KOUGA
local municipality
Good Governance through Service Excellence

ORDINARY COUNCIL MEETING

AGENDA

Date : 09 December 2022
Time : 10:00
Venue : Council Chambers (Jeffreys Bay)

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN that in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that an Ordinary Council Meeting will be held in the Council Chambers(Jeffreys Bay) on	**OKU KUKWAZISA** sikhutshiwe ukuba ngokweCandelo-19 uMthetho weeNkqubo zikaMasipala, (uMthetho 32 ka-2000), ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile eyakuba-kwikhansile yase (Jeffreys Bay)	**KENNIS GESKIED HIERMEE** dat ingevolge Artikel 19 van die Wet op Munisipale Stelsels, 2000 (Wet No.32 of 2000), dat 'n raadsvergadering gehou sal word in die Raadsaal(Jeffreys Baai) op
DATE: 09 December 2022	**UMHLA: 09 EyoMnga 2022**	**DATUM: 09 Desember 2022**
TIME: 10:00	**IXESHA: 10:00**	**TYD: 10:00**
B. WILLIAMS **SPEAKER**	**B. WILLIAMS** **USOMLOMO**	**B. WILLIAMS** **SPEAKER**

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

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

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

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

9. **DISCLOSURE OF INTEREST**

10. **STATUTORY MATTERS**

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

11.1 Minutes of the Mayoral Committee Meeting held on 17 August 2022

Pages: 9 - 33

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

12.1 Minutes of the Special Council Meeting held on 05 September 2022

Pages: 35 - 38

12.2 Minutes of the Ordinary Council Meeting held on 28 October 2022

Pages: 39 - 68

12.3 Minutes of the Special Council Meeting held on 11 November 2022

Pages: 69 - 83

13. **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).

14. **REPORTS OF COMMITTEES OF COUNCIL**

14.1 **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE**

None

14.2 **INTERGOVERNMENTAL RELATIONS**

None

14.3 **KOUGA AUDIT COMMITTEE**

22/12/KAC1 Minutes of the Kouga Audit Committee

Pages: 85 - 98

14.4 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

22/12/MPAC1 Minutes of the Municipal Public Accounts Committee

Pages: 100 - 140

15. **REPORT BACK: MUNIMEC**

None

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

22/12/MM1 Council Resolutions as at 28 October and 11 November 2022

Pages: 143 - 173

22/12/MM2 Kouga Summer Festival 2022: 9 December 2022 – 1 January 2023

Pages: 174 - 177

22/12/MM3 Public Participation Report: First Quarter 2022/2023

Pages: 178 - 193

22/12/MM4 Submission of Performance Agreements: Section 56 and Section 57 Employees: 2022/23 Financial Year

Pages: 194 - 354

22/12/MM5 2022/23 Service Delivery and Budget Implementation Plan: Progress up to the Quarter Ending 30 September 2022

Pages: 355 - 416

22/12/MM6 Request for Council to Investigate an Alleged Breach of Code of Conduct

Pages: 417 - 421

22/12/MM7 Request for Council to Investigate an Alleged Breach of Code of Conduct

Pages: 422 - 428

17. **REPORTS BY THE EXECUTIVE MAYOR**

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

22/12/F1 Supply Chain Management: Quarterly Report for the Period Ending 30 September 2022

Pages: 430 - 437

22/12/F2 Development of a Long-Term Financial Plan for Kouga Municipality

Pages: 438 – 515

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

22/12/I&E1 Projects Presented at Pre DAC (District Adjudication Committee) Meeting for MIG Registration on 28 September 2022

Pages: 517 - 519

22/12/I&E2 Status of the Umzamowhethu Sanitation System

Pages: 520 - 524

22/12/I&E3 Correction to Item- 2022/23 Adjustments Budget for the Appropriation of Additional Funds Received

Pages: 525 - 528

22/12/I&E4 2022/23 Adjustments Budget for the Additional Transfer

Pages: 529 - 532

22/12/I&E5 Re: Adjustments Budget in Respect of Mig Funds within infrastructure and Engineering Directorates

Pages: 533 - 536

22/12/I&E6 Re: Wayleave By-Law

Pages: 537 - 555

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

22/12/CS1 Report on Adoption and Implementation of the Final District Fire Services By-Law 2021

Pages: 557 - 620

22/12/CS2 Close-Out Report on the St Francis Bay Spit, Rock Revetments

Pages: 621 - 636

22/12/CS3 Climate Change Strategy : Approval and Adoption

Pages: 637 - 665

17.4 **REPORTS BY THE CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/12/PDT1 Final Approval for Alienation of Unregistered Erf 4593, Kruisfontein: Jabes Church

Pages: 667 - 677

22/12/PDT2 Kouga Summer Festival Beachfront Events and Township Festive Roadshow

Pages: 678 - 682

22/12/PDT3 Alienation of Erf 1787, Hankey (Henry Maseti)

Pages: 683 - 689

22/12/PDT4 Town Planning Progress Report: Preparation of St Francis Bay CBD & Hankey CBD Precinct Plan: 1 July 2022 To 30 September 2022

Pages: 690 - 819

22/12/PDT5 Sponsorship Request of R150 000 to Support Township Tourism Event -2022 Jbay 1st Annual Picnic

Pages: 820 - 844

22/12/PDT6 Grant In Aid

Pages: 845 - 857

17.5 **REPORTS BY THE PORTFOLIO CHAIPERSON: CORPORATE & DIGITAL SERVICES**

22/12/CDS1 Council Recess: Delegated Authority: Executive Mayor

Pages: 859 - 860

22/12/CDS2 Approval to Commence with Recruitment and Selection Process to Fill the Vacant Director: Corporate & Digital Services Position

Pages: 861 - 865

18. **CLOSURE**

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

MAYORAL COMMITTEE MINUTES FOR INFORMATION

MINUTES OF A VIRTUAL MAYORAL COMMITTEE MEETING OF THE KOUGA MUNICIPALITY HELD ON WEDNESDAY, 17 AUGUST 2022 AT 09:04

Present:		
Councillors	Ald H Hendricks	(Executive Mayor)
	H Bornman	(Executive Deputy Mayor)
	L Maree	
	S Ruth	
	T Jantjes	
	W Gertenbach	
	Ald D Benson	
Councillors as Observers		
	J Alexander	
	Ald B Williams	
	B Dhludhlu	
	W van der Linde	
	H Murray	
	F Heystek	
	N Nkilishane	
	V Zana	
	M van Niekerk	
	V Gunuza	
	M Mbandana	
	K Ndzelani	
Officials	C Du Plessis	(Municipal Manager)
	D de Jager	(Deputy Municipal Manager)
	K Moodley	(Director: Corporate & Digital Services)
	F Mabusela	(Director: PDT)
	N Machelesi	(Director: Community Services)
	R Lorgat	(Chief Financial Officer)
	T Madatt	(Acting Director: Infrastructure & Eng)
	L Opperman	(Manager: Legal Services)
	A Jonck	(Chief of Staff: Office of the Executive Mayor)
	M Rossouw	(Manager: Administration & Auxiliary Services)
	M Goduka	(Manager: ICT)
	B Faulkner	(Acting Manager: HR)
	E Goliath	(Acting Manager: Public

	Participation)
M Basson	(Acting Media: Specialist)
N Zode	(Committee Officer)
P Setlai	(Committee Clerk)
N Mazibuko	(Committee Clerk)
M Julius	(Committee Clerk)

1. **NOTICE OF MEETING**

The Executive Mayor read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a virtual Mayoral Committee Meeting will be held using the zoom platform.

2. **OPENING AND WELCOME**

The Executive Mayor stated that the meeting would begin at 09.30.

Ald D Benson opened with a prayer.

The Executive Mayor welcomed those present.

3. **ABSENT WITH LEAVE**

None

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Bornman congratulated the Executive Mayor and his Office for the Mayoral Cup event.

The Executive Mayor acknowledged the success of the World Surf League event and commended all involved.

The Speaker stated that the World Surf League regarded it as the best event of all time and that there was verbal commitment for 2023.

The success of Algoa Racing Rally event was noted.

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

None

8. **DISCLOSURE OF INTEREST**

9. **STATUTORY MATTERS**

10. **CONFIRMATION OF MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING**

10.1 **MINUTES OF THE MAYORAL COMMITTEE HELD ON 22 JUNE 2022**

The Executive Mayor tabled the minutes for minor corrections and clarifications.

He stated that he would allow observers to ask questions of clarification.

Resolved (17 August 2022)

1. That the minutes of the Mayoral Committee meeting held on 22 June 2022 be accepted.

Proposed: D Benson Seconded: H Bornman

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

22/08/MM1 MAYORAL RESOLUTIONS AS AT 22 JUNE 2022

Cllr Bornman stated that t there are multiple ongoing matters and questioned whether these matters had to remain on the action sheets.

