeder	DA		Ward 12	Male
Brenton Williams	DA		PR	Male
Bryan Dhludhlu	DA		PR	Male
Chris Hattingh Bornman	DA		Ward 11	Male
Cynthia August	DA		PR	Female
Cynthia Matroos		ANC	PR	Female
Daniel Benson	DA		PR	Male
Eldridge Februarie		ANC	Ward 7	Male
Frances Baxter	DA		PR	Female
Frederick Campher	DA		Ward 4	Male
Horatio Hendricks	DA		Ward 15	Male
Jacques Alexander (as from January 2021)	DA		PR	Male
Ludwig Vorster	DA		Ward 8	Male
Magareth Peters		ANC	Ward 13	Female
Malibongwe Dayimani		ANC	PR	Male
Marthina van Niekerk	DA		PR	Female
Melenie Biko	DA		PR	Female
Phumza Nkwalase		ANC	PR	Female
Phumzile Oliphant		ANC	PR	Male
Robert Dennis (as from December 2020)		ANC	Ward 2	Male
Robin Jantjies	DA		PR	Male
Sibongile Jujwana		ANC	Ward 9	Male
Sindiswa Makasi		ANC	Ward 14	Female
Timothy Janjies	DA		PR	Male
Velile Vumazonke		ANC	Ward 6	Male
Willem Gertenbach	DA		Ward 3	Male
Wilma Coenraad	DA		Ward 5	Female
Zolani Mayoni		ANC	Ward 1	Male
TOTAL	**17**	**12**	**29**	

Table 173: Ward Councillors

Executive Mayor and the Mayoral Committee

The Executive Mayor is at the centre of the system of governance since executive powers are vested in him to manage the day-to-day affairs of the municipality. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in concert with the Mayoral Committee.

Seat of the Kouga Municipality

The Kouga Main Municipal Office building is situated in Jeffreys Bay and is the **SEAT** of the municipal council. The building currently accommodates the Office of the Executive Mayor, The Office of the Municipal Manager, the Directorate Administration, Monitoring and Evaluations and the Directorate Finance. The Directorate Planning, Development and Local Economic Development as well as the Directorate I & E are situated at a satellite office in Jeffreys Bay, the Woltemade Building.

Whereas Kouga Municipality consists of the towns of Thornhill, Loerie, Hankey and Patensie in the Gamtoos Valley inland area, Humansdorp inland and Oyster Bay, Cape St Francis, St Francis Bay and Jeffreys Bay in the coastal area was it necessary to provide administrative support in the areas outside the main administrative areas of Humansdorp and Jeffreys Bay to ensure that communities have easy access to services.

DRAFT

The following services are provided in towns as indicated:

Cape St Francis	Hankey	Humansdorp	Jeffreys Bay	Loerie	Oyster Bay	Patensie	St Francis Bay	Thornhill
Serviced by St Francis Bay (Approx.4 km away)	▪ Payment/General enquiries ▪ Library ▪ Traffic licencing Centre ▪ Satellite fire station ▪ Satellite CS depot ▪ Satellite TS depot ▪ Municipal Help Desk	▪ Payment/ general enquiries ▪ Traffic Services ▪ Vehicle testing station ▪ Fire and Rescue Services ▪ Library ▪ Fire Station (Head Quarters)	▪ Seat of Council ▪ Finance Office ▪ SCM Unit ▪ Stores ▪ Administration ▪ HRM ▪ LED ▪ Community Services ▪ Technical Services ▪ Mechanical Workshop ▪ Social Services ▪ Library ▪ Customer Call Centre ▪ Satellite Fire Station	▪ Payment/ general enquiries Office ▪ Library ▪ Satellite CS Depot	▪ General Enquiries Office ▪ Satellite Fire Station (Project stopped)	▪ Payment/ general enquiries ▪ Library ▪ Satellite CS Depot ▪ Satellite TS Depot	▪ Payment/ general enquiries ▪ Satellite Fire Station ▪ Satellite CS Depot ▪ Satellite TS Depot ▪ Satellite building plan Office	▪ Payment/ general enquiries ▪ Library

Table 174: Satellite Offices

DRAFT

Annual Council Calendar (26 June 2020)

MEETING	DAY	MONTH	YEAR
PORTFOLIO COMMITTEE MEETING	4/5/6	February	2020
	2/3/4	June	2020
	14/15/16	July	2020
	8/9/10	September	2020
	3/4/5	November	2020
MAYORAL COMMITTEE MEETING	9	March	2020
	7	May	2020
	21	July	2020
	1	October	2020
	27	November	2020
COUNCIL MEETING	30	January	2020
	21	February	2020
	28	February	2020
	26	March	2020
	1	May	2020
	29	May	2020
	5	June	2020
	12	June	2020
	19	June	2020
	26	June	2020
	30	June	2020
	30	July	2020
	28	August	2020
	30	September	2020
	29	October	2020
	11	December	2020

Table 175: Annual council calendar

STATUTORY DATES	
26 March 2020	End Q4 report
30 January 2020	First Draft Annual Report
28 February 2020	End of Q1 report
30 January 2020	Mid Term Report
26 March 2020	Annual Report
28 February 2020	Adjustments Budget
26 March 2020	Draft Budget/IDP
26 June 2020	Final Budget & IDP
26 June 2020	Write Offs

Table 176 : Statutory dates

Additional Committees

In addition to the above structures, the municipality has various other committees. These include:

TYPE	NAME OF COMMITTEE
APPEALS COMMITTEES	▪ Section 62 Appeal Committee
SECTION 79 COMMITTEES	▪ Municipal Public Accounts Committee (MPAC)
SECTION 80 COMMITTEES	▪ Corp. Serv. Portfolio Committee ▪ PDT Portfolio Committee ▪ I & E Portfolio Committee ▪ CS Portfolio Committee ▪ Finance Portfolio Committee ▪ Local Economic Development & Tourism
OVERSIGHT COMMITTEE	▪ Audit Committee (Sec 166 MFMA) ▪ Risk and Fraud Committee ▪ Disciplinary Board
LABOUR COMMITTEES	▪ Local Labour Forum ▪ Training Committee ▪ Employment Equity Committee ▪ Skills Development Committee
OTHER	▪ Ward Committees ▪ Revenue Enhancement Committee ▪ Rules & Ethics Committee ▪ Bid Committees ▪ Events Committee ▪ Municipal Planning Tribunal ▪ ICT Steering Committee ▪ Environmental Committee: ▪ Disaster Management Committee ▪ Bad Debts Committee: ▪ Inter-governmental Relations Committee: ▪ Ward Councillors Committee: ▪ Performance Management Committee: ▪ Budget & IDP Steering Committee ▪ Budget & IDP Implementation Committee: ▪ IDP Representative Forum ▪ Moral Regeneration Movement: ▪ CDW Round Table Committee ▪ Kouga Roads Forum Committee ▪ Housing Committees Ward based ▪ Seekoei Estuary Breaching Committee ▪ Municipal Land Committee

Table 177: Additional committees

Council Support Services

The Directorate Corp. Serv. provides administrative support to Council and its Committees through the preparation and collation of agendas, the distribution of agendas, providing/securing venues, the provision of refreshments at meetings as required, taking and distribution of minutes and oversight over the execution of resolutions taken by Council and its Committees. In order to ensure administrative effectiveness, the execution of Council Resolutions is controlled by means of action sheets and a Standard Operational Procedure for the Execution of Council Resolutions. The execution of resolutions is reported to Council and its Committees as a matter of course. Risk Reduction Committee was established in January 2019 and will be rolled out to all other Kouga areas.

Frequency of Committee Meetings

MEETING CATEGORY	NO. OF MEETINGS
Council Meetings	**16**
Mayoral Committee	**5**
Maycom/Exco Meetings	**14**
Top Management Meetings	**20**
Portfolio Meetings	**30**
MPAC Meetings	**9**
Kouga Audit Committee Meetings	**5**
Local Labour Forum Meetings	**6**
Municipal Land Committee	**7**
Ward Committee Meeting	**91**
Bid Specification Committee Meeting	**23**
Bid Evaluation Committee Meeting	**62**
Bid Adjudication Committee Meeting	**18**
Loud-hailing	**30**
Policy Workshops	**5**
Rule & Ethics Committee	**0**
Budget Steering Committee	**0**
IGR	**2**
Ad Hoc Committee Meetings	**2**
BIGM	**22**
TOTAL	**367**

Table 178 : Frequency of meetings

Administration

The Administration Directorate (Corp. Serv.) consists of the following sections that render general administrative support services to Council and the Administrative component of Kouga Municipality:

Administration

- Records Management
- Council and Committee support services
- Policy development
- By-Law development

Auxiliary Services

- Office Accommodation
- Telephones and office equipment
- Refreshments and catering

- Call Centre
- Building Maintenance

Human Resources
- Human Resources Administration
- Labour Relations
- Recruitment and Selection
- Staff Structure
- Organizational Development
- Job Evaluation

Employment Equity and Skills Development
- Employment Equity
- Skills Development

Legal Services
- Ensuring legal compliance
- Legal guidance and advice to Council and Administration
- Review and compilation of the Municipal Code
- Mitigate legal risks.

Records and Document Management

The Electronic document records management system (EDRMS) is managed by the Department: Corporate Services in the Administration section. EDRMS is a document management system through which correspondence is logged and distributed, ensuring that documents are filed as per the file plan and made available electronically.

The system is currently being rolled out throughout the institution to ensure an integrated system that will simplify the sending and retrieval of information and minimizing the need for storage of physical documents. The system also has a functionality that provides for a workflow program for signing of documents and tracking of documents without the hassle of sending emails back and forth.

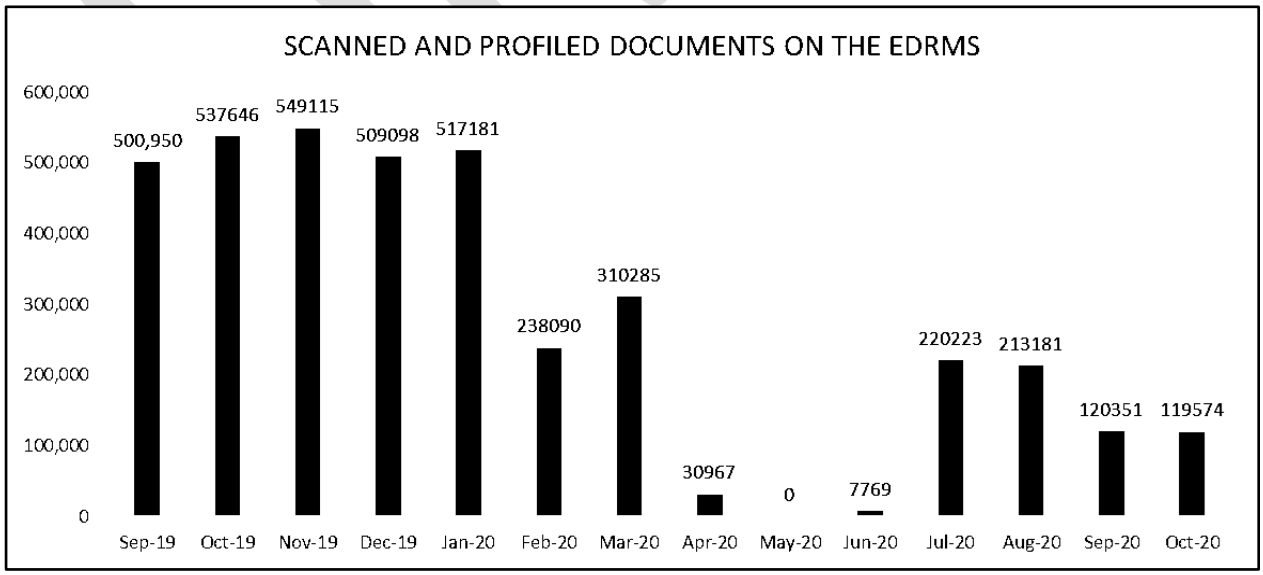


Figure 43L Scanned and profiled documents

This system plays a critical role in working towards a paperless environment and to date more than 3 million documents has been scanned and profiled on EDRM system. *Table 178 : Scanned and profiled documents on the EDRMS*

KFA42: Audit and Compliance

Audit and Performance Audit Committee

Section 166 of the Municipal Finance Management Act no. 56 of 2003, requires every municipality to establish and maintain an audit committee, as an independent appraisal function.

Section 166:
(1) Each municipality and each municipal entity must an audit committee, subject to subsection (6).
(2) An audit committee is an independent advisory body which must – (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:
(i) Internal financial control and internal audits.
(ii) Risk management.
(iii) Accounting policies.
(iv) The adequacy, reliability and accuracy of financial reporting and information.
(v) Performance management.
(vi) Effective governance.
(vii) Compliance with this Act, the annual Division of Revenue Act, and any other applicable legislation.
(viii) Performance evaluation; and
(ix) Any other issues referred to it by the municipality or municipal entity.

Four meetings were held by the Audit Committee during 2020. The Audit committee comprises of 3 members. The Audit Committee has been functional and effective over the last financial year. The following table indicates the members of the Audit Committee:

Name of Representative	Capacity
Jaenre' Blignaut	Chair
Rodney Coetzer	Member
Yimile Ngqele	Member

Table 179 : Audit committee members

Internal Auditing

In terms of Section 165(1) of the Municipal Finance Management Act No. 56 of 2003 each municipality must have an internal audit Unit. Section 165(2) of the Act gives guidance on what is expected of the internal audit activity with regard to responsibility, functions and reporting requirements. The Kouga Municipality's Internal Audit activity is capacitated to provide independent, objective assurance and consulting services. Independence is maintained by being accountable to the Accounting Officer administratively and by functionality reporting to the Audit Committee, these reporting lines are clearly stated in the Kouga Internal Audit Charter.

The Internal Audit activity strives to provide value-added service to the municipality proving workable and sustainable solutions. Internal Audit engagements are conducted as stated in the audit methodology.

Audit Staff Structure

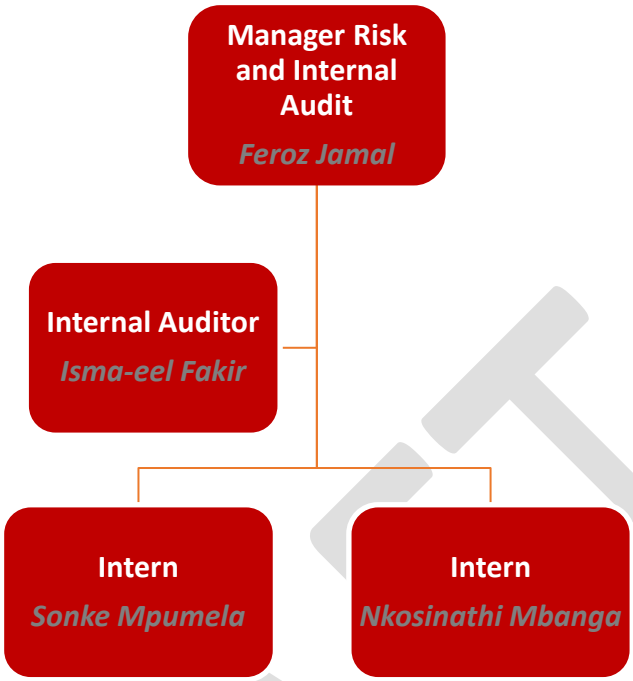


Figure 44: Audit staff structure

Audit Outcomes

Year	Opinion Received
2017/18	Unqualified
2018/19	Unqualified
2019/20	Unqualified
2020/21	Unqualified

Table 180 : Audit outcomes

DRAFT

KFA43: RISK MANAGEMENT

The role of the Fraud and Risk Management Committee is to provide a timely and useful enterprise risk management report to the audit committee of the municipality. The report contains the current top risks of the municipality, which includes:

- The key strategic and financial risks facing the municipality (all high-risk exposures); and
- The key operation risks per strategic goal.

RISK GRAPH

The Risk Management Section is currently not functional due to vacancies; however, the risk management functions are being attended to by Internal Audit with recommendations to management and Council. Progress on action plans is followed up with the relevant Directors on a quarterly basis.

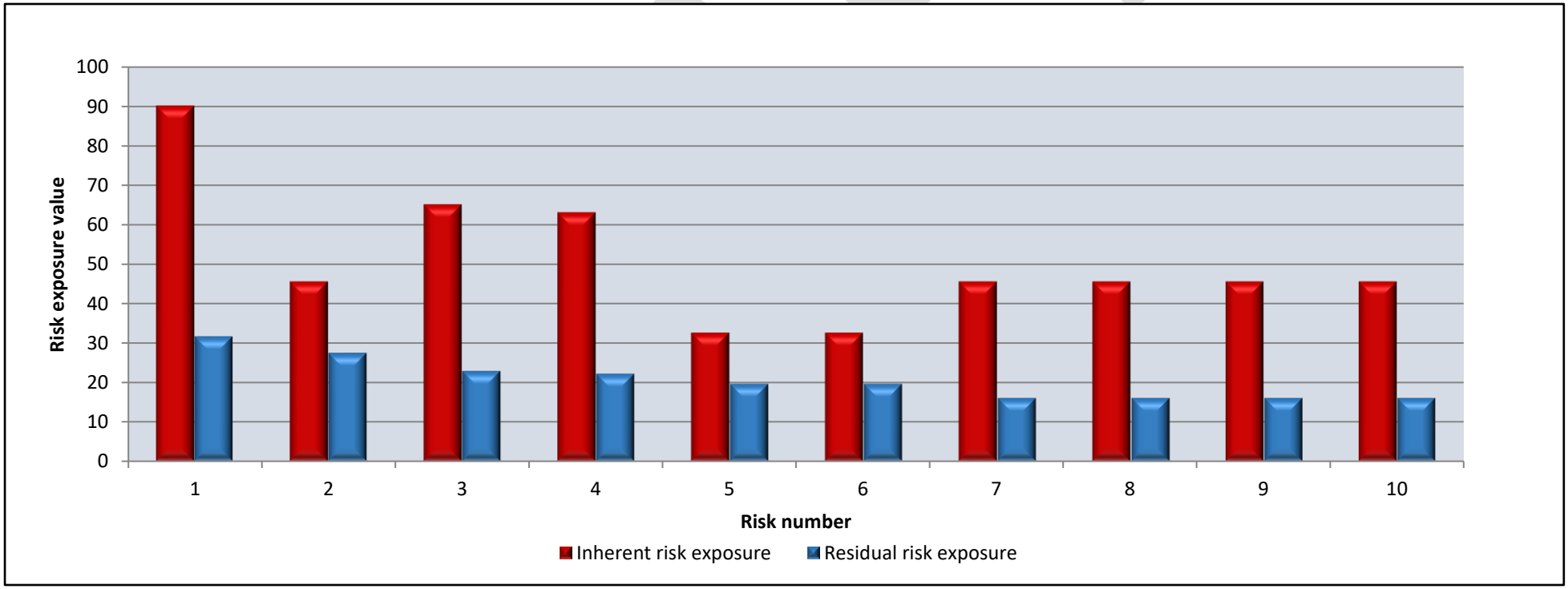


Figure 45: Risk graph

STRATEGIC RISK MANAGEMENT REGISTER – TOP 10

	Risk name	Root causes to the risk	Impact	Likelihood	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Managements perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Action owner
1	**Adverse Impact of COVID -19 on KLM**	1. COVID 19 pandemic occurring 2. Unplanned expenditure due to COVID 3. Loss of revenue due to residents being unable to pay (KLM having to give payment holidays, reduce property rates, unable to charge interest on overdue accounts) 4. Budgets need to be readjusted/realigned for COVID 19 Priorities	Catastrophic	Almost certain	**Extreme**	1. Conducting Covid 19 HIRA for all depts 2. Developed Workplans for all depts 3. Developed COVID19 Policy, Rates rebates passed by Council 4. Conducted medical Screening for all essential services employees and all employees returning to work 4. Approved realigned budget by Council 5. Administered Flu Vaccine for all essential services Employees 6. Conducted training on Workplans 7. Conducted return to work inductions 8. Provided the required PPE 9. Installed foot mechanism sanitizer stations at all building 10. Introduction registers at all building entrances 11. Conduct Infra-red temperature screening 12. Managed expenditure programme 13. Strict Revenue control 14. Budget process	**Satisfactory**	**Priority 1**	1. COVID task team set up by Top Management 2. Strict Internal controls to manage expenditure 3. Consultant appointed to conduct HIRA and Workplans 3. Enforcement of credit control policies 4. Monthly monitoring of budget by relevant personnel 4.OHS performing on-going assessment of situation on the ground and dealing with non-compliance 5. Commissioned a Training Video on Covid19	1-5. Municipal Manager: (C Du Plessis) and Directors

2	**Lack of bulk infrastructure (Elec, water, sewerage,** **Note :" Lack of" refers to land and illegal informal settlements that cannot be serviced by bulk due to, amongst other, location which makes it impossible to be connected to existing services roads, Stormwater, waste)**	1. Inability to plan for informal developments occurring in Kouga (linked with no.4) 2. Lack of ability to provide strategic planning by Infrastructure Department for haphazard informal settlement formations (linked with no.4) 3. Lack of availability of land (cemeteries) 4. Lack of some 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)	Critical	Likely	**High**	1. Spatial Development Plans 2. IDP 3. Comprehensive Infrastructure Master Plans to be developed 4. Storm water and partial sewer Plan. DEA provided blanket approval for water projects 5. MTREF; SLA's (between Kouga & Developer); Augmentation policy. 6. Human settlement and town planning have merged - to improve the related controls.	**Weak**	**Priority 1**	1-2. Strategic Planning Process to run concurrently with budget & IDP process to consider growth of Kouga 3. Tender process for EIA to be continually put out on future identified projects. 4. Develop new and updated business plan to source external funding 5. Ring fencing of augmentation fees; Costing of bulk services contributions by applicant prior to approval by Council; Appointment of custodian of SLA's (between developer & Kouga) 6. No further actions	1-5. Director: Infrastructure (V Felton)
3	**Business Disruptions due to inadequate ICT infrastructure, and security.**	1. Inadequate interface of various systems (stand-alone relationship) Software issues, running in silos 2. Insufficient data storage space 3. Lack of IT policy implementation **COVID 19 risks on IT** 4. Strains on network due to working from home 5. Increased risk of data leaks, lack of	Catastrophic	Likely	**Extreme**	1. ICT steering committee 2. Regularly check storage environment and discard old non-essential/replicated info 3.IT Policies 4. Network integrity checks 5. Document management policy/IT policies 6. IT newsflashes 7. Data store. Endpoint data protection Backing up to Cybex.	**Satisfactory**	**Priority 2**	1. Development of SOPs (Revenue - Finance) 2. No further actions 3. Policy to be implemented once approved 4-6. Regular monitoring of network 7. Implementation of archive management system 8. Implementation of a documented change management control process (30 June 2021)	1. CFO (R Lorgat) and 2- 8. Acting Manager: IT (A. Makomo)

		control of confidential information 6. Possible increase in fraud and phishing attacks 7. Lack of central repository for information								
4	**Inability to contain the spread of Covid-19 in KLM (wider community)**	1. Lack of sufficient testing kits within KLM 2. Lack of quarantine facilities within KLM 3. Lack of PPE 4. Lack of water for all residents within KLM for sanitation 5. Non-adherence to lockdown regulations / alerts level by residents and municipal staff within KLM	Critical	Almost certain	**Extreme**	1 and 2. National Dept of Health & Public Works 3. PPE procured by relevant sector departments & private employers 4. Water tankers made available 5. SAPS & By-Law Enforcement 6. Education and awareness programs (regular)	**Satisfactory**	**Priority 2**	1.-4. Ongoing engagement between National Dept of Health, sector departments and KLM 5. The local Command Centre between KLM & SAPS was established. The Command Centre feeds the JOC. Regular loud hailing informing residents on the regulations as well as regular patrols within KLM boundaries. Roadblocks have been conducted.	1-5. Municipal Manager: (C Du Plessis) and Directors
5	**Water losses**	1. Linking of meters with Erven not completed 2. Tampering 3. Incorrect billing data and information 4. Old water meters running slower	Serious	Likely	**Moderate**	1. Internal checks conducted by Municipality 2. A campaign has been run to identify meter tampering 2. Full meter audit done by Infrastructure 3 Data Cleansing 4. Pressure Management in place	**Weak**	**Priority 2**	1.-4. Water Pressure Management in High Zones (Ongoing)	1-4. Director: Infrastructure (V Felton)
6	**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	Serious	Likely	**Moderate**	1. Internal checks conducted by Municipality 2. Illegal connections bylaw enforced by SAPS and KLM law enforcement 3. A campaign has been run to identify meter tampering (internally - electrical) 4. Full meter audit done by Infrastructure 4. Appointed Resolve EIS to	**Weak**	**Priority 2**	1.-4 Electrical - Appoint a service provider to identify tampering and investigate illegal connections. 5. Develop an action plan to contain electricity losses and identify illegal connections using load factor investigation which can be used to flag potential tamperers.	1-5. Director: Infrastructure (V Felton) 5. CFO (R. Lorgat)

						conduct meter audit, 5. Data Cleansing				
7	**Ageing bulk and internal Infrastructure (including fleet)**	1. Poor refurbishment and replacement of existing assets (water, pump stations sewage, storm water, electricity, Internal networks - water pipes) 2. Limited funding (linked to excessive staff costs / consultant costs for Infrastructure) 3. Lack of consolidated infrastructure master plan in place 4. Limited provision for future capital infrastructure 5. Cost vs benefit is not considered in replacement 6. Fleet replacement policy not implemented due to financial constraints Ageing Fleet (refuse trucks, suction tankers, yellow plant) 7. Land availability and long EIA process	Critical	Likely	**High**	1. Maintenance Plans / Asset Policy (electricity, water & sanitation) - Rural Roads Asset Management System (RAMS) completed by DoT 2. Gazetted consultant costs 3. Master plan for Stormwater and limited for sewerage (Humansdorp Only) 4. Grant funding from NT 5. Asset and Fleet management policy (draft) 6 Specifications drafted for procurement of critical infrastructure and fleet. 7. EIA process for drop, Thornhill, hankey Patensie follow up with consultant	**Satisfactory**	**Priority 3**	1. Annual condition assessment to be completed with assistance of Assets Department and Infrastructure (1 July 2019) 2. Develop business plan to source external funding (Ongoing) 3. Develop Consolidated Master Plan for JBay St Francis, Hankey, Loerie and Patensie (everything besides Storm water and Humansdorp) 4. Addressed by Master Plan (Ongoing) 5. General: Perform interdepartmental planning to enhance revenue potential. Develop asset replacement policy. Upgrade more timeously in a scheduled way rather than responding as each matter arises (link with master plan). 5, Finalize Draft Asset and Fleet Management Policy 6. Procurement of new infrastructure including critical fleet requirements. 7. identify land for cemeteries	1-4. &6 Director: Infrastructure (V. Felton); 5. CFO (R. Lorgat) 7. Director: Community Services (N. Machelesi)
8	**Water Security and Load Shedding**	1. Drought 2. Increase in demand for water 3. Increase in population 4. Limited allocations from Water supply sources	Critical	Likely	**High**	1 -3. Drought Funding Ground water exploration Implementing water conservation and demand management (Fix leaks, metered) Boreholes being drilled 4. Augment with ground water	**Satisfactory**	**Priority 3**	1. Continuous fund stream for water conservation and demand management 2 Design to include generators for major Infrastructure 3. Awareness campaigns for the public to reduce consumption	1-3. Director Infrastructure (V. Felton)

		5. Eskom load shedding during winter				5. Generators on certain infrastructure				
9	**Economic as well as environmental losses due to natural and manmade disasters and accidents**	1. The imbalance created in our environment. Global warming and climate change. The activity of the moon and ocean currents 2. Lack of staffing to respond to cases and carry out emergency services - Inadequately skilled officials to respond to the disasters 3. Lack of attendance of members of the disaster advisory forum Committees (sector and state department entities) 4. Ageing infrastructure which is unable to cope / withstand disasters - (Stormwater drains not cleaned, water reticulation ageing) 5. Inadequate business continuity planning 6. Non- compliance with legislation and by-laws	Critical	Likely	**High**	1. Link App /in process of establishing JOC in Hdorp 1. Monitoring of weather conditions. 1.Making regular fire breaks 1. Infrastructure and coastal inspections 1. Toll free number for assistance 1. Developed a Disaster Management Plan for District 2. Trained volunteers (20), training of 15 at Links. Additional post created on organogram to compliment Disaster Management function. Additional vehicle procured for Disaster Management. Awaiting new draft Disaster Risk Management Plan form service provider. 2. Training interventions for community members 3.Monthly DM meetings, forums held between CDM and LM's 4. Ongoing maintenance (e.g., cleaning of storm water drains) 5. Implementation of DM Legislation and By-laws in respect of Disaster management. 6. Enforcing by-laws	**Satisfactory**	**Priority 3**	1. Emphasize importance of Incident Committee training (HR to facilitate and to identify individuals (Director, Managers and Sups) and establish proper JOC 2. Lobby for funding by Director: CS and Dir Corporate for new fin year 3. Invites to be sent prior to meeting (1 per quarter) 4. Buying new vehicle for DM (LDV for disaster practitioner to visit rural areas) .	1-4. Director: Community Services (N. Machelesi)
10	Ineffective service delivery	1. Lack of plans for maintenance of infrastructure assets (caravan parks, sport field caretakers' cottages, council leased properties)2.	Critical	Likely	**High**	1. Asset Management Policy (Approved) FAR2. 3 Year Maintenance Plan3. Budget Process, 4. Disciplinary Code (poor consequence management); Tracker System (but not used effectively);	**Satisfactory**	**Priority 3**	1. Adequate provision must be made in adjustment budget to Develop maintenance plan between CS and Assets2. Develop maintenance plans (water, sewer, roads & Storm water)3. Maintenance plan	1. CFO (R. Lorgat) and Director: CS (N Machelesi)2. Director: I&E (V Felton)3.

		Inadequate maintenance plan for municipal infrastructure and facilities (operational and capital)3. Draft Maintenance plan for public amenities (Sports fields, comm halls, Ablution facilities)3. Limited funding and critical human resources (Bush clearing team - 1 team only)4. Abuse/ Misuse of Property, Plant and Equipment including vandalism of community halls, sports fields etc.5. Ageing plant and equipment (Yellow plant, refuse trucks, suction tankers)6. Lack of skilled and competent staff (lack of project management skills)7. Lack of funding for Registration of unregistered Council properties8. Ineffective Disaster management system. 9. Lack of land for cemeteries				Budget process5. Asset Management Policy (Approved)6. Work place skills plan / Recruitment and Selection Policy / Organogram7. Budget process8. District Disaster Management Centre9. Land identified, EIA process in progress (Hdorp, Thornhill, hankey Patensie). Development of layout plans.			budget to be spent per quarter to be monitored and reported at Standing Committee (portfolio committee quarterly) for Comm Services.3. Realistic costing of maintenance & replacement programs 4. Improve Implementation of Disciplinary Code and monitoring Tracker System. Internal staff to be able use the tracker system effectively5. Replacement of the fleet - process to be completed6. The training of staff to be added to the workplace skills plan.7. Necessary budget must be made under Assets and Legal section during adjustment budget period.8. A Disaster Management Plan is being drafted by Service Provider. 9. Advocating for cremation and alternative burial methods. Development of a Master Plan for cemeteries and identify land.	Director: CS (N Machelesi)4 and 5. Director: I&E (V Felton)6. All Directors7. CFO (R Lorgat) and Legal Services Manager (L Opperman)8. and 9. Director: CS (N Machelesi)

Table 180 : *Risk register*

KFA44: POLICIES AND BY-LAWS

Policies and by-laws are instruments that guide Council, the administration and communities and provide the framework for responsible local government in the municipal area.

By-Laws

The following by-laws have been approved by Council and promulgated on 27 December 2006:

- Aerodrome By-law
- Cemeteries and Crematoria By-law
- Community Fire Safety By-law (***To be reviewed during 2021/22 financial year)***
- Customer Care and Revenue Management By-law
- Electricity By-law
- Fences and Fencing By-law
- Impoundment of Animals By-law
- Liquor Trading By-law
- Outdoor Advertising and Signage By-law
- Prevention of Public Nuisance and Keeping of Animals By-law
- Public Amenities By-law
- Roads and Traffic By-law
- Solid Waste Disposal By-law
- Sporting Facilities By-law
- Standing Rules and Orders By-law
- Storm water Management By-law
- Street Trading By-law
- Water Supply and Sanitation By-law

DRAFT

POLICIES

KOUGA MUNICIPALITY - MASTER POLICY REGISTER

Policy Name	Responsible Department	KLM Unit	Status	Resolution Reference	Review 1 Res No	Review 2 Res No	Review 3 Res No
Administration of immovable property	Assets	Finance	Draft adopted		Policy and Procedure for the Disposal of Immovable Assets 18/04/F7		
Anti-Corruption Strategy and Fraud Prevention Policy 2015/17	Budget & Treasury	Finance	Approved	15/05/AME13	17/07/AME&SP2		
Beneficiary Allocation Policy	Human Settlement	PDT	To be developed				
Borrowing Policy	Budget & Treasury	Finance	Approved				
Cash Management and Investment Policy	Budget & Treasury	Finance	Approved				
Corporate Governance ICT Policy	ICT	Finance	Approved	18/03/F1			
Cost Containment Policy	Budget & Treasury	Finance	Approved				
Customer Care, Credit Control and Debt Collection Policy	Revenue	Finance	Approved	18/10/F5			
Emergency Housing Policy	Human Settlement	PDT	To be developed				
Fixed Assets Policy	Assets	Finance	Approved				
Funding and Reserves Policy	Budget & Treasury	Finance	Approved				
Human Settlement Plan	Human Settlement	PDT	To be reviewed				
ICT Charter	ICT	Finance	Approved	18/03/F1			
ICT Disaster Recovery Policy	ICT	Finance	Approved	18/03/F1			
ICT Risk Management Framework	ICT	Finance	Approved	18/03/F1			

ICT Strategy	ICT	Finance	Approved	18/03/F1			
Indigent Support Policy	Revenue	Finance	Approved		18/03/F1		
IT Policy	ICT	Finance	Approved				
Model SCM Policy for Infrastructure Procurement and Delivery Management	SCM	Finance	Approved	17/07/F6			
National Treasury Standard for Infrastructure Procurement and Delivery Management	SCM	Finance	Approved	17/07/F6			
Preferential Procurement Policy	SCM	Finance	Approved				
Property Rates Policy	Revenue	Finance	Approved	17/12/F11			
Provision of doubtful debt a write-off of irrecoverable debt Policy	Revenue	Finance	Approved	15/05/F14			
Risk Management Policy	Budget & Treasury	Finance	Approved				
Supply Chain Management Policy	SCM	Finance	Approved		18/03/F1		
Tariffs Policy	Revenue	Finance	Approved				
Virement Policy	Budget & Treasury	Finance	Approved				
Unallocated Revenue and Building Deposit Policy	Budget & Treasury	Finance	Approved				

Table 181 : Policies

It is Council's intention to develop a schedule of all policies and by-laws that will indicate an annual rotation plan for reviewing all policies and by-laws. This process will assist the municipality to be developmental and innovative in doing its business. The systems should be continuously updated to ensure that it supports the administration.

DRAFT

KFA45: INTERGOVERNMENTAL RELATIONS (IGR)

Kouga Municipality participates in intergovernmental structures at a Provincial and District level. Bilateral meetings are further held so as to ensure an integrated approach to developments that cut across the competencies of various sectors of government. The Forum meets quarterly and consists of representatives from Kouga Municipality, Sarah Baartman District Municipality, Sector Departments, Parastatals and Government Agencies.

The purpose of the forum is to:

- Consider and coordinate service-delivery continuity measures.
- Provide a forum for sharing best experienced practices and learning.
- Facilitate communication on and formulating joint responses to provincial and district policy and legislative processes.
- Consider any other matters referred to 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.

KFA46: COMPLAINTS MANAGEMENT

The continuous improvement of communication between the municipality and communities remains high on the agenda for the Council. Stakeholder participation will, therefore, enjoy significant attention during the course of the next five years. The public reports service delivery issues like potholes, power, and water problems etc. to the Call Centre by calling in or via the Vodacom Link application on a smartphone. The Call Centre has a dual purpose as it also serves as an operations centre for the Municipality from where the workers of the relevant departments are dispatched to deal with the reported problems.

KFA47: SLA'S AND MEMORANDUMS OF UNDERSTANDING ENTERED INTO

Kouga Municipality has contracts that are signed between Kouga Local Municipality and the District Municipality in relation to unfunded mandates such as the Fire and Disaster Management, between the Department of Sports and Recreational Facilities such as Libraries, between the Department of Economic Development and Environmental Affairs such as Environmental Health and Waste Management between the Department of Transport on Traffic Law Enforcement.

All three spheres of government are distinctive, inter-dependent and interrelated. Section 125 (3) indicates that the national government, by legislative and other measures, must assist provinces to develop the administrative capacity required for the effective exercise of their powers and performance of their functions referred to in subsection (2). Schedule 4 & 5 refers to functional areas which are supposed to be rendered by Provincial spheres and District but rendered by municipality on behalf of the mentioned the province and district. All contracts are held in securities in the Archive Section.

Service Level Agreements

ORGANISATIONS	SERVICE	SIGNED YES/NO
Department of Sport, Recreation, Arts and Culture	Library Services	
	Sports and Recreation	
Sarah Baartman District Municipality	Environmental Health Services	yes
	Fire Services and Disaster	yes
Department of Transport	Registration and licencing	yes
FAPX	Paradise Airfield	yes
Traffic Management	Management of camera speed equipment	
Department of Energy	Upgrading and electrification project	
ESKOM	Electricity Supply agreements	
Escoteck Services (PTY) Ltd	Demand site management agreement	yes
Sarah Baartman District Municipality	Local Implementation Agent	
Nelson Mandela Bay Municipality	Water Supply Agreement	no

Table 182 : Service level agreements

Memorandum of Understanding

ORGANISATIONS	SERVICE	SIGNED YES/NO
Kouga Local Tourism Association	Tourism destination marketing, events and festivals, tourism signage, tourism advertising	N/A
Kouga Sports Council	Sports development especially amongst school going youth	N/A
Humansdorp Museum	Management and promotion Humansdorp Museum and Shell Museum Jeffreys Bay	
Coega Development Corporation	SMME development and training, skills training and SMME unemployed database	
Kouga Arts Council	Arts and Culture development amongst communities	N/A
Kouga Heritage Council	Heritage awareness and promotion as well as audit of heritage assets	
St Francis Riparians	Management of canals	yes
Kromme Joint River Committee	Management of Krom River	yes
Department of Human Settlement	Bulk Infrastructure	
Kouga FM	Use of office in Kouga Cultural Centre	N/A
SASSA	Social Grants	
Coast Care	Beaches	
Nelson Mandela University	Estuary Management Plan	
BIGM Twinning with Prince Edward County – Canada		
ILLSFELD Municipality – Germany		

Table 183 : Memorandum of Understanding

KFA48: LEGAL SERVICES

The Kouga Municipality has succeeded in establishing a Panel of Legal Service Providers for a period of 3(three) years, which will decrease the irregular expenditure as highlighted by the AG in past financial years specifically in relation to legal fees. The review of the Municipal by-laws is currently still taking place in piece meal due to the shortage of human resources and a budgetary constraint, but the review of the current by-laws remains a priority.

The municipality is still experiencing a significant decrease in general litigious legal fees and has succeeded in finalizing some historic legal matters, which also affected the contingent liability of the municipality. The Legal Services department continues to provide legal sound advises to the Municipal Council and Administration.

KFA49: MUNICIPAL COURT

The Kouga Municipality is experiencing great difficulty in the effective and efficient enforcement of the municipal by-laws and the collection on issued traffic fines.

The municipality is dedicated in creating a safe and healthy environment for the community, and as its mandate, it is of utmost importance to ensure adherence to the municipal by-laws and road traffic legislation in its jurisdictional area. Hence, the Municipality is in the process of investigating the establishment of a municipal court in an attempt to ensure a safe and healthy community.

The municipal court will deal exclusively with municipal related matters which includes matters such as traffic fines issued, and the contravention of municipal by-laws and contraventions of applicable legislation such as the National Building and Building Standards Act.

KFA50: COMMUNICATION (INTERNAL AND EXTERNAL)

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful community strategy therefore links the people to the municipality's programme for the year. The Municipality will review its communication strategy / policy in the 2021/22 year.

Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of the MFMA and S21A and B of the MSA as amended. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. Statutory documents and other information and documents can be viewed on www@kouga.gov.za.

Customer Care Survey

An annual survey is conducted to establish satisfaction levels of residents regarding service delivery. The survey is viewed as 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, i.e., 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

Table 184: Customer Survey

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.

Participation in the 2019/20 survey was poor, with the number of submitted forms decreasing from 72 in the previous financial year to 39. Submissions were received from only two wards, namely, Wards 3 and 8 in Jeffreys Bay.

Communication activities

Communication activities	Yes/no	Date approved
Communication strategy		
Communication Policy		
Functional Complaint management systems	Yes	Electronic system installed in 2018

Table 185 : Communication activities

Newsletters

Type of newsletter	Circulation no.	Frequency
Internal	962 employees	Quarterly
External	14 000 residents	Bi-annually

Table 186 :Newsletters

Additional communication channels utilized:

Communication channel	Yes/no
SMS system	Yes
Facebook	Yes
Call system	Yes
WhatsApp	Yes
Newspapers (independent media)	Yes
Digital newsletters (independent media)	Yes
Radio interviews and clips	Yes

Table 187: Additional communication channels utilized

Awareness campaigns

Topic	Description	Dates	Target groups
Anti-corruption % Fraud	Information provided to employees via the internal/external newsletter, municipal website, social media platforms.	Ongoing	Employees / all community members of the Kouga municipal area
Electricity usage	Advertisements in the external newspaper and social media platforms.	Ongoing	All community members of the Kouga municipal area
Water demand management	Social media platforms, external newsletter encouraging community members to use water sparingly.	Ongoing	All community members of the Kouga municipal area
Customer Care	Advertisements and promotion of social media platforms and WhatsApp system.	Ongoing	All community members of the Kouga municipal area
Education	Social media, external newsletter, advertisements of library school holiday programmes.	Ongoing	all community members of the Kouga municipal area
Environment	Social media, external newsletter, illegal dumping campaign.	Ongoing	all community members of the Kouga municipal area
Batho Pele Principles	The promotion of the Batho Pele Principles by means of posters, newsletters, social media platforms, website.	Ongoing	Employees / all community members of the Kouga municipal area
Code of Conduct	The promotion of Code of Conduct for employees by means of posters and roadshows	Ongoing	Employees
Elections	The promotion of the municipal elections, via internal / external newsletters, social media platforms, website.	Ongoing campaign until end of election period	Employees / all community members of the Kouga municipal area
Ward Committees	Invitation and awareness about ward committees, external newsletter, social media platforms, website	Ongoing campaign until the establishment of ward committees for a 5-year period	all community members of the Kouga municipal area
Corporate Identity	The promotion of corporate identity via internal/external newsletter, social media, municipal website, marketing and branding items	Ongoing	Employees / all community members of the Kouga municipal area

Save Water Campaign	The promotion of the importance of saving water / using it wisely, external newsletter, social media, branding	Ongoing	Employees / all community members of the Kouga municipal area
Fire Safety	The promotion of fire safety tips, social media platforms.	Ongoing	Employees / all community members of the Kouga municipal area
Road Safety	The promotion of safe driving habits / pedestrian safety, social media platforms.	Ongoing	Employees / all community members of the Kouga municipal area
Employee Wellness	Promotion of activities, legislation etc. internal newsletter.	Ongoing	Employees

Table 188 : Awareness campaigns

KFA51: Marketing (Branding and Website)

Branding is streamlined across all municipal departments. All media and communication aspects of all municipal events are coordinated by the Media and Communication Division. Kouga Municipality has a fully developed website, which also acts as a reference point for all other services and products within the jurisdiction of the municipality. The municipality updates the webpage to include the necessary documentation and news on a weekly basis of what is happening in the municipality. The municipal website is updated on a daily basis and when requested in order to comply with the statutory requirements.

KFA52: SOCIAL COHESION

Kouga Municipality has yet not adopted a Social Cohesion Strategy or Policy but actively participates on programmes to promote social cohesion. Kouga Municipality actively participated/arranged the following programmes in support of social cohesion and ultimately Nation Building:

SOCIAL COHESION PROGRAMMES IN KOUGA	
• Nelson Mandela Day • Moral Regeneration Movement Summit • Heritage Day celebrations • Women's Caucus Outreach Meetings • Women's Market Day • Women in Tourism and Business Networking • HIV/Aids Day and Supporting programmes • 16 Days of Activism against abuse of women and children • Heritage Day • National Book Week • Empowering women • Literacy and Heritage drive • National Book Week • Empowering women • Careers Expo • International Coastal Clean-up • International Day for the Elderly	• Breast Cancer Awareness • Christmas for Kids • School Supplies for Kids • Municipal State of the Municipality Address • International Coastal Clean-up • Library Week Programmes (Throughout the year) • Township Tourism Outreach • LED and SMME outreach • The Khoisan Struggle Show • National Environmental Health Day • World Environmental Health Day • National Water Week • World Food Day • Global hand wash / hygiene Day • Literacy and Heritage drive

Table 189 : Social Cohesion

5.8.5 KPA5: INSTITUTIONAL TRANSFORMATON

KFA53: ORGANISATIONAL STRUCTURE

The administrative part of the Kouga Municipality is headed by the Municipal Manager who reports directly to the Executive Mayor. Directors and certain managers are reporting directly to the Municipal Manager. There are 5 directorates that perform strategic, social, technical, financial and administrative functions assigned to the municipality. The Office of the Municipal Manager is the 6th directorate. It consists of the Internal Audit and the governance management units. The municipality has an approved organisational structure, which was reviewed on the 30th of June 2020. The performance agreements for 2019/20 have been submitted to the Department of Cooperative Government and Traditional Affairs. Currently busy with an organisational work study to review the organisational structure.

THE MUNICIPALITY HAS A WORKFORCE OF:

CATEGORY	NUMBER
S57 & s57	**6**
Permanent Employees	**963**
Contractual Employees	**284**
Vacant Positions	**28**

Table 190: Municipal workforce

The vacancy rate of the municipality stands on 2.82%. The number of people with disabilities in the employ of the municipality are 14.

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

Financial year	Total no of all appointments at the end of each year	New appointments	No of terminations during the year	Turn-over rate
2015/2016	120	120	76	8.8%
2016/2017	125	125	63	7.5%
2017/2018	129	129	39	3.9%
2018/2019	57	57	28	3.08%
2019/2020	75	75	33	3.4%

Table 191 : Turn-over rate

The graph below reflects the current workforce numbers per race and per gender:

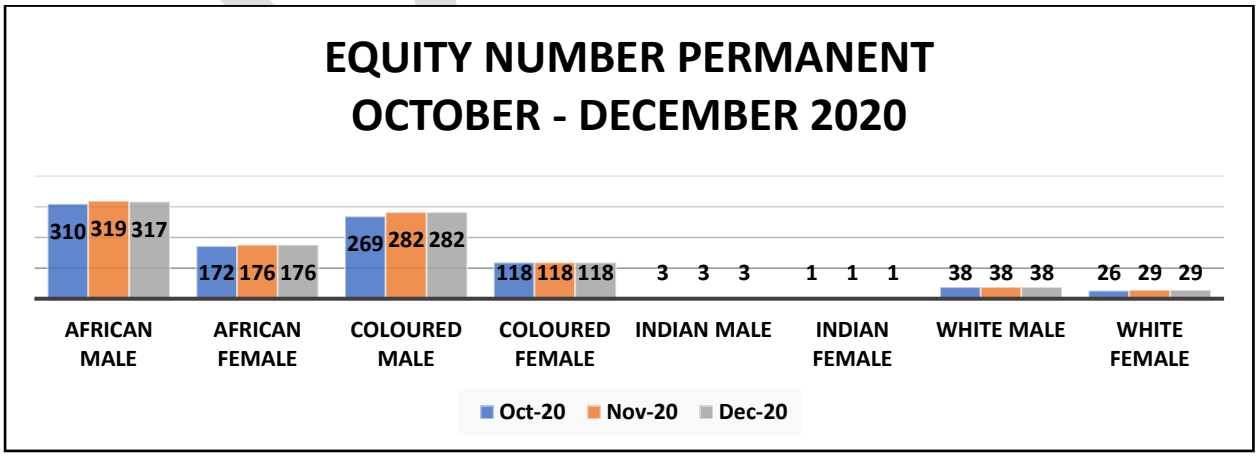


Figure 42 : Permanent and temporary equity

The table below shows our current demographics against the Provincial EAP demographics. The percentage below is for both permanent and temporary staff.

Race and gender	Oct-2020	Nov-2020	Dec-2020	Required Provincial EAP %
African Male %	33,98%	33,86%	33,49%	41,60%
African Female %	18,12%	18,39%	18,03%	40,60%
Coloured Male %	28,77%	28,89%	29,89%	5,70%
Coloured Female %	12,40%	12,01%	12,66%	5,60%
Indian Male %	0,29%	0,28%	0,24%	0,50%
Indian Female %	0,10%	0,08%	0,09%	0,40%
White Male %	3,67%	3,56%	3,04%	3,40%
White Female %	2,60%	2,81%	2,40%	2,20%

Table 192 : Staff demographics

It is important to note the under representation of African males & females. Much attention must be given to increase the number of African males & females. It is however, pleasing to note the steady increase in the number of African Males & Females. There is a considerable overrepresentation of Coloured males & females and slight underrepresentation of Indian males & females and white females.
43% of the staff members are Coloured, 52% African, and 5% White. All the section 56 and the section 57 managers have signed appointment contracts, performance agreements and performance plan which were submitted to the Department of Cooperative Government and Traditional Affairs. All S57 and S56 managers meet the minimum competency requirement by National Treasury.

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.

37 officials completed the MFMP training, in order 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 programme, 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:

Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit Standards	Require-ments met	Compliant (consider Budget)
Accounting Officer	✓	✓	✓	✓	4	✓
Chief Financial Officer – Municipality	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Supply Chain Management Manager	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	X	✓	✓	✓	3	X
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓

Table 193: Minimum Competency levels

KFA54: HR Related Policies and Other Documents

The following HR related policies and staff documents have been developed, reviewed and approved by Council during the 2020/21 year:

KEY NO	POLICY NAME	RESPONSIBLE DIRECTORATE	DEPARTMENT
1	Acting Policy	Corp. Serv.	Human Resources
2	Code of Conduct	Corp. Serv.	Human Resources
3	Essential user policy	Corp. Serv.	Human Resources
4	Health and Safety Policy	Corp. Serv.	Human Resources
5	Leave Policy	Corp. Serv.	Human Resources
6	Medical Aid Policy	Corp. Serv.	Human Resources

7	Overtime Policy	Corp. Serv.	Human Resources
8	Recruitment and Selection Policy	Corp. Serv.	Human Resources
9	Scarce Skills	Corp. Serv.	Human Resources
10	Sexual Harassment Policy	Corp. Serv.	Human Resources
11	Subsistence and Travelling Policy	Corp. Serv.	Human Resources
12	Temporary Staff	Corp. Serv.	Human Resources
13	Training policy	Corp. Serv.	Human Resources
14	Vehicle allowance policy	Corp. Serv.	Human Resources
15	PPE policy	Corp. Serv.	Human Resources

Table 194: HR Related policies

KFA55: Human Capital and Skills Development

The table below illustrates the status quo regarding the municipality's vacancy rates per occupational category and per functional area:

Occupational Category	Approved	Filled	Vacant
Top Management	1	1	0
Senior Management / Sub Directors	5	5	0
Professional /Specialists/ Middle Management	47	45	2
Skilled Technical/ Junior Management/ Supervisors	201	196	5
Semi-skilled and Discretionary Decision Making	509	499	10

Table 195 : Posts occupational category

Directorates	Approved	Filled	Vacant
City Manager	38	38	0
Corporate Services	69	66	3
Finance	102	99	4
Community Services	469	459	10
Infrastructure and Engineering	279	271	8
Planning, Development and Tourism	34	31	3

Table 196 : Posts per functional area

In ensuring that the Municipally addresses challenges towards achieving organisational cohesion and effectiveness, the municipality drafted a Human Resources Plan to ensure fair, efficient, effective and transparent personnel administration.

The HR Plan focuses on delivering on seven (7) performance areas:

- Recruitment and Selection
- Education, Training and Development of Staff
- Employment Equity and Diversity Management
- Occupational Health and Safety
- Employee Wellness
- Personnel Administration
- Labour Relations

The HR section also achieved a clean audit, as per the audition opinion of the Auditor-General of South Africa. This is a major improvement for the Human Resource Section from previous years and has set the bar high for future audits. The HR section will strive not only to maintain the clean audit opinion, but even better it by ensuring consistency, transparency and accountability.

Education, Training and Development at Kouga Municipality is focused on the enhancement of knowledge, skills and behavioural competencies of employees and councillor to the appropriate levels. The main purpose of training and development is to ensure that staff within the organisation has the competencies necessary to performance up to the standards in their current jobs within the context of the municipality's strategic objectives.

- All senior managers positions were filled and there are no vacancies.
- Critical vacant positions on the new organizational structure are in the process to be filled.
- Existing staff is in the process to be placed according to the newly adopted organizational structure.
- The process of signing the new job descriptions has commenced.
- A number of HR policies are in the process of being reviewed for implementation.

DRAFT

SKILLS DEVELOPMENT

The municipality is committed to develop the skills of the human resource capacity and therefore prepares a workplace skill plan annually. The municipality has a workplace skills plan which is updated and reviewed annually in line with the prescripts of the Skills Development Act of 1998. The WSP was submitted to LGSETA on the 30th of April 2020. The training committee has not been functional, but a new committee has been established which represents all the applicable occupational levels in the Municipality. The Act aims to improve the quality of life of the labour force, to encourage the labour force to be self-employed and to encourage workers to participate in leadership and other programmes.

The Senior and Top Management of the Municipality has completed the prescribed Financial Management qualifications. The table underneath is an extract from the reports on the prescribed Financial Management qualifications submitted to National Treasury on a quarterly basis.

Position	Highest Education Qualification	Work related experience	Performance Agreement signed (where required)	Completed required unit standards	Requirements met	Compliant (consider Budget)
Accounting Officer	✓	✓	✓	✓	4	✓
Chief Financial Officer – Municipality	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	3	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Supply Chain Management Manager	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	X	✓	✓	✓	3	X
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓

Table 197 Financial management qualifications

The following training was completed:

TRAINING COSTS	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Training Cost	R0.00	R138,909.75	R640,156.75	R0	R3,831.11	R0
Associated costs	R0.00		R4,817.35	R1200	R2, 988.85	R0
Categories of Beneficiaries						
Legislators	0	0	0	0	0	0
Managers	0	4	4	0	0	0
Professionals	0	29	26	0	0	0
Technicians and Associate Professionals	0	2	18	0	0	0
Clerical Support Workers	0	0	19	0	0	0
Service & Sales Workers	0	0	9	0	0	0
Skilled Agricultural, Fishery and Related Trade Workers	0	0	0	0	0	0
Plant & Machine Operators and Assemblers	0	0	42	27	1	0
Elementary Occupations	0	0	118	5	0	0
Total Number of beneficiaries	**0**	**35**	**236**	**32**	**1**	**0**

Table 198: Training

The Municipality has also embarked on an apprenticeship programme for unemployed youth to qualify as Artisan Plumbers and Electricians. There are 42 unemployed youth attending this programme.

DRAFT

EMPLOYMENT EQUITY

On the 15th of January 2020, the municipality submitted its annual Employment Equity Report to the Department of Labour. This was done after extensive consultation with organized labour and employees. As per the table below, it is clear that significant strides have been made to appoint African Females, African Males, and females in totality.

Categories	Dates	Male Race				Female Race				Foreign Nationals		Total
		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 2021 target	0	0	0	1	0	0	0	0	0	0	**1**
	December 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 2021 target	0	1	0	1	2	0	1	0	0	0	**5**
	December 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 2021 target	6	5	1	9	4	2	0	4	0	0	**31**
	December 2020	6	11	1	11	4	6	0	6	0	0	**45**
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 2021 target	52	66	1	15	39	28	0	13	0	0	**217**
	December 2020	43	59	1	16	34	28	0	15	0	0	**196**
Semi-skilled and discretionary decision making	*March 2018*	134	125	0	7	33	35	0	3	0	0	**337**
	September 2021 target	168	132	1	5	76	46	1	7	0	0	**436**
	December 2020	193	174	0	7	71	48	0	6	0	0	**499**
Unskilled and defined decision making	*March 2018*	101	83	0	0	61	47	0	1	0	0	**293**
	September 2021 target	106	52	0	2	80	35	0	1	0	0	**275**
	December 2020	77	36	0	2	65	36	0	2	0	0	**218**

Table 199 : Employment equity

It is very pleasing to note from the above figures, that the Municipality is edging towards achievement of its targets. The Municipality made a concerted effort to enhance Employment Equity in the Municipality resulting in the identification of 14 staff with disabilities. 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.

HUMAN RESOURCES PLAN

Below is the Human Resource Plan (Change Management Implementation Plan) which is directly linked to the SDBIP and IDP which ensures compliance as per section 53 of the MFMA, section 25 of the Municipal Systems Act and section 67 of the Municipal Systems Act:

NO	KPA/PLANNED ACTIVITIES	IMPLEMENTATION DATE	COMPLETION DATE	RESPONSIBLE PERSON	PROGRESS REPORT
1.	***Organizational Structure*** –Proposed Organizational Structure to be adopted and implemented. ▪ Letters to be sent to individual employees that are moved/ placed to other positions and also those where Job Titles have been changed. ▪ All Managers/ Directors must ensure that none of their subordinates are requested to perform any duties/ job functions outside the scope of their current job descriptions save for those that are requested to act in a particular position for a limited time. "Internal Arrangements must be avoided and if changes are required, HR must be informed."	2020/08/17	2020/08/30	• Human Resource • All Managers/ Directors	Completed
2.	***Job Descriptions*** All job descriptions to be reviewed as per the revised Organizational Structure, once adopted. This will include new posts, changed posts and integrated posts.	2020/08/17	2021/01/30	• Human Resource Manager • OD Specialist	In progress
3.	***Staff Establishment*** All departments/ sections staff establishment to be considered in terms of new posts and the filling of critical posts. These have been identified in the Organizational Structure Report and also the Work-study Summarized Report.	2020/08/17	2020/09/30	• Human Resources • Each Departmental Director	Completed
4.	***Job Evaluation*** Conduct Job Evaluation for all new/ changed posts once structure has been approved.	2020/08/17	2021/04/30	• Human Resource Manager • OD Specialist	In progress
5.	***Overtime***	2020/08/17	2021/06/30	All Directors	In progress

	▪ Recommendations on the iPERFORM Main Report (Departmental Change Management Implementation Plans) and Summarized Report must be implemented. The Overtime Policy must be work-shopped with all Directors/ Managers. ▪ All staff working in excess of 10hrs Overtime per week as identified in each Department must be curtailed. The Revised Structure together with supervisory training and other identified interventions shall ensure that workloads will be planned and evenly distributed. Supervisors and Managers must comply with the provisions of the Overtime Policy and Procedure prior to approving overtime. ▪ Summary ▪ Overtime is excessive in the municipality and we are of the opinion that with the correct interventions in the Departmental Change Management Implementation Plan overtime can be greatly reduced. Overtime average almost R2 million per month. The statistics includes overtime from October 2019 to February 2020. The verification of overtime statistics for the 8-month period i.e. July 2019 to February 2020 confirms that there is a common trend on the average overtime worked per month. The municipality has spent almost R17 million on overtime for this period. (See departmental figure below) ▪ We have found some evidence where overtime is abused but at the same time, we have found that overtime in most cases is an infringement of Good Labour Practice. There is no compliance in terms of maximum hours that can be worked in terms of the Basic Conditions of employment Act. We have identified an employee that is working in a clerical position (substantive post) but because this employee worked in the water plant previously, she is called upon to work in the plant over the week-end and accumulates overtime. The reason for this is due to the vacancies/ unfilled posts in the Plants. The danger of this is that this employee does not want to lose the overtime as she has budgeted for this extra income as part of her salary. ▪ Most of the employees have provided adequate reasons for overtime worked. The reasons provided ties in with other related issues identified in the Work-study. There is a concern with regards to those working 11 – 30 hours overtime per week (more than that prescribed by the BCEA). We identified some employees were working overtime outside the scope of their substantive posts without HR being notified. Overtime can be minimized provided that it is going to be controlled by managers as per our recommendations and in line with the Overtime Policy of the municipality. There must be full compliance by all managers with the Overtime Policy. If the 4 factors (high workload; absenteeism, unforeseen delays and emergencies) can be addressed, then				

	the municipality will win the battle to reduce overtime. Our recommendations related to these factors (e.g. planning, supervision, etc.) and the changes in the revised structure will definitely reduce the overtime worked. ▪ **Planning, Development & Tourism** – The overtime in this Directorate is negligible as only 4 x Employees in Human Settlements & Town Planning work Overtime. The Structure has been revised and the critical posts identified to be filled which will reduce the overtime. Streamlining of work processes especially pertaining to community/ public meetings/ work outside the office, etc. will assist with better coordination. (Average overtime over a month is approximately R38 000.) ▪ **Infrastructure & Engineering** – 102 Employees with excessive overtime with the majority indicating that they worked on average of 40 hours per month through agreement with management. The predominant reasons include – High Workload; Emergency work; Planned overtime on weekends; staff shortages; and after-hours work. (Average monthly overtime is approximately R8 million.) ▪ **Community Services**- Fire & Disaster – 28 Employees with excessive overtime. This is negligible due to the nature of the work i.e. handling of emergencies after hours. Another contributing factor is the shortage of staff. The revised structure and reporting relationships together with other interventions (e.g. identifying resources during peak periods such as school holidays, festive season, Easter weekends, stand-by duties, etc.) may assist in reducing the overtime. ▪ **Community Services** (Traffic & Law Enforcement) – 5 x Security Officers with high overtime due mainly to absenteeism and covering a double shift, including responding to emergencies. This figure is negligible due to the nature of the work. 9 x Law Enforcement Officers have high overtime which is due to shortage of staff and high workload. 1 x Senior Lifeguard with high overtime. (We cannot provide additional figures as the work-study has not been completed for this Directorate). (Average monthly overtime is approximately R9 million.) ▪ **Corporate Services** – 4 x Employees with high overtime which includes the Printing Clerk; 2 x Ward Assistants and Senior Admin Officer: Archives. This is negligible due to the nature of the work performed but can be reduced. (Average monthly overtime is approximately R250 000.) ▪ **Finance** – 9 x Employees with high overtime with three indicating unforeseen delays, four indicating overtime during Financial year-end and two with high work-load. These figures will be reduced through the revised structure and financial procedures. (Average monthly overtime is approximately R60 000.) ▪ **Office of the Municipal Manage**r – 2 x Personal Assistants with high overtime. The structure has been revised with the creation of new posts to alleviate the work-load of				

	the Personal Assistants. Overtime is negligible due to the nature of after-hours work especially for attending meetings of the Mayor and Speaker.				
6.	***Communication*** ▪ The Internal Communication Strategy should be revised and implemented for the entire municipality through workshops. The appointment of the Communications Officer to deal with Internal Communications will ensure much better communication to all employees. ▪ Every Director, Manager and Supervisor must appraise their respective subordinates on relevant issues through weekly or monthly meetings.	2020/08/17	2020/10/01	• Human Resource Internal • Communications Officer • Managers/Directors	Completed
7.	***Job Satisfaction*** ▪ The vast majority (98%) of employees portray the right attitude in terms of job satisfaction. They understand their reason/ role for being employed in a municipality i.e. their contribution to enhance service delivery. ▪ There are only 3 employees that are not satisfied, and these are because of personal reasons which will be reported separately to HR to resolve their issues. ▪ Overall, this is a good trait to have where the majority of employees are satisfied with working for the municipality although some of their work environment has challenges. ▪ Our recommendation on all the challenges identified in the main report is that the Directors and Line Managers must take ownership of the Change Management Implementation Plan. The Senior OD Specialist must ensure that monitoring and evaluation takes place, and that implementation is carried out and non-compliances reported on.	2020/08/17	2021/01/31	• Human Resources • Directors Managers	In progress

Table 200 : Human Resources Plan

DRAFT

Resources Expenditure

The municipality has an Employment Equity Plan, as well as a Human Resource Strategic Framework linked to the SDBIP which serves as its plan for the financial year. The following schedule reflects the personnel expenditure for Kouga Municipality in respect of the years 2020/2021

WAGE BILL	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Gross Wage Bill	R26 376 835.83	R25 804 838.98	R26 424 726,03	R28 483 106,08	R 41 377 739,36	R 27 018 122,29
% Increase - Gross Wage Bill	0%	-2%	2%	8%	45%	-35%
Net Wage Bill	R12 823 928,81	R12 300 628,44	R12 684 515,13	R 13 910 224,59	R 26 913 281,03	R 13 291 681,76
% Increase - Net Wage Bill	0%	-4%	3%	10%	93%	-51%

Table 201 : Personnel Expenditure

The Municipality has a new Organisational structure in place. This structure has been aligned to ensure that departments are aligned towards achieving more effective service delivery. Positions that are not critical has been frozen, and staff has been transferred to ensure the Municipality enhance productivity and curb staff expenditure. The Municipality strive towards adhering to section 66 of the Municipal Systems act as amended.

Staff Benefits

Pension and Retirement Funds

The following schedule reflects membership numbers in respect of the various pension and retirement funds:

MEMBERSHIP: PENSION AND RETIREMENT FUNDS	
Names of Pension Funds	**No of Members**
Consolidated Retirement Fund	453
LA retirement fund	1
National Fund for Municipal Workers	7
South African Local Authority Pension Fund	8
MWRF Provident fund	181
Momentum	198
MCPF	3
Retirement Fund No. CC	4
Consolidated Retirement Fund Councillors 15%	6

Table 202 : Pension and Retirement Funds

Medical Aid funds

As per the provisions of the SALGBC Collective agreements staff members of Kouga Municipality may select participation in any of the following Medical Aid Funds:

- Bonitas
- Key Health
- Hosmed
- LA Health
- SAMWU Med

The following schedule reflects membership numbers of the different Medical Aids of Kouga Staff members:

MEMBERSHIP: MEDICAL AID FUNDS	
Names of Medical Aids	**No of Members**
Bonitas	177
Key Health	17
Hosmed	69
LA-Health	156
SAMWU-Med	68

Table 203 : Medical Aid Funds

Leave

Leave benefits for staff members are regulated through the provisions of SALGBC Collective Agreements and the provisions of the internal Leave policy. The Human Resource section have introduced a new triplicate leave book system. These books were implemented effective from the 1st of October 2018 by all departments within the Kouga Municipality. This new system will ensure that leave is more effectively controlled and managed.

The following schedule reflects leave taken by employees over the 2019/2020 period:

LEAVE DAYS TAKEN	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Annual Leave	421	285	344	351	381	274
Sick Leave	214	104	118	160	160	91

Table 204: Leave

Staff Appointments

Below is a summary of all recruitment and promotions that occurred for the year:

RECRUITMENT	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020
Number of Discharges	18	3	18	3	2	5
% Staff Turnover	2%	0%	2%	0%	0%	0%
Number of Promotions	1	0	1	0	0	0
Number of new employees	5	2	2	8	19	7

Table 205: Staff appointments

Staff Terminations

The following schedule reflects staff terminations for Kouga Municipality during the 2019/20 year:

RECRUITMENT	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020
Number of Discharges	18	3	18	3	2	5
% Staff Turnover	2%	0%	2%	0%	0%	0%
Number of Promotions	1	0	1	0	0	0
Number of new employees	5	2	2	8	19	7

Table 206: Staff terminations

Labour Relations

Relations with Organised Labour in Kouga Municipality is regulated and done in terms of the provisions of the SALGBC Main Collective Agreement.

The Labour relations unit has embarked on the following initiatives:

- Workshop all employees on the Code of Conduct as per section 69 of the Municipal Systems act
- Workshop all employees on the Conditions of service for employees
- Workshop all employees on the SALGBC disciplinary Code collective agreement
- Workshop all employees on the new Human Resource Policies
- Responding to all grievances in writing within the prescribed timeframes

Local Labour Forum

Local Labour Forum Meetings are required to be held at monthly intervals and the composition of the Local Labour Forum consists of 50% representation by the Employer and 50% representation by the Employee components as per the threshold set by the SALGBC Main Collective agreement. The Municipality is striving towards better Labour relations with Organised Labour, and to ensure unions and the employer work together to create a better working environment.

Labour Relations: Staff Discipline

Staff discipline is largely attended to internally through employees trained in chairing disciplinary hearing and employees trained in representing the employer at disciplinary hearings. The new SALGBC Disciplinary Code and Collective agreement are being utilised. The Municipality strive to adhere 100% procedurally to ensure legislative compliance. Staff turnover because of disciplinary hearings is regarded as low to insignificant when compared to the number of staff members employed by Kouga Municipality. The Municipality is striving to apply corrective discipline, and always apply the rules and standards as set out by Schedule 8 of the Labour Relations Act.

The following schedule reflects the status of disciplinary interventions for the 2019/2020 year:

DISCIPLINARY MATTERS	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Number of disciplinary matters	2	5	4	10	6	3
Number of Matters at arbitration	4	0	3	0	1	1
Number of Matters in the Labour Court	1	0	2	0	1	0
Number of Matters Finalised	0	2	0	2	5	2
Number of Grievances	1	2	1	1	1	0
Number of Grievances finalised	1	0	3	2	0	0
TOTAL	9	9	13	15	14	6

Table 207: Disciplinary matters

DRAFT

Occupational Health and Safety

The key strategic objectives for Occupational Health and Safety are:

- Identification, evaluation, monitoring and control of all occupational Health and Safety Programmes for Council.
- Facilitate and co-ordinate OHS programmes to ensure compliance to all relevant legislation.
- Implementation of Health and Safety related work programmes.

Occupational Health and Safety Committees

According to the Occupational Health and Safety Act NO 85 of 1993 (amended by ACT 181 of 1993) Section 17, 18, 19 and 20 the Council is obliged to establish Health and Safety Representatives as well as Health and Safety Committees. A number of 40 Health and Safety Representatives has been elected and represent of all Units of Kouga Municipality. Occupational Health and Safety Inspections are done regularly.

Occupational Health and Safety Interventions for 2019/2020:

OCCUPATIONAL HEALTH AND SAFETY	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Number of injuries on duty reported	2	4	6	4	2	2
Number of Medical Surveillance	60	0	60	80	190	180
Number of monthly safety representative meetings	4	1	1	2	2	2
Number of Employee Assistance interventions	1	1	1	2	2	1
TOTAL	67	6	68	88	196	185

Table 208: Occupational Health and Safety Interventions

The municipality still remains vigilant in its fight against COVID19 and continues to take all necessary precautions to protect its employees and members of the public who utilize our facilities.

In the graph below the following statistics are illustrated:

- As at 31 December 2020, 121 Employees including Councillors recovered from COVID-19.
- 5 Employees including Councillors are deceased.
- No employees in hospital
- 31 Employees are still positive with Covid-19.

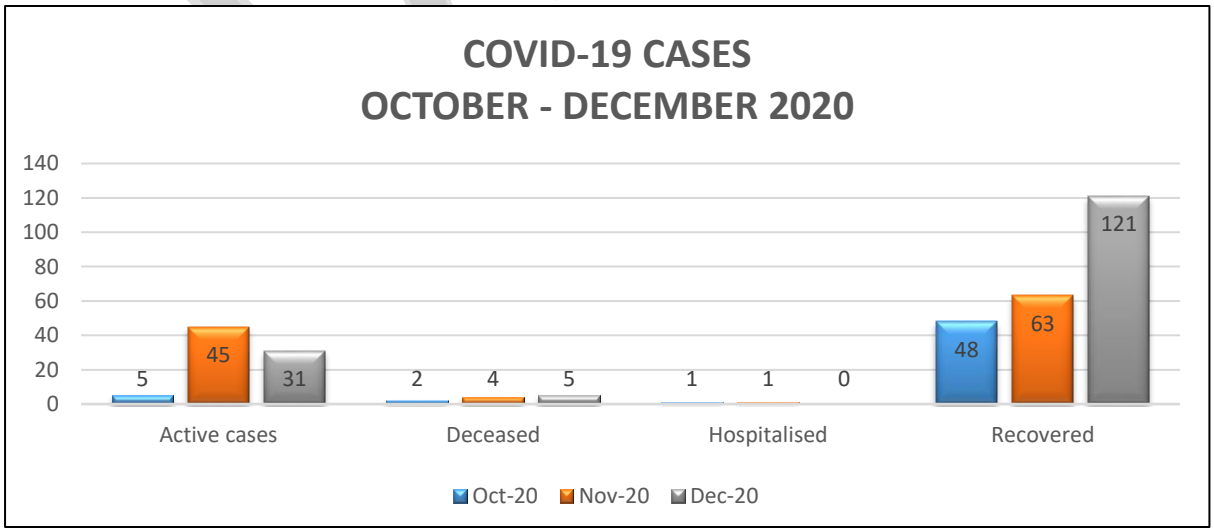


Figure 43: Covid-19 cases

As per table 3 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
A COVID-19 risk assessment	x	
All employees working at the workplace have permits to work	x	
A valid COVID-19 Management Plan	x	
A COVID-19 Contingency Plan	x	
A COVID-19 Policy	x	
Staff rotational schedules have been implemented	x	
All building and work areas have been sanitized and disinfected	x	
Cleaning routines in place (Sanitizing surfaces, sweeping floors and walkways)	x	
Floors cleaned thoroughly once a day	x	
All employees always have access to hand sanitizer	x	
All employees have access to clean water, soap & dry disposable towels	x	
Security access control and visitors screening	x	
Employees have access to masks, gloves, and sanitizer	x	
Employees working with public have access to face shields or screens	x	
Employees trained on the use of PPE (Masks, Respirators, gloves)	x	
Employees being screened daily upon entry	x	
All relevant employees received and signed acknowledgement for COVID-19 effects on vulnerable employees	x	
Social distancing being practiced (1.5m) and all facilities / areas meet the max. capacity rule (i.e. 1 person per 4 square meters)	x	
Procedures in place to deal with sick employees	x	
Restriction to access to premises	x	
All essential service employees and permitted services employees went for Medical screening conducted by the Medical surveillance service provider	x	
All vulnerable employees identified and referred for medical assessments	x	

Table 209:: Covid-19 requirements and plans

The following major projects was planned for the Human Resource section for the 2019/2020 Financial year:

PROJECT NAME	PROJECT OUTCOMES	COMPLETION DATE
Unqualified audit opinion	HR to achieve an unqualified audit opinion	Completed- Clean audit achieved
HR survey	Conduct a HR survey with 75% percent positive responses	Completed- Achieved
Electronic recruitment system	Implement a new electronic recruitment system	Completed- Achieved
Employment Equity report	Submit Employment Equity report to DOL	Completed- Achieved
Employment Equity Report	Submit Employment Equity Report to Department of Labour	Completed- Achieved
Organisational Work study	Appoint a service provider	Completed- Achieved
Job evaluation	Complete the job evaluation programme in Kouga	30 June 2020
HR policies	Implement 11 new HR policies	Completed- Achieved
Medical Surveillance	Appoint a service provider	Completed- Achieved
Employee assistance	Appoint a service provider to conduct EAP at the Municipality	Completed- Achieved
WSP	Submit a credible WSP to LGSETA	30 April 2020

MFMA programme	Appoint a service provider to conduct MFMA training	Completed- Achieved
Training tender	Appoint a service provider to conduct various training at Kouga in terms of the WSP	Completed- Achieved
Risk assessment	Appointment of a service provider to conduct a risk assessment	Completed- Achieved
COIDA	Submit COIDA to DOL	30 June 2020
Twinrix	Procure Twinrix injections for all affected employees	Completed- Achieved

Table 210 : Human Resources projects for 2019/20 financial year

DRAFT



CHAPTER 6: PUBLIC PARTICIPATION AND COMMUNICATION

The Kouga Municipality is a Category B Municipality with a Mayoral Executive System combined with a Ward Participatory System. The Kouga Municipality is currently a Grade 5 municipality, however, there has been an indication the grading of the municipality will be reviewed.

The council comprise of 29 councillors made up of 15 ward councillors and 14 proportionally representative councillors. 15 Ward Committees has been established and is fully functional and greatly assist in the community participation processes.

The Kouga Municipality has 9 Community Development Workers and are a very important link between the ward councillor and the community. Some of the wards function without a CDW for several years and Gogta should be engaged to critically look at appointing CDW's in the affected wards. The CDW's play an important role in effective communication, information gathering and dissemination, and referring issues from grass roots level to relevant spheres of government.

6.1 PUBLIC PARTICIPATION AND WARD COMMITTEES

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended, required municipalities to involve local communities within IDP planning process and to promote participative democracy. The IDP is the strategic planning instrument of a municipality and forms the basis of the municipal budget. Public Participation is a Key Performance Area for the municipality and is included in the performance agreement of senior management.

The Speaker's office is responsible for the duties and administration of Ward Committees with the support of the Public Participation Unit. The municipality has a structured ward committee system, guided by the public participation policy and which is in line with the National Policy Framework for public participation. The municipality has 1 official responsible for ward committees and is appointed in the Office of the Speaker.

Communications with communities and stakeholders are largely done in writing and by means of telephonic communications. Public participation meetings are advertised as per legislative provisions with notices posted at municipal offices and community halls as well as other places frequented by communities and augmented by loud hailing for communities in the relevant areas. Loud hailing despite it being effective is burdening the Administration for reason that it involves cost and overtime work as loud hailing was found to be more effective after working hours. The vast geographical area contributes towards the high costs of loud hailing. Investigations are being conducted to secure alternative effective means of loud-hailing and/or other effective means of communication with communities.

Other than Public Participation through the Ward Committee Structures and Ward Constituency Meetings public participation is conducted on the Budget, IDP and Project registers as well as where applicable on By-Laws such as for instance the Liquor Trading Hours By-Law. It has been found that public participation meetings are generally reasonably well attended, but that the interest of the communities largely focuses on housing delivery programmes.

❖ **IDP Public Participation**

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the municipal area. Various stakeholders and sectors were involved during the drafting of IDP.

In the light of the Covid-19 Pandemic to minimise the risk of spreading the virus, the municipality cancelled the public meetings. The electronic options available at the municipality were a challenge as not all the residents have access to internet. The municipality has however created a unique email address where residents could submit their inputs and comments which were addressed by management for consideration in the Final 2021/22 IDP/Budget. The following mediums were used to reach the public during the IDP review:

- Notices in the local newspaper
- Placement of comment boxes at municipal offices, libraries and ward councillor offices
- USB's loaded with IDP for comment by the public
- Radio interviews
- Video clips by the Executive Mayor

❖ **Ward Committees**

Kouga Municipality ensures that Ward committees play an important role in bridging the gap between the municipality, council and the community. Ward Committee meetings are held once a month. Outcomes of ward committee meetings are documented and referred to user departments for actioning.

❖ **War Rooms**

There are currently no functional war rooms in this municipality. The Council did not approve war rooms.

❖ **CDW's**

The Kouga Municipality has 7 Community Development Workers, and they are a very important link between he Ward Councilor and the community. Some areas have been without CDW's for several years and COGTA should be engaged to critically look at appointing CDW's in those affected Wards. The CDW plays an important role in effective communication, information gathering and dissemination, and referring issues from grass roots level to relevant spheres of government.

❖ **Petition Management**

Kouga Municipality established a Petitions Committee to deal with petitions submitted to ensure that concerns and complaints lodged by Communities and stakeholders are being addressed and that actions implemented have the necessary oversight, thus, to ensure that the matters raised are attended to. The Terms of Reference for the Petitions Committee was adopted by Council.

The members of the Petitions Committee are as follows:

- Speaker — Chairperson
- Ward Councilor — Member
- Director Corp. Serv. — Member

- Director Finance Member
- Director I&E Member
- Director PD & Tourism Member
- Director CS Member

6.1.1 Status of Ward Committees and Public Participation Policies

New ward committees were established in all 15 wards of the Kouga Municipality during November/December 2016 and the re-establishment of Ward 11 took place in November 2017. Kouga Municipality has a total of 150 Ward Committee Members, exclusive of the 15 Ward Councillors.

The reimbursement of out-of-pocket expenses for Ward Committee Members is based on the National Framework: Criteria for determining out of pocket expenses for Ward Committee Members as published under Government Notice 973 in Government Gazette 32627, dated 8 October 2009. An amount of R1000 is paid per ward committee member.

The ward committees comprise of geographical as well as sector representatives in communities and are regarded as the statutory consultative fora in the public participation process of the IDP review. The respective ward councillor is automatically the chairperson of the ward committee and monthly meetings keep the community informed of all municipal related matters. It is also incumbent on ward committee members to regularly interact with their constituencies and to ensure maximum participation in all planning processes of Kouga Municipality. A formal agenda is followed and inputs from these committees are fed into the Section 80 Committees and then on to the Mayoral Committee.

The ward committees played a significant role in the development of the IDP review to ensure that the broader public participates and prioritised the basic needs and development requirements in the different wards. The priority needs in the wards mostly cantered on basic services such as housing, storm water, water, sanitation, job creation, unemployment, roads and safety. After the inputs obtained from the public, a more targeted round or prioritization have been done to prioritize programmes and projects which have been costed by the Budget and Treasury Department.

Kouga Municipality adopted a Communication and Public Participation Strategy. The matter of attendance of Public Participation Meetings and outreach programmes is further addressed in the Standard Rules of Order for Kouga Municipality which amongst others requires the Top Management attend such public participation meetings and outreach sessions to ensure that accountability towards the community is being affected. a Stakeholder Register was established to ensure that the relevant stakeholders are interacted with and is it updated as and when required. Although Kouga Municipality does not have registered traditional leaders, the representatives from the Khoi and San groups within the area recognised and as such invited to meetings which may have an impact on their communities.

Where Ward Committees chose to raise IDP and/or planning related matters outside the Ward Based Planning and/or public participation processes, such matters are dealt with from the minutes of the Ward Committee Meetings by referring such to the IDP Section for capturing. Relationships between the Ward Committees and Council is cordial in all instances even though some Ward Committees expressed concerns that matters raised by the Committees are not receiving the attention the Ward Committee requires. In order to ensure that all matters raised by Ward Committees are considered by Council, are all minutes of Ward Committee meetings submitted to Council.

In terms of Policy provisions are Ward Committees required to appoint a Ward Coordinator from its members to amongst others arrange meetings of the Committee in liaison with the Ward Councillor and to take minutes at meetings of the Ward Committee. It was identified as a need that members of Ward

Committees be skilled in certain administrative procedures such a taking minutes to ensure that the burden on the administrative section is reduced and at the same time capacitating members of Ward Committee. All ward councillors are supported by a ward assistant to coordinate all the activates in the ward.