The Executive Mayor stated that the resolutions had to be tabled at the next Mayco Chat to make it leaner and was seconded by Cllr Bornman.

Resolved (17 August 2022)

1. That the updated Action Sheets reflecting resolutions of the Mayoral Committee meeting as 22 June 2022, be noted.
2. That the Action Sheet be referred to Top Management meetings for implementation of resolutions and reporting to the next Mayoral Committee Meeting.
3. That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.
4. That the item be tabled at the next Mayoral Chat for streamlining.

Proposed: H Hendricks Seconded: H Bornman

22/08/MM2 MEDIA REPORT: FOURTH QUARTER 2021/2022

Cllr Bornman stated that the possibility of appointing an external service provider for the development of a communication strategy and some outsourcing had to be explored. He proposed that this be added as a recommendation.

The Executive Mayor stated that there was a draft communications strategy, a service provider was not needed but the draft had not yet formally been tabled and adopted. The organogram proposals flowed from the strategy.

The Acting Media: Specialist stated that there was a draft strategy and once the Media and Communication Policy has been adopted, the strategy would be tabled for adoption.

Cllr Ruth stated that targets had to be indicated in the reporting.

The Executive Mayor stated that targets did not currently exist.

The Deputy Municipal Manager stated that there were no baselines for the previous year. Targets would be set up and included during the cascading of performance management. There was a yearly plan which included targets.

The Executive Mayor stated he did not want performance targets appearing in normal reporting as he wanted to maintain a differentiation between performance reports and normal reports. He suggested that the Municipal Manager's scorecard be tabled. The matter had to be discussed and a format had to be developed. He would discuss the matter with Cllr Ruth.

Cllr Bornman proposed that the draft communications strategy be tabbed.

The Deputy Municipal Manager stated that the Policy would be tabled at the next policy workshop.

The Executive Mayor stated that policy had to tabled for inputs and the strategy for noting at the next Policy Workshop.

Cllr Bornman proposed that a recommendation 8.2 be inserted which indicated that the Media and Communications Policy be workshopped at the next Policy Workshop, together with the Draft Communications Strategy-for noting. He was seconded by Cllr Jantjes.

Resolved (17 August 2022)

1. That the media report for the fourth quarter (June) of the 2021/2022 financial year be noted.

2. That the Media and Communications Policy be workshopped at the next Policy Workshop, together with the Draft Communications Strategy-for noting.

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

Proposed: H Bornman Seconded: T Jantjes

22/08/MM3 <u>PUBLIC PARTICIPATION REPORT: FOURTH QUARTER 2021/2022</u>

The Speaker stated that on page 47, the scores were high on most categories for satisfaction including the notable 85% score for the Executive Mayor. The 51 % score for "information supplied to the public" and "opportunities for consultation on municipal affairs" was at 44% had to be noted. It seemed to be an issue across the board where the public felt that the Municipality was not communicating with them effectively.

Cllr L Maree on page 47, enquired if a target for the number of persons that are required to participate in the survey could be included in KPI to reach more people

The Executive Mayor agreed but stated that there were no baselines.

The Speaker stated that there were plans for more participation in future.

The Executive Mayor stated that the Deputy Municipal Manager apply his mind to determine possible baselines.

Cllr Bornman on the annexures, noted all the issues in red on the action sheet and stated that the various departments had to take note of the action sheet.

Cllr Jantjes on recommendation 11.2, stated that public participation had to be extended to wards.

The Executive Mayor stated that public participation unit was only as strong as the system allowed. Currently the system of reporting was failing the unit. The system had to be improved. The ward action sheets were lengthy and had to be addressed.

The Speaker welcomed the support, it was stated that action sheet will serve at portfolio level to ensure engagement. He urged the institution to acknowledge this form of grassroots interaction.

The Deputy Municipal Manager indicated that the action sheet would be split for reporting across the various portfolios.

The Executive Mayor stated that this had to be rolled out to improve customer satisfaction. The lack of communication with the public had to be addressed.

Resolved (17 August 2022)

1. That the public participation report for March-June 2022 year be noted.
2. That proposed plans and activities in support of institutionalizing Public Participation be supported by all Directorates.

22/08/MM4 SPECIAL PROGRAMMES REPORT: FOURTH QUARTER 2021/2022

The Speaker stated that the Special Programmes Unit (SPU) Report and Communications Report had to be submitted to Council.

Cllr Dhludhlu stated that the Algoa Racing Rally was not included in the report. Many people lined up for the event and it was an incredible success. The Chairperson and organisers were impressed with the support from the traffic services.

The Executive Mayor asked that this be recorded in the item for noting.

The Deputy Municipal Manager stated that it was not an SPU item, but it was noted.

The Executive Mayor noted the report and thanked the unit for the Mayoral Cup.

Resolved (17 August 2022)

1. That the SPU report for the fourth quarter of the 2021/2022 financial year be noted.

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

22/08/MM5 ST FRANCIS BAY BEACH SPIT – FUNDING FOR IMPLEMENTATION OF ENVIRONMENTAL AUTHORIZATION EC08/C/LN2/M/01-2021

The Municipal Manager presented the item.

Cllr Bornman requested clarity on whether it was legal process.

The Municipal Manager stated that Intergovernmental Relations Act had to be adhered to and that it would not start off as a legal process.

The Manager: Legal Services stated that the Senior Counsel which the Municipality intended to use had extensive experience with provincial and national government and would provide advice.

The Executive Mayor stated that IGR route had to be followed before legal action was taken.

The Executive Mayor stated that the report was noted and supported.

Resolved (17 August 2022)

1. That the Mayoral Committee note the report herein.

2. That the Mayoral Committee support the briefing of Senior Counsel to engage the Eastern Cape National Department of Economic Development, Environmental Affairs and Tourism, National Department of Economic Development, Environmental Affairs and Tourism, National Treasury and other departmental role-players for assistance in the implementation of the Environmental Authorization referenced as EC08/C/LN2/M/01-2021.

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

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

22/08/CORP4 OHS RISK ASSESSMENT

The Speaker enquired why the Finance SDBIP was not included, and the CFO responded that the reporting was difficult in the 4th quarter because of the financial year end and the final figures were not completed in time for submission in the agenda. The information had however been submitted for inclusion in the Annual Report.

The Executive Mayor stated he would allow the finance items to be tabled but the SDBIP had to be tabled in future.

The CFO requested that there be a discussion regarding the timing issue for finance reports.

Cllr Jantjes presented the report, but the concern was the outstanding from the Municipal Manager regarding the action plan. He requested that the plan be submitted at the next Kouga Collective.

The Executive Mayor asked that the Senior OHS specialist investigate the matter and determine. Was there budget to address the findings in the current financial year?

The Director: Corporate Services indicated that the risks were identified in 2019 and had not been rectified since therefore s there was time to make budget provision.

The Executive Mayor stated that if there was no budget to address the findings the departments could not be held accountable as they would be unable to implement.

The Director: Corporate Services stated that the institution was responsible to make the budget available as the risks had to be attended in order to avoid penalties.
Budget was required for some findings, but some findings could have been addressed operationally. The plan had to indicate how the matters would be addressed.

The Executive Mayor stated that notices had be handled to Departments. He wanted reasons as to why the issues were not dealt with in next Mayoral Agenda.

A recommendation 7.5 had to be included to indicate that the Municipal Manager issue notices to the relevant non-compliant departments and that the reasons for non-compliance be supplied. The item had to be submitted to the OHS specialist as well.

Resolved (17 August 2022)

1. That the number of outstanding non-compliance issues be noted with concern.
2. That it be noted that respective departments were required to submit a comprehensive plan to the Municipal Manager and OHS Specialist on addressing the outstanding matters.

3. That it be noted that departments had not submitted the above-mentioned plan by the 10th of June 2022 as previously resolved.
4. That the Municipal Manager apply consequence management to deal with ongoing non-compliance.
5. That the Municipal Manager issue notices to the relevant non-compliant departments and that the reasons for non-compliance be tabled at the next Mayoral Meeting.
6. That the item be submitted to the OHS Specialist for an update for the next Portfolio meeting.

22/08/CORP6 **PROCUREMENT PLAN REPORT- 21/22 FY**

Resolved (17 August 2022)

1. That the Procurement plan report be noted.
2. The Corporate Services Team be complimented on achieving a 100% award rate.

22/08/CORP10 **CORPORATE SERVICES OPERATIONAL AND CAPITAL SDBIP REPORT AT END JUNE 2022**

The Executive Mayor asked what the overall achievement was in terms of percentage.

The Director: Corporate Services responded that it would be 98% but the formal assessment was based on CCR and Core KPAs.

On the report, the actual reduction in overtime was 9% and not 13% reduction. Further clarity was being sought on the matter.

The Executive Mayor thanked the Director for all her hard work.

The Executive Mayor stated that the SDBIP had to be tabled as the last item for each Directorate.