6.1.2 Ward Committee Structures

Ward 1 – Crl Z Mayoni

Surname	Initial	Portfolio
April	Z	Religion
Goeda	A	Safety and Security
Metuse	LM	Education
Ntahlu	CN	Women
Petersen	C	Business
Phezisa	NW	Youth, elderly and disabled
Shoco	SW	Sport
Speelman	LP	Farming
Tyala	P	Health
Williams	GM	Environment

Ward 2 – Crl ZR Dennis

Surname	Initial	Portfolio
Dela	S	Youth
Hlebo	NV	Health
Jansen	JT	Women
Latile	M	Religion
Perils	LL	Resigned
Perils	LC	Education
Ratolla	SL	Tourism
Simamane	SR	Deceased

Ward 3 – Crl W Gertenbach

Surname	Initial	Portfolio
Cloete	NJ	Religion
Ellis	JE	Sport and Recreation
Fouche	DS	Farming/Afriforum
Heystek	SC	Environment/Legal
Kruger	CA	Vulnerable Groups
Rodrigues	MG	Education and Youth
Schamrel	J	Business
Slabbert	T	Health and Welfare
Thiart	SH	Geographical
Womersley	CE	Safety and Security

Ward 4 – Crl F Campher

Surname	Initial	Portfolio
Baartman	JA	Business
Coetzee	A	Safety and Security
De Lange	AP	Sport
Geswint	MB	Youth
Groenewald	EJ	Education
Plaatjies	PF	Agriculture/Farming
Pockpass	PM	Women
Potgieter	RA	Health
Potgieter	N	Environment

Ward 5 – Crl Z W Coenraad

Surname	Initial	Portfolio
Booysen	MJ	Religion
Dearling	AJ	Education
Floors	D	Safety and Security
Fortuin	J	Vulnerable
Goeda	V	Ward Assistant
Jaars	CR	Youth
Jacobs	GW	Business
Magielies	Z	Women
Queensy	M	Social Services
Ruiters	D	Sport and Recreation
Ruiters	RRL	Health

Ward 6 – Crl V Vumazonke

Surname	Initial	Portfolio
Hermanus	T	Ward Assistant
Jantjies		Business
Maboso	TN	Farming and Fisheries
Matroos	NS	Education
Mbuqe	NC	Environmental Affairs
Oliphant	M	Health
Ranagu	JA	Elderly, Youth, Disabled
Tana	BV	Community Safety
Thomas	NP	Sport
Velebayi	SM	Religion
Williams	PC	Women

Ward 7 – Crl E February

Surname	Initial	Portfolio
Charlie	NE	Women
Grootboom	G	Agriculture
Grootboom	G	Education
Kapank	RR	Sports and Recreation
Mbenya	TE	Safety and Security
Mooi	L	Health
Mvimbeli	CN	Environment
Philander	G	Youth
Trongo	NB	Business
Wewers	SFR	Religion

Ward 8 – Crl L Vorster

Surname	Initial	Portfolio
Andrews	J	Public open spaces/ Public Parks/Green belts and nature trails
Cronje	ST	Business and liquor licences
Erasmus	LD	Education /Law enforcement / Overgrown Plots
Landman	TA	Health /water leaks/pipe breakages
Louw	MA	Religion / potholes
Mc Carthy	VB	Electrical outages/service the main line sewerage pumps
Moyles	AKD	Overgrown plots
Pieters e	JH	Disability and Elderly
Tinley	L	Sport, surfing and water quality
Venter	TC	Community Safety/Traffic
Wilkinson	K	Ward Assistant

Ward 9 – Crl S Jujwana

Surname	Initial	Portfolio
Dayimani	NE	Women
Jaffon	D	Youth
Katoo	MM	Health
Miggels	J	Safety
Mjako	CM	Agriculture
Nakase	LS	Business
Ntakana	N	Religion
Ntantiso	BL	Education
Nyondo	GV	Sport
Plaatjies	G	Environment

Ward 10 – Crl A Mabukane

Surname	Initial	Portfolio
Claasen	MYE	Youth and disabled
Davids	T	Business
Jonas	P	Safety and Security
Klaas	BE	Women
Maarman	JJ	Religion
Mdodana	ZJ	Agriculture
Mooi	RR	Environment
Nelson	AD	Education
Ngqoza	NM	Health and social services
Roberts	P	Sports and recreation

Ward 11 – Clr H Bornman

Surname	Initial	Portfolio
Boyens	M	Surfing & Sport
Heystek	M	Woman
Davel	J	Environmental
Fouche	GC	Business
Heystek	AS	Safety & Security
Kucera	SH	Tourism
Melville	CCG	Business
Pretorius	F	Health & Safety
Ungerer	M	Education

Ward 12 – Alderman B Rheeder

Surname	Initial	Portfolio
De Beer	AB	Paradise Beach
Langlands	M	Kromme Enviro Trust
Schoeman	HN	Cape St Francis
Siziba	P	Woman
Stegman	GF	Business

Ward 13 – Crl M Peters

Surname	Initial	Portfolio
Carelse	C	Agriculture
Fortuin	NK	Women
Haarvoor	VH	Sports
Katoo	NP	Safety and Security
Mbeki	O	Religion
Mhlalase	N	Youth
Mtuzula	N	Business

Mvimbeli	PG	Health
Swepu	VN	Environment
Tobie	SR	Education

Ward 14 – Crl S Makasi

Surname	Initial	Portfolio
Dyenga	SH	Safety and Security
Gqirana	TE	Religion
Grates	DS	Health
Kati	S	Agriculture
Mpangele	N	Youth and disabled
Ndabambi	TE	Business
Nkwalase	N	Education
Nyathi	M	Cleaning
Siwane	KJ	Women

Ward 15 – Crl H Hendricks

Surname	Initial	Portfolio
Carelse	M	Business
De Hart	EG	Environment
Draghoender	RA	Youth
Lawack	DB	Education
McLean	SJ	Health
Miles	GD	Women
Ndaku	M	Farming
Sysaar	F	Sport

Table 211 : Ward Structures

The Public Participation Unit has also been beefed up with the appointment of a Public Participation Coordinator assisted by 3 Public Participation Officers. This unit plays a crucial role in the functionality of the ward participatory system of the municipality as well as getting public involved in all matters of the municipality.

6.1.3 Ward Based Planning

Ward Based Planning forms the basis for contributions by Wards and Ward Committees to the IDP. This is further augmented by public participation programs and outreach programs that form part of the Budget and IDP processes to ensure that the general community is not excluded from the planning processes. Where Ward Committees choose to raise IDP and/or planning related matters outside the Ward Based Planning and/or public participation processes, such matters are dealt with in the minutes of the Ward Committee Meeting by referring such matters to the IDP Section for capturing.

Relationships between the Ward Committees and Council are cordial in all instances even though some Ward Committees expressed concerns that matters raised by the Committees are not receiving the attention it requires. To ensure that all matters raised by Ward Committees are considered by Council all Minutes of the Ward Committee meetings are submitted to Council.

Ward based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. It also helps speed up the implementation of the IDP. This also ensures that the IDP objectives become the collective responsibility of community members, ward councillors, ward committees, community, business community, non-governmental and community-based organisations and all other stakeholders in the Kouga area of jurisdiction. This is further augmented by the public participation programmes and outreach programs that form part of the budgeting and IDP processes to ensure that the general communities are not excluded in planning processes.

6.2 COMMUNITY NEEDS

6.2.1 Reviewed ward priorities

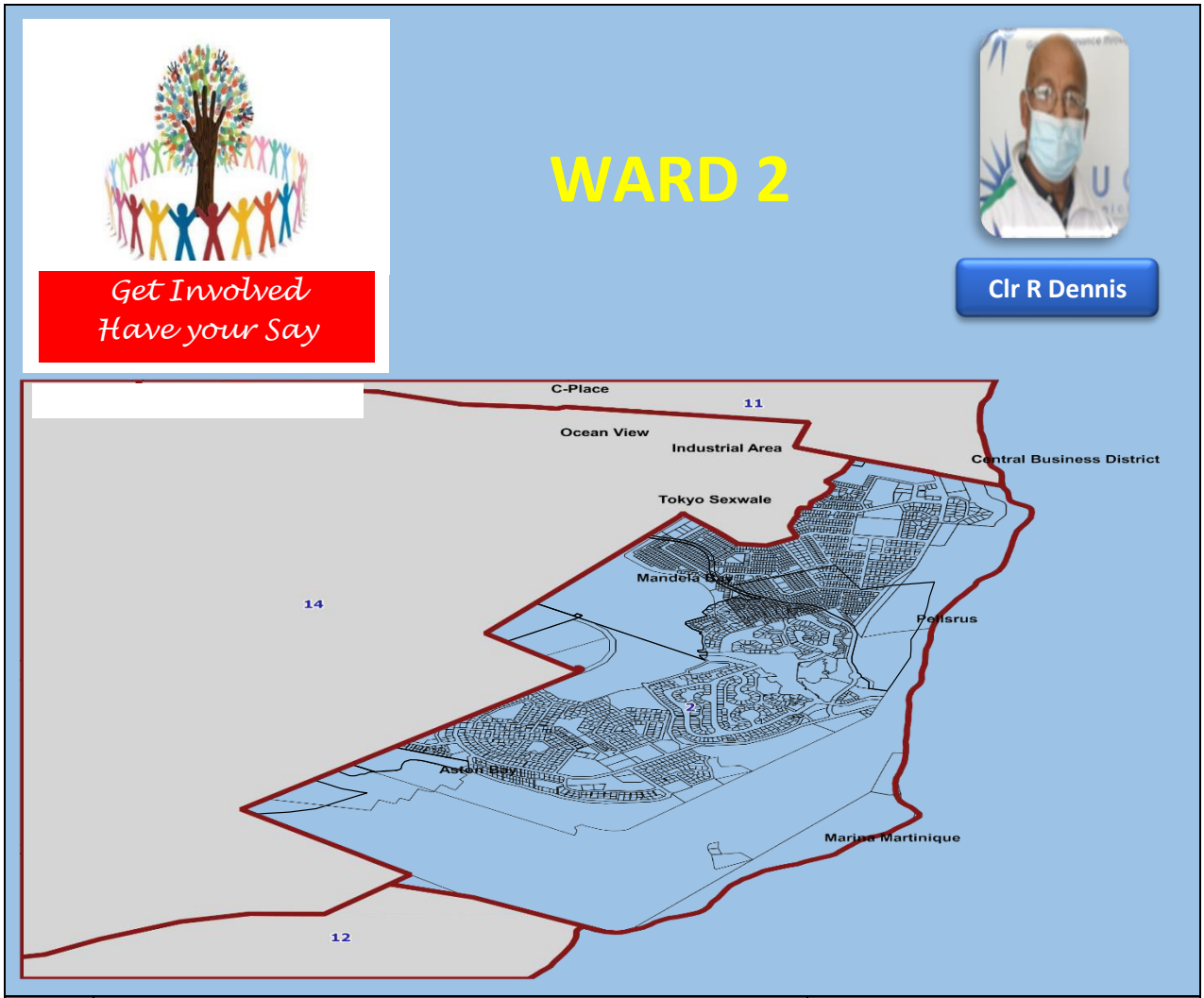
During October 2019, the 15 ward committees of the Kouga Municipality held workshops i.r.o. work-based plans for the 2020/21 IDP Review. The community consultation meetings were held during October and November 2019 to review their ward priorities for 2020/21. The following tables depict the priorities and critical needs of each ward. The inputs received during the Mayoral Imbizo Roadshows conducted during July-August 2019 were also incorporated in the reprioritization process.



No.	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Fixing of potholes	*Infrastructure & Engineering*
2.	Considering of v-channels and regular storm water risk in Umzamowethu and Oyster Bay	*Infrastructure & Engineering*
3.	Poor access to internal roads and need for sand to help with roads upgrading	*Infrastructure & Engineering*
4.	Need for water supply in any form to irrigate and boost planted grass and plants	*Infrastructure & Engineering*
5.	Illegal electrical connections	*Infrastructure & Engineering*
6.	Fix vandalized ablution facilities at beach area	*Community Services*
7.	Overgrown erven	*Community Services*

8.	Scholar patrol	*Community Services*
9.	Waste drop off zones and placement of skips	*Community Services*
10.	Maintenance of clinic and operations thereof	*Community Services*
11.	Stray animals	*Community Services*
12.	Establishment of Clinic Committee	*Community Services*
13.	Provision of beach walks for elderly and disabled	*Community Services*
14.	Rehabilitation of dunes and undeveloped erven in Brander Street	*Community Services*
15.	Supply of wheelie bins	*Community Services*
16.	Acquisition of land for housing and commonage	*Planning, Development & Tourism*
17.	Promotion of SMME's and high unemployment rate	*Planning, Development & Tourism*

Table 212: Ward 1 Priorities



No.	Repviewed Priorities for 2021/22	Responsible Directorate
1.	Re-design of sewer network to prevent regular spilling's in Pellsrus and Tokyo Sexwale.	*Infrastructure & Engineering*
2.	Upgrading of gravel roads: Snoek Street, Manta Street, Seeleeu Street, Klipvis Street, Strepie Street, Galjoen Street, Pellsrus 220 Housing Project.	*Infrastructure & Engineering*
3.	Relocation of Tsjokks Informal Settlement to Ocean View Phase 2.	*Planning, Development & Tourism*
4.	Development of land earmarked for Tsjokks into a new Multi-Purpose Centre.	*Community Services*
5.	Extension to Clinic to accommodate visitors/patients of Ward 2,3,8,11&14 in Jeffreys Bay.	*Community services*

6.	Playpark and other Social Amenities for Pellsrus 220 Housing Project and Madiba Bay.	*Community Services*
7.	Upgrading of Ward Councillors Office.	*Corporate Services*
8.	Upgrading of stormwater flooding in Govan Mbeki Street.	*Infrastructure & Engineering*
9.	Refurbishment of Pellsrus Day Camping ablution facility and surrounding area.	*Community Services*
10.	New School.	*Community Services*
11.	New Creche.	*Community Services*
12.	New Sport Field.	*Community Services*
13.	Streetlights for Pellsrus 220 Housing Project.	*Infrastructure & Engineering*
14.	Development of historical day-camping area, behind Pellsrus Caravan Park into a recreational park.	*Community Services*
15.	Beautification of Public Open Space between Kapenaar Street and Chris Hani Avenue.	*Community Services*

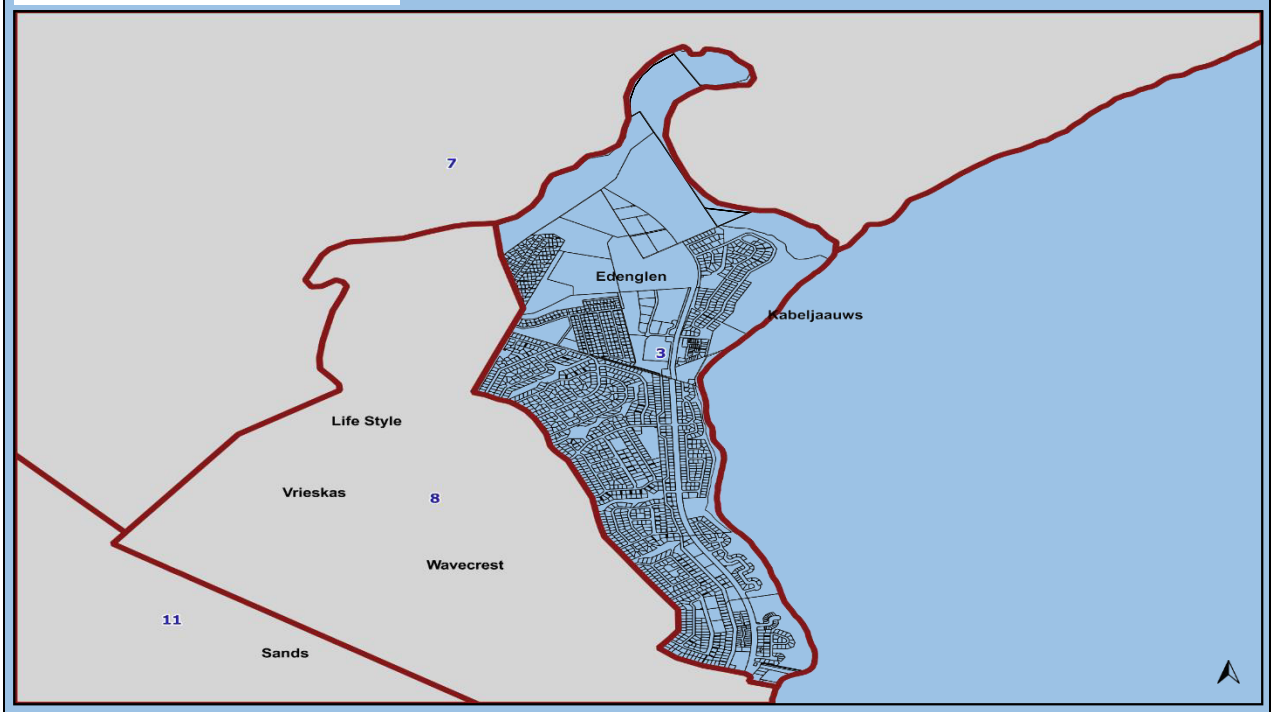
Table 213: Ward 2 Priorities

Get Involved
Have your Say

WARD 3



Councillor W Gertenbach



No	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Supply line from Melkhout to affected wards	*Infrastructure & Engineering*
2.	Replace the water pipeline along Mimosa Street	*Infrastructure & Engineering*
3.	Concrete curbing along roads/streets	*Infrastructure & Engineering*

4.	Maintenance to all stormwater drains in the ward	*Infrastructure & Engineering*
5.	Roll out of CCTV cameras	*Community Services*
6.	Cycling lanes	*Infrastructure & Engineering*
7.	Fix all street lights in ward	*Infrastructure & Engineering*
8.	Visible Policing	*Community Services / Saps*
9.	Maintenance of gravesites (heritage site)	*Community Services*

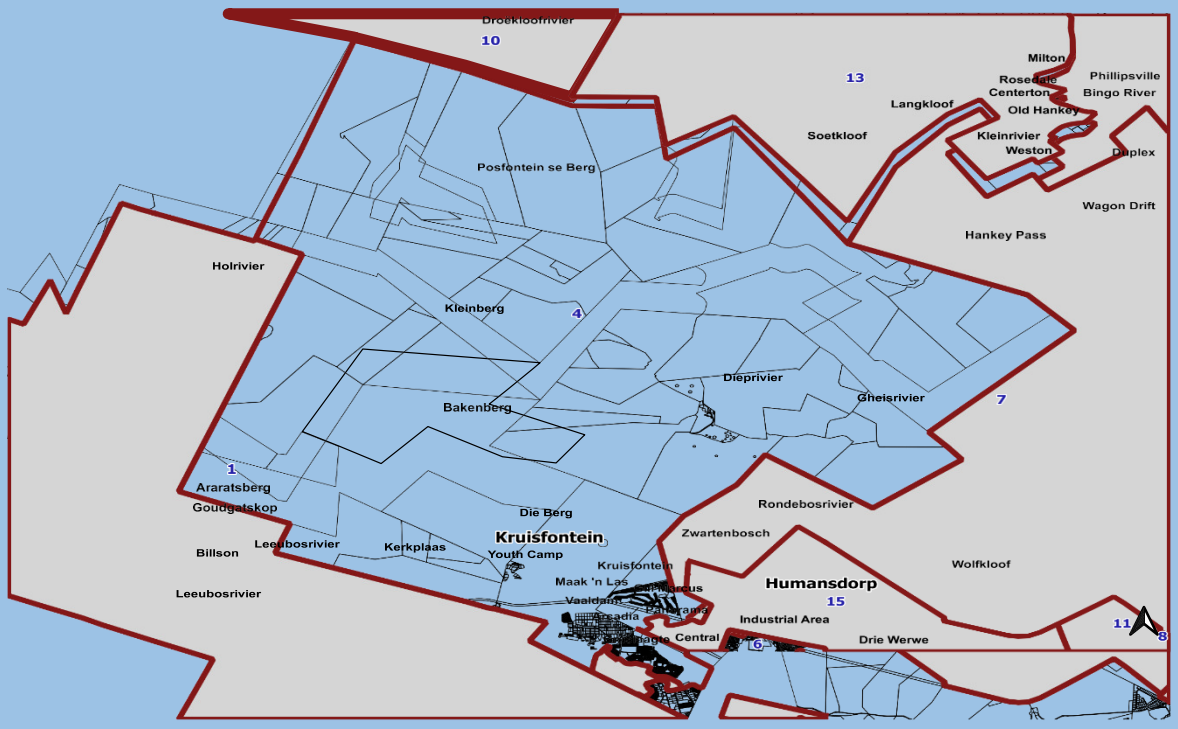
Table 214 : Ward 3 Priorities

Get Involved
Have your say

WARD 4



Councillor F Campher



No.	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Street names: Jeugkamp, 7de Laan, Maak 'n Las, Donkerhoek (Mooi Uitsig)	*Planning, Development & Tourism*
2.	Lower bridge upgrading in Fortuin Street by the PPK Church in Kruisfontein	*Infrastructure & Engineering*
3.	Upgrading of Roads for the entire ward (too many potholes)	*Infrastructure & Engineering*
4.	High mast lights: Van Lingen Park(391), Donkerhoek, Mooi Uitsig	*Infrastructure & Engineering*
5.	Bush clearing around Kruisfontein Primary School and between Gill Marcus and Donkerhoek	*Community Services*
6.	Skip bins in: Donkerhoek, Mooi Uitsig, Van Lingen Park	*Community Services*
7.	Cameras for "hot spots" in Gill Marcus, Donkerhoek, Mooi Uitsig	*Community Services*
8.	Notice boards for "illegal dumping sites"	*Planning, Development & Tourism*
9.	Ward Councillor office: notice board	*Corporate Services*

10.	More community taps for new are “Mooi Uitsig”	*Infrastructure & Engineering*
11.	Erection of speed hump in James Street	*Infrastructure & Engineering*
12.	Fixing of street lights in ward	*Infrastructure & Engineering*
13.	Visible Policing	*Community Services / Saps*

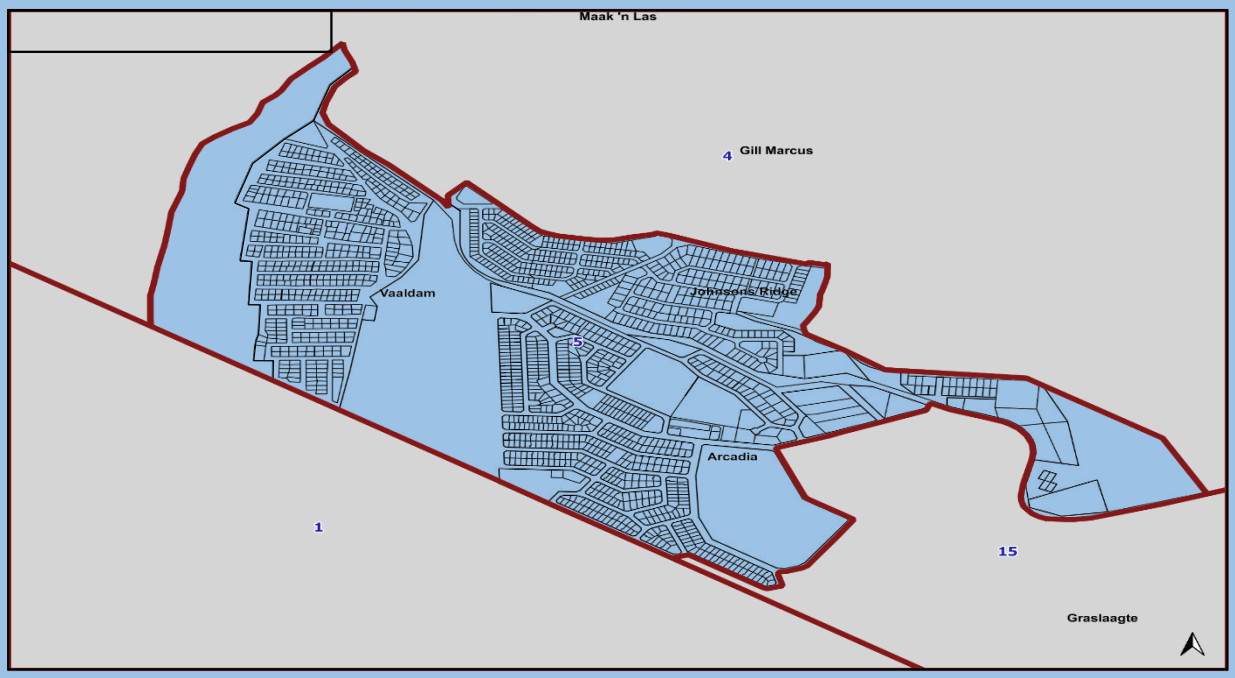
Table 215: Ward 4 Priorities



WARD 5



Councillor W Coenraad



No.	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Paving of sidewalks which was left incomplete in Booyce Street in Arcadia	*Infrastructure & Engineering*
2.	Security cameras needed in hotspots (crime areas)	*Community Services*
3.	Bush clearing	*Community Services*
4.	Installation of speedhumps	*Infrastructure & Engineering*
5.	Installation of LED street lights	*Infrastructure & Engineering*
6.	Tarring and paving of streets and illegal dumping with notice boards	*Infrastructure & Engineering*
7.	Fixing of street lights	*Infrastructure & Engineering*
8.	Youth Care Centre and Skills Development	*LED / Dept of Social Development*
9.	Youth Rehabilitation Centre	*Dept of Social Development*
10.	Visible Policing	*Community Services / Saps*

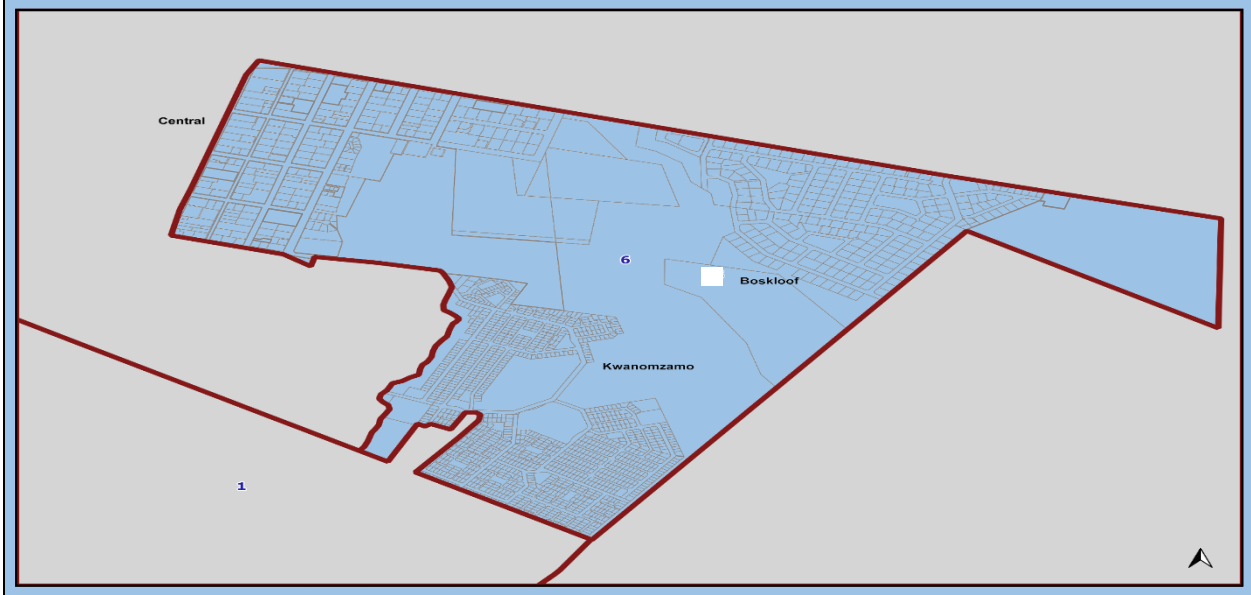
Table 216: Ward 5 Priorities

Get Involved
Have your say

WARD 6



Councillor V Vumazonke



No.	Reviewed Priorities for 2020/21	Responsible Directorate
1.	High unemployment rate and the provision of learnerships for students/graduates	*Corporate Services*
2.	Streetlights	*Infrastructure & Engineering*
3.	Poor resealing of internal roads and potholes	*Infrastructure & Engineering*
4.	Regular sewerage spillings in residential areas	*Infrastructure & Engineering*
5.	Illegal electrical connections in Joe Slovo Informal Settlement	*Infrastructure & Engineering*
6.	Upgrade community hall in Vergenoeg	*Community Services*
7.	Roll-out of CCTV cameras	*Community Services*
8.	Establish new housing committees	*Planning, Development & Tourism*
9.	Beautification of entrance to Kwanomzamo	*Community Services*

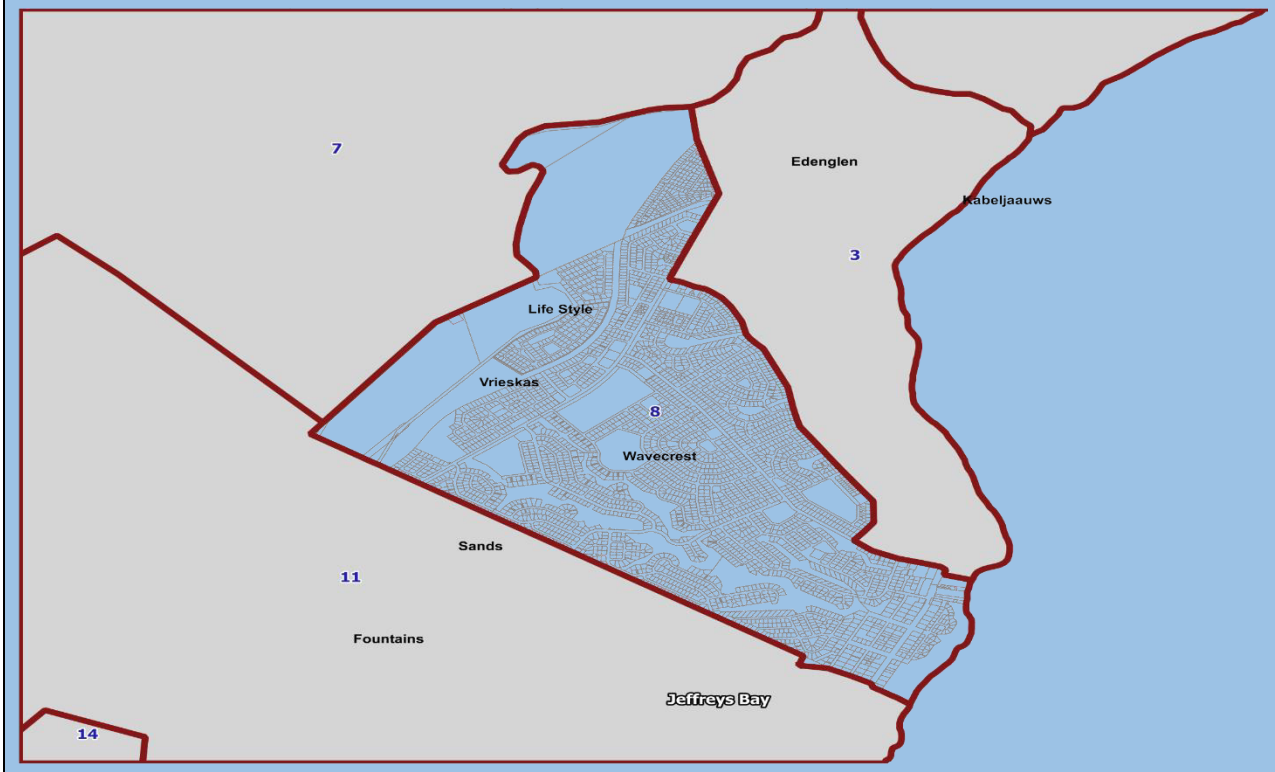
Table 217: Ward 6 Priorities

Get Involved
Have your say

WARD 7



Councillor E February



No.	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Formalization of Tjoksville in Thornhill	*Infrastructure & Engineering*
2.	Acquire land for housing	*Planning, Development & Tourism*
3.	Initiate skills development programmes in construction in Loerie and Thornhill	*Planning, Development & Tourism*
4.	Upgrading of roads in Loerie and Thornhill	*Infrastructure & Engineering*
5.	Installation of bulk infrastructure	*Infrastructure & Engineering*
6.	Construction of houses in Loerie and Thornhill	*Planning, Development & Tourism*
7.	Identify land for commonages in Loerie and Thornhill	*Planning, Development & Tourism*
8.	Upgrading of old and existing cemeteries in Loerie and Thornhill	*Community Services*
9.	Upgrading of the sports fields in Loerie and Thornhill	*Community Services*

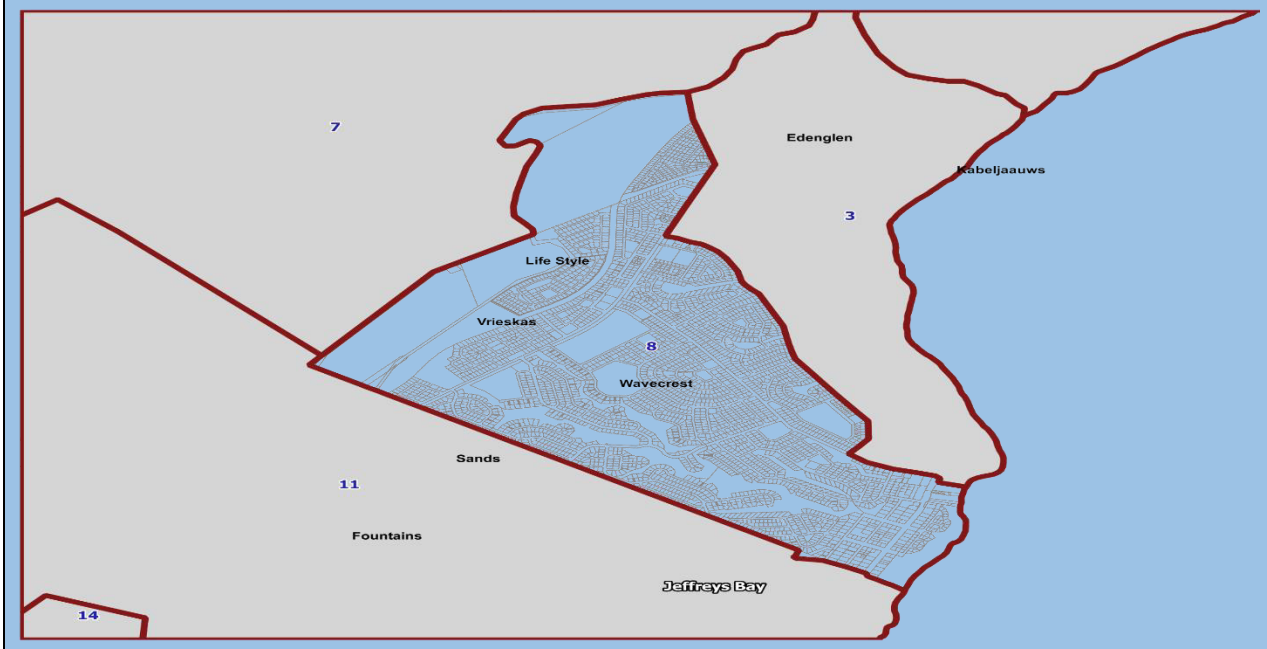
Table 218: Ward 7 Priorities

Get Involved
Have your say

WARD 8



Councillor L Vorster



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	Speedhumps for the following streets: ▪ 2 x Magnolia ▪ 2 x Myrtle / Broom ▪ 1 x Dogwood ▪ 2 x Noorsekloof ▪ 2 x Dr Mike Heroldt	*Infrastructure & Engineering*
2.	Erection of 200 street names	*Infrastructure & Engineering*
3.	Donation of wheelchairs to House Frank and Amala	*Community Services*
4.	Need for water leak detector	*Infrastructure & Engineering*
5.	Need for a safe haven for street children	*Community Services*
6.	Parking bays for the disabled at Checkers in Da Gama Rd	*Infrastructure & Engineering*
7.	Speed up approval of building plans	*Planning, Development & Tourism*
8.	Fixing of all street lights in ward	*Infrastructure & Engineering*
9.	Construction of pavement in St Francis Street	*Infrastructure & Engineering*
10.	Traffic licencing office in Jeffreys Bay	*Community Services / Depart. Of Transport*
11.	Erection of wheelchair lanes in Kabeljous to be of an acceptable standard . (Currently to wide)	*Infrastructure & Engineering*
12.	Maintenance of gravesites (heritage site)	*Community Services*
13.	Investigate use of other power supplies	*Infrastructure & Engineering*

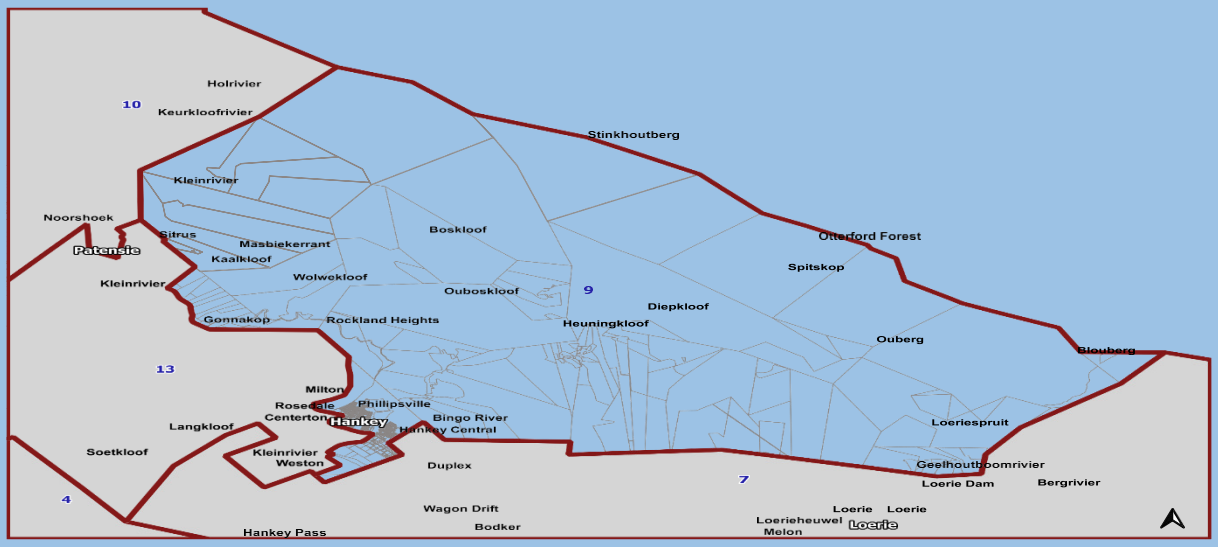
Table 219: Ward 8 Priorities

Get Involved
Have your say

WARD 9

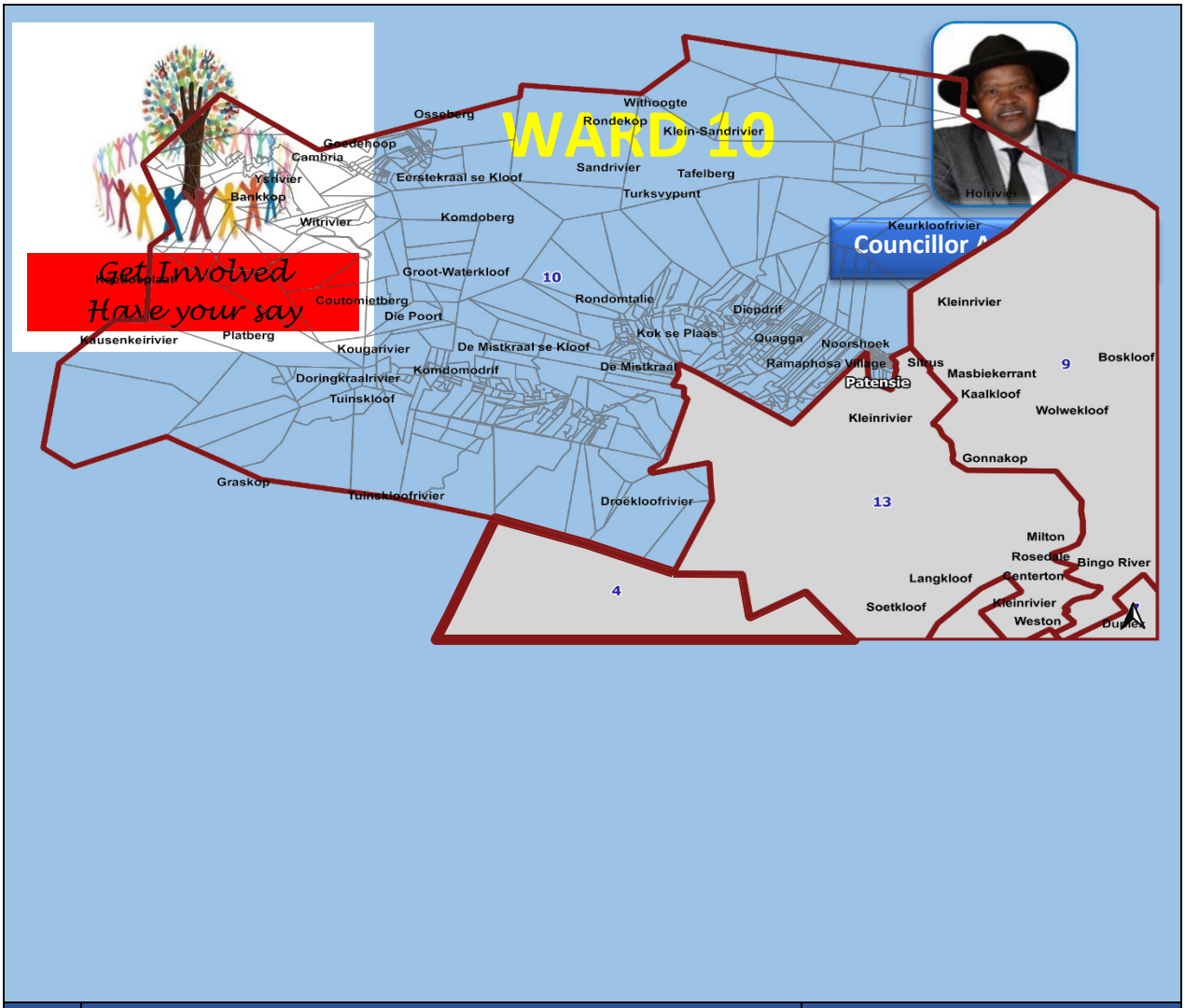


Councillor S Jujwana



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	Address water storage in Hankey	*Infrastructure & Engineering*
2.	Construction of houses	*Planning, Development & Tourism*
3.	Paving or Tar Roads (Populier/Geelhout/ and Protea Street).	*Infrastructure & Engineering*
4.	Paving Tshume, Thangana, Sibengile, Nkosinkulu, Vergenoeg Streets	*Infrastructure & Engineering*
5.	Installation of High Mast light. (Cllr and Ward Committee to identify area.)	*Infrastructure & Engineering*
6.	Re-direct sewer overflow behind Centerton Sports Field.	*Infrastructure & Engineering*
7.	Construction of a new a library.	*Community Services*
8.	Construction of a playpark for children.	*Infrastructure & Engineering*
9.	Impounding of stray animals	*Community Services*

Table 220 : Ward 9 Priorities



No.	Reviewed Priorities for 2020/21	Responsible Directorate
1.	Fencing of cemetery.	*Community Services*
2.	Acquire land for housing.	*Planning, Development & Tourism*
3.	Construction of 2000 houses.	*Planning, Development & Tourism*
4.	Investigate the land at the Post Office & Tolbos for housing.	*Planning, Development & Tourism*
5.	Erection of streetlights and High Mast Lights.	*Infrastructure & Engineering*
6.	Demarcation of areas for SMME's and the provision of permits.	*Planning, Development & Tourism*
7.	Eradication of buckets.	*Infrastructure & Engineering*
8.	Acquire land for the new cemetery.	*Planning, Development & Tourism*
9.	Speed humps at Tier and Stuurman Street.	*Infrastructure & Engineering*

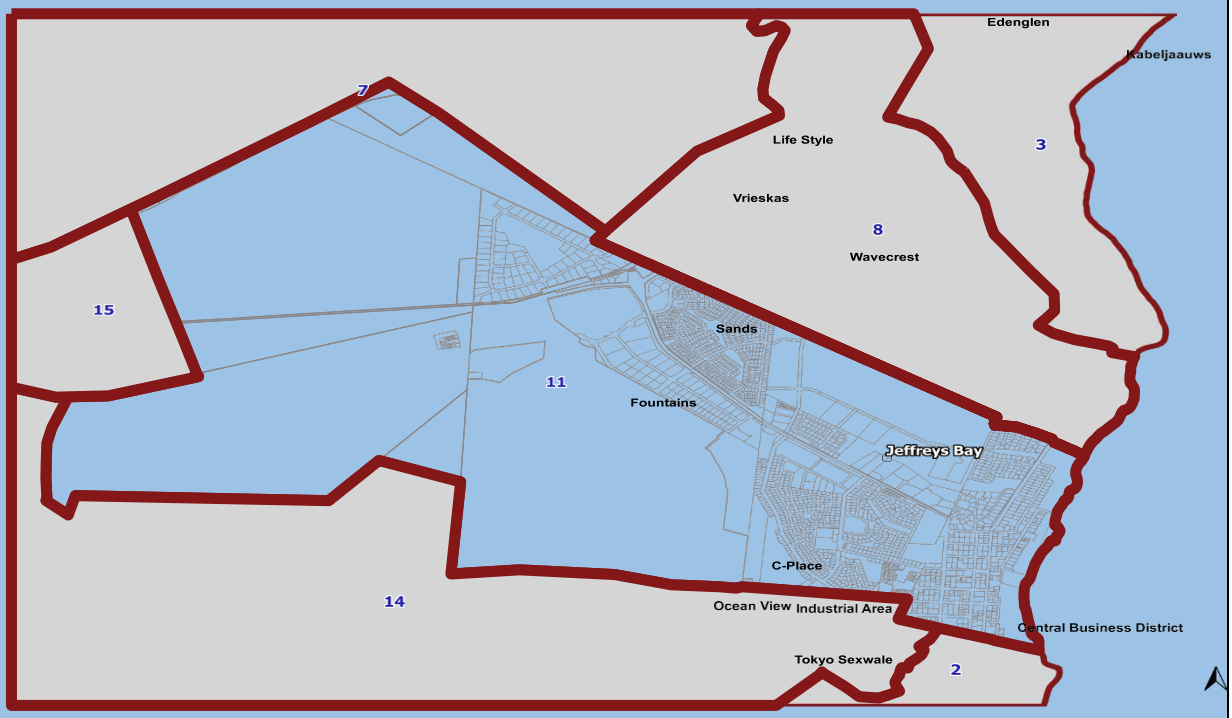
Table 221: Ward 10 Priorities



WARD 11



Councillor H Bornman



No.	Reviewed Priorities for 2021/22	Responsible Directorate
1.	Upgrade sewer pump station and line from La Mer to Koraal Street.	*Infrastructure & Engineering*
2.	Upgrade CBD	*Planning, Development & Tourism*
3.	Installation of walkways, benches and lights from Dolphin Beach to Caravan Park.	*Community Services*
4.	Paving of Erf 107, opposite Spur for parking.	*Planning, Development & Tourism*
5.	More playparks to be provided at beach areas and open spaces.	*Community Services*
6.	Roll out of CCTV cameras	*Community Services*
7.	Cycling lanes	*Infrastructure & Engineering*

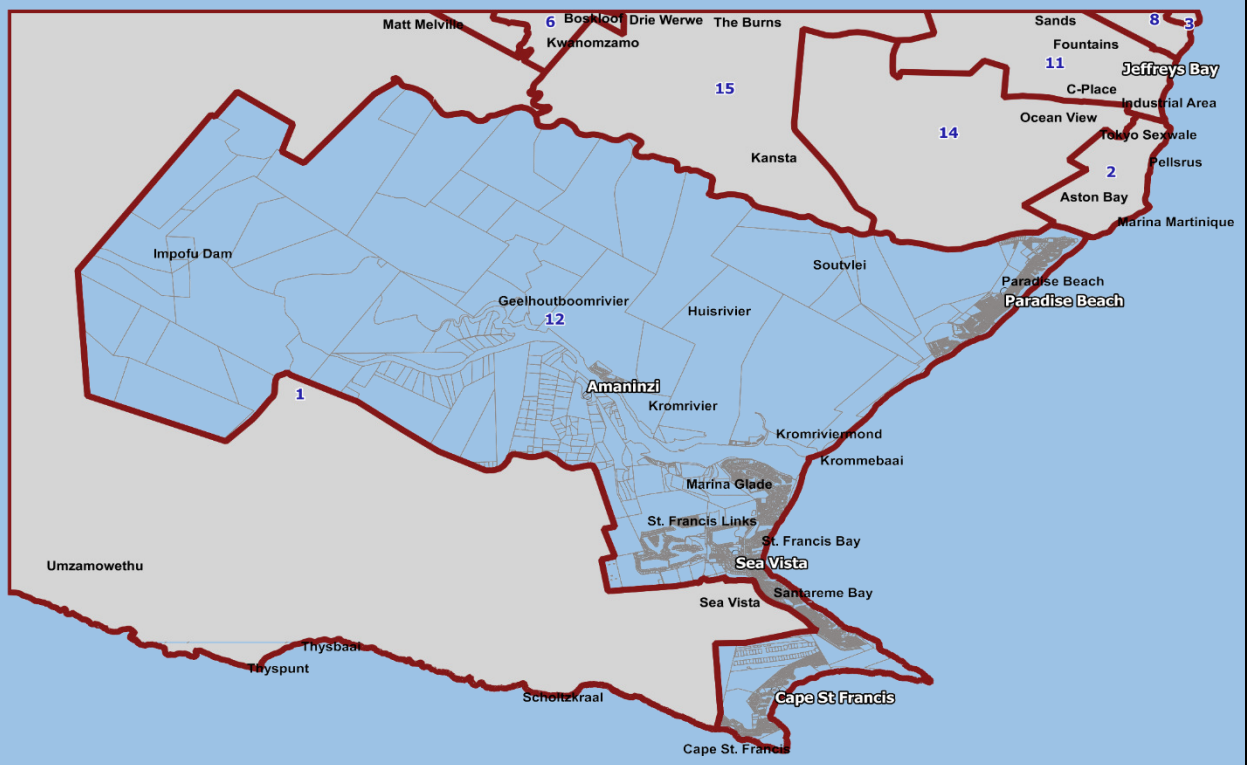
Table 222 : Ward 11 Priorities

Get Involved
Have your say

WARD 12



Alderman B Rheeder



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	High mast lights – Lower Golf Course	*Infrastructure & Engineering*
2.	Stand-alone taps	*Infrastructure & Engineering*
3.	Upgrade Lower Golf Course entrance	*Infrastructure & Engineering*
4.	Eradication of bucket system	*Infrastructure & Engineering*
5.	Fire prevention and bush clearing in Paradise Beach, St Francis Bay and Cape St Francis	*Community Services*
6.	Upgrading of roads and stormwater	*Infrastructure & Engineering*
7.	Construction of spit and rock revetment at St Francis Bay beach	*Planning, Development & Tourism*
8.	Installation of waterborne sewerage system for St Francis Bay	*Infrastructure & Engineering*
9.	Maintenance of bridge and fire breaks	*Infrastructure & Engineering*
10.	Construction of houses in Lower Golf Course	*Infrastructure & Engineering*
11.	Tarring of Da Gama Road in Cape St Francis	*Planning, Development & Tourism*
12.	Installation of high mast lights in the Lower Golf Course	*Infrastructure & Engineering*
13.	Installation of hydrants at braai areas at Paradise Beach and St Francis Bay	*Infrastructure & Engineering*
14.	Replace outdated water pipes in Paradise Beach, St Francis Bay, Shore Road, Canal Road and Cape St Francis. (Secure Churchill pipeline)	*Infrastructure & Engineering*

15.	Placing of V-drain draining dish – Immergroen Avenue and beach signage Paradise Beach	*Infrastructure & Engineering*
16.	Request for a container to run a soup kitchen and other activity at the Lower Golf Course	*Infrastructure & Engineering*
17.	Cycling Lanes	*Infrastructure & Engineering*

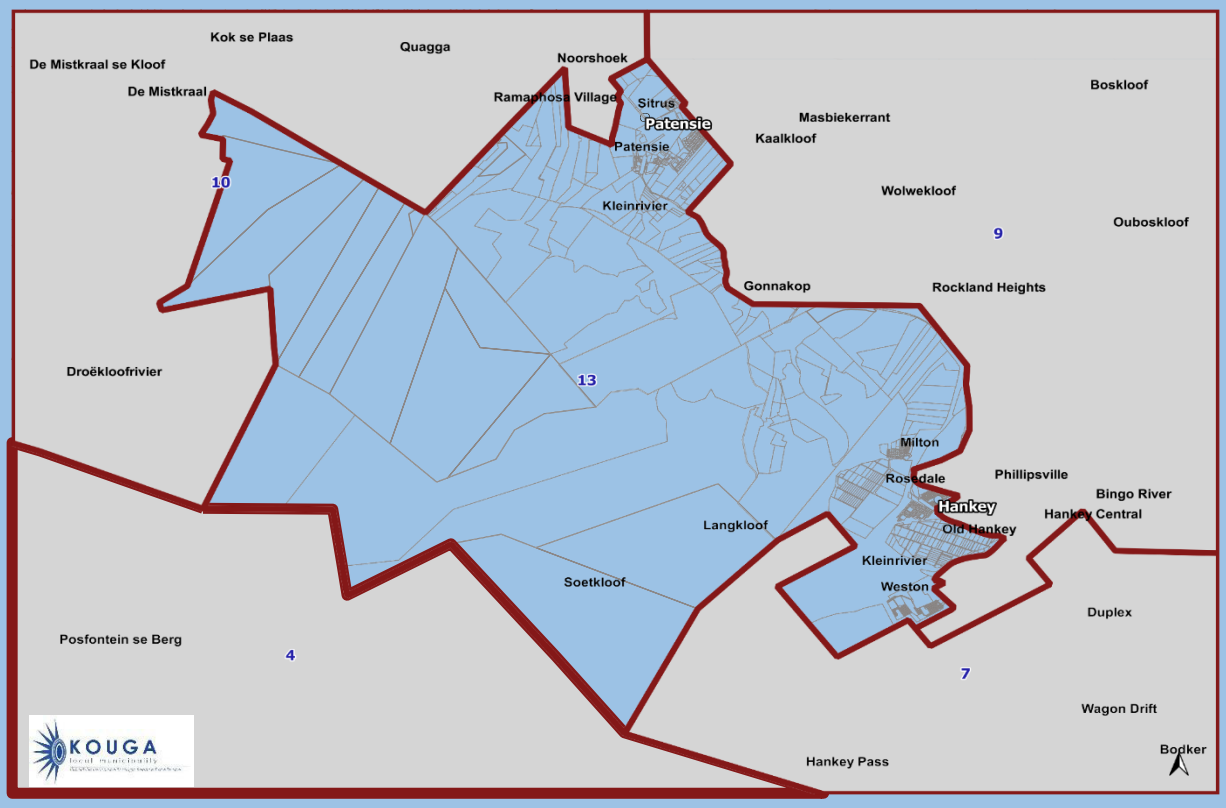
Table 223: Ward 12 Priorities

Get Involved
Have your say

WARD 13



Councillor M Peters



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	Address water shortage in Hankey, Patensie	*Infrastructure & Engineering*
2.	Housing Weston, Hankey	*Infrastructure & Engineering*
3.	Paving or tarring of Roads – Rosedale & Ext 4	*Infrastructure & Engineering*
4.	Special Needs School for Rosedale.	*Dept of Education*
5.	Internal sewer system for Weston.	*Infrastructure & Engineering*
6.	Vandalism of WWTP in Weston.	*Infrastructure & Engineering*
7.	Hand-over of Unfinished Sports Field in Weston.	*Community Services*
8.	Commonage land.	*Planning, Development & Tourism*
9.	Multi-Purpose Centre for Hankey.	*Community Services*
10.	Streetlights or High Mast Lights in Stofwolk and Rosedale	*Infrastructure & Engineering*

11.	Street names in Stofwolk	*Infrastructure & Engineering*
12.	Internet facility at Library - Weston	*Finance (ICT)*
13.	Deterioration of old mud houses.	*Infrastructure & Engineering*
14.	Beautification of entrance to Weston.	*Infrastructure & Engineering*
15.	Church erven.	*Planning, Development & Tourism*
16.	Overflow of Weston Bridge during heavy rains.	*Infrastructure & Engineering*
17.	Maintenance works to the Hankey-Humansdorp Link Road.	*Infrastructure & Engineering*
18.	Recreational facility for the elderly and disabled	*Community Services / Dept of Social Development*
19.	Narrow Road from Weston to Hankey is risky, narrow and should be widened.	*Infrastructure & Engineering*
20.	New Infrastructure – Stofwolk Weston	*Infrastructure & Engineering*
21.	New library in Rosedale at the production centre	*Community Services / DSRAC*

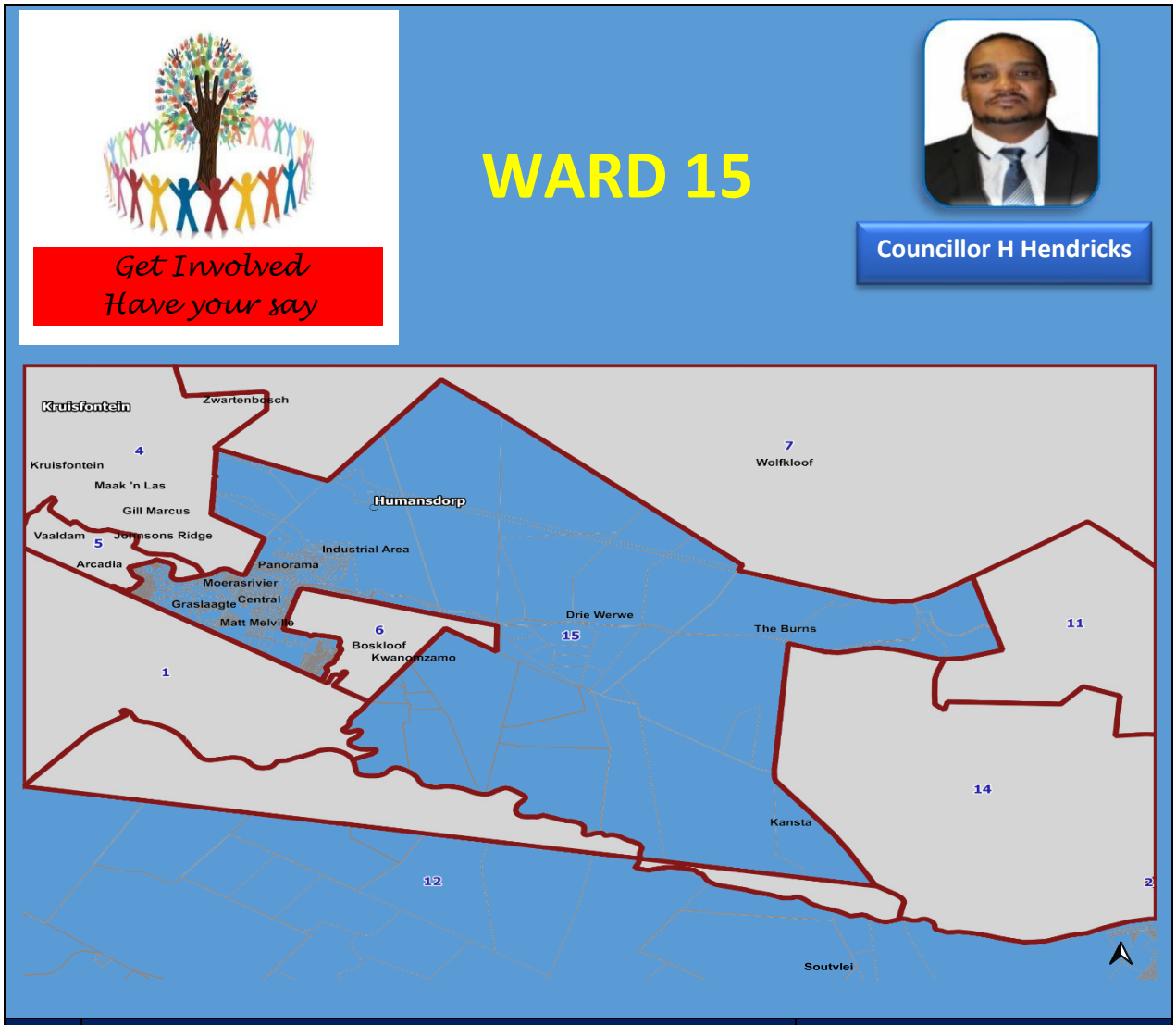
Table 224: Ward 13 Priorities



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	Formalisation of informal settlements	*Infrastructure & Engineering*
2.	Construction of ablution facility at the Aston Bay Beach	*Community Services*
3.	Upgrading of sewer system in Aston Bay and Ocean View	*Infrastructure & Engineering*
4.	Installation of storm drainage system in Aston Bay and old Ocean View housing Project	*Infrastructure & Engineering*
5.	Paving and re-tarring of roads/streets in Aston Bay and Ocean View	*Infrastructure & Engineering*

6.	Installation of 2 High Mast Lights in Ocean View	*Infrastructure & Engineering*
7.	Replacement of asbestos water pipes in Aston Bay	*Infrastructure & Engineering*
8.	Low water pressure in Aston Bay	*Infrastructure & Engineering*
9.	Construct acceptable speed humps in Ocean View	*Infrastructure & Engineering*

Table 225: Ward 14 Priorities



No.	Reviewed Priorities 2021/22	Responsible Directorate
1.	Upgrade internal sewer system from town to Upper Golf Course.	*Infrastructure & Engineering*
2.	Provision of internal reticulated sewer system for Graslaagte and Moeras River.	*Infrastructure & Engineering*
3.	Construction of a Multi-Purpose Centre at the Country Club.	*Community Services*
4.	Installation of High Mast Light in Arcadia.	*Infrastructure & Engineering*
5.	Eradication of bucket system	*Infrastructure & Engineering*
6.	Roll-out of CCTV cameras	*Community Services*

Table 226: Ward 15 Priorities

6.2.2 CONSOLIDATED ANALYSIS OF WARD DEVELOPMENT PRIORITIES 2021/22

NO.	CONSOLIDATED ANALYSIS OF WARD DEVELOPMENT PRIORITIES	WARD PRIORITY RANKING 2020/21	WARD PRIORITY RANKING 2021/22	NEW AVERAGE RATING
1.	**WATER** (bulk, quality, pressure, pipe breaks, upgrading of aging infrastructure, monthly allocations of Hankey and Patensie, Fire hydrants).	15	13	High
2.	**ROADS AND STORMWATER** (resealing, internal asphalt roads, internal gravel roads, potholes, maintenance, provincial roads, speed humps, street naming and names, public parking and access roads, Paradise Beach Cause Way and Airfield, maintenance of supporting pillars of bridge at canals, stormwater blockages in residential areas and internal roads, lack of stormwater system in most towns).	15	12	High
3.	**SANITATION & BUCKET ERADICATION** (upgrading and maintenance to existing aging sewerage systems, spilling's and overflows, eradication of septic and conservancy tanks, bulk sewerage to unlock housing projects, provision and maintenance of chemical toilets, alternative/eradication of bucket system, containerise ablutions facilities).	15	9	High
4.	**HOUSING** (suitable land for all forms of housing, unlocking of state land, housing needs register, formalisation of informal settlements, IRDP Housing, Community Residential Units, Social Housing, FLISP, Safe-Haven, housing for vulnerable and destitute, backyard dwellers, rectification of old stock and infrastructure, title deeds, social amenities, church sites, business sites, bulk needs to unlock housing projects).	15	9	High
5.	**SPORT AND RECREATION** (upgrading and maintenance, supervision and partnership with sports codes, cricket field, netball field, recreational parks, cycling lanes, libraries).	6	7	High
6.	**ELECTRICITY** (Melkhout supply line, network negotiations with NMM, upgrading of infrastructure, led/solar lights, high masts, illegal connections. Replacements of distribution boxes, prepaid supply for informal settlements).	14	6	High

7.	**COMMUNITY HALLS/MPCC** (new, upgrade, maintain, fencing and security).	**9**	**4**	**Medium**
8.	**LOCAL ECONOMIC DEVELOPMENT** (opportunities for skilled and unskilled, mini markets, shell kiosks, redevelopment of CBD IN Jeffreys Bay, land for commonage, emerging farming, overdue land claims, plant and equipment, water supply, access to commercial funding models).	**11**	**4**	**Medium**
9.	**CEMETERIES** (lack of space and overcrowding, land identification, rezoning, sub-division and environmental compliance, fencing and beautification, ablution facilities).	**4**	**3**	**Medium**
10.	**WASTE MANAGEMENT** (cleaning of areas, issuing of wheelie bins, black bags for informal settlements, overgrown erven and open spaces, mini-skips, illegal dumping & littering).	**13**	**2**	**Medium**
11.	**SKILLS DEVELOPMENT** (upskilling of grade 12 and local graduates, youth development centre, job creation).	**12**	**2**	**Medium**
12.	**PLAYPARKS** (new, upgrade, repair, fence, maintain, provision of security & caretaker, MIG funded outdoor gym for all areas).	**10**	**2**	**Medium**
13.	**COMMUNICATION** (Wi-fi, poor cell phone reception).	**2**	**2**	**Medium**
14.	**HEALTH, MEDICAL CARE FACILITIES, CLINICS, FIRE AND AMBULANCE SERVICES** (shortage of staff, mobile clinics, clinics/medical centres, overcrowding, waiting rooms, access for emergency and health vehicles in settlements, ablution facilities at all beaches, dune stabilisation, rehabilitation and beach asset maintenance, fire risks prevention, satellite fire station and completion of blocked station in Oyster Bay).	**9**	**1**	**Low**
15.	**EDUCATION** (creches, primary and high schools,).	**2**	**1**	**Low**

Table 227: Consolidated Ward Priorities

6.2.3 SUMMARY OF PROVINCIAL AND NATIONAL GOVERNMENTMANDATE

Some of the ward priorities listed in 6.2.2 above is the mandate of other spheres of government. A summary is listed below:

PROVINCIAL GOVERNMENT MANDATE	NATIONAL GOVERNMENT MANDATE	PARASTATALS / OTHER ORGANS OF STATE
Housing	South African Police Services (SAPS) – capacity, visibility, police station	Post office
Education – primary and high school	Department of home affairs	Eskom
Health – expand clinic facilities/day hospital, medical centre	Department of labour – skills training	Sassa
Cultural affairs, sport, library services expansion, sport facilities	Department of Agriculture, Forestry and Fishery (DAFF) – poaching control	Sanral
Transport and public works, provincial roads upgrade, public transport	Department of higher Education – tertiary institution	
Social development, youth programmes, youth centre, care for the elderly		

Table 228:Summary of Provincial and National Government mandate

6.2.4 IDP REPRESENTATIVE FORUM

In accordance with Section 15 of the *Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001)* Kouga Municipality has resolved to establish an IDP Representative Forum to enhance community participation in:

i) The drafting and implementation of the municipality's integrated development plan (IDP); and
ii) The monitoring, measurement and review of the municipality's performance in relation to the key performance targets set by the municipality.

The IDP Representative Forum meet once a year during the review period and stakeholders (sector departments) and members of the public attend the meeting.



CHAPTER 7: PERFORMANCE MANAGEMENT

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

The Kouga Municipality's Performance Management System (PMS) is the primary mechanism to monitor, review and improve the implementation of its Service Delivery and Budget Implementation Plan (SDBIP) and to measure the progress made in achieving the objectives as set out in the IDP. The Performance Management Policy Framework as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels.

The format of the SDBIP is prescribed by MFMA Circular Number 13 issued by National Treasury. In terms of the said Circular Number 13, the SDBIP must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation.

"MFMA CIRCULAR NO. 13

The SDBIP serves as "contract" between the administration, council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP provides the vital link between the mayor, council and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, city manager, senior managers and community."

RESPONSE REQUIRED	MUNICIPAL ACTION	PROGRESS	TIME FRAME
ROLL OUT OF PERFORMANCE MANAGEMENT TO BE EFFECTIVE ON ALL LEVELS	Performance reporting	Performance reporting to • Municipal Manager • Council • Annual Performance Report	Monthly Quarterly Annually
	Implement performance on all appropriate levels by 2022	Individual performance management system up to the second line of managers is currently being implemented	2017-2022

Table 229 : Performance Management Process

7.1 ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP. The organisational performance of the municipality is evaluated by means of a municipal scorecard at organisational level and through the departmental service delivery implementation plan (Dept. SDBIP) at directorate and departmental level. The top layer SDBIP set out consolidated service delivery targets and provides an overall picture of performance for the municipality, reflecting performance as determined by the IDP review process. The departmental SDBIP capture the performance targets of each defined department in support of the achievement of institutional objectives as captured in the SDBIP.

7.2 INDIVIDUAL PERFORMANCE

All directors have entered performance agreements. This has led to a specific focus on service delivery and means that:

- Each director must develop a performance scorecard which is based on the balanced scorecard model.
- At the beginning of each financial year all the senior managers (Section 56 employees) sign Performance Agreements.

The performance management system has not yet been cascaded down to managers reporting to section 56 employees and to lower levels throughout the municipality.

7.3 PERFORMANCE INDICATORS

Section 38 (a) of the Systems Act requires municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, regarding the community development priorities and objectives set out in its Integrated Development Plan. Section 9 (1) of the regulations of the Act maintains in this regard, that a municipality must set performance indicators, including input indicators, output indicators and outcome indicators in respect of each of the developmental priorities and objectives. Every year, as required by Section 12 (1) of the Regulations to the Systems Act, the municipality also set performance targets for each of the key performance indicators. The IDP process and the performance management process should therefore be seamlessly integrated.

7.4 PERFORMANCE REPORTING

7.4.1 Quarterly Reporting

Quarterly reporting on the implementation of the SDBIP affords Council an oversight opportunity on the overall performance of the municipality towards achieving the annual targets as defined in the IDP. It further affords management the opportunity to intervene to ensure that annual targets shall be achieved.

7.4.2 Mid-Year Assessment

The performance of the first 6 months of the financial year assessed and reported on in terms of section 72 of the MFMA. The assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of performance indicators, and possible adjustment of the SDBIP, if necessary.

7.5 PERFORMANCE MANAGEMENT FUNCTION

The Performance Management function at Kouga Municipality is supported with assistance and guidance from the Sarah Baartman District Municipality. This support is on-going and as and when required as well as thought the medium of the Performance Management Forum. Kouga Municipality adopted a Performance Management Policy Framework in 2014 which details the broader principles and actions required in the performance management cycle. More detailed policies for Section 56/57 managers as well as a policy for normal staff have been developed.

The Municipal Manager and Directors have all signed performance agreements within the prescribed time frames and the agreements have been posted on the Municipal Web Site and submitted as per legislative requirements. The Sarah Baartman District Municipality's electronic performance management system is being utilised.

A Service Delivery and Budget Implementation Plan (SDBIP) is developed annually for approval by the Mayor within 28 days of the adoption of the IDP. The SDBIP details the Annual Targets breaking it down into measurable quarterly targets so as to ensure oversight on performance by the Mayor and Council. The Institutional SDBIP is used for the development of performance targets of the Municipal Manager and Directors to ensure alignment in this regard and the ultimate achievement of Institutional Objectives for the year. The Institutional SDBIP is then used for the development of the Departmental SDBIP's (work plans) which in turn is used to frame the operational target of Line Managers and in doing so populating their performance commitments. Challenges with the Performance Management System are largely restricted to reporting related issues.

The overall performance results achieved by the municipality in terms of the 2019/20 top layer SDBIP are as follows:

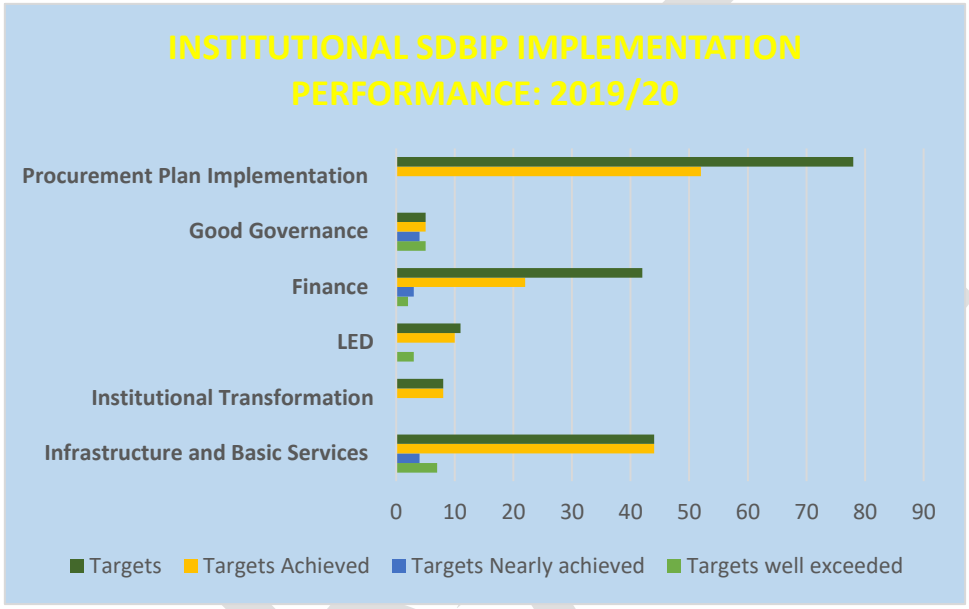


Figure 44 : Top layer SDBIP

7.6 PERFORMANCE STANDARDS

DOCUMENTARY EVIDENCE, METHOD OF CALCULATION AND PERFORMANCE STANDARDS

PROGRAM DRIVER	KEY PERFORMANCE INDICATOR	DOCUMENTARY EVIDENCE	MEANS OF CALCULATING PERFORMANCE	PERFORMANCE STANDARDS
Municipal Manager	% Achievement of overall institutional SDBIP performance targets for period under review	Institutional SDBIP; Records of achievement of targets	Number of Institutional SDBIP targets fully achieved/ exceeded, divided by total number of Institutional SDBIP Targets, multiplied by 100 = % Institutional SDBIP Targets achieved (For the purposes of calculating this target the Departmental SDBIP targets shall be excluded)	1 = less than 90% 2 = 90 to 94% 3 = 95% 4 = 96 to 98% 5 = 99% and more
All Directors	% Achievement of Departmental SDBIP performance targets for period under review	Departmental SDBIP; Records of achievement of targets	Number of Departmental SDBIP targets fully achieved/ exceeded, divided by total number of Departmental SDBIP Targets multiplied, by 100 = % Departmental SDBIP Targets achieved	1 = less than 90% 2 = 90 to 94% 3 = 95% 4 = 96 to 98% 5 = 99% and more
Municipal Manager and All Directors	% Compliance with the Audit Corrective Action Plan	Audit Corrective Action Plan: Record of corrective actions implemented	Number of Audit Corrective Action targets fully achieved, divided by total number of Action Plan Targets, multiplied by 100 = % Action Plan Targets achieved	1 = less than 90% 2 = 90 to 94% 3 = 95% 4 = 96 to 98% 5 = 99% and more
CFO, Municipal Manager	% Revenue collected against revenue raised	Reconciliation statements of revenue raised, and revenue received in respect of the reporting period	Actual Revenue collected, divided by total revenue raised, multiplied by 100 = % Revenue Collected. (For purposes of calculations, collection of outstanding debt older than 30 days shall not be taken into account, thus revenue raised shall only be calculated on revenue raised per month and revenue collected in the ensuing month, for quarterly and annual performance the monthly average shall be utilized to determine the average percentage revenue raised over the reporting period).	1 = Less than 90% 2 = 90 to 96% 3 = 97% 4 = 98% 5 = More than 98%
CFO, Municipal Manager	% reduction in outstanding debt (60 days and older)	Reconciliation statements of debt older than 60 days and debt collected	Subtract the amount of debt collected from the amount of debt raised, divide the amount reduction by the original amount of debt raised and multiply the rate of reduction by 100 = % reduction. (For purposes of calculating the reduction in bad debt shall debt written off not be taken into consideration provided that the reduced bad debt as a result of the write-off shall be used as debt raised)	1 = Less than 10% reduction 2 = 10 to 14% reduction 3 = 15% reduction 4 = 16 to 20% reduction 5 = more than 20% reduction
Directors, Municipal Manager	% Expenditure of Capital Budget	Approved Capital Budget; Reconciliated financial statements on actual capital budget expenditure	Actual Capital Budget Expenditure, divided by Capital Budgetary provisions, multiplied by 1000 = % Capital Budget expenditure. (For the purposes of calculating expenditure committed funding shall not be taken into account i.e. only funds actually spent at time of reporting shall be taken into account)	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure

Directors	% expenditure of operational budget for the acquisition of goods and services	Approved Operational Budget; Reconciliated financial statements on operational budget expenditure	Actual Operational Budget Expenditure, divided by Operational Budgetary provisions, multiplied by 100 = % Operational Budget expenditure. (For the purposes of calculating expenditure committed funding shall not be taken into account)	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure
CFO	% reduction in unauthorized expenditure	Audit amount of unauthorized expenditure of prior year/reporting period; Audit amount of unauthorized expenditure for current reporting period	Subtract the amount of unauthorized expenditure for the period under review from verified amount of unauthorized expenditure over the previous reporting period, divide the reduction by the original amount of unauthorized expenditure and multiply the rate of reduction by 100 = % reduction.	1 = Less than 5% reduction 2 = 5 to 9% reduction 3 = 10% reduction 4 = 11 to 15% reduction 5 = more than 15% reduction
Municipal Manager Dir Corp Services	% Staff costs against total operational budget	Approved Operational Budget; Reconciliated financial statements on staff costs	Divide total staff costs by total operating budget and multiply by 100 = % staff costs (Note for purposes of this calculation Councillors, EPWP and CDW workers shall be excluded).	1 = More than 36% 2 = 34 to 36% 3 = 33% 4 = 32 to 30% 5 = Less than 30%
Dir Corp Services	% Vacancy rate for approved Budgeted posts	Approved Organogram, Approved staff budget with record of vacancies (date vacancy has arisen, and date vacancy filled)	For purposes of this calculation only positions that remains vacant for periods longer than 4 months from date of vacancy shall be deemed a vacant position. Vacant positions divided by approved budgeted positions, multiplied by 100 = vacancy rate	1 = More than 5% 2 = 2.1 to 5% 3 = 2% 4 = 1.5 to 1.9% 5 = Less than 1.5%
Dir I&E	% households in residential areas with Access to potable Water	Verified figures of households in informal areas with access to a communal standpipe within 200m of residence; Reconciliated financial statements of water connections levied.	Add number of households with piped tap inside house, number of households with tap inside yard and number of households with communal tap within 200m, divide sum by number of households in the municipality and multiply by 100 = % of households with access to potable water	1 = Less than 90% 2 = 90 to 99% 3 = 100% 4 = 100% plus 100 additional households connected 5 = 100% plus more than 100 additional households connected
Dir I&E , Municipal Manager	% water losses against water purchased/ produced and water sold	Reconciliation financial statement of water sold; water accounted for but not sold (Municipal installations). Reconciliation financial statement of water purchased, and water produced.	Add kilolitres of water sold and kilolitres of water accounted for but not sold (municipal installations) and divide by the total of kilolitres of water produced and water purchased, multiplied by 100 = % water losses	1 = More than 35% water losses 2 = 31 to 35% water losses 3 = 30% 4 = 28 to 29% 5 = Less than 28% water losses
Dir I&E	% households with Access Electricity	Verified figures of numbers of households in informal areas situated in areas serviced by Kouga Municipality; Reconciliated financial statements of electrical connections levied and or pre-paid electrical connections	Number of households where an electrical connection is available divided by total number of households = % of households with access to electricity (Note that all households in areas serviced by the Nelson Mandela Bay Metro and ESKOM shall be excluded from the calculations)	1 = Less than 90% 2 = 90 to 99% 3 = 100% 4 = 100% plus 100 additional households connected 5 = 100% plus more than 100 additional households connected

Municipal Manager and Dir I&E	% electricity losses against electricity purchased and electricity sold	Reconciliated financial statements on the KWH electricity purchased; Reconciliated financial statements on KWH electricity sold and or accounted for (Municipal installations)	Divide KWH electricity sold/accounted for by KWH electricity purchased multiplied by 100 = % electricity losses	1 = More than 15% 2 = 13 to 15% 3 = 12% 4 = 11 to 10% 5 = Less than 10%
Dir I&E	% of households with access to Sanitation Services	Reconciliated financial statements of sanitation service basic fees indicating number of households billed against total number of households on billing system. Reconciliated financial statements indicating households not billed i.e. payments per service rendered. Verification of number of households in informal settlements and number of sanitation facilities provided within 200m. For additional households connected, completion certificates.	Add the number of households billed for sanitation services with the number of households not paying sanitation basic fees but pay per services rendered, add the number of households in informal areas serviced with sanitation within 200 m from the household, divide by total number of households and multiply by 100 = % of households with access to Sanitation Services	1 = Less than 90% 2 = 90 to 99% 3 = 100% 4 = 100% plus 100 additional households connected/ Serviced 5 = 100% plus more than 100 additional households connected/ Serviced
Municipal Manager and Dir I&E	% expenditure on DOE grant	Record of DOE grant allocation; DOE grant expenditure (Payment certificates)	Actual DOE grant expenditure divided by DOE grant received multiplied by 100 = DOE grant expenditure (Committed amounts not paid shall not be included in calculations) (No reduction in the DOE grant funding as a result of under expenditure shall be considered in calculations and any such forfeiture shall result in a performance score of 1 [unacceptable performance]).	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure
Municipal Manager and Dir I&E	% expenditure on MIG grant	Record of MIG grant allocation; MIG grant expenditure (Payment certificates)	Actual MIG grant expenditure divided by MIG grant received multiplied by 100 = MIG grant expenditure (Committed amounts not paid shall not be included in calculations) (No reduction in the MIG grant funding as a result of under expenditure shall be considered in calculations and any such forfeiture shall result in a performance score of 1 [unacceptable performance]).	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure
Municipal Manager and Dir PDT	% expenditure of Budget for LED Programs and Projects	Record of LED Program and Project Budget allocation; LED Program and Project expenditure records.	Actual LED Program and Project budget expenditure divided by LED Program and Project budget allocated multiplied by 100 = LED Program and Project budget expenditure (Committed amounts not paid shall not be included in calculations)	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure
Dir PDT, Municipal Manager	Number of jobs created through capital projects and LED initiatives	Documents verified by Project Manager on the number of temporary and/or permanent jobs created through capital projects and LED initiatives	Add the total number of jobs created from verified job creation documents over the reporting period	1 = 2 = 3 = 4 = 5 =
Dir Com Serv.	% of households within the urban edge provided with refuse removal services once a week	Records of total number of households in Kouga both in formal and informal settlements, Reconciliated refuse removal schedules. Call centre records of refuse not removed	Reconciliate refuse removal schedules to determine if all areas were serviced weekly, recording the number of households serviced weekly and the number of households not serviced in any week [from refuse removal schedules and call centre records]. (Note any additional services that may be rendered over peak holiday periods shall not cancel out services not rendered in any other week, additional service rendered shall for purposes of calculation be regarded as a single weekly service) Divide number of households serviced	1 = Less than 90% 2 = 90 to 99% 3 = 100% 4 = 100% plus 100 additional households Serviced 5 = 100% plus more than 100 additional households serviced

			per week by total number of households and multiply by 100 = % of households within the urban edge provided with refuse removal services once a week	
Dir Corp Serv	Number of new appointments as per Equity plan Employed in 3 highest categories of employment	Employment Equity Plan: Records of appointment made in the 3 highest categories of employment	Calculate number of appointments made against employment equity plan targets	1 = 2 = 3 = 4 = 5 =
Dir Corp Serv, Municipal Manager	% expenditure of Skills Dev Budget	Record of Skills Development Budget allocation; Workplace Skills Plan; Skills Development expenditure records	Actual Skills Development budget expenditure divided by Skills Development budget allocated multiplied by 100 = Skills Development expenditure (Committed amounts not paid shall not be included in calculations and all skills expenditure not reflected on the Workplace Skills Plan shall not be included in calculations)	1 = Less than 90% expenditure 2 = 90 to 94% expenditure 3 = 95% expenditure 4 = 96 to 98% expenditure 5 = 99% and more expenditure
CFO	% compliance with National Treasury reporting calendar	National Treasury Reporting Calendar; Proof of submission of National Treasury Reports	Actual number of National Treasury Reports submitted on or before the deadline divided by National Treasury Reports required = % compliance with National Treasury Reporting Calendar (Note reports submitted after deadlines shall be regarded as non-compliant)	1 = Less than 90% 2 = 90 to 95% 3 = 96% 4 = 97 to 98% 5 =99% and more
CFO	Liquidity Ratio (Months cost coverage)	Reconciliated financial statement of cash at hand; Reconciliated financial statement of running cost required per month	Divide Reconciliated financial statement of running cost required per month by reconciliated financial statement of cash at hand = Liquidity Ratio. (For calculating quarterly and annual performance, running costs and cash at hand shall be as for the reporting period).	1 = Less than 1:1 2 = 1:1 to 1:1.9 3 = 1:2 (Cash at hand shall cover running costs for 2 months) 4 = 1:2.1 to 1:3 5 = More than 1:3
CFO	% of debt service payments (interest and redemption) as a percentage of the operating budget	Reconciliated financial statement on interest and redemption paid; Approved Total Operating Budget.	Divide the total interest and redemption paid by the total approved Operating Budget multiplied by 100 = % of debt service payments	1 = 2 = 3 = 4 = 5 =
CFO	% outstanding service debtors to revenue	Reconciliated financial statement on outstanding service debtors; Reconciliated financial statement on actual revenue received	Divided the rand value of outstanding service debtors by actual revenue received multiplied by 100 = % outstanding service debtors to revenue.	1 = 2 = 3 = 4 = 5 =
CFO, Municipal Manager	Number of clean audit opinions by the AG	Audit Opinion by the Auditor General	Result of Audit Opinion by the Auditor General	1 = Disclaimer 2 = Qualified 3 = Unqualified with 6 or more matters raised 4 = Unqualified with less than 5 matters raised 5 = Clean Audit

CFO	% of creditors paid within 30 Days of receipt of Invoice	Reconciliated financial statement of the number of invoices for payment received; Reconciliated financial statements of invoices paid	Number of invoices paid within 30 days of receipt divided by number of invoices received for the payment period multiplied by 100 = % of creditors paid within 30 days of receipt of invoice	1 = Less than 90% 2 = 90 to 94% 3 = 95% 4 = 96 to 97% 5 = 98% and more
CFO, Municipal Manager	% of indigent residents as per Indigent register with access to free basic services	Indigent Register: Reconciliated Financial Statement of free basic services provided to households	Number of households provided with free basic services as per reconciliated financial statements divided by number of households registered on Indigent Register multiplied by 100 = Percentage Households as per indigent register with access to free basic services	1 = Less than 95% 2 = 95 to 97% 3 = 98% 4 = 99% 5 = 100%
CFO	% Up-Time of the ICT System	Records of interruptions in the running of the ICT System	Number of hours the ICT System was functional and running divided by the total number of business hours multiplied by 100 = % up=-time of ICT System	1 = Less than 90% up-time 2 = 90 to 94% up-time 3 = 95% up-time 4 = 96 to 98% up-time 5 = 99% and more up-time
All Directors	% compliance with Procurement Plan	Procurement Plan: Documentary proof of bids awarded	For purposes of calculating compliance with the procurement plan only compliance with the due date of award shall be considered. Only awards made on or before due date for award shall be regarded as being achieved and awards made after due date for award shall be regarded as not achieved. Number of procurement awards on or before due date as per procurement plan divided by total number of items on procurement plan multiplied by 100 = % compliance with the Procurement Plan.	1 = Less than 90% 2 = 90 to 95% 3 = 95% 4 = 96 to 97% 5 =98% and more
Dir I&E	% compliance with drinking water standards	Records of number of water samples taken; records of number of water samples not compliant with drinking water standards	Number of water samples not compliant with drinking water standards based on first test divided by number of water samples taken multiplied by 100 = % compliance with drinking water standards	1 = Less than 95% 2 = 95 to 97% 3 = 98% 4 = 99% 5 =100%
Dir I&E	Sewer spills			1 = 2 = 3 = 4 = 5 =
	RISK Register matters that can be used for KPI's at institutional level or departmental level. Land Audit Housing Allocation Policy			

Table 230: Performance Standards

7.7 INSTITUTIONAL PERFORMANCE SCORECARD: AUDITED 2019/20 FINANCIAL YEAR

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	**SOD 1.3** To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community	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	26 June 2020 (CR20/06/MM2)	As per Covid-19 lockdown MFMA Circular 104, the submission of the budget and IDP for approval by Council was moved out by two Months. Both the	31/5/17	31/5/18

								Budget and IDP was approved by Council		
			SOD 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	**SOD 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 the website by 15 June 2020	1	1	2 (Draft 30/3/20) (Final 12/8/20)	As per Covid-19 lockdown MFMA Circular 104, the submission of the budget and IDP for approval by Council was moved out by two Months, thus the uploading was also delayed.	1	1
	Municipal Manager	Good Governance	**SOD 1.4**	Number of SDBIP's	1	1	1		1	1

MUNICIPAL MANAGER			To develop, maintain and monitor the Institutional performance	submitted to the Mayor within 14 days of adoption of budget						
				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 Council on 29 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	6	6

								by Council on 29 August 2019		
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	**SOD5.1** 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		-	-

DRAFT

DIRECTORATE COMMUNITY SERVICES: PROCUREMENT PLAN IMPLEMENTATION

CAPITAL BUDGET ITEM	PROGRAM DRIVER	PROJECT NUMBER	ANNUAL TARGET	ACTUAL ACHIEVEMENT	COMMENT AND CORRECTIVE ACTION
Vehicles (Traffic)	Dir Com Serv	CP23	Item submitted to BSC by 7/10/20 Leading Department Tender evaluation report submitted to SCM 30/04/20	4 bakkies and 3 vehicles (sedans) delivered in quarter 2 of 2019.	Target achieved
Vehicles (Lifesaving)	Dir Com Serv	CP23/ CP21	Item submitted to BSC by 2/07/2019 Leading Department Tender evaluation report submitted to SCM 30/09/2019	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.
Vehicles Fire Dept	Dir Com Serv	CP23	Item submitted to BSC by 7/01/2020 Leading Department Tender evaluation report submitted to SCM 30/09/2019	To BSC 20/09/2019 Tender evaluation report submitted 22/01/2020	Target Achieved
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 Leading Department Tender evaluation report submitted to SCM 30/09/2019	To BSC 4/07/2019 Tender evaluation report submitted 16/10/2019	38 Side Cutters + 20 x Lawn Mowers delivered
Machinery And Equipment (Lifesaving)	Dir Com Serv	PC1002	Item submitted to BSC by 2/07/2019 Leading Department Tender evaluation report submitted to SCM 30/09/2019	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.

Furniture And Equipment (CCTV Cameras)	Dir Com Serv	PC1003	Item submitted to BSC by 1/01/2020 Leading Department Tender evaluation report submitted to SCM 25/03/2020	BSC 05/08/2019 Tender evaluation report submitted 30/09/2019	Target achieved
Upgrading Of Sports Facilities	Dir Com Serv	CP074	Item submitted to BSC by 26/08/2019 Leading Department Tender evaluation report submitted to SCM 2/12/2019	BSC 28/08/2019 Tender evaluation report submitted 01/2020	
Upgrading Of Kwanomzamo Sports Facility	Dir Com Serv	CP095	Item submitted to BSC by 26/08/2019 Leading Department Tender evaluation report submitted to SCM 2/12/2019	Tender closed 6/08/2019 Tender evaluation report submitted 11/10/2019	
Upgrading Of Pellsrus, Kabeljous, Cape St Francis Beach Parks	Dir Com Serv	PCA001	Item submitted to BSC by 05/07/2019 Leading Department Tender evaluation report submitted to SCM 14/19/2019	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

Security Guarding	Dir Com Serv	OP1	Item submitted to BSC by 05/04/2019 Leading Department Tender evaluation report submitted to SCM 22/07/2019	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
Hire Landfill Compactors And Waste Trucks	Dir Com Serv	OP1	Item submitted to BSC by 05/07/2019 Leading Department Tender evaluation report submitted to SCM 11/12/2019	Tender cancelled due to affordability	Tender cancelled

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 Service Delivery	**SOD 4.3** To manage the provisioning and maintenance of caravan parks/ resorts, play parks,	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,	-	-

			sports fields, community halls, beaches, public ablution facilities and cemeteries to the community					Groundwater Impact, Archaeology 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	Number of community halls upgraded (Kruisfontein Civic, Newton Hall)	2	2	4		-	1

			ablution facilities and cemeteries to the community							
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 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 (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 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 Play Parks upgraded (Gill Marcus, Arcadia, Kwanomzamo, Kabeljauws)	4	4	4		-	-
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 Lawnmowers 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 and Basic 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 and Basic 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	1	3

								Disaster Risk Management Forum, 4 x Joint Operation Committee (JOC) meetings for Covid 19 replaced all the Disaster Risk Management Forum meetings		
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
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 lifeguards trained	15	15	25		-	-
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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 and Basic 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 and Basic 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 and Basic 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 and Basic 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 and Basic Service Delivery	**SOD 4.6** To ensure clean and safe environment that is well maintained and managed	Number of climate change projects implemented in collaboration with German Partners	1	1	1		-	-
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 environmental awareness campaigns conducted	4	4	4		-	-
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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 and Basic	**SOD 4.6**	Number of trees planted	200	200	625		-	-

DRAFT

		Service Delivery	To ensure clean and safe environment that is well maintained and managed							
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 meetings of the Environmental Management Forum	4	4	5		-	-
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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 and Basic 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 and Basic 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 and Basic Service Delivery	**SOD 4.1** To coordinate all functions/ powers regarding sold waste	% of formal households within the urban edge provided	100%	100%	100%		100%	100%

			management assigned to the municipality	with refuse removal services once a week						
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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 SERVICES	Dir Com Serv	Infrastructure And Basic Service Delivery	**SOD 4.1** To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of commercial Enterprises within the urban Edge provided with refuse removal services 3 times per week	100%	100%	100%		100%	100%
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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 and Basic 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 and Basic 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	100%	100%	100%		100%	100%

			management assigned to the municipality	removal services						
COMMUNITY SERVICES	Dir Com Serv	Infrastructure and Basic 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

DIRECTORATE CORPORATE SERVICES: PROCUREMENT PLAN IMPLEMENTATION

CAPITAL BUDGET ITEM	PROGRAM DRIVER	PROJECT NUMBER	ANNUAL TARGET	ACTUAL ACHIEVEMENT	COMMENT AND CORRECTIVE ACTION
Library Upgrade Corporate Services	Dir Corp	CP56	Item submitted to BSC 27/9/19 Leading Department Tender evaluation report submitted 29/11/2019	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
Buildings	Dir Corp	CP30	Item submitted to BSC 2/10/2019 Leading Department Tender evaluation report submitted 19/12/2019	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.
EDMS	Dir Corp	PC201	Item submitted to BSC 26/07/2019 Leading Department Tender evaluation report submitted 31/10/2019	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.

Biometric System	Dir Corp	PC2001	Item submitted to BSC 29/03/2019 Leading Department Tender evaluation report submitted 15/07/2019	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. 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 Leading Department Tender evaluation report submitted 29/11/2019	Service provider appointed by 31 August 2019	Service provider appointed by 31 August 2019 all targets exceeded
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	

DIRECTORATE 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 SERVICES	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 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 new appointments as per Equity plan Employed in 3 highest categories of employment	AF 2 AM 2	AF 2 AM 2	(6 AM) (3 AF) (2 IM)		-	-
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	Number of Employment Equity reports submitted to the Dept Labour by 15 February 2020	1	1	1		1	1

			of the municipality's human capital							
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	% expenditure of Skills Dev Budget	100%	100%	95%		-	-
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 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
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 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 Development and Transformation	**SOD 5.1** To render human resources management and support services to the municipality that will sustain the	Number of OHS Risk Assessments completed by 30 June 2020	1	1	1		-	-

			optimum utilization of the municipality's human capital							
CORPORATE SERVICES	Dir Corp	Good Governance and public Participation	**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 Governance and public Participation	**SOD 5.2** To provide professional, effective and efficient administrative support to Council and Administration	Number of documents imaged and stored off-site	250 000	250 000	3 193 332		-	-
CORPORATE SERVICES	Dir Corp	Good Governance and public Participation	**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 Governance and public Participation	**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 Leading Department Tender evaluation report submitted 30/10/2019	BSC – 14/08/2019 Tender evaluation report submitted = 0	Tender awarded 18 March 2020
Shelving (Scm)	CFO	CP54	Item submitted to BSC 29/03/2019 Leading Department Tender evaluation report submitted 15/07/2019	None	Funds utilized for other assets
Containers (Scm)	CFO	CP096	Item submitted to BSC 23/07/2019 Leading Department Tender evaluation report submitted 24/10/2019	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.
Wi-Fi Solution	CFO	PC019	Item submitted to BSC 30/08/2019 Leading Department Tender evaluation report submitted 15/12/2019	BSC – Not reported Tender evaluation report submitted - Not reported	Tender closed on 28 Oct 2019, Tender awarded 3 March 2020- refer Notice 186/2020
End User Endpoint Software	CFO	CP075	Item submitted to BSC 30/08/2019 Leading Department Tender evaluation report submitted 15/11/2019	BSC – Not reported Tender evaluation report submitted Not reported	Tender closed 30 Sept 2019, Tender awarded 10 Feb 2020
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
Polythene Refuse Bags	CFO	OP1	Item submitted to BSC 1/11/2019 Leading Department Tender evaluation report submitted 19/03/2020	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
Tyres And Tubes	CFO	OP1	Item submitted to BSC 1/11/2019		

			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 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
Protective Clothing 2p Overalls	CFO	OP1	Item submitted to BSC 1/11/2019 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 Closed 4 June 2020
Valves And Pipes	CFO	OP1	Item submitted to BSC 08/11/2019 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 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
Disinfectant Dip	CFO	OP1	Item submitted to BSC 08/11/2019 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 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
Road Marking Paint	CFO	OP1	Item submitted to BSC 08/11/2019 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 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020, Tender evaluation report delayed due to Covid-19 closure
Stationary	CFO	OP1	Item submitted to BSC 05/11/2019 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 Closed 4 June 2020
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 IMPLEMENTION

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	% compliance with National Treasury reporting calendar	100%	100%	100%		100%	100%

			reporting processes to ensure legislative compliance							
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
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	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

			legislative compliance							
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 Councillor 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 reporting processes to ensure	Liquidity Ratio	1:1	1:1	1.32:1		-	1:1

			legislative compliance							
Finance	CFO	Financial Viability and Management	**SOD6.1** 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 Management	**SOD 6.3** To implement and maintain revenue policies and credit	Number of Debt Collection Service Providers	1	1	0	No appointment made	-	-

			control procedures to ensure sound revenue management practices and compliance	appointed by 30 October 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	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 strategize 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	Number of Revenue Collection	8	8	3	1 Meeting in Q1, 2 meetings held in Q4 where the collection rate	-	-

			policies and credit control procedures to ensure sound revenue management practices and compliance	Monitoring Meetings				was discussed for April and May 2020.		
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	**SOD 6.4**	1st Phase implementation of	1	1	0	Implementation of ERP Solution Project did not	-	-

		Management	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	ERP Solution project by 30 June 2020				continue. However, the 1st phase of development of various Modules on the SAMRAS System commenced (SCM, Payroll, Leave, Organogram, Contract Management)		
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 ERP Project Managers appointed by 30 September 2019	1	1	0	No longer required as the ERP Project did not continue	-	-
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 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 reports submitted to Finance Portfolio Committee	6	6	4	3 ICT reports submitted for Q1, Q2 and Q3 not reported, Q4 1 ICT report submitted	-	-
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, Q3 and Q4	-	-
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,	% compliance with Procurement Plan	90%	90%	75%		-	-

			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	% 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%
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	Number of working days for the	7	7	7		-	-

			services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	evaluation of 7 day notices						
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, logistics and disposal management	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	-	-
Finance	All Directors	Financial Viability and Management	**SOD 6.5** To manage supply chain management services to ensure proper systems, policies and	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	-	-

			procedures and control for demand, acquisition, logistics and disposal management					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 Management	**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	-	-
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	1	1	0	No appointment made, Contract extended until 30 October 2020	-	-

				by 30 October 2019						
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 Viability and 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 Leading Department Tender evaluation report submitted 20/03/2020	BSC – 10/01/2020 Tender evaluation report submitted 20/03/2020	
Vehicles	Dir I&E	CP21	Item submitted to BSC 28/06/2020 Leading Department Tender evaluation report submitted 11/10/2020	BSC – 25/01/2019 Tender evaluation report submitted 27/06/2020	
Energy and Demand Side Management	Dir I&E	PC1002	Item submitted to BSC 14/08/2019 Leading Department Tender evaluation report submitted 17/10/2019	BSC – 02/08/2020 Tender evaluation report submitted 23/10/2020	
New overhead lines 66kv over headlines(JBay to Melkhout)	Dir I&E	PC1008	Item submitted to BSC 25/10/2019 Leading Department Tender evaluation report submitted 23/03/2020	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.
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
Roads Capital	Dir I&E		Item submitted to BSC 26/07/2019 Leading Department Tender evaluation report submitted 03/10/2019	BSC – 31/05/2019 Tender evaluation report submitted 02/10/2019	
Bucket Eradication Programme	Dir I&E	PC1015	Item submitted to BSC 06/03/2020 Leading Department Tender evaluation report submitted 29/05/2020	BSC – 01/03/2019 Tender evaluation report submitted 06/06/2019	
St Francis bulk main outfall sewer	Dir I&E	PC014	Item submitted to BSC 17/10/2019 Leading Department Tender evaluation report submitted 13/12/2019	Targets not met	Liaise with Dept Environmental Affairs for authorization for new route as planned route runs through wetlands 25% expenditure (R500 000) Budget
Sewer REPLACE OLD PUMPS	Dir I&E	PC015	Item submitted to BSC 20/09/2019 Leading Department Tender evaluation report submitted 13/12/2019	Targets not met	Target not met, budget reprioritized
Electrical replacement of old and dangerous switch gear Saffery Substation Humansdorp	Dir I&E	PC004	Item submitted to BSC 15/11/2019 Leading Department Tender evaluation report submitted 18/01/2020	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.
Electrical Replacement of old mv cables to main substation Humansdorp	Dir I&E	PC005	Item submitted to BSC 18/10/2019 Leading Department Tender evaluation report submitted 21/11/2019	BSC – 03/01/2020 Tender evaluation report submitted 13/03/2020	BSC 28/2/2020 Report to SCM 13/3/2020, Appointment made
	Dir I&E	PC007	Item submitted to BSC 31/10/2019	BSC – 03/01/2020	

Electrical Supply auto recloser St Francis Bay			Leading Department Tender evaluation report submitted 24/01/2020	Tender evaluation report submitted 13/03/2020	
Electrical Mini substation 22 000/11000/400 St Francis Bay	Dir I&E	PC008	Item submitted to BSC 27/07/2019 Leading Department Tender evaluation report submitted 18/10/2019	BSC – 01/11/2019 Tender evaluation report submitted 17/11/2019	Mini substation delivered in June 2020 100% expenditure, factory delays due to lockdown period.
Electrical 5 MV 22000/11000 transformer	Dir I&E	PC009	Item submitted to BSC 29/11/2019 Leading Department Tender evaluation report submitted 13/03/2020	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.
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Dir I&E	PC0010	Item submitted to BSC 01/11/2019 Leading Department Tender evaluation report submitted 19/12/2019	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.
Purchase storage containers (3)	Dir I&E	CP096	Item submitted to BSC 10/01/2020 Leading Department Tender evaluation report submitted 01/03/2020	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
Kwanomzamo Wastewater Treatment Works	Dir I&E	PC010	Item submitted to BSC 13/10/2019 Leading Department Tender evaluation report submitted 24/01/2020	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 documents 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
Humansdorp, Kruisfontein and Ocean View Electrification	Dir I&E	PC003	Item submitted to BSC 16/08/2019 Leading Department Tender evaluation report submitted 19/10/2019	BSC – 09/08/2019 Tender evaluation report submitted 17/10/2019	BSC 9/8/2019 BEC 17/10/2019
High Mast Lights	Dir I&E	CP1999	Item submitted to BSC 20/09/2019 Leading Department Tender evaluation report submitted 05/11/2019	BSC – 23/08/2019 Tender evaluation report submitted No quorum on 7/01/2020	BSC 23/8/2019 Served at BEC on 30/1/20 High mast 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 & 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 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	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	% 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%

			sanitation services to the community							
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 level of Portfolio Committee for purposes of oversight to improve performance and allow more opportunity for corrective actions		
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 Buckets sanitation converted from Bucket sanitation to a more acceptable level of sanitation (Stofwolk, Thornhill, Sea Vista, Ocean View, Kwanomzamo)	1500	1500	0	Purchased 10 prefabricated ablution facilities to replace buckets in informal areas. Installation of 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 and sanitation services to the community	% capital Budget Expenditure on Internally funded Sanitation capital Projects	100%	100%	163%			
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 level of Portfolio Committee for purposes of oversight to improve performance and allow more opportunity for corrective actions		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	**SOD 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	**SOD 2.2** To manage the provisioning of electrical services	% formal Residential Households Serviced by Kouga have access to	100%	100%	100%		100%	100%

				Electrical services						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	**SOD 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	**SOD 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 Service Delivery	**SOD 2.2** To manage the provisioning of electrical services	% Capital Budget Expenditure on Internally funded Electrical Infrastructure projects	100%	100%	41%	Monthly performance reporting to the level of Portfolio Committee for purposes of oversight to improve performance and allow more opportunity for corrective actions	100%	95%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	**SOD 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	**SOD 2.2** To manage the provisioning of electrical services	% expenditure of electrical infrastructure repairs and maintenance budget	100%	100%	76.74%		95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	**SOD 2.3** To Manage the construction, repair and maintenance of	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

			roads and storm water systems							
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%			
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 & 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	% of households within the urban Edge with access to gravel or graded roads	100%	100%	100%		100%	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	% 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 action 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 level of Portfolio Committee for purposes of oversight to 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 Leading Department Tender evaluation report submitted 15/09/2019	BSC – 16/07/2019 Tender evaluation report submitted 20/08/2019	
Mini Fresh Food and Craft Markets in Jeffrey's Bay and Hankey	CP31		Item submitted to BSC Leading Department Tender evaluation report submitted	Project moved to Infrastructure and Engineering	Project moved to Infrastructure and Engineering with the adjustments budget.
Land acquisition: purchase of land for human settlements ward 6 &7.	CP31		Completion of acquisition by 30 June 2020 Leading Department Tender evaluation report submitted 15/07/2019	Acquisitions and transfers completed in full	
Precinct Plans, JB, HD, SFB	Dir PDT	OP1	Item submitted to BSC 20/09/2019 Leading Department Tender evaluation report submitted 08/01/2020	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.
Professional Service Panel	Dir PDT	OP207	Item submitted to BSC 20/09/2019 Leading Department Tender evaluation report submitted 08/01/2020	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
Land Audit	Dir PDT	OP1	Item submitted to BSC 11/07/2019 Leading Department Tender evaluation report submitted 27/09/2019	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.
ILUS (Land Use Scheme)	Dir PDT	PO705	Item submitted to BSC 16/07/2019 Leading Department Tender evaluation report submitted 05/09/2019	BSC – 27/09/2019 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 gazetted 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 Leading Department Tender evaluation report submitted 19/09/2019	BSC – 18/10/2019 Tender evaluation report submitted 13/12/2019	Service provider was appointed
Review led strategy by 30 June 2020	Dir PDT	Po705	Item submitted to BSC 16/07/2019 Leading Department Tender evaluation report submitted 19/09/2019	Appointment of service provider finalized before due dates for submission to BEC and Tender evaluation report due date	

DIRECTORATE PLANNING, DEVELOPMENT AND TOURSIM: 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 PDT	Infrastructure and Basic Service Delivery	**SOD 3.1** To manage the rendering of spatial and land use planning,	% of building plans finalized within 30 days of submission of a compliant plan	100%	100%	100%		100%	100%

			surveying, valuations and building control services							
Planning and Development	Director PDT	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 land use applications finalized within 60 days of a compliant submission	100%	100%	100%	The Municipal Planning Tribunal considered land use applications submitted through virtual meetings . Timeframes were observed.	100%	100%
Planning and Development	Director PDT	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 PDT	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 PDT	Infrastructure and Basic Service Delivery	**SOD 3.2** To manage the funding,	Number of service providers appointed by 30	1	1	1		-	-

			administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community	June 2020 for the review of the Human Settlement Plan						
Planning and Development	Director PDT	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
Planning and Development	Director PDT	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 PDT	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 PDT	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 PDT	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 PDT	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

*Table 231:: **institutional performance review 2019/20 yr***

DRAFT



CHAPTER 8:

MUNICIPAL PROJECTS

8.1 FINAL CAPITAL BUDGET – 2021/22

PROJECT DESCRIPTION	PROPER PROJECT DESCRIPTION	FUNDING SOURCE	DRAFT ANNUAL BUDGET 2021/22	DRAFT ANNUAL BUDGET 2022/23	DRAFT ANNUAL BUDGET 2023/24
CORPORATE SERVICES					
Capital: Non-infrastructure: New: Intangible Assets: Licences and Rights: Effluent Licenses	Bio-metric System	Internal	800 000	-	-
Capital: Non-infrastructure: New: Other Assets: Operational Buildings: Yards	Fencing of municipal building	Internal	605 883	-	-
Capital: Non-infrastructure: New: Furniture and Office Equipment	Furniture and equipment	Internal	180 000	100 000	100 000
Capital: Non-infrastructure: New: Computer: Equipment	Computer equipment	Internal	100 000	100 000	100 000
Capital: Non-infrastructure: New: Intangible Assets: Licences and Rights: Computer Software and Applications	Computer software and applications	Internal	237 000	-	-
			1 922 883	**200 000**	**200 000**
EXECUTIVE & COUNCIL					
Capital: Non-infrastructure: New: Furniture and Office Equipment	Furniture and office equipment	Internal	350 000	150 000	150 000
Capital: Non-infrastructure: New: Computer Equipment	Computer equipment	Internal	1 070 000	350 000	350 000

Capital: Non-infrastructure: New: Machinery and Equipment	Public address system & data projector	Internal	70 000	-	-
Capital: Non-infrastructure: New: Community Assets: Community Facilities: Markets	Ward councillors capital project	Internal	750 000	-	-
Capital: Non-infrastructure: Existing: Renewal: Investment Property: Revenue Generating: Unimproved Property	Vehicle and trailer	Internal	500 000	-	-
			2 740 000	**500 000**	**500 000**
FINANCIAL SERVICES					
Capital: Non-infrastructure: New: Furniture and Office Equipment	Furniture and office equipment	Internal	360 005	-	-
Capital: Non-infrastructure: New: Machinery and Equipment	Machinery and equipment	Internal	250 000	-	-
Capital: Infrastructure: New: Information and Communication Infrastructure: Data Centres	Cibex software	Internal	600 000	500 000	-
Capital: Infrastructure: New: Information and Communication Infrastructure: Data Centres	WIFI solution	Internal	100 000		
Capital: Non-infrastructure: Existing: Upgrading: Computer Equipment	Network upgrade	Internal	250 000	-	-
Capital: Non-infrastructure: New: Transport Assets	Vehicles	Internal	900 000	-	-
			2 460 005	**500 000**	**-**
INFRASTRUCTURE & ENGINEERING					
Capital: Infrastructure: Existing: Upgrading: Electrical Infrastructure: MV Networks	BULK 66kv over headlines	Internal	1 400 000	-	-
Capital: Infrastructure: New: Sanitation Infrastructure: Pump Station	New bypass Sewer Rising Main and Pump Stations JBay	Internal	1 430 000	-	-
Capital :Infrastructure: New: Sanitation Infrastructure: Reticulation	Piped Reticulation - St Francis Bay	Internal	500 000	-	-
Capital: Infrastructure: Existing: Renewal: Water Supply Infrastructure: Distribution	Replace 250mm Water Main Mimosa Street JBay	Internal	205 000	-	-
Capital: Infrastructure: Existing: Renewal: Water Supply Infrastructure: Distribution	Replace 250mm Water Main Canal Road St Francis Ba	Internal	350 000	-	-
Capital: Infrastructure: Existing: Renewal: Water Supply Infrastructure: Distribution	Replace Main Waterline Sout River Bridge Crossing	Internal	700 000	-	-

Capital: Infrastructure: Existing: Renewal: Water Supply Infrastructure: Distribution	Repair Leaking Concrete Water Tower Paradise Beach	Internal	310 000	-	-
Capital: Non-infrastructure: New: Other Assets: Operational Buildings: Yards	Fencing Sea Vista Reservoir	Internal	500 000	-	-
Capital: Infrastructure: New: Electrical Infrastructure: MV Substations	Saffery Substation	Internal	1 000 000	-	-
Capital: Non-infrastructure: New :Machinery and Equipment	Walk Behind Pedestrian Roller	Internal	200 000		
Capital: Non-infrastructure: New: Machinery and Equipment	Machinery & Equipment	Internal	180 000	180 000	180 000
Capital: Non-infrastructure: Existing: Upgrading: Community Assets: Sport and Recreation Facilities: Outdoor Facilities	Upgrading of Sports Facilities	MIG	4 136 957	4 447 363	4 630 878
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Waste Water Treatment Works	Upgrade Sanitation System Old Hankey	MIG	9 230 435	16 848 715	2 462 096
Capital: Infrastructure: New: Sanitation Infrastructure: Waste Water Treatment Works	Fencing Waste Water Treatment Plant	Internal	1 500 000	800 000	800 000
Capital: Infrastructure: New: Solid Waste Infrastructure: Waste Processing Facilities	Upgrade Loerie sewer pump station	Internal	850 000	-	-
Capital: Infrastructure: New: Electrical Infrastructure: MV Networks	High mast lights	Internal	600 000	-	-
Capital: Infrastructure: New: Electrical Infrastructure: LV Networks	Ocean View Electrification	INEP	6 782 609		6 086 955
Capital: Infrastructure: New: Electrical Infrastructure: LV Networks	Humansdorp , Kruisfontein Electrification & Bulk -	INEP		6 181 739	
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads	Upgrading of Gravel Roads in Humansdorp	MIG	14 234 651	8 353 009	23 779 547
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Reticulation	Upgrade Sewer Rising Mains JBay (La Mer-4A-4B)	Internal	600 000	-	-
Capital: Infrastructure: New: Solid Waste Infrastructure: Waste Transfer Stations	Construct emergency overflow pond Koraal Sewer pump	Internal	520 000	-	-
Capital: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads	Roads Capital	Internal	-	-	7 500 000
			45 229 652	**36 810 826**	**45 439 476**
PLANNING, DEVELOPMENT & TOURISM					
Capital :Non-infrastructure: Existing: Renewal: Community Assets: Community Facilities: Cemeteries/Crematoria	Restoration of Fisherman Grave Site	Internal	50 000	-	-

Capital: Non-infrastructure: New: Furniture and Office Equipment	Furniture and Office Equipment	Internal	500 000	250 000	220 000
Capital: Non-infrastructure: New: Community Assets: Community Facilities: Centres	Kouga Business Support Centre	Internal	300 000	100 000	100 000
Capital: Non-infrastructure: New: Computer Equipment	Computer Equipment	Internal	100 000	-	100 000
Capital: Non-infrastructure: New: Intangible Assets: Licences and Rights: Computer Software and Applications	Computer Software and Applications	Internal	220 000	250 000	300 000
Capital: Non-infrastructure: New: Investment Properties: Non-revenue Generating: Unimproved Property	Land Acquisition	Internal	-	-	1 000 000
			1 170 000	**600 000**	**1 720 000**
COMMUNITY SERVICES					
Capital: Infrastructure: New: Water Supply Infrastructure: Distribution	Cemeteries Ablution Facilities New	Internal	570 000	520 000	300 000
Capital: Non-infrastructure: New: Community Assets: Sport and Recreation Facilities: Outdoor Facilities	5X Trailers	Internal	200 000	-	-
Capital: Non-infrastructure: Existing: Upgrading: Community Assets: Sport and Recreation Facilities: Outdoor Facilities	Upgrading of Cape St Francis	Internal	100 000	100 000	-
Capital: Non-infrastructure: New: Machinery and Equipment	Machinery and equipment	Internal	2 260 000	1 000 000	1 700 000
Capital: Infrastructure: Existing: Renewal: Information and Communication Infrastructure: Capital Spares	Fencing Sport and Recreation Facilities	Internal	1 500 000	-	-
Capital: Non-infrastructure: New: Computer Equipment	Computer Equipment	Internal	80 000	80 000	110 000
Capital: Non-infrastructure: New: Furniture and Office Equipment	Furniture and Office Equipment	Internal	380 000	400 000	300 000
Capital: Non-infrastructure: New: Community Assets: Community Facilities: Fire/Ambulance Stations	Fencing Humansdorp Fire Station	Internal	600 000	600 000	-
Capital: Non-infrastructure: Existing: Renewal: Investment Property: Revenue Generating: Unimproved Property	Vehicles	District	1 600 000	-	-
Capital: Non-infrastructure: New: Transport Assets	Vehicles	Internal	200 000	-	2 500 000
Capital: Infrastructure: New: Information and Communication Infrastructure: Data Centres	Fencing New and Existing Cemeteries	Internal	-	-	1 000 000
Capital: Infrastructure: Existing: Upgrading: Rail Infrastructure	Thornhill Fire Service Department - Satellite Building	District	-	-	1 600 000

Capital: Infrastructure: New: Information and Communication Infrastructure: Capital Spares	Fencing Humansdorp Landfill	Internal	-	-	5 500 000
			7 490 000	**2 700 000**	**13 010 000**
			61 012 540	**41 310 826**	**60 869 476**
Transfers recognised - capital			35 984 652	35 830 826	36 959 476
Internally generated funds			25 027 888	5 480 000	23 910 000
			61 012 540	**41 310 826**	**60 869 476**

Table 232:: Capital Project List 2020/21

DRAFT

8.2 INTERNAL PROJECTS: MIG FUNDED – 2020/21

KEY PERFORMANCE AREA: INFRASTUCTURE AND BASIC SERVICE DELIVERY			INSTITUTIONAL OBJECTIVE: 100% OF LED PROJECT BUDGET SPENT ON LED PROJECTS						
ID	**PROJECT DESCRIPTION**	**PROJECT OUTPUT**	**WARD**	**GFS**	**SOURCE OF FUNDING**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
	Construction of Action Sports Park	Park Beautification	Pellsrus	LED	MIG	**2 492 496.00**	**0**	**0**	**0**
	Construction of New Produce Markets	Construction of New Produce Markets	Hankey/ Jeffreys Bay	LED	MIG	**58 906.50**	**1 404 093.50**	**147 818.58**	**1 256 274.92**
	LED Project		Kouga	LED	MIG	**0**	**0**	**0**	**1 585.835**
KEY PERFORMANCE AREA: INFRASTRUCTURE AND BASIC SERVICE DELIVERY			**INSTITUTIONAL OBJECTIVE: SOCIAL DEVELOPMENT**						
ID	**PROJECT DESCRIPTION**	**PROJECT OUTPUT**	**WARD**	**GFS**	**SOURCE OF FUNDING**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
	Upgrade Sport Facilities	Communities have Sport Fields	Thornhill		MIG	**4 599 045.00**	**4 444 005**	**4 527 367.50**	**4 757 505**
KEY ERFORMANCE AREA: INFRASTRUCTURE AND BASIC SERVICE DELIVERY			**INSTITUTIONAL OBJECTIVE: 100% OF RESIDENTS HAVE ACCESS TO WATER AND SANITATION**						
ID	**PROJECT DESCRIPTION**	**PROJECT OUTPUT**	**WARD**	**GFS**	**SOURCE OF FUNDING**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
	Upgrade Kruisfontein WWTW	Residents have access to sanitation	Arcadia/ Kruisfontein		MIG	**15 225 784.50**	**2 500 000**	**0**	**0**
	Patensie Bulk Sewer infrastructure	Residents have access to sanitation	Ramaphosa Village		MIG	**6 150 864.00**	**0**	**0**	**0**
	St Francis Bay WWTW	Residents have access to sanitation	St Francis Bay		MIG	**8 284 068.00**	**21 278 601.50**	**18 238 928**	**0**
	Patensie WWTW	Residents have access to sanitation	Patensie		MIG	**0**	**0**	**5 093 857.23**	**9 605 993.70**
	Upgrading of gravel roads	Residents have access to road infrastructure	Jeffreys Bay/ Humansdorp		MIG	**0**	**0**	**418 203.77**	**1 999 999.5**
	Upgrade Sanitation System Old Hankey	Residents have access to sanitation	Hankey		MIG	**0**	**0**	**500 000**	**14 357 567**

Table 233 : Internal Projects – MIG Funding

8.3 WARD SPECIFIC PROJECT ALLOCATIONS FOR 2021/22

The R100 000 per ward specific project allocations per ward for the 2021/22 financial year are cited below:

WARD 1 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Oyster Bay	Oyster Bay	Wendy House Oyster Bay Soup Kitchen	R28 000.00
		Cleaning of Storm water channels and drains	R18 500.00
		Light poles and spray lights at Oyster Bay Sport Fields	R28 500.00
	Umzamowethu	Renovations at Kokkewiet Play School	R15 000.00
WARD 2 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Jeffreys Bay	Pellsrus New 220	1 x Playpark Installation	R9000.00
		Flood lights	R16 000.00
		Clean Up Project	R10 000.00
		Street Names	R20 000.00
WARD 3 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Jeffreys Bay		1 x Playpark Installation	R9 850.00
		Curbing and Drains	R20 000.00
		Speedbumps (I&E)	R20 000.00
WARD 4 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Humansdorp		Street Names	R20 000.00
	Gill Marcus	1 x Playpark Installation	R9 660.00
		Speedbumps (I&E)	R18 000.00
		Steel pavilions/Rugby Stands	R20 000.00
WARD 5 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Humansdorp		1 x Playpark Installation	R9 560.00
		2 x Wheelchairs	R6198.00
		High Mast light - Civic	R10 000.00
		Speedbumps (I&E)	R20 000.00

		Installation of Alarm System at Protea Club Old Age Home	R15 000.00
WARD 6 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Humansdorp	Kwanomzamo	Playpark Installation	R9 750.00
		Paving on route to Cemetery	Not enough Capital Funding
		Speedbumps (I&E)	R20 000.00
		Renovation at School (Floor)	R28 000.00
WARD 7 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Thornhill	Loerie	3 x Playpark Installations	R30 000.00
		Donate PPE and Equipment to Loerieheuwel Combined School	R30 000.00
		Fencing of Playparks	Not enough funding
WARD 8 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Jeffreys Bay	Wavecrest	10 x Wheel Chairs donation to Old Age Home	R40 000.00
		Poles and Street name boards	R20 000.00
		Speedbumps (I&E)	R20 000.00
WARD 9 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Hankey		2 x Playpark Installations	R21 750.00
	Phillipsville	2 x Rugby Stand at Sport Grounds	R28 500.00
		Building Toilets for RDP houses	R28 550.00
	Phillipsville	Renovations at Crèche	R28 200.00
WARD 10 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Patensie		1 x Playpark Installation	R8000.00
	Noxolo Creche Kabouter Play School/Creche	Play School Equipment	R13 760.00
	Holding Hands Soup Kitchen	Chest Freezer and Cooking Pots	R10 000.00
	Patensie	5 x Wheelchairs	R15 495.00
WARD 11 – 2021/22			
Town	**Local area**	**Project description**	**Budget**

Jeffreys Bay	C-Place	Street lights and Flood lights	R 9000.00
		1 x Playpark Installation	R10 000.00
		Camera System	R30 000.00
WARD 12 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
St Francis Bay	St Francis/ Cape St Francis	Street Names signs	(Not enough Capital Funding) R50 000
Paradise Beach	Paradise Beach	New Cameras and Camera System Upgrade	R53 300.00
Humansdorp	Lower KwaNomzamo	High Mast light and Street lights	R16 000.00
WARD 13 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Humansdorp		1 x Playpark Installation	R11 800.00
	Weston	Taxi Rank Shelter	R24 900.00
	Chigwell Primary School	Media Projector	R12 900.00
		Paving of Tshume Street	(Not enough Capital Funding)
	Weston	Renovations of Pre-School	R20 000.00
WARD 14 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Jeffreys Bay	Ocean View	1 x Playpark installation	R6 800.00
	Ocean View	Spotlights/Flood lights	R18 673.13
	Aston Bay	CCTV Camera System	R20 000.00
	Ocean View	Soccer equipment	R25 000.00
	Ocean View	Speedbumps	R25 000.00
		Speedbumps I&E	R25 000.00
WARD 15 – 2021/22			
Town	**Local area**	**Project description**	**Budget**
Humansdorp	Moerasrivier Arcadia Golf Course	2 x Playpark Installations 1 x New Playpark	R17 865.00 R24 000.00
	St Patrick Schools	3 x Portable Aircons	R24 146.55
	Boskloof Area Golf Course	Spotlights & Street lights	R 9 4587.50
	Humansdorp	Masks and Sanitizer for schools	R 3 900.00

Table 234 : Ward specific development fund

8.4 PROJECT STAGES OF DEVELOPMENT – FUNDING SECTOR DEPARTMENTS

PROJECT STAGES OF DEVELOPMENT									
Pre-Implementation			SCM			Implement		Complete	
Consultant	**Investigation**	**Design**	**BSC/Advert**	**BEC**	**BAC**	**Handover**	**In progress**	**Sign - off**	**Retention**
1	2	3	4	5	6	7	8	9	10
Project Description	**Housing Project**	***Funder***	**Budget**	**Expenditure**	**% Spent**	**Stage of Development**	**Contract Start**	**Contract Duration**	**Comments**
Hankey New Reservoir and Bulk Gravity Feed	Hankey 990	***DoHS***	10 213 260.00	5 137 123.50	50.2985677	8	08-May-14	6	**Practical completion issued April 2015**
Hankey Wastewater Pump Station Phase 3		***DoHS***	4 764 910.05	2 957 068.06	62.059263	8	04-Apr-14	5	**Practical completion issued July 2015**
Hankey Wastewater Treatment Works Phase 2		***DoHS***	6 504 064.10	2 802 601.66	40.9025769	8	04-Apr-14	7	**Practical completion issued October 2015**
Upgrade Sewer Pump stations – Pellsrus	Pellsrus 220 & Ocean View 1500	***DoHS***	3 009 621.05	902 730.25	29.991085	8	08-Sep-14	4	**Practical completion issued April 2015**
Upgrading of Apiesdraai Sewer Pump station		***DoHS***	17 069	7 304 805.76	48.4656491	8	26-Jun-14	7	**Certificate of completion issued 4 February 2016**
Construction of Churchill Reinforced Concrete Reservoir – Jeffrey bay		***DoHS***	26 113 689.34	356 468.45	1.36509524	8		8	**Contractor on site**
Upgrade of Patensie WWTW	Patensie 278	***DoHS***	5 857 506.73	361 195.57	8.64108731	8	13-Aug-14	7	**Dispute with Contractor**
Patensie Bulk Sewer Infrastructure		***DoHS***	25 054 963.89	6 681 371.93	29.7417404	8	26-Jun-14	6	**Practical completion issued 10 December 2015**

Construction of a Reservoir and Bulk Water Supply in Patensie		***DoHS***	18 756 262.78	2 164 590.20	11.5406263	8	08-Aug-14	8	**Contactor on site**
Construction of Kruisfontein Western Outfall Sewer and Associated Works	Kruisfontein 2500 & Arcadia 139	***DLGTA***	8 191 369.00	5 944 097.66	72.5653753	8	26-Jun-14	4	**Certificate of completion issued**
Plant and Design Built Works: Extensions to Kruisfontein Wastewater Treatment Works		***DLGTA***	60 864 203.37		0	7	Jan-15	32	**Contractor on site**
Weston Wastewater Treatment Works	Weston 196	***DLGTA***	14 261 297.77	7 924 411.48	55.5658511	8	27-Feb-14	8	**Practical completion 12 October 2015**
Upgrading of Centerton Sports Facility		***DLGTA***	3 104 418.20	1 750 322.25	56.3816515	8	26-Jun-14	4	**Practical completion issued**
Upgrading of Kruisfontein Sports Facility		***DLGTA***	3 899 940.00	3 298 211.41	84.5708244	8	26-Jun-14	4	**Contract terminated**
Kruisfontein Sports Facility - Perimeter Fence		***DLGTA***	1 425 254.65	1 273 733.36	89.3688268	8	29-Apr-14	4	**Practical completion issued**
Electrification Pholla Park & Shukushukuma		***DOE***	3 200 000.00	3 200 000.00	100	9	Mar-15	6	**Completed November 2014**
Electrification Pholla Park & Ocean View		***DOE***	2 540 000.00	120 459.43	4.74249724	7	18-Nov-14	6	**Contractor on site**

Table 235: Project stages of development

DRAFT

8.5 PROJECT IMPLEMENTATION BY SECTOR DEPARTMENTS

Sector engagements take place on a district level, with representation by National and Provincial Sector Departments, the Mayors and IDP Managers of the 7 local municipalities. The relevant sector department implements the programme/project without the involvement of the resources of the Kouga Municipality. (**Reliant on the District to supply information)**

DEPARTMENT	PROJECT NAME	PROJECT DESCRIPTION	GRANT OR/AND INVOLVEMENT		
			2018/19	2019/20	2020/21
Department of Energy	Electrification of 1500 houses Ocean View		R10.2 million 25% spending	R6 million	R5.2 million
Department of Water and Sanitation	Wastewater Treatment Works (WWTW) – Kruisfontein		R2.5 million		
	Wastewater Treatment Works (WWTW) – Sea Vista		R21 278 601		
	Refurbishment of existing water infrastructure of Kwanomzamo WWTW				
	Kouga LM	Groundwater development	R8 401 000		
	Hankey	Groundwater development	R33 179 000	R 3 292 141	
	Jeffreys Bay	Development of boreholes	R4 500 000	R 21 982 812	
	Humansdorp	Equipping boreholes	R5 427 000	R 1 373 206	
	Cape St Francis	Equipping boreholes	R5 910 000	R 1 674 877	
	Oyster Bay	Equipping boreholes	R1 311 000	R 4 850 129	
	Kouga LM	Meter and internal leak audits, repairs to leaks, water meters repairs, reticulation pipe replacement and reservoir level control. Groundwater development	R92 500 000	R622 552	
Department of Human Settlements	Hankey 990		In Progress	In Progress	In Progress
	Kruisfontein 2500 (391)		In Progress	In Progress	In Progress
	Ocean View 1500		In progress	In progress	In progress
	Patensie 278		In Progress	In Progress	In Progress
	Pellsrus 220		In progress	In progress	In progress
	Hankey Weston 196		In progress	In progress	In progress
	Development / soil preparation and production inputs (Food security)				

Department of Sport, Recreation, Arts and Culture	**Libraries**: Renovations to Jeffreys Bay Library		R11.2 million	Tender was cancelled and will be re advertised.	Tender was cancelled and will be re advertised.
Department of Social Development: Social Welfare Services	Recommended NOP funding		R6 771 855		
Department of Environmental Affairs	Oyster Bay Dune Rehabilitation Project	▪ Creation of vegetated berms ▪ Protection wall ▪ Constructing 2 male toilets plus 1 shower and 1 disable toilet. ▪ 2 female toilets, 1 shower and 1 disable toilet. ▪ A mobile lifeguard tower. ▪ Paving		R10 000 000	Awaits DEA for funding.
	St Francis Bay Coastal Infrastructure Upgrade	▪ Construction of coastal boardwalk ▪ Ablution facilities ▪ Tidal pool ▪ Beach facilities ▪ Dune stabilization and rehabilitation		R10 000 000	Awaits DEA for funding
	Krom River	▪ Fire Control and Prevention ▪ Alien Plant Clearing Project			Not indicated
	Kouga Work for Water Project	▪ Alien Plant Clearing Project			Not indicated
	Kouga Nursery	▪ Alien Plant Clearing and Land Rehabilitation			Not Indicated
	St Francis Bay	▪ Alien Plant Clearing Project			Not indicated
Department of Roads	Gravel and serviced roads				
South African Social Security Agency (SASSA) (Humansdorp District)	Social Grants		R328 835 220		
Department of Public Works	Refurbishment of Humansdorp Magistrate's Office	▪ Construction of additional accommodation ▪ Refurbishment of existing offices		R90 000 000	

Table 236 : Project implementation by sector departments

8.6 DEPARTMENT OF EDUCATION - CURRENT PROJECTS IN THE HUMANSDORP CMC (CIRCUIT MANAGEMENT CENTRES)

NAME OF SCHOOL	SCOPE OF WORK	CONTRACT VALUE	PROGRESS	COMMENTS
Makukhanye Primary School	Ablution facilities 26 new toilets	R4 125 316.08	Construction 85%	Contract terminated due to non-performance. A new contractor was appointed, and work is progressing well except that the contractor must be monitored regularly for workmanship and safety issues.
Kruisfontein Primary School	Ablution facilities 33 new toilets	R5 285 234.26	Construction 85%	Contract terminated due to non-performance. A new contractor was appointed, and work is progressing well except that the contractor must be monitored regularly for workmanship and safety issues.
Andrieskraal / De Miskraal / Du Preez Primary School	New admin space, New furniture, new site work, new toilets, new teaching space, new water facilities	R4 5 592 505.71	Construction 100%	Final works taken
Humansdorp Senior Secondary School	New Infrastructure	R3 369 000	Stage 4: Concept and viability or feasibility	The project started in July 2017 and the end date is 31/03/2020.
Graslaagte Primary School	New infrastructure	R2 7545 000	Stage 4: Concept and viability or feasibility	The project started in July 2017 and the end date is 31/03/2020.

Table 237 : DOE Projects

DRAFT

8.7 DEPARTMENT OF HUMAN SETTLEMENT – INTEGRATED SETTLEMENT GRANT FUNDED PIPELINE PROJECTS

PROJECT NAME	PROJECT BUDGET		PROJECT DELIVERABLES		START & COMPLETION	CHALLENGES AND OUSTANDING ISSUES
	BUDGET	EXPENDITURE	PROJECT SCOPE	UNITS COMPLETED		
Kruisfontein 2500(391) **Contractor: Bendolite** **Consultant: Tshepega** **(Ward 4 & 5)**	R 66 602 848.15	R 54 367 287	391 and 407 internal services	Fdns – 387 Wls –387 Rfs – 387 Completions. -387 395 internal services	Start date 01/07/16 Planned Completion 31/07/2018 Revised Completion 31/03/2020	The Contractor is constructing both internal services and top structure. The contractor had to re-do some of the paving that was incorrectly laid by his subcontractors. Some of the paving was stolen by the community. The contractor appointed new team on site to accelerate progress on site. (4 disabled people)
Oceanview 1500 **Contractor: Norland Construction.** **Consultant: Bosch Projects** **(Ward 14)**	R 46,904,141	R 46,704,213	1500	Fdns – 0 Wls – 0 Rfs – 0 Completions - 0 Sites - 1100	Start date: June 2018 Planned Completion: June 2020 Completion: June 2020	Project was reduced due to informal structures that are not moving from the project area. The contractor is still working on available spaces within the project area.
Pellsrus 220 **Contractor: Ikhaya Developers** **Consultant: Stemele Botch** **(Ward 2)**	R 35 673 635.40	R 17 565 650.00	220	Not Started - 89 Fdns – 44 Wls – 0 Rfs – 44 Completions. – 43 Sites: 220	Start date: Oct 2017 Planned Completion: Oct 2019 Revised Completion: June 2020	There were delays in construction of internal services, the designs were changed due to change of scope from surfaced roads to gravel. (infrastructure). The project has just been enrolled with NHBRC; contractor has commenced with top structures. (4 disabled people)

Table 238: Dept of Human Settlements Projects

DRAFT

8.8 MULTI-YEAR HUMAN SETTLEMENT PROJECTS

PROJECT NAME	PROJECT BUDGET	PROJECT DELIVERABLES	CHALLENGES AND OUSTANDING ISSUES
Hankey 990 (728 units) (Ward 13)	R 40 040 000	728 sites	Land surveyor is busy with site pegging. ROD is in place. Civil infrastructure to commence in 2020/2021 financial year.
Hankey Weston 196 (Ward 13)	R 10 780 000	196 sites	The draft GP has been submitted to SG. ROD is in place. Civil infrastructure to commence in 2020/2021 financial year.
Kruisfontein 2500 Phase 2 (800 units) (Ward 4 & 5)	R 44 000 000	800 sites	Awaiting ROD approval. Land surveyor has been appointed and to commence on approval of EIA.
Arcadia 139 (Ward 4)	R 7 645 000	139 sites	Land surveyor to commence with site pegging. ROD is in place. Civil infrastructure to commence in 2020/2021 financial year.

Table 239 : Multi-year Human Settlement Projects

8.9 COMMUNITY NEEDS REQUIRING SECTOR DEPARTMENT INTERVENTION

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

	• Educational programmes to address decrease gr8 and gr12 school leavers • 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 • Library in Stofwolk, Hankey
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
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 • Traffic licencing centre in Jeffreys Bay

Table 240 : Sector Department Interventions

OFFICIAL SIGN-OFF

It is hereby certified that this is the Integrated Development Plan Review for 2021/22:

- ✓ Was developed by the IDP Manager under the guidance of the Municipal Manager.
- ✓ Was prepared in line with the current strategic plan of the municipality which took into consideration all the relevant legislation, policies and other mandates especially from the public through public participation processes.

_____

Ms Colleen Dreyer

IDP Manager

Date: 28 May 2021



_____

Mr C Du Plessis

Municipal Manager

Date: 28 May 2021



_____

Councillor H Hendricks

Executive Mayor

Date: 28 May 2021

DRAFT

ANNEXURE A

KOUGA
local municipality
Good Governance through Service Excellence

SDF PROCESS SUMMARY

The municipality appointed Umhlaba Consulting to review the 2015 Municipal Spatial Development Framework (MSDF). Subsequently, a project steering committee was established to overlook and guide the review process in accordance with Section 6 the Spatial Planning and Land Use Management By-law: Kouga Municipality, 2016. On 12 June 2020, a draft document was tabled before the executive Council for approval and permission to proceed with public participation.

On 25 June 2020, a notice was published in the Kouga Express and Kouga Municipal Website. The notice was also published on the Eastern Cape Provincial Gazette. The notice invited all interested and affected parties to provide comments within 60 days from date of publication. All comments received were considered by the project steering committee and the SDF was amended taking into consideration the comments received. The PSC at a meeting held on 19 February 2021 recommended that the SDF be submitted to Council for approval. Council at a meeting held on 26 February 2021 resolved (resolution No: 21/02/PD11) that the SDF be adopted.

SUMMARY OF THE KOUGA SPATIAL DEVELOPMENT FRAMEWORK

1. Background

Section 28(3) and 29 of the Local Government Municipal Systems Act (Act No 32 of 2000) read together with Section 20 of the Spatial Planning and Land Use Management Act, 2013(Act No. 16 of 2013), and section 6 of the Spatial Planning and Land Use Management By-law: Kouga Municipality, 2016 requires local municipalities to develop a Spatial Development Framework (SDF). The SDF provides a strategic, indicative, and flexible forward planning instruments to guide decisions on land development and renders a set of policies, principles and directives for spatial development.

The Kouga Municipal (KM) SDF seeks to influence the overall spatial distribution of current and future land use within the municipal area in order to give effect to the vision, goals and objectives of the municipal Integrated development Plan (IDP). While the KM SDF is integral to a complete IDP, it should be noted that the SDF is also an integrative instrument of municipal management. The essential distinction between the respective roles and content of the SDFs and IDP lies in the focus of the SDF on 'things-that-can-be-mapped' while the IDP deals with the full scope of municipal management including budgeting, institutional resourcing, etc.

2. Vision

The vision for spatial development and management is described as follows:

"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 unique town feel, provides social and economic opportunities for all residents."

This Vision is built on the following components:

1. A hierarchy of settlements
2. Networks – Mobility and Logistics
3. Protect natural resources/Integrated Environmental Management
4. Promoting Agriculture and Rural Development
5. Efficient functioning of settlements / Resilient, Inclusive, Smart and Sustainable Settlements

1. Hierarchy of settlements

- Support the growth expansion and investment in the primary nodes of Humansdorp and Jeffreys Bay.
- Secondary nodes should fulfil the function of basic service delivery and port to the rural hinterland.
- Carefully consider establishment of new rural nodes and support service delivery in minor and existing smaller nodes.
- Nodal development should support service delivery, compact urban form and higher densities to maintain sustainability.
- Commercial activity and social facilities within nodes should adhere to the "10 minute walking distance" criteria to ensure accessibility and sustainable service delivery.

2. Networks – mobility and logistics

- Maintain the integrity of the N2 access corridor between Port Elizabeth and Cape Town.
- Regional corridors include the R331 (Gamtoos Valley), R330 and R332 (Gamtoos Valley and Humansdorp linkage), R102 (especially between the Jeffreys Bay and Humansdorp), R330 (Humansdorp and St Francis linkage).
- The function of these regional access routes should be maintained through upgrading and road maintenance to ensure economic development and growth, especially within the agriculture and rural development sectors.
- Integrity of corridors should be protected with detailed assessment of access design and future development.

3. Efficient Settlements (Resilient, inclusive and SMART

- In support of the nodal strategies, existing primary, secondary and rural nodes should be strengthened through infill and densified developments.
- Increased densities and the utilisation of vacant land within the nodes.
- Support sustainability principles and cost-effective service delivery.
- Support the SPLUMA principles with the minimisation of urban sprawl and the promotion of more compact cities and towns.
- Infill and densification should take cognisance of the existing urban fabric and character of the surrounding area.
- The urban edge sets guidelines for future medium to high density urban development.

4. Protect natural resources / Integrated Environment Management

- Protection of critical biodiversity areas as identified through the Eastern Cape Biodiversity Plan and the Garden Route Biodiversity Plan should be prioritised and developments within these areas should be subject to an Environmental Impact Assessment process or other processes as stipulated by the relevant legislation.
- Protection of critical biodiversity areas as identified through the Eastern Cape Biodiversity Plan and the Garden Route Biodiversity Plan should be prioritised and developments within these areas should be subject to an Environmental Impact Assessment process or other processes as stipulated by the relevant legislation.

5. Promoting Agricultural and Rural Development

- Special growth and investment areas include areas for subsidised housing, rural development initiatives around Thornhill, the Gamtoos Valley and Oyster Bay.
- Future development of Thuyspunt and the integrity of the Thuyspunt site.
- The sustainable utilisation of the Gamkab land.

SPATIAL CONCEPT

The KM SDF has a longer term focus to ensure the future growth and development does not result in unsustainable low density settlement sprawl and the destruction of the ecosystem and agricultural resources on which the KM's economy depends. The unsustainable and destructive development will also prevent equitable access to resources and will perpetuate the spatial divisions of the past.

The municipal framework sets aside a large component of the area for the protection and management of natural areas and higher value agricultural land. The ecological and economic services that these areas provide enable the agricultural and tourism sectors to function effectively.

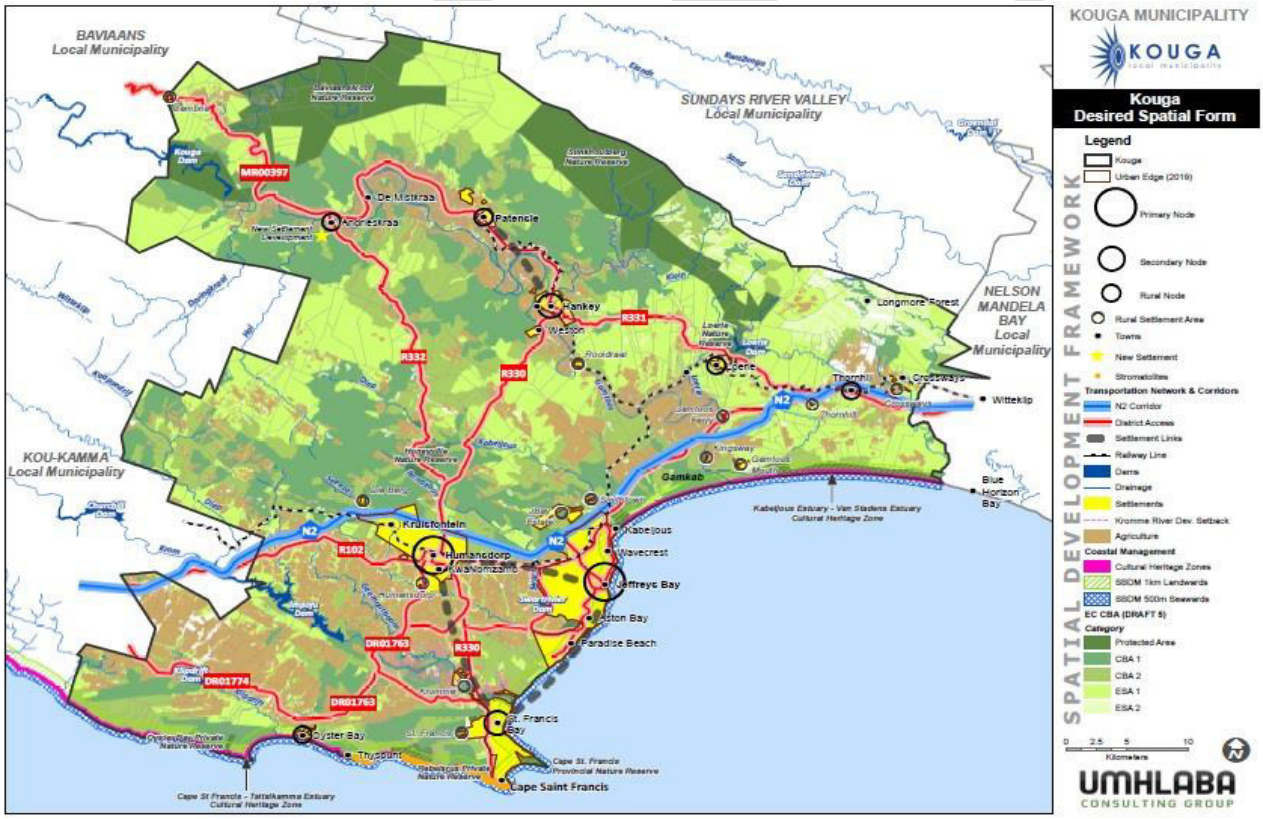
The framework sets out a hierarchy of settlements which range from old 'forestry' stations to the primary urban areas of Jeffreys Bay and Humansdorp. These settlements are connected by a comprehensive network of transportation routes which serve both a mobility and logistics function. These routes are also significant from a tourism perspective.

As the Gamtoos agricultural sector is expected to grow significantly, the need for human settlement and its associated facilities will also grow. The framework therefore identifies Andrieskraal as the potential location for the establishment of a new settlement to address these needs.

The framework highlights the development 'triangle' of Jeffreys Bay, Humansdorp and St Francis Bay where the highest pressure for development is experienced and the secondary nodes of Hankey and Patensie for focussed investment in infrastructure and human settlement development.

Urban and rural edges are delineated all settlements in order to protect of valuable agricultural , natural and cultural and to enable the development of sustainable settlements. The municipal wide SDF proposals are set out on **Error! Reference source not found.** and are to be read together with the Land U se Management Guidelines set out in Chapter 5.

The composite SDF (below) depicts the desired spatial structure of Kouga. It depicts the priority areas for urban development (including areas for residential, business, industrial and other urban expansion), as well areas identified for conservation, agriculture, tourism and other uses.



AFFECTED AMENDMENTS

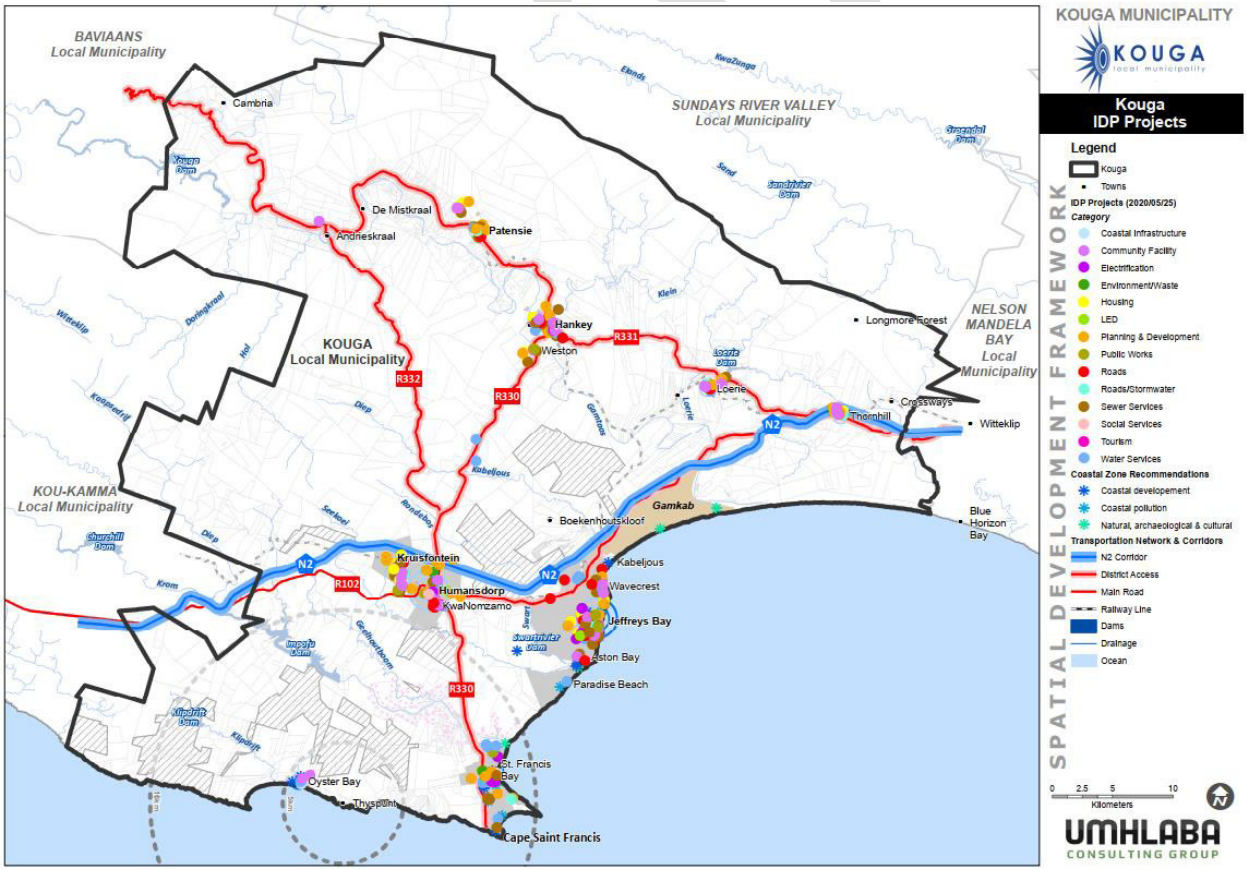
- The 2015 SDF Implemetation Plan required the municplaity to administor land applications in term of the repealed planning ordibance, and the reperaled The SDF was amended to align with the newly adopted Intergrated Land Use Scheme (ILUS).

- The SDF was amended to allow additional uses that are compatible with the immediate environmet, therefore, ecouraging mixed uses. This aimed at reducing redtape when considering land use applications.

- Accommodating Urban Growth – In Jeffreys Bay and Humansdorp, inclusionary housing at appropriate densities is proposed to accommodate the estimated population growth. The medium-term residential growth focus is directed to the vacant land situated within existing settlement areas. This is to integrate the diverse communities whilst efficiently using the existing infrastructure.

- The SDF identifies priority intervention areas on which precintc plans must be developed. This helps guide land use decesions by proposing guidelines and parameters that are site specific.

- The vision is amended to acknowledge the unique charatcter of all setllemet areas. This will allow appropriate densities for major nodes and secondary nodes.



CAPITAL EXPENDITURE FRAMEWORK

JEFFREYS BAY PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
120	Planning & Development	J Bay	Precinct Plan - The Central Business District									
121	Planning & Development	J Bay	Identify Land for the development of an integrated municipal campus/precinct – Feasibility studies etc									
122	Planning & Development	J Bay	Identify Land for the development of an integrated municipal campus/precinct – Feasibility studies etc									
123	Roads	J Bay	Humansdorp Commercial Link to Jeffreys Bay									
124	Housing	J Bay	Identify land for the development of FLISP and Social Housing project implementation									
125	LED	J Bay	Identify land for food gardens									
126	Community Facility	J Bay	Identify land for cemeteries									
127	Planning & Development	J Bay	JBay Densification Policy									
128	Roads	J Bay	Duine Road Realignment and Planning									
129	Planning & Development	J Bay	Vacant Land Development Incentives (Link with the densification policy)									
130	Housing	J Bay	Update the Humans Settlement Plan									
131	Water Services	J Bay	Engage with NMBM re their Water Master Planning									

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
132	Water Services	J Bay	Prepare a new Water Master Plan									
133	Sewer Services	J Bay	Address sewer capacity shortfall as well as the upgrading of the in-series pump stations along the coast									
134	Roads/Stormwater	J Bay	Prepare a stormwater master plan to address localised flooding									
135	Roads	J Bay	Upgrade Da Gama Road (Provincial)									
136	Roads	J Bay	Upgrade St Francis Road (Provincial)									
137	Roads	J Bay	Upgrade Koraal Street (C-Place)									
140	Electrification	J Bay	Upgrade Electrical reticulation in Oceanview									
141	Planning & Development	J Bay	LSDF Planning: Jeffreys Bay LSDF Planning – Can be undertaken as a whole or in component parts i.e North, Central, South and Paradise Beach									
142	Planning & Development	J Bay	Precinct Plan - Koraal/Dolphin Street Precinct									
143	Planning & Development	J Bay	Precinct Plan - Ferreira Town Precinct Plan (Supertubes)									
144	Planning & Development	J Bay	Precinct Plan - Da Gama/Kabeljous									
1	Community Facility	J Bay	Construction of Action Sports Park - Pellsrus	MIG			R2 492 496.00	0	0	0		
3	LED	J Bay	Construction of New Produce Market - JBay	MIG			R29 453.25	R702 046.75	R702 046.75			
23	Sewer Services	J Bay	Upgrade Sewer Pump Stations - Pellsrus		R3 009 621.05	R902 730.25						
24	Sewer Services	J Bay	Upgrading Apiesdraai Sewer Pump Station - Aston Bay		R17 069	R7 304 805.76						

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
25	Water Services	J Bay	Construction of Churchill Reinforced Concrete Reservoir - JBay		26 113 689.34	356 468.45						
36	Electrification	J Bay	Electrification - Pholla Park & Ocean View		2 540 000.00	120 459.43						
40	Electrification	J Bay	Electrification of 1500 houses in Ocean View					R10.2 million	R6 million	R5.2 million		
46	Water Services	J Bay	JBay - Development of Boreholes					R4 500 000	R21 982 812			
53	Housing	J Bay	Ocean View 1500		R46 904 141	R46 704 213		In progress	In Progress	In Progress		
55	Housing	J Bay	Pellsrus 220		R35 676 635.40	R17 565 650		In progress	In Progress	In Progress		
57	Community Facility	J Bay	Renovations to Jeffreys Bay Library					R11.2 million				
103	Roads	J Bay	D25. Provide a new and alternative route for residents in Aston Bay and surrounding areas should the causeway across the Seekoei be flood-damaged or removed (future) (recommendation of the Seekoei Estuary EMP).	N/A			N/A	N/A	N/A	N/A		
104	Roads	J Bay	D28. Provide reasonable and safe public access between Paradise Beach and Aston Bay across the existing causeway by - Maintain and upgrade the road across the causeway; and Install splash reflectors on either side of the causeway to reduce the incidence of splash over wash on the tarred surface	N/A			N/A	N/A	N/A	N/A		
105	Roads	J Bay	D31. Prioritise upgrading beach access and parking areas, with ablution facilities near Pellsrus in Jeffreys Bay. The existing parking area near Manta/Snoek Streets needs urgent upgrading to improve recreational use and safety.	N/A			N/A	N/A	N/A	N/A		

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
106	Roads	J Bay	D32. Informal parking areas along Kabeljauws Road at the Kabeljous Estuary (SW bank) needs to be upgraded, formalised, and maintained	N/A			N/A	N/A	N/A	N/A		
301	Sewer Services	J Bay	Construct emergency overflow pond Koraal Sewer pump station							2 400 000		
303	Public Works	J Bay	Fencing Main substation Jeffreys Bay							500 000		
305	Sewer Services	J Bay	New by-pass sewer rising main and pump stations Jeffreys Bay							1 500 000	6 000 000	11 000 000
308	Water Services	J Bay	Repair leaking concrete water tower Paradise Beach							300 000	2 800 000	
310	Water Services	J Bay	Replace 250mm Watermain Mimosa Str Jeffreys Bay							330 000	2 000 000	
312	Electrification	J Bay	Retrofit oil circuit breakers Main substation Jeffreys Bay								800 000	800 000
314	Sewer Services	J Bay	Sewer pump station level monitoring									250 000
317	Sewer Services	J Bay	Upgrade sewer rising mains JBay							2 100 000		
318	Roads	J Bay	Upgrading of Gravel Roads in Jeffreys Bay	MIG						7 890 511	8 270 189	8 166 090
319	LED	J Bay	LED Project: Establishment of Business Support Centre (Ocean View)							300 000	315 000	330 750
320	Tourism	J Bay	Tourism: Restoration of Fisherman Gravesite							100 000	105 000	110 250
322	Sewer Services	J Bay	Ablution facility launching site main beach								367 500	385 875
326	Sewer Services	J Bay	Upgrading of Pellsrus ablution facilities							150 000	157 500	165 375
402	Community Facility	J Bay	Play park with installation						40 000			
403	Community Facility	J Bay	JoJo tanks – for 2 Creches in the ward						30 000			
404	Community Facility	J Bay	Play park with installation						40 000			

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
405	Community Facility	J Bay	Upgrading braai area/facility Tecoma						20 000			
411	Roads	J Bay	Speedhumps						120 000			
415	Public Works	J Bay	G5 Level on parking area main beach						22 770			
416	Community Facility	J Bay	Play park and Installation						40 000			
417	Public Works	J Bay	Upgrading boardwalk – Verbena Street						20 000			
420	Community Facility	J Bay	Play park and installation						30 000			
421	Roads	J Bay	Speedhumps Dolphin Drive						28 405			
500	Sewer Services	J Bay	Ablution facilities		R4 125 316.08							

HUMANSDORP PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
145	Planning & Development	Hdorp	Develop a gateway at the N2 Intersection (create interaction with the route)									
146	Planning & Development	Hdorp	Agri Industry – Feasibility Study – This project will address the possibility of the location of intensive production to the north of the N2 as well as the expansion of the existing industrial area around the solid waste site to accommodate Agri support, processing and storage associated with the Agri-industry/HUB									

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
147	Public Works	Hdorp	Upgrading and Redevelopment of the Magistrates Court – DPW						R90 000 000			
148	Environment/Waste	Hdorp	Prepare a regional waste management plan to address the need to relocate the Humansdorp Solid Waste Site.									
149	Housing	Hdorp	Identify land for the development of FLISP and Social Housing project implementation									
150	Public Works	Hdorp	Integration of functions and upgrading of the municipal buildings									
151	LED	Hdorp	Identity land for food gardens									
152	Community Facility	Hdorp	Identify land for cemeteries									
153	Planning & Development	Hdorp	Kruisfontein Densification and Intensification (LSDF and Precinct Planning)									
154	Water Services	Hdorp	Prepare a new Water Master Plan which addresses ground water protection (Land Use management Proposals)									
156	Sewer Services	Hdorp	Investigate a new bulk gravity sewer is proposed from the industrial area to Kruisfontein – To reduce demand on Kwanomzamo works									
157	Roads/Stormwater	Hdorp	Prepare a stormwater management plan – Use the outcomes of the Kruisfontein									

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
			Housing Specialist Studies (Flood line, drainage etc.)									
159	Roads	Hdorp	Construction/upgrading of Felix Road to effectively integrate Kruisfontein.									
161	Planning & Development	Hdorp	Precinct Plan - The Central Business District (CBD)									
162	Planning & Development	Hdorp	Precinct Plan – Eastern Mixed-Use Zone									
163	Planning & Development	Hdorp	Precinct Plan - Kruisfontein West Densification proposals and incentives									
164	Planning & Development	Hdorp	Humansdorp Densification Policy and Areas									
165	Planning & Development	Hdorp	Precinct Plan – JBay-Humans Industrial Corridor									
166	Planning & Development	Hdorp	Prepare a Commonage management plan								1 050 000	1 102 500
168	Planning & Development	Hdorp	N2 – R102 Industrial Expansion Precinct Plan (Can be integrated with the solid waste site and N2 Gateway Precincts)									
5	Sewer Services	Hdorp	Upgrade Kruisfontein WWTW	MIG			15 225 784.50	2 500 000	0	0		
9	Roads	Hdorp	Upgrading Gravel Roads - Humansdorp	MIG			0	0	418 203.77	11 479 597		
29	Sewer Services	Hdorp	Construction of Kruisfontein Western Outfall Sewer & Associated Works		8 191 369.00	5 944 097.66						

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
30	Sewer Services	Hdorp	Extensions to Kruisfontein WWTW		60 864 203.37							
33	Community Facility	Hdorp	Upgrading Kruisfontein Sports Facility		3 899 940.00	3 298 211.41						
34	Community Facility	Hdorp	Kruisfontein Sports Facility - Perimeter Fence		1 425 254.65	1 273 733.36						
35	Electrification	Hdorp	Electrification - Pholla Park & Shukushukuma		3 200 000.00	3 200 000.00						
41	Sewer Services	Hdorp	WWTW - Kruisfontein					R2.5 million				
43	Water Services	Hdorp	Refurbishment of existing water infrastructure of Kwanomzamo WWTW									
47	Water Services	Hdorp	Humansdorp - Equipping Boreholes					R5 427 000	R1 373 206			
52	Housing	Hdorp	Kruisfontein 2500		R66 602 848.15	R54 367 287		In Progress	In Progress	In Progress		
61	Social Services	Hdorp	Social Grants					R328 835 220				
62	Housing	Hdorp	Arcadia 139		R7 645 000							
63	Housing	Hdorp	Kruisfontein 2500 Phase 2		R44 000 000							
302	Public Works	Hdorp	Fencing Kruisfontein Waste Water Treatment Plant							800 000		
313	Electrification	Hdorp	Saffery Substation							1 500 000		
325	Community Facility	Hdorp	Fencing Humansdorp Fire Station							200 000		

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
406	Community Facility	Hdorp	2 x Play parks with installation						80 000			
407	Community Facility	Hdorp	Play park and installation						40 000			
408	Community Facility	Hdorp	Play park with installation						40 000			
409	Roads	Hdorp	Speedhumps in Nanto street						28 463			
422	Community Facility	Hdorp	3 x Play parks and installation						90 000			
501	Sewer Services	Hdorp	Ablution facilities		R5 285 234.26							
503	Community Facility	Hdorp	New Infrastructure		R3 369 000							
504	Community Facility	Hdorp	New Infrastructure		R2 754 500							

PATENSIE PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
218	Planning & Development	Patensie	Prepare a densification policy as well as densification areas in Patensie.									
219	Water Services	Patensie	Increase water capacity to accommodate additional development									
220	Sewer Services	Patensie	Formalise the agreement with Correctional Services to take over the operation of the WWTW at the prison									

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
221	Sewer Services	Patensie	Upgrade Patensie (Town) conservancy tanks to waterborne if the area is to be targeted for densification and human settlement development									
222	Sewer Services	Patensie	Identify an alternative arrangement for the discharge of pack shed effluent in order to create capacity for human settlement.									
223	Roads/Stormwater	Patensie	Prepare a stormwater Management Plan – Particularly to address runoff from the Main Road									
224	Roads	Patensie	Upgrade the Hankey-Patensie Road (R400). This will serve to enable the two settlements to function as one with regard to community and social facilities.									
225	Planning & Development	Patensie	Prepare the Patensie and Cyril Ramaphosa LSDF									
226	Planning & Development	Patensie	Patensie Main Road Corridor Precinct									
227	Planning & Development	Patensie	Prepare a commonage Management Plan for Patensie and Cyril Ramaphosa									
6	Sewer Services	Patensie	Patensie Bulk Sewer Infrastructure	MIG			6 150 864.00	0	0	0		
8	Sewer Services	Patensie	Patensie WWTW	MIG			0	0	5 093 857.23	2 500 000		
26	Sewer Services	Patensie	Upgrade Patensie WWTW		5 857 506.73	361 195.57						

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
27	Sewer Services	Patensie	Patensie Bulk Sewer Infrastructure		25 054 963.89	6 681 371.93						
28	Water Services	Patensie	Construction of Reservoir & Bulk Water Supply - Patensie		18 756 262.78	2 164 590.20						
54	Housing	Patensie	Patensie 278					In Progress	In Progress	In Progress		
306	Sewer Services	Patensie	Patensie Sewage Package Plant							6 379 942		
323	Community Facility	Patensie	Fencing community hall - Cyril Ramaphosa							250 000	262 500	275 625
414	Community Facility	Patensie	Play park and installation						40 000			

HANKEY PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
208	Planning & Development	Hankey	Prepare a densification policy for Hankey									
209	Water Services	Hankey	Upgrade the Water Supply Capacity in Hankey									
210	Sewer Services	Hankey	Upgrade the conservancy tank system in the "Old Hankey" and the CBD/town areas if these are to be used for densification to accommodate housing.									

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
211	Sewer Services	Hankey	Connect the newly constructed Weston WWTW to eradicate the 'bucket system' – Dept Human Settlements									
212	Roads/Stormwater	Hankey	Prepare a storm water management plan for Hankey – Particularly to address flooding around Vukani High School									
213	Roads	Hankey	Upgrade the Hankey to Loerie (R400) route									
214	Roads	Hankey	Upgrade the gravel roads									
215	Planning & Development	Hankey	Prepare the Hankey and Western LSDF – (Focused on the identification of additional land for human settlement)									
216	Planning & Development	Hankey	Prepare the Hankey and Weston Main Road Corridor Precinct Plan									
217	Planning & Development	Hankey	Prepare a Hankey Commonage Management Plan									
2	LED	Hankey	Construction of New Produce Market - Hankey	MIG			29 453.25	702 046.75	702 046.75	0		
10	Sewer Services	Hankey	Upgrade Sanitation System Old Hankey	MIG			0	0	500 000	7 902 794	15 652 174	17 036 336
20	Water Services	Hankey	Hankey New Reservoir & Bulk Gravity Feed		10 213 260.00	5 137 123.50						
21	Sewer Services	Hankey	Hankey Wastewater Pump Station Phase 3		4 764 910.05	2 957 068.06						
22	Sewer Services	Hankey	Hankey Wastewater Treatment Works Phase 2		6 504 064.10	2 802 601.66						
31	Sewer Services	Hankey	Weston WWTW		14 261 297.77	7 924 411.48						

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
32	Community Facility	Hankey	Upgrading Centerton Sports Facility		3 104 418.20	1 750 322.25						
45	Water Services	Hankey	Hankey - Groundwater Development					R33 179 000	R3 292 141			
51	Housing	Hankey	Hankey 990		R40 040 000			In Progress	In Progress	In Progress		
56	Housing	Hankey	Weston 196		R10 780 000			In progress	In Progress	In Progress		
300	Public Works	Hankey	Fencing of municipal buildings							200 000	200 000	200 000
315	Sewer Services	Hankey	Upgrade Centerton sewer pump station							1 000 000		2 000 000
316	Sewer Services	Hankey	Upgrade Hankey water treatment works							600 000	5 000 000	9 450 000
321	Tourism	Hankey	Tourism: Upgrading / Renovation of the Phillips Tunnel							100 000	105 000	110 250
323	Community Facility	Hankey	Fencing community hall - Weston							250 000	262 500	275 625
324	Community Facility	Hankey	Fencing of Cemetery - Hankey							250 000	525 000	551 250
412	Community Facility	Hankey	2 x Play parks and installation						80 000			
413	Community Facility	Hankey	Upgrading of Creches						28 850			
418	Public Works	Hankey	Taxi/Bus Shelter – Weston						24 000			
419	Community Facility	Hankey	New Play park and installation						30 000			

DRAFT

LOERIE PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
189	Water Services	Loerie	Upgrade water supply capacity in Loerie									
190	Water Services	Loerie	Upgrade the existing small-bore to full waterborne supply									
191	Sewer Services	Loerie	Upgrade the problematic sewer Pump Station - Loerie							3 000 000		
192	Roads/Stormwater	Loerie	Prepare a stormwater management plan for Loerie – Particularly to address the flooding around the access to Loerieheuwel									
193	Roads	Loerie	Upgrade gravel roads									
194	Planning & Development	Loerie	Prepare the Loerie LSDF/Precinct Plan									
195	Planning & Development	Loerie	Prepare a Loerie Commonage Management Plan									
323	Community Facility	Loerie	Fencing community hall - Loerie							250 000	262 500	275 625
324	Community Facility	Loerie	Fencing of Cemetery - Loerie							250 000	525 000	551 250
410	Community Facility	Loerie	Play parks and installation						30 000			

DRAFT

THORNHILL PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
196	Planning & Development	Thorn	Prepare a densification policy for Thornhill									
197	Housing	Thorn	Upgrade the informal areas									
198	Community Facility	Thorn	Identify land where a satellite fire station can be established									
199	Community Facility	Thorn	Identify land for the expansion of cemeteries									
200	Community Facility	Thorn	Upgrade the Katriena Felix Community Hall									
201	Water Services	Thorn	Upgrade the water supply infrastructure to enable additional human settlement to be accommodated									
202	Roads/Stormwater	Thorn	Prepare a stormwater management plan – Address flooding around the school									
203	Roads	Thorn	Upgrade gravel roads									
204	Roads	Thorn	Upgrade Divisional Road 1927 (The road past the hotel)									
205	Planning & Development	Thorn	Prepare the Thornhill LSDF									
206	Planning & Development	Thorn	Prepare a precinct plan for the main corridor through town									
207	Planning & Development	Thorn	Identify land for commonage purposes and prepare a Thornhill Commonage Management Plan									
4	Community Facility	Thornhill	Upgrade Sports Facilities	MIG			4 599 045.00	4 444 005	4 527 367.50	4 757 505		
323	Community Facility	Thornhill	Fencing community hall - Thornhill							250 000	262 500	275 625

DRAFT

324	Community Facility	Thornhill	Fencing of Cemetery - Thornhill							250 000	525 000	551 250
410	Community Facility	Thornhill	Play parks and installation						30 000			

ST FRANCIS BAY PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
169	Planning & Development	St Francis	Precinct Plan Sea Vista Entrance Mixed Use									
170	Planning & Development	St Francis	St Francis and Cape St Francis Densification Policy and Identification of densifications areas.									
171	Planning & Development	St Francis	Santareme Densification area									
172		St Francis	Transfer of Erf 400 from the Department of Public Works to Kouga Municipality									
173	Planning & Development	St Francis	Development plan for Erf 554 - Rezoning of Erf 554 (St Francis Bay) for sporting facilities									
174	Sewer Services	St Francis	Upgrade Cape St Francis ablution facilities									
175	Water Services	St Francis	Upgrade the water supply suspension bridge to a more robust and sustainable arrangement.									
176	Water Services	St Francis	Prepare a Water Master Plan									
178	Sewer Services	St Francis	Prepare a sewer master plan and action plan.									
179	Sewer Services	St Francis	Upgrade main gravity sewer									

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
180	Roads/Stormwater	St Francis	Prepare a stormwater management plan which will address amongst other matters the stormwater runoff from behind Santareme.									
181	Roads	St Francis	Project - General road maintenance									
182	Environment/Waste	St Francis	Identify Waste Dropoff Sites									
183	Electrification	St Francis	Upgrade sections of the St Francis Bay electrical reticulation									
184	Electrification	St Francis	Upgrade electrical reticulation in Sea Vista to avoid losses									
185	Electrification	St Francis	Increase electrical capacity (Increase ESKOM's notified demand)									
186	Planning & Development	St Francis	Prepare the St Francis and Sea Vista LSDF									
187	Planning & Development	St Francis	St Francis CBD Precinct Planning									
188	Planning & Development	St Francis	Homestead Road and Sea vista Planning									
7	Sewer Services	St Francis	St Francis Bay WWTW	MIG			8 284 068.00	21 278 601.50	18 238 928	0		
48	Water Services	St Francis	Cape St Francis - Equipping Boreholes					R5 910 000	R1 674 877			
59	Coastal Infrastructure	St Francis	St Francis Bay Coastal Infrastructure Upgrade						R10 000 000			
90	Environment	St Francis	C10. Apply to formally close the St Francis Bay landfill site and implement rehabilitation measures.	N/A			N/A	N/A	N/A	N/A		

DRAFT

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
101	Roads	St Francis	D23. Insufficient parking and traffic congestion along the Boulevard between St Francis Way and President Reitz Road in Cape St Francis must be addressed. Existing parking areas need to be maintained	N/A			N/A	N/A	N/A	N/A		
304	Public Works	St Francis	Fencing Sea Vista Reservoir								700 000	
307	Water Services	St Francis	Piped Reticulation in St Francis Bay							2 500 000	2 000 000	2 000 000
309	Water Services	St Francis	Replace 250mm Watermain Canal Rd, St Francis Bay							1 500 000	1 000 000	
311	Water Services	St Francis	Replace main waterline Sout River bridge crossing St Francis Bay							1 000 000	5 000 000	
326	Sewer Services	St Francis	Upgrading of Cape St Francis ablution facilities							150 000	157 500	165 375

OYSTER BAY PROJECTS

PROJECT NO	SUB-CATEGORY	SETTLEMENT	PROJECTS/ACTIONS	FUNDING SOURCE	BUDGET	EXPENDITURE	17/18	18/19	19/20 Current	20/21	21/22	22/23
49	Water Services	Oyster Bay	Oyster Bay - Equipping Boreholes					R1 311 000	R4 850 129			
58	Coastal Infrastructure	Oyster Bay	Oyster Bay Dune Rehabilitation Project						R10 000 000			
97	Coastal Infrastructure	Oyster Bay	D9. The use of existing beach access points to access private property in the area west of the settlement of Oyster Bay area is not controlled, and the municipality should	N/A			N/A	N/A	N/A	N/A		

			consider investigating alternate access points to these properties (e.g. by means of servitudes over other properties on the landward side of coastal properties / properties in dynamic process areas)									
400	Community Facility	Oyster Bay	2 x Playparks and installation (Tender in process)						80 000			
401	Community Facility	Oyster Bay	Flood lights						9 573			

DRAFT

ANNEXURE B

KOUGA
local municipality
Good Governance through Service Excellence

IDP /BUDGET /PMS PROCESS PLAN FOR 2021/2022

FINAL REVIEW OF THE 5 YEAR PLAN 2017/2022

DRAFT

Approved 28 August 2020

Council Resolution 20/08/MM2

1. INTEGRATED STRATEGIC TIME SCHEDULE IN TERMS OF THE PROCESS FOR REVIEWING THE IDP AND BUDGET FOR THE 2021/2022 FINANCIAL YEAR

PHASE 0 PREPARATION PHASE /PRE- PLANNING					
ACTION	**PURPOSE**	**RESPONSIBIITY**	**PROPOSED DATE**	**ACTUAL DATE**	**EVIDENCE**
Sarah Baartman District Municipality Framework IDP Co-ordinator meeting	Workshop CDMF with all LM – alignment	Sarah Baartman District Municipality and IDP Coordinators	31 July 2020	31 July 2020	Draft District framework
Lock budget	Uploading of adopted budget for 2018/19 and issue certificate of captured data.	CFO	15 July 2020	15 July 2020	Issued Certificate
Upload SDBIP 2019/20 on website and publicise	Notify the public of set targets and performance indicators	PMS Manager	Not later than 5 August 2020	10 September 2020	Website access
4th Quarter Performance Report and finalize Annual Performance Evaluation	Evaluate performance according to the Performance Agreements	MM and Mayor	31 July 2020	4 June 2021	Evaluated Reports
Q4 review by Internal Audit Unit	Prepare of Annual Performance Report for MPAC	MM, PMS Manager and Internal Audit Unit	31 July 2020	31 August 2021	Reviewed Reports
Review of performance by MPAC and adoption by Council	Moderate Performance Evaluation Reports in preparation for Council's consideration for adoption	MPAC and Council	End August 2020	August 2020	Moderated Reports adopted by Council
Finalise Performance Agreements (2019/20) of Municipal Manager and Managers reporting to the Municipal Manager and Submit to MEC and publicise within 14 days	Legal Requirement	Municipal Manager	31 July 2020	31 July 2020	Formal Letter and website access
Review Process Plan and develop IDP and Budget time schedule for 2020/21 (MFMA S35(1).	Alignment with Draft Sarah Baartman DM Framework.	(Legal requirement) Sarah Baartman DM and Local Municipality.	19 July 2020	12 August 2020	Aligned Draft IDP and Budget time schedule / Process Plan with Sarah Baartman DM Draft Framework.