Resolved (17 August 2022)

1. That progress on the Operational and Capital SDBIP as at 30 June 2022 be noted.

2. That the ongoing commitment to the achievement of departmental targets be noted with appreciation.

22/08/CORP13 **REPORT ON WATER METER ISSUES**

The Speaker queried the varying resolution rates reflected in the report. Why covered meters were not an issue in July but not June?

The Director Corporate & Digital Services stated that she could not answer as directorate played a coordinating role. The reporting system was not fully active in June but for July the reporting was entrenched and reporting would have increased. On the resolution of matters, perhaps Acting Director I&E could be addressed.

Cllr Bornman raised concerns about water meters removed and not replaced and the number of meters fixed. Urgent attention was required to avoid revenue and water losses.

The Deputy Municipal Manager stated that an action plan with timeframes had been developed to address meter issues. There would be feedback and reporting. The Municipal Manager had made it clear that it was a matter that had to be addressed urgently.

The Acting Director I&E stated that first list of information circulated was questionable but a new list had been determined. A new superintendent was on the ground addressing matters.

The Executive Mayor stated that credible data was required for decision making. He raised this as a risk within the institution.

Resolved (17 August 2022)

1. That the report on water meter issues, be noted.
2. That the I&E Department prioritize, plan and resolve all unresolved "meters covered".
3. That the Call Centre Supervisor submit weekly unresolved reports to relevant Departments to provide feedback on unresolved incidents.

4. That a representative from the Finance/Revenue and I&E Department attend the weekly meetings of the Water Meter Committee.
5. That the Standard Operating Procedure(SOP) for Incident Reporting and Resolving of Meter issues by the Public & Meter Readers, be noted.

22/08/CORP14 **CONNECTIVITY AND NETWORK ASSESSMENT REPORT**

Cllr Gertenbach requested clarity on the Metrofibre deal.

Cllr Maree welcomed the report but wanted to see a comparison and pros and cons of MPLS vs SDWAN. She requested information on disaster recovery for SDWANs.

Cllr Bornman requested clarity on Metrofibre deal and why the Municipality would be paying be for the connectivity. On the freeing up of space on the server, how often did the Municipality delete data and what was the policy for this? Document management was a concern especially Metrofile which had scanned documents. There was free open-source software for monitoring. Software updates were also a concern.

The Director Corporate & Digital Services on Metrofibre, she stated that it would be provide infrastructure only and not data or internet connectivity.

The Municipal Manager stated he did not have a recent updated on the discussions with Metrofibre.

The CFO stated that in the discussion it was raised that 5% CSI must had to be used to access data, but they committed to provide fibre. The timeframe of the agreement had to be amended as well. The matter was at discussion stage.

The Director Corporate & Digital Services that Metrofibre was providing fibre and not connectivity and data. A lot of issues are raised in the report had a connection to connectivity.

On disaster recovery, she stated that backups were done regularly.

On the server clean up, she indicated that this was done regularly. She stated that the network monitoring was something that could be included in the adjustments budget as there was more research that could be done. She noted that there were other alternatives.

On document management projects, she stated that the nature of the scanning of building plans was different, and it was costly and therefore the project ended. The Municipality would source its own scanners through the tender for printers.

On the tender for an Internet Service Provider, she stated that none of the bidders were compliant, but the tender specifications had been amended to address issues.

The Director Corporate & Digital Services stated that in order to have a digital transformation the core had to be addressed.

On MPLS, WAN and SDWAN, he stated that these were different technologies, all companies are moving towards SDWAN.

The Manager: ICT stated that open source became a risk when it came to management, if the team was big and highly skilled then this would be an option. The Municipality required a basic solution.

On MPLS, WAN and SDWAN, he stated that these were different technologies, all companies are moving towards SDWAN.

On data clean up, he stated that there was an unstructured organisation of data which had an influence on speed of the network.

Cllr Gertenbach stated that the SLA was not sufficient for Metrofibre, and this had to be renegotiated. This was an example where the Municipality had not done proper research.

Cllr Bornman on the Internet Service Provider tender, stated that the fact that the municipality did not have Fibre infrastructure had to be taken into consideration.

Cllr Maree stated that the disadvantages of SDWAN had to be highlighted and plan for.

The report would be discussed at the next Kouga Collective.

Cllr Jantjes stated that funding had to be sourced across directorates.

Resolved (17 August 2022)

1. That the Connectivity and Network Assessment report be noted.

2. That funding as shown below be urgently made available to resolve the high priority connectivity issues that have plagued the Municipality for a long time.

ITEM	COST	CAPITAL BUDGET	OPERATIONAL BUDGET
Improved Network Connectivity	R243 480		R 243 480
Top Up – Monthly Connectivity Costs	R1 000 000		R1 000 000
New Routers	R129 480	R129 480	
Local Server Space	R10 000	R10 000	
Network Monitoring Tool(Year 1of 3) **Can be considered during adjustments Budget**	R1 333 333	R1 333 333	
Invertors(10 of 45)	R180 000		R180 000
TOTAL	**R 2 896 293**	**R1 472 813**	**R1 423 480**
TOTAL LESS NETWORK MONITORING TOOL	**R1 562 960**	**R139 480**	**R1 423 480**

3. That funding be possibly sourced from the following avenues:

3.1 Rollover Funds during the August 2022 Rollover budget

3.2 Across Departmental budgets

3.3 Capital Funds from I&E and Finance where capital budget has been provided for.

4. That I&E urgently repair the alternator in the generator that powers the main building during loading shedding. It must be noted that the current manual operation of the back up generator is severely compromising the integrity of network infrastructure and affecting business continuity especially the Finance System. The primary generator which is automated needs to be repaired as a matter of urgency.

5. That it must be noted that the indicative costs for internet connectivity will in all likelihood have to be adjusted upwards. This is foreseen due to us increasing the capacity from 100mb to 1TB+ to cater for future technological growth.

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

11.2 **REPORTS BY THE CHAIRPERSON: FINANCE**

22/08/F1 **BUDGET AND TREASURY: VIREMENTS REPORT FOR THE QUARTER ENDED 30 JUNE 2022**

The Speaker queried if the Mayoral Committee Members were consulted on virements.

The Executive Mayor requested that the matter be raised at next Mayco chat.

Resolved (17 August 2022)

1. That the Mayoral Committee notes the Municipal Manager's report on all virements approved during the quarter ended 30 June 2022.

22/08/F2 **SUPPLY CHAIN MANAGEMENT: S40 DISPOSAL MANAGEMENT (DISPOSAL OF SLOW-MOVING STOCK, REDUNDANT STOCK AND DAMAGED STOCK ITEMS)**

The CFO indicated that the report had to be submitted to Council for authority to dispose of stock.

The Executive Mayor suggested donating vehicles to sector departments and brought as recommendation to Council.

The CFO this item dealt with inventory but an item for asset disposal would be tabled to Council after the report was received in November. The vehicles would be included in the report.

Cllr Dhludhlu stated that the Asset Disposal policy had to be reviewed.

The CFO indicated that he was not in favour of ad hoc policy updates but preferred this to be streamlined accordingly with the budget process instead.

Resolved (17 August 2022)

1. That the report on the Section 40 Disposal management of slow-moving stock, redundant stock and damaged stock as the Financial Year End of 2021/2022 (30 June 2022) be submitted to Council for approval.

2. That the recommended disposal strategy by SCM section for these stock items be a public auction, and after approval by Council these items will be removed from the shelves as stores. Thereafter be kept safe for consideration by Manager Asset when considering these items for auction.

3. Considering the fact that the last movement on the slow-moving stock was on 25/06/2020 and movement on the redundant was on the 18/08/2016. Based on these dates it is recommended on reasonable grounds that these stock items are not needed to provide the minimum level of basic municipal services.

22/08/F3 **WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**

Resolved (17 August 2022)

1. That the Equitable Share write-offs for the period June 2022, amounting to R2,154,426.77, be approved.

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

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

22/08/I&E2 **REPORT ON PERFORMANCE: CAPITAL AND OPERATIONAL SDBIP PERFORMANCE AS AT 31 DECEMBER 2022**

The Executive Mayor requested that the SDBIPS be included as the last item for all directorates.

The Speaker indicated that he had previously queried the 5 day turnaround time for invoices being met 100% for quarter one and two. He was awaiting a response from the Municipal Manager and the Manager: PMS regarding the matter and evidence.

The Municipal Manager stated that it was difficult to provide information on the matter as there had been multiple directors over the period.

The Executive Mayor enquired if the Finance department could respond.

The CFO stated that the target for the payment of invoices within 30 days was met at 99% but individual directorates were responsible for reporting on the 5-day turnaround for invoices.

The Speaker stated that the document could not indicate targets that were unmet. The Department itself had indicated that the target was unmet.

The Executive Mayor stated that how this indicator was verified was a concern.