Table IDP and Budget time schedule / Process Plan and District Framework Plan to Council for adoption	Council adoption - Legal Compliance	Municipal Manager, Mayor, Council, IDP official and CFO	Before end of August 2020	28 August 2020	Council Resolution.
Upload the IDP and Budget time schedule / Process Plan on the municipal website, place on notice boards and advertise in a local newspaper	To notify stakeholders of key dates and encourage participation in these processes.	Municipal Manager and IDP Official	within 10 days of adoption (specify own specific date)	6 September 2020	Advertisement
Submit adopted Process Plans and Council Resolution to EC-COGTA.	Enable EC-COGTA to monitor implementation of process plan as legislated (S31 of MSA) and compile Provinces planning calendar	MM and IDP Manager	Within 10 days of adoption	6 September 2020	E-mail or formal letter
Submit Performance Agreements (2019/20) of Municipal Manager and Managers reporting to the Municipal Manager and Submit to MEC and publicise within 14 days after approval by Council	**S53 MFA 14-days after adoption.**	Municipal Manager	30 August 2020	10 September 2020	Check legal requirement
PHASE 1 - ANALYSIS PHASE					
Ward based planning	Conduct ward-based planning with all 15 ward committees	IDP Manager, ward councillors and ward committee members	2nd week of October 2020	November 2020	Kouga Municipality
Conduct situation analysis and update the status quo (Strategic Planning Session)	SWOT Analysis on the internal and external environment; determine existing level of development and backlogs. Consider changes in the current environment: Gap analysis of the IDP Assessment 2019/20 and 2018/19 Annual Performance Reports and develop corrective action plans	IDP Manager (Administration and Council)	Before conducting community engagements (September /October2020)	November 2020	Corrective action plans
In collaboration with Council, develop & publicise Community Based Planning Programme	Make community aware of CBP sessions. Secure venues and arrange logistics for scheduled meetings.	Office of the Mayor, Municipal Manager, IDP Officer and CFO	October 2020	No happened due to Covid-19	CBP Programme
Undertake ward-wide public participation meetings	Present IDP Process Plan / Time Schedule; Present 2019/20 ward priorities; report back on project progress; cost implications and challenges. Obtain new needs to be prioritised for 2020/21.	Municipal Manager, Directors, IDP Officer, Mayor and Council	October/November 2020	Not happened due to Covid-19	Attendance Registers, presentations and minutes and new priorities.
Submission of 2018/19 Annual Financial Statements to Office of the Auditor-General	Legal Compliance to obtain Audit Opinion	Municipal Manager and CFO	End of August 2020		Letter of Acknowledgement by Office of the AG.

Submit draft 2018/19 annual performance report to the Auditor-General	Legal compliance	Municipal Manager and PMS Manager	End of August 2020		Letter of Acknowledgement by Office of the AG.
Submit draft 2018/19 annual performance report	Legal Compliance to obtain Audit Opinion	Municipal Manager and CFO	End of August 2020	31 August 2020	Letter of Acknowledgement by Office of the AG
Attend District IDP Rep Forum Meetings	Legal Compliance.	Municipal Manager, CFO, Sec 56 Managers	10 September 2020	31 August 2020	Attendance Register
Attend District IDP Consultation Committee meeting	Alignment and information sharing.	IDP Co-ordinators and Mayors	23 October 2020		Attendance Register
Organogram review	Legal Compliance to Enable the IDP implementation	Municipal Manager, Directors and Council	October 2020 to January 2021	January 2021	Attendance Register and organogram status
Q1 Performance Reporting	Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance	Municipal Manager and PMS Manager	15 October 2020	October 2020	Evaluation Reports
Q1 review by Internal Audit	Preparation of Annual Performance Report for MPAC	MM and PMS Officer and Internal Audit Unit	October 2020		PMS Manager
Review of performance by MPAC and adoption by Council	Moderate Performance Evaluation Reports in preparation for Council	MPAC and Council	Before end of November 2020		Moderated Reports adopted by Council
Submit first quarter returns 30 days after the end of the quarter	MFMA compliance	MM, CFO	Before the end of October 2020		Acknowledgement of receipt from National and Provincial Treasury
Convene 1st IDP and Budget Steering Committee Meeting	Report on community-based planning, proposed amendments to organogram. Present consolidated directorate projects and budget needs	Municipal Manager, Council and CFO and directors	March 2021	16 March 2021	Attendance register and organogram status
PHASE 2 - STRATEGIES					
Draft 3-year Budget forecast on human resources costs	To ensure that the budget cost on human resource stays within the prescribed percentage	CFO and AME Director	October 2020		3-year budget forecast report
Submit proposed DRAFT 2019/20 Operating and Capital Budget requirements by directorates to the CFO	Preparation of the proposed adjustment budget and indicative 2019/20 forecast.	Municipal Manager, CFO and Section 56 Managers (Directors)	Last week of October 2020		Directorate draft budget requirements.
Review Budget related policies	Legal Compliance -review, update and check relevance	CFO	January 2021		Council Resolution

Submit Sector plans and KPA inputs on IDP, Directorates to submit Departmental SDBIP to PMS Manager	To inform the review and updating of the IDP and Institutional SDBIP	Municipal Manager, CFO and Directors	By end of October 2020	October 2020	KPA input and SDBIP per directorate
Mid-year engagements with Provincial Treasury and Cogta	To monitor the budget process and ensure that timeframes and compliance issues are met	Municipal Manager, CFO and Directors	18 February 2021		Attendance registers and presentations
PHASE 3 – PROJECTS					
Attend District IDP Consultation Committee meeting	Alignment and information sharing.	IDP Co-ordinators and Mayors	12 March 2020		Attendance Register
Convene 1st IDP Representative Forum Meeting	Present adopted Process Plan. IDP Review and Assessment. Progress on planned projects.	Council, Municipal Manager, CFO, directors, public representatives and sector departments	March 2020	Not happened to due to Covid-19	Attendance register, presentation and minutes
Meeting with COGTA-EC	To monitor the implementation of planning phases identified in the Time Schedule /Process Plan as per sect 31 of MSA	EC-COGTA & IDP Officer	1st week in December 2020	Not happened to due to Covid-19	Minutes and attendance register
Prepare and submit audit action plan.	To address the shortfalls identified by the AG.	Municipal Manager and CFO	End December 2020		Copy of the Audit Action Plan.
PHASE 4 – INTEGRATION PHASE					
Table the 2019/20 Adjustment budget	Legal compliance, if necessary to adjust existing budget	Municipal Manager and CFO	28 February 2021	28 February 2021	
Finalise the annual review of tariffs, fees and charges	To determine increase to be undertaken to cover service delivery	Municipal Manager, CFO and directors	28 February 2021		Amended tariff list
Submission of the Sec 72 Performance Report	Legal Compliance	MM, CFO and Mayor	25 January 2021		Reports
Q2 Performance Reporting.	Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance	MM and PMS Officer	January 2021	January 2021	Evaluation Reports
Q2 review by Internal Audit	Preparation of Annual Performance Report for MPAC	MM, PMS Manager and Internal Audit Unit	End of January 2021	February 2021	Reviewed Reports

Review of performance by MPAC and adoption by Council	Moderate Performance Evaluation Reports in preparation for Council	MPAC and Council	End of February 2021		Moderated Reports adopted by Council
IGR Session to facilitate alignment	Align provincial and national programmes with IDP	Municipal Manager	By end of February 2021	24 March 2021	Attendance Register
Confirm National and Provincial Government allocations to the Municipality for incorporation into the Draft Budget for tabling	To incorporate grant funding from National and Provincial Government into the Draft Budget.	CFO	Publication of DORA toward mid- to-end February 2021 Specify your own date	February 2021	Allocation circular
Budget and Benchmark engagements with Provincial Treasury and Cogta	To monitor the budget process and ensure that timeframes and compliance issues are met.	Municipal Manager, CFO and Directors	29 April 2021	12 May 2021	Attendance registers and presentations
Convene the 1st IDP Representatives Forum meeting to present Draft IDP for consideration	Present the **FINAL IDP**. Report on public engagement and outcome of the 21-days public inspection and invite any last changes or additions to sector project register.	Municipal Manager, Mayor and IDP Official	March 2021	-	Presentations, minutes and attendance register
Table 2020/21 Draft IDP and Capital and Operating Budgets, ward-based budgets and draft tariffs, fees and charges	Council to consider and adopt the final Draft IDP and Budget.	Municipal Manager and CFO	Not later than end March 2019	31 March 2021	Adopted Final Draft IDP and Budget resolution.
Submit adopted draft IDP to the MEC for local government	Pre- assessment interaction.	MM and IDP Officer	Within 10 days of adoption	6 April 2021	Letter of acknowledge-mint/email
Upload the Council Approved Draft IDP and Budget (2020/21) on the municipal website and place a notice in local newspapers for public inspection (21days)	Legal Requirement to allow public to raise objections / comments on the adopted Draft IDP and Budget.	Municipal Manager; CFO and IDP Officer	Within 10 days of adoption	6 April 2021	Advertisement and website
PHASE 5 – APPROVAL PHASE					
Attend the 2nd District IDP Representatives Forum meeting – alignment	Present the Final Draft IDP, Draft Budget and Draft SDBIP. Sector Dept. report on project implementation for 2018/19 and confirm project and budget allocations for 2019/20. (Finalise external project alignment)	Municipal Manager, Mayor, CFO and IDP Official	8 April 2021	-	Presentations, minutes and attendance register

Convene the 2nd IDP and Budget Steering Committee – alignment	Finalise internal alignment and project register. Ensure budget alignment between the Draft IDP and Draft SDBIP with agreed upon targets and performance indicators per project.	Municipal Manager, IDP Manager, CFO and directors	March 2021	16 March 2021	Reports, presentations, minutes and attendance register
In collaboration with Council develop and publicise the Draft IDP and Budget 2020/21 Community Engagement Programme	Make citizens aware of outreaches, prior to the adoption of the Draft IDP and Budget. Secure venues and arrange logistics for scheduled meetings.	Office of the Mayor, Municipal Manager, IDP Officer and CFO	March/April 2021	6 April 2021	Public notices.
Q3 Performance Reporting.	Evaluation Sec 56 managers, lower levels if applicable and institution PMS - Legal compliance	MM and PMS Officer	End of April 2021	May 2021	Evaluation Reports
Q3 review by Internal Audit	Preparation of Annual Performance Report for MPAC	MM, PMS Manager and Internal Audit Unit	End April 2021	May 2021	Reviewed Reports
Review of performance by MPAC	Moderate Performance Evaluation Reports	MPAC and MM	End April 2021	May 2021	Moderated Reports adopted by Council
IDP Pre- assessment interaction.	Monitor state of readiness to adopt Final IDP and Budget.	COGTA and LM	during April 2021	12 May 2021	Minutes
Undertake ward-wide public participation meetings	Allow opportunity for community to be part of municipal planning and be informed of the impact of IDP within their ward.	Office of the Mayor, Ward Councillors, Municipal Manager, CFO and Directors	April/May 2021	Virtual Meetings 12 – 15 April 2021	Attendance Registers presentations and minutes.
Consolidate all public participation inputs and comments in respect of 2020/21 Draft IDP and Budget	Table to Mayor for consideration before the adoption of the Final 2019/20 IDP and Budget.	Municipal Manager and CFO	Last week in April 2021	18 May 2021	Consolidated ward comments
Convene the 2nd IDP Representatives Forum meeting to present Final Draft IDP for consideration	Present the **FINAL IDP**. Report on public engagement and outcome of the 21-days public inspection and invite any last changes or additions to sector project register.	Municipal Manager, Mayor and IDP Official	May 2021	-	Presentations, minutes and attendance register
Attend District IDP Representative Forum	Legal Compliance.	Municipal Manager, CFO, Sec 56 Managers	19 May 2021	-	Attendance Register
Convene 4th IDP and Budget Steering Committee - consider comments and finalise	Interrogate community comments and finalise SDBIP/IDP alignment and any necessary amendments to the IDP and budget.	Municipal Manager and IDP Official and CFO	May 2021	20 May 2021	Reports, presentations, minutes and attendance register
Adopt the Final 2020/21 IDP and MTEF Budget.	Legal compliance. Council to consider and approve.	Municipal Manager, CFO and Council	Before end May 2021 Align to Council Calendar	28 May 2021	Adopted IDP and council resolution

Upload adopted Final 2020/21 IDP and MTEF Budget on the municipal website	Legal compliance and access to strategic documents.	Municipal Manager and CFO	10 days after adoption	2 June 2021	Website access.
Submit approved IDP and Budget to the MEC for local government	Legal compliance	Municipal Manager	Within ten days of adoption	2 June 2021	Formal letter
Final IDP Provincial Assessment 2020/21	MEC comments	DM, LM, KPA leaders, COGTA, Sector Departments	July/August 2021	-	Signed MEC comments and individual assessment reports

DRAFT

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.

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%

7.4 That the mSCOA status report and project implementation (Annexure D) be approved.

7.5 That the 2021/22 Procurement plan (Annexure E) be approved.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

KOUGA LOCAL MUNICIPALITY

KOUGA
local municipality
Good Governance through Service Excellence

2021/22 – 2023/24

ANNUAL BUDGET

TABLE OF CONTENTS

		Page
PART 1 – ANNUAL BUDGET		
1.1	Executive Mayor's Report	5
1.2	Council Resolutions	7
1.3	Executive Summary	8
1.4	Operating Revenue Framework	10
1.5	Operating Expenditure Framework	15
1.6	Capital Expenditure	20
1.7	Annual Budget Tables	21
PART 2 – SUPPORTING DOCUMENTATION		
2.1	Overview of annual budget process	41
2.2	Alignment of annual budget with Integrated Development Plan	41
2.3	Measurable performance objectives and indicators	43
2.4	Overview of budget related policies	46
2.5	Overview of budget assumptions	47
2.6	Overview of budget funding	48
2.7	Expenditure on allocations and grant programmes	60
2.8	Allocations and grants made by the municipality	62
2.9	Councillors' and employee benefits	63
2.10	Monthly targets for revenue, expenditure and cash flow	64
2.11	Annual budgets and service delivery and budget implementation plans – Directorates	68
2.12	Legislation compliance status	68
2.13	Capital expenditure details	70
2.14	Municipal Manager's quality certification	70

LIST OF TABLES

Table No.	Title	Page
1	Overview of 2021/22 MTREF	9
2	Summary of main revenue sources	11
3	Mix of main revenue sources	12
4	Operating transfers and grant receipts	13
5.	Summary of operating expenditure by standard classification item	16
6.	Repairs and maintenance per asset class	19
7.	2021/22 medium term capital budget per vote	20
8.	Budget summary	22
9.	Budgeted financial performance (revenue and expenditure by standard classification)	24
10.	Budgeted financial performance (revenue and expenditure by municipal vote)	26
11.	Budgeted financial performance (revenue and expenditure)	27
12.	Budgeted capital expenditure by vote, standard classification and funding source	30
13.	Budgeted financial position	32
14.	Budgeted cash flow statement	34
15.	Cash backed reserves/accumulated surplus reconciliation	35
16.	Asset Management	36
17.	Basic service delivery measurement	39

Table No.	Title	Page
18.	Breakdown of the operating revenue over the medium term	48
19.	Investment information	50
20.	Sources of capital revenue over MTREF	51
21.	Detail of borrowings	52
22.	Capital transfers and grant receipts	53
23.	Budgeted cash flow statement	55
24.	Cash backed reserves/accumulated surplus reconciliation	56

LIST OF FIGURES

Figure No.	Title	Page
1.	Main operational expenditure categories for the 2021/22 financial year	18
2.	Capital Expenditure	20
3.	Breakdown of operating revenue over the 2021/22 MTREF	49
4.	Sources of capital revenue for the 2021/22 financial year	51
5.	Growth in outstanding borrowing (long-term liabilities)	52

PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

FOREWORD BY THE EXECUTIVE MAYOR



It is my privilege to present to you the fourth review of Kouga Municipality's Integrated Development Plan (IDP) for the cycle 2017 to 2022.

As announced in my State of the Municipality Address (SOMA) earlier this year, the strategic focus areas of the municipality for 2021/2022 will be guided by seven narratives. These are:

Our plans to **Keep Kouga Serviced** in 2021/2022 include bringing even more boreholes online to achieve water security in the region.

To date, more than 40 exploratory boreholes were drilled at five Kouga towns. Viable boreholes were connected at Oyster Bay, Jeffreys Bay, Patensie, and St Francis Bay, while more boreholes will be connected in Hankey, Humansdorp and Cape St Francis.

We will also install additional container ablution facilities in areas where the bucket system is still in use – the highest priority in the IDP. Several container ablution facilities were already delivered across Kouga, including to residents in Thornhill, Stofwolk in Hankey and Maak 'n Las in Humansdorp.

Further plans include the rollout of electricity to areas that never had access to power, including Stofwolk in Hankey, as well as the establishment of two additional cemeteries in Hankey.

The biggest capital project is the resealing and repair of roads across the Kouga region. Apart from the resealing of 12km of road during the 2019/ 2020 financial year, more than R8 million had been budgeted for the resealing of roads in the current financial year, ending on June 30, 2021.

To show how serious we are about fixing roads, an additional R20.5 million has been secured in the adjustment budget to continue with the resealing programme – effectively addressing the inherited R500 million backlog in road maintenance. This will also have a positive benefit on the cost of repairing potholes in the future.

This will ensure that several roads across the Kouga region will be resealed, which in turn will have a positive benefit on the cost of repairing potholes in the future.

We are, however, not ignoring the fact that there are many roads in Kouga that need pothole repairs. The roads maintenance materials have, therefore, been increased by an additional R1,5 million.

Our newly launched Waste Management and Recycling Programme, together with the regular clearing of illegal dump sites and awareness drives, will strengthen effort to **Keep Kouga Clean**.

With the aim of raising awareness of climate change and the role one of us can play to slow it down and minimise the impact on communities, we have launched an innovative, sustainable urban food garden initiative at the end of last year which will see 30 illegal dumping sites being turned into community “Gardens of Hope”.

Other current projects include the monitoring and management of the Seekoei Estuary at Jeffreys Bay, strengthening the St Francis spit to prevent the sea from breaking through to the canals, and the removal and rehabilitation of encroaching dunes at Oyster Bay.

The establishment of an and integrated intelligent operation centre in Humansdorp earlier this year, will assist to **Keep Kouga Safe**, while fibre will be rolled out as a fifth utility as part of our efforts to Keep **Kouga Smart**.

To **Keep Kouga Growing** is a non-negotiable – especially now in view of the economic impact of the COVID-19 lockdown.

Recent economic investments include the launch of a mobile biochar plant in Humansdorp earlier this year, creating jobs and enhancing water security, while reversing land degradation.

The Tavcor Group, one of the oldest motor groups in the Southern Cape and Port Elizabeth, has also recently moved into the Kouga region. The branch is currently run remotely with plans to have a physical address soon.

We have shown ourselves to be a region that stands together during times of adversity. I am confident that, as long as we keep on caring for each other as we have done since the outbreak of the COVID-19 pandemic, we will persevere and, ultimately, emerge stronger and more united than ever before.

In closing, I would like to extend my heartfelt gratitude to the municipal administration and workforce for their ongoing commitment towards service excellence no matter the obstacles or risk to themselves.

It is you and our communities that have made Kouga one of the best regions to live in in South Africa. Together, we remain on course to achieve freedom, fairness and opportunity for all while respecting and celebrating our diversity.

COUNCILLOR HORATIO HENDRICKS
EXECUTIVE MAYOR

1.2 COUNCIL RESOLUTIONS

(a) The Executive Mayor recommends that the Council resolves that:

1. The annual budget of the Kouga Municipality for the financial year 2021/22 and the indicative allocations for the projected outer years 2022/23 and 2023/24; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 24 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as set-out in the following tables:

   1.1 Consolidated Budget Summary [Page 22].
   1.2 Budgeted Financial Performance (revenue and expenditure by standard classification); [Page 24]
   1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote); [Page 26]
   1.4 Budgeted Financial Performance (revenue by source and expenditure by type); [Page 27]
   1.5 and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Page 30]

2. 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:

   2.1 Budgeted Financial Position; [Page 32]
   2.2 Budgeted Cash Flows; [Page 34]
   2.3 Cash backed reserves and accumulated surplus reconciliation; [Page 35]
   2.4 Asset management; [Page 36]
   2.5 Basic service delivery measurement. [Page 39]

3. 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%

4. The indicative tariffs for 2021/22 and 2022/23 be increased as follows:

	2021/22	2022/23
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%

1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability.
It is also to be noted, that cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75,78,79,85,86, 88, 89, 91, 93, 94, 98, 99, 107 and 108 (refer to Annexures "A and B") was used to guide the compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF).

The Municipality faced the following significant challenges during the compilation of the 2021/22 MTREF:

- Maintaining an acceptable employee related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The following budgeting principles and guidelines directly informed the compilation of the 2021/22 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- In accordance with Section 19 of the Municipal Finance Management Act, the relevant Directors must submit comprehensive reports in relation to new projects, inter alia; dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

In view of the aforementioned, the following table represents an overview of the proposed 2021/22 Medium-term Revenue and Expenditure Framework:

Table 1 (Overview of the 2021/22 MTREF)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	Budget Year 2021/22	% Increase /(decrease)	Budget Year 2022/23	% Increase /(decrease)	Budget Year 2023/24	% Increase /(decrease)
R thousands							
Total Operating Revenue	922 858	965 400	4.61%	1 022 807	5.95%	1 075 898	5.19%
Total Operating Expenditure	1 037 915	1 074 449	3.52%	1 111 859	3.48%	1 158 229	4.17%
Surplus/(Deficit)	(115 057)	(109 049)	-5.22%	(89 052)	-18.34%	(82 330)	-7.55%
Capital Expenditure	85 164	61 013	-28.36%	41 311	-32.29%	60 869	47.35%

Total operating revenue has increased by 4.61% or R 42,542 million for the 2021/22 financial year, compared to the 2020/21 Adjustments Budget.

For the two outer years, operational revenue increases by 5.95% and 5.19% respectively, resulting in a total revenue growth of R 153,041 million over the MTREF, when compared to the 2020/21 financial year.

Total operating expenditure for the 2021/22 financial year amounts to R 1,074,449 billion, resulting in a budgeted deficit of R 109,049 million. Compared to the 2020/21 Adjustments Budget, operational expenditure increased by 3.52% in the 2021/22 Budget.

For the two outer years, operational expenditure increases by 3.48% and increases by 4.17% respectively. The 2022/23 and 2023/24 budgets reflect operating deficits of R 89,052 million and R 82,330 million respectively.

The major operating expenditure items for 2021/22 are employee related costs (35.24%), bulk electricity purchases (26.99%), other expenditure (9.34%), depreciation (8.55%) and debt impairment (5%).

Funding for the 2021/22 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation, environmental management fees and refuse collection (55.74%), property rates (22.65%), grants and subsidies received from National and Provincial Governments (15.81%).

In order to fund the 2021/22 Operating Budget, the following increases in property rates and service charges have been proposed, with effect from 1 July 2021:

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

The capital budget of R 61,013 million for 2021/22 is R 24,151 million or 28.36% less than the 2020/21 Adjustments Budget.

The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as the municipality has reached its prudential borrowing limits, whilst limited internal funding is available.

1.4 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- Tariff Policies.
- Property Rates Policy.
- Indigent Policy and provision of free basic services.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to take into account the maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Efficient revenue management, targeting a 93% annual collection rate for property rates and service charges.

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):

Table 2 (Summary of main revenue sources)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Revenue By Source				
Property rates	207 801	218 711	230 193	242 278
Service charges - electricity revenue	291 625	334 173	355 059	377 250
Service charges - water revenue	83 642	89 581	95 941	102 753
Service charges - sanitation revenue	55 057	58 635	62 447	66 506
Service charges - refuse revenue	53 237	55 744	58 414	61 257
Rental of facilities and equipment	1 122	1 169	1 220	1 275
Interest earned - external investments	5 552	5 780	6 034	6 306
Interest earned - outstanding debtors	10 253	10 674	11 143	11 645
Fines, penalties and forfeits	2 150	2 238	2 336	2 441
Licences and permits	24 732	25 746	26 878	28 088
Transfers and subsidies	166 745	152 602	162 338	164 810
Other revenue	20 941	10 348	10 804	11 290
Total Revenue (excluding capital transfers and contributions)	**922 858**	**965 400**	**1 022 807**	**1 075 898**

The following table illustrates the mix of main revenue sources, supporting the 2021/22 MTREF:

Table 3 (Mix of main revenue sources)

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Revenue By Source								
Property rates	207 801	22.52%	218 711	22.65%	230 193	22.51%	242 278	22.52%
Service charges - electricity revenue	291 625	31.60%	334 173	34.61%	355 059	34.71%	377 250	35.06%
Service charges - water revenue	83 642	9.06%	89 581	9.28%	95 941	9.38%	102 753	9.55%
Service charges - sanitation revenue	55 057	5.97%	58 635	6.07%	62 447	6.11%	66 506	6.18%
Service charges - refuse revenue	53 237	5.77%	55 744	5.77%	58 414	5.71%	61 257	5.69%
Rental of facilities and equipment	1 122	0.12%	1 169	0.12%	1 220	0.12%	1 275	0.12%
Interest earned - external investments	5 552	0.60%	5 780	0.60%	6 034	0.59%	6 306	0.59%
Interest earned - outstanding debtors	10 253	1.11%	10 674	1.11%	11 143	1.09%	11 645	1.08%
Fines, penalties and forfeits	2 150	0.23%	2 238	0.23%	2 336	0.23%	2 441	0.23%
Licences and permits	24 732	2.68%	25 746	2.67%	26 878	2.63%	28 088	2.61%
Transfers and subsidies	166 745	18.07%	152 602	15.81%	162 338	15.87%	164 810	15.32%
Other revenue	20 941	2.27%	10 348	1.07%	10 804	1.06%	11 290	1.05%
Total Revenue (excluding capital transfers and contributions)	**922 858**	**100.00%**	**965 400**	**100.00%**	**1 022 807**	**100.00%**	**1 075 898**	**100.00%**
Total Revenue from Property Rates and Service Charges	**691 362**	**74.92%**	**756 844**	**78.40%**	**802 053**	**78.42%**	**850 044**	**79.01%**

In the 2020/21 financial year, rates and service charges amounted to R 691,362 million. This increases to R 756,844 million, R 802,053 million and R 850,044 million in the 2021/22, 2022/23 and 2023/24 financial years, respectively.

The major operating revenue sources for 2021/22 are electricity (34.61%), property rates (22.65%), operating grants & subsidies (15.81%), water (9.28%) and sanitation (6.07%).

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

Table 4 (Operating Transfers and Grant Receipts)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue:General Revenue:Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**

The Municipality is faced with the significant challenge of providing services with its limited financial resources. Against this background, the Municipality has undertaken the tariff determination process relating to property rates and service charges as follows:

1.4.1 Property Rates

Property rates fund the costs associated with the provision of general services, such as fire, library and roads and stormwater services.

The following provisions in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- An additional R85 000 rebate will be granted to registered indigents in terms of the Indigent Policy.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.

A property rates increase of 5.25% is proposed as from 1 July 2021.

The proposed property rates increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment.

1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

A tariff increases of 7.1% is proposed as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- The cost of bulk water purchases increased by R1.367 million.
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate.

1.4.3 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Nersa has determined that the Municipality's consumer tariffs will be increased by 14.59% on average to offset the additional electricity bulk purchase costs, as from 1 July 2021.

The proposed tariff increases are mainly influenced by the following:

- Employee related costs increased by 8.59%.
- The cost of bulk electricity purchases increased by 17.80%.
- Repairs and maintenance of electricity infrastructure.
- Costs of servicing existing external borrowing to fund electricity infrastructure.
- Providing for debt impairment.

1.4.4 Sanitation and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 6.5% is proposed as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment.

1.4.5 Refuse Collection and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2015. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

A tariff increases of 6.5% is proposed for refuse collection, as from 1 July 2021.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 8.59%.
- Providing for debt impairment

1.4.6 Environmental Management Fees and Impact of Tariff increases

A tariff increases of 0% is proposed for the environmental management fee, as from 1 July 2021.

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA.

- A balanced budget approach by limiting operating expenditure to the operating revenue.

The following table is a high-level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure):

Table 5 (Summary of operating expenditure by standard classification item)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Expenditure By Type				
Employee related costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Debt impairment	70 162	53 726	40 660	34 468
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Bulk purchases	246 173	290 000	302 760	316 384
Other materials	63 363	66 261	71 947	74 024
Contracted services	93 559	78 598	79 299	80 156
Transfers and subsidies	761	650	650	650
Other expenditure	111 062	100 339	103 047	108 374
Total Expenditure	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**

The total operating expenditure increased by R 36,534 million (3.52%) from R 1,037,915 billion in 2020/21 to R 1,074,449 billion in 2021/22. Below is a discussion of the main expenditure components.

Employee related costs

The 2021/22 budget provides for a general increase of 6%, the salary and wage collective agreement for the period 01 July 2018 to 30 June 2020 has come to an end.

The total budget provision of R 378,677 million represents an increase of 8.59% over the 2020/21 budget. Employee related costs in the 2021/22 Budget, represent 35.24% of the total operating expenditure.

Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs, in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). There is no proclamation in terms of Remuneration of Councillors yet.

Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 93% for property rates and services charges. For the 2021/22 financial year this amounted to R 53,726 million and decrease to R 34,468 million in 2023/24. While this expenditure represents a non-cash flow item, it is taken into account in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Fixed Assets Register. The budget amounts to R 91,830 million for the 2021/22 financial and equates to 8.55% of the total operating expenditure.

Finance Charges

Finance charges consist primarily of the repayment of interest on existing long-term borrowing (cost of capital). Finance charges constitute 0.07% (R 0,716 million) of total operating expenditure for 2021/22.

Bulk Electricity Purchases

The bulk purchases of electricity increased by R 43,827 million (17.80%), from R 246,173 million in 2020/21 to R 290,000 million in 2021/22. Bulk electricity purchases constitute 26.99% of total operating expenditure for 2021/22.

Other Materials

Other materials relate to the inventory items, such as bulk water purchases, material and supplies, consumables, printing and stationery, fuel and oil etc., initially budgeted under bulk purchases and general expenses, being transferred to other materials. This is in line with the mSCOA requirements. The budget for 2021/22 amounts to R 66,261 million and equates to 6.17% of the total operating expenditure.

Contracted Services

In the 2021/22 financial year, the budget provision amounts to R 78,598 million and equates to 7.32% of the total operating expenditure.

Transfers and subsidies

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy. In the 2021/22 financial year, the budget provision amounts to R 0,650 million and equates to 0.06% of the total operating expenditure.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. In the 2021/22 financial year, the budget provision amounts to R 100,339 million and equates to 9.34% of the total operating expenditure.

The graph below reflects the expenditure components of the budgeted statement of financial performance.

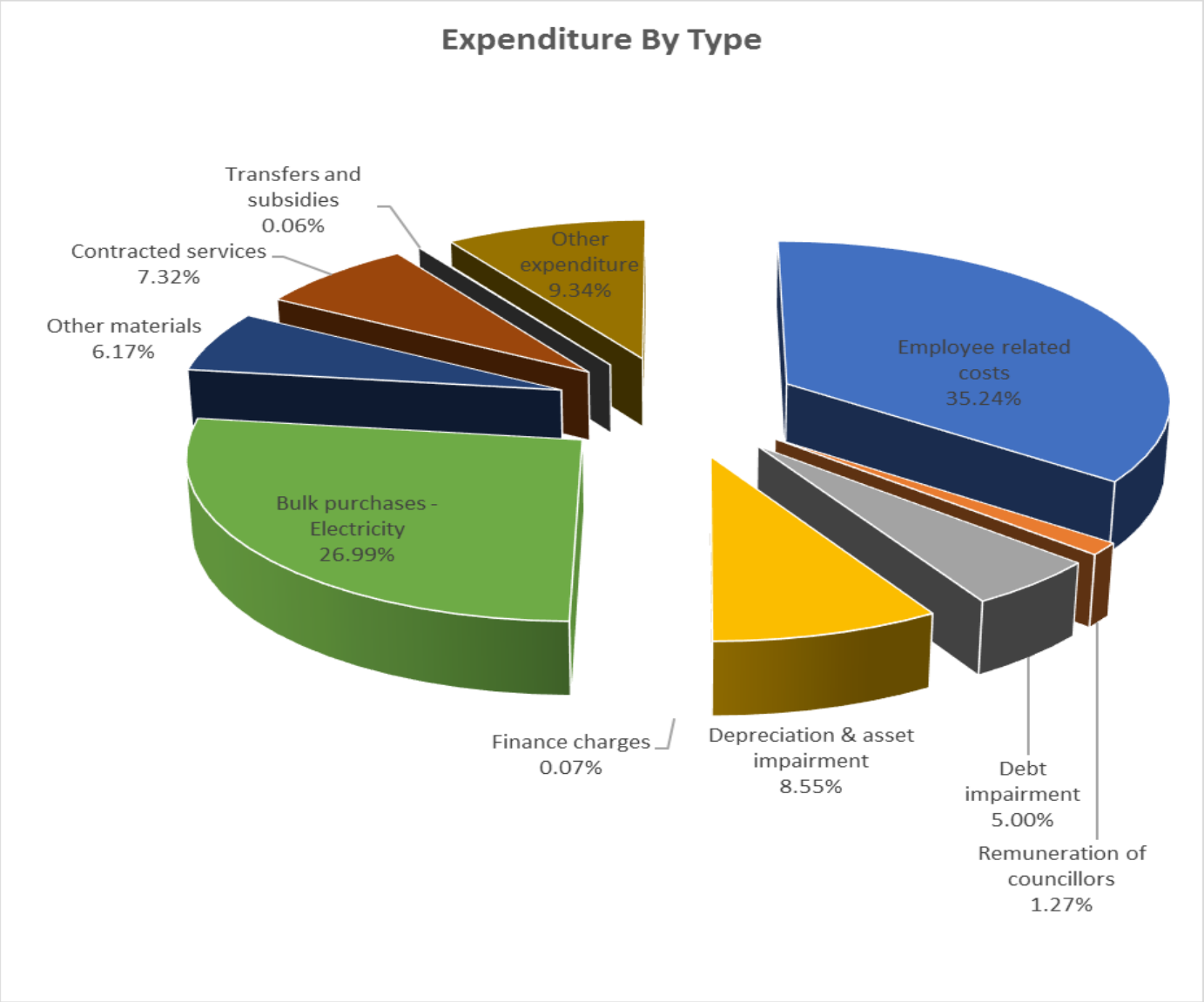


Figure 1 Main operational expenditure categories for the 2021/22 financial year

1.5.1 Priority relating to repairs and maintenance.

The repairs and maintenance expenditure in the 2021/22 financial year, decreased by R 16,193 million or 24.86% compared to the 2020/21 Adjustments Budget.

It is to be noted that repairs and maintenance, constitutes 4.56%, 4.01% and 3.91% of the total operating expenditure, for the 2021/22, 2022/23 and 2023/24 financial years, respectively.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 6 (Repairs and maintenance per asset class)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Repairs and Maintenance by Asset Class	**65 146**	**48 953**	**44 627**	**45 317**
Roads Infrastructure	30 049	11 590	1 660	1 734
Storm water Infrastructure	1 406	1 355	1 414	1 484
Electrical Infrastructure	5 353	7 227	9 955	10 318
Water Supply Infrastructure	8 829	6 386	6 665	6 960
Sanitation Infrastructure	3 022	2 915	3 043	3 179
Rail Infrastructure	207	730	803	827
Information and Communication Infrastructure	1 050	1 312	1 578	345
Infrastructure	***49 916***	***31 515***	***25 118***	***24 847***
Community Facilities	1 468	2 267	2 503	2 657
Sport and Recreation Facilities	2 219	2 044	3 559	3 700
Community Assets	***3 687***	***4 311***	***6 062***	***6 357***
Operational Buildings	3 002	2 579	2 319	2 434
Other Assets	***3 002***	***2 579***	***2 319***	***2 434***
Machinery and Equipment	**748**	**732**	**802**	**839**
Transport Assets	**7 794**	**9 816**	**10 325**	**10 840**
TOTAL EXPENDITURE OTHER ITEMS	**65 146**	**48 953**	**44 627**	**45 317**

For the 2021/22 financial year an amount of R 31,515 million (64.38%) of total repairs and maintenance, will be spent on infrastructure assets.

1.5.1 Free Basic Services: Indigent Support

The indigent support assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services, the households are required to register in terms of the Municipality's Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the indigent support of the registered indigent households is largely financed by national government through the local government equitable share allocation, received in terms of the annual Division of Revenue Act.

1.6 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 7 (2021/22 Medium-term capital budget per vote)

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Capital expenditure - Vote								
Vote 1 - EXECUTIVE COUNCIL	1 832	2.15%	2 740	4.49%	500	1.21%	500	0.82%
Vote 2 - FINANCIAL SERVICES	2 865	3.36%	2 460	4.03%	500	1.21%	-	0.00%
Vote 3 - CORPORATE SERVICES	2 386	2.80%	1 923	3.15%	200	0.48%	200	0.33%
Vote 4 - COMMUNITY SERVICES	8 307	9.75%	7 490	12.28%	2 700	6.54%	13 010	21.37%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	67 685	79.48%	45 230	74.13%	36 811	89.11%	45 439	74.65%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	2 088	2.45%	1 170	1.92%	600	1.45%	1 720	2.83%
Capital multi-year expenditure sub-total	**85 164**	**100.00%**	**61 013**	**100.00%**	**41 311**	**100.00%**	**60 869**	**100.00%**

Infrastructure and Engineering receives the highest allocation of R 45,230 million in 2021/22, which equates to 74.13%, followed by Community Services at R 7,490 million (12.28%), Executive & Council at R 2,740 million (4.49%), Financial Services at R 2,460 million (4.03%), Corporate Services at R 1,923 million (3.15%), and Planning, Development and Tourism at R 1,170 million (1.92%).

Annexure "C" provides a summary of the capital projects included in the Capital budget.

The following graph provides a breakdown of the capital budget over the MTREF.

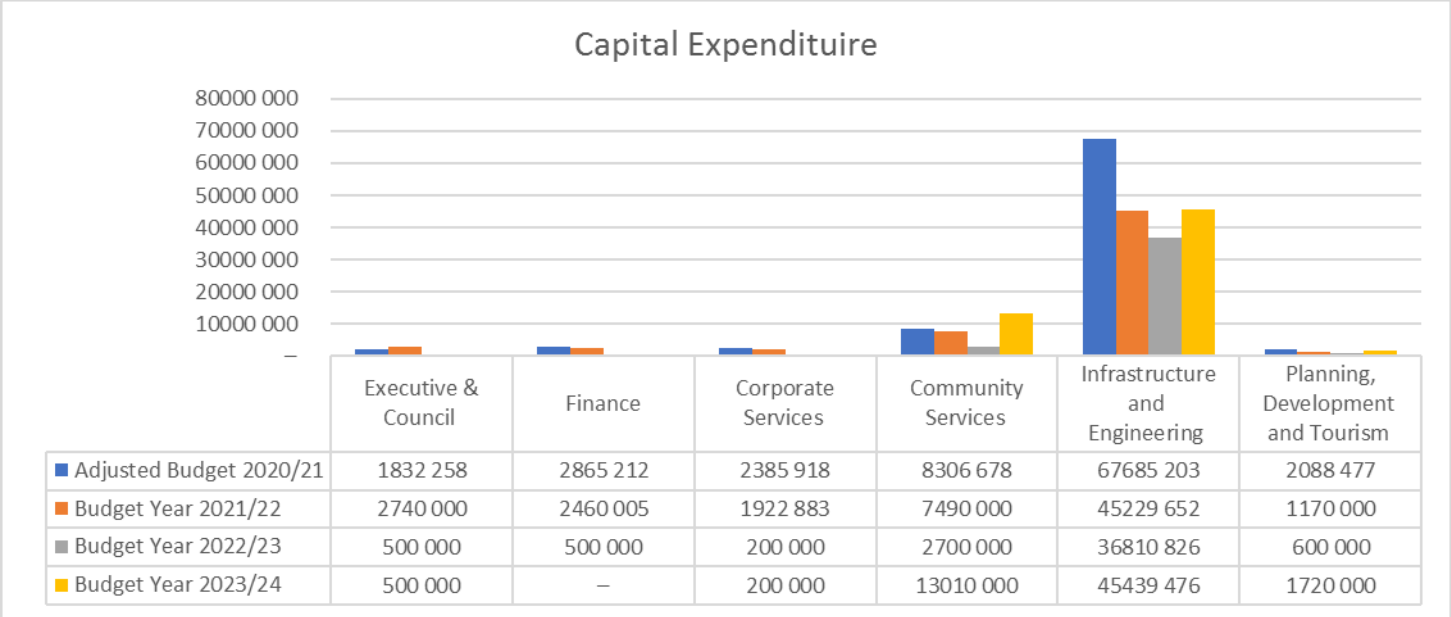


Figure 2 Capital Expenditure

1.7 ANNUAL BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2021/22 Budget and MTREF to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

Table 8 (Table A1 - Budget Summary)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousands	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Financial Performance				
Property rates	207 801	218 711	230 193	242 278
Service charges	483 561	538 133	571 860	607 766
Investment revenue	5 552	5 780	6 034	6 306
Transfers recognised - operational	166 745	152 602	162 338	164 810
Other own revenue	59 198	50 174	52 382	54 739
Total Revenue (excluding capital transfers and contributions)	922 858	965 400	1 022 807	1 075 898
Employee costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Materials and bulk purchases	309 536	356 261	374 707	390 408
Transfers and grants	761	650	650	650
Other expenditure	274 783	232 664	223 006	222 998
Total Expenditure	1 037 915	1 074 449	1 111 859	1 158 229
Surplus/(Deficit)	(115 057)	(109 049)	(89 052)	(82 330)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	53 586	40 256	41 919	43 217
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	(61 471)	(68 793)	(47 133)	(39 113)
Share of surplus/ (deficit) of associate	–	–	–	–
Surplus/(Deficit) for the year	(61 471)	(68 793)	(47 133)	(39 113)
Capital expenditure & funds sources				
Capital expenditure	85 164	61 013	41 311	60 869
Transfers recognised - capital	50 006	35 985	35 831	36 959
Public contributions & donations	–	–	–	–
Borrowing	–	–	–	–
Internally generated funds	35 158	25 028	5 480	23 910
Total sources of capital funds	85 164	61 013	41 311	60 869

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousands	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Financial position				
Total current assets	207 271	170 054	183 461	186 232
Total non current assets	2 318 735	2 287 917	2 234 148	2 196 458
Total current liabilities	237 238	182 327	182 327	182 327
Total non current liabilities	163 445	163 445	163 445	163 445
Community wealth/Equity	2 125 323	2 112 199	2 071 837	2 036 918
Cash flows				
Net cash from (used) operating	43 801	23 037	47 947	59 446
Net cash from (used) investing	(85 164)	(61 013)	(41 311)	(60 869)
Net cash from (used) financing	(9 608)	(6 747)	–	–
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Cash backing/surplus reconciliation				
Cash and investments available	90 062	45 339	51 975	50 552
Application of cash and investments	71 940	31 693	23 137	17 986
Balance - surplus (shortfall)	18 122	13 646	28 838	32 566
Asset management				
Asset register summary (WDV)	2 318 722	2 287 904	2 234 135	2 196 445
Depreciation	89 066	91 830	95 080	98 560
Renewal of Existing Assets	13 173	3 115	–	7 500
Repairs and Maintenance	65 146	48 953	44 627	45 317
Free services				
Cost of Free Basic Services provided	50 662	54 308	57 740	61 402
Revenue cost of free services provided	19 429	20 451	21 526	22 658
Households below minimum service level				
Water:	–	–	–	–
Sanitation/sewerage:	–	–	–	–
Energy:	–	–	–	–
Refuse:	–	–	–	–

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

Table 9 (Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification))

Functional Classification Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Revenue - Functional				
Governance and administration	**343 256**	**334 164**	**353 884**	**368 321**
Executive and council	734	29	31	32
Finance and administration	342 522	334 135	353 853	368 289
Internal audit	–	–	–	–
Community and public safety	**13 588**	**11 799**	**12 111**	**12 443**
Community and social services	2 498	2 516	2 537	2 559
Sport and recreation	6 054	6 302	6 579	6 875
Public safety	1 985	735	736	737
Housing	(0)	–	–	–
Health	3 051	2 246	2 259	2 272
Economic and environmental services	**26 303**	**27 734**	**27 520**	**28 751**
Planning and development	6 573	6 870	7 223	7 541
Road transport	18 341	19 419	18 788	19 633
Environmental protection	1 389	1 446	1 509	1 577
Trading services	**593 297**	**631 958**	**671 212**	**709 600**
Energy sources	304 317	349 113	369 827	392 131
Water management	112 133	109 904	117 647	124 886
Waste water management	104 840	99 787	106 640	112 295
Waste management	72 006	73 154	77 098	80 289
Other	**–**	**–**	**–**	**–**
Total Revenue - Functional	**976 444**	**1 005 656**	**1 064 726**	**1 119 115**
Expenditure - Functional				
Governance and administration	**238 130**	**243 963**	**253 740**	**260 577**
Executive and council	43 932	50 592	51 830	54 784
Finance and administration	194 178	193 351	201 884	205 763
Internal audit	21	20	25	30

Functional Classification Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Community and public safety	**99 017**	**107 514**	**116 055**	**122 817**
Community and social services	10 548	11 186	11 642	12 357
Sport and recreation	50 848	54 230	59 104	61 954
Public safety	25 389	29 328	31 812	34 129
Housing	6 643	5 884	6 229	6 594
Health	5 590	6 886	7 267	7 783
Economic and environmental services	**152 034**	**157 693**	**155 446**	**164 137**
Planning and development	40 583	45 303	46 442	48 702
Road transport	109 440	109 560	105 982	112 179
Environmental protection	2 011	2 830	3 022	3 256
Trading services	**546 626**	**561 444**	**582 822**	**606 895**
Energy sources	317 278	354 858	366 199	379 118
Water management	93 914	86 287	88 655	92 177
Waste water management	67 477	59 888	61 948	64 801
Waste management	67 957	60 412	66 021	70 799
Other	**2 107**	**3 834**	**3 796**	**3 803**
Total Expenditure - Functional	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/(Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

Table 10 (Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote))

Vote Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Revenue by Vote				
Vote 1 - EXECUTIVE COUNCIL	706	–	–	–
Vote 2 - FINANCIAL SERVICES	340 936	332 484	352 130	366 488
Vote 3 - CORPORATE SERVICES	307	1 435	1 498	1 566
Vote 4 - COMMUNITY SERVICES	105 577	105 755	110 926	115 426
Vote 5 - INFRASTRUCTURE AND ENGINEERING	524 996	561 899	595 909	631 181
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	3 922	4 082	4 262	4 454
Total Revenue by Vote	**976 444**	**1 005 656**	**1 064 726**	**1 119 115**
Expenditure by Vote				
Vote 1 - EXECUTIVE COUNCIL	45 903	52 647	52 887	55 927
Vote 2 - FINANCIAL SERVICES	108 439	107 877	108 774	112 017
Vote 3 - CORPORATE SERVICES	47 075	57 087	62 364	59 684
Vote 4 - COMMUNITY SERVICES	206 883	213 660	232 009	247 641
Vote 5 - INFRASTRUCTURE AND ENGINEERING	601 518	609 620	621 671	647 070
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	28 096	33 558	34 153	35 889
Total Expenditure by Vote	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/ (Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned. Operating revenue and expenditure are thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table 11 (Table A4 - Budgeted Financial Performance (revenue and expenditure))

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Revenue By Source				
Property rates	207 801	218 711	230 193	242 278
Service charges - electricity revenue	291 625	334 173	355 059	377 250
Service charges - water revenue	83 642	89 581	95 941	102 753
Service charges - sanitation revenue	55 057	58 635	62 447	66 506
Service charges - refuse revenue	53 237	55 744	58 414	61 257
Rental of facilities and equipment	1 122	1 169	1 220	1 275
Interest earned - external investments	5 552	5 780	6 034	6 306
Interest earned - outstanding debtors	10 253	10 674	11 143	11 645
Dividends received	–	–	–	–
Fines, penalties and forfeits	2 150	2 238	2 336	2 441
Licences and permits	24 732	25 746	26 878	28 088
Agency services	–	–	–	–
Transfers and subsidies	166 745	152 602	162 338	164 810
Other revenue	20 941	10 348	10 804	11 290
Gains	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**922 858**	**965 400**	**1 022 807**	**1 075 898**
Expenditure By Type				
Employee related costs	348 729	378 677	403 878	430 130
Remuneration of councillors	13 651	13 651	14 538	15 483
Debt impairment	70 162	53 726	40 660	34 468
Depreciation & asset impairment	89 066	91 830	95 080	98 560
Finance charges	1 388	716	–	–
Bulk purchases	246 173	290 000	302 760	316 384
Other materials	63 363	66 261	71 947	74 024
Contracted services	93 559	78 598	79 299	80 156
Transfers and subsidies	761	650	650	650
Other expenditure	111 062	100 339	103 047	108 374
Losses	–	–	–	–
Total Expenditure	**1 037 915**	**1 074 449**	**1 111 859**	**1 158 229**
Surplus/(Deficit)	**(115 057)**	**(109 049)**	**(89 052)**	**(82 330)**

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	53 586	40 256	41 919	43 217
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	0	0	0	0
Transfers and subsidies - capital (in-kind - all)	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Taxation	–	–	–	–
Surplus/(Deficit) after taxation	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Attributable to minorities	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**
Share of surplus/ (deficit) of associate	–	–	–	–
Surplus/(Deficit) for the year	**(61 471)**	**(68 793)**	**(47 133)**	**(39 113)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.

2. Total revenue (excluding capital transfers and contributions) amounts to R 965,400 million in 2021/22 and increases to R 1,075,898 billion in 2023/24.This represents a year-on-year increase of 4.61% for the 2021/22 financial year and increases of 5.95% for the 2022/23 financial year and 5.19% for the 2023/24 financial year, respectively.

3. Revenue from property rates amounts to R 218,711 million in the 2021/22 financial year and increases to R 242,278 million in 2023/24, which amounts to 22.65% of the total operating revenue base of the Municipality.

4. Services charges relating to electricity, water, sanitation, environmental management and refuse collection constitute the biggest component of the total revenue base, amounting to R 538,133 million for the 2021/22 financial year and increasing to R 607,766 million in 2023/24. For the 2021/22 financial year services charges amount to 55.74% of the total revenue base.

5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It is to be noted that the grants decreased by 8.48% for 2021/22, increases by 6.38% for 2022/23 and increased by 1.52% for 2023/24, compared to the 2020/21 Adjustments Budget.

Below a breakdown of property rates and service charges for 2021/22:

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure	
	Adjusted Budget	Budget Year 2021/22	%
R thousands			
Revenue By Source			
Property rates	207 801	218 711	5.25%
Service charges - electricity revenue	291 625	334 173	14.59%
Service charges - water revenue	83 642	89 581	7.10%
Service charges - sanitation revenue	55 057	58 635	6.50%
Service charges - refuse revenue	38 566	41 073	6.50%
Service charges - environment management revenue	14 671	14 671	0.00%

Table 12 (Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source)

Vote Description	Current Year 2020/21	2020122 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Capital expenditure - Vote				
Multi-year expenditure *to be appropriated*				
Vote 1 - EXECUTIVE COUNCIL	1 832	2 740	500	500
Vote 2 - FINANCIAL SERVICES	2 865	2 460	500	–
Vote 3 - CORPORATE SERVICES	2 386	1 923	200	200
Vote 4 - COMMUNITY SERVICES	8 307	7 490	2 700	13 010
Vote 5 - INFRASTRUCTURE AND ENGINEERING	67 685	45 230	36 811	45 439
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	2 088	1 170	600	1 720
Total Capital Expenditure - Vote	**85 164**	**61 013**	**41 311**	**60 869**
Capital Expenditure - Functional				
Governance and administration	**7 133**	**8 963**	**2 080**	**2 410**
Executive and council	1 132	2 240	500	500
Finance and administration	6 001	6 723	1 580	1 910
Internal audit	–	–	–	–
Community and public safety	**18 886**	**8 987**	**5 917**	**11 081**
Community and social services	–	570	520	1 300
Sport and recreation	12 245	6 217	4 797	4 681
Public safety	5 882	2 200	600	4 100
Housing	760	–	–	1 000
Health	–	–	–	–

Vote Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Economic and environmental services	**6 880**	**15 555**	**8 953**	**32 000**
Planning and development	2 871	1 120	600	720
Road transport	4 009	14 435	8 353	31 280
Environmental protection	–	–	–	–
Trading services	**52 164**	**27 458**	**24 360**	**15 379**
Energy sources	18 984	9 783	6 182	6 087
Water management	7 827	2 245	180	180
Waste water management	24 453	14 630	17 649	3 262
Waste management	900	800	350	5 850
Other	**100**	**50**	**–**	**–**
Total Capital Expenditure - Functional	**85 164**	**61 013**	**41 311**	**60 869**
Funded by:				
National Government	44 888	34 385	35 831	36 959
District Municipality	5 118	1 600	–	–
Transfers recognised - capital	**50 006**	**35 985**	**35 831**	**36 959**
Internally generated funds	35 158	25 028	5 480	23 910
Total Capital Funding	**85 164**	**61 013**	**41 311**	**60 869**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The capital programme is funded from national grants and internally generated funds. For 2021/22, capital transfers totals R 35,985 million (58.98%) and amounts to R 36,959 million for 2023/24 (60.72%). Internally generated funding amounts to R 25,028 million, R 5,480 million and R 23,910 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in Section 2.6 (Overview of Budget Funding).

Table 13 (Table A6 - Budgeted Financial Position)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
ASSETS				
Current assets				
Cash	24 281	12 224	14 012	12 589
Call investment deposits	65 781	33 116	37 962	37 962
Consumer debtors	67 394	67 296	67 222	67 161
Other debtors	41 014	48 618	55 462	59 717
Current portion of long-term receivables	3	3	3	3
Inventory	8 798	8 798	8 798	8 798
Total current assets	**207 271**	**170 054**	**183 461**	**186 232**
Non current assets				
Long-term receivables	13	13	13	13
Investments	–	–	–	–
Investment property	242 552	242 552	242 552	242 552
Investment in Associate	–	–	–	–
Property, plant and equipment	2 074 493	2 042 419	1 988 400	1 950 410
Agricultural	–	–	–	–
Biological	–	–	–	–
Intangible	1 677	2 934	3 184	3 484
Other non-current assets	–	–	–	–
Total non current assets	**2 318 735**	**2 287 917**	**2 234 148**	**2 196 458**
TOTAL ASSETS	**2 526 006**	**2 457 971**	**2 417 609**	**2 382 690**
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Borrowing	6 747	0	0	0
Consumer deposits	17 378	17 378	17 378	17 378
Trade and other payables	183 464	135 300	135 300	135 300
Provisions	29 649	29 649	29 649	29 649
Total current liabilities	**237 238**	**182 327**	**182 327**	**182 327**
Non current liabilities				
Borrowing	–	–	–	–
Provisions	163 445	163 445	163 445	163 445
Total non current liabilities	**163 445**	**163 445**	**163 445**	**163 445**
TOTAL LIABILITIES	**400 683**	**345 772**	**345 772**	**345 772**
NET ASSETS	**2 125 323**	**2 112 199**	**2 071 837**	**2 036 918**
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	2 125 323	2 112 199	2 071 837	2 036 918
Reserves	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**2 125 323**	**2 112 199**	**2 071 837**	**2 036 918**

Explanatory notes to Table A6 - Budgeted Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e., assets readily converted to cash or liabilities immediately required to be met from cash appear first.

2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

Table 14 (Table A7 - Budgeted cash flow statement)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	187 021	203 401	218 684	232 587
Service charges	435 205	500 464	543 267	583 455
Other revenue	48 944	39 500	41 238	43 094
Transfers and Subsidies - Operational	166 705	152 602	162 338	164 810
Transfers and Subsidies - Capital	37 164	40 256	41 919	43 217
Interest	14 780	15 706	16 620	17 485
Dividends	–	–	–	–
Payments				
Suppliers and employees	(843 870)	(927 527)	(975 470)	(1 024 551)
Finance charges	(1 388)	(716)	–	–
Transfers and Grants	(761)	(650)	(650)	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**43 801**	**23 037**	**47 947**	**59 446**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(85 164)	(61 013)	(41 311)	(60 869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(85 164)**	**(61 013)**	**(41 311)**	**(60 869)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(9 608)	(6 747)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(9 608)**	**(6 747)**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 970)**	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the year begin:	141 032	**90 062**	**45 339**	**51 975**
Cash/cash equivalents at the year end:	**90 062**	**45 339**	**51 975**	**50 552**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

2. It reflects the expected cash in-flows versus cash outflows that are likely to result from the implementation of the budget.

3. The cash position of the Municipality increases over the 2021/22 to 2023/24 period, from R 45, 339 million to R 50,552 million.

4. Cash and cash equivalents amount to R 45,339 million as at the end of the 2021/22 financial year and increases to R 50,552 million in 2023/24.

Table 15 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash and investments available				
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Other current investments > 90 days	(0)	0	0	0
Non current assets - Investments	–	–	–	–
Cash and investments available:	**90 062**	**45 339**	**51 975**	**50 552**
Application of cash and investments				
Unspent conditional transfers	–	–	–	–
Unspent borrowing	–	–	–	–
Statutory requirements				
Other working capital requirements	70 766	28 517	19 961	14 810
Other provisions	1 174	3 176	3 176	3 176
Long term investments committed	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–
Total Application of cash and investments:	**71 940**	**31 693**	**23 137**	**17 986**
Surplus(shortfall)	**18 122**	**13 646**	**28 838**	**32 566**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.

4. It is to be noted that the budget moves from a funding surplus of R 13,646 million in 2021/22 to a funding surplus of R 32,566 million in 2023/24.

Table 16 (Table A9 - Asset Management)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CAPITAL EXPENDITURE				
Total New Assets	**45 603**	**27 945**	**11 562**	**22 497**
Electrical Infrastructure	14 204	8 383	6 182	6 087
Water Supply Infrastructure	–	570	520	300
Sanitation Infrastructure	16 955	3 430	800	800
Solid Waste Infrastructure	250	1 370	–	–
Information and Communication Infrastructure	757	700	500	6 500
Infrastructure	***32 166***	***14 453***	***8 002***	***13 687***
Community Facilities	3 092	1 650	700	100
Sport and Recreation Facilities	–	200	–	–
Community Assets	***3 092***	***1 850***	***700***	***100***
Revenue Generating	100	–	–	–
Non-revenue Generating	360	–	–	1 000
Investment properties	***460***	**–**	**–**	***1 000***
Operational Buildings	469	1 106	–	1 600
Other Assets	***469***	***1 106***	**–**	***1 600***
Licences and Rights	1 516	1 257	250	300
Intangible Assets	***1 516***	***1 257***	***250***	***300***
Computer Equipment	**2 578**	**1 350**	**530**	**660**
Furniture and Office Equipment	**1 310**	**1 770**	**900**	**770**
Machinery and Equipment	**3 612**	**2 960**	**1 180**	**1 880**
Transport Assets	**400**	**3 200**	**–**	**2 500**
Total Renewal of Existing Assets	**13 173**	**3 115**	**–**	**7 500**
Roads Infrastructure	2 270	–	–	7 500
Electrical Infrastructure	3 000	–	–	–
Water Supply Infrastructure	1 350	1 565	–	–
Information and Communication Infrastructure	–	1 500	–	–
Infrastructure	***6 620***	***3 065***	**–**	***7 500***
Community Facilities	100	50	–	–
Sport and Recreation Facilities	200	–	–	–
Community Assets	***300***	***50***	**–**	**–**
Revenue Generating	6 253	–	–	–
Investment properties	***6 253***	**–**	**–**	**–**
Total Upgrading of Existing Assets	**26 387**	**29 952**	**29 749**	**30 873**
Roads Infrastructure	1 739	14 235	8 353	23 780
Electrical Infrastructure	–	1 400	–	–
Water Supply Infrastructure	400	–	–	–
Sanitation Infrastructure	13 175	9 830	16 849	2 462
Information and Communication Infrastructure	5 087	–	–	–
Infrastructure	***20 401***	***25 465***	***25 202***	***26 242***
Sport and Recreation Facilities	5 986	4 237	4 547	4 631
Community Assets	***5 986***	***4 237***	***4 547***	***4 631***

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Computer Equipment	**–**	**250**	**–**	**–**
Total Capital Expenditure	**85 164**	**61 013**	**41 311**	**60 869**
Roads Infrastructure	4 009	14 235	8 353	31 280
Electrical Infrastructure	17 204	9 783	6 182	6 087
Water Supply Infrastructure	1 750	2 135	520	300
Sanitation Infrastructure	30 130	13 260	17 649	3 262
Solid Waste Infrastructure	250	1 370	–	–
Information and Communication Infrastructure	5 845	2 200	500	6 500
Infrastructure	***59 188***	***42 983***	***33 203***	***47 429***
Community Facilities	3 192	1 700	700	100
Sport and Recreation Facilities	6 186	4 437	4 547	4 631
Community Assets	***9 379***	***6 137***	***5 247***	***4 731***
Revenue Generating	6 353	–	–	–
Non-revenue Generating	360	–	–	1 000
Investment properties	***6 713***	**–**	**–**	***1 000***
Operational Buildings	469	1 106	–	1 600
Other Assets	***469***	***1 106***	**–**	***1 600***
Licences and Rights	1 516	1 257	250	300
Intangible Assets	***1 516***	***1 257***	***250***	***300***
Computer Equipment	**2 578**	**1 600**	**530**	**660**
Furniture and Office Equipment	**1 310**	**1 770**	**900**	**770**
Machinery and Equipment	**3 612**	**2 960**	**1 180**	**1 880**
Transport Assets	**400**	**3 200**	**–**	**2 500**
TOTAL CAPITAL EXPENDITURE - Asset class	**85 164**	**61 013**	**41 311**	**60 869**
ASSET REGISTER SUMMARY - PPE (WDV)	2 318 722	2 287 904	2 234 135	2 196 445
Roads Infrastructure	625 091	615 836	613 846	619 215
Storm water Infrastructure	46 564	45 925	45 115	44 247
Electrical Infrastructure	481 825	474 003	470 402	470 307
Water Supply Infrastructure	344 636	344 358	341 856	341 389
Sanitation Infrastructure	82 945	67 176	71 564	57 177
Solid Waste Infrastructure	16 009	16 009	16 009	16 009
Information and Communication Infrastructure	0	250		
Infrastructure	***1 597 070***	***1 563 557***	***1 558 792***	***1 548 344***
Community Assets	34 096	25 373	24 620	30 320
Heritage Assets	–			
Investment properties	242 552	242 552	242 552	242 552
Other Assets	144 063	143 126	110 196	57 777
Intangible Assets	1 677	2 934	3 184	3 484
Computer Equipment	9 143	9 198	6 738	6 368
Furniture and Office Equipment	14 246	17 122	14 152	14 022
Machinery and Equipment	16 212	28 792	21 250	37 427
Transport Assets	19 534	15 481	12 881	15 381
Land	240 131	239 771	239 771	240 771
Zoo's, Marine and Non-biological Animals	–			
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**2 318 722**	**2 287 904**	**2 234 135**	**2 196 445**

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
EXPENDITURE OTHER ITEMS				
Depreciation	89 066	91 830	95 080	98 560
Repairs and Maintenance by Asset Class	**65 146**	**48 953**	**44 627**	**45 317**
Roads Infrastructure	30 049	11 590	1 660	1 734
Storm water Infrastructure	1 406	1 355	1 414	1 484
Electrical Infrastructure	5 353	7 227	9 955	10 318
Water Supply Infrastructure	8 829	6 386	6 665	6 960
Sanitation Infrastructure	3 022	2 915	3 043	3 179
Rail Infrastructure	207	730	803	827
Information and Communication Infrastructure	1 050	1 312	1 578	345
Infrastructure	***49 916***	***31 515***	***25 118***	***24 847***
Community Facilities	1 468	2 267	2 503	2 657
Sport and Recreation Facilities	2 219	2 044	3 559	3 700
Community Assets	***3 687***	***4 311***	***6 062***	***6 357***
Operational Buildings	3 002	2 579	2 319	2 434
Other Assets	***3 002***	***2 579***	***2 319***	***2 434***
Machinery and Equipment	**748**	**732**	**802**	**839**
Transport Assets	**7 794**	**9 816**	**10 325**	**10 840**
TOTAL EXPENDITURE OTHER ITEMS	**154 212**	**140 783**	**139 707**	**143 877**
Renewal and upgrading of Existing Assets as % of total capex	*46.5%*	*54.2%*	*72.0%*	*63.0%*
Renewal and upgrading of Existing Assets as % of deprecn	*44.4%*	*36.0%*	*31.3%*	*38.9%*
R&M as a % of PPE	*3.1%*	*2.4%*	*2.2%*	*2.3%*
Renewal and upgrading and R&M as a % of PPE	*5.0%*	*4.0%*	*3.0%*	*4.0%*

Explanatory notes to Table A9 - Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and also reflects the relevant asset categories. The associated repairs and maintenance and depreciation are also reflected.

   It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

2. National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE. In this regard the expenditure relating to the renewal/rehabilitation of existing assets amounts to 57.6% of the capital budget, whilst repairs and maintenance constitute 2.4% of PPE.

Table 17 (Table A10 - Basic Service Delivery Measurement)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Household service targets				
Water:				
Piped water inside dwelling	–	–	–	–
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (at least min.service level)	–	–	–	–
Other water supply (at least min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Using public tap (< min.service level)	–	–	–	–
Other water supply (< min.service level)	–	–	–	–
No water supply	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	**–**	**–**	**–**	**–**
Sanitation/sewerage:				
Flush toilet (connected to sewerage)	–	–	–	–
Flush toilet (with septic tank)	–	–	–	–
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Bucket toilet	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–
No toilet provisions	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	**–**	**–**	**–**	**–**
Energy:				
Electricity (at least min.service level)	–	–	–	–
Electricity - prepaid (min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	**–**	**–**	**–**	**–**
Refuse:				
Removed at least once a week	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–
Removed less frequently than once a week	–	–	–	–
Using communal refuse dump	–	–	–	–
Using own refuse dump	–	–	–	–
Other rubbish disposal	–	–	–	–
No rubbish disposal	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–
Total number of households	**–**	**–**	**–**	**–**

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Households receiving Free Basic Service				
Water (6 kilolitres per household per month)	36 063 383	38 317 522	40 725 697	43 298 452
Sanitation (free minimum level service)	9 123 753	9 716 797	10 348 389	11 021 034
Electricity/other energy (50kwh per household per month)	5 474 948	6 273 743	6 665 852	7 082 468
Refuse (removed at least once a week)	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)				
Water (6 kilolitres per **indigent** household per month)	36 063	38 318	40 726	43 298
Sanitation (free sanitation service to **indigent households**)	9 124	9 717	10 348	11 021
Electricity/other energy (50kwh per **indigent** household per month)	5 475	6 274	6 666	7 082
Refuse (removed once a week **for indigent households**)	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–
Total cost of FBS provided	**50 662**	**54 308**	**57 740**	**61 402**
Highest level of free service provided per household				
Property rates (R value threshold)				
Water (kilolitres per household per month)				
Sanitation (kilolitres per household per month)				
Sanitation (Rand per household per month)				
Electricity (kwh per household per month)				
Refuse (average litres per week)				
Revenue cost of subsidised services provided (R'000)				
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**	19 429	20 451	21 526	22 658
Water **(in excess of 6 kilolitres per indigent household per month)**	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–
Housing - top structure subsidies	–	–	–	–
Other	–	–	–	–
Total revenue cost of subsidised services provided	**19 429**	**20 451**	**21 526**	**22 658**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The Budget process started in September 2020 after the approval of a timetable to guide the preparation of the 2021/22 to 2023/24 Operating and Capital Budgets.

The timetable provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business and labour, during April/May 2021. The main aim of the timetable was to ensure that an IDP and a balanced Budget are tabled in May 2021. The Annual Budget and IDP will be tabled by the Executive Mayor at a Council meeting scheduled for 28 May 2021. After this meeting, it will be submitted to National and Provincial Treasury.

The budget consultation process took the form of publication of the Draft Budget on municipal website, Facebook, virtual meetings with different wards and radio presentation of the Draft Budget by the Executive Mayor. The inputs of the aforementioned consultations were taken into account, whilst the Executive Mayor will table the IDP and Budget for consideration and approval at a Council meeting scheduled for 28 May 2021.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

2.1.1 IDP & Budget Timetable 2021/22 to 2023/24

The preparation of the 2021/22 to 2023/24 IDP and Budget were guided by the following schedule of key deadlines as approved by Council on 28 August 2020.

Activity	Date
IDP/Budget Schedule approved by Council	28 August 2020
Tabling of draft IDP and Budget in Council	31 March 2021
Public Participation	During April 2021
Final adoption of IDP and Budget by Council	28 May 2021
Approval of SDBIP by Executive Mayor	26 June 2021

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act, was guided and informed by the following principles:

- Achievement of the five strategic priorities of the municipality.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2021/22 to 2023/24 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The budget consultation process took the form of publication of the Draft Budget on municipal website, Facebook, radio presentation of the Draft Budget by the Executive Mayor, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings were referred to the relevant Directorates for their attention.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Description of financial indicator	Basis of calculation	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
		Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Borrowing Management					
Credit Rating					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.1%	0.7%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.5%	0.9%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%
Safety of Capital					
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%
Liquidity					
Current Ratio	Current assets/current liabilities	0.9	0.9	1.0	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.9	1.0	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.2	0.3	0.3
Revenue Management					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		90.0%	93.0%	95.0%	96.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	12.0%	12.0%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				
Creditors Management					
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))				
Creditors to Cash and Investments		-203.7%	-298.4%	-260.3%	-267.6%

Description of financial indicator	Basis of calculation	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
		Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Other Indicators					
Electricity Distribution Losses (2)	Total Volume Losses (kW)				
	Total Cost of Losses (Rand '000)				
	% Volume (units purchased and generated less units sold)/units purchased and generated				
Water Distribution Losses (2)	Total Volume Losses (kℓ)				
	Total Cost of Losses (Rand '000)				
	% Volume (units purchased and generated less units sold)/units purchased and generated				
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.8%	39.2%	39.5%	40.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39.3%	40.6%	40.9%	41.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.1%	5.1%	4.4%	4.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.8%	9.6%	9.3%	9.2%
IDP regulation financial viability indicators	-				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	31.2	48.9	49.2	52.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.7%	15.3%	15.3%	14.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.3	0.6	0.7	0.6

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure may be funded from capital grants, internal sources and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators formed part of the compilation of the 2021/22 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing, compared to the total operating expenditure. The cost of borrowing amounts to 0.7% of total operating expenditure in the 2021/2 financial year and reduces to 0.0% in 2022/23.

2.3.1.2 Liquidity

- The c*urrent ratio* is a measure of the current assets divided by the current liabilities. The Municipality has set a benchmark limit of 1. For the 2021/22 MTREF, the current ratio is 0.9 in the 2021/22, 1.0 in the 2022/23 and 1.0 in the 2023/24 financial years.

- *The liquidity ratio* is a measure of the municipality's ability to utilise cash and cash equivalents to meets its current liabilities. A liquidity ratio of 1 should be maintained. For the 2021/22 MTREF, the liquidity ratio is at 0.2:1. This represents a significant risk for the Municipality, as any under collection of revenue will result in financial challenges for the Municipality. As part of the medium-term financial planning objectives, this ratio must be maintained at a minimum of 1.

2.3.2 Basic social services package for indigent households

The Constitution stipulates that a municipality must structure and manage its administration, budgeting and planning so as to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, as a result of adverse social and economic conditions.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

2.4.1 Financial Management Policies

A number of policies have been adopted by the Council. The policies govern the financial management functions of the Municipality, such as supply chain management, budget virements, credit control and debt collection, etc.

2.4.2 Review of credit control and debt collection policies

The Customer Care, Credit Control and Debt Collection Policy was reviewed and approved by Council on 30 October 2018.

The 2021/22 MTREF has been prepared on the basis of achieving an average revenue collection rate of 93% of current billings for property rate and service charges.

2.4.3 Supply Chain Management Policy

A revised Supply Chain Management Policy was adopted by Council in 29 March 2018.

2.4.4 Property Rates Policy

A revised Property Rates Policy was adopted by Council in February 2018.

2.4.5 Funding and Reserves Policy

The Funding and Reserves Policy was adopted by Council in May 2016.

2.4.6 Cost Containment Policy

The Cost Containment Policy was adopted by Council in May 2016.

2.4.7 Cash Management and Investment Policy

The Cash Management and Investment Policy was adopted by Council in May 2016.

2.4.8 Borrowing Policy

The Borrowing Policy was adopted by Council in May 2016.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Indigent Policy.
- Budget virement Policy.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.
- No growth in property rates income has been provided for, in view of the depressed property market.

The Municipality faced the following significant challenges in preparing the 2021/22 – 2023/24 Budget:

- Maintaining an acceptable employee related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The multi-year budget is therefore underpinned by the following assumptions:

	2021/22	**2022/23**	**2023/24**
Income	**%**	**%**	**%**
Tariff Increases for water	7.1	7.1	7.1
Tariff Increases for sanitation	6.5	6.5	6.5
Tariff Increases for refuse	6.5	6.5	6.5
Property rates increase	5.25	5.25	5.25
Electricity tariff increase (on average)	6.25	6.25	6.25
Environmental Management Fee increase	0	0	0
Revenue collection rates (Property Rates and Service Charges)	93	95	96

	2021/22	2022/23	2023/24
Expenditure increases allowed	4.5	4.6	4.6
Salary increase	6	6	6
Increase in bulk purchase of electricity costs	17.8	4.4	4.5
Increase in bulk purchase of water costs	4.1	4.4	4.5

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following table provides a breakdown of operating revenue over the medium-term:

Table 18 (Breakdown of the operating revenue over the medium-term)

The following graph is a breakdown of the operational revenue per main category for the 2021/22 financial year.

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
R thousands								
Revenue By Source								
Property rates	207 801	22.52%	218 711	22.65%	230 193	22.51%	242 278	22.52%
Service charges	483 561	52.40%	538 133	55.74%	571 860	55.91%	607 766	56.49%
Transfers and subsidies	166 745	18.07%	152 602	15.81%	162 338	15.87%	164 810	15.32%
Other revenue	64 750	7.02%	55 954	5.80%	58 416	5.71%	61 044	5.67%
Total Revenue (excluding capital transfers and contributions)	**922 858**	**100.00%**	**965 400**	**100.00%**	**1 022 807**	**100.00%**	**1 075 898**	**100.00%**

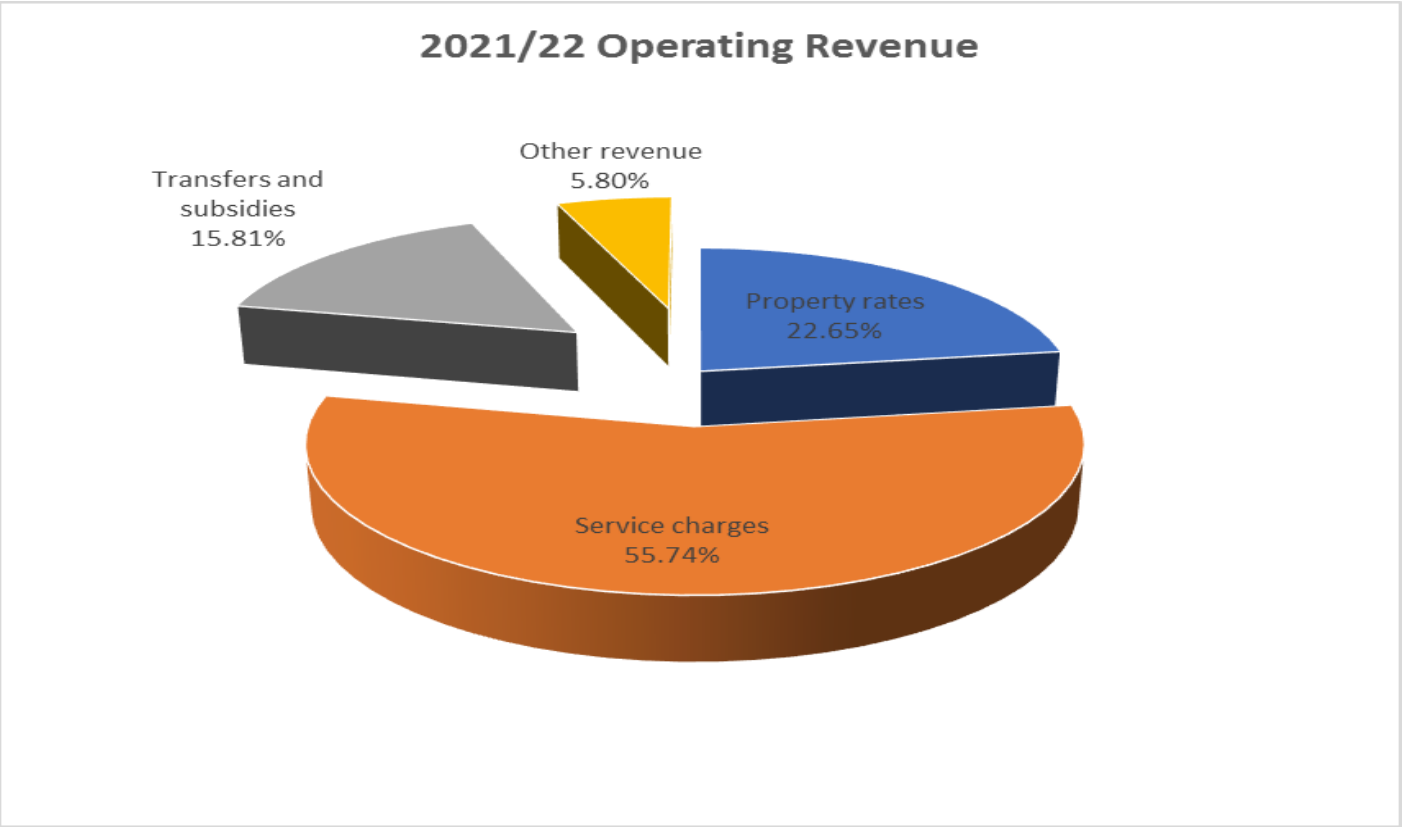


Figure 3 Breakdown of operating revenue over the 2020/21 MTRE

Tariff determination is important in ensuring appropriate levels of revenue, in order to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- The Property Rates Policy.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to take into account maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Efficient revenue management, targeting an 93% annual collection rate for property rates and service charges.
- Growth in the revenue base.

The aforementioned principles guided the annual increases in property rates and tariffs, charged to the consumer.

Property rates amounts to R 218,711 million in the 2021/22 financial year and increases to R 242,278 million in 2023/24, representing 22.65% of the total operating revenue for the 2021/22 budget.

Services charges relating to electricity, water, sanitation, environmental management and refuse collection constitute the largest component of the revenue base, amounting to R 538,133 million in the 2021/22 financial year and increasing to R 607,766 million in 2023/24. For the 2021/22 financial year, services charges amount to 55.74% of the total revenue base.

Operational grants and subsidies amount to R 152,602 million, R 162,338 million and R 164,810 million for each of the respective financial years of the MTREF, or 15.81% of total operating revenue for 2021/22.

The table below provides investment particulars by type.

Table 19 (SA15 – Detail Investment Information)

Investment type	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand				
Parent municipality				
Securities - National Government				
Listed Corporate Bonds				
Deposits - Bank	90 062	**45 339**	**51 975**	**50 552**
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers' Acceptance Certificates				
Negotiable Certificates of Deposit - Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements - Banks				
Municipal Bonds				
Municipality sub-total	**90 062**	**45 339**	**51 975**	**50 552**
Entities				
Securities - National Government				
Listed Corporate Bonds				
Deposits - Bank				
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers' Acceptance Certificates				
Negotiable Certificates of Deposit - Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements - Banks				
Entities sub-total	–	–	–	–
Consolidated total:	**90 062**	**45 339**	**51 975**	**50 552**

Investments are anticipated to increase from R 45,339 million in 2021/22 to R 50,552 million in 2023/24.

2.6.2 Medium-term outlook: capital revenue

The following table provides a breakdown of the funding components of the 2021/22 medium-term capital programme:

Table 20 (Sources of capital revenue over the MTREF)

Vote Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Funded by:				
National Government	44 888	34 385	35 831	36 959
Provincial Government	0	–	–	–
District Municipality	5 118	1 600	–	–
Transfers recognised - capital	**50 006**	**35 985**	**35 831**	**36 959**
Public contributions & donations	–	–	–	–
Borrowing	–	–	–	–
Internally generated funds	35 158	25 028	5 480	23 910
Total Capital Funding	**85 164**	**61 013**	**41 311**	**60 869**

The above table is graphically represented as follows for the 2021/22 financial year.

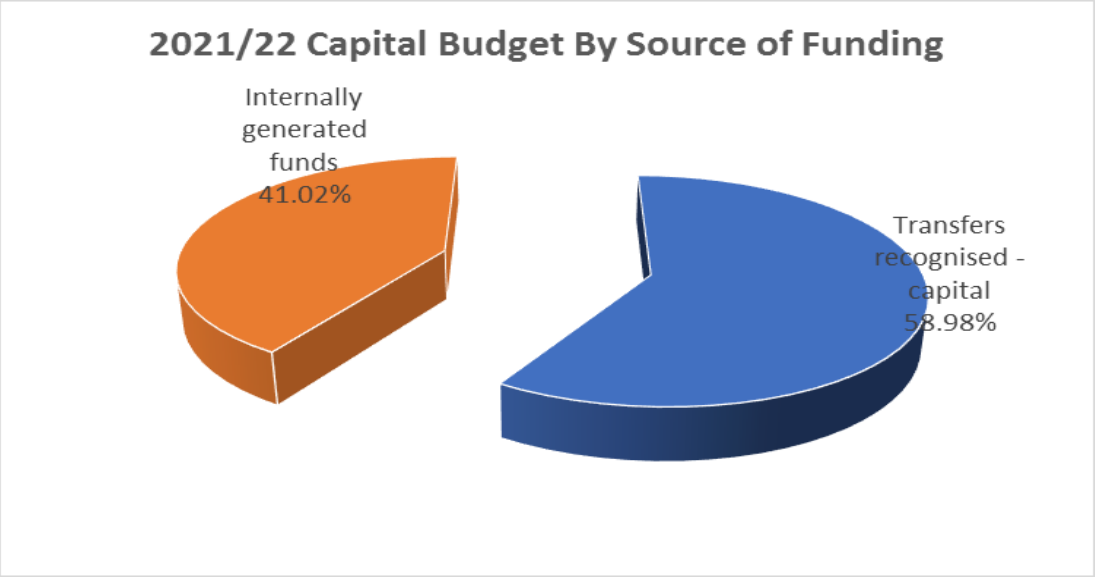


Figure 4 Sources of Capital Revenue for the 2020/21 financial year

Capital Grants constitute 58.98% of the total funding sources, amounting to R 35,985 million for the 2021/22 financial year and amounting to R 36,959 million or 60.72% in the 2023/24 financial year.
It is to be noted that no borrowing is planned for the 2021/22 MTREF, in view of financial affordability considerations.

The following table provides a detailed analysis of the Municipality's borrowings.

Table 21 (Table SA 17 - Detail of borrowings)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Parent municipality				
Annuity and Bullet Loans	6 747	–	–	–
Total Borrowing	6 747	–	–	–

The following graph illustrates the outstanding borrowing for the 2021/22 to 2023/24 period:

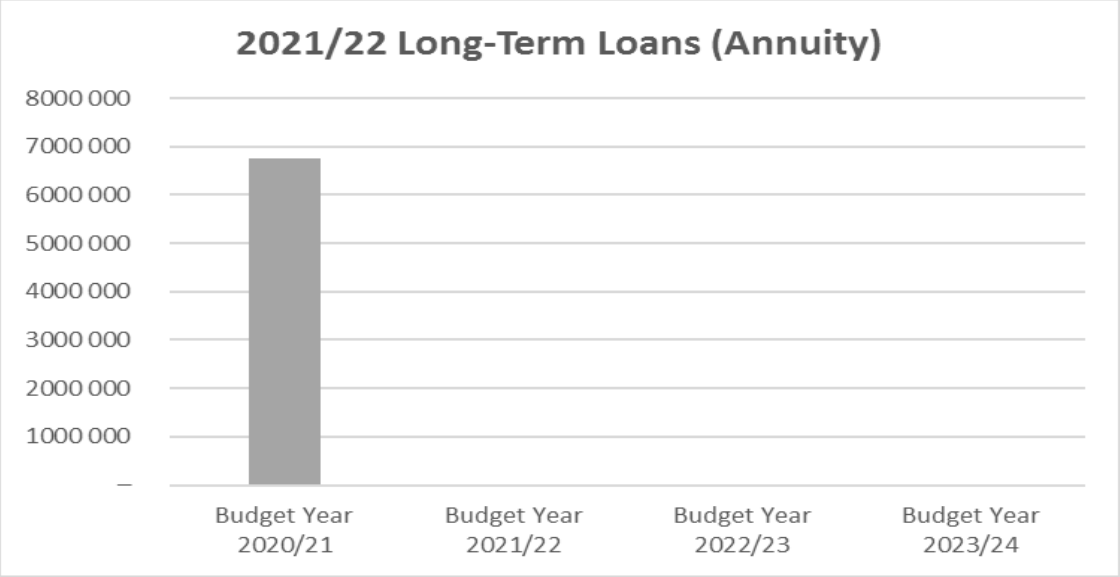


Figure 5 Growth in outstanding borrowing (long-term liabilities)

The following table indicates the capital transfers and grant receipts:

Table 22 (Table SA 18 - Transfers and grant receipts)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue:General Revenue:Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**
Capital Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total Capital Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining whether the budget is funded over the medium-term. The table includes some specific features:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Table 23 (Table A7 - Budgeted cash flow statement)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	187 021	203 401	218 684	232 587
Service charges	435 205	500 464	543 267	583 455
Other revenue	48 944	39 500	41 238	43 094
Transfers and Subsidies - Operational	166 705	152 602	162 338	164 810
Transfers and Subsidies - Capital	37 164	40 256	41 919	43 217
Interest	14 780	15 706	16 620	17 485
Dividends	–	–	–	–
Payments				
Suppliers and employees	(843 870)	(927 527)	(975 470)	(1 024 551)
Finance charges	(1 388)	(716)	–	–
Transfers and Grants	(761)	(650)	(650)	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**43 801**	**23 037**	**47 947**	**59 446**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(85 164)	(61 013)	(41 311)	(60 869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(85 164)**	**(61 013)**	**(41 311)**	**(60 869)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(9 608)	(6 747)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(9 608)**	**(6 747)**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 970)**	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the year begin:	141 032	**90 062**	**45 339**	**51 975**
Cash/cash equivalents at the year end:	**90 062**	**45 339**	**51 975**	**50 552**

For the 2021/22 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R 45,339 million in 2021/22 million to R 50,552 million in 2023/24.

Table 24 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash and investments available				
Cash/cash equivalents at the year end	90 062	45 339	51 975	50 552
Other current investments > 90 days	(0)	0	0	0
Non current assets - Investments	–	–	–	–
Cash and investments available:	**90 062**	**45 339**	**51 975**	**50 552**
Application of cash and investments				
Unspent conditional transfers	–	–	–	–
Unspent borrowing	–	–	–	–
Statutory requirements				
Other working capital requirements	70 766	28 517	19 961	14 810
Other provisions	1 174	3 176	3 176	3 176
Long term investments committed	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–
Total Application of cash and investments:	**71 940**	**31 693**	**23 137**	**17 986**
Surplus(shortfall)	**18 122**	**13 646**	**28 838**	**32 566**

The underlying purpose of Table A8 is to reflect the predicted cash and investments that are available at the end of a particular budget year and how these funds were used. A surplus would indicate that sufficient cash and investments were available to meet commitments, whilst a shortfall would indicate inadequate cash and investments were available to meet commitments.

The available cash and investments amount to R 45,339 million in the 2021/22 financial year and increases to R 50,552 million in 2023/24. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) – no unspent grant funding is anticipated over the 2021/22 MTREF.

- There is no unspent borrowing from previous financial years.

- The main purpose of the other working capital requirements is to ensure that sufficient funds are available to meet commitments as and when they fall due. A key challenge is often the mismatch between the timing of receipts from debtors and payments due to employees and creditors. High levels of non-payment by debtors will result in a greater requirement for working capital, ultimately causing cash flow challenges.

- Current provision relates to Post-retirement Medical Aid Benefits Liability which has been provided for.

It is concluded that the Municipality's cash backed, and accumulated surpluses reconciliation reflects surpluses of R 13,646 million, R 28,838 million and R 32,566 million for the 2021/22, 2022/23 and 2023/24 financial years, respectively.

It is to be noted that the 2021/22 MTREF is funded, when considering the funding requirements of section 18 and 19 of the MFMA. The cost coverage ratio is, however, 0.6 months, 0.7 months and 0.6 months for the 2021/22, 2022/23 and 2023/24 financial years, respectively.

2.6.5 Funding Compliance Measurement

National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below.

Description	MFMA section	Current Year 2020/21	2020/21 Medium Term Revenue & Expenditure Framework		
		Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Funding measures					
Cash/cash equivalents at the year end - R'000	18(1)b	90 062	45 339	51 975	50 552
Cash + investments at the yr end less applications - R'000	18(1)b	18 122	13 646	28 838	32 566
Cash year end/monthly employee/supplier payments	18(1)b	1.3	0.6	0.7	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(61 471)	(68 793)	(47 133)	(39 113)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(5.4%)	3.5%	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	89.4%	92.1%	94.0%	95.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.1%	7.1%	5.1%	4.1%
Capital payments % of capital expenditure	18(1)c;19	111.6%	115.2%	105.6%	124.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a		0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	(13.8%)	6.9%	5.8%	3.4%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.1%	2.4%	2.2%	2.3%
Asset renewal % of capital budget	20(1)(vi)	17.3%	9.9%	0.0%	15.3%

Below is a discussion of the different measures.

2.6.5.1 Cash/cash equivalent position

The forecasted cash and cash equivalents for the 2021/22 MTREF amounts to R 45,339 million, R 51,975 million and R 50,552 million for the respective financial years.

2.6.5.2 Cash plus investments less application of funds

For the 2021/22, 2022/23 and 2023/24 budgets, the available cash and investments exceed the application of funds by an amount of R 13,646 million, R 28,838 million and R 32,566 million, respectively.

2.6.5.3 Monthly average payments covered by cash or cash equivalents.

As part of the 2021/22 MTREF, the projected cash position causes the ratio to decrease from 1.3 months to 0.6 months.

2.6.5.4 Surplus/deficit excluding depreciation offsets.

For the 2021/22 MTREF the indicative outcome is a deficit of R 109,049 million, R 89,052 million and R 82,330 million, respectively. This is made up as follows:

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands				
Surplus/(Deficit)	(115 097)	(109 049)	(89 052)	(82 330)
Transfers and subsidies - capital	53,586	40 256	41 919	43 217
Total	**(61 471)**	(68 793)	(47 133)	(39 113)

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective, and therefore the first two measures in the table are critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This is calculated by deducting the maximum macro-economic inflation target (which is currently 4.1%), so as to determine the real increase in revenue. The percentage growth totals 3.5%, 0.0% and 0.0% for the respective financial years of the 2021/22 MTREF.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

The outcome is approximately 92.1% for the 2021/22 and 94.0% for the 20222/23 and 95.0% for the 2023/24 financial years.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

The provision has been set at 7% for property rates and services, for the 2021/22 and 5% for the 2022/23 and 4% for the 2023/24 financial years, in line with the revenue collection trends.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into account in forecasting the cash position.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

No borrowing has been planned for the 2021/22 MTREF.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. All transfers are included in the budget.

2.6.5.11 Repairs and maintenance expenditure level

The expenditure constitutes 2.4%, 2.2% and 2.3% of Property, Plant and Equipment respectively, over the 2021/22 MTREF, whilst National Treasury has suggested an 8% level.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

GRANTS RECEIVED

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:				
Operating Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue:General Revenue:Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total Operating Transfers and Grants	**166 705**	**152 602**	**162 338**	**164 810**
Capital Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total Capital Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

GRANTS EXPENDITURE

GRANTS RECONCILIATION

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	**161 170**	**148 588**	**158 324**	**160 796**
Operational Revenue:General Revenue:Equitable Share	157 037	143 774	154 809	157 207
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 423	–	–
Local Government Financial Management Grant [Schedule 5B]	1 500	1 720	1 720	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 671	1 795	1 869
Provincial Government:	**2 050**	**2 050**	**2 050**	**2 050**
Sports and Recreation	2 050	2 050	2 050	2 050
District Municipality:	**2 780**	**1 964**	**1 964**	**1 964**
All Grants	2 780	1 964	1 964	1 964
Other Grant Providers:	**706**	**–**	**–**	**–**
Foreign Government and International Organisations	706	–	–	–
Total operating expenditure of Transfers and Grants:	**166 705**	**152 602**	**162 338**	**164 810**
Capital expenditure of Transfers and Grants				
National Government:	**35 199**	**39 542**	**41 205**	**42 503**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	7 800	7 109	7 000
Municipal Infrastructure Grant [Schedule 5B]	29 999	31 742	34 096	35 503
District Municipality:	**1 965**	**714**	**714**	**714**
All Grants	1 965	714	714	714
Total capital expenditure of Transfers and Grants	**37 164**	**40 256**	**41 919**	**43 217**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**203 870**	**192 858**	**204 257**	**208 027**

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The table below reflects the grants and allocations made by the Municipality. It includes grants-in-aid made in accordance with the Municipality's grants-in-aid policy and transfers to entities and other organisations to primarily support their operational expenditure.

ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash Transfers to Entities/Other External Mechanisms				
Various Organisations	761	650	650	650
Total Cash Transfers To Entities/Ems'	**761**	**650**	**650**	**650**
TOTAL CASH TRANSFERS AND GRANTS	**761**	**650**	**650**	**650**
TOTAL TRANSFERS AND GRANTS	**761**	**650**	**650**	**650**

2.9 COUNCILLORS AND EMPLOYEE BENEFITS

DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

Summary of Employee and Councillor remuneration	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Councillors (Political Office Bearers plus Other)				
Basic Salaries and Wages	9 104	9 104	9 696	10 326
Motor Vehicle Allowance	3 081	3 081	3 282	3 495
Cellphone Allowance	1 465	1 465	1 560	1 662
Sub Total - Councillors	**13 651**	**13 651**	**14 538**	**15 483**
Senior Managers of the Municipality				
Basic Salaries and Wages	6 106	6 954	7 406	7 887
Pension and UIF Contributions	36	106	113	120
Medical Aid Contributions	13	31	33	35
Performance Bonus	453	23	25	26
Motor Vehicle Allowance	811	1 605	1 709	1 820
Cellphone Allowance	6	10	11	12
Other benefits and allowances	50	1	1	1
Payments in lieu of leave	1 150	2 358	2 511	2 674
Sub Total - Senior Managers of Municipality	**8 624**	**11 088**	**11 808**	**12 576**
Other Municipal Staff				
Basic Salaries and Wages	224 540	232 525	247 590	263 683
Pension and UIF Contributions	33 121	36 881	39 278	41 831
Medical Aid Contributions	17 256	23 684	25 105	26 737
Overtime	28 149	31 142	33 166	35 322
Performance Bonus	–	23	25	26
Motor Vehicle Allowance	9 393	9 871	11 217	11 946
Cellphone Allowance	288	85	91	97
Housing Allowances	905	1 787	1 904	2 027
Other benefits and allowances	24 869	29 863	31 854	33 925
Payments in lieu of leave	27	25	27	28
Long service awards	1 557	1 702	1 813	1 930
Sub Total - Other Municipal Staff	**340 105**	**367 590**	**392 070**	**417 554**
Total Parent Municipality	**362 380**	**392 328**	**418 416**	**445 613**
TOTAL SALARY, ALLOWANCES & BENEFITS	**362 380**	**392 328**	**418 416**	**445 613**
TOTAL MANAGERS AND STAFF	**348 729**	**378 677**	**403 878**	**430 130**

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22
Cash Receipts By Source													
Property rates	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	16 950	203 401
Service charges - electricity revenue	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	25 898	310 781
Service charges - water revenue	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	6 943	83 310
Service charges - sanitation revenue	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	4 544	54 531
Service charges - refuse revenue	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	51 842
Rental of facilities and equipment	97	97	97	97	97	97	97	97	97	97	97	97	1 169
Interest earned - external investments	482	482	482	482	482	482	482	482	482	482	482	482	5 780
Interest earned - outstanding debtors	827	827	827	827	827	827	827	827	827	827	827	827	9 927
Fines, penalties and forfeits	186	186	186	186	186	186	186	186	186	186	186	186	2 238
Licences and permits	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	25 746
Transfers and Subsidies - Operational	50 867					50 867			50 867				152 602
Other revenue	862	862	862	862	862	862	862	862	862	862	862	862	10 348
Cash Receipts by Source	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**43 449**	**433 733**	**911 674**

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22
Cash Payments by Type													
Employee related costs	30 195	30 195	30 195	30 195	46 526	30 195	30 195	30 195	30 195	30 195	30 195	30 198	378 677
Remuneration of councillors	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	13 651
Finance charges	60	60	60	60	60	60	60	60	60	60	60	60	716
Bulk purchases - Electricity	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	24 167	290 000
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	66 261
Contracted services	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 550	6 551	78 598
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	54	54	54	54	54	54	54	54	54	54	54	54	650
Other expenditure	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 361	8 364	100 339
Cash Payments by Type	**76 046**	**76 046**	**76 046**	**76 046**	**92 377**	**76 046**	**76 046**	**76 046**	**76 046**	**76 046**	**76 046**	**76 053**	**928 893**
Other Cash Flows/Payments by Type													
Capital assets	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 084	5 085	61 013
Repayment of borrowing	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	6 747
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**74 384**	**81 131**	**81 131**	**81 131**	**97 461**	**81 131**	**81 131**	**81 131**	**81 131**	**81 131**	**81 131**	**94 632**	**996 652**
NET INCREASE/(DECREASE) IN CASH HELD	**(27 699)**	**(34 446)**	**(34 446)**	**(34 446)**	**(50 776)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**(34 446)**	**343 764**	**(44 723)**
Cash/cash equivalents at the month/year begin:	90 062	62 363	27 917	(6 528)	(40 974)	(91 750)	(126 196)	(160 642)	(195 087)	(229 533)	(263 979)	(298 425)	90 062
Cash/cash equivalents at the month/year end:	62 363	27 917	(6 528)	(40 974)	(91 750)	(126 196)	(160 642)	(195 087)	(229 533)	(263 979)	(298 425)	45 339	45 339

MONTHLY CASH FLOWS	Medium Term Revenue and Expenditure Framework		
R thousand	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash Receipts By Source			
Property rates	203 401	218 684	232 587
Service charges - electricity revenue	310 781	337 306	362 160
Service charges - water revenue	83 310	91 144	98 643
Service charges - sanitation revenue	54 531	59 324	63 846
Service charges - refuse revenue	51 842	55 493	58 807
Rental of facilities and equipment	1 169	1 220	1 275
Interest earned - external investments	5 780	6 034	6 306
Interest earned - outstanding debtors	9 927	10 586	11 179
Fines, penalties and forfeits	2 238	2 336	2 441
Licences and permits	25 746	26 878	28 088
Transfers and Subsidies - Operational	152 602	162 338	164 810
Other revenue	10 348	10 804	11 290
Cash Receipts by Source	**911 674**	**982 147**	**1 041 431**
Other Cash Flows by Source			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40 256	41 919	43 217
Total Cash Receipts by Source	**951 930**	**1 024 066**	**1 084 648**

MONTHLY CASH FLOWS	Medium Term Revenue and Expenditure Framework		
R thousand	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash Payments by Type			
Employee related costs	378 677	403 878	430 130
Remuneration of councillors	13 651	14 538	15 483
Finance charges	716	–	–
Bulk purchases - Electricity	290 000	302 760	316 384
Bulk purchases - Water & Sewer	–	–	–
Other materials	66 261	71 947	74 024
Contracted services	78 598	79 299	80 156
Transfers and grants - other municipalities	–	–	–
Transfers and grants - other	650	650	650
Other expenditure	100 339	103 047	108 374
Cash Payments by Type	**928 893**	**976 120**	**1 025 201**
Other Cash Flows/Payments by Type			
Capital assets	61 013	41 311	60 869
Repayment of borrowing	6 747	–	–
Other Cash Flows/Payments	–	–	–
Total Cash Payments by Type	**996 652**	**1 017 431**	**1 086 071**
NET INCREASE/(DECREASE) IN CASH HELD	**(44 723)**	**6 636**	**(1 423)**
Cash/cash equivalents at the month/year begin:	90 062	45 339	51 975
Cash/cash equivalents at the month/year end:	45 339	51 975	50 552

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

(a) Monthly projections of

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Executive Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2021/22 financial year will be approved by the Executive Mayor during July 2021, following the approval of the Budget.

2.12 LEGISLATION COMPLIANCE STATUS

The following reflects the status of implementation of some of the key MFMA areas:

IDP

A revised 2021/22 IDP has been developed, which was approved at a Council meeting held on 31 March 2021. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP. The final version of the revised 2021/22 IDP will be considered at a Council meeting scheduled for 28 May 2021.

Budget

The annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2019/20 Annual Report will be considered at a Council meeting scheduled for 28 May 2021.

Oversight Report

The Municipal Public Accounts Committee has considered the 2019/20 Annual report. Its Oversight Report will be considered at a Council meeting scheduled for 28 May 2021.

In-Year Reporting

The municipality submits the various reports required to the Executive Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

Internal Audit Function

The Municipality's Internal Audit Function reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2021/22 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Maintaining its unqualified audit status.
- Further strengthening of the integration and linkages between the IDP, Budget, SDBIP and Annual Report.

Internship Programme

The municipality has a total of five Interns on the Municipal Financial Management Internship programme, as approved by National Treasury.

Municipal Standard Chart of Accounts (mSCOA)

In accordance with the Municipal Regulations relating to mSCOA, municipalities were required to be compliant with the mSCOA classification framework by 1 July 2017. It is to be noted that the Municipality has been transacting on the mSCOA compliant financial system since July 2017.

2.13 CAPITAL EXPENDITURE DETAILS

A summary of the budgeted capital expenditure is reflected in **Annexure "C".**

2.14 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr. C Du Plessis, Municipal Manager of Kouga Municipality, hereby certify that the Annual Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and Supporting Documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : Charl Du Plessis

Municipal Manager of Kouga Local Municipality (EC108)

Signature:……..

Date:……

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F18**

ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2021/22 FINANCIAL YEAR

1. Purpose

The purpose of this report is for Council to consider and approve the proposed property rates tariffs for the 2021/22 financial year.

2. Background

The property rates tariffs have been increased by 5,25%.

In view of the above and to ensure that all property owners are paying rates on an equitable basis, the following tariffs (rounded to the nearest two decimals) and rebates are proposed in line with the Municipal Property Rates Act (MPRA), the Municipality's Rates Policy and By-Laws:

CATEGORY	**Ratios**	**Cent/Rand**	
		Proposed Tariffs for 2021/22	**Current Tariffs 2020/2021**
Residential	1:1	0.9202	0.8743
Industrial/ Mining	1:1.04	0.9570	0.9093
Business / Commercial	1:1.04	0.9570	0.9093
Farms-Agricultural	1:0.25	0.2301	0.2186
Farms-Other Business/Wind Farms and Other Industrial Purposes	1:1.04	0.9570	0.9093
Farms-Residential	1:1	0.9202	0.8743
Farms-Private Towns	1:1	0.9202	0.8743
Smallholding-Agricultural	1:0.25	0.2301	0.2186
State Owned	1:1	0.9202	0.8743
Private Towns	1:1	0.9202	0.8743
Informal and Formal Settlements	1:1	0.9202	0.8743
Multiple Purposes	1:1	0.9202	0.8743
Municipal Property/Land	1:1	0.9202	0.8743
Special Rating Area	1:0:25	0.2301	0:2186
Private Towns (Exempt)	1:1	0.9202	0.8743
Communal Land	1:1	0.9202	0.8743
State Trust Land	1:1	0.9202	0.8743
Restitution and Redistribution Properties	1:1	0.9202	0.8743
Protected Areas	1:1	0.9202	0.8743
National Monuments/ Heritage Sites	1:1	0.9202	0.8743
Public Benefit Organisations	1:1	0.9202	0.8743

3. Recommendation

3.1 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

3.2 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

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F19**

REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR: SPORTS AND RECREATION

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for sports and recreational facilities, for the 2021/22 financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer are required to review the fees and charges, at least once a year.

The fees and charges have been increased by 4.10%, refer to Annexure 'A'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE A					
		2021/22	2021/22	2020/21	%
SERVICE		VAT	15%	15%	Increase
DESCRIPTION		Inclusive	Exclusive	Exclusive	
		R	R	R	
SPORTS AND RECREATION	800				
Sportsfield Rental per day : Music Concerts, Festivals, Sport Tournaments					
Profitable Functions		5 118,00	4 450,62	4 275,33	4,10
Sports Tournaments		1 562,00	1 357,83	1 304,35	4,10
Non-Profitable Functions : NGO's, Churches, PO's		1 861,00	1 618,41	1 554,67	4,10
Sports Affiliation per year		465,00	404,60	388,67	4,10
Country Club Tariffs					
Hall only		-	-	-	
Side Hall		-	-	-	
Hall & Side Hall		-	-	-	
Braai Area		-	-	-	
Complex		-	-	-	
Welfare organisations per year		662,00	575,54	552,88	4,10
Deposit					
Damages			1 000,00	1 000,00	-

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F20**

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

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for National Traffic, Licensing Services and Protection Services for the 2020/21 Financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer are required to review the fees and charges at least once a year. The Traffic and Licensing Services Fees, are gazetted in the Provincial Gazette by the Department of Transport. The fees and charges for Protection Services have been increased on average, by 4,1%. The proposed fees and charges are reflected in Annexure 'B'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE B					
		2021/22	2021/22	2020/21	%
SERVICE DESCRIPTION		VAT Inclusive	15% Exclusive	15% Exclusive	Increase
		R	R	R	
NATIONAL TRAFFIC (NATIS)	590				
Drivers Licence : Application : Light Vehicle		No VAT	294,00	294,00	
Drivers Licence : Application : Heavy Vehicle		No VAT	345,00	345,00	
Drivers Licence : Temporary		No VAT	96,00	96,00	
Drivers Licence: Issue renewal		No VAT	216,00	216,00	
Duplicate : Learners Licence		No VAT	180,00	180,00	
Duplicate : Registration Certificate		No VAT	642,00	642,00	
Learners Licence : Application		No VAT	213,00	213,00	
Learners Licence : Certificate		No VAT	69,00	69,00	
Instructor Certificate : Application		No VAT	345,00	345,00	
Public Driving Permit : Application		No VAT	108,00	108,00	
Roadworthy Certificate		No VAT	69,00	69,00	
Roadworthy Certificate : Application : Motor Cycles		No VAT	105,00	105,00	
Roadworthy Certificate : Application : Other Vehicle		No VAT	183,00	183,00	
Roadworthy Certificate : Application : Goods Vehicle		No VAT	213,00	213,00	
Roadworthy Certificate : Application : Busses		No VAT	225,00	225,00	
Vehicle Registration		No VAT	132,00	132,00	
Temporary Permit		No VAT	105,00	105,00	
Special Permit		No VAT	81,00	81,00	
Disabled Parking Disc		No VAT	111,00	111,00	
RTMC (Transaction Fees)		No VAT	72,00	72,00	
IMPOUNDMENT OF VEHICLES					
First time offenders		2 673,00	2 324,56	2 324,56	-
Second time offenders		4 277,00	3 719,31	3 719,31	-
Third time offenders		8 554,00	7 438,60	7 438,60	-
PROTECTION SERVICES	710				
Towage fees		Plus VAT	COST +20%	COST +20%	
Storage fees per day (Sold after 3 months)		47,00	40,74	39,13	4,10
Storage fees per day - exceeding 30 days		109,00	94,60	90,87	4,10
Enquiries vehicle accident		173,00	150,11	144,20	4,10
Selling of Vehicles on a site approved by Council (Per Day)		92,00	80,42	77,25	4,10
Traffic Assistance					
Events (Per Hour)		369,00	320,59	307,96	4,10
Funerals (Flat Rate)		646,00	561,83	539,70	4,10

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F21**

REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR: FIRE FIGHTING SERVICES

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for firefighting services, for the 2021/22 financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer are required to review fees and charges, at least once a year. The fees and charges have been increased on average, by 4,1%. The proposed fees and charges are reflected in Annexure 'C'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE C					
		2021/22	2021/22	2020/21	%
SERVICE DESCRIPTION		VAT Inclusive R	15% Exclusive R	15% Exclusive R	Increase
FIRE FIGHTING SERVICES	230				
Fires					
Major Spillages road or rail					
Vegetation fires					
Tariffs per hour or part thereof					
Major appliance (inclusive of manpower)					
Rescue pumps/Aerial appliance		2 039,00	1 773,41	1 703,57	4,10
Auxiliary appliance (Inclusive of manpower)					
Off-Road, light/heavy rescue, hazmat units		925,00	804,14	772,47	4,10
Service vehicles (Inclusive of manpower)					
LDV's and transporters		534,00	464,25	445,97	4,10
Trailers & units (inclusive of manpower)					
Fuel/hydrant trailer, BA trailer and command unit		270,00	234,82	225,57	4,10
Personnel charges (cost if additional personnel required)					
Senior Officer		534,00	464,25	445,97	4,10
Officers		270,00	234,82	225,57	4,10
Fire Fighters		138,00	120,09	115,36	4,10
Humanitarian calls					
Motor vehicle accidents		No charge	No charge	No charge	
Rescues		No charge	No charge	No charge	
Service rendered outside area of jurisdiction					
Tariffs per hour or part thereof					
Major appliance (inclusive of manpower)					
Rescue pumps/Aerial appliance		4 078,00	3 546,83	3 407,14	4,10
Auxiliary appliance (Inclusive of manpower)					
Off-Road, light/heavy rescue, hazmat units		1 850,00	1 608,29	1 544,95	4,10
Service vehicles (Inclusive of manpower)					
LDV's and transporters		1 068,00	928,52	891,95	4,10
Trailers & units (inclusive of manpower)					
Fuel/hydrant trailer, BA trailer and command unit		540,00	469,62	451,13	4,10
Personnel charges (cost if additional personnel required)					
Senior Officer		1 068,00	928,52	891,95	4,10
Officers		540,00	469,63	451,14	4,10
Fire Fighters		276,00	240,18	230,72	4,10
Standby duties					
Water jets (65mm hose)		429,00	373,12	358,42	4,10

Monitoring of incidents					
Tariffs per hour or part thereof					
Major appliance (inclusive of manpower)					
Rescue pumps/Aerial appliance		1 019,50	886,71	851,78	4,10
Auxiliary appliance (Inclusive of manpower)					
Off-Road, light/heavy rescue, hazmat units		462,50	402,07	386,23	4,10
Service vehicles (Inclusive of manpower)					
LDV's and transporters		267,00	232,13	222,99	4,10
Trailers & units (inclusive of manpower)					
Fuel/hydrant trailer, BA trailer and command unit		135,00	117,40	112,77	4,10
Personnel charges (cost if additional personnel required)					
Senior Officer		267,00	232,13	222,99	4,10
Officers		135,00	117,40	112,77	4,10
Fire Fighters		69,00	59,86	57,49	4,10
Service rendered outside area of jurisdiction					
Tariffs per hour or part thereof					
Major appliance (inclusive of manpower)					
Rescue pumps/Aerial appliance		2 039,00	1 773,41	1 703,57	4,10
Auxiliary appliance (Inclusive of manpower)					
Off-Road, light/heavy rescue, hazmat units		925,00	804,14	772,47	4,10
Service vehicles (Inclusive of manpower)					
LDV's and transporters		534,00	464,25	445,97	4,10
Trailers & units (inclusive of manpower)					
Fuel/hydrant trailer, BA trailer and command unit		270,00	234,82	225,57	4,10
Personnel charges (cost if additional personnel required)					
Senior Officer		534,00	464,25	445,97	4,10
Officers		270,00	234,82	225,57	4,10
Fire Fighters		138,00	120,09	115,36	4,10
Other					
Certified copy of incident report		163,00	141,53	135,96	4,10
Population certificate		248,00	248,67	238,88	4,10
Training					
Attendance of training courses held under the auspices of the Fire and Emergency Services					
Per person per day		519,00	451,40	433,62	4,10
Per person per half day or part thereof		270,00	234,82	225,57	4,10
Re-issue Certificates		138,00	120,09	115,36	4,10
Fire prevention tariff per hour or part thereof					
Renewal of licence to store petroleum/liquified petroleum gas		350,00	304,50	292,51	4,10
Approval of LPG installation plans		350,00	304,50	292,51	4,10
Approval of petroleum storage plans		350,00	304,50	292,51	4,10
Approval of bulk storage hazardous installation		998,00	867,41	833,24	4,10
Inspections		998,00	867,41	833,24	4,10
Survey		998,00	867,41	833,24	4,10
Certification of premises		350,00	304,50	292,51	4,10
Issuing of control burning permits		350,00	304,50	292,51	4,10
Investigation		998,00	867,41	833,24	4,10
Lectures/evacuation drills		998,00	867,41	833,24	4,10
Issuing of certificate of competency		998,00	867,41	833,24	4,10
Public education		No charge	No charge	No charge	-
Approval of rational designs		350,00	304,50	292,51	4,10
Approval of major hazardous installation reports		350,00	304,50	292,51	4,10

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F22**

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

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for the hiring of municipal facilities for the 2021/22 financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer, are required to review fees and charges, at least once a year.

The fees and charges for the hiring of Municipal Facilities have been increased, with 4,1%. The fees and charges for Caravan Parks, have been increased between 0,00% to 4,1%, as reflected in Annexure 'D'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE D					
SERVICE DESCRIPTION		2021/22 VAT Inclusive R	2021/22 15% Exclusive R	2020/21 15% Exclusive R	% Increase
BUILDINGS & PROPERTIES	070				
Rental : Halls & Facilities					
LARGE HALLS					
Hankey Vusumsi Landu Hall					
Humansdorp Country Club Hall					
Kruisfontein Civic Centre					
Jeffreys Bay Newton Hall					
Patensie Community Hall					
Thornhill Katrien Felix Hall					
Deposit					
Damages			1 087,85	1 045,00	4,10
Church Gathering (per 2 hr)		214,00	186,11	178,78	4,10
Concert (Non-Drinking Function)		665,00	578,58	555,79	4,10
Concert Practice		141,00	122,39	117,57	4,10
Conferences (per day)		838,00	728,28	699,60	4,10
Dance and Disco (Drinking Functions)		1 404,00	1 220,88	1 172,80	4,10
Fetes / Bazaars		362,00	314,58	302,19	4,10
Funeral (per 2 hr)		214,00	186,11	178,78	4,10
Kitchen Rental		483,00	419,78	403,25	4,10
Meetings (Non-Political)		483,00	419,78	403,25	4,10
Meetings (Political)		939,00	816,28	784,13	4,10
School Functions		362,00	314,58	302,19	4,10
Service Organisations : Social Clubs / Presentations		163,00	141,61	136,04	4,10
Special Events (Decorations)		361,00	313,57	301,22	4,10
Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Parties/Weddings		857,00	745,48	716,12	4,10
Sport and Recreation (per day)		591,00	513,91	493,91	4,10
Welfare organisation per year		661,00	574,78	552,17	4,10

MEDIUM HALLS				
Andrieskraal Hall				
Weston Hall				
Kwanomzamo Hall				
Aston Bay Hall				
Pellsrus Hall				
Loerie Hall				
Sea Vista Hall				
Deposit				
Damages		1 087,85	1 045,00	4,10
Church Gathering (per 2 hr)	149,00	129,47	124,37	4,10
Concert (Non-Drinking Function)	415,00	360,09	345,91	4,10
Concert Practice	95,00	81,93	78,70	4,10
Conferences (per day)	560,00	486,53	467,37	4,10
Dance and Disco (Drinking Functions)	852,00	740,43	711,27	4,10
Fetes / Bazaars	238,00	206,35	198,22	4,10
Funeral (per 2 hr)	149,00	129,47	124,37	4,10
Kitchen Rental	430,00	373,24	358,54	4,10
Meetings (Non-Political)	318,00	276,14	265,26	4,10
Meetings (Political)	483,00	419,78	403,25	4,10
School Functions	149,00	129,47	124,37	4,10
Service Organisations : Social Clubs / Presentations	89,00	76,88	73,85	4,10
Special Events (Decorations)	238,00	206,35	198,22	4,10
Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Parties/Weddings	430,00	373,24	358,54	4,10
Welfare organisation per year	330,50	287,39	276,09	4,10
Sport and Recreation (per day)	295,50	256,96	246,96	4,10

SMALL HALLS				
Tokyo Sexwale Sportsfield Hall				
Pellsrus Caravan Park Hall				
Patensie Sportsfield Hall				
Thornhill Clubhouse				
Deposit				
Damages		223,00	214,00	4,10
Church Gathering (per 2 hr)	71,00	61,70	59,27	4,10
Concert (Non-Drinking Function)	178,00	154,76	148,66	4,10
Concert Practice	48,00	41,47	39,83	4,10
Conferences (per day)	280,00	243,77	234,17	4,10
Dance and Disco (Drinking Functions)	592,00	514,85	494,58	4,10
Fetes / Bazaars	178,00	154,76	148,66	4,10
Funeral (per 2 hr)	71,00	61,70	59,27	4,10
Kitchen Rental	158,00	137,57	132,15	4,10
Meetings (Non-Political)	135,00	117,33	112,71	4,10
Meetings (Political)	201,00	174,99	168,09	4,10
School Functions	94,00	81,93	78,70	4,10
Service Organisations : Social Clubs / Presentations	50,00	43,50	41,78	4,10
Special Events (Decorations)	149,00	129,47	124,37	4,10
Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Parties/Weddings	294,00	255,91	245,83	4,10
Sport and Recreation (per day)	147,75	128,48	123,48	4,10
Welfare organisation per year	165,25	143,70	138,04	4,10

CARAVAN PARKS & CAMPING SITES	**100**				
This tariff is applicable for all Caravan Parks/Camping Sites within the Kouga Jurisdictional Area					
IN SEASON					
In Season includes December/January and March/April School Holidays.					
All Tariffs are per day and include 4 persons per site, and 1 Vehicle.					
Additional Costs are payable per person for more than 4 persons, and per vehicle for more than 1 vehicle					
CARAVAN PARKS					
Stand with Electricity		526,00	457,13	439,13	4,10
Stand without Electricity		380,00	330,40	317,39	4,10
Fee per Additional Vehicle		74,00	64,28	61,74	4,10
Fee per Additional Person		74,00	64,28	61,74	4,10
Caravan Clubs (10% Discount on Normal Tariffs)					
More than 10 Caravans, Maximum of 40					
More than 40 Caravans only May - November					
Stand with Electricity		473,40	411,65	395,22	4,10
Stand without Electricity		342,00	297,39	285,65	4,10
Fee per Additional Car		66,60	57,91	55,57	4,10
Fee per Additional Person		66,60	57,91	55,57	4,10
RONDAWELS / CHALETS					
Damage Deposit		871,00	871,00	836,00	4,10
Rondawels					
2 Bed		397,00	345,18	331,58	4,10
4 Bed		549,00	477,70	458,89	4,10
Chalets					
1 Bedroom		550,00	477,94	459,12	4,10
2 Bedroom		855,00	743,46	714,18	4,10
CAMPING					
Stand with Electricity		526,00	457,39	439,13	4,10
Stand without Electricity		380,00	330,43	317,39	4,10
Fee per Additional Vehicle		74,00	64,35	61,74	4,10
Fee per Additional Person		74,00	64,35	61,74	4,10

OTHER					
Day Visitors Entrance Fee					
Per Vehicle (for 2 persons) per day		74,00	64,35	61,74	4,10
Per Person more than 2 per day		74,00	64,35	61,74	4,10
Beach Service Team					
Per Vehicle (for 2 persons) per day		59,20	51,48	49,39	4,10
Per Person more than 2 per day		59,20	51,48	49,39	4,10
OUT OF SEASON (50% of In-Season Tariffs)					
All Tariffs are per day and include 4 persons per site, and 1 Vehicle.					
Additional Costs are payable per person for more than 4 persons, and per vehicle for more than 1 vehicle					
Discount of 30% will be allowed to pensioners out of season.					
CARAVAN PARKS					
Stand with Electricity		263,00	228,70	219,57	4,10
Stand without Electricity		190,00	165,22	158,70	4,10
Fee per Additional Vehicle		37,00	32,17	30,87	4,10
Fee per Additional Person		37,00	32,17	30,87	4,10
Caravan Clubs (30% Discount on Normal Tariffs)					
More than 10 Caravans, Maximum of 40					
More than 40 Caravans only May - November					
Stand with Electricity		236,70	205,83	197,61	4,10
Stand without Electricity		171,00	148,70	142,83	4,10
Fee per Additional Vehicle		33,30	28,96	27,78	4,10
Fee per Additional Person		33,30	28,96	27,78	4,10
RONDAWELS / CHALETS					
Damage Deposit		871,00	871,00	836,00	4,10
Rondawels					
2 Bed		198,50	172,61	165,65	4,10
4 Bed		274,50	238,70	229,57	4,10
Chalets					
1 Bedroom		275,00	239,13	229,57	4,10
2 Bedroom		427,50	371,74	356,96	4,10
Monthly Tariff					
Not Applicable In Season (Normal Tariffs Apply)					
Additional Persons pay full tariff per day					
Additional Vehicles pay full tariff per day					
Up to 31 Days and not more than 90 days					
Chalets					
1 Bedroom only 3 people per chalet and 1 vehicle		3 264,00	2 837,86	2 726,09	4,10
2 Bedroom only 5 people per chalet and 1 vehicle		3 807,00	3 310,83	3 180,43	4,10

CAMPING					
Stand with Electricity		263,00	228,70	219,57	4,10
Stand without Electricity		190,00	165,22	158,70	4,10
Fee per Additional Vehicle		37,00	32,17	30,87	4,10
Fee per Additional Person		37,00	32,17	30,87	4,10
OTHER					
Day Visitors Entrance Fee					
Per Vehicle		37,00	32,17	30,87	4,10
Per Person		37,00	32,17	30,87	4,10
Beach Service Team					
Per Vehicle		29,60	25,74	24,70	4,10
Per Person		29,60	25,74	24,70	4,10
Monthly Tariff					
Not Applicable In Season (Normal Tariffs Apply)					
Tariff includes 4 persons per site, and 1 Vehicle.					
Additional Persons pay full tariff per day					
Additional Vehicles pay full tariff per day					
Up to 30 Days		3 354,00	2 916,47	2 801,60	4,10
Longer than 30 Days		2 175,00	1 891,51	1 817,02	4,10
NATURE CONSERVATION	**600**				
GAMTOOS RIVER MOUTH NATURE RESERVE					
Camping/Caravan Sites					
Max 6 persons p/day		115,00	99,60	95,67	4,10
Extra per person per day		30,00	26,43	25,39	4,10
Once off entrance fee		71,00	62,00	59,56	4,10
Entrance Fees					
Entrance fee		71,00	62,00	59,56	4,10
Gamtoos Mouth Home-Owners Annual Entrance Fee		311,00	270,34	259,70	4,10
Pedestrians per person or more than 6 persons per vehicle (per person)		30,00	26,43	25,39	4,10

LOERIEDAM NATURE RESERVE					
Day Visitors		30,00	26,43	25,39	4,10
Rentals					
Field study centre : per person per night		139,00	120,99	116,23	4,10
Robinson's camp : per person per day		39,00	33,88	32,54	4,10
Robinson's camp : per person per night		89,00	77,44	74,39	4,10
Education courses					
per person per course (exclude first two teachers)		68,00	59,05	56,72	4,10
per pupil per weekend		89,00	77,44	74,39	4,10
BOAT REGISTRATION FEES (River Licenses)					
Pleasure boats					
Per annum					
Multi River (Kromme, Gamtoos)		580,00	504,60	504,60	-
Single river		350,00	304,09	304,09	-
Renewable on 1 January each year					
Multi River (Kromme, Gamtoos)		410,00	356,37	356,37	-
Single river		265,00	230,17	230,17	-
Launch site Boat Permit Fee					
Per annum		1 089,00	947,16	947,16	-
Per day		76,00	65,22	65,22	-
Per 7 days		175,00	152,05	152,05	-
River Permits (Kromme Joint River Committee)					
The sliding scale is to encourage smaller boats and engines, and to discourage bigger vessels					
If there are multiple engines on a boat, the fee will be based on the total engine capacity					
Recreational Vessels (per annum)					
Up to 15hp		100,00	86,91	86,91	-
16 - 120hp		370,00	321,48	321,48	-
Greater than 120hp		750,00	652,20	652,20	-
Commercial Vessels (per annum)					
Up to 15hp		210,00	182,52	182,52	-
16 - 120hp		750,00	652,61	652,61	-
Greater than 120hp		1 470,00	1 278,31	1 278,31	-

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F23**

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

1. Purpose

The purpose of this report is to request approval of the proposed tariffs, fees and charges for the 2021/22 financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer are required to review fees and charges, at least once a year.

The tariffs, fees and charges have been reviewed as reflected in Annexure 'E'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE E					
		2021/22	2021/22	2020/21	%
SERVICE DESCRIPTION		VAT Inclusive	15% Exclusive	15% Exclusive	Increase
		R	R	R	
CEMETERIES	110				
This tariff is applicable for all Cemeteries within the Kouga Jurisdictional Area					
Adult graves					
Grave Plot		499,00	434,02	434,02	-
Dig & Fill Grave		833,00	724,13	695,61	4,10
Dig Grave		990,00	860,79	826,89	4,10
Fill Grave		334,00	290,30	278,86	4,10
Reinter & Fill Grave		935,00	813,25	781,22	4,10
Extra Depth		215,00	187,13	179,76	4,10
Children graves					
Grave Plot		312,00	271,58	260,89	4,10
Dig & Fill Grave		625,00	543,15	521,75	4,10
Dig Grave		657,00	571,50	548,99	4,10
Fill Grave		221,00	192,19	184,62	4,10
Reinter & Fill Grave		619,00	538,12	516,93	4,10
Other					
Niche		138,00	120,37	115,63	4,10
Tombstone Application		270,00	234,67	225,43	4,10
Wall of Remembrance		323,00	281,20	270,12	4,10
Kerbing					
Barrier Stones per metre		372,00	323,68	310,93	4,10
Roll Over Stones per metre		275,00	238,72	229,32	4,10

ENVIRONMENTAL HEALTH	**210**				
APPLICATION FEES					
Business Licence		88,00	75,92	72,93	4,10
Traditional Slaughtering		147,00	127,59	122,57	4,10
Exhumations		2 288,00	1 988,92	1 910,58	4,10
CERTIFICATES					
Certificate of Acceptability/Competence		185,00	160,83	154,50	4,10
Condemnation Certificate		185,00	160,83	154,50	4,10
Health Certificate		185,00	160,83	154,49	4,10
HAWKERS STANDS PER MONTH					
Arts & Crafts		111,00	96,50	92,70	4,10
Fruit & Vegetables		167,00	144,75	139,05	4,10
Clothing Jewellery, etc		379,00	329,17	316,20	4,10
2nd Hand goods		167,00	144,75	139,05	4,10
SEASONAL HAWKERS STAND PER DAY					
Arts & Crafts		94,00	81,49	78,28	4,10
Fruit & Vegetables		158,00	137,24	131,84	4,10
Clothing Jewellery, etc		94,00	81,49	78,28	4,10
2nd Hand goods		94,00	81,49	78,28	4,10
Food stalls		278,00	241,08	231,59	4,10
ENVIRONMENTAL MANAGEMENT FEE	**731**				
Undeveloped erven		548,00	476,41	476,41	-
Domestic					
Households		46,00	39,71	39,71	-
Free Basic Services to Registered Indigent Consumers		-46,00	-39,71	-39,71	-
Multi Dwelling Units (per Unit)		46,00	39,70	39,70	-
Skips		220,00	191,19	191,19	-
Commercial					
Small		403,00	349,99	349,99	-
Medium		532,00	461,78	461,78	-
Medium (3 Removals)		677,00	588,19	588,19	-
Large		861,00	748,04	748,04	-
Skips		861,00	748,04	748,04	-

LIBRARY	**500**				
This tariff is applicable for all Libraries within the Kouga Jurisdictional Area					
Lost					
Books					
Note that this amount is determined by the value of the actual item		Plus VAT	Sundry Amounts	Sundry Amounts	
Fines					
Books					
Per day		0,37	0,33	0,31	4,10
3 Months or Longer		150,00	130,52	125,38	4,10
Photo copies					
Black					
A3		2,00	1,42	1,36	4,10
A4		1,00	0,95	0,91	4,10
Colour					
A3		18,00	15,94	15,31	4,10
A4		6,00	5,32	5,11	4,10
Other					
Visitors Administration Fee		23,00	20,18	19,39	4,10
Duplicate Membership Cards		23,00	20,18	19,39	4,10
Third replacement of cards		44,00	38,26	36,52	4,10
More than 3 replacement of Cards		66,00	57,39	54,78	4,10
Deposit					
Per Book (Visitors)		109,00	109,00	104,00	4,10
PARKS AND OPEN SPACES	**680**				
Cleaning of plots : Grass only (per m²)		5,00	4,04	3,88	4,10
: Lightly overgrown (per m²)		9,00	8,09	7,78	4,10
: Medium overgrown (per m²)		16,00	14,16	13,60	4,10
: Heavily overgrown (per m²)		28,00	24,28	23,33	4,10
Removal of branches & rubble per load not greater than 9 cubic metre		2 426,00	2 109,30	2 026,22	4,10

POUND	**710**				
Sustenance Fees -per day					
Horses, Cattle & Pigs		178,00	155,06	148,96	4,10
Sheep & Goats		85,00	73,84	70,93	4,10
Delivery Fee/km		39,00	33,49	32,17	4,10
Trespass - per day					
Horses, cattle, pigs (minimum)		364,00	316,50	304,03	4,10
Sheep, goats (minimum)		364,00	316,50	304,03	4,10
Pound fees per day					
Horses, cattle, ostriches & pigs per head		109,00	94,52	90,80	4,10
Goats and sheep per head		31,00	26,55	25,51	4,10
REFUSE	**730**				
REMOVAL					
Domestic					
Households		224,00	194,88	182,99	6,50
Free Basic Services to Registered Indigent Consumers		-224,00	-194,88	-182,99	6,50
Multi Dwelling Units (per Unit)		169,00	146,85	137,89	6,50
Skips		3 100,00	2 695,65	2 531,30	6,50
Skips at Old Age Homes (per removal)		2 072,00	1 801,74	1 692,17	6,50
Commercial					
Small		224,00	194,88	182,99	6,50
Medium		447,00	388,40	364,69	6,50
Medium (3 Removals)		1 117,00	971,68	912,37	6,50
Large		2 233,00	1 941,98	1 823,46	6,50
Skips		2 072,00	1 801,74	1 692,17	6,50
WASTE DISPOSAL - WEIGHBRIDGE					
Domestic and General Waste					
Domestic and General Waste above 800kg		-	-	-	
Business Waste		-	-	-	
Industrial Waste		-	-	-	
Clean Compost					
Clean Compost above 100kg		-	-	-	
Mixed General and Garden Waste		-	-	-	
Rubble/Rock/Concrete per ton		-	-	-	
Clean Rubble and Soil					
Material suitable for use as Cover and Sorted Recyclables					

SUNDRY CHARGES / REMOVALS					
240 Litre Wheely-bin		572,00	497,79	465,23	7,00
Condemnation - removal and disposal of food, animals, etc		2 017,00	1 753,92	1 639,18	7,00
Augmentation Fees					
Refuse		2 956,00	2 570,79	2 856,43	-10,00
WATERWAYS	990				
Licence Fees per Annum					
Non Riparian Levy Owners		1 978,00	1 719,96	1 622,60	6,00
(Riparian Levy Owners first boat free)					
Riparian Levy Owners (for boats in addition to first free boat)		1 724,00	1 499,22	1 427,83	5,00
Commercial Operators		4 350,00	3 782,82	3 502,61	8,00
Riparian Commercial Operators		3 447,00	2 997,52	2 854,78	5,00
Moorings					
Permanent Moorings					
Annually		7 537,00	6 240,87	6 240,87	5,00
Bi-Annually		5 528,00	4 807,18	4 578,26	5,00
Non Permanent Moorings					
Monthly		3 151,00	2 740,05	2 609,57	5,00
Riparian Levy					
Per Annum		4 599,00	3 999,13	3 808,70	5,00
(Riparian Levy Owners first boat licence free)		-1 978,00	-1 719,96	-1 622,60	5,00
Sundry Income		Plus VAT	Sundry Amounts	Sundry Amounts	
Temporary Permits					
One Day		212,00	184,34	173,91	6,00
Two to Seven Days		1 378,00	1 198,26	1 130,43	6,00

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F24**

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

1. Purpose

The purpose of this report is to request approval for the proposed tariff increases for the Water and Sanitation Services for the 2020/21 financial year.

A. Water Tariff, Fees and Charges

2. Background

Factors that were taken into account in determining the required increases for 2021/22, were the following:

- Tariff increases should be sufficient to support the budget.
- Fees and charges should be cost reflective.
- The tariff increase imposed by the Nelson Mandela Bay Metropolitan Municipality, as the municipality purchases water from the Metro.

It is thus recommended that the proposed water tariffs, fees and charges for 2020/21 be increased by 7,10 %.

B. Sewerage Tariffs, Fees and Charges

3. Background

Factors that were taken into account in determining the required tariff increases for 2021/22 were the following:

- Tariff increases should be sufficient to support the budget.
- Fees and charges should be cost reflective.

It is thus recommended that the proposed sewerage tariffs, fees and charges be increased by 6.5%.

4. Recommendation

4.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

ANNEXURE F					
SERVICE DESCRIPTION		2021/22 VAT Inclusive R	2021/22 15% Exclusive R	2020/21 15% Exclusive R	% Increase
PUBLIC WORKS	**720**				
Augmentation Fees					
Roads and Storm Water		5 464,00	4 751,04	4 751,04	-
SANITATION	**750**				
CHARGE (MONTHLY)					
Buckets		177,00	153,79	144,40	6,50
Free Basic Services to Registered Indigent Consumers		-177,00	-153,79	-144,40	6,50
SEWERAGE	**780**				
The sewerage charges are calculated on two main components per erf. The first portion is based on a fixed cost for each erf and the second portion is based on actual measured water consumption (hydraulic portion) for an erf.					
Fixed Charge					
The Fixed Charge provides for costs on the sewerage operating budget such as charges for capital loan and interest payments and provision for a capital reserve fund. This cost is indicative of the installation /construction, rehabilitation and eventual replacement cost of the infrastructure. The cost is fixed for every property which has access to the municipal sewerage system irrespective of the property being vacant (no buildings) or, if the property uses the existing system, including the suction tanker service.					
The fixed cost component is therefore payable irrespective of the service being used by the consumer or not, therefore this charge willl effectively replace the current “Availability Fee”. The fixed charged per erf is based on the sewage conveyance and treatment cost for an average monthly water consumption per erf which is exceeded by 80% of consumers in the particular category.					

Hydraulic Charge					
The proposed tariff will also obviate anomalies which exist currently whereby owners of properties in some consumer categories are heavily subsidising users in other categories. With the present tariff in certain instances domestic consumers are also subsidising commercial consumers.					
The tariff will uniformly apply to all categories of consumers (Sewerage Service) throughout the municipality. Sewage discharge will be calculated on actual metered water consumption that will be reduced by a "discharge factor" i.e, the ratio of kilolitres sewage discharged by each category of consumer, to be determined by the Director: Technical Services. Whilst a standard tariff per kl of sewage will be levied, the discharge factor applicable to the different categories may differ.					
The formula used to arrive at the new hydraulic tariff, is as follows: P = KVC where, P = sewerage charge in Rand K = effluent discharge factor V = volume(kl) of potable water consumed C = prescribed charge in Rand					
Rebate of 10% for – Bulk Consumers/ Private Developments >2Ha, restricting admission, which pay bulk and "on-sell" to patrons within the development and which develop and maintain their own infrastructures.					
See table detailing categories and discharge factors below.					
The hydraulic portion of the sewerage charge consists of two components :					
Minimum Consumption Charge					
This is the portion of the sewerage charge to provide for firm operating costs such as salaries, plant and equipment, etc and certain general expenses. The charge is the average cost per erf for a particular category and is based on the firm/fixed cost incurred by the Sewerage Service to operate the sewerage system irrespective of what volume of sewage is conveyed and treated.					
The minimum consumption charge is therefore also necessary irrespective of the service being used by the consumer continuously or infrequently.					
The first part of the hydraulic charge is calculated on a percentage of the minimum water consumption specified per erf for each category					
As from the 2013/2014 Financial Year, this cost has been included in the Fixed Charge Component					

Variable Consumption Charge

This is the portion of the sewerage charge to provide for the operating costs that vary depending on the amount/extent of consumption. Electricity consumption, pump maintenance and repairs, etc are typical costs that increase when the sewage flow increases. Nevertheless, during prolonged periods of low flow e.g. during a drought when water restrictions apply, the operating cost can actually increase although less sewage is discharged. Due to low flow the frequency of sewer blockages increases which requires more frequent sewer cleaning with high pressure jetting equipment as a preventative measure.

The second part of the hydraulic portion is calculated on the water consumption in excess of the specified minimum volume up to a specified maximum consumption per erf for domestic categories. No maximum consumption applies to commercial categories.

Sewerage Tariff Categories and Discharge Factors

	Discharge Factor (K) (T04)	Minimum Volume (kl/month) (T05)	Maximum Volume (kl/month) (T06)	Maximum Volume (kl/month) (T06)
Offices (Com1)	98%	10	No Max.	No Max.
Offices				
Restricted Business A (Com2)	98%	15	No Max.	No Max.
Funeral Parlours				
Licensed Bottle Stores / Pubs / Taverns				
Offices				
Supermarkets				
Shops				
Restricted Business B (Com3)	95%	15	No Max.	No Max.
Day-Care Centres				
Medical Uses				
Places of Entertainment				
Service Stations				
Motor Showrooms				
Places of Instruction				
Special Businesses (Com4)	95%	15	No Max.	No Max.
Licensed Hotels				
Licensed Restaurants				

Special Businesses					
Warehouses					
Workshops					
Resorts (Com5)	60%	15	No Max.	No Max.	
Caravan Parks					
Camping Sites					
Holiday Housing					
Holiday Accommodation					
Tourist Facilities					
Nurseries					
General Industrial (Ind1)	95%	15	No Max.	No Max.	
General Dry Industries					
Public Garages					
Service Stations					
Warehouses					
Noxious Industrial (Ind2)	98%	15	No Max.	No Max.	
Noxious Use Industries					
Special Businesses					
Noxious Industrial (Ind2) **(T09)**	80%	15	No Max.	No Max.	
Agreement - Woodlands Dairy					
Educational (Ins1)	95%	15	-	-	
Places of Instruction					
Institutional (Ins2)	98%	15	No Max.	No Max.	
Clinics					
Institutions for medical care or treatment					
Hospitals					
Institutions					
Public and Government facilities					
Sanatoriums					
Single Residential B (Res1)	70%	10	50	50	
Dwelling Houses					
Day-Care Centres					
Creches					
Guest Houses					
Home Enterprises					
Places of Worship					
Single Residential A (Res2)	80%	12	50	50	
Informal Shelters					
Permanent Low Cost Dwellings					

Group Housing (Res3)	80%	10	50	50	
Retirement Villages					
Town Housing					
General Residential (Res4)	95%	6	50	50	
Flats					
General (Gen1)	95%	10	No Max.	No Max.	
Undetermined					
Bulk / Private Developments (Bulk)	70%	No Min.	No Max.	No Max.	
Unmetered Potable Water Supply (Unmetered)	80%		Unmetered	Unmetered	
On all property, pending valuation, upon which a structure as defined herunder has been erected, a fixed monthly charge shall be paid by the registered owner of the property, or if there is no registered owner (informal area), then by the occupier of the property					
Formal Structure with Waterborne Sewerage					
Informal Structure with Waterborne Sewerage					
AVAILABILITY CHARGE (PER ANNUM)					
Charges applicable to erven that are not connected to the sewerage network, but which could reasonably be connected to the network:					
Residential (per annum)		1 741,04	1 513,95	1 421,55	6,50
Commercial (per annum)		3 158,73	2 746,72	2 579,08	6,50
FIXED CHARGE (MONTHLY)					
COMMERCIAL					
Commercial 1 - Offices		452,38	393,38	369,37	6,50
Commercial 2 - Restricted Business A		536,81	466,79	438,30	6,50
Commercial 3 - Restricted Business B		528,84	459,86	431,80	6,50
Commercial 4 - Special Business		528,84	459,86	431,80	6,50
Commercial 5 - Resorts		436,46	379,53	356,36	6,50
INDUSTRIAL					
Industrial 1 - General Industrial		528,84	459,86	431,80	6,50
Industrial 2 - Noxious Industrial		536,81	466,79	438,30	6,50
Industrial 2 - Noxious Industrial - Agreement - Woodlands Dairy (45% Discount)		292,67	256,73	241,06	6,50

INSTITUTIONAL					
Institutional 1 - Educational (Schools)		806,01	700,88	658,10	6,50
Institutional 1 - Educational (Hostels)		806,01	700,88	658,10	6,50
Institutional 2 - Institutions		536,81	466,79	438,30	6,50
DOMESTIC/RESIDENTIAL					
Residential 1 - Freehold Title		277,17	241,01	226,30	6,50
Free Basic Services to Registered Indigent Consumers		-277,17	-241,01	-226,30	6,50
St Francis Bay (Previously Annual Payers of SEWER LEVY) - No Variable Charge		277,17	241,01	226,30	6,50
Free Basic Services to Registered Indigent Consumers		-277,17	-241,01	-226,30	6,50
Residential 2 - Low Cost Housing		186,37	162,06	152,17	6,50
Free Basic Services to Registered Indigent Consumers		-186,37	-162,06	-152,17	6,50
MULTIPLE DWELLINGS (Multiply Charge by number of Units)					
Residential 3 - Group Housing		294,69	256,25	240,61	6,50
Residential 4 - General Residential		256,46	223,01	209,40	6,50
GENERAL					
Undetermined		363,18	315,81	296,54	6,50
BULK					
NO Fixed Charge is levied. 10% Rebate on Hydraulic Charge					
Private Developments		Plus VAT	-0,10	-0,10	
UNMETERED					
Potable Water Supply		154,51	134,36	126,16	6,50
Free Basic Services to Registered Indigent Consumers		-154,51	-134,36	-126,16	6,50
VARIABLE CHARGE (HYDRAULIC CHARGE)					
All Users		17,63	15,33	14,39	6,50

TRADE EFFLUENT SURCHARGE					
The Trade Effluent Surcharge shall be paid in addition to the normal hydraulic and fixed charges which apply for each property.					
(a) The monthly charge payable by the owner or occupier of any trade premises in respect of any trade effluent discharged into the Council's sewers shall be assessed by the Council on a monthly basis and shall be notified to such owner or occupier at the end of each month and shall be charged in accordance with the formula in paragraph (c) below.					
The Council shall base its monthly charge on the highest COD of one or more samples collected from the trade effluent samples point.					
(b) In case of trade premises from which effluent is discharged into the Council's sewer for the first time a charge shall be payable in respect of the interim period between the date of the first discharge and the last day of the month. Such charge shall be assessed in accordance with the formula prescribed in paragraph(c) below.					
(c) The charge payable in terms of paragraph (a) and (b) above shall be assessed according to the formula : R=Vx[CA + B] + C X S X 10~-3]					
where :					
R = The treatment cost.					
V = The volume of industrial effluent discharged from the premises during the cycle concerned in cubic metres					
A&B = The capital cost (interest and redemption) plus maintenance cost for the cycle concerned on the pipe system as used by the concerned consumer divided by the total flow for the cycle. The value of A being **74.43(excl VAT)** cents per cubic meter. The value of B being **64.32(excl VAT)** cents per cubic meter.					
C = The cost of treating one cubic meter of waste water. The value of C being **40.95(excl VAT)** cents per cubic meter.					
S = The average chemical oxygen demand in mg/l measured on the industrial effluent during the cycle					
(d) In the absence of any direct measurements, the volume quantity of trade effluent discharged into the sewer each month from any trade premises shall be estimated and determined by Council from the monthly quantity of water consumed on the premises concerned, whether obtained from the Council or from other sources, due allowance being made for water used for domestic purposes, water lost by reaction and water present in the final products manufactured.					

SUCTION TANKER SERVICE					
Domestic (per load)					
Cape St Francis/Oyster Bay/St Francis Bay		1 100,70	957,13	898,71	6,50
Hankey/Patensie		367,96	319,97	300,44	6,50
Humansdorp		469,91	408,61	383,68	6,50
Jeffreys Bay		367,96	319,97	300,44	6,50
Commercial (per load)					
Cape St Francis/Oyster Bay/St Francis Bay		1 100,70	957,13	898,71	6,50
Hankey/Patensie		393,45	342,13	321,25	6,50
Humansdorp					
Other		469,91	408,61	383,68	6,50
School, TB Hospital		804,42	699,49	656,80	6,50
Jeffreys Bay		367,96	319,97	300,44	6,50
Rural Areas					
Per Load		1 100,70	957,13	898,71	6,50
Plus per km		54,16	47,09	44,22	6,50
DISPOSAL VIA ROAD HAULAGE (R per KL)					
Tanker Disposal of Sewerage (NOT Exceeding Domestic Strength)		438,42	381,23	357,96	6,50
Tanker Disposal of Sewerage (Exceeding Domestic Strength)		Plus VAT	Cost	Cost	
Tanker Disposal of Potable Toilet Sewerage (NOT Exceeding Domestic Strength)		94,99	82,60	77,56	6,50
Tanker Disposal of Potable Toilet Sewerage (Exceeding Domestic Strength)		Plus VAT	Cost	Cost	
Application for Disposal Permit (Per Year)		730,70	635,39	596,61	6,50
SUNDRIES					
Connection fees					
Econ Short		2 212,51	1 923,92	1 848,15	4,10
Econ Long		3 665,20	3 187,13	3 061,60	4,10
Households		3 665,20	3 187,13	3 061,60	4,10
Blockage fees					
During Office Hours		652,39	567,29	544,95	4,10
After Hours & Weekends		1 060,32	922,02	885,71	4,10
Augmentation Fees					
Sewerage		26 690,00	23 208,94	23 208,94	-

WATER	**980**				
AVAILABILITY CHARGE (PER ANNUM)					
Undeveloped erven		2 577,00	2 240,44	2 091,92	7,10
CONNECTION FEES					
15 mm		3 450,00	3 000,06	7 604,64	-60,55
20 mm		3 450,00	3 000,06	7 604,64	-60,55
32 mm		4 025,00	3 500,02	7 824,77	-55,27
50 mm		13 167,00	11 450,00	19 683,46	-41,83
75 mm		17 491,00	15 210,00	35 627,40	-57,31
100 mm		20 815,00	18 100,00	39 989,50	-54,74
Others		Plus VAT	COST +20%	COST +20%	
Pre-paid (25mm)		Plus VAT	COST +20%	COST +20%	
Augmentation Fees					
Water		25 630,00	22 287,06	22 287,06	-
CONSUMER DEPOSITS					
Domestic					
Owners			414,00	386,00	7,10
Tenants & High Density Housing			826,00	771,00	7,10
Sub-Economic			282,00	263,00	7,10
Commercial			2 757,00	2 574,00	7,10
or equal to one month's account as rendered or as determined by the CFO calculated on the average of the account.					
BASIC/MINIMUM MONTHLY CHARGE					
Domestic					
Kouga		149,70	130,17	121,54	7,10
Free Basic Services to Registered Indigent Consumers		-149,70	-130,17	-121,54	7,10
Kouga > 25 mm Connection		261,14	227,08	212,03	7,10
Free Basic Services to Registered Indigent Consumers		-261,14	-227,08	-212,03	7,10
Sectional Title Developments comprising of ONLY domestic units					
Kouga		149,70	130,17	121,54	7,10
Commercial					
Kouga		149,70	130,17	121,54	7,10
Kouga > 25 mm Connection		261,14	227,07	212,02	7,10

Old Age Homes					
Ons Tuiste (Humansdorp) (Includes 1st 400Kl)		149,70	130,17	121,54	7,10
Commercial (High Density)					
Sectional Title Developments comprising of ONLY commercial units					
Kouga		149,70	130,17	121,54	7,10
Sectional Title Developments comprising of BOTH commercial and domestic units					
Kouga		149,70	130,17	121,54	7,10
Treated Sewerage Water					
Kouga		229,54	199,60	186,37	7,10
Industrial					
Kouga		261,14	227,08	212,03	7,10
Rural (Farm Worker's Houses)					
(Tariff for rural consumers includes a surcharge of 25%).					
Kouga					
1 house		176,31	153,32	143,15	7,10
2 - 5 houses		430,80	374,61	349,78	7,10
6 - 10 houses		1 146,04	996,56	930,49	7,10
11 - 25 houses		2 513,30	2 185,48	2 040,60	7,10
Rural (NMBMM Tariff)					
Kouga		176,31	153,32	143,15	7,10
Schools					
Kouga		149,70	130,17	121,54	7,10
Sportsfields					
Kouga		149,70	130,17	121,54	7,10
CONSUMPTION (Units/kl)					
Free Units per month					
For indigent consumers officially registered at the Kouga Municipality the first 12kl of water consumption per 30 day period will be afforded free of charge					
Allocated to all EQS Recipients as Rebate			12,00	12,00	

PART A - Applicable during times of Normal Water Availability					
SCALE A - Domestic					
Single Dwelling Houses - Metered seperately					
0 - 12		14,08	12,25	11,44	7,10
13 - 25		14,80	12,87	12,01	7,10
26 - 45		17,90	15,57	14,54	7,10
46 - 65		29,14	25,34	23,66	7,10
66 - 85		40,17	34,93	32,62	7,10
86+		49,35	42,91	40,07	7,10
SCALE B - High Density Consumers					
Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately					
(kl per unit multiply number of units per 30 days' period)					
0 - 12		14,08	12,25	11,44	7,10
13 - 25		14,80	12,87	12,01	7,10
26 - 45		17,90	15,57	14,54	7,10
46 - 65		29,14	25,34	23,66	7,10
66 - 85		40,17	34,93	32,62	7,10
86+		49,35	42,91	40,07	7,10
SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)					
Making use of Municipal Infrastructure					
Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is reserved and will be levied as a monthly usage.					
(A quantity charge for water consumed since the previous meter reading as follows) :					
0 - 1250		14,08	12,25	11,44	7,10
1251 - 5000		14,08	12,25	11,44	7,10
5001 - 7500		17,59	15,30	14,28	7,10
7501+		36,35	31,61	29,51	7,10

SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline					
(Part of Allocated Quota to Kouga Municipality from NMBMM)					
Metro Bulk Tariff per kilolitre Plus 15% Surcharge (T11)		9,74	8,47	7,91	7,10
SCALE E - All consumers who do not fall under Scale A,B,C and D					
Industrial		21,13	18,37	17,15	7,10
Commercial		14,08	12,25	11,44	7,10
Treated Sewerage water		8,13	7,07	6,60	7,10
Rural (Farm Worker's Houses)		17,62	15,32	14,31	7,10
Rural (NMBMM Tariff)		9,74	8,47	7,91	7,10
Schools		14,08	12,25	11,44	7,10
Sportsfields		14,08	12,25	11,44	7,10
PART B - Applicable during times of water shortage when the situation is critical but not an emergency					
SCALE A - Domestic					
Single Dwelling Houses - Metered seperately					
0 - 12		14,08	12,25	11,44	7,10
13 - 18		20,41	17,75	16,57	7,10
19 - 30		32,47	28,24	26,37	7,10
31+		40,31	35,06	32,73	7,10
SCALE B - High Density Consumers					
Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately					
(kl per unit multiply number of units per 30 days' period)					
0 - 12		14,08	12,25	11,44	7,10
13 - 18		20,41	17,75	16,57	7,10
19 - 30		32,47	28,24	26,37	7,10
31+		40,31	35,06	32,73	7,10

SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)					
Making use of Municipal Infrastructure					
Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is reserved and will be levied as a monthly usage.					
(A quantity charge for water consumed since the previous meter reading as follows) :					
0 - 1250		19,73	17,16	16,02	7,10
1251 - 5000		19,73	17,16	16,02	7,10
5001 - 7500		27,60	24,00	22,41	7,10
7501+		40,03	34,81	32,50	7,10
SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline (Part of Allocated Quota to Kouga Municipality from NMBM)					
Metro Bulk Tariff per kilolitre Plus 15% Surcharge (T11)		9,74	8,47	7,91	7,10
SCALE E - All consumers who do not fall under Scale A,B,C and D					
Industrial		28,27	24,58	22,95	7,10
Commercial		18,96	16,49	15,40	7,10
Treated Sewerage water		9,74	8,47	7,91	7,10
Rural (Farm Worker's Houses)		23,15	20,13	18,80	7,10
Rural (NMBMM Tariff)		9,74	8,47	7,91	7,10
Schools		18,30	15,92	14,86	7,10
Sportsfields		18,30	15,92	14,86	7,10

PART C - Applicable during times of water shortage emergency					
SCALE A - Domestic					
Single Dwelling Houses - Metered seperately					
0 - 12		18,47	16,07	15,00	7,10
13+		46,61	40,53	37,85	7,10
SCALE B - High Density Consumers					
Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately					
(kl per unit multiply number of units per 30 days' period)					
0 - 12		18,47	16,07	15,00	7,10
13+		46,61	40,53	37,85	7,10
SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)					
Making use of Municipal Infrastructure					
Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is reserved and will be levied as a monthly usage.					
(A quantity charge for water consumed since the previous meter reading as follows) :					
0 - 1250		29,62	25,76	24,05	7,10
1251 - 5000		29,62	25,76	24,05	7,10
5001 - 7500		36,98	32,15	30,02	7,10
7501+		50,72	44,10	41,18	7,10
SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline (Part of Allocated Quota to Kouga Municipality from NMBM)					
Metro Bulk Tariff per kilolitre Plus 25% Surcharge (T11)		12,10	10,52	9,82	7,10

SCALE E - All consumers who do not fall under Scale A,B,C and D					
Industrial		28,52	24,80	23,16	7,10
Commercial		19,29	16,78	15,66	7,10
Treated Sewerage water		9,77	8,49	7,93	7,10
Rural (Farm Worker's Houses)		23,15	20,13	18,80	7,10
Rural (NMBMM Tariff)		12,10	10,52	9,82	7,10
Schools		18,30	15,92	14,86	7,10
Sportsfields		18,30	15,92	14,86	7,10
MISCELLANEOUS FEES AND CHARGES					
Water Loss owing to damage to the Municipal Water-Pipe System and/or Installations					
Pipes with a diameter of 50mm or less		2 074,18	1 803,64	1 684,07	7,10
Pipes with a diameter larger than 50mm up to and including 100mm		4 707,24	4 093,26	3 821,90	7,10
Pipes with a diameter larger than 100mm up to and including 250mm		21 167,62	18 406,63	17 186,40	7,10
Pipes with a diameter larger than 250mm up to and including 400mm		51 731,44	44 983,86	42 001,74	7,10
Pipes with a diameter larger than 400mm		87 943,95	76 473,00	71 403,36	7,10
Repair Charges of damage to the Municipal Water-Pipe System and/or Installation by other people					
Pipes with a diameter of 50mm or less		4 331,33	3 766,37	3 516,69	7,10
Pipes with a diameter larger than 50mm up to and including 100mm		6 182,62	5 376,19	5 019,79	7,10
Pipes with a diameter larger than 100mm up to and including 250mm		9 347,95	8 128,65	7 589,78	7,10
Pipes with a diameter larger than 250mm up to and including 400mm		17 546,54	15 257,86	14 246,37	7,10
Pipes with a diameter larger than 400mm		21 854,58	19 003,99	17 744,15	7,10
Water used for Fire-Fighting					
Quantity charge per kilolitre		33,27	28,93	27,01	7,10
Reconnection fee		786,76	684,14	638,78	7,10
Special meter readings		520,62	452,72	422,70	7,10
Service Calls					
During office hours		580,50	504,79	471,32	7,10
After office hours		1 157,68	1 006,68	939,94	7,10
Testing of meters (deposit 3% error on either side)		1 591,81	1 384,19	1 292,42	7,10
To relocate or lower a connection with a maximun nominal diameter of 25 mm					
Maximum distance of 5 m		1 759,81	1 530,27	1 428,82	7,10
Further than 5 m		2 697,93	2 346,03	2 190,50	7,10

To relocate or lower a connection with a nominal diameter larger than 25 mm					
Deposit			7 109,00	6 637,00	7,10
Cost		Plus VAT	Cost	Cost	
To relocate a fire hydrant in the road reserve					
Less than 2 m from original position		5 487,35	4 771,61	4 455,28	7,10
2 m or more from original position		12 794,39	11 125,55	10 388,01	7,10
To install a new fire hydrant in the road reserve					
Deposit			15 617,00	14 446,00	8,10
Cost		Plus VAT	Cost	Cost	
Discontinuation or restriction of the Water Services owing to the Failure of Payment					
Disconnection/restriction to a dwelling-house		1 500,61	1 304,88	1 207,10	8,10
Disconnection/restriction for other water connections , excluding dwelling-houses		5 128,94	4 459,95	4 125,76	8,10
Service Cost					
Supervision Labour Cost per hour		616,14	535,78	495,63	8,10
Assistant per hour		310,59	270,08	249,84	8,10
TLB per hour (Including travel time)		1 025,79	891,99	825,15	8,10
LDV per kilometre		40,29	35,04	32,41	8,10
Truck per kilometre		57,08	49,64	45,92	8,10
"Unauthorised water consumption" means water that is not registered by the Kouga Municipality's water meter for any reason whatsoever (Water used for fire-fighting and/or unmetered water used from the Kouga Municipality's system with the written consent of the Technical Services Directorate, is deemed to be authorised water use)					

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F25**

FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2021/22 FINANCIAL YEAR

1. Introduction

The purpose of this report is to request the approval of the proposed fees and charges for electricity services, for the 2021/22 financial year.

2. Background

Directorates in consultation with the Chief Financial Officer are required to review fees and charges, at least once a year.
The fees and charges for Electricity Services have been reviewed in terms of the NERSA Guidelines, attached as **Annexure H**.

The proposed fees and charges in respect of electricity services for the 2021/22 financial year are based on:

- Labour rates, contract prices for the supply and delivery of materials and Equipment, applicable to the 2021/22 financial year;
- Metering specifications as required in terms of Quality of Supply Regulations:
- National Regulatory Standards for the supply of electricity; and
- The affordability of the services to the residents.

3. Comments by the Directorates

None.

4. Financial implications

Budgeted electricity charges revenue as per annual budget document.

5. Legal implications

Compliance with Section 24 of the Municipal Finance Management Act, Act No. 56 of 2003.

6. Other implications

None.

7. Recommendation

7.1 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 of an average increase of 14.59% in respect of electrical services, as per the NERSA application and the SSEG Tariffs, with effect from 1 July 2021, subject to NERSA approval.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer _____

Item endorsed by the Municipal Manager _____

Noted by the Portfolio Councillor: _____

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Kulawula House
526 Madiba Street
Arcadia 0083
Pretoria, SOUTH AFRICA

PO Box 40343
Arcadia 0007
Pretoria
SOUTH AFRICA

Tel: +27(0)12 401 4600
Fax: +27(0)12 401 4700
Email: info@nersa.org.za
www.nersa.org.za

@NERSA_ZA

@NERSAZA

Enquiries: Zingisa Mavuso
Tel: 012 401 4617
Fax: 012 401 4700
Email: Zingisa.Mavuso@nersa.org.za

Dear Sir/Madam

GUIDELINE ON MUNICIPAL ELECTRICITY PRICE INCREASE FOR 2021/22

1. Annual Municipal Electricity Tariff Guideline

1.1 On 7 May 2021, the National Energy Regulator of South Africa (NERSA) approved a Municipal Tariff Guideline increase ('Guideline increase') for the 2021/22 financial year.

1.2 A Guideline increase of 14.59% was approved, which is based on the following assumptions:

- bulk purchases have been increased by 17.8% in line with Eskom's tariff increase to municipalities;
- salary and wage increases of 4.4% have been applied in line with the Bureau of Economic Research (BER) Consumer Price Index (CPI) of 4.4%[1];
- finance costs have been increased by 0 basis points (0.0%) in line with the announcement on 24 February 2021 by the Reserve Bank Governor to keep the repo rate the same; and
- repairs and maintenance, and other expenses (including depreciation) have been increased in line with the CPI.

1.3 The Decision and Reasons for Decision (RfD) document on the determination of the Guideline increase and the revised benchmarks for the financial year 2021/22 is available on the NERSA website (www.nersa.org.za/regulator-decisions).

[1] The Consumer Price Index used is 4.4% as forecast by the Bureau of Economic Research (BER) for 2021/22.

Regulator Members:
Ms MMD Nkomo (Deputy Chairperson)
*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Mr S Mokoena Ms Z Mpungose Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

1.4 It is important to note that this Guideline increase is not an automatic increase in tariffs and your municipality is still required to apply to NERSA for approval of your 2021/22 tariffs in accordance with the provisions of section 16(2) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) before implementation.

2. Municipal Tariff Benchmarks

Tariff Benchmarks are approved in line with the tables below for implementation in 2021/22. The assumed kilowatt hours (kWh) per tariff category is for usage per month.

1.5 Domestic Benchmarks

Table 1: Average Domestic IBT Benchmarks

	Domestic Inclining Block Tariffs (IBTs)			
	Block 1 (0-50 kWh) R.c/kWh	Block 2 (51-350 kWh) R.c/kWh	Block 3 (351-600 kWh) R.c/kWh	Block 4 (>600 kWh) R.c/kWh
Excl VAT	R1.1535 - R1.2583	R1.5130 - R1.6178	R2.1571 - R2.2769	R2.5916 - R2.6814
Incl VAT	R1.3265 - R1.4470	R1.7399 - R1.8605	R2.4807 - R2.6185	R2.9803 - R3.0836

Table 2: Alternative Domestic low IBT

	Domestic Low IBT	
	Block 1 (0-350 kWh) R.c/kWh	Block 2 (>350 kWh) R.c/kWh
Excl VAT	R1.4680 - R1.5430	R2.1271 - R2.2319
Incl VAT	R1.6882 - R1.7744	R2.4462 - R2.5667

Table 3: Alternative Domestic High IBT

	Domestic High IBT	
	Block 1 (0-350 kWh) R.c/kWh	Block 2 (>350 kWh) R.c/kWh
Excl VAT	R1.4231 - R1.5129	R2.0973 - R2.1871
Incl VAT	R1.6365 - R1.7399	R2.4118 - R2.5152

Table 4: Average Domestic Non-IBT Benchmarks

	Domestic Non- IBT	
	Domestic Low (0-400 kWh) R.c/kWh	Domestic High (>400 kWh) R.c/kWh
Excl VAT	R1.6178 - R1.7226	R2.0373 - R2.1121
Incl VAT	R1.8605 - R1.9810	R2.3429 - R2.4289

1.6 Average Commercial Benchmarks

2.2.1 Commercial Single Phase

Table 5: Average Commercial Prepaid: Single Phase

	Commercial Prepaid (2 000 kWh)		
	R.c/kWh		
Excl VAT	R2.6964	-	R2.8013
Incl VAT	R3.1009	-	R3.2214

Table 6: Average Commercial Conventional Low: Single Phase

	Commercial Low (2 000 kWh)		
	R.c/kWh		
Excl VAT	R2.5016	-	R2.5766
Incl VAT	R2.8768	-	R2.9631

Table 7: Average Commercial Conventional Medium: Single Phase

	Commercial Medium (3 000 kWh)		
	R.c/kWh		
Excl VAT	R2.4118	-	R2.5166
Incl VAT	R2.7735	-	R2.8941

Table 8: Average Commercial Conventional High: Single Phase

	Commercial High (7 000 kWh)		
	R.c/kWh		
Excl VAT	R2.1271	-	R2.2319
Incl VAT	R2.4462	-	R2.5667

2.2.2 Commercial Three-Phase

Table 9: Average Commercial Prepaid Three-Phase

	Commercial Low (5500 kWh)		
	R.c/kWh		
Excl VAT	R2.6964	-	R2.8013
Incl VAT	R3.1009	-	R3.2214

Table 10: Average Commercial Conventional Low: Three-Phase

	Commercial Low (5500 kWh)		
	R.c/kWh		
Excl VAT	R2.1271	-	R2.2170
Incl VAT	R2.4462	-	R2.5495

Table 11: Average Commercial Conventional Medium: Three-Phase

	Commercial Medium (11500 kWh)		
	R.c/kWh		
Excl VAT	R2.0223	-	R2.1121
Incl VAT	R2.3256	-	R2.4289

Table 12: Average Commercial Conventional High: Three-Phase

	Commercial High (22 000 kWh)		
	R.c/kWh		
Excl VAT	R1.9773	-	R2.0673
Incl VAT	R2.2739	-	R2.3774

1.7 Agriculture Benchmarks

Table 13: Average Agriculture Low

	Agriculture Low (2000 kWh)		
	R.c/kWh		
Excl VAT	R2.9061	-	R2.9959
Incl VAT	R3.3420	-	R3.4453

Table 14: Average Agriculture Medium

	Agriculture Medium (3000 kWh)		
	R.c/kWh		
Excl VAT	R2.7563	-	R2.8462
Incl VAT	R3.1697	-	R3.2732

Table 15: Average Agriculture High

	Agriculture High (7000 kWh)		
	R.c/kWh		
Excl VAT	R2.3518	-	R2.4418
Incl VAT	R2.7045	-	R2.8080

1.8 Industrial Benchmarks

Table 16: Average Industrial Low

	Industrial Low (43 800 kWh)		
	R.c/kWh		
Excl VAT	R2.4418	-	R2.5616
Incl VAT	R2.8080	-	R2.9458

Table 17: Average Industrial Medium

	Industrial Medium (98 550 kWh)		
	R.c/kWh		
Excl VAT	R2.3968	-	R2.4866
Incl VAT	R2.7563	-	R2.8596

Table 18: Average Industrial High

	Industrial High (730 000 kWh)		
	R.c/kWh		
Excl VAT	R2.1571	-	R2.2469
Incl VAT	R2.4807	-	R2.5840

Table 19: Average Industrial Time-of-Use (ToU) Megaflex

	Industrial TOU (1 323 MWh)		
	R.c/kWh		
Excl VAT	R1.8706	-	R1.9657
Incl VAT	R2.1512	-	R2.2605

Table 20: Average Industrial Time-of-Use (ToU) Nightsave

	Industrial TOU (1 323 MWh)		
	R.c/kWh		
Excl VAT	R2.7583	-	R2.8534
Incl VAT	R3.1721	-	R3.2814

3. Above-Guideline Increases

1.9 Municipalities that apply for an increase that is above the guideline and the benchmarks will have to justify the increase to the Energy Regulator through a public hearing process, and should meet the following requirements:

a) The additional revenue should be quantified per customer category, including the forecast sales assumptions.
b) A detailed plan on the projects on which the additional funds will be used should be provided.
c) The approved additional revenue must be ring-fenced and strictly used for the identified projects. Failure to comply will result in the additional revenue being clawed back in the following year.
d) Municipalities must report to NERSA on a six-monthly basis on how the additional funds are being used.