Cllr Ruth stated that the accuracy of the reporting and collation of evidence had to be checked.

The Executive Mayor stated that the accuracy of reports were important and warned against misreporting. Items had to be factually correct and evidence based, if this was not adhered to this would amount to maladministration.

Resolved (17 August 2022)

1. That the SDBIP, as at 30 June 2021, be noted.

2. That the Committee continues to exercise oversight on the achievement of the targets.

22/08/I&E4 **REGISTRATION OF NEW PROJECT ON THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)- HIGH MAST LIGHTS**

Resolved (17 August 2022)

1. That the Item be accepted and approved.
2. That the report be submitted to the next Council meeting.

22/08/I&E8 STATUS OF THE WESTON WASTE WATER TREATMENT WORKS

Cllr Maree on page 173, requested that a section on the way forward be added to the item before it was submitted to Council.

Resolved (17 August 2022)

1. That it be recommended that Council treat this as a high priority project.
2. That it be recommended that Council secure funding in order to safeguard the area as Kouga is not in compliance with the law in terms of safety.
3. That the amended report be submitted to the next Council meeting.

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

22/08/CS6 CAPE ST FRANCIS DUNE MANAGEMENT UPDATE REPORT

Resolved (17 August 2022)

1. That the update report on Cape St Francis Dune Maintenance Management Plan be noted.

22/08/CS7 KOUGA MUNICIPALITY LANDFILL COMPLIANCE AND PROVISIONS 2022

The Speaker stated that once the financial implications were determined the item had to be submitted to Council.

Resolved (17 August 2022)

1. That the report on the Landfill Compliance and Provisions be noted and supported.

2. That provision be made in the outer year budgets to comply with landfill permit conditions.

22/08/CS8 KOUGA MUNICIPALITY OPERATION PHAKISA – PLASTIC RECYCLING AND BUY BACK CENTRES

Resolved (17 August 2022)

1. That the report on the establishment of the facilities be noted and supported.

2. That Community Services update the Portfolio Committee on the appointment of successful service providers and present a final implementation report.

22/08/CS10 PROGRESS REPORT ON THE IMPLEMENTATION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AS AT 30 JUNE 2022

Resolved (17 August 2022)

1. That the progress report on the progress with regards to the implementation of the SDBIP as at 30 June 2022 be noted.

22/08/CS13 UPDATE REPORT: DELEGATION TO ATTEND SECOND PHASE CLIMATE CHANGE PARTNERSHIP PROGRAM 7-14 MAY 2022, ILSFELD; GERMANY

The Executive Mayor stated that the item had to be submitted to Council as a report back was required.

Resolved (17 August 2022)

1. That the second phase climate change partnership is going on for another terms.
2. That the local focus areas and joint action program will be discussed and finalised with the next delegation mission by Ilsfeld to Kouga in November 2022.
3. That the climate change strategy be finalised in December 2022.
4. That the report be submitted to the next Council meeting.

11.5 **REPORTS BY THE CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/08/PDT3 IN PRINCIPLE APPROVAL FOR LONG TERM LEASE OF A PORTION ERF 499, HUMANSDORP TO CD FREIGHT LOGISTICS FOR INDUSTRIAL PURPOSE

The Executive Mayor stated that the matter had to discussed before Council.

Cllr Bornman agreed and indicated that the report had to be submitted to Council.

Resolved (17 August 2022)

1. That it be recommended that Council grant in-principle approval for the lease of a portion of Erf 499, Humansdorp for 9 years and 11 months.

2. That it be recommended that Council grant authorization to the Accounting Officer to advertise the immovable property herein.

3. That it be recommended that Council confirms that the land is not needed to provide the minimum level of basic municipal services.

4. That the market related rental valuation be obtained and presented to Council for Final approval.

5. That a land surveyor be appointed to attend and conclude the subdivision, etc. as well as all other administrative costs for the cost of the applicant.

6. That all applicable SPLUMA By-Law and ILUS requirements are met prior operations.

7. That all bulk services that are required, needs to be provided by the developer with no financial implications to Council.

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

22/08/PDT5 <u>ALLOCATION OF STREET NAMES AND AREA NAMES: VARIOUS GOVERNMENT SUBSIDIZED HOUSING PROJECT - KRUISFONTEIN PELLSRUS</u>

Cllr Bornman stated that the item only dealt with the Kruisfontein area.

Cllr Dhludhlu noted that there were objections on the Pellsrus 220 street names and suggested that this be noted within the report.

Cllr Bornman responded that the matter had been referred back to the Street Naming Committee to address and have further public participation.

The Acting Manager Public Participation stated that there was gap in the policy regarding a dispute resolution mechanism for objections but including this as an annexure to policy was being investigated.

The Executive Mayor asked if the policy had to be amended but would await feedback.

Resolved (17 August 2022)

1. That it be noted that Planning, Development and Tourism Portfolio Committee approved the street names and place names as contemplated in the attached layout maps for the Kruisfontein 391, Kruisfontein 205 and Jeugkamp 85 government housing project

   a) <u>Kruisfontein 205</u>

   <u>Street Names</u>
   Abelia, Acacia, Angelier, Ceader, Daisy, Dalia, Leilani, Lily, Malva, Petunia, Primrose, Sandstone (extension from Maak 'n Las), Tulip, Violet Street

   <u>Area Name</u>
   Fountainville

   b) <u>Jeug Kamp 85</u>

   <u>Street Names</u>

   Human (Extension), Okras, Protea, Solomon, Varing

   c) <u>Kruisfontein 391</u>

   <u>Street Names</u>

   Albetros, Botterboon, Geelhout (extension), Houtkapper, Kokkewiet, Melkhout (extension), Mossie, Nerina (extension), Suikerkan (extension), Tolbos (extension)

2. That the Infrastructure and Engineering Directorate erect the street and area names in accordance with the approved street and area names contemplated in point 1. above.

3. That the street name register and the cadastral layers on Council's GIS be updated in accordance with resolution 1. above.

4. That the Review of the Street naming Policy to deal with

   objections be undertaken by relevant department and presented to the next ensuing Council Policy Workshop.

22/08/PDT6 **3-YEAR SPONSORSHIP PROPOSAL: ST FRANCIS TOURISM REQUEST EVENT SUPPORT FOR THE ANNUAL CALAMARI FESTIVAL HOSTED IN ST FRANCIS BAY FROM THE 23 – 25 OF SEPTEMBER 2022 WITH CONSIDERATION FOR EXTENSION FOR 2023 – 2024**

Cllr Gertenbach asked if the Events Committee had approved the event.

Cllr Bornman replied that it had been approved by the Committee.

Resolved (17 August 2022)

1. That it be recommended that Council approves the funding amount of R200 000.00 (Two Hundred Thousand rand) excluding vat. annually towards the Calamari Festival hosted by St Francis Tourism in St Francis Bay for a 3-year period from 2022 - 2024.

2. That it be recommended that Council authorizes the Accounting Officer to conclude a 3-year Funding Agreement / SLA with St Francis Tourism in respect of sponsorship stated in (1.) above.

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

22/08/PDT8 **EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF ERF 406, PARADISE BEACH (PARADISE BEACH WATER RESERVOIR)**

Cllr Bornman indicated that no new infrastructure had to be developed on the site, but this had to be covered within the formulation of the contract. The item had to be submitted to Council.

Resolved (17 August 2022)

1. That it be recommended that Council **grant in-principle approval** for the extension of the lease of a portion of Erf 406, Paradise Beach (Paradise Beach Water Towers) for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.

2. That in terms of Section 14 and 90 of the MFMA and departmental inputs, that it be recommended that Council confirms that the property is not needed in future to provide the minimum level of basic municipal services.

3. That it be recommended that Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.

4. That it be recommended that Council consider the market related valuation of the immovable property.

5. That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.

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

22/08/PDT9 **EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF ERF 873, JEFFREYS BAY**

Cllr Bornman indicated that the report had to be submitted to Council.

Cllr Gertenbach queried why the environmental impact was not mentioned in the report.

Cllr Bornman confirmed that it was just an extension of a lease for an existing tower and no new infrastructure would be built.

Resolved (17 August 2022)

1. That it be recommended that Council **grant in-principle approval** for the extension of the lease of a portion of Erf 873, Jeffreys Bay for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.

2. That in terms of Section 14 and 90 of the MFMA and departmental inputs, that it be recommended that Council confirms that the property is not needed in future to provide the minimum level of basic municipal services.

3. That it be recommended that Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.

4. That it be recommended that Council consider the market related valuation of the immovable property.

5. That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.

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

22/08/PDT10 EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF FARM 746, PORTION 72, HUMANSDORP RD (SEA VISTA WATER RESEVOIR)

Cllr Bornman stated that it be noted that there could be no new developments on the existing infrastructure.