1.10 NERSA reserves the right to request any additional information to assist in assessing a tariff application.

1.11 Failure to provide, or partial provision of, the above additional information will result in the tariff application being considered as a guideline increase application.

1. Timelines

It is important to note that municipalities should submit their tariff applications for the 2021/22 financial year by 15 June 2021. NERSA will endeavour to ensure that tariffs are approved on time for implementation on 1 July 2021.

2. Conclusion

Should you require any further assistance with or clarity on the above, please do not hesitate to contact Mr Thabo Tshabalala from NERSA's Electricity Pricing and Tariffs Department telephonically at 012 401 4725 or per email at thabo.tshabalala@nersa.org.za or municguideline@nersa.org.za.

NERSA looks forward to continuous engagement with all licensees.

Yours faithfully

pp XS
Mtwa Adv. Nomalanga Sithole

ACTING CHIEF EXECUTIVE OFFICER

Date: 15 May 2021

KOUGA LOCAL MUNICIPALITY

NERSA APPROVAL REPORT

ON

ELECTRICITY TARIFFS PROPOSED FOR 2021/2022 FINANCIAL YEAR

CLIENT – KOUGA MUNICIPALITY:
Mr C DU PLESSIS
MUNICIPAL MANAGER
KOUGA MUNICIPALITY
33 DA GAMA ROAD
JEFFREYS BAY
6330
Tel: (042) 200-2200
E-Mail: jreed@kouga.gov.za

CONSULTING ENGINEERS:
CVW ELECTRICAL
P O Box 281
HARTENBOS
6520

Tel: (044) 691-2074
E-Mail: jb.cvw@cvw-e.com

APPROVAL: Municipal Manager

SIGNATURE

DATE: 24 May 2021

TABLE OF CONTENTS

Page

PART 1 – ELECTRICITY TARIFF REPORT 2021/22

1.0	Introduction	4
2.0	Report legal background	5
3.0	Objectives	7
4.0	Propose average price increase	16
5.0	Tariffs for the Financial Year 2021/22	16
6.0	Electricity operating revenue framework	16
7.0	Proposed Amendments of Tariffs	21
8.0	Effects on Consumers	21
9.0	Bulk Purchase	20
10.0	NERSA Approval	23
11.0	Conclusion	23
12.0	Annual Budget Tables	23

Annexures

- Schedule A – Proposed amendments to electricity sales tariffs for the financial years ; 2021/22.
- Schedule B - Effect of proposed new electricity sales tariffs on different consumer categories for the financial year 2021/22.
- Schedule C - Effect of proposed new electricity sales tariffs on typical consumer for the financial year 2021/22.
- Schedule D – Estimated electricity sales for the financial year 2021/22 based on proposed tariffs.
- Schedule E - Estimated electricity sales for the financial year 2020/21 based on present tariffs.
- Schedule F - Electricity service income and expenditure statement for the financial year 2021/22. Please note that the budget is preliminary only and subject to change.
  Schedule G – Estimated bulk electricity purchases for the financial year 2020/21.
-

- Graph 1 - Domestic prepaid single phase sub-economic (20A)
- Graph 2 - Domestic single phase economic (60A)
- Graph 3 - Commercial single phase 60A
- Graph 4 – Normal bulk low voltage (NMD 69kVA, Reading 69kVA)
- NERSA D6 Form – Tariff Information
- NERSA D7 Form – Application for a tariff increase / tariff structure change.
- Copy of NERSA draft guideline letter for 2020/21 tariffs.
- Copy of NERSA draft guideline letter for 2021/22 tariffs.

Appendix 1:	**Cost of Supply Study (COS): 2015/16:**	**28 September 2017**
	SEPARATE DOCUMENT FROM CMB	

PART 2 – SUPPORTING DOCUMENTATION:

LIST OF TABLES

SEPARATE DOCUMENT FROM KOUGA MUNICIPALITY

PART 1 – ELECTRICITY TARIFF REPORT 2021/22

1.0 Introduction

Kouga Municipality have appointed CVW Consulting Engineers for the Electricity Tariff Determination Process for the Budgetary year 2021/22 with Projections for the two outer years, 2022/23 and 2023/24. The last Cost of Supply Study was done on 28 September 2017 which is still the basis of the Cost of Supply / Cost to serve information for each customer group. This is included as Appendix 1. The next Cost of Supply must be done before 28 September 2022.

1.1 NERSA's Guideline Consultation Paper (NGCP) was released on 12 March 2021. Public hearing is scheduled for 9 April 2021.

1.1.2 Approach 1: Cost of Supply in accordance with NERSA'S COS Framework.

1.1.3 Approach 2: Revenue forecast according to Table 1: Revenue Forecast from NGCP

1.1.4 Guideline Increase Percentage calculation according to Table 3 from NGCP.

1.1.5 Municipal guideline approval process according to Figure 1 from NGCP

1.1.6 Approval Timeline according to Table 4 of NGCP: Approved by 28 April 2021

Table 1: Municipal tariff guideline and benchmarks approval timelines

Municipal benchmarks and guidelines	DEPENDENCIES/OUTPUT	DELIVERY RESPOSIBILITY	Date
Approval of Consultation Paper by ELS	RSU circulating the submission on time	RSU	2021/03/09
Conduct Microsoft Teams Public Hearing	Stakeholders register to present	EPT/RSU/ER	2021/04/09
ELS to approve recommendations to ER	Receiving comments and team incorporating comments	EPT	2021/04/16
Approval by Energy Regulator	ER members deliberating on submission and making a decision	RSU	2021/04/28

1.2 Tariff approval process

* Submission of D-Form Information: 2019/20: Completed Submission: 31 October 2021
* Guideline increase and Benchmarks consultation and approval: 28 April 2021
* Tariff Application information in line with table 5 below: NOTED

Table 2: Tariff schedule format

1	Tariff Name	Current Tariffs	Proposed Tariffs	% increase
	Basic -/Admin charge	R/month	R/month	%
	Energy Charge	c/kW	c/kW	%
	Demand charge	R/kVA	R/kVA	%

- Small-scale embedded generator (SSEG) tariffs – To be clarified by NERSA in final Guideline letter to be received in May 2021.

1.3 PROPOSED MUNICIPAL ELECTRICITY TARIFF BENCHMARKS FOR 2021/22

The draft guideline letter is included as Copy of draft guideline letter for 2021/22 Tariffs.

It is a legislative requirement that in addition to the new tariffs approved by the municipal Council, it also be submitted to NERSA for approval before it can be implemented.

2. REPORT LEGAL BACKGROUND

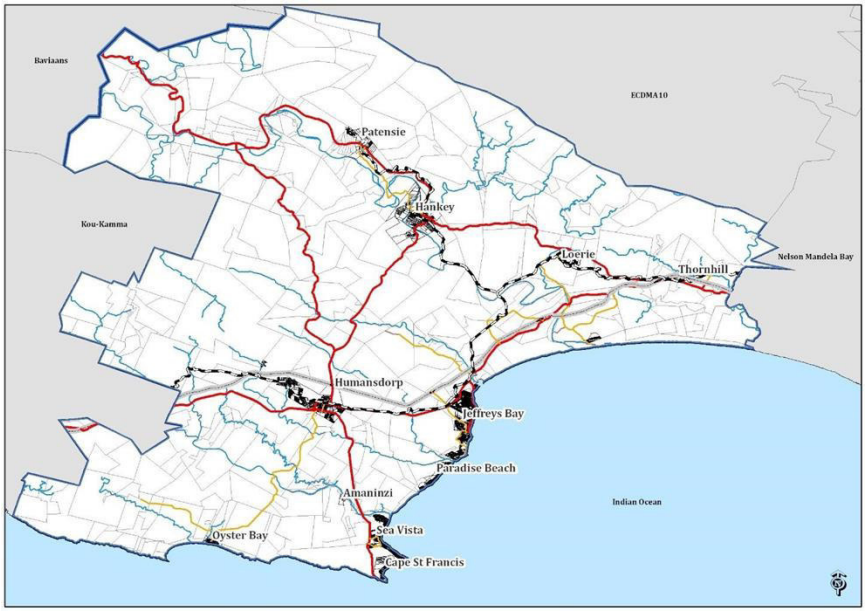
The Electricity Pricing Policy of the South African Electricity Supply Industry, together with the Kouga Municipality, Electricity By-Law, under the provisions of section 156(2) of the Constitution of the Republic of South Africa,1996 (Act 108 of 1996) as amended, read with section 13 of the Local Government: Municipal Systems Act,200 (Act 32 of 2000) as amended, stipulated:

Section A: Electricity Supply:

- To provide for the supply of electricity to the residents within the municipality's area of jurisdiction.
- To provide for procedures, methods and practises to regulate such provision of electricity.

Section B: Connection of small scale embedded generation to a municipal distribution system:

- To effectively regulate the connection of embedded generation systems to the municipal distribution system.
- National Energy Regulator Act, 2004 (act No. 40 of 2006) and the Electricity Regulation Act, 2006 (Act No. 4 of 2006) and the Electricity Regulation Act, 2006 (act No. 4 of 2006).



Map 1: of Kouga Local Municipality

Kouga Municipality is currently supplying electricity under the auspices of Schedule 4, Part B (Electricity and Gas reticulation) and Schedule 5, Part B (Street Lighting) of the Constitution Act (Act No. 108 of 1996).

Chapter 7, Local Government of the Constitution of South Africa, Status of Municipalities, the executive and legislative authority is vested in its Municipal Council, which include Planning (Electricity Reticulation, Distribution Networks and Distribution Substations.

The Distribution License that was awarded and amended to Kouga Municipality by NERSA in terms of the Section 17 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) stipulates that Municipalities have the Constitutional Right to ensure the provision of electricity to their wall to wall Urban Area of Supply since 2001.

“Municipality” means a category of municipality that has executive authority over and the right to reticulate electricity within it’s area of jurisdiction in terms of the Municipal Structures Act; and “Reticulation” means trading or distribution of electricity and included services associated therewith;“service delivery agreement” means an agreement between a municipality and an institution or person providing electricity reticulation, either for its own account or on behalf of the municipality; “service provider” means a person or institution or any combination of persons and institutions which provide a municipal service in terms of a service delivery agreement.

Kouga Municipality, Schedule 1, Supply Area, The Municipal area of Kouga,

List of Supply Areas

- Humansdorp, Jeffrey’s Bay, Oyster-Bay, St Francis Bay, Jubilee Lakes, Boplaas.

3.0 Objectives

The Cost of Supply Study that was done in 2017 and forwarded to NERSA must form the basis of implementing cost reflective tariffs. Report No: G/10242/R2, Revised Draft 22 September 2017 is included as Appendix 3.

What have changed during the last 5 years? Table 3: Historical Surplus / Revenue Loss shows the Steep increases of Eskom between 2009-2022 with an increase of 410.63% (R288,794,547– R 56,557,051) / R 56,557,051).

TABLE 1: HISTORICAL SURPLUS/REVENUE LOSS

KOUGA MUNICIPALITY	ELECTRICAL % INCREASE	Audited Actual Service Charges	Audited Actual Total Operating Revenue	ESKOM % INCREASE	Audited Actual Eskom Bulk Purchases	Audited Actual Total Operating Expenditure	Audited Actual Operating Surplus / (Deficit) - Total Revenue Less Total Exp
2022	14.08%	R 326,773,220	R 355,386,686	17.33%	R 290,000,000	R 370,914,738	-R 15,528,052
2022-CVW	14.08%	R 326,773,220	R 373,926,904	17.80%	R 291,163,340	R 372,078,078	R 1,848,826
2021	6.22%	R 286,442,163	R 309,792,121	9.28%	R 247,167,521	R 330,485,708	-R 20,693,587
2020	11.04%	R 269,668,766	R 261,322,755	13.89%	R 226,174,958	R 281,174,678	-R 19,851,923
2019	12.27%	R 242,848,456	R 251,437,925	7.41%	R 198,587,027	R 234,793,002	R 16,644,923
2018	5.02%	R 216,313,708	R 216,313,708	0.42%	R 184,880,508	R 214,797,182	R 1,516,526
2017	-12.04%	R 205,971,335	R 212,610,148	7.22%	R 184,110,997	R 209,240,649	R 3,369,499
2016	8.81%	R 234,162,285	R 238,876,653	11.04%	R 171,711,422	R 194,965,216	R 43,911,437
2015	1.65%	R 215,207,840	R 220,037,597	0.19%	R 154,641,312	R 179,114,485	R 40,923,112
2014	9.64%	R 211,719,491	R 217,924,329	5.62%	R 154,344,846	R 175,907,433	R 42,016,896
2013	6.96%	R 193,104,101	R 201,004,962	12.48%	R 146,128,584	R 166,538,348	R 34,466,614
2012	38.83%	R 180,543,159	R 184,514,811	29.24%	R 129,914,987	R 152,341,413	R 32,173,398
2011	11.08%	R 130,049,219	R 130,049,219	32.93%	R 100,519,441	R 116,291,954	R 13,757,265
2010	28.07%	R 117,078,167	R 123,617,996	33.70%	R 75,618,862	R 90,280,247	R 33,337,749
2009		R 91,418,849	R 91,418,849		R 56,557,051	R 69,388,952	R 22,029,897

From 2015/16 to 2016/2017 Kouga Municipality's electricity Service Charges have decreased from R234,162,285 to R 205,971,335 with a total of R 28,190,950 or -12.04 %. The 2019/20 Financial year have delivered the First Operating Deficit of –R19,851,923.The 2020/21 Financial year has a budgeted Operating Deficit of R 20,693,587. The Covid-19 pandemic did play a huge part with South Africa in lockdown from 15 March 2020 – To date

The Cost of electricity have increased in the 5 Year Planning Period from R0.84/kWh in 2015/2016 to R1.42/kWh in 2021/22 Financial Year. The usage of electricity is decreasing.

This is sending a clear signal to Kouga Municipality to look at alternative green energy from Wind / solar / Hydro and gas. The wind regime is very good and Turbine Manufacturers are looking again at the 1 MW Wind Turbine size that do not need Licensing or any approval.

3.1 The Key objective should be to inform Kouga Municipality's Council that different strategies should be implemented to ensure the financial viability of Kouga Municipality's Electricity Service Financial Model.

3.2 **Table 4** provide an insight how Eskom's c/kWh Cost have increased from R0.57/kWh to R1.42/kWh.

Table 4: Eskom Purchases

Year	kWh Usage	Rand Value	c/kWh
2011/12	220,165,406.00	126,393,510.00	0.57
2012/13	227,740,427.00	145,400,550.00	0.64
2013/14	225,208,260.00	152,007,992.00	0.67
2014/15	205,724,134.00	151,666,730.00	0.74
2015/16	200,120,053.00	168,503,978.00	0.84
2016/17	199,405,605.00	182,633,654.00	0.92
2017/18	203,532,327.00	184,443,620.00	0.91
2018/19	205,626,242.00	198,541,237.00	0.97
2019/20	202,717,654.00	241,781,030.00	1.19
2020/21	204,704,163.66	247,167,521.33	1.21
2021/22	204,704,163.66	291,163,340.13	1.42

To differentiate between costs incurred at Level P1 (66 kV) of the RND and at Level P4 (22 kV), the Eskom costs for Jeffreys Bay was separated from all the other POS at 22 kV.
Costs were split into demand (KVA), energy (kWh) and customer driven costs.
The costs were allocated to the customer groups, based on their demand and kWh usage at the Eskom POS. For customer driven costs, the weighting as indicated in Table 5 was used.

3.3 COST OF SUPPLY STUDY: UPDATED 2019/20

The requirements of the National Energy Regulator of South Africa (NERSA) as stipulated in their document "COST OF SUPPLY FRAMEWORK" as well as the National Standard NRS 058: 2000 COST OF SUPPLY METHODOLOGY FOR APPLICATION IN THE ELECTRICAL DISTRIBUTION INDUSTRY has been followed.
The methodology for the update of the study stipulates that, all costs related to the supply of electricity to consumers must be taken into account, with the electrical department handled as a "ring-fenced" entity in the municipal system.

Three cost categories namely network cost, operating cost and Eskom bulk purchase costs are broken down into components that are customer driven, energy (kWh) driven or demand (kVA) driven cost and then assigned to customer groups as detailed below. This process corresponds to the steps outlined in the NERSA Cost of Supply Framework document, namely cost functionalisation, cost classification, and cost allocation

3.3.1 Table 1: Network asset group numbers

3.3.2 Table 2: User (Groups – RND positions and voltage levels

3.3.3 Table 3: Current and annualised replacement costs of network assets

3.3.4 Table 4: Estimated power factors of user groups

3.3.5 Table 5: Weighting factors for customer driven costs

3.3.6 Table 6: Actual tariffs, cost based tariffs, income from and cost of supply for each group: **REDONE AS PART OF THIS REPORT WITH KWH AND R/kWh VALUES.**

3.3.7 Annexure A: REDUCED NETWORK DIAGRAM (RND) FOR KOUGA MUNICIPALITY: **REDONE AS PART OF THIS REPORT WITH ADDITION OF 2019/20 YEAR VALUES**

3.3.8 Annexure B.1: PROFIT/ LOSS PER GROUP (INCLUDES NETWORK COST)

3.3.9 Annexure B.2: PROFIT/ LOSS PER GROUP (EXCLUDES NETWORK COST)

From the 2015/16 Cost of Supply Study the following updated 2019/20 Spreadsheet Tables was updated:

Annexure A
Reduced Network Diagram (RND) for Kouga Municipality

KOUGA MUNICIPALITY 6 SUPPLY POINTS: 1 JULY 2015- 30 JUN 2016			TOTAL KWH FROM COS STUDY
PREMISE	PREMISE ID	RECORDER	
WOODLANDS	4808859333	4808859333F1	21,867,250
JEFFREY'S BAY	7462004340	20000000175F1	101,342,525
ST FRANCIS BAY	7462004677	10000795380F1	22,253,725
OYSTER BAY	7462004502	10000795385F1	1,416,155
HUMANSDORP	7462004218	10000795379F1	49,786,308
CAPE ST FRANCIS	7462004848	10000795384F1	3,454,087
	TOTAL KWH		200,120,054

KOUGA MUNICIPALITY 6 SUPPLY POINTS: 1 JULY 2019- 30 JUN 2020			TOTAL KWH : FROM ACCOUNTS	RAND VALUE
PREMISE	PREMISE ID	RECORDER		
WOODLANDS	4808859333	4808859333F1	21,913,471	R 23,204,485
JEFFREY'S BAY	7462004340	20000000175F1	100,754,350	R 108,460,963
ST FRANCIS BAY	7462004677	10000795380F1	23,162,118	R 31,648,685
OYSTER BAY	7462004502	10000795385F1	1,361,650	R 1,942,331
HUMANSDORP	7462004218	10000795379F1	51,925,603	R 54,164,653
CAPE ST FRANCIS	7462004848	10000795384F1	3,495,550	R 4,656,896
	TOTAL KWH		202,612,743	R 224,078,013

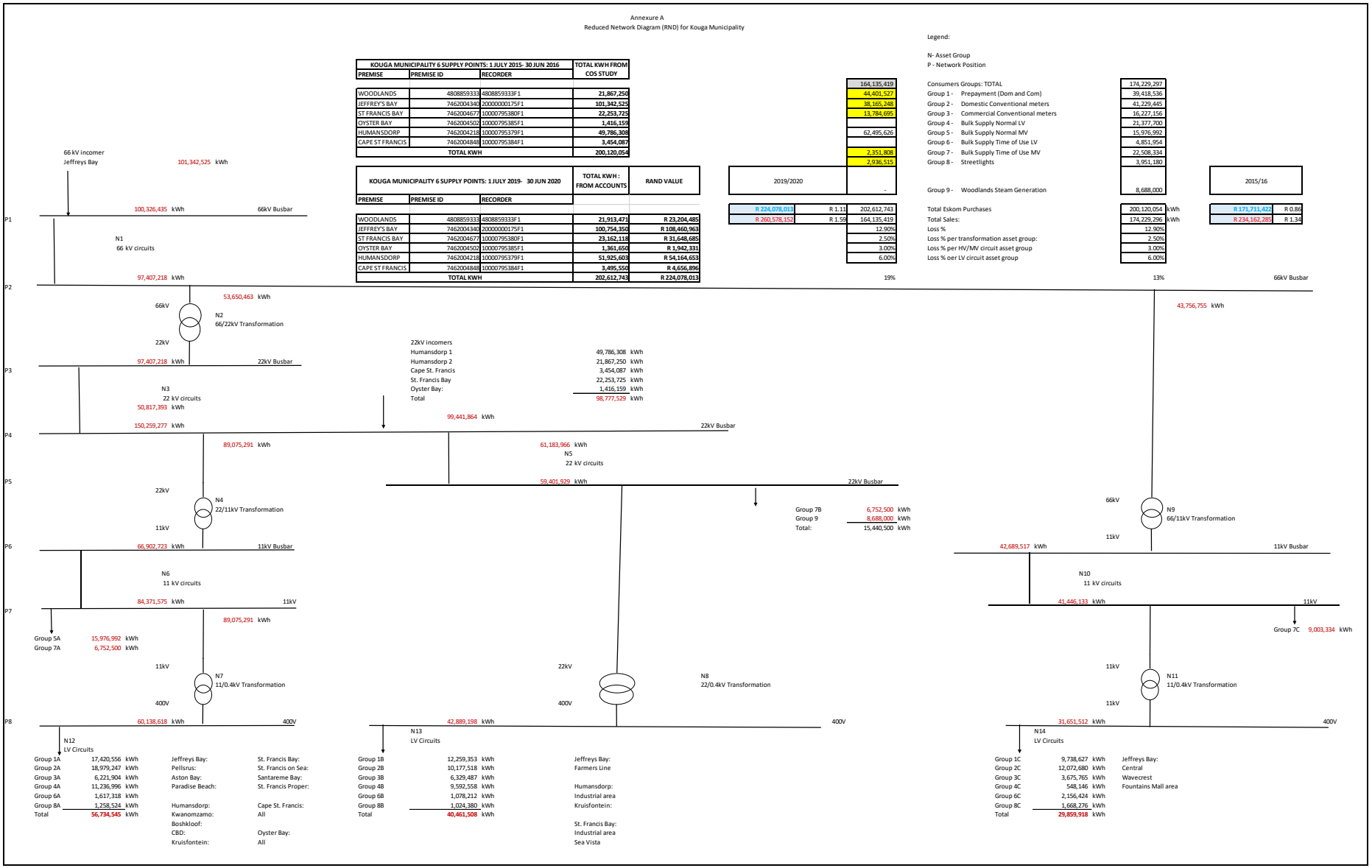
	2019/2020		
			-
	R 224,078,013	R 1.11	202,612,743
	R 260,578,152	R 1.59	164,135,419
			12.90%
			2.50%
			3.00%
			6.00%
			19%

		164,135,419	
		44,401,527	
		38,165,248	
		13,784,695	
		62,495,626	
		2,351,808	
		2,936,515	
		-	

Legend:

N- Asset Group
P - Network Position

Consumers Groups: TOTAL		174,229,297	
Group 1 -	Prepayment (Dom and Com)	39,418,536	
Group 2 -	Domestic Conventional meters	41,229,445	
Group 3 -	Commercial Conventional meters	16,227,156	
Group 4 -	Bulk Supply Normal LV	21,377,700	
Group 5 -	Bulk Supply Normal MV	15,976,992	
Group 6 -	Bulk Supply Time of Use LV	4,851,954	
Group 7 -	Bulk Supply Time of Use MV	22,508,334	
Group 8 -	Streetlights	3,951,180	
Group 9 -	Woodlands Steam Generation	8,688,000	
Total Eskom Purchases		200,120,054 kWh	R 171,711,422 R 0.86
Total Sales:		174,229,296 kWh	R 234,162,285 R 1.34
Loss %		12.90%	
Loss % per transformation asset group:		2.50%	
Loss % per HV/MV circuit asset group		3.00%	
Loss % oer LV circuit asset group		6.00%	
		13%	



ANNEXURES : A - REDUCED NETWORK DIAGRAM (RND) FOR KOUGA MUNICIPALITY ACCORDING TO THE APPROVED NERSA'S COST OF SUPPLY FRAMEWORK: UPDATED FROM 2015/16 – 2019/20

TABLE 6: ACTUALTARIFF,COST BASED TARIFFS, INCOME FROM AND COST OF SUPPLY FOR EACH GROUP

Group	Consumer Group / Description		Actual Tariffs (averaged over all users In the group) 2015/16			Cost based tariff (averaged over all users In the group)			- Income from actual tariffs	Cost of Supply, excluding network cost	Cost of Supply, Including network cost	Theoretic Income from cost based tariffs	KWH USAGE PER CUSTOMER GROUP	KWH USAGE PER MAIN CUSTOMER GROUP	INCOME FROM ACTUAL TARIFFS c/kWH	COST BASE TARIFFS EXCL NETWORK COST c/kWh	COST BASE TARIFFS c/kWh
			R / user	R/kWh	R/kVA	R / user	R/kWh	R/kVA	R	R	R	R					
1A	Prepaid LV		R 51.31	R 1.02	R 0.00	R 29.69	R 0.95	R 31.68	R 21,413,082.00	R 27,046,331.00	R 36,570,688.00	R 35,176,724.00	17,420,556		R 1.23	R 1.55	R 2.02
1B			R 51.31	R 1.02	R 0.00	R 29.69	R 0.95	R 31.68	R 15,069,010.00	R 18,608,936.00	R 21,717,526.00	R 24,754,886.00	12,259,353		R 1.23	R 1.52	R 2.02
1C			R 51.31	R 1.02	R 0.00	R 29.69	R 0.95	R 31.68	R 11,970,571.00	R 14,583,619.00	R 21,308,267.00	R 19,664,871.00	9,738,627	39,418,536	R 1.23	R 1.50	R 2.02
2A	Domestic Conventional meters		R 172.23	R 1.14	R 0.00	R 59.39	R 0.89	R 31.03	R 28,790,730.00	R 28,099,922.00	R 38,602,477.00	R 37,571,527.00	18,979,247		R 1.52	R 1.48	R 1.98
2B	LV		R 172.23	R 1.14	R 0.00	R 59.39	R 0.89	R 31.03	R 15,438,872.00	R 14,727,361.00	R 17,371,012.00	R 20,147,526.00	10,177,518		R 1.52	R 1.45	R 1.98
2C			R 172.23	R 1.14	R 0.00	R 59.39	R 0.89	R 31.03	R 18,313,754.00	R 17,208,474.00	R 25,644,776.00	R 23,899,210.00	12,072,680	41,229,445	R 1.52	R 1.43	R 1.98
3A	Commercial		R 711.39	R 1.14	R 0.00	R 59.39	R 0.89	R 42.50	R 10,055,190.00	R 8,650,432.00	R 10,928,555.00	R 10,433,278.00	6,221,904		R 1.62	R 1.39	R 1.68
3B	Conventional meters LV		R 711.39	R 1.14	R 0.00	R 59.39	R 0.89	R 42.50	R 10,229,055.00	R 8,590,609.00	R 9,662,962.00	R 10,613,680.00	6,329,487		R 1.62	R 1.36	R 1.68
3C			R 711.39	R 1.14	R 0.00	R 59.39	R 0.89	R 42.50	R 5,940,386.00	R 4,909,830.00	R 6,619,192.00	R 6,163,752.00	3,675,765	16,227,156	R 1.62	R 1.34	R 1.68
4A	Normal Bulk LV		R 634.62	R 0.54	R 201.79	R 593.87	R 0.89	R 119.55	R 12,280,683.00	R 12,611,603.00	R 14,372,149.00	R 13,771,526.00	11,236,996		R 1.09	R 1.12	R 1.23
4B			R 634.62	R 0.54	R 201.79	R 593.87	R 0.89	R 119.55	R 10,483,510.00	R 10,522,231.00	R 11,121,239.00	R 11,756,181.00	9,592,558		R 1.09	R 1.10	R 1.23
4C			R 634.62	R 0.54	R 201.79	R 593.87	R 0.89	R 119.55	R 599,058.00	R 592,199.00	R 706,101.00	R 671,782.00	548,146	21,377,700	R 1.09	R 1.08	R 1.23
5A	Normal Bulk MV		R 660.00	R 0.50	R 187.67	R 593.87	R 0.83	R 101.96	R 13,140,325.00	R 15,263,983.00	R 16,036,071.00	R 16,036,071.00	15,976,992	15,976,992	R 0.82	R 0.96	R 1.00
6A	TOU Bulk LV		660 .00	0 .79	R 75.88	R 890.81	R 0.88	R 130.65	R 1,710,670.00	R 1,932,433.00	R 2,220,714.00	R 2,159,719.00	1,617,318		R 1.06	R 1.19	R 1.34
6B			R 660.00	R 0.79	R 75.88	R 890.81	R 0.88	R 130.65	R 1,140,447.00	R 1,252,685.00	R 1,338,484.00	R 1,439,813.00	1,078,212		R 1.06	R 1.16	R 1.34
6C			R 660.00	R 0.79	R 75.88	R 890.81	R 0.88	R 130.65	R 2,280,893.00	R 2,450,602.00	R 2,919,959.00	R 2,879,626.00	2,156,424	4,851,954	R 1.06	R 1.14	R 1.34
7A	TOU Bulk MV		R 594.00	R 0.72	R 70.93	R 890.81	R 0.81	R 97.18	R 5,732,369.00	R 6,548,160.00	R 6,955,325.00	R 6,653,564.00	6,752,500		R 0.85	R 0.97	R 0.99
7B			R 594.00	R 0.72	R 70.93	R 890.81	R 0.81	R 97.18	R 5,732,369.00	R 6,369,241.00	R 6,561,237.00	R 6,653,564.00	6,752,500		R 0.85	R 0.94	R 0.99
7C			R 594.00	R 0.72	R 70.93	R 890.81	R 0.81	R 97.18	R 7,643,159.00	R 8,297,347.00	R 8,661,985.00	R 8,871,419.00	9,003,334	22,508,334	R 0.85	R 0.92	R 0.99
8A	Streellighting		R 0.00	R 1.19	R 0.00	R 29.69	R 0.93	R 109.02	R 1,497,644.00	R 1,536,644.00	R 1,766,122.00	R 1,650,667.00	1,258,524		R 1.19	R 1.22	R 1.31
8B			R 0.00	R 1.19	R 0.00	R 29.69	R 0.93	R 109.02	R 1,219,012.00	R 1,218,488.00	R 1,304,859.00	R 1,343,566.00	1,024,380		R 1.19	R 1.19	R 1.31
SC			R 0.00	R 1.19	R 0.00	R 29.69	R 0.93	R 109.02	R 1,985,248.00	R 1,778,548.00	R 2,111,347.00	R 2,188,094.00	1,668,276	3,951,180	R 1.19	R 1.07	R 1.31
9	Woodlands Steam Generation		R 7,238.56	R 0.78	R 53.22	R 5,938.73	R 0.81	R 87.45	R 10,330,414.00	R 12,536,919.00	R 12,862,565.00	R 12,862,565.00	8,688,000	8,688,000	R 1.19	R 1.44	R 1.48
								Total	R 212,996,450.00	R 225,336,598.00	R 277,363,612.00	R 277,363,612.00	174,229,297	174,229,297	R 1.22	R 1.29	R 1.59
								Profit(+)/ Loss(-)		-R 12,340,148.00	-R 64,367,162.00						

Table 7: Actual tariffs, cost-based tariffs, income from and cost of supply for each group: **REDONE AS PART OF THIS REPORT WITH KWH AND R/kWh VALUES.**

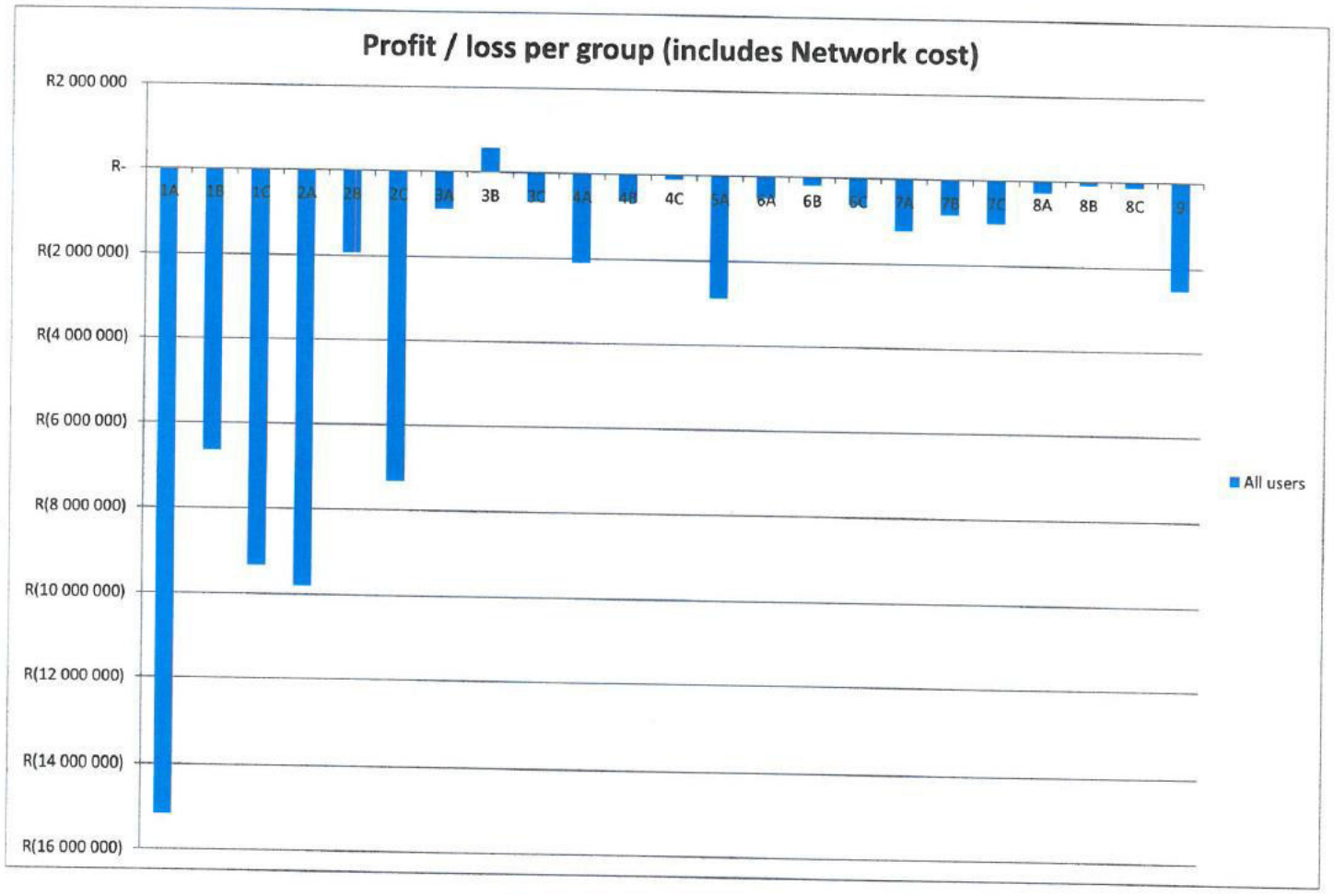
TABLE 7: COST OF SUPPLY PARAMETERS							
	COS STUDY BASELINE				COS STUDY CHECKED		
ESKOM BULK	14.24%	7.22%	0.31%	7.32%	15.63%	6.90%	17.80%
MUNIC APPR	12.20%	7.64%	1.88%	6.84%	14.26%	7.79%	14.59%
MUNIC IMPL	12.20%	7.64%	1.88%	6.84%	14.26%	7.79%	14.59%
NERSA ROR	ELECTRICAL SERVICES	ELECTRICAL SERVICES	ELECTRICAL SERVICES	ELECTRICAL SERVICES	ELECTRICAL SERVICES	ELECTRICAL SERVICES	ELECTRICAL SERVICES
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
BULK	R 171,711,422	R 184,110,997	R 198,587,027	R 198,587,027	R 226,174,958	R 241,781,030	R 288,794,547
OPERATING COST	R 6,671,261.57	R 7,598,247.80	R 8,226,773.28	R 8,384,400.00	R 9,000,000	R 9,701,100	R 11,116,490
SHARED COST	R 40,442,212.04	R 46,061,744.93	R 49,871,962.89	R 50,827,520.27	R 54,559,382	R 58,809,558	R 67,389,872
DEPRECIATION	R 4,171,443.50	R 4,751,074.60	R 5,144,082.50	R 5,242,644.21	R 5,627,570	R 6,065,958	R 6,950,981
INTEREST	R 38,325	R 0	R 0	R 0	R 0	R 0	R 0
R&M ACTUAL	R 7,957,372.58	R 9,063,066.72	R 9,812,761.71	R 10,000,776.31	R 10,735,054	R 11,571,315	R 13,259,570
SURPLUS: 20 %	R 46,198,407.34	R 50,317,026.21	R 54,328,521.48	R 54,608,473.56	R 57,219,393	R 65,585,792.05	R 77,502,292.06
TOTAL ALLOWED REVENUE	R 277,190,444	R 301,902,157	R 325,971,129	R 327,650,841	R 343,316,367	R 393,514,752	R 465,013,752
kWh Bought	200,120,053	199,405,605	203,532,327	205,626,242	202,717,654	203,590,303	203,590,303
kWh Sold	174,229,297	173,607,282	173,607,282	160,522,779	164,135,419	177,250,580	177,250,580
Ave Price	R 1.59	R 1.74	R 1.88	R 2.04	R 2.09	R 2.22	R 2.62
Current Revenue	R 234,162,285	R 205,971,335	R 209,843,596	R 215,942,918	R 260,578,152	R 286,442,163	R 326,773,220
Current ave Price	R 1.34	R 1.19	R 1.21	R 1.35	R 1.59	R 1.62	R 1.84
% Structure Incr							
% Total Losses	14.86%	14.86%	17.24%	28.10%	23.51%	14.86%	14.86%
Eskom Bulk:R/kWh	R 0.86	R 0.92	R 0.98	R 0.97	R 1.12	R 1.19	R 1.42
MIN SELLING PRICE	R 1.09	R 1.18	R 1.20	R 1.28	R 1.46	R 1.58	R 1.81

The Revenue Requirements calculation according to the NERSA method. The Cost of Supply Baseline study show that the Total

Allowed Revenue for 2015/16 = R 277,190,444

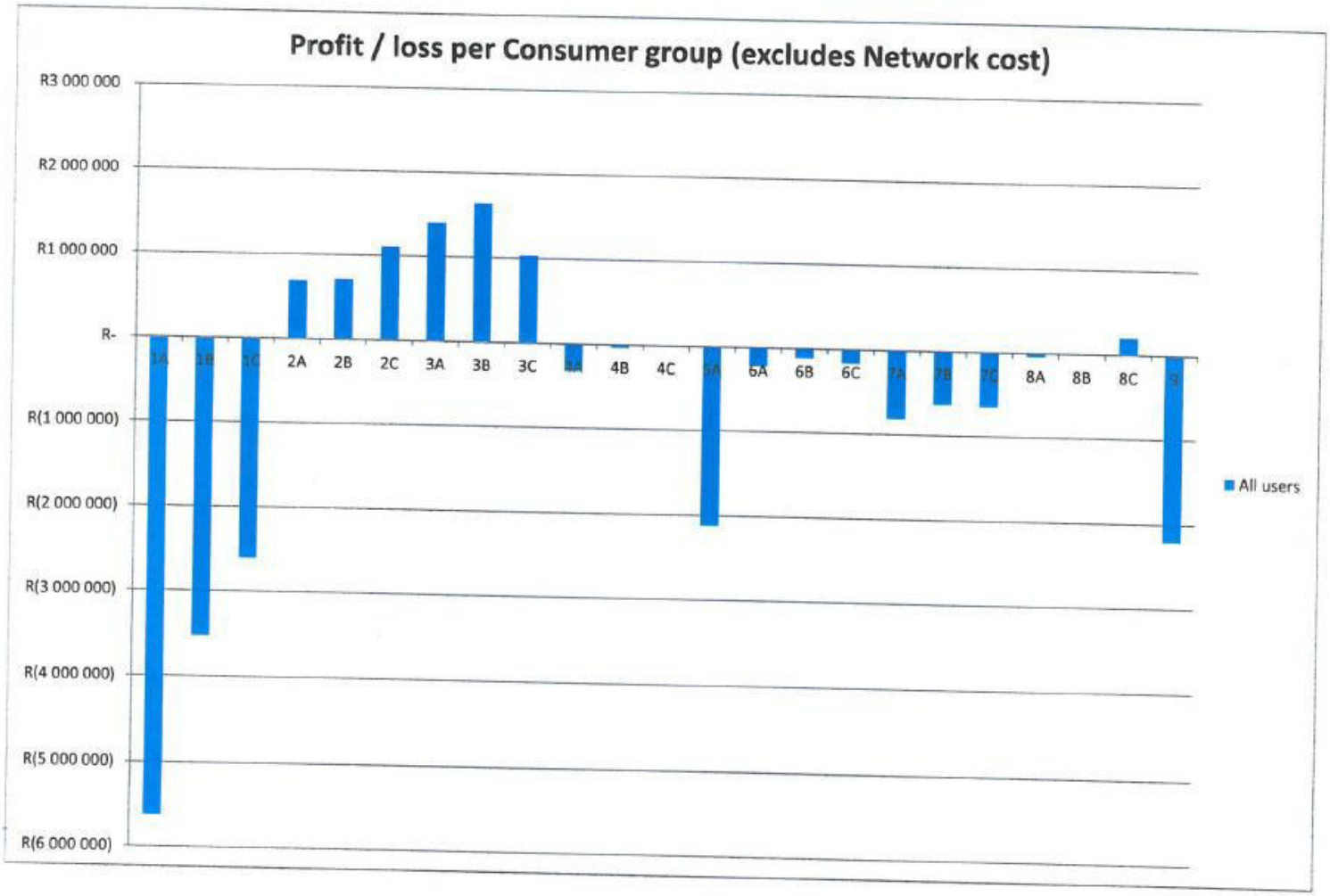
Allowed Revenue for 2019/20 = R 343,316,367

ANNEXURE B.1



MOST TARIFFS ARE BELOW COST IF THE NETWORK COST IS INCLUDED

ANNEXURE B.2



THE DOMESTIC TARIFFS AND BULK TARIFF ARE STILL BELOW COSTS EVEN WHEN THE NETWORK COSTS ARE EXLUDED.

NERSA APPROVED TARIFFS 2015_16							
Name of Licensee & Percetage Increase	**Domestic Low**	**Domestic High**	**Commercial Prepaid**	**Commercial Conventional**	**Industrial Low**	**Industrial High**	**Time of Use tariff**
Kouga 12.20%	***Domestic Prepayment 20A Phase 1***	***Domestic Prepaid 60A Phase1***	***Commercial Prepaid 60A Phase 1&3***	***Commercial Conventional 60A Phase 1***	**Industrial Normal Bulk**	**Industrial Normal Bulk**	***Time Of Use***
	Block 1 (0-50kWh) - 72.50	Block 1 (0-50kWh) - 72.50	Energy Charge - 150.00	Basic Charge - 360.00	***Low Voltage <500***	***High Voltage ≥500 & <66kV***	***Low Voltage <500V***
	Block 2 (51-350kWh) - 94.00	Block 2 (51-350kWh) - 94.00		Energy Charge - 114.00	Basic Charge - 660.00	Basic Charge - 660.00	Basic Charge - 660.00
	Block 3 (351-600kWh) - 134.00	Block 3 (351-600kWh) - 134.00			Energy Charge - 54.00	Energy Charge - 50.22	***Demand Charges:***
	Block 4 (>600kWh) - 161.00	Block 4 (>600kWh) - 161.00		***Commercial conventional 60A Phase 3***	***Demand Charge:***	***Demand Charge:***	Network demand charge - 26.07
		Basic Charge - 131.52		Basic Charge - 1 026.00	Network Demand charge - 173.02	Network Demand charge - 160.91	Access demand charge - 26.01
				Energy Charge - 114.00	Access Demand charge - 26.01	Access Demand charge - 24.19	
		Domestic Prepaid 60A Phase 3					***Low Season***
		Block 1 (0-50kWh) - 72.50		***Commercial conventional 100A Phase 3***			***Energy charge:***
		Block 2 (51-350kWh) - 94.00		Basic Charge - 1 710.00			Peak - 96.52
		Block 3 (351-600kWh) - 134.00		Energy Charge - 114.00			Standard - 68.59
		Block 4 (>600kWh) - 161.00					Offpeak - 46.06
		Basic Charge - 374.83					
							High Season
		Domestic Conventional 60A Phase 1					***Energy charge:***
		Block 1 (0-50kWh) - 72.50					Peak - 281.56
		Block 2 (51-350kWh) - 94.00					Standard - 90.14
		Block 3 (351-600kWh) - 134.00					Offpeak - 52.12
		Block 4 (>600kWh) - 161.00					Reactive Energy - 11.92
		Basic Charge - 164.40					
							High Voltage ≥500V & <66kV
		Domestic Conventional 60A Phase 3					Basic Charge - 660.00
		Block 1 (0-50kWh) - 72.50					***Demand Charges:***
		Block 2 (51-350kWh) - 94.00					Network demand charge - 24.25
		Block 3 (351-600kWh) - 134.00					Access demand charge - 24.19
		Block 4 (>600kWh) - 161.00					
		Basic Charge - 468.54					***Low Season***
							Energy charge:
							Peak - 89.76
							Standard - 63.79
							Offpeak - 42.84
							High Season
							Energy charge:
							Peak - 261.85
							Standard - 83.83
							Offpeak - 48.47
							Reactive Energy - 11.92

The NERSA approved tariffs for 2015/16 is included for comparison purposes.

4.0 Proposed Average Price Increase

The proposed average percentage price increase as received from NERSA will be 14.59 %

Table 9: Calculation of the guideline for the 2021/22 financial year

GI	Expenses	2018/19	Contribution	% Increase	Guideline
BP	Bulk Purchases	42 289 531 275	76.0%	17.8%	13.53%
R	Repairs and Maintenance	3 430 761 825	6.2%	4.4%	0.27%
S	Salaries	2 234 874 745	4.0%	6.5%	0.26%
FC	Finance Costs	948 105 195	1.7%	0.0%	0.00%
NMD	NMD Costs	120 940 710	0.2%	4.4%	0.01%
BD	Bad Debts Provision	1 491 338 074	2.7%	4.4%	0.12%
FBE	FBE Paid to Eskom	310 847 818	0.6%	4.4%	0.02%
OMD	Charges from other Municipal Departments	1 169 776 572	2.1%	4.4%	0.09%
OE	General Expenditure	3 653 590 625	6.6%	4.4%	0.29%
Total expenditure		**55 649 766 841**	**100%**		**14.59%**

It is our belief that this Tariff Increase is quite substantially after the COVID-19 pandemic and that Kouga Municipality must try to adhere to the requirements of NERSA.

5.0 TARIFFS FOR THE FINANCIAL YEAR: 2021/2022

Cost reflective Tariffs was developed by CMB Consulting Engineers in 2017 with 2015/16 as the Baseline year according to the requirements of NERSA's COST OF SUPPLY FRAMEWORK.

This was extensively discussed under Point 3.0 Objectives, with the fact that in the financial year 2019/20, Kouga Municipality have made a Revenue loss of – R19,851,923 under the Lockdown rules and Kouga Municipality is trying to reverse the situation with a Revised Forecast for 2020/2021 (Revenue Surplus / Deficit= 0) and the operating surplus for 2021/2022 Revenue Surplus of R1,848,826.

The set of tariffs that was approved for Kouga Municipality for the existing financial year 2020/2021 by NERSA is included in Appendices

6.0 ELECTRICITY OPERATING REVENUE FRAMEWORK

NERSA have developed a Cost of Supply Framework that according to the Policy position 23 of the Electricity Pricing, 1998 (GG No. 31741 of 19 December 199 states that:

" *Electricity distributors shall undertake Cost of Supply (COS) studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved National Energy Regulator of South Africa (NERSA or 'the Energy Regulator') standard to reflect changing costs and customer behaviour "*

6.1The Cost of Supply study that was done in 2017 for Kouga Municipality by CMB Consulting Engineers is still valid for the existing 5-year planning period and is included as Appendix 1 as a separate document. This was documented for 2015/16 – 2019/20 as follow:

Annexure A

Reduced Network Diagram (RND) for Kouga Municipality

KOUGA MUNICIPALITY 6 SUPPLY POINTS: 1 JULY 2015- 30 JUN			TOTAL KWH FROM COS
PREMISE	PREMISE ID	RECORDER	
WOODLANDS	4808859333	4808859333F1	**21,867,250**
JEFFREY'S BAY	7462004340	20000000175F1	**101,342,525**
ST FRANCIS BAY	7462004677	10000795380F1	**22,253,725**
OYSTER BAY	7462004502	10000795385F1	**1,416,159**
HUMANSDORP	7462004218	10000795379F1	**49,786,308**
CAPE ST FRANCIS	7462004848	10000795384F1	**3,454,087**
TOTAL KWH			**200,120,054**

KOUGA MUNICIPALITY 6 SUPPLY POINTS: 1 JULY 2019- 30 JUN 2020			TOTAL KWH : FROM ACCOUNTS	RAND VALUE
PREMISE	PREMISE ID	RECORDER		
WOODLANDS	4808859333	4808859333F1	**21,913,471**	**R 23,204,485**
JEFFREY'S BAY	7462004340	20000000175F1	**100,754,350**	**R 108,460,963**
ST FRANCIS BAY	7462004677	10000795380F1	**23,162,118**	**R 31,648,685**
OYSTER BAY	7462004502	10000795385F1	**1,361,650**	**R 1,942,331**
HUMANSDORP	7462004218	10000795379F1	**51,925,603**	**R 54,164,653**
CAPE ST FRANCIS	7462004848	10000795384F1	**3,495,550**	**R 4,656,896**
TOTAL KWH			**202,612,743**	**R 224,078,013**

2019/2020		
R 224,078,013	R 1.11	202,612,743
R 260,578,152	R 1.59	164,135,419
		12.90%
		2.50%
		3.00%
		6.00%
		19%

	164,135,419
	44,401,527
	38,165,248
	13,784,695
	62,495,626
	2,351,808
	2,936,515
	-

Legend:

N- Asset Group

P - Network Position

Consumers Groups: TOTAL			174,229,297
Group 1 -	Prepayment (Dom and Com)		39,418,536
Group 2 -	Domestic Conventional meters		41,229,445
Group 3 -	Commercial Conventional meters		16,227,156
Group 4 -	Bulk Supply Normal LV		21,377,700
Group 5 -	Bulk Supply Normal MV		15,976,992
Group 6 -	Bulk Supply Time of Use LV		4,851,954
Group 7 -	Bulk Supply Time of Use MV		22,508,334
Group 8 -	Streetlights		3,951,180
Group 9 -	Woodlands Steam Generation		8,688,000
Total Eskom Purchases		kWh	200,120,054
Total Sales:		kWh	174,229,296
Loss %			12.90%
Loss % per transformation asset group:			2.50%
Loss % per HV/MV circuit asset group			3.00%
Loss % oer LV circuit asset group			6.00%
			12.94%

2015/16	
R 171,711,422	R 0.86
R 234,162,285	R 1.34
	66kV Busb

From the above table it is clear that the actual losses have increased from 12.94% in 2015/16 to 19% in 2019/20 against the NORM of 11.5%.

Below a breakdown of property rates and service charges for 2021/21:

Description	Current Year 202/21	2021/22 Medium Term Revenue & Expenditure Framework	
	Adjusted Budget	Budget Year 2021/22	%
R thousands			
Revenue By Source			
Property rates	197 292	210 116	6.5%
Service charges - electricity revenue	274 470	296 702	8.1%
Service charges - water revenue	75 713	81 846	8.1%
Service charges - sanitation revenue	50 051	53 555	7%
Service charges - refuse revenue	37 401	40 019	7%
Service charges - environmental management fee revenue	14 671	14 671	0%

The Municipality faced the following significant challenges in preparing the 2020/21 – 2022/23 Budget:

- Maintaining an acceptable employee related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The multi-year budget is therefore underpinned by the following assumptions:

	2021/22	2022/23	2023/24
Income	**%**	**%**	**%**
Tariff Increases for water	8.1	8.1	8.1
Tariff Increases for sanitation	7	8	8
Tariff Increases for refuse	7	8	8
Property rates increase	6.5	6.5	6.5
Electricity tariff increase (on average)	14.58	13.07	13.07
Environmental Management Fee increase	0	0	0
Revenue collection rates	96	96	96
Expenditure increases allowed	4.5	4.6	4.6
Salary increase	6.25	4.6	4.6
Increase in bulk purchase of electricity costs	8.1	5.2	8.9
Increase in bulk purchase of water costs	0	7.5	7.5

7.0 Proposed Amendments of Tariffs

The proposed amendments to the electricity tariffs, i.e. list of the present and the proposed new designations and tariff charges next to each other, together with the percentage increase in these charges are contained in **Schedule A**, which is attached as an annexure.

7.1 Domestic Consumers

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 60Amp three phase. Should Consumers require supplies in excess hereof, the Commercial Consumer or Bulk Supply tariff will be applicable.

Four block Inclining Block Tariffs (IBT) are being applied. A Basic Charge is also applied on the Economic tariff.

The proposed Energy Charges and the percentage tariff increases are highlighted in the table below:

	Block 1: 0 – 50kWh	**Block 2: 51 – 350kWh**	**Block 3: 351 – 600kWh**	**Block 4: >600kWh**
NERSA tariff benchmark 2021/22	*R1.15 – R1.26 /kWh*	*R1.51 – R1.62 /kWh*	*R2.16 – R2.28 /kWh*	*R2.59 – R2.68 /kWh*
Proposed tariff	R1.1619 /kWh	R1.5172 /kWh	R2.1646 /kWh	R2.6046 /kWh
Percentage increase	14.59%	14.59%	14.59%	14.59%

7.2 Pre-payment Meters (PPM): Sub-economic (20A)

(a) Those consumers who qualify in terms of the Municipality's Indigent policy receive Free Basic Electricity (FBE), i.e. the first 50kWh (Block 1) purchased per month is for free.

(b) The proposed Energy Charges are very close to the NERSA lower benchmark.

(c) The average price increase for these consumers is 14.59%.

7.3 Prepayment Meters: Economic (60A)

(a) Those consumers who qualify in terms of the Municipality's Indigent policy also receiveFree Basic Electricity (FBE), i.e. the first 50kWh (Block 1) purchased per month is for free.

(b) Kouga Municipality's consumers include a large percentage of holiday houses located within Jeffreys Bay, St. Francis Bay, Cape St Francis and Oyster Bay. Although the holiday / weekend users' consumption can be high during periods of occupancy, the overall consumption is very low per year. For this reason the present tariff has a Basic Charge to recover ongoing fixed monthly costs related to consumer service and operation and maintenance of the network, which is incurred irrespective of consumptionlevels. This Basic Charge is currently invoiced on the rates and taxes account.

(c) The Basic Charge is 20% less compared to the Basic Charge for the Conventional Metertariff, to take into account the lower administration cost, e.g. no meter reading, less paperwork, etc. and the reduced risk of non-payment. This may encourage conversion to prepayment meters, but the consumer must be responsible for the cost of replacing the meter.

(d) The proposed Energy Charges are the same or very close to the NERSA lowerbenchmark.

(e) The average price increase for these consumers is 14.59% for single phase and 14.59% for three phase.

7.4 Conventional Meters (CM)

(f) The proposed Energy Charges for all blocks are the same as that for prepayment meters.

(g) As per Item No's 5.1.2 (b) and (d) above.

(h) The average price increase for the single-phase consumers is 14.59% and that of thethree phase consumers is 14.59%.

7.5 Commercial Consumers

This tariff covers the supply of electricity to shops, office buildings, hotels, Bed & Breakfasts, clubs, industrial undertakings, temporary supplies, or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 100Amp three phase.Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.

7.5.1 Prepayment Meters

(i) This tariff is low compared to the NERSA benchmark (R2.6964 /kWh to R2.8013 /kWh gross cost per kWh) and has been increased 14.59%.

(j) The average price increase for these consumers is 14.59% for both single and three phase.

7.5.2 Conventional Meters

(k) The average price increase for the single-phase consumers is 14.59% and that of the three phase consumers is 14.59%.

7.6 Bulk Consumers

The Bulk Supply tariff is for Consumers with a notified maximum demand of minimum 60kVA or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highestmaximum demand reading during the previous rolling 12 x month period.

Should the Consumer's NMD be exceeded for more than two months, the consumers supply capacity and Augmentation Levy must be reviewed and an Excess Network Access Charge (E-NAC) will become payable. The amount payable through an E-NAC after exceeding for more than two months = (Number of times the NMD is exceeded based on a rolling 12 months) x (theportion of the demand exceeding the NMD) x (Network Access Charge). This charge is over andabove the normal Network Access Charge.

7.8 Normal Bulk

(l) This tariff and in particular the High Voltage tariff is low compared to the NERSA benchmarks (R2.4418 /kWh to R2.5616 /kWh gross cost per kWh) and the rates at which theMunicipality purchases electricity from Eskom.

(m) The Basic Charges have been increased by the average.

(n) The Low Voltage Energy Charge has been increased by14.59%.

(o) The Low Voltage Demand Charge has been increased 14.59%.

(p) The average price increase for the Low Voltage consumers is 14.59% and for High Voltage consumers 14.59%.

7.9 Time-of-Use (TOU)

(q) This tariff is based on the Eskom Local Authority "Megaflex" tariff, except that there is asingle Basic Charge and Eskom's various kWh charges are included in one Energy Charge.

(r) The Network Demand Charge is payable per month for the demand supplied (maximum demand reading) during peak and standard periods. No Network Demand Charge is payable during off-peak periods.

(s) The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading duringthe previous

rolling 12 month period. The charge is applicable during all time periods.

(t) The Reactive Energy Charge is applied to kVArh in excess of 30% (0,96 Power Factor)of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will onlybe applicable during high-demand season.

(u) The following conditions are applicable to the TOU tariff:

- Industrial / bulk consumers with a minimum notified demand of 60kVA, and who are able to manage their energy consumption according to Eskom's specified timeschedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff.
- Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost.
- Where existing Consumers consider conversion to TOU, it will be the Consumers' responsibility to do a tariff study to the satisfaction of the Director: Infrastructure and Engineering.
- At least 6 months TOU data (3 x high demand season and 3 x low demand season)must be available before the conversion can be implemented.

(v) A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.This tariff is still low compared to the NERSA benchmarks (R1.8706 /kWh to R1.9657 /kWh gross cost per kWh) and the rates at which the Municipality purchases electricity from Eskom.

(w) The Basic Charges have been increased by the average.

(x) The Low Voltage Energy Charges have been increased by 14.59%.

(y) The Low Voltage Demand Charge has been increased by14.59%.

(z) The abovementioned increases will result in this tariff being approximately 9% more thanthe Eskom Megaflex Energy Charges for local authorities.

(aa) The average price increase for Low Voltage consumers is 14.59% and for High Voltage consumers 14.59% which is in-line with the NERSA guideline.

*8.0 **EFFECT OF PROPOSED AMENDMENTS ON CONSUMERS***

The effect of the proposed new electricity tariffs on typical consumers is illustrated in **ScheduleC**, which is attached as an annexure. This schedule indicates the total monthly rand value, grosscost per kWh and the percentage price increase for the typical consumer in each category.

When the percentage price increase is determined it is important that all the tariff components, i.e. Basic, Energy and Demand Charges are taken into account. Firstly the consumer’s average monthly consumption is determined and then the consumer's total monthly electricity account (including the Basic/Service Charge, kWh Charge and kVA Charge), based on the new financialyear's charges is calculated, and this is compared to the same calculation based on the previousfinancial year's charges.

The gross cost per kWh is the consumer's total monthly bill, including Basic/Service, kWh and kVA charges, divided by the total number of kWh consumed. The number of kWh consumed per month in relation to the capacity of the supply (load factor) does therefore, play a significantrole in a consumer's gross cost per kWh.

This is further illustrated on the attached Graphs 1 to 4.

9.0 BULK PURCHASES

The Municipality purchases electricity in bulk at six metering points from Eskom, and at thefollowing tariffs:

- Humansdorp 2nd Point – Megaflex tariff at 22kV (9500kVA NMD).
- Oesterbaai – Ruraflex Interval at 22kV (700kVA NMD).
- Humansdorp – Megaflex at 22kV (11 000kVA NMD).
- Jeffreys Bay – Megaflex at 66kV (32 000kVA NMD).
- St Francis Bay – Ruraflex Interval at 22kV (5 000kVA NMD).
- Cape St Francis – Ruraflex Interval at 22kV (900kVA NMD).

Schedule G provides a summary of the abovementioned Eskom accounts for the last 5 years as well as the estimated purchases for the 2021/22 financial year. The estimated total kWh purchases for 2021/22 is ±204 704 163kWh and the gross cost per kWh is estimated at R1.37 per kWh, taking into account the approved Eskom increase of 17.8%.

Based on the above, the estimated total losses is some 18.38 %which is more than the NERSA benchmark of between 5 and 12%. It is recommended that the Municipality do an investigationand audit to determine the reason for the losses being so high, and to implement measures to reduce same.

It is noted that the notified maximum demand of Humansdorp is running very close to the NMDof 11 000kVA, and that the NMD's for St Francis Bay and Cape St Francis are frequently exceeded. These exceedances must be investigated and the necessary arrangements made with Eskom in this regard.

8.0 NERSA APPROVAL

In order for the tariffs to be approved and to be implemented on 1 July 2021, it is a legal requirement that the proposed tariffs be submitted to NERSA for approval after same has beenapproved by the municipal Council.

Attached as an annexure are the following forms which have been completed and must accompany the application to NERSA.

NERSA D6 Form – Tariff Information for the year ending 30 June 2020.

NERSA D7 Form – Application for a tariff increase / tariff structure change.

The application must be submitted to NERSA immediately after having been approved by the Municipality and as soon as possible.

The Municipality must also ensure that their distribution information (on prescribed D-forms) is submitted to NERSA on an annual basis as prescribed in the Municipality's electricity license conditions.

9.0 CONCLUSION

We trust the proposals put forward are sufficiently described to meet the Municipality's and NERSA's requirements, however please do not hesitate to contact the writer should anything require further explanation.

10.0 ANNUAL BUDGET TABLES

Included as Annexures

SCHEDULE A: ITEM 1.0 - 1.2.2

KOUGA MUNICIPALITY: PROPOSED AMENDMENTS TO ELECTRICITY SALES TARIFFS FOR THE FINANCIAL YEAR 2020/2021												
	DESIGNATION		TARIFF COMPONENTS									
Item			Basic charge [R/month]			Energy charge [R/kWh]			Demand charge [R/kVA]			Comments
No.	Present	Proposed Amendments	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	
			2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	
	All tariffs are applicable to all areas, i.e. Cape St. Francis, Oyster Bay, St. Francis Bay, Humansdorp and Jeffreys Bay.											
1.0	DOMESTIC CONSUMER TARIFFS											
	This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker size or prepayment meter trip setting not in excess of											
1.1	Prepayment meters											
1.1.1	1 Phase											
	Sub-economic (20A) with FBE:											The sub-economic tariff is a subsidized tariff and the consumer's
	Block 1: 0 - 50kWh					0.0000	0.0000					circuitbreaker size is limited to 20A single phase.
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				Those consumers who qualify in terms of the Municipality's
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				Indigent policy receive Free Basic Electricity (FBE), i.e. The
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				first 50kWh (Block 1) purchased per month is for free.
												The Energy Charges are close to the NERSA lower
	Sub-economic (20A) without FBE:											benchmark.
	Block 1: 0 - 50kWh					1.0140	**1.1619**	14.59%				
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				
	Economic (60A) with FBE:		185.29	**212.32**	14.59%							
	Block 1: 0 - 50kWh					0.0000	0.0000					The Basic Charge is 20% lower than that of the conventional meter
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				tariff.
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				The Energy Charges are close to the NERSA lower benchmark.
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				Consumers will be responsible for all cost for
												converting from conventional meters to prepayment meters.
	Economic (60A) without FBE:		185.29	**212.32**	14.59%							
	Block 1: 0 - 50kWh					1.0140	**1.1619**	14.59%				
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				
1.1.2	3 Phase											
	Economic (60A):		518.80	**594.49**	14.59%							
	Block 1: 0 - 50kWh					1.0140	**1.1619**	14.59%				
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				
1.2	Conventional meters											
1.2.1	1 Phase											
	60A:		231.61	**265.40**	14.59%							
	Block 1: 0 - 50kWh					1.0140	**1.1619**	14.59%				
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				
1.2.2	3 Phase											
	60A:		648.50	**743.12**	14.59%							
	Block 1: 0 - 50kWh					1.0140	**1.1619**	14.59%				
	Block 2: 51 - 350kWh					1.3240	**1.5172**	14.59%				
	Block 3: 351 - 600kWh					1.8890	**2.1646**	14.59%				
	Block 4: > 600kWh					2.2730	**2.6046**	14.59%				
2.0	COMMERCIAL CONSUMER TARIFFS											
	This tariff covers the supply of electricity to shops, office buildings, hotels, Bed & Breakfasts, clubs, industrial undertakings, temporary supplies, or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 100Amp three phase. Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.											

SCHEDULE A: 2.1 – 3.1.2

KOUGA MUNICIPALITY: PROPOSED AMENDMENTS TO ELECTRICITY SALES TARIFFS FOR THE FINANCIAL YEAR 2020/2021												
	DESIGNATION		TARIFF COMPONENTS									
Item			Basic charge [R/month]			Energy charge [R/kWh]			Demand charge [R/kVA]			Comments
No.	Present	Proposed Amendments	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	
			2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	
	All tariffs are applicable to all areas, i.e. Cape St. Francis, Oyster Bay, St. Francis Bay, Humansdorp and Jeffreys Bay.											
2.1	Prepayment meters											
2.1.1	1 Phase											
	Business (60A)		0.00	**0.00**		2.2400	**2.5668**	14.59%				The Energy Charge is low compared to the NERSA benchmark.
2.1.2	3 Phase											
	Business (60A)		0.00	**0.00**		2.2400	**2.5668**	14.59%				The Energy Charge is low compared to the NERSA benchmark.
2.2	Conventional meters											
2.2.1	1 Phase											
	60A		507.59	**581.65**	14.59%	1.6200	**1.8564**	14.59%				
2.2.2	3 Phase											
	60A		1421.26	**1628.62**	14.59%	1.6200	**1.8564**	14.59%				
	100A		2368.77	**2714.37**	14.59%	1.6200	**1.8564**	14.59%				
3.0	BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS											
	The Bulk Supply tariff is for Consumers with a notified maximum demand of minimum 60kVA or who require a supply greater											
3.1	Normal Bulk											
3.1.1	Low Voltage (<500V)											This tariff is low compared to the NERSA benchmarks.
	Basic Charge		932.08	**1068.07**	14.59%							The Energy Charge needs to be increased more than the average
	Network Demand Charge								244.40	**280.0580**	14.59%	in future.
	Network Access Charge								36.80	**42.1691**	14.59%	
	Active Energy Charge					0.8300	**0.9511**	14.59%				
3.1.2	High Voltage (=> 500V and < 66kV)											This tariff is low compared to the NERSA benchmarks and
	Basic Charge		932.08	**1068.07**	14.59%							the Energy Charge of Tariff 3.1.1.
	Network Demand Charge								224.85	**257.6556**	14.59%	The differences between the Low and High Voltage charges
	Network Access Charge								33.86	**38.8002**	14.59%	have been adjusted as follows to be in-line with the
	Active Energy Charge					0.8217	**0.9416**	14.59%				Eskom bulk purchase tariff:
												Energy Charges - 1%
												Demand Charges - 8%.
3.2	Time of Use (TOU)											
	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA per month : The Network Access Charge is payable per month for the demand supplied, Notified Maximum Demand NMD (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 100kVA) or the highest network demand reading during the previous rolling 12 month period. Should the Consumer's NMD be exceeded for more than two months, the consumers supply capacity and Augmentation Levy must be reviewed and an Excess Network Access Charge (E-NAC) will become payable. The amount payable through an E-NAC after exceeding for more than two months = (Number of times the NMD is exceeded based on a rolling 12 months) x (the portion of the demand exceeding the NMD) x (Network Access Charge + Network Demand Charge). This charge is over and above the normal Network Access Charge.											

SCHEDULE A:ITEM 3.2.1 – 6.0

KOUGA MUNICIPALITY: PROPOSED AMENDMENTS TO ELECTRICITY SALES TARIFFS FOR THE FINANCIAL YEAR 2020/2021												
	DESIGNATION		TARIFF COMPONENTS									
Item			Basic charge [R/month]			Energy charge [R/kWh]			Demand charge [R/kVA]			Comments
No.	Present	Proposed Amendments	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	NERSA APPROVED	Proposed	% Incr.	
			2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	2020/21	2021/22	14.59%	
	All tariffs are applicable to all areas, i.e. Cape St. Francis, Oyster Bay, St. Francis Bay, Humansdorp and Jeffreys Bay.											
3.2.1	**Low Voltage (<500V)**											This tariff is low compared to the NERSA benchmarks.
	Basic charge		932.08	**1068.07**	14.59%							All charges needs to be increased more than the average
	Network Demand Charge								42.68	**48.9070**	14.59%	in future.
	Network Access Charge								36.80	**42.1691**	14.59%	
	Active energy charge:											
	High demand (June to August):											
	Peak					4.2668	**4.8893**	14.59%				
	Standard					1.3660	**1.5653**	14.59%				
	Off-peak					0.7899	**0.9051**	14.59%				
	Low demand (Sept to May):											
	Peak					1.4626	**1.6760**	14.59%				
	Standard					1.0394	**1.1910**	14.59%				
	Off-peak					0.6979	**0.7997**	14.59%				
	Reactive Energy Charge (R/kVArh): High Demand (June to					0.1807	**0.2071**	14.59%				
3.2.2	**High Voltage (>=500V and <66kV)**											This tariff is low compared to the NERSA benchmarks and Tariff 3.2.1.
	Basic charge		932.08	**1068.07**	14.59%							The differences between the Low and High Voltage charges
	Network Demand Charge								39.27	**44.9995**	14.59%	have been adjusted as follows to be in-line with the
	Network Access Charge								33.86	**38.8002**	14.59%	Eskom bulk purchase tariff:
	Active energy charge:											Energy Charges - 1%
	High demand (June to August):											Demand Charges - 8%.
	Peak					4.0327	**4.6211**	14.59%				
	Standard					1.2911	**1.4795**	14.59%				
	Off-peak					0.7466	**0.8555**	14.59%				
	Low demand (Sept to May):											
	Peak					1.3824	**1.5841**	14.59%				
	Standard					0.9824	**1.1257**	14.59%				
	Off-peak					0.6597	**0.7560**	14.59%				
	Reactive Energy Charge (R/kVArh): High Demand (June to					0.1807	**0.2071**	14.59%				
4.0	**OTHER TARIFFS**											
	Claude Neon		174.00	**199.39**	14.59%							
	Telephone booths		108.00	**123.76**	14.59%							
	Streetlights					1.7	**1.9480**	14.59%				
	Woodlands Steam Generation - As per Sp	To be withdrawn										
	Temporary Supply - As per Item 2.2 above.											The Commercial Conventional Meter charges will be applicable
												for temporary supplies.
5.0	**DEPARTMENTAL** - The respective Commercial and Bulk Supply Tariffs as per Items 2.0 and 3.0 above shall be applicable to all municipal buildings, pumpstations, waste water works, water treatment works, etc.											
5.1	**OTHER SUNDRY ELECTRICITY TARIFFS**											

Schedule B

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON DIFFERENT CONSUMER CATEGORIES FOR THE FINANCIAL YEAR 2020/2021 AND PROPOSED 2021/2022

ITEM		NERSA APPROVED TARIFFS 2020/2021			NERSA PROPOSED NEW TARIFFS 2021/22			% PRICE INCREASE
No.	CATEGORY	Income [R]	kWh	R/kWh	Income [R]	kWh	R/kWh	[%]
1.0	DOMESTIC CONSUMER TARIFFS							
1.1	Prepayment meters							
1.1.1	1 Phase:							
	Indigenetn (Sub-Economic)	R 11,304,421.04	11,378,369	0.99	R 12,953,736.07	11,378,369	1.14	12.73%
	Domestic (Economic)	R 52,309,355.97	29,260,022	1.79	R 62,864,631.54	29,260,022	2.15	16.79%
1.1.2	Commercial (Pre-paid)	R 5,137,844.77	2,119,714	2.42	R 5,784,090.70	2,119,714	2.73	11.17%
	TOTAL IBT's	R 68,751,621.78	42,758,105		R 81,602,458.31	42,758,105		
1.2	Conventional meters							
1.2.1	1 Phase - DOM-1 DOMESTIC 1	R 95,066,687.07	46,790,258	2.03	R 108,936,916.71	46,790,258	2.33	12.73%
1.2.2	3 Phase - DOM-3 DOMESTIC 3	R 8,908,262.53	3,671,720	2.43	R 10,207,978.03	3,671,720	2.78	12.73%
		R 103,974,949.59	50,461,978.00		R 119,144,894.74	50,461,978		
2.0	COMMERCIAL CONSUMER TARIF							
2.1	Prepayment meters							
2.1.1	1 Phase							
2.1.2	3 Phase							
		R -	0.00		R -	0		
2.2	Conventional meters							
2.2.1	1 Phase - COM-1 COMMERCIAL 1	R 8,124,055.26	3,725,186	2.18	9,309,354.92	3,725,186	2.50	12.73%
2.2.2	3 Phase - COM-3 COMMERCIAL 3	R 20,116,345.81	9,104,419	2.21	R 23,051,320.66	9,104,419	2.53	12.73%
		R 28,240,401.07	12,829,604.67		R 32,360,675.58	12,829,605		
3.0	BULK SUPPLY / INDUSTRIAL							
3.1	Normal Bulk							
3.1.1	Low Voltage (<500V)	R 24,783,614.49	12,686,320	1.95	R 27,600,630.90	12,686,320	2.18	10.21%
3.1.2	High Voltage (=> 500V and < 66kV)	R 363,320.71	306,456	1.19	R 392,831.76	306,456	1.28	7.51%
		R 25,146,935.20	12,992,776.00		R 27,993,462.66	12,992,776		
3.2	Time of Use (TOU)							
3.2.1	Low Voltage (<500V)	R 17,028,556.84	11,124,766	1.53	R 19,101,818.09	11,124,766	1.72	10.85%
3.2.2	High Voltage (>=500V and <66kV)	R 50,038,889.46	42,403,500	1.18	R 57,233,824.96	42,403,500	1.35	12.57%
		R 67,067,446.31	53,528,266		R 76,335,643.05	53,528,266		
4.1	Street Lighting	R 6,366,668.44	3,745,099	1.70	R 7,295,565.36	3,745,099	1.95	12.73%
5.0	DEPARTMENTAL	-	-	-	-	-	-	-
	TOTAL	R 299,548,022.38	176,315,828.30	1.70	R 344,732,699.71	176,315,828	1.96	13.11%
	TOTAL + LOSSES DETERMINATION							
.	ESKOM PURCHASES	R 247,167,521.33	204,704,163.66	1.21	R 291,163,340.13	204,704,163.66	1.42	15.11%
	LOSSES %		13.87%			13.87%		
	ESKOM %INCREASE		17.8%					

Schedule C

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON TYPICAL CONSUMERS FOR THE FINANCIAL YEAR 2021/2022

	Typical Consumers					Proposed New Tariffs - 2021/22				Present Tariffs - 2020/21				Price Increase	
Item		Quantity	Consumption / consumer.	Consumption / consumer.	Load factor	Basic charge	GROSS COST / CONSUMER 2021/22			Basic charge	GROSS COST / CONSUMER 2020/21			Price Difference	
[No]	DESCRIPTION	[No]	[kWh/month]	[kVA/month	[%]	[R/month]	[R/month]	[R/kWh]	[R/kVA]	[R/month	[R/month]	[R/kWh]	[R/kVA]	[R/month]	[%]
1.0	**DOMESTIC CONSUMER TARIFFS**														
1.1	**Prepayment meters**														
1.1.1	**1 Phase**														
	Sub-economic (20A) with FBE	0			23										
	Block 1: 0 - 50kWh	1689	128		2.2	0.00	-	0.0000	0.00	0.0000	-	0.0000		0.00	
	Block 2: 51 - 350kWh	2907	212		5.9	0.00	322.16	1.5172	0.00	0.0000	281.14	1.3240		41.02	14.59%
	Block 3: 351 - 600kWh	447	185		13.4	0.00	400.41	2.1646	0.00	0.0000	349.43	1.8890		50.98	14.59%
	Block 4: > 600kWh	116	284		25.5	0.00	740.49	2.6046	0.00	0.0000	646.21	2.2730		94.28	14.59%
	Sub-economic (20A) without FBE														
	Block 1: 0 - 50kWh	372	121		0.6	0.00	141.16	1.1619	0.00	0.0000	123.19	1.0140		0.00	14.59%
	Block 2: 51 - 350kWh	1328	306		5.2	0.00	464.03	1.5172	0.00	0.0000	404.95	1.3240		59.08	14.59%
	Block 3: 351 - 600kWh	194	270		13.1	0.00	585.46	2.1646	0.00	0.0000	510.92	1.8890		74.54	14.59%
	Block 4: > 600kWh	63	346		26.3	0.00	901.51	2.6046	0.00	0.0000	786.73	2.2730		114.78	14.59%
	Economic (60A) with FBE														
	Block 1: 0 - 50kWh	0	0		0.2	212.32	212.32	1.1619	0.00	185.2800	185.28	1.0140		27.04	14.59%
	Block 2: 51 - 350kWh	0	0		1.9	212.32	212.32	1.5172	0.00	185.2800	185.28	1.3240		27.04	14.59%
	Block 3: 351 - 600kWh	0	0		4.5	212.32	212.32	2.1646	0.00	185.2800	185.28	1.8890		27.04	14.59%
	Block 4: > 600kWh	0	0		10.3	212.32	212.32	2.6046	0.00	185.2800	185.28	2.2730		27.04	14.59%
	Economic (60A) without FBE														
	Block 1: 0 - 50kWh	2790	121		0.3	212.32	353.48	1.1619	0.00	185.2800	308.47	1.0140		45.01	14.59%
	Block 2: 51 - 350kWh	3407	306		1.9	212.32	676.35	1.5172	0.00	185.2800	590.23	1.3240		86.12	14.59%
	Block 3: 351 - 600kWh	1231	270		4.6	212.32	797.78	2.1646	0.00	185.2800	696.20	1.8890		101.58	14.59%
	Block 4: > 600kWh	575	346		8.7	212.32	1,113.83	2.6046	0.00	185.2800	972.01	2.2730		141.82	14.59%
1.1.2	**3 Phase**														
	Economic (60A)														
	Block 1: 0 - 50kWh	99	139		0.0	594.49		1.1619	0.00	518.78					
	Block 2: 51 - 350kWh	185	288		0.0	594.49	1,031.25	1.5172	0.00	518.7800	899.93	1.3240		131.32	14.59%
	Block 3: 351 - 600kWh	35	706		0.0	594.49	2,122.20	2.1646	0.00	518.7800	1,851.97	1.8890		270.23	14.59%
	Block 4: > 600kWh	68	1239		0.0	594.49	3,821.56	2.6046	0.00	518.7800	3,334.97	2.2730		486.60	14.59%
1.2	**Conventional meters**														
1.2.1	**1 Phase**														
	60A														
	Block 1: 0 - 50kWh	499	36		0.2	265.40	307.17	1.1619	0.00	231.6000	268.05	1.0140		39.12	14.59%
	Block 2: 51 - 350kWh	3156	297		2.0	265.40	449.92	1.5172	0.00	231.6000	392.64	1.3240		57.29	14.59%
	Block 3: 351 - 600kWh	2615	690		4.6	265.40	1,494.57	2.1646	0.00	231.6000	1,304.28	1.8890		190.29	14.59%
	Block 4: > 600kWh	859	1327		8.9	265.40	3,456.34	2.6046	0.00	231.6000	3,016.27	2.2730		440.07	14.59%

Schedule C

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON TYPICAL CONSUMERS FOR THE FINANCIAL YEAR 2021/2022

	Typical Consumers					Proposed New Tariffs - 2021/22				Present Tariffs - 2020/21				Price Increase	
Item		Quantity	Consumpti	Consumpti	Load	Basic	GROSS COST / CONSUMER			Basic	GROSS COST / CONSUMER			Price	
[No]	DESCRIPTION	[No]	[kWh/month]	[kVA/month	[%]	[R/month]	[R/month]	[R/kWh]	[R/kVA]	[R/month	[R/month]	[R/kWh]	[R/kVA]	[R/month]	[%]
1.2.2	**3 Phase**														
	60A														
	Block 1: 0 - 50kWh	8	11		0.0	743.12	756.17	1.1619	0.00	648.4800	659.87	1.0140		96.30	14.59%
	Block 2: 51 - 350kWh	19	238		0.6	743.12	1,104.82	1.5172	0.00	648.4800	964.13	1.3240		140.69	14.59%
	Block 3: 351 - 600kWh	47	590		1.6	743.12	2,021.10	2.1646	0.00	648.4800	1,763.74	1.8890		257.36	14.59%
	Block 4: > 600kWh	118	2314		6.2	743.12	6,770.65	2.6046	0.00	648.4800	5,908.57	2.2730		862.09	14.59%
2.0	**COMMERCIAL CONSUMER TARIF**														
2.1	**Prepayment meters**														
2.1.1	**1 Phase**														
	Business (60A)	0	0		7.5	0.00	-	2.5668	0.00	0.0000	-	2.2400		0.00	#DIV/0!
2.1.2	**3 Phase**														
	Business (60A)	0	0		3.3	0.00	-	2.5668	0.00	0.0000	-	2.2400		0.00	#DIV/0!
2.2	**Conventional meters**														
2.2.1	**1 Phase**														
	60A	343	905		8.1	581.65	2,261.75	1.8564	0.00	507.6000	1,973.78	1.6200		287.97	14.59%
2.2.2	**3 Phase**														
	60A	173	1,965		6.8	1628.62	5,276.37	1.8564	0.00	1421.2800	4,604.58	1.6200		671.79	14.59%
	100A	85	4,925		10.3	2714.37	11,856.94	1.8564	0.00	2368.8000	10,347.30	1.6200		1509.64	14.59%
3.0	**BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS**														
3.1	**Normal Bulk**														
3.1.1	**Low Voltage (<500V)**														
	Basic Charge	68				1068.07	1,068.07			932	932.00				
	Network Demand Charge			56			15,683.25		280.06		13,686.40		244.40		
	Network Access Charge			129			5,439.82		42.17		4,747.20		36.80		
	Active Energy Charge		15,547		33.4		14,786.67	0.9511			12,903.98	0.8300			
							36,977.80				32,269.58	0.8300		4708.22	14.59%
3.1.2	**High Voltage (=> 500V and <**														
	Basic Charge	2				1068.07	1,068.07			932	932.00				
	Network Demand Charge			24			6,183.73		257.66		5,396.40		224.85		
	Network Access Charge			60			2,328.01		38.80		2,031.60		33.86		
	Active Energy Charge		12,769		46.7		12,023.11	0.9416			10,492.29	0.8217			
							21,602.92				18,852.29	0.8300		2750.64	14.59%