Resolved (17 August 2022)

1. That it be recommended that Council **grant in-principle approval** for the extension of the lease of a portion of Farm 746, portion 72, Humansdorp RD (Sea Vista Water Towers) for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.

2. That in terms of Section 14 and 90 of the MFMA and departmental inputs, that it be recommended that Council confirms that the property is not needed in future to provide the minimum level of basic municipal services.

3. That it be recommended that Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.

4. That it be recommended that Council consider the market related valuation of the immovable property.

5. That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.

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

22/08/PDT11 ACQUISITION OF IMMOVABLE ASSET: TRANSFER OF PROVINCIAL ROADS: DA GAMA ROAD, ST. FRANCIS DRIVE & WOLTEMADE STREET TO KOUGA MUNICIPALITY

Cllr Bornman introduced the item.

The Executive Mayor enquired as to why Voortrekker and Humansdorp Main Road was not included.

Cllr Bornman agreed that it could be done.

Cllr Gertenbach supported the acquisition but the financial implications for this were enormous. He suggested that the provincial department provide a subsidy when taking over the road.

Cllr Bornman stated that this could be added to the proposal, but it did not have to be a determining condition.
He acknowledged that it would be a financial burden, but the Municipality had to take responsibility as the Department of Transport had not been unable to fix the roads over the years.

The Main road in Humansdorp as proposed by the Executive Mayor had to be added to recommendation 1. and 2.

Resolved (17 August 2022)

1. That the Committee **grant in-principle approval** for the transfer of Da GamaRoad, St Francis Drive, Main Road-Humansdorp and Woltemade Street to Kouga Municipality in order to manage and maintain the roads contemplated
herein.

2. That it be recommended that Council grant authorisation to the Accounting Officer to enter into a transfer agreement with the Provincial Department of Transport in respect of Da Gama Road, St Francis Drive, Main Road-Humansdorp and Woltemade Street.

3. That it be recommended that Council make budgetary provision for the management and maintenance of the roads contemplated in point 1.

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

Proposed: H Hendricks Seconded: H Bornman

22/08/PDT12 INSTITUTIONAL PERFORMANCE REPORT: 2021/2022 FINANCIAL YEAR: 4TH QUARTER PERIOD(SDBIP) 1 APRIL TO 30 JUNE 2022

Cllr Ruth on page 334 which mentioned the percentage of land use applications finalized within 90 days, she stated that the target was a percentage, but numbers were recorded for December, March and June.

The Director PDT stated there were difficulties in determining percentages for the indicator. It was difficult to achieve a 100% accuracy as the Ovvio system is unable to record a register and percentages could not be extrapolated.

She acknowledged that there was difficulties with reporting for the indicator and that it was a systems issue. It had to be noted that for the Annual Report a system had been worked out to ensure sufficient reporting. She strongly felt that the percentages were underreported as there was a lack of accurate evidence.

The Executive Mayor noted the Director.

Cllr Bornman stated that there were efforts underway to get better systems to ensure better reporting. It had to be noted that plans were submitted but plan approvals overlapped across the quarters. The main point was that the implementation of new system was required.

Resolved (17 August 2022)

1. That the content of the Quarter 4 Institutional Performance Report on the implementation of the 2020/21 Service Delivery and Budget Implementation Plan for the period 1 January and 31 March 2022 be noted.

12. **CLOSURE**

The meeting adjourned at 12.11



H HENDRICKS **29 November 2022**
EXECUTIVE MAYOR **DATE**

CONFIRMATION OF PREVIOUS COUNCIL MINUTES

MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON MONDAY, 05 SEPTEMBER 2022 AT 10:00

PRESENT: Councillors	Ald B Williams	(Speaker)
	Ald H Hendricks	(Executive Mayor)
	H Bornman	(Deputy Executive Mayor)
	Ald D Benson	
	B Dhludhlu	
	T Jantjes	
	W Gertenbach	
	H Murray	
	R Foley	
	F Heystek	
	C August	
	M Biko	
	M van Niekerk	
	J Alexander	
	L Maree	
	S Ruth	
	P Oliphant	
	M Yali	
	V Gunuza	
	K Ndzelani	
	N Ntshota	
	B Human	
	N Ntengwane	
	E Mbuqu	
	M Valgee	
	W van der Linde	
	L Nkilishane	
	M Mbandana	
	V Zana	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	D De Jager	(Deputy Municipal Manager)
	K Moodley	(Director: Corporate & Digital Services)
	F Mabusela	(Director: PDT)
	N Machelesi	(Director: Community Services)
	T Madatt	(Acting Director: I&E)
	R Lorgat	(CFO)
	L Opperman	(Manager: Legal Services)
	A Jonck	(Chief of Staff: Office of the Executive Mayor)

B Faulkner (Acting Manager: HR)
M Julius (Senior Admin Officer: Committees)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a virtual Council Meeting will be held.

2. **OPENING AND WELCOME**

The Speaker welcomed those present.

Cllr B Dhludhlu opened with a prayer.

3. **ABSENT WITH LEAVE**

M Dayimani

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Ald D Benson stated one of the Community Services' Managers had a stroke during the past weekend.

The Speaker stated that the official would be kept in prayers.

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

None

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

None

9. **DISCLOSURE OF INTEREST**

None

10. **STATUTORY MATTERS**

11. **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).

12. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

12.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/09/PDT1 AUTHORISATION FOR KOUGA MUNICIPALITY DELEGATION TO PARTICIPATE AND EXHIBIT KOUGA LOCALLY PRODUCED PRODUCTS AT THE INTERNATIONAL IMPORT EXPO 5-10 NOV 2022

The Executive Mayor tabled the item.

Cllr H Bornman presented the item and detailed the project. The exact financial implications had not yet been determined.

The invited party was made up of the Executive Mayor as per the recommendations.

Cllr V Zana stated that it was great opportunity for Kouga and requested that the list of delegates include business people- someone from the Chamber had to attend. He encouraged the Municipality to ensure that the delegation broadened so that the opposition parties were included.

Cllr Bornman welcomed the input and stated that the various tourism offices would be represented. He noted the opposition's remarks regarding broadening the delegation for future.

Cllr R Foley congratulated the Tourism department for getting a foot into the international market and extended well wishes for the trip.

The item was unanimously approved.

Resolved (05 September 2022)

1. That Council approves the participation of Kouga LM in the International Business Expo from 05 – 10 November 2022 in Shanghai.

2. That Council approves the financial support rendered to the local producers for sample products to be exhibited in the Expo.

3. That Council approves the following delegation to represent and participate in the International Business Expo in Shanghai:

   The Executive Mayor
   Director: Planning, Development & Tourism
   MMC: Planning, Development & Tourism
   Destination Marketing & Tourism Officer

13. **CLOSURE**

The Speaker thanked all present for their valuable input.

The meeting closed at 10:20

_____ _____

B WILLIAMS **DATE**
SPEAKER

MINUTES OF AN ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD IN THE COUNCIL CHAMBERS, JEFFREYS BAY, ON WEDNESDAY,28 OCTOBER 2022 AT 10:00

Councillors	Ald B Williams	(Speaker)
	Ald H Hendricks	(Executive Mayor)
	H Bornman	(Deputy Executive Mayor)
	Ald D Benson	
	B Dhludhlu	
	T Jantjes	
	W Gertenbach	
	H Murray	
	R Foley	
	F Heystek	
	C August	
	M Biko	
	M van Niekerk	
	J Alexander	
	L Maree	
	S Ruth	
	P Oliphant	
	M Dayimani	
	M Yali	
	V Gunuza	
	K Ndzelani	
	N Ntshota	
	B Human	
	N Ntengwane	
	E Mbuqu	
	M Valgee	
	W van der Linde	
	L Nkilishane	
	V Zana	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	D De Jager	(Deputy Municipal Manager)
	M Rossouw	(Acting Director: Corporate & Digital Services)
	F Mabusela	(Director: PDT)
	N Machelesi	(Director: Community Services)
	T Madatt	(Acting Director: I&E)
	R Lorgat	(CFO)
	L Opperman	(Manager: Legal Services)
	A Jonck	(Chief of Staff: Office of the Executive Mayor)
	M Basson	(Acting Media Specialist)

M Julius (Senior Committee Officer)
N Zode (Scribe)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that an Ordinary Council Meeting will be held in the Council Chambers.

2. **OPENING AND WELCOME**

The Speaker welcomed those present.

Cllr Zana raised a hand and indicated that there is a picketing outside the main gate and enquired whether the picketers had been addressed.

The Speaker stated that the gathering is illegal as SAPS indicated that it did not receive any application for picketing, the front gate is closed but the side gate is open for the public. Law enforcement was also present to ensure safety of Councillors. He further indicated that he will not go into anymore details on the issue as the situation was under control.

Cllr Yali requested a point of clarity.

The Speaker stated that there are no points of clarity on the issue as he has made his ruling. When a Councillor challenges a ruling made by the Speaker they are in violation of the Rules of Order and he will have to lay charges against such a Councillor.

Cllr Zana requested a caucus for the ANC.

The Speaker granted 10 minutes caucus.

Cllr Zana addressed Council on the caucus which was requested.

Cllr Bornman raised a point of order and stated that the Rules of Order were clear in terms of addressing issues in Council which are in the Council agenda and what Cllr Zana is addressing was not part of the agenda.

Cllr Oliphant raised a point of order and stated that Cllr Bornman continues to interrupt the ANC component when they raise issues, he then requested Cllr Bornman to allow Cllr Zana to raise his point.

The Speaker stated that Cllr Bornman had a point, items for discussion are only relevant to the agenda of the day. He then requested Cllr Zana to finalise his point as it was not on the agenda.

Cllr Zana stated that he thought as a caring government Council would lend an ear to the people picketing outside. The picketing is not in a violent manner and there is no need for law enforcement to be in the premises as the people pose no threat to anyone in the building. He then indicated that the ANC caucus took a decision to go and listen to the picketers outside.

The Speaker quoted Cllr Oliphant's name and stated that the ANC caucus can make such a decision, however, Council will continue with the meeting.

Cllr Oliphant interjected and stated that he should not address him as Cllr Zana is the one that made a statement on behalf of the ANC.

The Speaker gave Cllr Oliphant a final warning for speaking out of turn without being recognised, he then indicated to Cllr Zana that if their caucus wishes to leave the Council Chambers they can do so. He then requested the IEC to proceed with the presentation.

The Executive Mayor requested the scribe to note the time that the ANC left the Council Chambers.

The ANC Councillors left the meeting at 10:14 and came back to the meeting at 10:25.

3. **ABSENT WITH LEAVE**

None

4. **ABSENT WITHOUT LEAVE**

M Mbandana

5. **PRESENTATIONS**

IEC Presentation – Ms Nobahle Mali

The Speaker thanked the IEC for the presentation and enquired if there were any questions.

Cllr Dayimani enquired which legislation or Act permits early elections.

Ms Mali stated that she would have to consult Provincial Electoral Office but would get back to the Councillor.

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Gunuza congratulated all the students of 2022 writing exams.

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

It is pleasing to note that we have had a successful round of IDP meetings where there was great participation from all Councillors as well as ward committees and other stakeholders.

Setting visions for our various wards is an innovative strategy and Director Mabusela and her team are to be congratulated for thinking out of the box and ensuring public participation has yet again been taken to a higher level in Kouga Municipality.

We are now on the path to ward-based budgeting where the needs of our various wards are taken into consideration when setting the budget with our stakeholders having a deeper understanding of what can be accomplished within a particular financial year over the rest of our term as Council.

Our ward committees are all functional and meeting regularly despite the problems caused by load shedding. This does place pressure on our Ward Councillors and well done to all of you for maintaining community engagement even though load shedding schedules can change at very short notice.

We will be holding the Ward Councillor forum in November, and I am once again looking forward to constructive engagement in that meeting.
I did receive questions on the previous council meeting that has not been answered in this council meeting. The administration has confirmed to me that the answers will form part of the December Council meeting and I apologize that the answers do not form part of this agenda as they should have according to our Rules of Order.

There is just over a month left until the festive season and all indications are that we can expect a bumper holiday season.
The programme of events is impressive and a lot of behind the scenes work has taken place already to ensure everything will run smoothly and that our holiday makers and locals are well entertained and safe during December.

Our Executive Mayor has already indicated that the Mayoral Committee will all be working during December even though Council will be on recess after the 9 December Council meeting.

It is crucial that oversight takes place as there will be significant strain on our water, sewage and electrical networks during this time.
Our public facilities need to be clean and tidy at all times and the collection of waste will once again be critical in ensuring we keep Kouga Clean during December. I look forward to a production council meeting today where we will debate several issues that appear on the agenda.

Thanks to all the staff in the Office of the speaker for your diligent and hard work as we go about the business of empowering Councillors to be effective in their jobs of serving the community of Kouga. I will now hand over to our executive mayor who will hand out awards to two of our long serving officials who have recently retired.

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

The Executive Mayor greeted all Councillors, Directors and Officials and the members of the public. He echoed what the Speaker said in terms of the IDP, and the Ward Based Plan rollout was an absolute success, he had not seen such attendance and interest from the public for a very long time.

He also thanked Director Mabusela and IDP Team and the Public Participation section, the Office of the Speaker and the Office of the Mayor and all staff involved in helping to organise this. Cllr Ruth, who was on track with I&E progress as well as the implementation of performance management was acknowledged. We are going into Ward Based Budgeting and we will be directing our budget towards the priorities of communities.

With respect to budget implementation progress he was quite satisfied that there is no red flags or issues that are of concern, the capital expenditure is currently at 24.33% measured against the first quarter data of 25%. The total revenue for the first quarter stood at just over 30% while our total expenditure is around 21%. The Municipality was still managing this drought, the only concern is the cost coverage which is under one month but hopefully by the time we go to budget we can fix all of that.

On the back of the Ward Based Planning was supposed to be the Mayoral Imbizo's where the Executive Mayor is allowed to report on the service delivery, we are in governance for almost one year. The elections were on 1 November 2021 and Council got sworn in on the 17th of November 2021. It has been hectic trying to manage the drought, probably the worst that we had during the 7 year period but on the back of IDP and Ward Based Planning we will not be having the Mayoral Imbizo's due to the urgency of the Ward Based Planning. I will be reporting back to Communities round about January 2023 and that will also be a robust engagement with our Communities as to how we actually satisfied their needs. He would conduct these Imbizo's Chairperson without fear or favour.

He stated that Councillor Dr Gertenbach had given notice that he will resign from the Mayoral Committee as from the 1 November 2022, since Councillor Gertenbach had resigned he will have to make a small reshuffle to the Mayoral Committee effective from 1 November 2022. The proposed changes to the Mayoral Committee were as follows;

Community Services Portfolio Chairperson – Ald D Benson
Infrastructure & Engineering Portfolio Chairperson - Cllr L Maree
Corporate & Digital Services Portfolio Chairperson – Cllr T Jantjes

Finance Portfolio Chairperson – Cllr H Bornman
Planning, Development & Tourism Portfolio Chairperson – Cllr S Ruth

The current Monitoring & Evaluation Portfolio will remain vacant until further notice.

I would like to just thank Cllr Gertenbach for his service, he has been part of the Mayoral Committee for about 22 months since December 2020. It was a brave call for Cllr Gertenbach to accept the offer of Infrastructure & Engineering and he served with excellence, diligence and his oversight capabilities were of note.

I absolutely appreciate the value that he added to our Mayoral Committee on planning our strategies that we had to develop and I love the way that he always engage in such a robust manner I love arguing with Cllr Gertenbach because it improves me, it grows me, he allows me to think and we will miss that on the Mayoral Committee in terms of planning and going forward.

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

None

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

None

11. **KOUGA AUDIT COMMITTEE**

22/10/KAC1 MINUTES OF THE KOUGA AUDIT COMMITTEE

Resolved (28 October 2022)

1. That the minutes of the Kouga Audit Committee be noted.

12. **REPORT BACK: MUNIMEC**

22/10/MUNIMEC1 PROVINCIAL POLITICAL MUNIMEC RESOLUTIONS/MINUTES

Resolved (28 October 2022)

1. That Council notes the resolutions/minutes of the Provincial MuniMEC

13. **DISCLOSURE OF INTEREST**

The Speaker indicated that no one declared any disclosure of interest apart from for the Grant in Aid items and those Councillors will recuse themselves when those items are tabled.

14. **STATUTORY MATTERS**

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

None

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

16.1 **MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 31 AUGUST 2022**

Cllr Oliphant raised his hand and stated that for recording purposes the Speaker should advise Council who are the Councillors who declared interest on the Grant in Aid items.

The Speaker indicated that the two Councillors were Cllr Ruth and Cllr Dhludhlu, he then enquired if there are any inputs or proposers for the minutes.

Cllr Yali stated that on page 29 the word "sub judice" was spelt incorrectly.

Resolved (28 October 2022)

1. That the minutes of the Ordinary Council meeting held on 31 August 2022 be accepted.

   Proposed: W Gertenbach Seconded: R Foley

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

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

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

22/10/MM1 COUNCIL RESOLUTIONS AS AT 31 AUGUST 2022

The Speaker called the Councillors that were recused back to the meeting and handed over to the Executive Mayor.

Cllr Oliphant requested a point of clarity.

The Speaker stated that he will not allow Cllr Oliphant as he has handed over to the Mayor.

The Municipal Manager presented the item.

Cllr Human indicated that at the last Council meeting it was requested that dates for when items were updated should be indicated. He also enquired why items waiting for approval are highlighted in green, should they not be in progress?