Schedule C

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON TYPICAL CONSUMERS FOR THE FINANCIAL YEAR 2021/2022

	Typical Consumers					Proposed New Tariffs - 2021/22				Present Tariffs - 2020/21				Price Increase	
Item		Quantity	Consumpti	Consumpti	Load	Basic	GROSS COST / CONSUMER			Basic	GROSS COST / CONSUMER			Price	
[No]	DESCRIPTION	[No]	[kWh/month]	[kVA/month	[%]	[R/month]	[R/month]	[R/kWh]	[R/kVA]	[R/month	[R/month]	[R/kWh]	[R/kVA]	[R/month]	[%]
3.2	Time of Use (TOU)														
3.2.1	Low Voltage (<500V)														
	Basic charge	34				1068.07	1,068.07			932	932.00				
	Network Demand Charge			69			3,374.58		48.91		2,944.92		42.68		14.59%
	Network Access Charge			143			6,030.18		42.17		5,262.40		36.80		14.59%
	Active energy charge:														
	High demand (June to August):														
	Peak		5,529				27,032.11	4.8893			23,590.28	4.2668		3441.82	14.59%
	Standard		10,351				16,202.73	1.5653			14,139.74	1.366		2062.99	14.59%
	Off-peak		8,368				7,574.27	0.9051			6,609.88	0.7899		964.38	14.59%
	Low demand (Sept to May):														
	Peak		5,874				9,845.37	1.6760			8,591.82	1.4626		1253.55	14.59%
	Standard		10,620				12,648.93	1.1910			11,038.43	1.0394		1610.51	14.59%
	Off-peak		10,740		59.7		8,588.79	0.7997			7,495.24	0.6979		1093.56	14.59%
	Reactive Energy Charge (R/kVArh)		162,847				33,719.77	0.2071			29,426.45	0.1807		4293.32	14.59%
							126,084.80				110,031.17	1.3532		16053.63	14.59%
											110,031.17				
3.2.2	High Voltage (>=500V and <66kV)														
	Basic charge	9				1068.07	1,068.07			932	932.00				
	Network Demand Charge			885			39,824.55		45.00		34,753.95		39.27		14.59%
	Network Access Charge			900			34,920.16		38.80		30,474.00		33.86		14.59%
	Active energy charge:														
	High demand (June to August):														
	Peak		54,900				253,696.79	4.6211			221,395.23	4.0327		32301.56	14.59%
	Standard		148,500				219,701.52	1.4795			191,728.35	1.2911		27973.17	14.59%
	Off-peak		154,800				132,435.88	0.8555			115,573.68	0.7466		16862.20	14.59%
	Low demand (Sept to May):														
	Peak		61,200				96,946.44	1.5841			84,602.88	1.3824		12343.56	14.59%
	Standard		161,100				181,355.45	1.1257			158,264.64	0.9824		23090.81	14.59%
	Off-peak		181,800		68.5		137,431.75	0.7560			119,933.46	0.6597		17498.29	14.59%
	Reactive Energy Charge (R/kVArh)		3,000				621.19	0.2071			542.10	0.1807		79.09	14.59%
							1,098,001.80				958,200.29	1.0784		139801.51	14.59%
4.0	OTHER TARIFFS														
	Claude Neon	6	0			199.39	199.39	0	0.00	174.0000	174.00			25.39	14.59%
	Telephone booths	0	0			123.76	123.76	0	0.00	108.0000					
	Streetlights	123	3215			323.15	6,585.76	1.95	0.00	282.0000	5,747.23	1.7000		838.52	14.59%
	Woodlands Steam Generation	0	183917												
	Temporary Supply	0	0			0.00		0	0.00	0					
5.0	DEPARTMENTAL														
	Domestic 1 Phase 60A:														
	Block 1: 0 - 50kWh	1	26		0.3	212.32	242.53	1.1619	0.00	185.29	211.65	1.014		30.88	14.59%
	Block 2: 51 - 350kWh	8	195		2.0	212.32	508.17	1.5172	0.00	185.29	443.47	1.324		64.70	14.59%
	Block 3: 351 - 600kWh	5	466		4.7	212.32	1,221.03	2.1646	0.00	185.29	1,065.56	1.8890		155.47	14.59%
	Block 4: >600kWh	4	893		9.0	212.32	2,538.26	2.6046	0.00	185.29	2,215.08	2.2730		323.18	14.59%
	Domestic 3 Phase 60A:														
	Block 1: 0 - 50kWh	0	0		0.0	648.48		1.0140	0.00	648.48					
	Block 2: 51 - 350kWh	0	0		0.0	648.48		1.3240	0.00	648.48					
	Block 3: 351 - 600kWh	0	0		0.0	648.48		1.8890	0.00	648.48					
	Block 4: >600kWh	0	0		0.0	648.48		2.2730	0.00	648.48					

Schedule C

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON TYPICAL CONSUMERS FOR THE FINANCIAL YEAR 2021/2022

	Typical Consumers					Proposed New Tariffs - 2021/22				Present Tariffs - 2020/21				Price Increase	
Item		Quantity	Consumpti	Consumpti	Load	Basic	GROSS COST / CONSUMER			Basic	GROSS COST / CONSUMER			Price	
[No]	DESCRIPTION	[No]	[kWh/month]	[kVA/month	[%]	[R/month]	[R/month]	[R/kWh]	[R/kVA]	[R/month	[R/month]	[R/kWh]	[R/kVA]	[R/month]	[%]
	Commercial 1 Phase 0 - 60A	37	1,500		15.1	581.65	3,366.19	1.8564	0.00	507.6000	2,937.60	1.6200		428.59	14.59%
	Commercial 3 Phase 0 - 60A	11	1,950		6.5	1628.62	5,248.52	1.8564	0.00	1421.2800	4,580.28	1.6200		668.24	14.59%
	Commercial 3 Phase 61 - 100A	14	3,402		6.8	2714.37	9,029.70	1.8564	0.00	2368.8000	7,880.04	1.6200		1149.66	14.59%
	Normal Bulk Low Voltage:														
	Basic Charge	13				1068.07	1,068.07			932.08	932.08				
	Network Demand Charge			83			23,244.81		280.06		20,285.20		244.4		
	Network Access Charge			83			3,500.04		42.17		3,054.40		36.8		
	Active Energy Charge		19,429		32.5		18,478.86	0.9511			16,126.07	0.83			
							46,291.78				40,397.75	1.9453		5894.03	14.59%
	Normal Bulk High Voltage:														
	Basic Charge	0				932.00	932.00			932					
	Network Demand Charge						-		224.85						
	Network Access Charge						-		33.86						
	Active Energy Charge		0		0		-	0.8217							

Schedule D

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2021/2022 BASED ON PROPOSED TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE			LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ mont	Total [kVA/ annum	Value [R]	Ave. [%]	[R]
1.0	**DOMESTIC CONSUMER TA**													
1.1	**Prepayment meters**													
1.1.1	**1 Phase**													
	Sub-economic (20A) with FBE							3,595,945.10						3,595,945.10
	Block 1: 0 - 50kWh	0.00	1689	0.00	0.000	128	2,585,613	0.00					0.9	0.00
	Block 2: 51 - 350kWh	0.00	2907	0.00	1.517	212	7,406,747	8,591,283.13					5.9	8,591,283.13
	Block 3: 351 - 600kWh	0.00	447	0.00	2.165	185	991,117	524,795.55					13.4	524,795.55
	Block 4: > 600kWh	0.00	116	0.00	2.605	284	394,892	241,712.29					25.5	241,712.29
	Sub-economic (20A) without FBE													
	Block 1: 0 - 50kWh	0.00	372	0.00	1.162	121	542,692	630,576.94					0.6	630,576.94
	Block 2: 51 - 350kWh	0.00	1328	0.00	1.517	306	4,874,961	10,036,392.81					5.2	10,036,392.81
	Block 3: 351 - 600kWh	0.00	194	0.00	2.165	270	629,382	793,730.77					13.1	793,730.77
	Block 4: > 600kWh	0.00	63	0.00	2.605	346	259,589	294,848.72					26.3	294,848.72
	Economic (60A) with FBE							0.00						0.00
	Block 1: 0 - 50kWh	212.32	0	0.00	0.000	0	0	0.00					0.2	0.00
	Block 2: 51 - 350kWh	212.32	0	0.00	1.517	0	0	0.00					1.9	0.00
	Block 3: 351 - 600kWh	212.32	0	0.00	2.165	0	0	0.00					4.5	0.00
	Block 4: > 600kWh	212.32	0	0.00	2.605	0	0	0.00					10.3	0.00
	Economic (60A) without FBE													
	Block 1: 0 - 50kWh	212.32	2790	7,109,498.18	1.162	121	4,068,040	4,726,828.47					0.3	11,836,326.65
	Block 2: 51 - 350kWh	212.32	3407	8,679,223.60	1.517	306	12,502,581	18,242,508.99					1.9	26,921,732.59
	Block 3: 351 - 600kWh	212.32	1231	3,135,756.48	2.165	270	3,994,562	5,037,649.24					4.6	8,173,405.72
	Block 4: > 600kWh	212.32	575	1,465,009.12	2.605	346	2,388,216	2,712,608.22					8.7	4,177,617.34
	Sub-Total		15,118	**20,389,487.38**			40,638,391	55,428,880.23						75,818,367.61
1.1.2	**3 Phase**													
	Economic (60A)													
	Block 1: 0 - 50kWh	594.49	99	58,963.90	1.162	139	165,928	192,798.35					0.0	251,762.25
	Block 2: 51 - 350kWh	594.49	185	1,322,749.19	1.517	288	640,527	932,269.97						2,255,019.15
	Block 3: 351 - 600kWh	594.49	35	20,955.91	2.165	706	298,539	542,853.94						563,809.85
	Block 4: > 600kWh	594.49	68	486,890.60	2.605	1239	1,014,720	2,226,608.84						2,713,499.44
	Sub-Total		388	1,889,559.60			2,119,713.72	3,894,531.09						5,784,090.70
1.2	**Conventional meters**													
1.2.1	**1 Phase**													
	60A													
	Block 1: 0 - 50kWh	265.40	499	1,587,883.04	1.162	36	215,063	249,890.64					0.2	1,837,773.67
	Block 2: 51 - 350kWh	265.40	3156	10,049,892.64	1.517	297	11,229,545	16,364,575.43					2.0	26,414,468.07
	Block 3: 351 - 600kWh	265.40	2615	8,327,053.90	2.165	690	21,663,462	39,225,832.52					4.6	47,552,886.42
	Block 4: > 600kWh	265.40	859	2,736,442.20	2.605	1327	13,682,188	30,395,346.36					8.9	33,131,788.55
	Sub-Total		7,128	**22,701,271.77**			46,790,258.00	86,235,644.94						108,936,916.71
		2.80												
1.2.2	**3 Phase**													
	60A													

Schedule D

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2021/2022 BASED ON PROPOSED TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE			LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ mont	Total [kVA/ annum	Value [R]	Ave. [%]	[R]
	Block 1: 0 - 50kWh	743.12057	8	74,802.66	1.162	11	1,131	1,313.92	0				0.0	76,116.58
	Block 2: 51 - 350kWh	743.12057	19	166,228.13	1.517	238	53,329	76,935.99	0				0.6	243,164.12
	Block 3: 351 - 600kWh	743.12057	47	415,570.34	2.165	590	330,164	578,021.71	0				1.6	993,592.05
	Block 4: > 600kWh	743.12057	118	1,055,548.66	2.605	2314	3,287,096	7,839,556.62	0				6.2	8,895,105.28
	Sub-Total	0.00	192	**1,712,149.79**	0.00		3,671,720	8,495,828.24	0.00					10,207,978.03
2.0	**COMMERCIAL CONSUMER**													
2.1	**Prepayment meters**													
2.1.1	**1 Phase**													
	Business (60A)	0.00	0	0.00	2.57	750	0	0.00					7.5	0.00
	Sub-Total		0	**0.00**			0	0.00						0.00
2.1.2	**3 Phase**													
	Business (60A)	0.00	0	0.00	2.57	983	0	0.00					3.3	0.00
	Sub-Total		0	**0.00**			0	0.00						0.00
2.2	**Conventional meters**													
2.2.1	**1 Phase**													
	60A	581.65	343	2,394,076.09	1.856358	905	3,725,186	6,915,278.83					8.1	9,309,354.92
	Sub-Total		343	**2,394,076.09**			3,725,186	6,915,278.83						9,309,354.92
2.2.2	**3 Phase**													
	60A	1628.62	173	3,380,153.14	1.856358	1,965	4,078,292	7,570,769.98					6.8	10,950,923.13
	100A	2714.37	85	2,770,107.09	1.856358	4,925	5,026,127	9,330,290.45					10.3	12,100,397.54
	Sub-Total		258	**6,150,260.23**			9,104,418.67	16,901,060.43						23,051,320.66
3.0	**BULK SUPPLY / RIFFS**													
3.1	**Normal Bulk**													
3.1.1	**Low Voltage (<500V)**													
	Basic Charge	1068.07	68	72,628.45										72,628.45
	Network Demand Charge								280.06	56	40,992	11,480,135.90		11,480,135.90
	Network Access Charge								42.17	129	94,428	3,981,945.66		3,981,945.66
	Active Energy Charge				0.95	15,547	12,686,320	12,065,920.89					33.4	12,065,920.89
	Sub-Total		68	**72,628.45**			12,686,320	12,065,920.89			40,992	15,462,081.56		27,600,630.90
3.1.2	**High Voltage (=> 500V and <**													
	Basic Charge	1068.07	2	2,136.13										2,136.13
	Network Demand Charge								257.66	24	288	74,204.82		74,204.82
	Network Access Charge								38.80	60	720	27,936.13		27,936.13
	Active Energy Charge				0.9416	12,769	306,456	288,554.69					46.7	288,554.69
	Sub-Total		2	**2,136.13**			306,456	288,554.69			288	102,140.94		392,831.76

Schedule D

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2021/2022 BASED ON PROPOSED TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE				LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ month	Total [kVA/ annum]	Value [R]		Ave. [%]	[R]
3.2	**Time of Use (TOU)**														
3.2.1	**Low Voltage (<500V)**														
	Basic charge	1068.07	35	37,382.29											37,382.29
	Network Demand Charge								48.91	69	28,152	1,376,830.20			1,376,830.20
	Network Access Charge								42.17	143	58,344	2,460,315.14			2,460,315.14
	Active energy charge:														0.00
	High demand (June to August)														0.00
	Peak				4.89	5,529	580,524	2,838,371.16							2,838,371.16
	Standard				1.57	10,351	1,086,876	1,701,286.35							1,701,286.35
	Off-peak				0.91	8,368	878,640	795,297.84							795,297.84
	Low demand (Sept to May):					0									0.00
	Peak				1.68	5,874	1,850,420	3,101,292.02							3,101,292.02
	Standard				1.19	10,620	3,345,300	3,984,414.41							3,984,414.41
	Off-peak				0.80	10,740	3,383,006	2,705,469.37						59.7	2,705,469.37
	Reactive Energy Charge (R/kVArh)				0.21	162,847	488,541	101,159.32							101,159.32
	Sub-Total		35	37,382.29			11,124,765.75	15,227,290.47			28,152	3,837,145.34			19,101,818.09
3.2.2	**High Voltage (>=500V and**														
	Basic charge	1068.07	9	9,612.59											9,612.59
	Network Demand Charge								45.00	885	84,960	3,823,156.93			3,823,156.93
	Network Access Charge								38.80	900	86,400	3,352,335.03			3,352,335.03
	Active energy charge:														0.00
	High demand (June to August)														0.00
	Peak				4.62	54,900	1,482,300	6,849,813.44							6,849,813.44
	Standard				1.48	148,500	4,009,500	5,931,940.94							5,931,940.94
	Off-peak				0.86	154,800	4,179,600	3,575,768.76							3,575,768.76
	Low demand (Sept to May):					0									0.00
	Peak				1.58	61,200	4,957,200	7,852,661.66							7,852,661.66
	Standard				1.13	161,100	13,049,100	14,689,791.53							14,689,791.53
	Off-peak				0.76	181,800	14,725,800	11,131,971.90						68.5	11,131,971.90
	Reactive Energy Charge (R/kVArh)				0.21	3,000	81,000	16,772.19							16,772.19
	Sub-Total		8	9,612.59			42,403,500.00	50,048,720.41			84,960	7,175,491.96			57,233,824.96
4.0	**OTHER TARIFFS**														
	Claude Neon	199.39	6	1,196.34	0	0	0	0.00							1,196.34
	Telephone booths	123.76	0	0.00	0	0	0	0.00							0.00
	Streetlights	0	123	0.00	1.94803	2,537	3,745,099	7,295,565.36							7,295,565.36
	Woodlands Steam Generation	0	0	0.00	0	183,917	0	0.00		470	0	0.00			0.00
	Temporary Supply	0	0	0.00	0	0	0	0.00							0.00
	Sub-Total		145	1,196.34			**3,745,099**	7,295,565			0	0.00			7,296,761.70

\

Schedule D

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2021/2022 BASED ON PROPOSED TARIFFS														
		BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE				LOAD	TOTAL
Item	DESCRIPTION	Charge	Quantit	Value [R]	Charge	Ave.	Total	Value [R]	Charge	Ave.	Total	Value [R]	Ave.	[R]
5.0	DEPARTMENTAL													
	DEPARTMENTAL INCLUDED UNDER OTHER TARIFFS													
TOT			22,870	**55,359,760.66**			**176,315,828.30**	**262,797,275.59**			180,288	**26,576,859.80**		**344,733,896.05**
						Purchas	204,704,164					Budget		326,828,584.00
												difference		17,905,312.05
						% loss	13.87%					%difference		**5.19%**
						eff	1.955							

Schedule E

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON ACTUAL TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE				LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ month]	Total [kVA/ annum]	Value [R]		Ave. [%]	[R]
1.0	**DOMESTIC CONSUMER TA**														
1.1	**Prepayment meters**														
1.1.1	**1 Phase**														
	Sub-economic (20A) with FBE							3,138,096.78							**3,138,096.78**
	Block 1: 0 - 50kWh	0.00	1689	0.00	0.000	128	2,585,613	0.00						0.9	0.00
	Block 2: 51 - 350kWh	0.00	2,907	0.00	1.324	212	7,406,747	7,497,410.88						5.9	7,497,410.88
	Block 3: 351 - 600kWh	0.00	447	0.00	1.889	185	991,117	457,976.74						13.4	457,976.74
	Block 4: > 600kWh	0.00	116	0.00	2.273	284	394,892	210,936.64						25.5	210,936.64
			5158												
	Sub-economic (20A) without FBE														
	Block 1: 0 - 50kWh	0.00	372	0.00	1.014	121	542,692	550,289.68						0.6	550,289.68
	Block 2: 51 - 350kWh	0.00	1,328	0.00	1.324	306	4,874,961	6,207,393.55						5.2	6,207,393.55
	Block 3: 351 - 600kWh	0.00	194	0.00	1.889	270	629,382	692,670.19						13.1	692,670.19
	Block 4: > 600kWh	0.00	63	0.00	2.273	346	259,589	257,307.55						26.3	257,307.55
	Economic (60A) with FBE														0.00
	Block 1: 0 - 50kWh	185.29	0	0.00	0.000	0	0	0.00						0.2	0.00
	Block 2: 51 - 350kWh	185.29	0	0.00	1.324	0	0	0.00						1.9	0.00
	Block 3: 351 - 600kWh	185.29	0	0.00	1.889	0	0	0.00						4.5	0.00
	Block 4: > 600kWh	185.29	0	0.00	2.273	0	0	0.00						10.3	0.00
	Economic (20 - 60A) without FBE														
	Block 1: 0 - 50kWh	185.29	2790	6,204,291.98	1.014	121	4,068,040	4,124,992.12						0.3	10,329,284.10
	Block 2: 51 - 350kWh	185.29	3407	7,574,154.46	1.324	306	12,502,581	15,919,808.87						1.9	23,493,963.34
	Block 3: 351 - 600kWh	185.29	1231	2,736,500.99	1.889	270	3,994,562	4,396,238.10						4.6	7,132,739.09
	Block 4: > 600kWh	185.29	575	1,278,479.03	2.273	346	2,388,216	2,367,229.44						8.7	3,645,708.47
	Sub-Total		**15,118**	17,793,426.46			**40,638,391**	**45,820,351**							**63,613,777.01**
1.1.2	**3 Phase - Commercial - Pre-**														
	Economic (60A)														
	Block 1: 0 - 50kWh	518.80	99	51,456.41	1.014	139	165,928	168,250.59						0.0	219,706.99
	Block 2: 51 - 350kWh	518.80	185	1,154,332.13	1.324	288	640,527	813,570.09							1,967,902.22
	Block 3: 351 - 600kWh	518.80	35	18,287.73	1.889	706	298,539	563,940.62							582,228.36
	Block 4: > 600kWh	518.80	68	424,897.98	2.273	1,239	1,014,720	1,943,109.21							2,368,007.19
	Sub-Total		**388**	1,648,974.26			**2,119,714**	3,488,870.51							**5,137,844.77**
1.2	**Conventional meters**														
1.2.1	**1 Phase**														
	60A														
	Block 1: 0 - 50kWh	231.61	499	1,385,708.21	1.014	**36**	**215,063**	218,073.69						0.2	1,603,781.89
	Block 2: 51 - 350kWh	231.61	3,156	8,770,305.12	1.324	297	11,229,545	14,280,980.39						2.0	23,051,285.52
	Block 3: 351 - 600kWh	231.61	2,615	7,266,824.24	1.889	690	21,663,462	34,231,462.18						4.6	41,498,286.43
	Block 4: > 600kWh	231.61	859	2,388,028.79	2.273	1327	13,682,188	26,525,304.44						8.9	28,913,333.23
	Sub-Total		7,128	19,810,866.37			**46,790,258**	75,255,820.70							**95,066,687.07**
1.2.2	**3 Phase**														
	60A														

Schedule E

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON ACTUAL TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE			LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ mont	Total [kVA/ annum	Value [R]	Ave. [%]	[R]
	Block 1: 0 - 50kWh	648.50	8	65,278.52	1.014	11	1,131	1,146.63	0				0.0	66,425.15
	Block 2: 51 - 350kWh	648.50	19	145,063.39	1.324	238	53,329	67,140.23	0				0.6	212,203.61
	Block 3: 351 - 600kWh	648.50	47	362,658.47	1.889	590	330,164	504,425.96	0				1.6	867,084.43
	Block 4: > 600kWh	648.50	118	921,152.51	2.273	2,314	3,287,096	6,841,396.82	0				6.2	7,762,549.33
	Sub-Total	0.00	192	**1,494,152.88**	0.00		**3,671,720**	7,414,109.64	0.00					**8,908,262.53**
2.0	**COMMERCIAL CONSUMER**													
2.1	**Prepayment meters**		0											
2.1.1	**1 Phase**													
	Business (60A)	0.00	0	0.00	2.24	750	0	0.00					7.5	0.00
	Sub-Total		0	0.00			**0**	0.00						**0.00**
2.1.2	**3 Phase**													
	Business (60A)	0.00	0	0.00	2.24	983	0	0.00					3.3	0.00
	Sub-Total		20	0.00			**0**	0.00						**0.00**
2.2	**Conventional meters**													
2.2.1	**1 Phase**													
	60A	507.59	343	2,089,253.94	1.62	905	3,725,186	6,034,801.32					8.1	8,124,055.26
	Sub-Total		343	**2,089,253.94**			**3,725,186**	6,034,801.32						8,124,055.26
2.2.2	**3 Phase**													
	60A	1421.26	173	2,949,780.21	1.62	1,965	4,078,292	6,606,833.04					6.8	9,556,613.25
	100A	2368.77	85	2,417,407.36	1.62	4,925	5,026,127	8,142,325.20					10.3	10,559,732.56
	Sub-Total		258	**5,367,187.57**			**9,104,418.67**	14,749,158.24						20,116,345.81
3.0	**BULK SUPPLY /**													
3.1	**Normal Bulk**													
3.1.1	**Low Voltage (<500V)**													
	Basic Charge	932.08	68	760,573.69										760,573.69
	Network Demand Charge								244.40	56	40,992	10,018,444.80		10,018,444.80
	Network Access Charge								36.80	129	94,428	3,474,950.40		3,474,950.40
	Active Energy Charge				0.83	15,547	12,686,320	10,529,645.60					33.4	10,529,645.60
	Sub-Total		68	**760,573.69**			**12,686,320**	10,529,645.60			40,992	13,493,395.20		**24,783,614.49**
3.1.2	**High Voltage (=> 500V and <**													
	Basic Charge	932.08	2	22,369.81										22,369.81
	Network Demand Charge								224.85	24	288	64,756.80		64,756.80
	Network Access Charge								33.86	60	720	24,379.20		24,379.20
	Active Energy Charge				0.8217	12,769	306,456	251,814.90					46.7	251,814.90
	Sub-Total		1	**22,369.81**			**306,456**	251,814.90			288	89,136.00		**363,320.71**

Schedule E

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON ACTUAL TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE				LOAD FACTO	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ month]	Total [kVA/ annum]	Value [R]		Ave. [%]	[R]
3.2	**Time of Use (TOU)**														
3.2.1	**Low Voltage (<500V)**														
	Basic charge	932.08	35	391,471.75											391,471.75
	Network Demand Charge								42.68	69	28,152	1,201,527.36			1,201,527.36
	Network Access Charge								36.80	143	58,344	2,147,059.20			2,147,059.20
	Active energy charge:														0.00
	High demand (June to August)														0.00
	Peak				4.27	5,529	580,524	2,476,979.80							2,476,979.80
	Standard				1.37	10,351	1,086,876	1,484,672.62							1,484,672.62
	Off-peak				0.79	8,368	878,640	694,037.74							694,037.74
	Low demand (Sept to May):					0									0.00
	Peak				1.46	5,874	1,850,420	2,706,424.66							2,706,424.66
	Standard				1.04	10,620	3,345,300	3,477,104.82							3,477,104.82
	Off-peak				0.70	10,740	3,383,006	2,360,999.54						59.7	2,360,999.54
	Reactive Energy Charge (R/kVArh)				0.18	162,847	488,541	88,279.36							88,279.36
	Sub-Total		35	391,471.75	932.00		**11,124,765.75**	13,288,498.53	932.00		28,152	3,348,586.56			**17,028,556.84**
3.2.2	**High Voltage (>=500V and**														
	Basic charge	932.08	9	100,664.16											100,664.16
	Network Demand Charge								39.27	885	84,960	3,336,379.20			3,336,379.20
	Network Access Charge								33.86	900	86,400	2,925,504.00			2,925,504.00
	Active energy charge:														0.00
	High demand (June to August)														0.00
	Peak				4.03	54,900	1,482,300	5,977,671.21							5,977,671.21
	Standard				1.29	148,500	4,009,500	5,176,665.45							5,176,665.45
	Off-peak				0.75	154,800	4,179,600	3,120,489.36							3,120,489.36
	Low demand (Sept to May):					0									0.00
	Peak				1.38	61,200	4,957,200	6,852,833.28							6,852,833.28
	Standard				0.98	161,100	13,049,100	12,819,435.84							12,819,435.84
	Off-peak				0.66	181,800	14,725,800	9,714,610.26						68.5	9,714,610.26
	Reactive Energy Charge (R/kVArh)				0.18	3,000	81,000	14,636.70							14,636.70
	Sub-Total		9	100,664.16			**42,403,500.00**	43,676,342.10			84,960	6,261,883.20			**50,038,889.46**
4.0	**OTHER TARIFFS**														
	Claude Neon	174.00	6	12,528.18	0	0	0	0.00							12,528.18
	Telephone booths	108.00	0	0.00	0	0	0	0.00							0.00
	Streetlights	0	123	0.00	1.7	2,537	3,745,099	6,366,668.44							6,366,668.44
	Woodlands Steam Generation	0	0	0.00	0	183,917	0	0.00		470	0	0.00			0.00
	Temporary Supply	0	0	0.00	0	0	0	0.00							0.00
	Sub-Total		145	12,528.18			3,745,099	6,366,668			0	0.00			6,379,196.62

Schedule E

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON ACTUAL TARIFFS														
			BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE			LOAD	TOTAL
Item	DESCRIPTION	Charge	Quantit	Value [R]	Charge	Ave.	Total [kWh/	Value [R]	Charge	Ave.	Total	Value [R]	Ave.	[R]
5.0	DEPARTMENTAL													
	DEPARTMENTAL INCLUDED UNDER OTHER TARIFFS													
TOT			22,870	49,491,469.08			176,315,828.30	226,876,080.53			180,288	23,193,000.96		299,560,550.56
						Purchas	204,704,164					Budget		285,271,457.00
												difference		14,289,093.56
						% loss	13.87%					%difference		4.77%
						eff	1.699							

Schedule F

KOUGA MUNICIPALITY: ELECTRICITY SERVICE: INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR 2021/2022

ZERO BASED BUDGET :DIRECTORATE :IPD SUB DIRECTORATE :TECHNICAL SERVICES (Preliminary only and subject to change)

Item Description		Adjusted Budget 2019/20	Final Adjusted Budget 2019/20	Council Approved Final Budget 2020/21	Council Approved Draft Budget 2021/22	CVW DRAFT Approved Draft Budget 2021/22
Group Life Insurance		167,466.00	167,466.00	210,901.00	246,939.00	246,939.00
Housing Benefits		37,222.00	37,222.00	35,839.00	83,797.00	83,797.00
Leave Pay		14,862.00	14,862.00	28,301.00	28,301.00	28,301.00
Medical		432,822.00	432,822.00	561,775.00	784,626.00	784,626.00
Acting and Post Related Allowances		82,555.00	82,555.00	109,879.00	45,477.00	45,477.00
Overtime (Salaries)		2,523,472.00	2,523,472.00	3,114,318.00	1,059,311.00	1,059,311.00
Pension Fund Contributions		1,043,298.00	1,043,298.00	1,246,063.00	1,470,824.00	1,470,824.00
Salaries (Officials)		6,793,695.00	6,793,695.00	5,121,328.00	8,555,501.00	8,555,501.00
Bonus		476,526.00	476,526.00	549,939.00	706,273.00	706,273.00
Standby Allowance		505,694.00	505,694.00	724,460.00	813,040.00	813,040.00
Bargaining Council Levy		155,845.00	155,845.00	162,698.00	3,526.00	3,526.00
Travel or Motor Vehicle		487,068.00	487,068.00	613,840.00	725,524.00	725,524.00
Skills Development Fund Levy			-	-	131,490.00	131,490.00
Unemployment Insurance		47,373.00	47,373.00	52,919.00	58,286.00	58,286.00
Workmen's Compensation Fund			-	-	47,232.00	47,232.00
		12,767,898.00	**12,767,898.00**	**12,532,260.00**	**14,760,147.00**	**14,760,147.00**
BulkPurchases						
ESKOM		232,352,871.00	232,352,871.00	246,173,454.00	290,000,000.00	291,163,340.13
		232,352,871.00	**232,352,871.00**	**246,173,454.00**	**290,000,000.00**	**291,163,340.13**
Cell Phone Contracts		9,942.00	9,942.00	10,389.00	-	-
Connection Expenses					-	-
Engineering: Consultant Service		300,000.00	121,129.00	300,000.00	500,000.00	500,000.00
Loss on Sales					-	-
Equipment					-	-
Equitable Share Allocations		5,152,892.00	5,152,892.00	5,474,948.00	6,273,743.00	6,273,743.00
Festive Lights					-	-
Fuel & Oil		473,941.00	473,941.00	460,000.00	516,000.00	516,000.00
Insurance Premiums		480,774.00	480,774.00	1,066,502.00	510,228.00	510,228.00
Motor Vehicle Licence and Registrations		10,600.00	10,600.00	11,077.00	17,808.00	17,808.00
Vehicle Tracking		45,000.00	45,000.00	47,025.00	52,837.00	52,837.00
Printing and Stationery		9,540.00	9,540.00	9,969.00	10,000.00	10,000.00
Professional Bodies, Membership and Subscription					5,000.00	5,000.00
Rental : Furniture and Office Equipment		31,312.00	31,312.00	78,674.00	42,857.00	42,857.00
Rental : Vehicle/Plant Lease		243,800.00	243,800.00	149,541.00	250,000.00	250,000.00
Seasonal programme					-	-
Municipal Services		7,939,368.00	7,939,368.00	8,296,640.00	8,636,802.00	8,636,802.00
Subsistence & Travelling (Officials)		91,160.00	34,602.00	71,500.00	70,000.00	70,000.00
Training					-	-
Uniform and Protective Clothing		414,225.96	52,324.00	422,520.00	400,000.00	400,000.00
Commission:Third Party Vendors		4,549,043.00	4,549,043.00	4,250,000.00	-	-
Outsourced Services			40,000.00	-	-	-
Contractors:Maintenance & Repairs		3,593,615.00	2,800,155.00	2,812,248.00	2,966,839.00	2,966,839.00
Materials and Supplies		3,711,396.95	5,123,387.00	3,152,188.00	4,945,921.00	4,945,921.00
		27,056,609.91	**27,117,809.00**	**26,613,221.00**	**25,198,035.00**	**25,198,035.00**
Depreciation and Asset Impairment						
Depreciation and Amortisation		7,418,356.00	7,418,356.00	7,781,855.00	7,781,855.00	7,781,855.00
		7,418,356.00	**7,418,356.00**	**7,781,855.00**	**7,781,855.00**	**7,781,855.00**
Interest : External						
Interest : External						
		-	**-**	-	-	-
Contribution to Provisions						
Bad Debts Provision		11,162,901.08	11,162,901.00	18,955,606.00	23,392,092.00	23,392,092.00
		11,162,901.08	**11,162,901.00**	**18,955,606.00**	**23,392,092.00**	**23,392,092.00**
		290,758,635.99	**290,819,835.00**	**312,056,396.00**	**361,132,129.00**	**362,295,469.13**
			285,666,943.00	306,581,448.00	354,858,386.00	354,858,386.00
CAPITAL AQUISITIONS						
Generator 2			-	500,000.00	-	-
Saffery Substation			-	1,000,000.00	1,000,000.00	1,000,000.00
Retrofit oil circuit breakers Main substation Jeffrey's Bay			-	-	-	-
Fencing Mainsubstation Jeffrey's Bay			-	500,000.00	-	-
Security Cameras & Substation Security			-	200,000.00	-	-
New overheadlines 66kv overheadlines(Jbay to Melk		1,800,000.00	1,800,000.00	3,043,086.00	-	-
Electrcial supply of tri switches St francis Bay		200,000.00	200,000.00	200,000.00	-	-
Electrcial Replacement of old mv cables to main su		2,100,000.00	-	-	-	-
Electrical Mini sub station 22 000/11000/400 St Fr		485,934.80	485,935.00	485,935.00	-	-
High Mast Lights		1,300,000.00	-	-	600,000.00	600,000.00
Humansdorp, Kruisfontein and Osean View Electrific		5,219,130.00	2,784,348.00	5,321,739.00	-	-
Electrical Oil circuit breakers replacement with v		800,000.00	800,000.00	800,000.00	-	-
Electrcial Supply auto recloser St Francis Bay		400,000.00	400,000.00	400,000.00	-	-
Electrcial 5 MV 22000/11000 transformer		1,400,000.00	1,406,000.00	1,406,000.00	-	-
Furniture and Equipment		35,550.80	29,551.00	-	-	-
Computer Equipment		25,000.00	25,000.00	-	-	-
LV Networks (Informal Areas, Electrification/illeg		1,000,000.00	1,000,000.00	1,000,000.00	-	-
Purchase of mini sub station 11000/400,22000/400		508,596.95	508,597.00	422,552.00	-	-
conversion from conventional meter to pre paid met		170,337.20	170,336.00	-	-	-
CONCRETE POLES		171,518.10	171,518.00	-	-	-
SOLAR LIGHTS		360,773.04	360,773.00	-	-	-
Machinery and Equipment		-	-	150,000.00	-	-
Energy and Demand Side Management		3,478,261.00	3,438,262.00	-	-	-
Substations Movements in Ocean View			-	3,000,000.00	-	-
Humansdorp, Kruisfontein and Osean View Electrific			849,999.00	-	-	-
Vehicles			1,700,001.00	-	-	-
Ocean View Electrification					6,782,609.00	6,782,609.00
Bulk 66kv Overheadlines					1,400,000.00	1,400,000.00
		19,455,101.89	**16,130,320.00**	**18,429,312.00**	**9,782,609.00**	**9,782,609.00**
			-	**-**	**-**	**-**
Total Expenditure		**310,213,737.88**	**306,950,155.00**	**330,485,708.00**	**370,914,738.00**	**372,078,078.13**

Schedule F

KOUGA MUNICIPALITY: ELECTRICITY SERVICE: INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR 2021/2022

ZERO BASED BUDGET :DIRECTORATE :IPD SUB DIRECTORATE :TECHNICAL SERVICES (Preliminary only and subject to change)

Item Description		Adjusted Budget 2019/20	Final Adjusted Budget 2019/20	Council Approved Final Budget 2020/21	Council Approved Draft Budget 2021/22	CVW DRAFT Approved Draft Budget 2021/22
Augmentation Fees		- 1,443,937.00	- 229,971.00	- 1,556,641.00	- 1,685,464.00	- 1,685,464.00
Availability Charges		- 9,253,091.00	- 9,253,091.00	- 9,831,409.00	- 11,265,812.00	- 11,265,812.00
Electricity Sales		- 164,034,126.00	- 164,034,126.00	- 174,286,258.00	- 199,714,623.00	- 200,476,111.72
Interest on outstanding accounts		- 950,000.00	- 950,000.00	- 609,900.00	- 634,906.00	- 634,906.00
Minimum/Basic Charge		- 38,273,691.00	- 38,273,691.00	- 40,665,797.00	- 46,598,937.00	- 55,359,760.66
Prepaid Sales : Itron		- 60,620,390.00	- 60,620,390.00	- 64,409,164.00	- 73,806,461.00	- 81,602,458.31
Prepaid Sales : Municipal			-	-	-	-
Street Lighting		- 4,988,553.00	- 4,988,553.00	- 5,300,338.00	- 6,073,657.00	- 7,295,565.36
		- 279,563,788.00	**- 278,349,822.00**	**- 296,659,507.00**	**- 339,779,860.00**	**- 358,320,078.05**
Integrated National Electrification Programme Grant		- 6,002,000.00	- 3,202,000.00	- 5,200,000.00	- 7,800,000.00	- 7,800,000.00
EEDSM (Municipal Grant)		- 4,000,000.00	- 4,000,000.00	-	-	-
		- 10,002,000.00	**- 7,202,000.00**	**- 5,200,000.00**	**- 7,800,000.00**	**- 7,800,000.00**
Connection Fees		- 723,377.00	- 723,377.00	- 768,588.00	- 880,725.00	- 880,725.00
Re-connection Fees					-	-
Law Enforcement (By-Laws)					-	-
Prepaid Meter Boxes		- 1,500,000.00	- 1,500,000.00	- 1,593,750.00	- 1,826,278.00	- 1,826,278.00
		- 7,376,269.00	**- 7,376,269.00**	**- 7,932,614.00**	**- 7,806,826.00**	**- 7,806,826.00**
			- 5,152,892.00	- 5,570,276.00	- 5,099,823.00	- 5,099,823.00
Total Income		**- 296,942,057.00**	**- 292,928,091.00**	**- 309,792,121.00**	**- 355,386,686.00**	**- 373,926,904.05**
			- 287,775,199.00	- 304,317,173.00	- 349,112,943.00	- 349,112,943.00
			-	95,328.00	- 1,173,920.00	- 19,714,138.05
Surplus (-) / Loss (+)		13,271,680.88	14,022,064.00	20,693,587.00	15,528,052.00	- 1,848,825.92

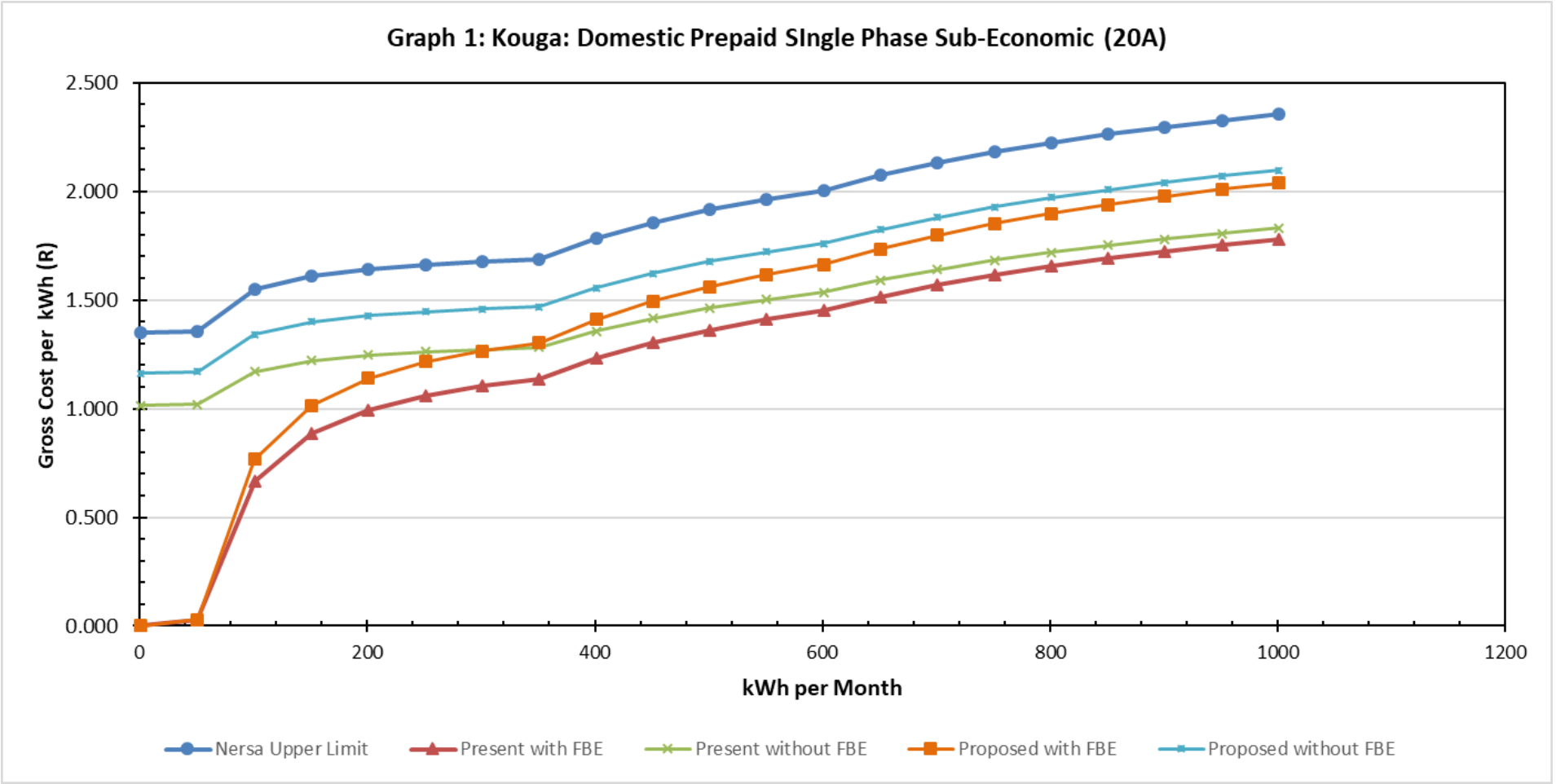
Sum of budgeted income from sales of electricity

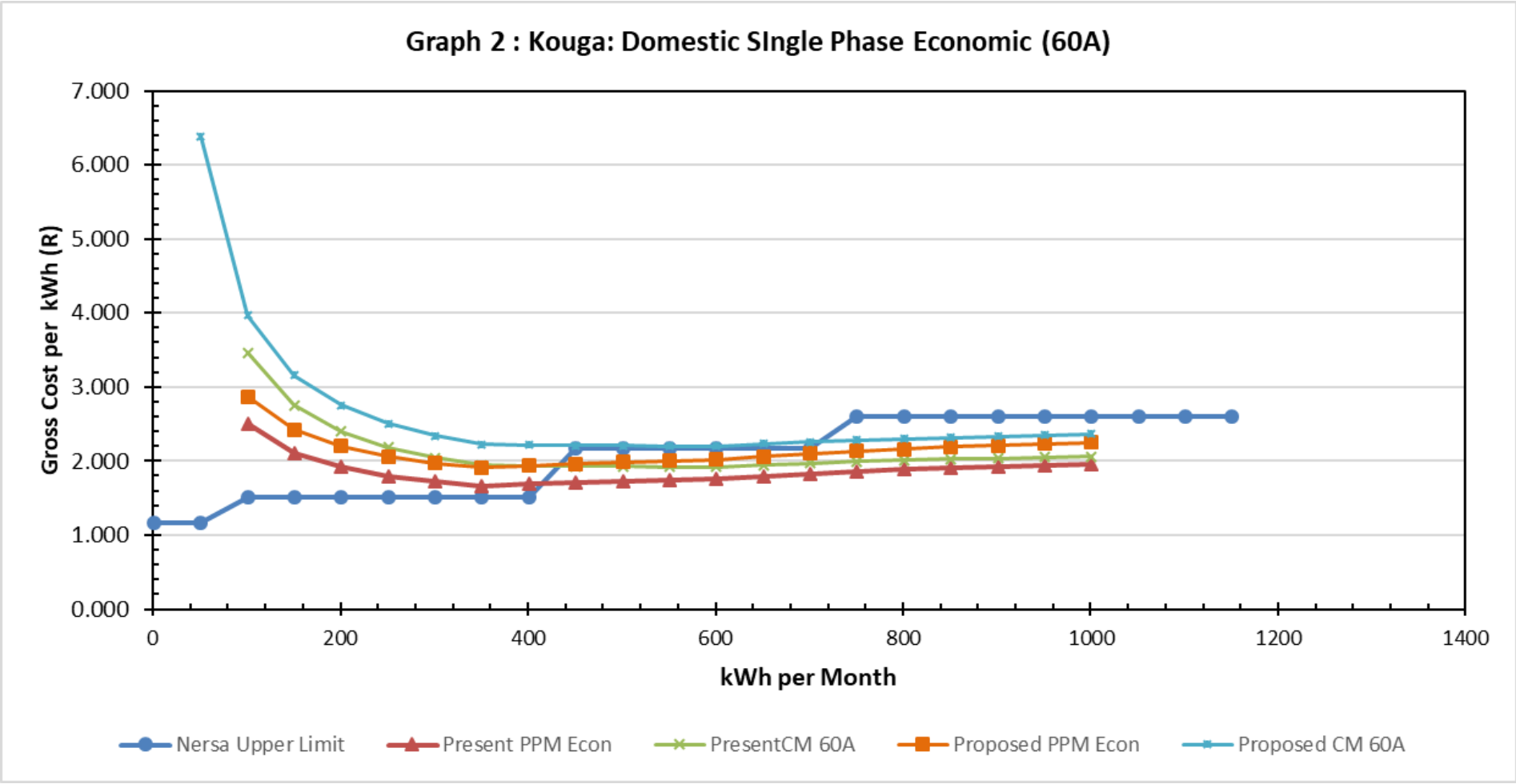
Estimated Total Electricty Sales as per Schedule D

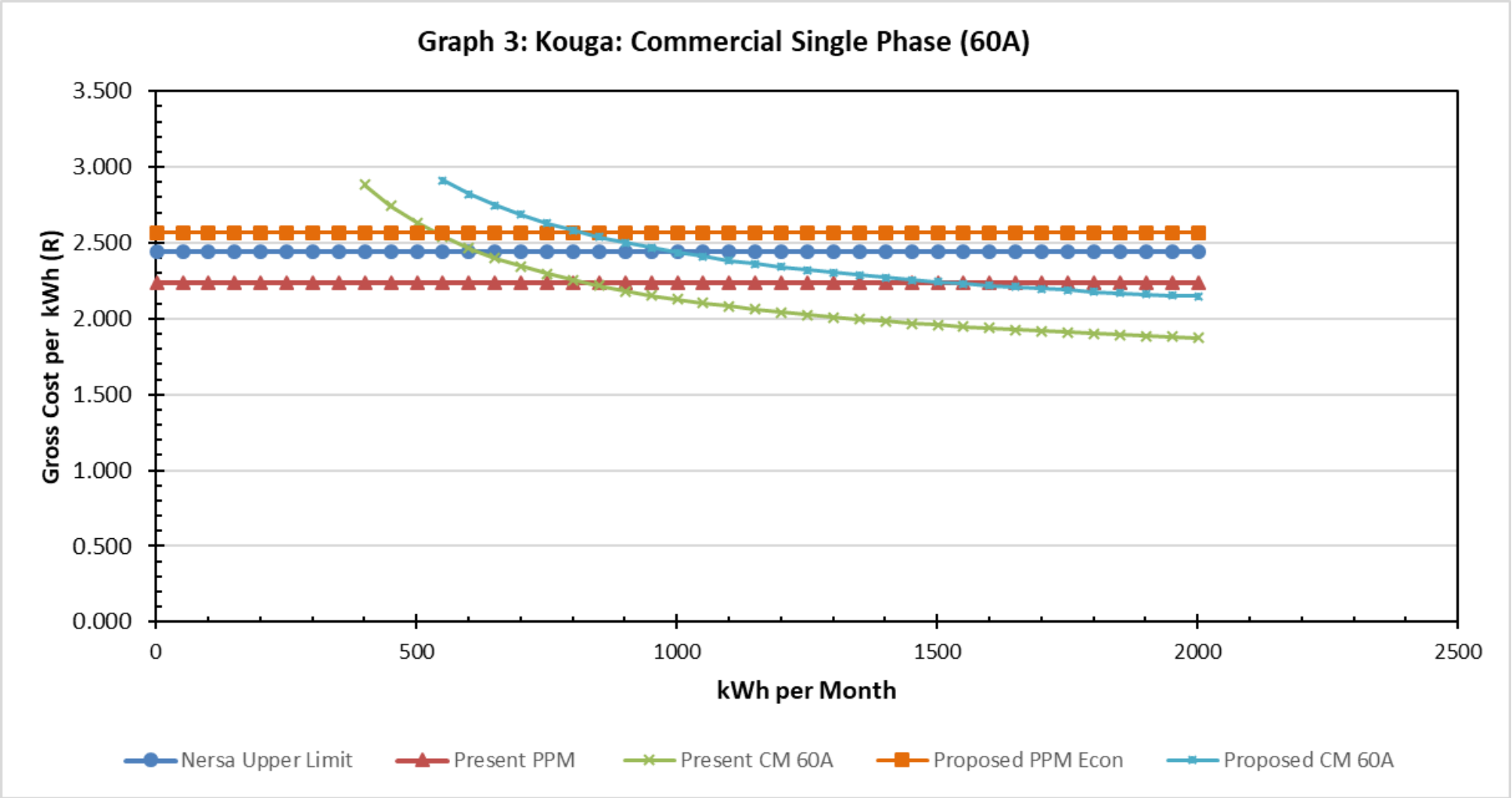
NERSA Financial Benchmarks:	**Average**	**Acceptable Range**	**Own**
Percentage Power Cost	75%	58% - 78%	78%
Percentage Surplus	15%	10% - 20%	-4%
System losses			
Average Purchase Price / Average Sales Price Ratio			
Repairs & Maintenance (% to Revenue)	6%	6% - 15%	2%

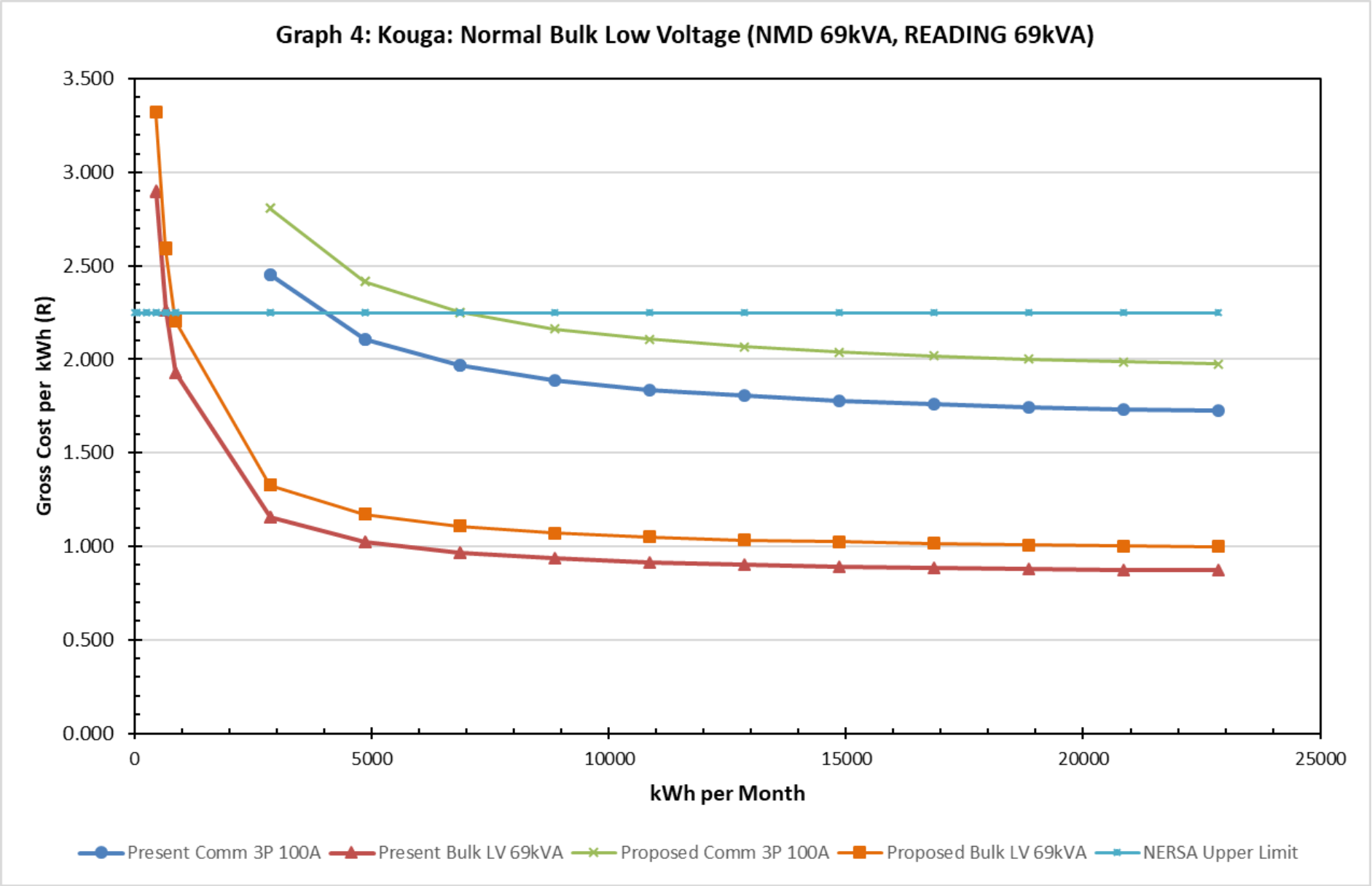
Schedule G

Year	kWh Usage	Rand Value	c/kWh
2011/12	220,165,406.00	126,393,510.00	0.57
2012/13	227,740,427.00	145,400,550.00	0.64
2013/14	225,208,260.00	152,007,992.00	0.67
2014/15	205,724,134.00	151,666,730.00	0.74
2015/16	200,120,053.00	168,503,978.00	0.84
2016/17	199,405,605.00	182,633,654.00	0.92
2017/18	203,532,327.00	184,443,620.00	0.91
2018/19	205,626,242.00	198,541,237.00	0.97
2019/20	202,717,654.00	241,781,030.00	1.19
2020/21	204,704,163.66	247,167,521.33	1.21
2021/22	204,704,163.66	291,163,340.13	1.42


Graph 1: Kouga: Domestic Prepaid SIngle Phase Sub-Economic (20A)
Gross Cost per kWh (R)
2.500
2.000
1.500
1.000
0.500
0.000
0
200
400
600
800
1000
1200
kWh per Month
Nersa Upper Limit
Present with FBE
Present without FBE
Proposed with FBE
Proposed without FBE


Graph 2 : Kouga: Domestic SIngle Phase Economic (60A)
Gross Cost per kWh (R)
7.000
6.000
5.000
4.000
3.000
2.000
1.000
0.000
0
200
400
600
800
1000
1200
1400
kWh per Month
Nersa Upper Limit
Present PPM Econ
PresentCM 60A
Proposed PPM Econ
Proposed CM 60A


Graph 3: Kouga: Commercial Single Phase (60A)
Gross Cost per kWh (R)
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
0
500
1000
1500
2000
2500
kWh per Month
Nersa Upper Limit
Present PPM
Present CM 60A
Proposed PPM Econ
Proposed CM 60A


Graph 4: Kouga: Normal Bulk Low Voltage (NMD 69kVA, READING 69kVA)
Gross Cost per kWh (R)
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
0
5000
10000
15000
20000
25000
kWh per Month
Present Comm 3P 100A
Present Bulk LV 69kVA
Proposed Comm 3P 100A
Proposed Bulk LV 69kVA
NERSA Upper Limit

NERSA D6 Form – Tariff Information: **2018/2019**

Electricity Distribution Form

Tariff Information
(D6 Form: Tariffs)

Completed form to be returned to NERSA no later than:	**31 October 2020**
Financial year reporting on:	**Financial year ending 30 June 2020**
Full name of Licensee	**Type here**
Licence number	**Type here**
Enquiries:	Veli Mahlangu (Senior Statistician) Thilivhali Nthakheni (Financial Regulatory Reporting Specialist) dforms@nersa.org.za (012) 401-4600
Completed D-Forms may be returned to one of the following addresses:	Email : **dforms@nersa.org.za** Post: P O Box 40343, Arcadia, 0007 Fax: (012) 401-4700
D-Forms are available:	
1. On the NERSA website:	www.nersa.org.za
2. In the following formats	Excel Documents

	Licensee Contact Person					
	Title (Ms/ Mr)	**Initials**	**Last Name**	**Telephone number**	**Fax number**	**Email address**
Example	**Ms**	**L**	**Mkhize**	**0124014710**	**0124014700**	dforms@nersa.org.za
Contact Person:	**Mr**	**S**	**Burger**	**0422002200**	**Type here**	**sburger@kouga.gov.za**

All information requested relates to a RING-FENCED ELECTRICITY DISTRIBUTION ACTIVITY. RING-FENCED means that separate accounts are kept for the electricity distribution activity.

Please complete the following:

Click on a cell for code

Tariff Name	Tariff Number	SIC (code)	Load profile (code)	Tariff structure (code)	Number of consumers	Energy Sales	Revenue derived from energy charges	Revenue derived from demand charges	Revenue derived from fixed charge	Revenue	Extra municipal surcharge
Domestic Pre-payment	Type here	0	1,2,3	5.1 and 5.2	13,673	42,390,348 kWh	55,168,378	Type here	9,291,586	64,459,964	Type here %
Domestic Conventional	Type here	0	2,3	5.2	7,623	38,165,248 kWh	57,273,373	Type here	20,242,595	77,515,967	Type here %
Commercial Pre-paid	Type here	0	4	5.1	343	2,011,179 kWh	4,160,681	Type here	Type here	4,160,681	Type here %
Commercial Conventional	Type here	0	4.5	5.2	741	13,784,695 kWh	20,750,494	Type here	7,633,417	28,383,911	Type here %
Bulk Supply Normal	Type here	0	4.5	5.4	210	18,674,305 kWh	14,251,297	27,009,932	748,958	42,010,187	Type here %
Bulk Supply Time of Use	Type here	0	4.5	5.5	42	43,822,089 kWh	36,413,505	Type here	416,649	36,830,154	Type here %
Street Lighting	Type here	0	Type here	Type here	145	2,936,515 kWh	4,545,479	Type here	Type here	4,545,479	Type here %
Other	Type here	0	Type here	Type here	93	2,351,040 kWh	2,671,808	Type here	Type here	2,671,808	Type here %
Total					**22,870**	**164,135,419** kWh	**195,235,015**	**27,009,932**	**38,333,205**	**260,578,152**	

NERSA D6 Form – Tariff Information: **2019/2020**

Electricity Distribution Form

Tariff Information
(D6 Form: Tariffs)

Completed form to be returned to NERSA no later than:	**31 October 2020**
Financial year reporting on:	**Financial year ending 30 June 2020**
Full name of Licensee	**Type here**
Licence number	**Type here**
Enquiries:	Veli Mahlangu (Senior Statistician) Thilivhali Nthakheni (Financial Regulatory Reporting Specialist) dforms@nersa.org.za (012) 401-4600
Completed D-Forms may be returned to one of the following addresses:	Email : **dforms@nersa.org.za** Post: P O Box 40343, Arcadia, 0007 Fax: (012) 401-4700
D-Forms are available:	
1. On the NERSA website:	www.nersa.org.za
2. In the following formats	Excel Documents

	Licensee Contact Person					
	Title (Ms/ Mr)	**Initials**	**Last Name**	**Telephone number**	**Fax number**	**Email address**
Example	**Ms**	**L**	**Mkhize**	**0124014710**	**0124014700**	dforms@nersa.org.za
Contact Person:	**Mr**	**S**	**Burger**	**0422002200**	**Type here**	**sburger@kouga.gov.za**

All information requested relates to a RING-FENCED ELECTRICITY DISTRIBUTION ACTIVITY. RING-FENCED means that separate accounts are kept for the electricity distribution activity.

Please complete the following:

Click on a cell for code

Tariff Name	Tariff Number	SIC (code)	Load profile (code)	Tariff structure (code)	Number of consumers	Energy Sales	Revenue derived from energy charges	Revenue derived from demand charges	Revenue derived from fixed charge	Revenue	Extra municipal surcharge
Domestic Pre-payment	Type here	0	1,2,3	5.1 and 5.2	13,673	42,390,348 kWh	55,168,378	Type here	9,291,586	64,459,964	Type here %
Domestic Conventional	Type here	0	2,3	5.2	7,623	38,165,248 kWh	57,273,373	Type here	20,242,595	77,515,967	Type here %
Commercial Pre-paid	Type here	0	4	5.1	343	2,011,179 kWh	4,160,681	Type here	Type here	4,160,681	Type here %
Commercial Conventional	Type here	0	4.5	5.2	741	13,784,695 kWh	20,750,494	Type here	7,633,417	28,383,911	Type here %
Bulk Supply Normal	Type here	0	4.5	5.4	210	18,674,305 kWh	14,251,297	27,009,932	748,958	42,010,187	Type here %
Bulk Supply Time of Use	Type here	0	4.5	5.5	42	43,822,089 kWh	36,413,505	Type here	416,649	36,830,154	Type here %
Street Lighting	Type here	0	Type here	Type here	145	2,936,515 kWh	4,545,479	Type here	Type here	4,545,479	Type here %
Other	Type here	0	Type here	Type here	93	2,351,040 kWh	2,671,808	Type here	Type here	2,671,808	Type here %
Total					**22,870**	**164,135,419** kWh	**195,235,015**	**27,009,932**	**38,333,205**	**260,578,152**	

NERSA D7 Form – Application for a tariff increase / tariff structure change

: 12 May 2020

National Energy Regulator of South Africa

Electricity Distribution Survey
Application for a tariff increase / tariff structure change
(D7 Form)

Completed form to be returned to NERSA no later than:	**31-May-20**
Financial year reporting on:	**Financial year ending 30 June 2019**
Licence number	**NER/D/EC108**
Full name of Licensee	**KOUGA MUNICIPALITY**
Enquiries:	Thandeka Jamba (Senior Statistician) thandeka.jamba@nersa.org.za (012) 401-4600/65 (082) 538-7180
Completed D-Forms may be returned to one of the following addresses:	Email : **dforms@nersa.org.za** Post: P O Box 40343, Arcadia, 0007 Fax: (012) 401-4700
D Forms are available:	
1. On the NERSA website:	www.nersa.org.za
2. In the following formats	Excel Documents & Word Documents

	Licensee Contact Person					
	Title (Ms/ Mr)	Initials	Last Name	Telephone number	Fax number	Email address
Example	Ms	I	Jamba	0124014665	0124014700	thandeka.jamba@nersa.org.za
Contact Person:	Ms	R	van Heerden	042-2002125	042-2008609	rvanheerden@kouga.gov.za

All information requested relates to a RING-FENCED ELECTRICITY DISTRIBUTION ACTIVITY. RING-FENCED means that separate accounts are kept for the electricity distribution activity.
In terms of the Electricity Amendment Act, 1994, any changes to the tariff levels or tariff structures are subject to the approval of the NERSA. It is therefore important that provision is made in your planning/budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration. Licensees are requested to submit their tariff applications 90 days prior to the proposed date of implementation. Attach a copy of your latest tariff schedule.

1. Will a tariff adjustment be considered for the period **01/07/2020 to 30/06/2021**? (Please indicate "Yes" or "No" in the box adjacent)	Yes	***If "Yes", please complete the rest of this page.***
2. When were your tariffs last increased?	01-07-2019	
3. And by what average percentage?	**13.52** (%)	

4. Describe your proposed tariff level adjustment and please provide reasons for this adjustment with reference to the information provided in this form and other information as may be appropriate.

It is proposed that an average tariff increase of 7.79% be applied. Please refer to attached detailed Report No. G/10457/R1 dated 12 May 2020 by Messrs Clinkscales Maughan-Brown (Pty) Ltd.

5. Indicate the planned implementation date if proposed tariffs are approved by NERSA	01-07-20

NERSA D7 Form – Application for a tariff increase / tariff structure change: 12 May 2021

National Energy Regulator of South Africa

Electricity Distribution Survey
Application for a tariff increase / tariff structure change
(D7 Form)

Completed form to be returned to NERSA no later than:	**31-May-21**
Financial year reporting on:	**Financial year ending 30 June 2020**
Licence number	**NER/D/EC108**
Full name of Licensee	**KOUGA MUNICIPALITY**
Enquiries:	Thandeka Jamba (Senior Statistician) thandeka.jamba@nersa.org.za (012) 401-4600/65 (082) 538-7180
Completed D-Forms may be returned to one of the following addresses:	Email : **dforms@nersa.org.za** Post: P O Box 40343, Arcadia, 0007 Fax: (012) 401-4700
D Forms are available:	
1. On the NERSA website:	www.nersa.org.za
2. In the following formats	Excel Documents & Word Documents

	Licensee Contact Person					
	Title (Ms/ Mr)	Initials	Last Name	Telephone number	Fax number	Email address
Example	Ms	T	Jamba	0124014665	0124014700	thandeka.jamba@nersa.org.za
Contact Person:	Ms	R	van Heerden	042-2002125	042-2008609	rvanheerden@kouga.gov.za

All information requested relates to a RING-FENCED ELECTRICITY DISTRIBUTION ACTIVITY. RING-FENCED means that separate accounts are kept for the electricity distribution activity.
In terms of the Electricity Amendment Act, 1994, any changes to the tariff levels or tariff structures are subject to the approval of the NERSA. It is therefore important that provision is made in your planning/budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration. Licensees are requested to submit their tariff applications 90 days prior to the proposed date of implementation. Attach a copy of your latest tariff schedule.

1. Will a tariff adjustment be considered for the period **01/07/2021 to 30/06/2021?** (Please indicate "Yes" or "No" in the box adjacent)	**Yes**	***If "Yes", please complete the rest of this page.***
2. When were your tariffs last increased?	01-07-2020	
3. And by what average percentage?	**7.79%**	

4. Describe your proposed tariff level adjustment and please provide reasons for this adjustment with reference to the information provided in this form and other information as may be appropriate.

It is proposed that an average tariff increase of 14.59% be applied. Please refer to attached detailedReport No. ME 1051/1/1 dated 12 May 2021.

5. Indicate the planned implementation date if proposed tariffs are approved by NERSA	01-07-21

Copy of NERSA guideline letter for 2021/22 tariffs

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Kulawula House
526 Madiba Street
Arcadia 0083
Pretoria, SOUTH AFRICA

PO Box 40343
Arcadia 0007
Pretoria
SOUTH AFRICA

Tel: +27(0)12 401 4600
Fax: +27(0)12 401 4700
Email: info@nersa.org.za
www.nersa.org.za

@NERSA_ZA

@NERSAZA

Enquiries: Zingisa Mavuso
Tel: 012 401 4617
Fax: 012 401 4700
Email: Zingisa.Mavuso@nersa.org.za

Dear Sir/Madam

GUIDELINE ON MUNICIPAL ELECTRICITY PRICE INCREASE FOR 2021/22

1. Annual Municipal Electricity Tariff Guideline

1.1 On 7 May 2021, the National Energy Regulator of South Africa (NERSA) approved a Municipal Tariff Guideline increase ('Guideline increase') for the 2021/22 financial year.

1.2 A Guideline increase of 14.59% was approved, which is based on the following assumptions:

- bulk purchases have been increased by 17.8% in line with Eskom's tariff increase to municipalities;
- salary and wage increases of 4.4% have been applied in line with the Bureau of Economic Research (BER) Consumer Price Index (CPI) of 4.4%[1];
- finance costs have been increased by 0 basis points (0.0%) in line with the announcement on 24 February 2021 by the Reserve Bank Governor to keep the repo rate the same; and
- repairs and maintenance, and other expenses (including depreciation) have been increased in line with the CPI.

1.3 The Decision and Reasons for Decision (RfD) document on the determination of the Guideline increase and the revised benchmarks for the financial year 2021/22 is available on the NERSA website (www.nersa.org.za/regulator-decisions).

[1] The Consumer Price Index used is 4.4% as forecast by the Bureau of Economic Research (BER) for 2021/22.

Regulator Members:
Ms MMD Nkomo (Deputy Chairperson)
*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Mr S Mokoena Ms Z Mpungose Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

1.4 It is important to note that this Guideline increase is not an automatic increase in tariffs and your municipality is still required to apply to NERSA for approval of your 2021/22 tariffs in accordance with the provisions of section 16(2) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) before implementation.

2. Municipal Tariff Benchmarks

Tariff Benchmarks are approved in line with the tables below for implementation in 2021/22. The assumed kilowatt hours (kWh) per tariff category is for usage per month.

2.1 Domestic Benchmarks

Table 1: Average Domestic IBT Benchmarks

	Domestic Inclining Block Tariffs (IBTs)			
	Block 1 (0-50 kWh) R.c/kWh	Block 2 (51-350 kWh) R.c/kWh	Block 3 (351-600 kWh) R.c/kWh	Block 4 (>600 kWh) R.c/kWh
Excl VAT	R1.1535 - R1.2583	R1.5130 - R1.6178	R2.1571 - R2.2769	R2.5916 - R2.6814
Incl VAT	R1.3265 - R1.4470	R1.7399 - R1.8605	R2.4807 - R2.6185	R2.9803 - R3.0836

Table 2: Alternative Domestic low IBT

	Domestic Low IBT	
	Block 1 (0-350 kWh) R.c/kWh	Block 2 (>350 kWh) R.c/kWh
Excl VAT	R1.4680 - R1.5430	R2.1271 - R2.2319
Incl VAT	R1.6882 - R1.7744	R2.4462 - R2.5667

Table 3: Alternative Domestic High IBT

	Domestic High IBT	
	Block 1 (0-350 kWh) R.c/kWh	Block 2 (>350 kWh) R.c/kWh
Excl VAT	R1.4231 - R1.5129	R2.0973 - R2.1871
Incl VAT	R1.6365 - R1.7399	R2.4118 - R2.5152

Table 4: Average Domestic Non-IBT Benchmarks

	Domestic Non- IBT	
	Domestic Low (0-400 kWh) R.c/kWh	Domestic High (>400 kWh) R.c/kWh
Excl VAT	R1.6178 - R1.7226	R2.0373 - R2.1121
Incl VAT	R1.8605 - R1.9810	R2.3429 - R2.4289

2.2 Average Commercial Benchmarks

2.2.1 Commercial Single Phase

Table 5: Average Commercial Prepaid: Single Phase

	Commercial Prepaid (2 000 kWh)		
	R.c/kWh		
Excl VAT	R2.6964	-	R2.8013
Incl VAT	R3.1009	-	R3.2214

Table 6: Average Commercial Conventional Low: Single Phase

	Commercial Low (2 000 kWh)		
	R.c/kWh		
Excl VAT	R2.5016	-	R2.5766
Incl VAT	R2.8768	-	R2.9631

Table 7: Average Commercial Conventional Medium: Single Phase

	Commercial Medium (3 000 kWh)		
	R.c/kWh		
Excl VAT	R2.4118	-	R2.5166
Incl VAT	R2.7735	-	R2.8941

Table 8: Average Commercial Conventional High: Single Phase

	Commercial High (7 000 kWh)		
	R.c/kWh		
Excl VAT	R2.1271	-	R2.2319
Incl VAT	R2.4462	-	R2.5667

2.2.2 Commercial Three-Phase

Table 9: Average Commercial Prepaid Three-Phase

	Commercial Low (5500 kWh)		
	R.c/kWh		
Excl VAT	R2.6964	-	R2.8013
Incl VAT	R3.1009	-	R3.2214

Table 10: Average Commercial Conventional Low: Three-Phase

	Commercial Low (5500 kWh)		
	R.c/kWh		
Excl VAT	R2.1271	-	R2.2170
Incl VAT	R2.4462	-	R2.5495

Table 11: Average Commercial Conventional Medium: Three-Phase

	Commercial Medium (11500 kWh)		
	R.c/kWh		
Excl VAT	R2.0223	-	R2.1121
Incl VAT	R2.3256	-	R2.4289

Table 12: Average Commercial Conventional High: Three-Phase

	Commercial High (22 000 kWh)		
	R.c/kWh		
Excl VAT	R1.9773	-	R2.0673
Incl VAT	R2.2739	-	R2.3774

2.3 Agriculture Benchmarks

Table 13: Average Agriculture Low

	Agriculture Low (2000 kWh)		
	R.c/kWh		
Excl VAT	R2.9061	-	R2.9959
Incl VAT	R3.3420	-	R3.4453

Table 14: Average Agriculture Medium

	Agriculture Medium (3000 kWh)		
	R.c/kWh		
Excl VAT	R2.7563	-	R2.8462
Incl VAT	R3.1697	-	R3.2732

Table 15: Average Agriculture High

	Agriculture High (7000 kWh)		
	R.c/kWh		
Excl VAT	R2.3518	-	R2.4418
Incl VAT	R2.7045	-	R2.8080

2.4 Industrial Benchmarks

Table 16: Average Industrial Low

	Industrial Low (43 800 kWh)		
	R.c/kWh		
Excl VAT	R2.4418	-	R2.5616
Incl VAT	R2.8080	-	R2.9458

Table 17: Average Industrial Medium

	Industrial Medium (98 550 kWh)		
	R.c/kWh		
Excl VAT	R2.3968	-	R2.4866
Incl VAT	R2.7563	-	R2.8596

Table 18: Average Industrial High

	Industrial High (730 000 kWh)		
	R.c/kWh		
Excl VAT	R2.1571	-	R2.2469
Incl VAT	R2.4807	-	R2.5840

Table 19: Average Industrial Time-of-Use (ToU) Megaflex

	Industrial TOU (1 323 MWh)		
	R.c/kWh		
Excl VAT	R1.8706	-	R1.9657
Incl VAT	R2.1512	-	R2.2605

Table 20: Average Industrial Time-of-Use (ToU) Nightsave

	Industrial TOU (1 323 MWh)		
	R.c/kWh		
Excl VAT	R2.7583	-	R2.8534
Incl VAT	R3.1721	-	R3.2814

3. Above-Guideline Increases

3.1 Municipalities that apply for an increase that is above the guideline and the benchmarks will have to justify the increase to the Energy Regulator through a public hearing process, and should meet the following requirements:

a) The additional revenue should be quantified per customer category, including the forecast sales assumptions.
b) A detailed plan on the projects on which the additional funds will be used should be provided.
c) The approved additional revenue must be ring-fenced and strictly used for the identified projects. Failure to comply will result in the additional revenue being clawed back in the following year.
d) Municipalities must report to NERSA on a six-monthly basis on how the additional funds are being used.

3.2 NERSA reserves the right to request any additional information to assist in assessing a tariff application.

3.3 Failure to provide, or partial provision of, the above additional information will result in the tariff application being considered as a guideline increase application.

4. Timelines

It is important to note that municipalities should submit their tariff applications for the 2021/22 financial year by 15 June 2021. NERSA will endeavour to ensure that tariffs are approved on time for implementation on 1 July 2021.

5. Conclusion

Should you require any further assistance with or clarity on the above, please do not hesitate to contact Mr Thabo Tshabalala from NERSA's Electricity Pricing and Tariffs Department telephonically at 012 401 4725 or per email at thabo.tshabalala@nersa.org.za or municguideline@nersa.org.za.

NERSA looks forward to continuous engagement with all licensees.

Yours faithfully

pp XS Mtwa
Adv. Nomalanga Sithole
ACTING CHIEF EXECUTIVE OFFICER

Date: 15 May 2021

Copy of NERSA draft guideline letter for 2021/22 tariffs.

MUNICIPAL TARIFF GUIDELINE INCREASE, BENCHMARKS AND PROPOSED TIMELINES FOR MUNICIPAL TARIFF APPROVAL PROCESS FOR THE 2021/22 FINANCIAL YEAR

Consultation Paper

Published on 12 March 2021

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY **63**

2. BACKGROUND **64**

3. ALTERNATIVE REGULATION APPROACHES **65**

4. GUIDELINE INCREASE PERCENTAGE CALCULATION **70**

5. THE MUNICIPAL GUIDELINE APPROVAL PROCESS **72**

6. TARIFF APPROVAL PROCESS **74**

6.1. Submission of D-Form Information 74

6.2. Guideline Increase and Benchmarks Consultation and Approval 76

6.3. Tariff Application Information 76

ANNEXURE A: PROPOSED MUNICIPAL ELECTRICITY TARIFF BENCHMARKS FOR 2021/22 Error! Bookmark not defined.

TABLE OF TABLES

Table 1: Revenue forecast 8

Table 2: Financial indicators 9

Table 3: Calculation of the guideline for the 2021/22 financial year..... 11

Table 4: Municipal tariff guideline and benchmarks approval timelines 14

Table 5: Tariff schedule format 16

ABBREVIATIONS AND ACRONYMS

BP	Bulk Purchase
BPI	Bulk Purchase Increase
c/kWh	Cents per kilowatt-hour
CPI	Consumer Price Index
D-forms	Distribution Forms
ERTSA	Eskom Retail Tariff Structural Adjustment
FC	Finance Costs
GI	Guideline Increase
IBT	Inclining Block Tariff
kWh	Kilowatt-hour
MD	Maximum Demand
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MYPD	Multi-Year Price Determination
NERSA	National Energy Regulator of South Africa
OE	Other Expenses
OEI	Other Expenses Increase
R	Repairs
RCA	Regulatory Clearing Account
RI	Repairs Increase
S	Salaries
SI	Salary Increase
ToU	Time of Use

1. EXECUTIVE SUMMARY

1.1. The National Energy Regulator of South Africa (NERSA) is the regulatory authority of the energy sector in South Africa and its mandate includes the regulation of the electricity supply industry. In terms of section 4(ii) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) ('the Electricity Regulation Act'), NERSA must regulate electricity prices and tariffs.

1.2. NERSA, on an annual basis, approves a percentage guideline increase and reviews the municipal tariff benchmarks. The guideline increase assists the municipalities in the preparation of their budgets, while the revised benchmarks are used in the evaluation of the municipal tariff applications.

1.3. This process is dependent on the approval of Eskom's revenues and Retail Tariff Structural Adjustment (ERTSA).

1.4. The total approved allowable revenue for Eskom for the 2021/22 financial year is R245 709m.

1.5. NERSA approved Eskom's Retail Tariff Structural Adjustment (ERTSA) on 5 March 2021, which resulted in an increase of 17.8% to municipalities and an overall average increase of 15.06% to Eskom's standard customers.

1.6. NERSA is requesting that stakeholders comment on the percentage guideline increase, the benchmarks, the proposed timelines and the specific issues raised, as set out in this consultation paper. The comments should be addressed to **Mr Thabo Tshabalala** at the **National Energy Regulator of South Africa, Kulawula House, 526 Madiba Street, Arcadia, Pretoria** or emailed to: **municguideline@nersa.org.za**. The deadline for the submission of comments is 30 March 2021.

1.7. NERSA will hold a public hearing on the key issues highlighted in the consultation paper on 9 April 2021, in line with section 4(3) of the Promotion to Administration Justice Act, 2000 (Act No. 3 of 2000).

2. BACKGROUND

2.1. The Electricity Pricing Policy document seeks to obtain a balance between several competing objectives, which include affordable electricity for the lowincome consumers and cost-reflective tariffs for all the other consumers. As a result, electricity prices should reflect efficient market signals, accurate cost of supply and associated price levels that would ensure financial viability of the electricity sector in its entirety.

2.2. Furthermore, the economic theory suggests that a perfectly competitive market would produce efficient prices. The Electricity Supply Industry (ESI) in South Africa is currently not structured to deliver perfect competition, but this does not diminish the importance of efficient electricity prices in any way.

2.3. In the absence of competition, regulators may select from a range of methodologies to regulate the industry. All these options have various advantages and disadvantages. Regardless of the method of regulation or price formation, it is essential that an efficient and prudent licensee should be able to generate sufficient revenues that would allow it to operate as a viable concern now and in the future. Moreover, it is important that the regulated business is able to attract reasonably priced finance in order to maintain, refurbish and grow its infrastructure and provide services at a reasonable cost.

2.4. As a result, tariffs need to be set at a level that would not only ensure that the utility generates sufficient revenues to cover the full costs (including a reasonable margin or return), but would also allow the utility to obtain reasonably priced funding.

2.5. Historically, NERSA has taken the benchmarking approach, which sought to ensure that tariffs do not vary vastly among the various electricity distributors.

2.6. However, the gap between the licensee's sustainability (cost reflectivity) and customer affordability has been increasing as evidenced by stakeholders' pleas with NERSA to move towards a cost-based approach when setting tariffs for municipalities. Although numerous stakeholders have made a comment to a similar effect, one of the stakeholders commented in the previous financial year and quoted a Deloitte report, which summarises this point succinctly, and reads thus:

NERSA should review its approach to the regulation of municipal electricity tariffs as its current approach of providing guideline tariffs in terms of standard percentage price increases across all municipalities will only serve to amplify historical differences. Deloitte further states, 'With Eskom tariffs set to continue to rise, it is questionable whether further increases in the already relatively high tariff charged by some municipalities can be justified'.

2.7. In its previous consultation paper, NERSA attempted to address this issue by benchmarking municipality tariffs to Eskom tariffs. However, this approach raised numerous challenges since Eskom's tariffs are based on an embedded cost to supply approach, which seeks to set rates to recover approved revenues. As a result, these do not result in industry/municipality-related rates but rather Eskom specific cost-related rates.

2.8. This meant that an approach was needed that would somehow translate municipalities' cost requirements to tariffs. NERSA, in addressing the above predicament developed a hybrid approach, which incorporates the municipalities' Cost to Supply and revenue forecasts in rate setting for municipalities.

3. ALTERNATIVE REGULATION APPROACHES

3.1. The first approach requires municipalities to set their tariffs based on a comprehensive cost of supply studies. The second approach is a hybrid requiring municipalities to indicate their revenue forecast translated into tariffs. These would be regulated using the NERSA benchmarks currently in place to ensure that the revenue targets are met.

3.2. The first approach is desired in the long term and municipalities with the capabilities are encouraged to submit these comprehensive studies to be considered for setting the 2022/23 financial year's tariffs. These applications should be submitted at least six months before the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) deadline of 15 March 2022 to allow NERSA sufficient time to process them.

3.3. NERSA, in conjunction with Sustainable Energy Africa (SEA), Eskom, South African Local Government Association (SALGA), Department of Cooperative Governance and Traditional Affairs (CoGTA) and various other stakeholders have developed a tool that is able to assist municipalities in the development of cost of supply studies.

This simplified tool was developed with the aim of assisting municipalities that lack the capacity to undertake a comprehensive study.

3.4. With the assistance of this specialised tool, it is envisaged that municipalities will be able to submit their cost-based tariffs to NERSA for approval. This tool will be made available on the NERSA website at www.nersa.org.za.

Approach 1

3.5. This approach requires municipalities to set their tariffs based on a comprehensive cost of supply to be assessed by NERSA for prudence and efficiency. These applications will be assessed using the Cost of Supply Framework, which sets out the parameters within which the applications will be considered.

3.6. This approach will ensure that electricity distributors have competitive capabilities, especially in light of the anticipated unbundling of Eskom into Generation, Transmission and Distribution businesses and in addressing the country's Economic Reconstruction and Recovery Plan that seeks to address the shortcomings identified in the Electricity Supply Industry in its entirety.

3.7. Upon approval of these revenues, municipalities should submit a schedule of revised retail tariffs and structural adjustments, which would recover the approved revenue.

3.8. Subsequent revenue applications would also consider the impact of forecast revenues not materialising. The revenue shortfall/excess would be taken into consideration in determining subsequent revenue requirements. Thereafter, the cycle will restart with the cost of supply consideration.

3.9. However, these restructured tariffs should be implemented in a manner that will not negatively impact the municipalities, their customers and the economy at large. This implies that these tariffs must be phased in over time on a case-by-case basis to allow for a just and smooth transition informed by an economic impact assessment study. However, this process of implementation should not take too long to an extent that it overcomplicates the revenues to be recovered or adversely affects the municipalities or the customers.