Cllr van der Linde enquired why the due date is not indicated in the action sheets. What was the difference between non-completion and in progress?

The Municipal Manager stated that for some items it is difficult to determine the final completion of administrative processes. They do not get removed from the action sheets until they are hundred percent completed. Some resolutions require actions from other government institutions.

Cllr van der Linde enquired why the declaration of Councillors resolution still on the action sheet, it was supposed to be completed by 17 January 2022. The Municipal Court should still be on the action sheet as it is still in progress.

The Speaker concurred with the latter speaker that the Municipal Court should remain on the action sheet, he then indicated that he will follow up on the declaration of Councillors and revert back to the Councillor.

Cllr Dhludhlu raised a point of clarity and indicated that all Councillors have signed the declaration of Councillors.

Cllr Oliphant interjected stating that Cllr Dhludhlu was not the Speaker.

The Speaker called Cllr Oliphant into order and stated that he is speaking without being recognised and he has already issued him with a final warning, if this occurs again, he will have to report him.

Resolved (28 October 2022)

1. That the updated Action Sheets reflecting resolutions of previous Council meetings and resolutions approved during the period of the Executive Mayor's Delegated Authority, be noted.

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

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

4. That the item be tabled at the next Kouga Collective Meeting.

22/10/MM2 **AMENDMENTS TO THE 2022/23 BUDGET**

Cllr Oliphant stated that the funding from Europe were not reflected on the Municipal financials, he further requested that the balance left on the funds should be ringfenced for legacy projects.

Cllr Bornman interjected Cllr Oliphant.

The Speaker called Cllr Bornman in to order and stated that he cannot direct comments to Councillors.

Cllr Bornman apologised.

The Speaker handed over to Cllr Oliphant to finalise his comment.

Cllr Oliphant enquired whether Cllr Bornman had also received a last warning.

The Speaker confirmed that it is the last warning.

Cllr Oliphant continued stating that the funding from Europe should be ringfenced for a legacy project which the Community can benefit from.

Cllr Zana welcomed the funding and indicated that the item lacks the details on when the funding arrived. He then enquired whether the funding accumulated interest. He requested a breakdown of expenditure on the cost the vehicle and the personnel. He concurred with Cllr Oliphant on ringfencing the funds.

The Deputy Municipal Manager indicated that the item had served at Council where the funding of the vehicle was explained.

The funding will be transferred to the Municipal vote as soon as it is paid over, the vote will be paying for personnel costs which are two technicians and one driver. The funding is committed for the personnel costs and the equipment for the vehicle. There are no extra funds. There will be a report tabled which indicates what the vehicle has done so far and the number of leaks detected.

Cllr Dhludhlu indicated that he was on the list of speakers for the item.

Cllr Yali raised a point of order.

The Speaker indicated that Cllr Yali has already utilised his point of order and that a Councillor gets one point of order per meeting. He then indicated that Cllr Dhludhlu is not on the list and unfortunately requested the Councillor to withdraw.

Resolved (28 October 2022)

1. That Council approves the additional grant funding received of R142 000-00 as revenue.

19. **REPORTS BY THE EXECUTIVE MAYOR**

19.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

22/10/F1 MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO SEPTEMBER 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 SEPTEMBER 2022 (2022/23 FINANCIAL YEAR)

The Executive Mayor tabled the finance items.

Cllr Gertenbach presented the item and stated that the expenditure and revenue is at 25%, the Municipality has an operating surplus of sixty-nine million, the capital expenditure including both grant funding and own funding is at 24.3%. An amount of forty-three million is owing to creditors which is mainly the Eskom Nelson Mandela Bay account. The investment portfolio has increased by forty-five million to seventy three million, however the amount is not readily available due to the conditional grants to be received.

Cash back reserves are at seventy-three million and reserves in excess of commitments is fifteen million. The cost coverage was budgeted at 0.06 months it has increased to 0.12. Debtor collection rate started at 74% in July and went up to 148% in August due to people paying their rates in advance for the year, its currently standing on 87% and the CFO can explain why.

On the overview of operating revenue the Municipality is at 25% and the property rates are at 47%. The electricity revenue is below what it is supposed to be as well as the water revenue that was supposed to be 25% but its only 19%.

The rental facilities and equipment is 13%. Total revenue excluding capital transfers and conditional grants stands at 13%. Expenditure is at 21% hence there are additional reserves available.

Cllr Gunuza requested clarity on whether the capital expenditure is at 23%. She further encouraged directorates to familiarise themselves with the SDBIP to ensure capital expenditure without rollover.

Cllr Yali stated that Portfolio Chairperson indicated that the additional reserves are due to under spending, he then referred Council's attention to page 111 where the operating revenue amount is indicated yet capital expenditure is concealed, only a percentage is indicated. Actual spending amount should be indicated.

Cllr Bornman raised a point of order and stated that the accusation of concealing expenditure was misleading Council, where is the evidence.

Cllr Yali requested that the capital expenditure be reflected in amounts as the operating revenue. Details of how much is being spent and locations should be reflected.

The Speaker indicated that page 124 had a full expenditure list of the capital projects.

Cllr Zana directed the attention of Council to page 124 and indicated that there is no ward-based expenditure reflected there. There is a ratio on page 147 which reflects the employment of the Municipality which reflects 33.50% but does not indicate the accepted norm. He further indicated that he would submit in writing the clarities required on the issue of liquidity.

Cllr van der Linde on page 150 enquired on the 20% over on collection of revenue for 2022/23 whether it is not against the Local Government Property Act. On page 117, why is there an overspending on Council donations. Why is there an overspending on bulk energy purchases? Under Ward Committees there is also 42.7% spending does it mean there will be an overspending.

On page 121 vehicles and maintenance percentages are very low. There is underspending reflected on the maintenance of roads. On the debtors analysis the 31 – 60 days has increased to 29 million what is the reason. On page 137, what is the trend of not paying bulk water. Why is the basic salary wages overspent by 9%?

Cllr Alexander enquired on the inflation of Eskom billing yet there is extreme load shedding being experienced.

The Municipal Manager handed over to the CFO to respond on the financial issues.

The CFO stated that the capital expenditure was normally 11% after the first quarter, reaching 24% is good per quarter it will increase drastically towards the end of the year and the Municipality is doing much better than previous years. Under additional reserves he indicated that the Municipality is only in the first quarter, commitments have been made and the work is ongoing and the expenditure will be captured. Council should note that there is always a lag for a month or two for expenditure, the update which will be reflected on the following month.

The adjustment budget has been approved, next month it will seem as if the Municipality went down in terms of expenditure due to the additional money coming in, the ratio might be at 12% or 14%. The ratio of employees standard norm is between 35% - 40% from National Treasury, the Municipality is on the right track.

On the collect of revenue nothing prohibits over collecting only a Council resolution and adjusting the budget but that is not the case on the 20% collection. There is a portion of the rates billed annually, a detailed assessment is done during mid year and corrections are done and adjustments are made.

Over spending on bulk purchases include the usage of winter months June, July and August which is the high electricity usage period. However, it reduces and stabilizes during the rest of the year. In terms of Ward Committees where there is slight under budget on the vote it will reflect a higher percentage during the year and will be corrected during the adjustment budget.

The debtors increasing is directly linked to the annual rates, when annual rates are billed they are not paid the next month which increases the 30 to 60 days, it will be reduced as payments are done. The Municipality currently has a query on the Nelson Mandela Metro account and is holding back payment until the Metro responds satisfactorily.

The Speaker indicated that Cllr van der Linde raised a query on roads expenditure, maintenance and the bulk water expenditure.

The CFO indicated that he addressed bulk water expenditure. Underspending on maintenance is affected by the ongoing requisition processes and commitments made which will reflect in a month or two. Council must take into account that when a report is tabled there is always a lag of 30 to 60 days depending on the work to be done.

He then requested acting I&E Director to respond on the roads issue.

The Municipal Manager indicated that there was 10 million available for the current financial year for the resealing of roads, a tender will be awarded for resealing. The current expenditure reflected was for potholes, there was also expenditure on the gravel roads and tar roads.

Resolved (28 October 2022)

1. That the Council notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

22/10/F2 BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

Cllr Gunuza moved to support the item.

Cllr Zana seconded Cllr Gunuza.

Resolved (28 October 2022)

1. That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 30 September 2022; and

2. That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.

Proposed: W Gertenbach Seconded: V Gunuza

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

22/10/I&E1 REQUEST TO AMEND THE CROSSWAYS SLA WITH AN ADDENDUM PROVIDING EXEMPTION FROM PAYING ADDITIONAL AUGMENTATION FEES FOR FURTHER PHASED CONSTRUCTION OF THE ORIGINAL CROSSWAYS DEVELOPMENT

Cllr Maree presented the item.

Cllr Oliphant stated that the ANC caucus does not support the item as the company is well established, the community of Thornhill is not benefiting from the company.