3.10. Policy position 23 of the Electricity Pricing Policy, 1998 (GG No. 31741 of 19 December 1998) ('the EPP') states that electricity distributors shall undertake Cost of Supply (COS) studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved NERSA Framework to reflect changing costs and customer behaviour.

3.11. In support of the EPP, NERSA developed a COS Framework to be used by all licensed electricity distributors (licensees) in South Africa. The framework will be used as a guideline to licensees when developing their COS studies.

3.12. Municipalities that are unable to update these studies annually should apply for an increase in line with the municipal guideline increase (as determined in section 4 below) for a maximum of five years or until such time that circumstances warrant a need for a revised Cost of Supply study in line with paragraph 3.10 above, whichever occurs first. This implies that the rates approved based on the comprehensive Cost of Supply study will be increased by the approved guideline increase annually until such time that the next comprehensive study is approved.

Stakeholder Comment #1

Stakeholders are invited to comment on the potential impact of using the first approach to the regulation of municipalities and/or propose substitute variations that will achieve similar outcomes. Furthermore, stakeholders are invited to comment on the challenges foreseen from implementing this approach and propose solutions thereto. Moreover, stakeholders are invited to comment on key parameters to be used to evaluate these cost of supply studies.

Approach 2

3.13. Municipalities that are unable to submit comprehensive cost of supply studies in the interim should submit their revenue forecast translated into tariffs. This revenue forecast will be analysed and compared with municipal costs and revenue requirements and the tariffs regulated using the NERSA benchmarks.

Table 1: Revenue forecast

Tariff Name	Tariff Number	Number of consumers	Revenue derived from energy charges ('R)	Revenue derived from demand charges ('R)	Revenue derived from fixed charges ('R)	Total Revenue ('R)	Energy Sales (kWh)	Average Tariff
ELECT:RESIDENTIAL								
ELECT:BUSINESS/INDUSTRIAL								
ELECT:BUSINESS<25KWH-CONVENTIONAL								
ELECT:HIGHVOLT MORE THAN 200KVA+								
ELECT:MUNICIPAL								
PREPAID ELECTRICITY								
Total								

3.14. Municipalities should apply using table 1 above as a minimum template. Municipalities are already reporting on this information historically in the D-Form submissions, so it is anticipated that compliance in this regard will not be a hurdle. This approach will allow NERSA to balance the revenue requirement
of the municipality and customer impact using the benchmarks (see Annexure A). A comprehensive template will be made available on the NERSA website (www.nersa.org.za) and upon request by email.

3.15. The financial and technical indicators in table 2 below will be used to assess financial performance and the parameters are explained in the paragraphs that follow.

Table 2: Financial indicators

Performance indicators	**Benchmark**	**Acceptable range**
Gross surplus percentage **(%)**:	60	58 - 62
Net surplus percentage **(%)**:	15	10 - 20
Percentage Power Cost: **(%)**	75	58 - 78
Energy Losses: **(%)**	10	5 - 12
Revenue collection rate **(%)**	95	85 - 100
Repairs & Maintenance **(% of revenue)**	6	6 - 15

3.16. Municipalities that operate within these benchmarks are expected to be able to run a sustainable and an efficient electricity business.

3.16.1. Gross surplus percentage: This is calculated using the following formula electricity sales revenue less bulk purchase costs / electricity sales revenue. This will be used to assess the municipality's electricity business performance purely from an electricity purchase and sale perspective.

3.16.2. Percentage power costs: This is calculated using the following formula (bulk purchase cost / total electricity department costs). This will be used to assess the municipality's expenditure on bulk purchases relative to total expenditure.

3.16.3. Energy losses percentage: This is calculated using the following formula (electricity kWh purchases less electricity kWh sales). This will be compared against set targets and used to assess the efficiency of the municipality's network and billing functions.

3.16.4. Estimated revenue collection rate: This is calculated using the following formula (billed revenue less bad debts written off) or (billed revenue plus bad debts recovered). This will be compared against set targets and used to assess the efficiency of the municipality's proportion of billed revenue that is collected. This relates to the municipality's ability to collect billed revenues.

3.16.5. Repairs and maintenance percentage: This is calculated using the following formula (repairs and maintenance expenditure / electricity revenue billed). This will be compared against set targets and used to assess the municipality's investment in its network infrastructure and maintenance.

3.16.6. Net surplus percentage: This is calculated using the following formula (net surplus / electricity revenue). This will be used to assess the municipality's electricity business performance after taking into account all of the other costs of the licensee.

3.17. These performance targets will ensure that municipalities are encouraged to improve on their revenue collection, improve on energy losses, as well as spend sufficiently on repairs and maintenance of their networks to ensure delivery of a sustainable, quality service. This will also ensure that a municipality earns a sufficient net profit margin/surplus after all costs have been taken into account.

Stakeholder Comment #2

Stakeholders are invited to comment on the potential impact of using the second alternative approach to regulation of municipalities and/or propose substitute variations that will achieve similar outcomes. Furthermore, stakeholders are invited to comment on the challenges foreseen from implementing this approach and propose solutions thereto. Stakeholders are also invited to comment on the relevance of the performance targets set, their calculation, the potential impact thereof and to propose additional or alternative indicators and targets if applicable.

4. GUIDELINE INCREASE PERCENTAGE CALCULATION

4.1. To calculate the guideline increase for the 2021/22 financial year, NERSA grouped the municipalities' costs into the various categories as outlined in table 3 below. The Rand figures are a representation of costs as submitted by municipalities in their 2018/19 financial D-Forms.

4.2. These costs are then increased by a relevant index to achieve an average guideline increase of 14.59%.

Table 3: Calculation of the guideline for the 2021/22 financial year

GI	Expenses	2018/19	Contribution	% Increase	Guideline
BP	Bulk Purchases	42 289 531 275	76.0%	17.8%	13.53%
R	Repairs and Maintenance	3 430 761 825	6.2%	4.4%	0.27%
S	Salaries	2 234 874 745	4.0%	6.5%	0.26%
FC	Finance Costs	948 105 195	1.7%	0.0%	0.00%
NMD	NMD Costs	120 940 710	0.2%	4.4%	0.01%
BD	Bad Debts Provision	1 491 338 074	2.7%	4.4%	0.12%
FBE	FBE Paid to Eskom	310 847 818	0.6%	4.4%	0.02%
OMD	Charges from other Municipal Departments	1 169 776 572	2.1%	4.4%	0.09%
OE	General Expenditure	3 653 590 625	6.6%	4.4%	0.29%
Total expenditure		**55 649 766 841**	**100%**		**14.59%**

4.3. In order to calculate the guideline increase percentage of 14.59% in table 3 above, the formula below is used:

GI = (B X BPI) + (R X I) + (S X WA) + (FC X FCI) + (NMD X I) + (BD x I) + (FBE x I) + (OMD x I) + (GE x I)

Where:

a) GI = % Municipal guideline increase
b) BP = % Bulk purchases
c) BPI =% Bulk purchase increase
d) R = % Repairs
e) I = % Inflation from BER
f) S = % Salaries
g) WA = % increase in line with the Salary and Wage Collective Agreement
h) FC = % Finance costs
i) FCI = % Finance cost increase
j) NMD = Notified Maximum Demand costs
k) BD = Bad Debts expenses
l) FBE = Free Basic Electricity expenses paid to Eskom
m) OMD = Charges from other municipal departments
n) GE = General expenditure

4.4. The bulk purchases represents 76% of total costs incurred by licensees. For the 2021/22 financial year, an increase of 17.8% is applied in line with the approved ERTSA submission. The difference between Eskom's increase of 15.06% and that of the municipalities of 17.8% is due to the MFMA time lag (the municipalities' implementation date is 1 July, whereas Eskom's financial year starts on 1 April).

4.5. Due to the requirements of the MFMA, Eskom can only increase its prices to municipalities from 1 July 2021 and not 1 April 2021. This time lag leads to an under-recovery by Eskom from sales to municipalities, which requires a higher price increase to municipalities. The higher price increase results from the fact that the outstanding revenue has to be recovered within a nine-month period instead of twelve months.

4.6. The repairs and maintenance represents 6.2% of total costs incurred by licensees. For the 2021/22 financial year, an increase of 4.4% is applied in line with the BER inflation figures.

4.7. The salaries and wages represents 4% of total costs incurred by licensees. For the 2021/22 financial year, an increase of 6.5% is applied in line with the Salary and

Wage Collective Agreement for the period 1 July 2018 to 30 June 2021, as published by the South African Local Government Bargaining Council.

4.8. The finance costs represents 1.7% of total costs incurred by licensees. For the 2021/22 financial year, a decrease of 0 basis points (0.0%) is applied on finance costs in line with the announcement by the Reserve Bank Governor to keep the repo rate the same on 24 February 2021.

4.9. The NMD cost represents 0.2% of total costs incurred by licensees. For the 2021/22financial year, an increase of 4.4% is applied in line with the BER inflation figures.

4.10. The other expenses represents 11.9% of total costs incurred by licensees. For the 2021/22 financial year, an increase of 4.4% is applied in line with the BER inflation figures.

4.11. The application of the formula in 4.3 above results in a guideline increase of 14.59%, as indicated in table 3 above.

Stakeholder Comment #3
Stakeholders are invited to comment on the approach taken to calculate the average annual increase (guideline increase) for licensees and propose any alternatives where applicable.

5. THE MUNICIPAL GUIDELINE APPROVAL PROCESS

5.1. The figure below outlines the process followed in the development of the Municipal Guideline and Benchmarks for the 2021/22 financial year.

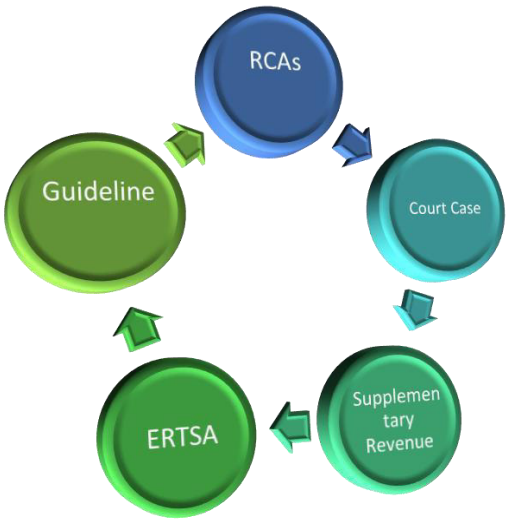


Figure 1: Municipal guideline approval process

5.2. On an annual basis, NERSA approves a percentage guideline increase and reviews the municipal tariff benchmarks. The guideline increase assists the municipalities in the preparation of their budgets, while the revised benchmarks are used in the evaluation of the municipal tariff applications. This process is dependent on the approval of Eskom's revenues and ERTSA.

5.3. The total approved allowable revenue for Eskom for the 2021/22 financial year is R245 709m. Eskom submitted its ERTSA application on 22 February 2021, which the Energy Regulator analysed and approved on 5 March 2021. The liquidation of the approved revenues resulted in an increase of 15.06% to Eskom and a bulk purchase increase of 17.8% for municipalities.

5.4. Table 4 below outlines the processes to be followed in approving the guideline and benchmarks and proposed timelines by 28 April 2021.

Table 4: Municipal tariff guideline and benchmarks approval timelines

Municipal bechmarks and guidelines	DEPENDENCIES/OUTPUT	DELIVERY RESPOSIBILITY	Date
Approval of Consultation Paper by ELS	RSU circulating the submission on time	RSU	2021/03/09
Conduct Microsoft Teams Public Hearing	Stakeholders register to present	EPT/RSU/ER	2021/04/09
ELS to approve recommendations to ER	Receiving comments and team incorporating comments	EPT	2021/04/16
Approval by Energy Regulator	ER members deliberating on submission and making a decision	RSU	2021/04/28

5.5. According to NERSA's timelines, the municipal tariff guideline and benchmarks will be approved on 28 April 2021. The Reasons for Decision (RFD) will be published on the NERSA website, Facebook, Twitter, Government Gazette and various local newspapers.

5.6. The publication of the the approved guideline percentage increase and benchmarks is not an automatic increase for the municipalities and private distributors. As a result, licensees are urged to submit their proposed price adjustments or tariff increases for approval by NERSA.

6. TARIFF APPROVAL PROCESS

The figure below outlines the process followed in the tariff approval process for 2021/22 financial year.

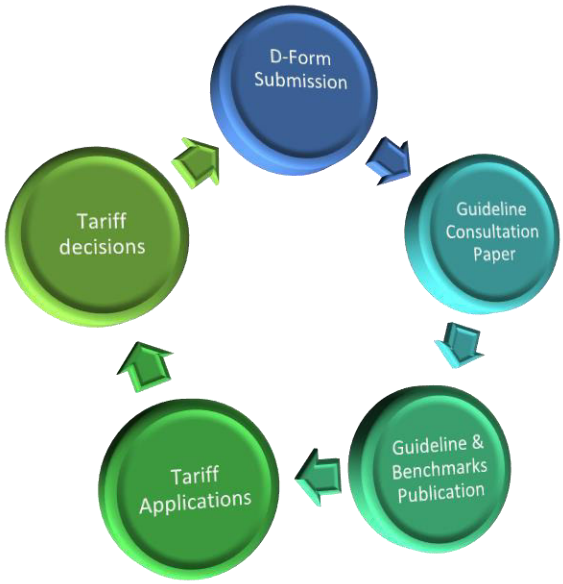


Figure 2: Tariff approval process

6.1. Submission of D-Form Information

6.1.1. NERSA held virtual workshops in 2020 and considered one-on-one interactions with municipalities that needed further assistance with the completion of the 2018/19 D-forms. This process ran in parallel with the submission of the D-forms. The D-form templates are available on the NERSA website (**www.nersa.org.za**).

6.1.2. The closing date for the submission of the D-forms is 31 October annually. Municipalities that have been contacted by NERSA regarding inaccurate or outstanding data are required to ensure that accurate information is submitted timeously to NERSA to ensure a seamless tariff approval process.

6.1.3. The distribution forms that are primarily used for the tariff approval process are D1 (financial information), D2 (market information) and D3 (human resources information).

6.1.4. These forms contain information regarding the financial position and efficiency levels of the municipality, as well as data regarding the customer's consumption patterns and the number of customers per tariff category. This information assists NERSA in the analysis of the tariffs and in determining the revenues that the municipality collects from the various tariff categories.

6.1.5. NERSA will not consider municipal tariff applications without the submission of complete and accurate D-form information, which has been signed off by an authorised person. The D-forms should be accompanied by the following source documents:

a) 2018/19 prepaid and conventional sales billing reports (Excel or Notepad format)
b) Eskom invoices (Excel and pdf)
c) Outstanding reports, i.e. losses report, turnaround strategies and debt collection plans (where applicable)
d) 2018/19 audited annual financial statements
e) 2018/19 trial balance (electricity only)
f) 2018/19 electricity asset register.

Stakeholder Comment #4
Stakeholders are invited to comment on the availability of the above information and the ability to supply it in the required format.

6.2. Guideline Increase and Benchmarks Consultation and Approval

6.2.1. NERSA will publish the approved Municipal Tariff Guideline and Benchmarks on its website once the Energy Regulator approves it on 28 April 2021, in line with the timelines in table 4 above. The licensees are encouraged to submit tariff applications as soon as possible to allow the Energy Regulator sufficient time to consider and approve these applications on time for implementation on 1 July 2012.

6.3. Tariff Application Information

6.3.1. Municipalities are required to submit their tariff schedules in line with table 5 below. A clear description of the applicability of the tariff should be provided.

Table 5: Tariff schedule format

1	Tariff Name	Current Tariffs	Proposed Tariffs	% increase
	Basic Charge/Admin charge	R/month	R/month	%
	Energy Charge	c/kW	c/kW	%
	Demand charge	R/kVA	R/kVA	%

6.3.2. This schedule of tariffs should be accompanied by the resultant revenue forecast of the municipality. This revenue forecast must indicate the current volumes from the current tariffs, as well as projected revenues from projected rates and volumes.

Stakeholder Comment #5

Stakeholders are invited to comment on the availability of the above information and the ability to supply it in the required format and to provide alternatives that will allow the Energy Regulator to assess the revenue requirement of the licensee if applicable.

6.3.3 *Above-guideline increases*

6.3.3.1. Licensees applying for an increase that is above the guideline are requested to submit a comprehensive revenue requirement application in line with section 3 above.

6.3.3.2. NERSA reserves a right to request any additional information to assist in assessing a tariff application.

6.3.3.3. Failure to submit a comprehensive application will result in the tariff application being considered as a guideline increase application. However, requirements of section 6.3. above remain applicable.

6.3.3.4. The municipalities are encouraged to develop time-of-use, and seasonal tariffs in order to enable customers to benefit from load shifting and to allow municipalities to recover costs in a manner reflective of how Eskom charges them.

Stakeholder Comment #6
Stakeholders are invited to comment on the approach taken to assess applications above the guideline increase and propose any alternatives where applicable.

6.3.4 *Small-scale embedded generator (SSEG) tariffs*

6.3.4.1. These are tariffs for customers with embedded generators (e.g. solar panels) that allow them to generate power for own use. However, with the current technological advancement, such customers are able to export power back to grid.

6.3.4.2. NERSA is developing a benchmark for this type of customers and objectives are as follows:

6.3.4.2.1. Set tariffs that incentivise customers to feed into the grid.

6.3.4.2.2. The tariffs should be set at a level that will not worsen the licensees' declining sales.

6.3.5. In developing such a tariff, NERSA is considering two options as follows:

6.3.5.1. Taking the national average selling price (ASP) and discounting it by 58% (derived from APP: ASP ratio of 1:1.58). This seeks to ensure that there are no excessive mark-ups as this is aligned to NERSA's approved financial and technical indicators.

6.3.5.2. The second alternative is developing benchmarks based on tariffs currently being implemented by municipalities nationally (peer to peer municipality benchmarking).

Stakeholder Comment #7

Stakeholders are invited to comment on the reasonableness of the approach taken to develop the SSEG benchmarks, propose enhancements to the proposed approaches or propose alternative approaches.

Appendix 1:	Cost of Supply Study (COS):	2015/16:	28 September 2017
	Updated COS:	2019/20:	25 April 2021

KOUGA local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

SSEG Tariff Application 2021/22

NERSA has requested a separate application for SSEG tariffs, hence this standalone SSEG tariff application.

Kouga Municipality has received an increasing number of requests from customers to install embedded generation. Until now, this has exclusively been in the form of solar photovoltaics (PV), as such, the SSEG tariffs have been developed specifically for solar PV SSEG.

Managing this uptake of SSEG is a new area of operation, but we have identified SSEG as an opportunity to improve energy security and stimulate local economic growth. As such, we have dedicated time and effort to establishing our SSEG process.

The municipality has adopted the SALGA-AMEU endorsed approach to managing SSEG and we are confident in our ability to manage the technical integration of SSEG onto our grid, ensuring safety and power quality standards are adhered to. Furthermore, we require customers to install bi-directional meters when installing SSEG so that we can measure the amount of energy exported into the grid. Furthermore, we have an approved SSEG Policy.

The final remaining element of our operational SSEG process is a NERSA approved export credit.

Considerations when determining the SSEG Export Credit:

1. **The municipality's SSEG tariff objectives** (details in Appendix A)

The SSEG tariff objectives of the municipality are to ensure that municipal costs are covered and to incentivize customers to feed into the grid.

2. **Peer-to-peer benchmarking** (details in Appendix B)

Peer-to-peer benchmarking has shown that most municipalities implementing export credits in the range of 70 – 80 c/kWh in 2020/21, with the average being 74c/kWh. Furthermore, the case study analysis has shown that a sensible SSEG tariff can balance the interests of the municipality by covering costs while still allowing a good business case for customers to install SSEG.

3. **National average purchase price benchmark** (details in Appendix C)

This was suggested by NERSA in the 2021/22 benchmark paper and was identified as a possible benchmark for export credits. As such, we used the WEPS and Megaflex to determine the upper purchase price benchmark (using the most expensive Megaflex tariff) and the lower purchase price benchmark (using the cheapest

Megaflex tariff). In 2020/21, the lower average purchase price benchmark was 89 c/kWh and the upper benchmark was 101c/kWh. These are presented in Appendix D.

4. **Avoided purchase costs** (details in Appendix D)

Considering avoided costs in SSEG export credit tariff setting is aligned to NERSA's SSEG tariff setting principles. Each unit of electricity exported to the network from an SSEG customer represents an avoided cost to the municipality (i.e. they do not need to purchase this from Eskom, with additional distribution network technical loss reduction), and SSEG customers should be compensated in relation to these Avoided Costs. In 2021/22, SSEG exports to Kouga Municipality will represent an average avoided cost of 108.69 c/kWh when including the savings on technical losses.

5. **Revenue Impact of customers installing SSEG** (details in Appendix D)

Kouga Municipality undertook a detailed modelling exercise to understand the revenue impact of customers installing SSEG and moving onto the proposed SSEG tariffs. The results are presented in Appendix D. In summary, the revenue impact of SSEG is small and will be managed through time of use tariffs, but the export credit component represents a slight revenue growth due to the cheaper source of power than Eskom.

6. **Business Case for customers installing solar PV** (details in Appendix E)

The tariffs were designed to ensure a good business case for customers to install solar PV, since we would like to support green energy in our City. All tariffs allow for a solar PV payback period of below 10 years, meaning that this is a favorable option for our businesses and residential customers.

SSEG Export Credit Application

Considering:

1. Overstrand Municipality's average avoided cost of 108.69 c/kWh for energy fed into the grid,
2. Benchmarking against other municipal SSEG tariffs covering the range of 10c/kWh to 176c/kWh, with an average of 74c/kWh,
3. Cross-checking against cost-recovery for the municipality,
4. Cross-checking against the business case for customers installing solar PV.

As such, a suitable 2021/22 Export Credit for SSEG customers in the Kouga Municipality is 70.00 c/kWh.

Kouga Municipality therefore requests the approval of an SSEG Export Credit of 70.00 c/kWh for the 2021/22 financial year.

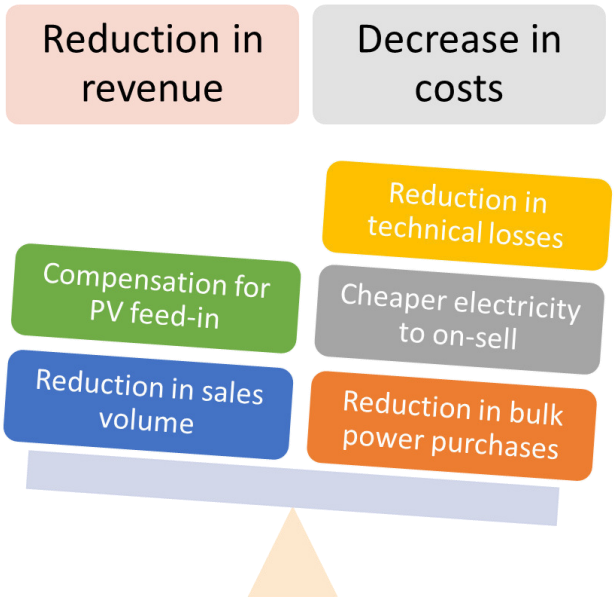
This tariff will only be made available to customers with approved and registered grid-tied SSEG systems.

We trust the above is in order.

Appendix A: Objectives of SSEG Tariff Setting

Objective 1: ensure municipal costs are recovered

When customers install SSEG, the municipality's costs are impacted in the following 5 ways:



Blue block: Customers with SSEG reduce their consumption of grid electricity during the daytime when consuming the power from their solar PV SSEG. This reduces their electricity bill.
Orange block: As a result of customers' self-consumption, the municipality will purchase less energy from Eskom which in turn reduces our costs.
Green block: At times when SSEG systems generate more electricity than the building consumes, the energy is exported into the grid. The municipality needs to compensate or 'credit' the customer for this energy which reduces their energy bill and is therefore a reduction in revenue for the municipality.
Grey block: The abovementioned exported energy can then be sold to other municipal customers at normal retail rates. If the export credit is lower than Eskom purchase prices, each exported unit saves the municipality from purchasing a unit from Eskom and is therefore effectively a cost saving for the municipality.
Yellow block: Because SSEG is injected close to the loads, the network losses are reduced on all the networks where the power would usually travel from the Eskom intake points to the loads.

These revenue and cost impacts need to be balanced when setting SSEG tariffs to ensure the municipality's revenue is reasonably protected.

Objective 2: ensure a reasonable business case for customers to install SSEG.

To support local green development, the municipality would like to allow a reasonable business case for solar PV uptake. Further, experience has shown that if tariffs are unfavorable, customers will not register their SSEG systems which causes even greater revenue loss.

The business case for SSEG can be evaluated through looking at the payback of a typical system. The payback period is the estimated time it takes a customer to cover the cost of the SSEG system with the cumulative savings on their electricity bills. The lifespan of a solar PV SSEG system is approximately 20-25 years, and a reasonable payback period is therefore 6-10 years.

Appendix B: Peer-to-Peer Benchmarking

To ensure the proposed Export Credit is in line with already implemented municipal export credits, the following chart shows all the NERSA approved export credits currently implemented (2020/21).

The average Export Credit was 74 c/kWh in 2020/21. Since this credit represents the avoided cost of energy purchases, it should increase in line with Eskom price increases to an average of 85 c/kWh in 2021/22. Therefore, the proposed Export Credit of 70.00 c/kWh is firmly in line with peer-to-peer benchmarks.

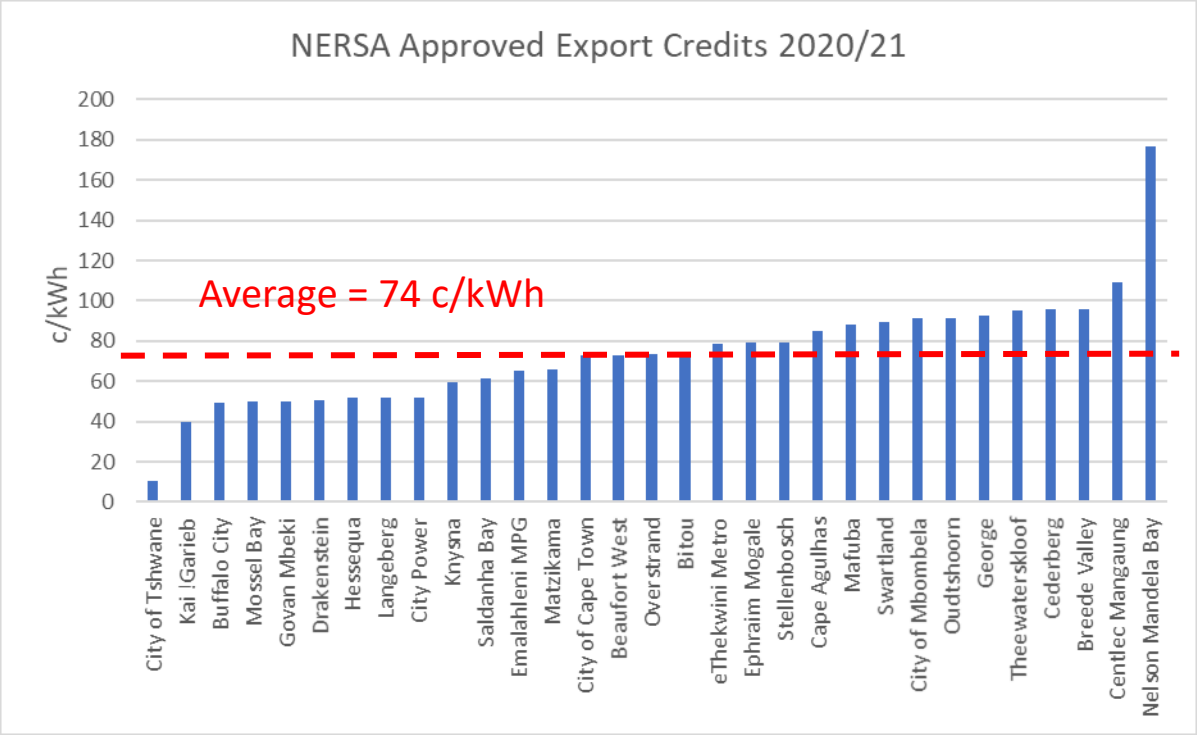


Figure 1: NERSA Approved Export Credits 2020/21

In NERSA's 2021/22 draft municipal tariff guideline paper, it was suggested that benchmarks be based on tariffs currently being implemented by municipalities nationally (peer to peer municipality benchmarking). To this end, this section presents four case study municipal SSEG tariffs.

The analysis was done using a publicly available Excel tool[1] known as the SSEG Tariff Tool. The tool is the product of extensive work around the effect of solar PV SSEG on municipal revenue. It investigates the impact of increased uptake of solar PV SSEG on revenue using customer and tariff data specific to the municipality in question. It does this by comparing the revenue generated per customer before the installation of solar PV and the revenue generated from that customer after they install solar PV.

[1] The tool is available online: https://www.sseg.org.za/category/tariff-and-revenue-impacts/sseg-tariff-tool/

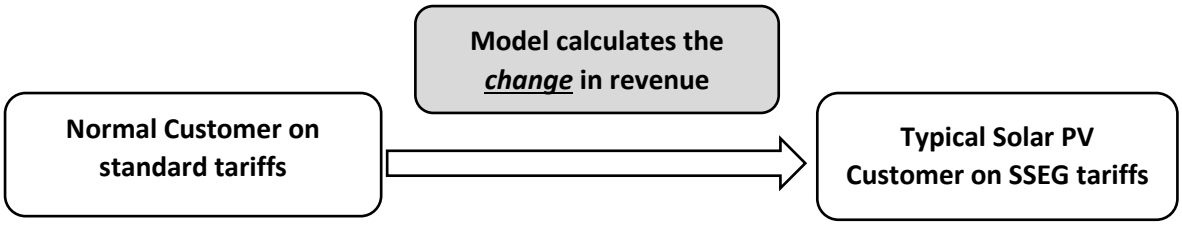


Figure 2: Approach used to calculate revenue impact of SSEG

Solar PV can affect a municipality's revenue in a number of ways. The SSEG Tariff Tool models the 5 major revenue impacts, as shown in the figure in Appendix A. Note that this tool has been used to analyse SSEG tariffs, considering cost recovery and the revenue impact, of over 40 municipalities over the past 2 years. Selected case studies are highlighted here. The below figure shows the selected tariffs of four municipalities which were used in the case studies. The revenue impact of customers migrating from the normal residential tariffs to the SSEG tariffs is then investigated. NOTE: these are 2018/19 tariffs and would have subsequently increased substantially.

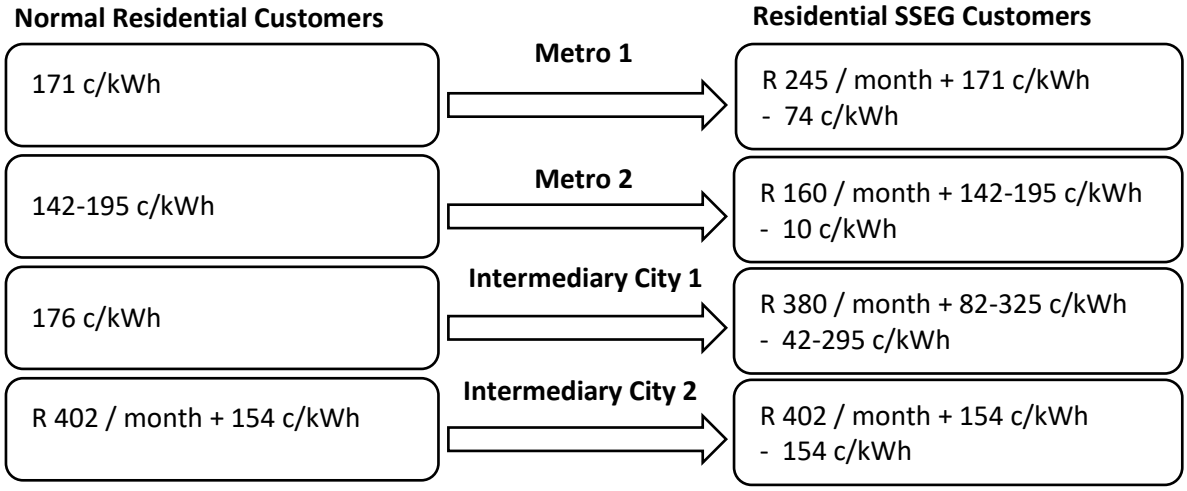
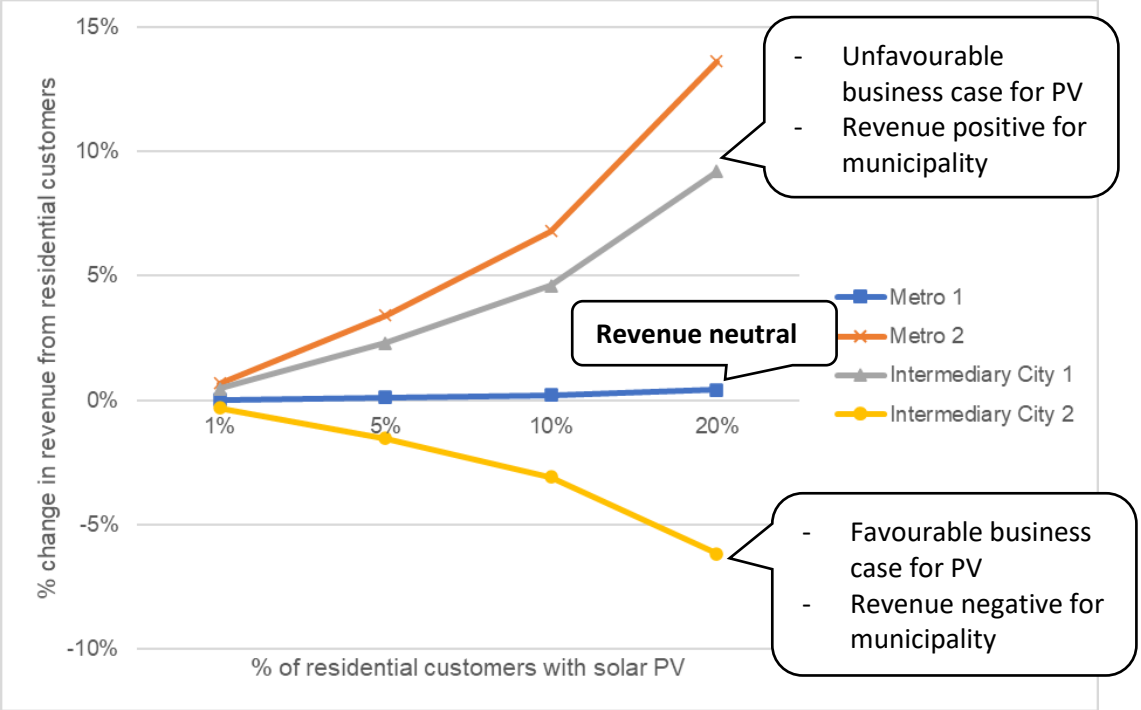


Figure 3: Tariffs of the four municipalities which were used in the case studies NOTE: these are 2018/19 tariffs and would have subsequently increased substantially.

The below figure shows the forecasted impact of these tariffs on each municipality's revenue. The x-axis of the figure represents increasing percentage of customers installing solar PV while the y-axis of the figure shows the percentage change in revenue in that tariff category after the introduction of the SSEG tariff.



The above figure shows that a rapid uptake of SSEG can impact a municipality's revenue significantly. For example, under Metro 2's current SSEG tariffs if 10% of residential customers were to install solar PV, it would result in a 7% increase in revenue from this tariff category. On the other hand, Intermediary City 2 will see a noteworthy reduction in its revenue as customers install solar PV on their current SSEG tariffs.

The above case studies show that current approaches to setting SSEG tariffs differ greatly. Although all four municipalities are structuring their SSEG tariffs in a similar way – basic charge, energy charge and export credit – the value of these tariffs range widely between municipalities. This considerably impacts, either positively or negatively, both the revenue (cost recovery) of the municipality and the business case for installing solar PV. Both need to be considered when setting SSEG tariffs.

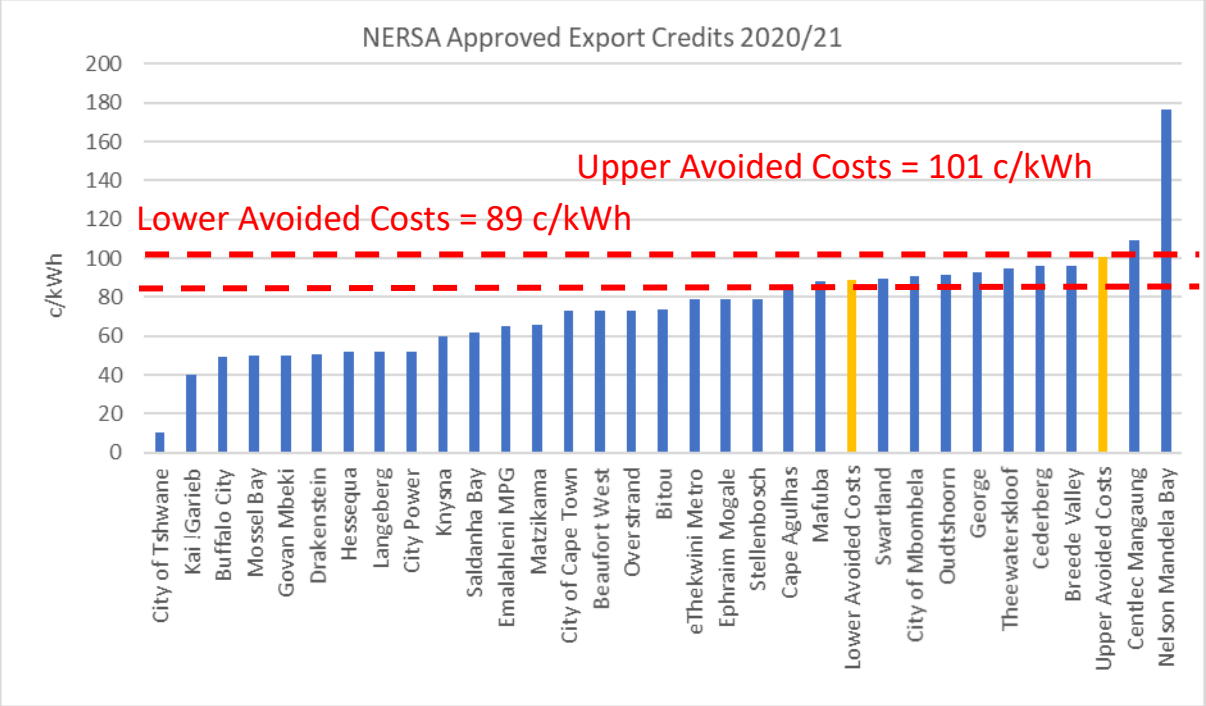
The case studies help clarify some SSEG tariff setting pointers:

- A sensible SSEG tariff includes a basic charge to recover most of the fixed costs – usually in the order of R200 - R400 per month. This fixed charge should ideally be determined by a CoS study. However, it is recognised that fixed charges are not always well-received by customers, and so phasing in the fixed charge over a few years may be a strategic approach.
- Regarding energy charges to recover variable costs, SSEG customers often are kept on the same energy charge as before for simplicity, however, since these volumetric tariffs generally are already recovering some fixed costs, the municipality should be careful not to double recover these fixed costs. Thus, the energy charge and the fixed charge are interdependent, and if the energy charge is indeed kept the same a lower fixed charge could be considered.

- The credit for exported electricity should be related to the avoided bulk purchases less the technical losses. This is usually in the order of 60-90 c/kWh, depending on Eskom price increases.

Appendix C: Average Purchase Price Benchmark

Using the cheapest Megaflex TOU prices and the most expensive Megaflex TOU prices, the lower and upper avoided cost benchmarks were developed. These are represented below for the 2020/21 financial year. The benchmark ranges from 89 c/kWh to 101 c/kWh.



As such, Kouga Municipality's application for an export credit of 70.00 c/kWh

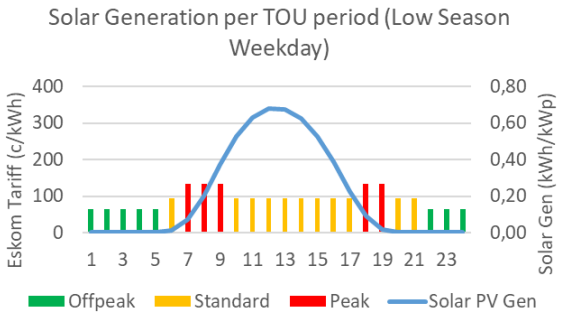
is towards the lower end of the avoided cost benchmark. Using this export credit means that the municipality saves slightly on costs when compared to purchasing from Eskom.

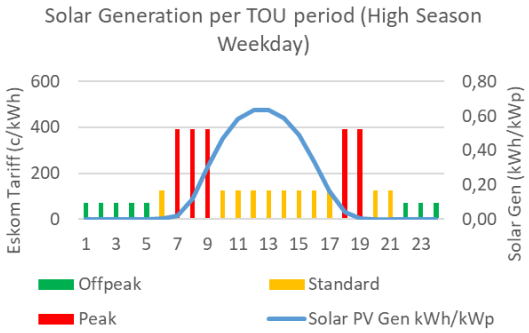
Appendix D: Avoided Costs Calculation

Each unit of energy exported into the grid and sold by the municipality represents a unit of electricity that municipality does not have to purchase from Eskom. This represents an avoided cost to the municipality and is an important consideration when designing SSEG tariffs. Calculating the avoided cost requires a calculation to understand the average Eskom purchase price over the period when solar PV generates electricity.

Kouga Municipality average purchase prices for 2021/22 (c/kWh)	
Low Season Offpeak	61,29
Low Season Standard	96,58
Low Season Peak	140,34
High Season Offpeak	70,79
High Season Standard	130,35
High Season Peak	430,21

To determine the cost of electricity over the period when solar PV systems generate electricity, we used solar GIS data for 14 different locations around South Africa. The solar generation for an average day in each month was then used to determine the generation per Megaflex TOU period. Examples of a low season weekday and a high season weekday are shown below.





As such, the solar PV generation per TOU period was determined so that the average avoided costs can be calculated.

Solar PV Output per Megaflex TOU period	
Low Season Offpeak	19%
Low Season Standard	46%
Low Season Peak	12%
High Season Offpeak	5%
High Season Standard	15%
High Season Peak	2%

The average Avoided Cost is determined by multiplying each energy purchase cost per TOU period by the solar PV output in that TOU period, and these are all added together i.e., the sum product of the two tables.

The result is an average Avoided Cost of c/kWh before considering the savings in losses. Adding the average technical loss saving of 8% increases the Avoided Cost to 108.69 c/kWh.

Therefore, each kWh exported into the grid by SSEG customers results in the municipality not having to spend 108.69 c/kWh on Eskom energy.

Appendix D: Revenue Impact of SSEG

SSEG can have an impact on a municipality's revenue. As such, these tariffs were designed with revenue impact in mind. The revenue impact of customers installing SSEG and moving onto the proposed SSEG tariffs is presented below. Even when 20% of a customer category installs SSEG, the revenue impact will be less than 3%.

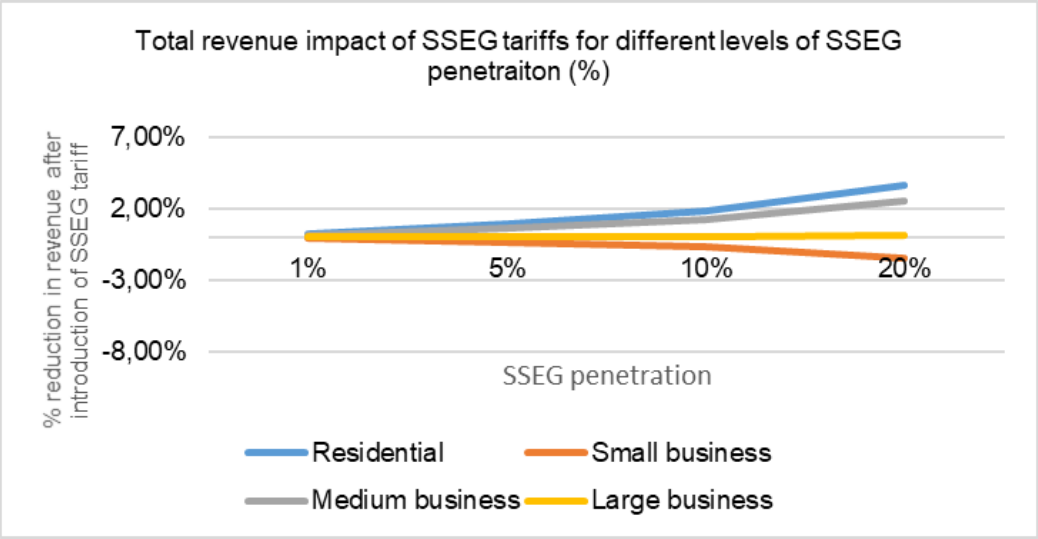


Figure 4: Revenue Impact of Customers installing solar PV in Overstrand Municipality

This means that the municipality can be comfortable that the proposed tariffs will allow the municipality to recover the costs of supplying electricity, enabling the municipality to continue service delivery sustainably.

Appendix E: Customer business case for installing solar PV

Kouga Municipality wants to support green energy since we see it as a key part of our municipal vision. As such, it is vital to ensure that the proposed tariffs allow for a good business case for customers to install SSEG. We undertook a detailed modelling exercise to understand the business case for customers to install solar PV under our proposed tariffs. The results are presented below.

Table 1: Business Case for Customers installing solar PV in Overstrand Municipality

	Residential	**Small business**	**Medium business**	**Large business**
Pay-back period (Years)	9	7	5	8
Internal rate of return	16%	31%	29%	33%

Under our proposed tariffs, all our customer categories have a payback period of less than 10 years to install solar PV. When considering that these systems last up to 20 years, this is a favourable option for customers.

Mr. C du Plessis
Municipal Manager
Kouga Municipality

Stamp

KOUGA MUNICIPALITY
24 MAY 2021
MUNICIPAL MANAGER

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F26**

FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2021/22 FINANCIAL YEAR

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for electricity services, for the 2021/22 financial year.

2. Background

Directorates in consultation with the Chief Financial Officer are required to review fees and charges, at least once a year.

The fees and charges for Electricity Services have been reviewed.

3. Discussion

The proposed fees and charges in respect of electricity services for the 2021/22 financial year are based on:

- Labour rates, contract prices for the supply and delivery of materials and Equipment, applicable to the 2021/22 financial year;
- Metering specifications as required in terms of Quality of Supply Regulations:
- National Regulatory Standards for the supply of electricity; and
- The affordability of the services to the residents.

4. Recommendation

4.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer

Item endorsed by the Municipal Manager

Noted by the Portfolio Councillor:

ANNEXURE H				
SERVICE DESCRIPTION	**2021/22 VAT Inclusive R**	**2021/22 15% Exclusive R**	**2020/21 15% Exclusive R**	**% Increase**
INSPECTION FEES	588,00	511,15	491,02	4,10%
Infrastructure Upgrade Fee				
Upgrade capacity from 20A to 40A Fees with already installed infrastructure	4 600,00	4 000,00		**NEW**
Upgrade capacity from 40A to 60A Fees with already installed infrastructure	4 600,00	4 000,00		**NEW**
Upgrade capacity from 20A to 60A Fees with already installed infrastructure	9 200,00	8 000,00		**NEW**
FESTIVE USE/Casual Supplies				
Basic cost that includes prepaid meters per day excluding the kvh (Usage) - Only 15Amp	58,00	50,00		**NEW**
Hire of temporary distribution kiosk, per kiosk, per day	173,00	150,00		**NEW**
Hire of temporary distribution kiosk, per kiosk, per day + prepaid meter	518,00	450,00		**NEW**

Only Conventional Meters:				
Single phase				
40 Amp Per Day	251,00	218,00	189,33	15,14%
Three phase				
15 Amp Per Day	616,00	535,74	535,74	0,00%
Above 15 Amp Per Day	1 197,00	1 041,00	905,06	15,02%
SUNDRY CHARGES				
DECREASING OF CIRCUIT BREAKER				
A change of tariff will apply for a minimum period of 12 months, with 3 months mutual notice thereafter.				
Single phase	Plus VAT	Cost +20%	Cost +20%	
Three phase	Plus VAT	Cost +20%	Cost +20%	
Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 10km)	1 152,00	1 002,00		**NEW**
Call-out Fee - after hours owners fault (Based on 2 hours for electr & assist + 10km)	1 152,00	1 002,00		**NEW**
MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 15km)	3 105,00	2 700,00		**NEW**
MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 15km)	4 255,00	3 700,00		**NEW**
MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 15km)	8 510,00	7 400,00		**NEW**

Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 10km)	2 128,00	1 850,00		**NEW**
Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 10km)	2 818,00	2 450,00		**NEW**
Verification of a Meter Reading	345,00	300,00		**NEW**
Administration fee - recalculation due to no meter access	345,00	300,00		**NEW**
Test of Meter: All other Meters (Conditionally Refundable) External testing	1 613,00	1 403,00		**NEW**
Tariff change - change between one part and two-part	322,00	280,00		**NEW**
Damage elect meter (based on meter cost + call out X 2)	1 438,00	1 250,00		**NEW**
Damage elect meter 3 phase (based on meter cost + call out X 2)	1 783,00	1 550,00		**NEW**
Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)	863,00	750,00		**NEW**
Damage of Bulk meter or change to SSEG (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost)	25 300,00	22 000,00		**NEW**
Change to Time of Use (with existing bulk meter) + Deposit	19 918,00	17 320,00		**NEW**
Change to Time of Use (without existing bulk meter) + Deposit	25 300,00	22 000,00		**NEW**
Commission of Bulk meter, supplied by customer (call out fee x 3)	2 875,00	2 500,00		**NEW**
Damage of HV Cable	42 435,00	36 900,00		**NEW**
Damage of MV Cable	42 435,00	36 900,00		**NEW**
Damage of LV Cable	9 200,00	8 000,00		**NEW**
Damage of Service Connection Cable	4 600,00	4 000,00		**NEW**
Working without Way leave	11 500,00	10 000,00		**NEW**
Refundable Wayleave deposit for HV cables		18 000,00		**NEW**

Refundable Way leave deposit for MV cables		18 000,00		**NEW**
Refundable Way leave deposit for LV cables		12 000,00		**NEW**
Cancellation Fee of requested service	575,00	500,00		**NEW**
Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	1 219,00	1 060,00		**NEW**
OTHER TARIFFS				
CONVERSION OF METERS				
Removal of Meter (based on call out fee)	897,00	780,00		**NEW**
Repositioning of Meter (excl. cable) (based on call out fee)	897,00	780,00		**NEW**
Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	4 515,00	3 926,00		**NEW**
RELOCATION (MOVING) OF INSTALLATIONS				
Streetlight pole	Plus VAT	Cost +20%	Cost +20%	
Electrical box/kiosk	Plus VAT	Cost +20%	Cost +20%	
Disconnection/RECONNECTION FEES				
Due to non-payment	872,00	758,00	658,50	15,11%
On request of consumer	1 111,00	966,00	839,51	15,07%
SERVICE CALLS				
During office hours	583,00	507,00	440,04	15,22%
After office hours	1 152,00	1 002,00	870,72	15,08%
SERVICE COST				

Electrician per Hour	539,00	468,91	450,44	4,10%
Electrician Assistant per Hour	138,00	120,20	115,47	4,10%
LDV per kilometre	25,00	21,65	20,80	4,10%
Truck per kilometre	47,00	41,15	39,53	4,10%
TAMPERING, ILLEGAL USE AND DISTRIBUTION				
Residential				
1st Tampering fee	No VAT	2 061,00	1 979,93	4,10%
2nd Tampering fee	No VAT	3 092,00	2 969,88	4,10%
3rd Tampering fee		Permanent Disconnection	Permanent Disconnection	
3 Phase 60A/100A				
1st Tampering fee	No VAT	5 263,00	5 055,82	4,10%
2nd Tampering fee	No VAT	7 017,00	6 741,09	4,10%
3rd Tampering fee		Permanent Disconnection	Permanent Disconnection	
Unsafe / Illegal leads (per visit) (reconnection fee included)	1 380,00	1 200,00		**NEW**
3 Phase 100A/Bulk				
1st Tampering fee	No VAT	11 065,42	11 235,14	-1,51%
2nd Tampering fee	No VAT	14 358,53	13 482,19	6,50%
3rd Tampering fee		Permanent Disconnection	Permanent Disconnection	
TESTING OF METERS				
Single Phase	1 613,00	1 403,00	1 219,22	15,07%
Three Phase	1 613,00	1 403,00	1 219,22	15,07%

OTHER TARIFFS				
Temporary/Builder's Supply (As per Commercial Conventional Meters)		See Commercial Conventional Meter	See Commercial Conventional Meter	
Municipal Departments				
be applicable to all municipal buildings, pumpstations, waste water works, water treatment works, etc.				
Special Agreements				
If agreed upon by the Municipality, a consumer can enter into a special supply agreement with the Municipality, which contains a tariff of charges different from the above charges. This will only be considered when special circumstances prevail.				

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F27**

FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2021/22 FINANCIAL YEAR

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges of the Finance Directorate, for the 2021/22 financial year.

2. Background

Directorates are required to review fees and charges at least once a year.

The fees and charges have been increased with 4,10%.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer

Item endorsed by the Municipal Manager

Noted by the Portfolio Councillor:

ANNEXURE I					
		2021/22	2021/22	2020/21	%
SERVICE DESCRIPTION		VAT Inclusive	15% Exclusive	15% Exclusive	Increase
		R	R	R	
FINANCE : REVENUE SECTION	223				
Cheques refer to drawer		-	-	232,70	0,00
Photo copies					
Black					
A3		18,00	15,93	15,31	4,10
A4		6,00	5,32	5,11	4,10
Colour					
A3		36,00	31,30	31,30	4,10
A4		12,00	10,43	10,43	4,10
Property lists					
Per Page		3,00	2,35	2,26	4,10
Supplementary list (Per page)		3,00	2,35	2,26	4,10
Address Labels (Per page)		6,00	4,70	4,51	4,10
Search fees					
Search for info not on register		129,00	112,06	107,64	4,10
Search for info on register		118,00	102,44	98,41	4,10
Search for info on deeds & documents		139,00	120,58	115,83	4,10
Search for info on outstanding acc.		129,00	112,06	107,64	4,10
Search for info not covered above		183,00	159,00	152,74	4,10
Administration Fee - Clearance certificate		118,00	102,79	98,74	4,10
Penalty charge for recurring request for Clearance Certificate		362,00	315,00	302,59	4,10
Valuation certificates		121,00	105,22	100,87	4,10
Reasons for Valuation		156,00	135,65	130,43	4,10

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 MAY 2021 **ITEM: 21/05/F28**

REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2021/22 FINANCIAL YEAR

1. Purpose

The purpose of this report is to request the approval of the proposed fees and charges for Planning and Development, for the 2021/22 financial year.

2. Background

Directorates, in consultation with the Chief Financial Officer are required to review fees and charges, at least once a year.

The fees and charges have been increased with 4,10% as reflected in Annexure 'J'.

3. Recommendation

3.1 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.

Item prepared by: Manager Budget & Treasury

Item approved by: Chief Financial Officer

Item endorsed by the Municipal Manager

Noted by the Portfolio Councillor:

ANNEXURE J					
		2021/22	2021/22	2020/21	%
SERVICE DESCRIPTION		VAT Inclusive R	15% Exclusive R	15% Exclusive R	Increase
PLANNING AND DEVELOPMENT	700				
Hoarding fees		698,00	606,63	582,74	4,10
Penalty fee		1 632,00	1 418,93	1 363,04	4,10
Building plan fees					
Minor building applications (< 10m²)		711,00	618,14	593,79	4,10
Garden Walls and Fixed Fences		551,00	478,99	460,13	4,10
Garden Walls and Fixed Fences - (RDP & Sub economic area)		275,50	239,50	230,06	4,10
Swimming Pools		683,00	593,79	593,79	4,10
RDP Housing /Sub-economic area					
0 - 50 m²		551,00	478,99	460,13	4,10
51 - 100 m²		679,00	590,52	567,26	4,10
101 - 150 m²		914,00	794,44	763,15	4,10
151 - 200 m²		1 049,00	912,33	876,40	4,10
Other					
11 - 20 m²		1 179,00	1 024,91	984,54	4,10
for each additional 10 m² or part thereof up to 3000 m²		194,00	168,87	162,22	4,10
greater than 3001 m² per 500 m² or part thereof		585,00	508,74	488,71	4,10
Fees are applicable to a once-off submission and no phase or separate submissions will be considered.					
Wind Turbines					
Per Turbine		10 100,00	8 782,18	8 436,30	4,10
Any structure additional to turbine					
11 - 20 m²		1 296,90	1 127,74	1 082,78	4,10
for each additional 10 m² or part thereof up to 3000 m²		213,40	185,57	178,87	4,10
greater than 3001 m² per 500 m² or part thereof		643,50	559,57	537,57	4,10
Industrial rural (Agricultural)					
11 - 20 m²		1 296,90	1 127,74	1 082,78	4,10
for each additional 10 m² or part thereof up to 3000 m²		213,40	185,57	178,87	4,10
greater than 3001 m² per 500 m² or part thereof		643,50	559,57	537,57	4,10
Churches					
0 - 1000 m²		1 616,00	1 405,14	1 349,80	4,10
greater than 1000 m²		276,00	240,04	230,58	4,10

Revised plan					
RDP Housing/Sub-economic		551,00	478,99	460,13	4,10
Other		969,00	842,22	809,05	4,10
Re-Inspection Fees					
RDP Housing/Sub-economic		421,00	366,42	351,98	4,10
Other		421,00	366,42	351,98	4,10
Penalty inspection fees		914,00	794,44	763,15	4,10
Search fees per hour or any part thereof		164,00	142,31	136,71	4,10
Deed Search and Copy of Title Deed		215,00	186,93	179,57	4,10
Erf dimensions or zoning information per A4		44,00	38,62	37,10	4,10
Photo copies					
Black					
A0		60,00	52,04	49,99	4,10
A1		31,00	26,55	25,51	4,10
A2		16,00	13,80	13,26	4,10
A3		18,00	15,93	15,31	4,10
A4		6,00	5,32	5,11	4,10
Colour					
A0		120,00	104,35	99,13	4,10
A1		62,00	53,91	50,43	4,10
A2		32,00	27,83	26,09	4,10
A3		36,00	31,30	31,30	4,10
A4		12,00	10,43	10,43	4,10
Maps					
Town map	B&W	276,00	240,04	230,58	4,10
Zoning map	Colour	614,00	534,23	513,19	4,10
Building Deposits					
Where possible, building deposits are placed on on a debtor's account relevant to the applicable erf,					
Single res. building smaller than 50 m²			758,00	728,00	4,10
Single res. building above 50 m²			2 843,00	2 731,00	4,10
RDP, Low cost housing and Informal housing smaller than 50 m²			304,00	292,00	4,10
RDP, Low cost housing and Informal housing above 50 m²			758,00	728,00	4,10
Other zonings (Excl. Single res, RDP, Low cost housing and Informal housing)			7 557,00	7 259,00	4,10
Paradise Beach sub-economic area			758,00	728,00	4,10
Churches			379,00	364,00	4,10

Penalties				
Building without approval				
Whenever a building or structure is erected without the prescribed building plans a penalty of 4 times the	Plus VAT	Sundry Amounts	Sundry Amounts	
Inspection Fees				4,10
No inspection called for - all zonings (per inspection)	914,00	794,44	763,15	4,10
Town planning & Erf Information				4,10
Zoning Certificates	137,00	118,96	114,27	4,10
Extension of Validity Period of Approval	191,00	165,68	159,16	4,10
Reason for Decision of Municipal Tribunal, Land Development Officer or Appeal Authority	191,00	165,68	159,16	4,10
Scheme regulations document : Kouga Municipality	563,00	489,62	470,34	4,10
SDF Colour Maps - Document	861,00	748,77	719,28	4,10
SDF Colour Maps - CD	397,00	345,18	331,58	4,10
Land use application (All advertising and registered mail costs excluded)				
Rezoning application : Other	5 117,00	4 449,59	5 778,69	-23,00
Rezoning application : RDP, Low cost housing/erven smaller than 250m²	1 725,00	1 500,00	2 727,13	-45,00
Departure application : Other	5 117,00	4 449,59	5 778,69	-23,00
Departure application : RDP, Low cost housing/erven smaller than 250m²	1 725,00	1 500,00	2 727,13	-45,00
Sub-division application : Other (Into 2 Erven)	5 117,00	4 449,59	5 778,69	-23,00
Sub-division application : Other (Into 3 - 250 Erven)	10 234,00	8 899,19	11 557,39	-23,00
Sub-division application : Other (Into 251 - 1000 Erven)	15 351,00	13 348,78	17 336,08	-23,00
Sub-division application : Other (Into > 1000 Erven)	25 585,00	22 248,27	28 893,77	-23,00
Sub-division application : RDP, Low cost housing/erven smaller than 250m²	1 725,00	1 500,00	2 727,13	-45,00
Combined Application : Rezoning, Sub-Division, Departure (Into 2 Erven)	8 551,00	7 435,63	7 142,77	4,10
Combined Application : Rezoning, Sub-Division, Departure (Into 3 - 250 Erven)	13 836,00	12 031,24	11 557,39	4,10
Combined Application : Rezoning, Sub-Division, Departure (Into 251 - 1000 Erven)	20 754,00	18 046,86	17 336,08	4,10
Combined Application : Rezoning, Sub-Division, Departure (Into > 1000 Erven)	34 590,00	30 078,12	28 893,49	4,10
All State/Municipal Projects/Applcations are exempt from application fees	**No charge**	**No charge**	**No charge**	
Removal of restrictive title deed conditions	7 620,00	6 626,32	6 365,34	4,10
Removal of restrictive title deed conditions and Departure	8 708,00	7 572,35	7 274,11	4,10
Consent use application : Other	3 450,00	3 000,00	5 778,69	-48,09
Consent use application : RDP, Low cost housing/erven smaller than 250m²	1 725,00	1 500,00	2 727,13	-45,00
Site Development Plan Submission	1 713,00	1 489,88	1 431,20	4,10
Application for exemption from Municipal Approval (Sec 66 SPLUM by-law)	1 524,00	1 325,48	1 273,28	4,10
Occupational Practice - Other Rights	359,00	312,25	299,95	4,10
Application for Appeal	1 524,00	1 325,00	1 272,81	4,10
Amendment, deletion or addition of conditions i.r.o. existing approval	1 713,00	1 489,48	1 430,81	4,10
Approval/ amendment of constitution of an 'owners' association	1 524,00	1 325,00	1 272,81	4,10
Determination of Zoning - Sec 181 of Splum by-law	6 919,00	6 016,11	5 779,16	4,10
Amendment of Subdivision Plan - Sec 57 Splum by-law	1 713,00	1 489,88	1 431,20	4,10
Consolidation	5 276,00	4 588,18	4 407,48	4,10

Augmentation Contributions				
Council will consider entering into a service agreement for developments bigger than 2000m² or where it is the				
Augmentation Fees (New Developments) per equivalent erf				
Electricity (per equivalent residential unit)	10 195,00	8 864,70	12 663,85	-30,00
Roads and Storm Water	5 464,00	4 751,04	4 751,04	-
Refuse	2 956,00	2 570,79	2 856,43	-10,00
Sewerage	26 690,00	23 208,94	23 208,94	-
Water	25 630,00	22 287,06	22 287,06	-
Subdivisions/Rezonings/Departures				
Kouga Area				
Any Subdivision / Departure	Plus VAT	Per services agreement	Per services agreement	
Any Rezoning	Plus VAT	Per services agreement	Per services agreement	
Additional Dwelling Unit per newly created unit	-	-	68 762,81	-100,00
Additional Residential Dwelling or Granny Flat Less than 60 m² (on one erf)	Nill	Nill		**NEW**
Additional Residential Dwelling or Granny Flat Greater than 60 m² but less than 120 m² (on one erf)	14 753,00	12 829,08		**NEW**
Additional Residential Dwelling or Granny Flat Greater than 120 m² up to limits (on one erf)	29 507,00	25 658,16		**NEW**
Guest Houses (Accom. Establishment) per m² of total erf	54,00	46,74	44,90	4,10
Advertising Tariffs				
Annual rent tourism boards	355,00	309,06	296,89	4,10
Tourism boards : Application	914,00	794,44	763,15	4,10
Advertising boards confiscated per board <1m²	218,00	189,24	181,78	4,10
Advertising boards confiscated per board >1m²	551,00	478,99	460,13	4,10
Business advertising application < 1m²	226,00	196,48	188,75	4,10
Business advertising application between 1m² and 5 m²	421,00	366,42	351,98	4,10
Business advertising application > 5m²	1 378,00	1 198,02	1 150,84	4,10
Municipal roads reserve advertising costs per month > 1m²	286,00	248,31	238,53	4,10
Business advertising cost between 1m² and 5 m² - monthly	571,00	496,62	477,07	4,10
Election Posters (Per Party / Per Candidate / Per Ward)	914,00	794,44	763,15	4,10
Advertising Trailers (Per Month or part thereof)	404,00	351,55	337,70	4,10
Illuminated street signs	4 974,00	4 324,79	4 154,46	4,10
Poster advertising (Max 100 posters)	1 105,00	961,18	923,33	4,10

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/PD13**

APPLICATION FOR WAIVING OF PENALTIES IMPOSED ON BUILDING PLAN SUBMISSIONS TO THE DEPARTMENT PLANNING & DEVELOPMENT: UNAUTHORISED BUILDING WORK IN TERMS OF THE NATIONAL BUILDING REGULATIONS AND STANDARDS ACT, ACT 103 OF 1977: EXTENSION OF PERIOD FROM 30 JUNE 2021 to 30 31 DECEMBER 2021.

1. Introduction

Kouga Municipal Council approved 1 year exemption of fines and penalties imposed when building plans are submitted for approval to comply with the Act and the amnesty period is soon to end on 30 June 2021. As a result of the covid-19"lockdown period" in term of the National Disaster Management Act, in 2020, submission of plans and other operations were interrupted. It is in view of this that the professional architects, Technologists and persons in the building industry requested that the period to be extended to enable owners to submit building plans to rectify their transgressions.

2. Background:

The Department Planning & development received numerous applications from property owners in the Kouga Municipal area for exemption of fines and penalties imposed on them for not complying to the National Building Regulations.

The problem emanated from historical reasons such as:

- previous owners build or extent their buildings without approved plans.
- Did revisions/Alterations without approved plans.
- Inspections by the municipal officials in the past not done properly and final inspections was not done, and occupation certificates not issued.
- Building plans never returned by architects or draught person to the Municipality for final approval.
- Building Plans got lost during removal from Jeffreys Bay offices to Humansdorp.

The new owners encountered a problem of non-compliance when they submit new plans for alterations or additions to their buildings.

The Building Control Officer, when receiving plans for alterations or additions then have to impose penalties in terms of the National Building Regulations and the Municipality Standard application fee structure. (4 Times the plan fee amount for penalties). The exemption period is ending at the end of June 2021 and after this period lapse, penalties will then again be enforced by the Building Control Section. Therefore, the proposal by the Department is for the extension of the amnesty / exemption of penalty period.

3. Legal Implications

None.

4. Financial Implications:

The waiver of penalties does not have a negative effect on the income stream of the municipality due to the new number of applications received and the adjustment of the value of the property to counter the loss on the long term.

5. Recommendation

5.1 That the Council approved the extension period from **30 June 2021 until 31 December 2021** on the waiver of penalties on existing applications (BEFORE THE INCEPTION PERIOD) for exemption of these penalties and that the normal build plan application fee be applicable and be paid by the applicant.

5.2 That, the applicant shall where applicable, be required to comply with the national building regulations and Standards Act ,1977(Act 103 of 1977, as amended) to ensure sound building control management.

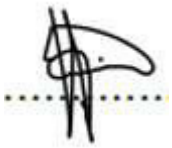
5.3 The Council shall reserve the right to impose conditions to ensure compliance to other legislation.

5.4 The proposed period for exemption determined by the Council and that this period be publish in the local newspaper to inform all residents of the waiver period for penalties.

DRAFT BY:

J MARAIS: MANAGER: PLANNING & DEVELOPMENT:

……
APPROVED:



F. F. MABUSELA: DIRECTOR: PLANNING, DEVELOPMENT & TOURISM.



PORTFOLIO COUNCILOR:
Alderman B RHEEDER.

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021 **ITEM NO: 21/05/PD14**

AUTHORIZATION FOR CALL FOR NOMINATION OF EXTERNAL KOUGA MUNICIPAL PLANNING TRIBUNAL (MPT) MEMBERS (5 YEAR CONTRACT 2021-2026)

1. Introduction

The purpose of this report is to seek Council authorization to proceed with call for nomination of new external MPT members.

2. Background

At a council meeting held 18 December 2015, Council resolved (Resolution: 15/12/IPD7- **Annexure A**) that a single MPT consisting of 4 external members be established for Kouga Municipality. Subsequently, the following external members were appointed by the municipality in October 2016 (See **Annexure B**).

a) Mr B.A Brooker: Chairperson (Town Planner)
b) Mr N.H Janse Van Rensburg (Engineer)
c) Mr J. du Toit Bester (Land Surveyor)

Section 40(1) of the Spatial Planning and Land Use Management By-Laws states that a member of the Municipal Planning Tribunal must be appointed for a term of five years, which is renewable once for a further period of five years.

At a municipal planning tribunal meeting held on 20 May 2021, the current chairperson of the municipal planning tribunal notified the Municipality of the intention of the three external members to not renew their contracts. The term of the current MPT ends October 2021. It is imperative that external MPT members be proactively appointed to comply with SPLUMA and to allow the department to consider land use applications without delay.

3. Legislative provisions

The Spatial Planning and Land Use Management By-Laws as promulgated under Provincial Notice No. 3609 dated 4 March 2016 provides as follows regarding the appointment and composition of a Municipal Planning Tribunal for Local Municipalities:

34 Composition of Municipal Planning Tribunal for local municipal area

1) *The Municipal Planning Tribunal consists of between 5 and 16 members made up as follows:*

(a) three officials in the full-time service of the Municipality;

(b) two persons who are registered as professional planners with the South African Council for Planners in terms of the Planning Profession Act, 2002 (Act No. 36 of 2002);

(c) two persons who are registered as professionals with the Engineering Council of South Africa in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000);

(d) two persons with financial experience relevant to land development and land use and who are registered with a recognised voluntary association or registered in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005);

(e) two persons either admitted as an attorney in terms of the Attorneys Act, 1979 (Act No. 53 of 1979) or admitted as advocate of the Supreme Court in terms of the Admission of Advocates Act, 1964 (Act No. 74 of 1964);

(f) two persons who are registered as professional land surveyors in terms of the Professional and Technical Surveyors' Act, 1984 (Act No. 40 of 1984), or a geomatics professional in the branch of land surveying in terms of the Geomatics Profession Act, 2013 (Act No. 19 of 2013);

(g) two persons who are registered as environmental assessment practitioners registered with a relevant professional body;

(h) any other person who has knowledge and experience of spatial planning, land use management and land development or the law related thereto.

(2) The officials referred to in subsection (1)(a) must have at least five years' experience in the field in which they are performing their services.

(3) The persons referred to in subsection (1)(b) to (h) must –

(a) demonstrate knowledge of spatial planning, land use management and land development of the law related thereto;

(b) have at least five years' practical experience in the discipline within which they are registered or in the case of a person referred to in subsection (1)(g) in the discipline in which he or she is practising; and/ or

(c) demonstrate leadership in his or her profession or vocation or in community organisations."

Therefore, the MPT must have a minimum of 5 members, which must consist of municipality senior officials and suitably qualified and registered persons who are to be appointed by the local authority. Such persons must have knowledge and experience in town planning, land use management, law, environmental management, civil engineering, transportation and roads, land surveying and electrical engineering.

Furthermore, the Council may determine the number of members and the ratio of officials to external experts. Councilors may not be members of the MPT.

External experts will respond to a call for nomination by the municipal council via the necessary advert to be placed in the local media.

Section 3(1)(g) of the Spatial Planning and Land Use Management Regulations: Land Use Management and General Matters, 2015, requires the municipality to establish an evaluation panel. The evaluation panel must consist of five senior officials in the employ of the Municipality appointed by the Municipal Manager. The panel must evaluate all nominations within 30 days of receipt of the verified nominations and must submit a report with their recommendations to the Council for consideration.

4. Financial Implications

The Council is required to decide upon remuneration of external members of the MPT as well as how to recompense technical advisors who may be invited to give input on development applications and or attend MPT hearings. In December 2015, council resolved that MPT members be remunerated as follows:

Chairperson: R3584-00 per day
Members: R2176-00 Per day

The above rate was in line with remuneration applicable to non-official members of commissions and committees as determined by the Minister of Finance, in terms of Treasury regulations 20.2.2. It is suggested that the new members be remunerated in line with the current rate as determined by the Minister of Finance, in terms of Treasury Regulation 20.2.2.

5. Legal Implications

The appointment of external MPT members will ensure compliance with Spatial Planning and Land Use Management Act, Act 16 of 2013 requirements.

6. Recommendation

6.1 That Council authorizes the Accounting Officer, or delegate to proceed with publication for calls for nominations of suitably qualified persons to be appointed as Members of the municipal planning tribunal.

6.2 That four external members be appointed including 1 person either admitted as
an attorney in terms of the Attorneys Act, 1979 (Act No. 53of 1979) or admitted as advocate of the Supreme Court in terms of the Admission of Advocates Act, 1964 (Act No. 74 of 1964).

6.3 That the Municipal Manager appoints a panel of Municipal officials comprising of the following employees:

- Director: Planning, Development and Tourism
- Manager: Planning and Development

- Director: Infrastructure and Engineering Services
- Manager: Legal Services
- Environmental Specialist
- The Chief Financial Officer

6.4 That the new members be remunerated in line with the current rate pertaining to
non-official members of commissions and committees as determined by the Minister of Finance, in terms of Treasury Regulation 20.2.2.

6.5 That the standard conditions of services for external members of the municipal planning tribunal as adopted be applicable.

6.6 That in line with Section 37 (1) of SPLUMA, Council hereby confirms that term of office of new external members Municipal Planning Tribunal is 5 years and members may not serve for a continuous period of 10 years.

6.7 That the standard code of conduct for external members of the municipal planning tribunal as adopted by the Council be applicable.

6.8 That the approved category of delegations as approved by Council be applicable.

ITEM PREPARED BY TOWN PLANNER: L Ramakuwela



Item Approved: Director: Planning, Development & Tourism



……..
Item noted by the Portfolio Chairperson.

ANNEXURE A

15/12/IPD7 **IMPLEMENTATION OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (NO. 16 OF 2013) : STATUS QUO AND FURTHER REQUIREMENTS FOR KOUGA MUNICIPALITY / FINAL SPLUMA BYLAWS**

Resolved: (18 December 2015)

i) That the report on the progress towards the gazetting of the Spatial Planning and Land Use Management Bylaws for Kouga Municipality be noted and accepted.

ii) That the proposed compilation of the Municipal Planning Tribunal consisting of 4 internal and 4 external members be approved by the Council.

iii) That the call for nominations (advertisement) for the appointment of the external members of the MPT be published.

iv) That the remuneration of external members of the Municipal Planning Tribunal and Ad-Hoc Technical Advisors per meeting be approved as follows:

Chairperson	R3584 per day
Members	R2176 per day

iv) That the incumbent of Admin Officer Grade I: Planning be upgraded to Senior Admin Officer to fulfill the post of *'Land Development Administrator'* on Post Level 4.

vi) That the incumbent of Clerk Grade II be upgraded to Admin Officer Grade I: Planning on Post Level 5 which is going to be vacant as the result of the above to fulfill the post of *'Registrar'* as required by SPLUMA.

vii) That the Chief Financial Officer be instructed to make provision for the expenditure as mentioned in Paragraphs iv) to (vi).

viii) That the Standard Conditions of Service for external members of the Municipal Planning Tribunal be adopted.

ix) That the Standard Code of Conduct for external members of the Municipal Planning Tribunal be adopted by the Council.

x) That the implementation of two types of category applications, being Category 1 and Category 2, be approved.

xi) That the Director of Infrastructure, Planning and Development be appointed as the Authorised Official to make decisions on Category 2 Development Applications submitted in terms of SPLUMA.

xi) That the Executive Mayoral Committee be nominated as the *'Appeal Authority'* for those applicants who are aggrieved by decisions of the Municipal Planning Tribunal and or the Authorised Official.

ANNEXURE B

KOUGA local municipality

Jeffreys Bay	Humansdorp	Hankey	Patensie	St. Francis Bay
Loerie Thornhill PO Box 21 Jeffreys Bay - 6330 6312	PO Box 26 Humansdorp – 6300	PO Box 3 Hankey -6350	P O Box 129 Patensie – 6335	P O Box 137 St Francis Bay -
Tel: 042 200 2200 Fax:042 200 8606	Tel: 042 200 8300 Fax:042 200 8625	Tel: 042 200 8400 Fax:042 200 8630	Tel: 042 200 8450 Fax:042 200 8640	Tel: 042 200 2250 Fax: 042 200 8645

REFERENCE: SPLUMA
ENQUIRIES: E V BILJON

Mr Bruce A. Brooker
PO Box 415
St Francis Bay
6312

12 October 2016

Sir

APPOINTMENT TO SERVE AS A MEMBER OF THE KOUGA MUNICIPAL PLANNING TRIBUNAL

I have pleasure in confirming that the Kouga Municipal Council has appointed you as a member of the Kouga Municipal Planning Tribunal.

Kindly peruse the attached Memorandum of Agreement and return a signed copy to the Office of the Municipal Manager at your earliest convenience.

Please note that your appointment shall be effective as from 1 November 2016.

Yours faithfully

S. S. FADI
MUNICIPAL MANAGER

REPORTS BY THE PORTFOLIO CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

LOCAL ECONOMIC DEVELOPMENT AND TOURISM

DATE: 28 MAY 2021 **ITEM NO: 21/05/LED&T5**

APPROVAL FOR REDIRECTING PORTION OF WINTERFEST BUDGET TO THE SOUTH AFRICAN LONGBOARD CHAMPIONSHIP EVENT 2020/2021 FY

1. Introduction

The Winterfest is an annual international surfing tournament that is held in Jeffery's Bay. Due to the Covi-19 pandemic, the event has been cancelled in this Financial Year. Council partially funds the event and budget was set aside for this purpose in the approved budget 20/21 FY.

As per summary from the post event report of Winterfest below, the event has huge significance in the Municipality.

6.1.2 Profile of community members

Table 7.2 provides an overview of the profile of the residents of Jeffreys Bay.

	JEFFREYS BAY
Gender	Female (62%)
Age	35.53 years average
Occupation	Sales personnel (38%); self-employed (19%)
Level of education	Matric (65%); Diploma, degree (24%)
OVERALL IMPACT OF THE WINTER FESTIVAL	
Effect of Festival on town	Positive to very positive (91%)
Effect of Festival on respondents	Positive to very positive (71%)
PARTICIPATION IN THE FESTIVAL	
Respondents' interest in the Festival	I am interested in this festival and attend when I can (61%)
Work at Festival	No (90%)
Length of stay in Jeffreys Bay	13.49 years
Evaluation of Festival	• The area fits the purpose of the event • The exposure to the Province is excellent • The Festival is well organised
Importance of events for Festival	• Jeffreys Bay Open of surfing • Quicksilver Jeffreys Bay Junior Pro/ Roxy Jeffreys Bay Junior Pro • JBU Supertrail presented by RVCA
Specific impacts of Festival	Because of the Festival... • more tourists visit the area • more people are aware of Jeffreys Bay as a destination • there are opportunities for people to have fun • traffic congestion in the area has increased • entertainment opportunities have increased

2. Purpose

The purpose of the item is to request the Kouga Municipal Council for the transferring of funds from Winterfest 2021 to sponsor South African Longboard Championships for the 2020/2021 Financial Year.

3. Background

Council has provision of R 739,133.00 in the approved adjustment budget 2020/2021 Financial year for the Winterfest surfing competition. As with many major events, the organizing of this international Surfing Competition was adversely affected by the Covid-19 lockdown travel restrictions and Regulations. For this reason, the annual Winterfest will not be taking place in this financial year.

An application has been received by the Department LED & Tourism for the approval and funding of the Local Surfing Competition (SA Longboard Surfing Competition). The Department views this application in favour as the cancellation of the Winterfest had huge implications on local tourism industry. For the local businesses to thrive, especially the hospitality industry, the Municipality has to support events that elevate the positioning of Kouga Municipality as the events capital of SA.

4. Comments by the relevant Director

The item is supported. There are funds currently reserved for the Winterfest surfing competition and these will likely be unspent if not committed to the Longboard Surfing Competition.

4. Financial implications

The amount of R305 200 is required and currently there is sufficient budget on the Winterfest budget vote.

5. Legal implications

None

6. Other implications

None

7. Recommendation

7.1 That Council **approves** that an amount of R305 200.00 (Three Hundred and Five Thousand Two hundred rand only) all-inclusive be redirected from Winterfest budget to South Africa Longboard Surfing Competition.

7.2 That a post-event report be tabled to Council for information and endorsement.

Item prepared by Events Officer:

Item approved by Director PD&T: .....

Item noted by Portfolio Chairperson: ... .

Annexure A

PO Box 127, Rondebosch, 7701
Cell: 0824541149
E Mail: surfingsouthafrica@gmail.com
www.surfingsouthafrica.co.za

Mr Fezeka Mabusela
Kouga Municipality
Jeffreys Bay

21st May 2021

Dear Sirs

We hereby wish to apply for the funding for the following event.

The event is the South African Longboard Championship. The event organizer is Paul O'Connell who is the representative for Surfing South Africa.

Co-organising team contact details:

Paul O'Connell	: 079 257 8822
Chad D'Arcy	: 079 519 5990
Cheron Kraak	: 082 657 4553
Dave Lipschitz	: 082 322 1150

Surfing South Africa is the sanctioning body and longboarding falls under Surfing South Africa.

The dates are the 20th July to the 25th July.

The event will be held at "Lower Point" which is No.1 Tecoma Street, Jeffreys Bay.

This is a world renowned Longboard wave.

Attached please find:

a) The budget
b) Copy of the layout
c) Summary of Longboarding

We have submitted our Safety Plan to the SAP plus we have submitted our application to the Events Committee. This Event will generate business in our town.

We have also submitted our Covid procedures together with our applications.

We thank you for your attention.

Kind regards

CHERON KRAAK
For and on behalf of South African Surfing

PO Box 127, Rondebosch, 7701
Cell: 0824541149
E Mail: surfingsouthafrica@gmail.com
www.surfingsouthafrica.co.za
NPO 002-545

May 6th, 2021

BUDGET 2021 SOUTH AFRICAN LONGBOARD CHAMPIONSHIPS		***July 20 - 25***	
STAFF	**BUDGET ITEM**	**SUB TOTAL**	**TOTAL**
EVENT COORDINATOR	6000		
CONTEST DIRECTOR	6000		
HEAD JUDGE	6000		
PRIORITY JUDGES (2)	9600		
JUDGES (6)	28800		
SPOTTERS (2)	4800		
COMMENTATORS (2)	12000		
COVID COMPLIANCE OFFICER	6000		
EVENT SECRETARY	4800		
BEACH MARSHAL	2400		
OFFICIALS ACCOMODATION X 12 X 6	30000		
OFFICIALS MEALS (BREAKFAST & LUNCH)	14400		
OFFICIALS TRANSPORT & FUEL	8000	**138800**	
INFRASTRUCTURE & EQUIPMENT			
HIRE PA, GENERATOROR,TIMER & SIREN	15000		
HIRE OF CONTAINER, TABLES & CHAIRS	55000		
LIVEHEATS	5400		
CONTEST STATIONERY	1000		
HIRE OF LOLIPOP & PRIORITY SYSTEM	6000	**82400**	
OTHER			
PHOTOGRAPHER & PRESS	12000		
WATER SAFETY - SKIS	27000		
MEDICAL/PARAMEDICS	15000		
SECURITY	7000		
ELECTRICITY	3000		
MEDALS & TROPHIES	5000		
CONTEST VESTS	6000		
PUBLIC LIABILITY	6000	**81000**	
COVID PROTOCOLS			
SANITISER, MASKS, THERMOMETER	3000	**3000**	
			R305 200

Robin de Kock
General Manager
Surfing South Africa
0824541149

BANK ACCOUNT
Surfing South Africa
FNB Rondebosch
62657358068

Longboard Surfing Championships 2021

SA Longboard Surfing celebrates 31 years of Championships in 2021. The event takes place each year and is contested by 4 provincial teams, WP, EP, KZN and Eden (formerly Southern Cape). Traditionally a family event with competitors male and female ranging from U14 to our 65+ Legends division. The event will bring approximately 155 competitors to town, with family and friends that could mean up to 500 visitors for the week long event.

SA has a rich history in producing world class surfing talent and champions. We are particularly good at producing World Longboard Champions. Matthew Moir is a two times World Champion, (2006 & 2008) and our very own Steven Sawyer was the 2018 Champion. Steven will be competing at this years event and will be the Open Mens division favourite.

Jbay Point is considered one of the top 3 waves in the world for Longboard Surfing. We last had a SA Longboard Championships here in Jbay in 2009, it's time to bring Longboard Surfing home!

Paul O' Connell
Chairman SA Longboard Surfing