Cllr Zana supported the latter speaker and indicated that the company is well established and has been doing well, Covid-19 should not be used as an excuse. The local community in the area are not benefiting from the company yet a community trust was established.

The Speaker indicated that the item would require a vote by a show of hands. All Councillors in favour of the item were requested to vote by show of hands.

In favour: 16

Not in favour: 10

The item carried.

Resolved (28 October 2022)

1. That an amendment be included in the SLA that the water supply not be disconnected from the supply network. This is necessary in case they require a water connection in future, the connection will still be available to the development, also that availability fees be levied against the development as per council approved tariffs.

2. That Council approve only the exemption for the augmentation for the 750 units, and not for the 1 258, any units in addition to the 750 units to pay augmentation fees.

3. That 1. and 2. above be approved subject to the validity of the Service Level Agreement entered into between Crossways and Kouga Local Municipality.

22/10/I&E2 APPLICATION OF FRACTIONS OF EQUIVALENT ERVEN (EE) FOR THE CALCULATION OF PAYMENT OF AUGMENTATION FEES

Cllr Maree presented the item and added an additional recommendation for the augmentation policy to be reviewed.

Cllr Zana proposed that the item be referred back to the Portfolio Committee for discussion and inputs.

Cllr Bornman proposed that the first recommendation be amended as follows: That Council approve the fractions for the equivalent erven. He further indicated that Council recently amended the augmentation policy to state that all augmentation negotiations be approved by Council. Previously it was negotiated by the Municipal Manager.

He further clarified that the item is not requesting to reduce the augmentation fees. There is a technical formular used to calculate the fees. There is a guideline which the Municipality uses to round up the fees which makes people pay for services they do not use. He also seconded the proposal to review the policy.

The Speaker stated that there are two proposals, amending recommendation and including an additional recommendation, and there is a proposal to refer the item back to Portfolios.

Cllr Oliphant raised a point of clarity and indicated that there is a contradiction between Cllr Bornman and Cllr Maree's proposal, the policy should be referred back for policy review and the item had to be tabled to the Portfolio Committee.

The Speaker requested the Municipal Manager to clarify if there is a contradiction on the proposed recommendations.

The Municipal Manager stated that there is no contradiction, there is a policy that gives guidelines on how to determine augmentation fees. There is a recommendation to review the policy, Council took a decision that all Service Level Agreements should be approved by Council. There is no inconsistency.

The Speaker stated that there are two proposals, one proposed by Cllr Maree to add the review of the policy and one by Cllr Bornman that Council approves the fractions of the equivalent erven. Council has to vote by show of hands.

Cllr Bornman raised a point of order and indicated that the Rules of Order state that, before a vote the bell needs to be rang for a minute in order for all Councillors to be in the Council Chambers.

Cllr Oliphant disagreed with Cllr Bornman.

The Speaker agreed with Cllr Bornman and indicated that unfortunately the bell was not working.

Cllr Oliphant disagreed stating that for the whole morning that rule had not been applied, why now?

The Speaker called Cllr Oliphant and Cllr Bornman in to order and stated that Council must vote on the two proposals on the table, one proposal by Cllr Maree and amended by Cllr Bornman. The second proposal by Cllr Zana. He then requested Councillors who are in favour of proposal one to vote.

Cllr Oliphant stated that there is a contradiction, there are three proposals on the table one from Cllr Bornman and a second one from Cllr Maree, third one from Cllr Zana.

The Speaker indicated that he has ruled that there is two proposals on the table and indicated that Cllr Oliphant is out of order, Cllr Zana's proposal has not been seconded yet.

Cllr Oliphant interjected disagreeing with the Speaker.

Cllr Zana requested Speaker to clarify the recommendations in order to understand what Council is voting for.

The Speaker explained the recommendations again and requested a seconder for the amended proposal of Cllr Maree and Cllr Bornman.

Cllr Gunuza enquired what was Council voting for.

Cllr Dhludhlu seconded the amended proposal of Cllr Maree and Cllr Bornman.

The Speaker enquired who is in favour of the amended proposal.

Cllr Zana raised a hand requesting to be recognised

Cllr Oliphant stated that there is a procedural error.

The Speaker enquired who is against the amended proposal

In favour: 16

Not in favour: 8

The Speaker requested a seconder for Cllr Zana's proposal.

Cllr Zana stated that there is a confusion in Council, Councillors are not sure what is being voted for as it is a second vote.

The Speaker stated that he had to re-do the vote due to the fact that in the middle of the vote there were points of clarifications to minimise confusion. He further indicated that there was no seconder for Cllr Zana's proposal.

Cllr Nkilishane seconded the proposal of Cllr Zana.

The Speaker enquired who was in favour of Cllr Zana's proposal seconded by Cllr Nkilishane.

In favour: 10

Not in favour: 16

The amended proposal carried.

The Speaker handed over to Cllr Maree to continue.

Cllr Oliphant raised a point of exigency.

The Speaker stated that there was no point of exigency.

Resolved (28 October 2022)

1. That Council approve that the fractions of an Equivalent Erf (ee) be used for the calculation of augmentation fees payable.

2. That it be noted that approving the engineers proposal can cause substantial financial losses to Council.

3. That the Augmentation Policy be reviewed.

Proposed: H Bornman Seconded: B Dhludhlu

22/10/I&E3 <u>SERVICE LEVEL AGREEMENT FOR PORTION 26 OF THE FARM KLAAREFONTEIN No. 449 DIVISION OF UITENHAGE, PROVINCE OF THE EASTERN CAPE</u>

Cllr Ndzelani requested clarity on the location of the erf.

Cllr Oliphant enquired why the area is called Uitenhage division. He further requested medication to be organized for Cllr August as she is not well.

Cllr Bornman stated that Cllr Oliphant is out of order.

The Speaker requested the Councillors to settle down.

The Acting Director I&E stated that the portion of the land is outside of Kouga and is serviced by the Uitenhage District Road and the location is in Thornhill, it falls within the Municipal boundary of Kouga.

The Speaker indicated that as long as it falls within the Municipal boundary, and it is situated near Thornhill.

Cllr Ndzelani stated that he is still confused by why it is called Uitenhage yet it's in Kouga boundary.

The Speaker enquired whether it is possible to remove the reference to Uitenhage.

The Manager Legal Services stated that the reference to Uitenhage Road is the farm district which the area is located, and that is the usual reference. The property is still located in the Kouga Municipal area. The property reference cannot be removed as it is referenced as per the Deeds office.

The Speaker enquired whether the item is supported or if a vote was required.

Cllr Oliphant stated that in principle they support the item.

Resolved (28 October 2022)

1. That the Kouga Municipality enter into an SLA with the owner of Portion 26 of the Farm Klaarefontein No.449, Uitenhage District.

2. That the SLA will only be applicable to Portion 26 Of the Farm Klaarefontein No.449, Uitenhage District.

3. Any other portion or erf in the subject development, will be subject to the same principle of the owner had to enter into an SLA with Council.

4. That the finalized SLA be approved by the Municipal Manager as the delegated official.

22/10/I&E4 <u>2022/23 ADJUSTMENTS BUDGET FOR THE APPROPRIATION OF ADDITIONAL FUNDS RECEIVED</u>

Cllr Maree presented the item and congratulated the team. There was a meeting with the Minister of Water & Sanitation in Port Elizabeth where the Acting Director presented an extensive presentation to the Minister. After the meeting the hard work started and 9 business plans later the Municipality is very thankful for the additional assistance for drought. She then extended a word of gratitude to everyone who played a role in achieving the additional funding. She further made an amendment on page 192 where the amount for Thornhill needs to be corrected to three million.

Cllr Yali stated that the item is supported, the national government came through for the community of Kouga. He further indicated that he hopes the funds will be used properly, there are currently white elephants of boreholes which costed millions, yet the Municipality is in crisis of drought.

Cllr Human stated that there was a resolution taken by Council between February/ March whereby a service provider was to be appointed namely Green Future Africa, which was supposed to assist the Municipality in terms of drought relief programs and water treatment programs. Council never received any update item from the service provider on their task.

He further indicated that his concern is that Council granted permission for the service provider to apply for funding from the same Water & Sanitation department. He further indicated that the project descriptions are vague and would like the item to be more specific on projects in terms of what each entailed.

Cllr Oliphant stated that the money should be spent on the poor of the poorest. The national government is giving money to the Municipality with the understanding that it will yield good results. A proper break down of how the funds will be spent is required. Project names, amounts and areas where the funds will be spent is required. The national government funded the Municipality with more than two hundred million yet the Municipality was still in a water crisis.

Cllr Bornman responded that the Municipality would do so.

Cllr Yali raised a point of order stating that Cllr Bornman is drinking unknown contents from a concealed cup.

The Speaker requested Cllr Bornman to remove the concealed cup.

Cllr Oliphant stated that Cllr Bornman is not behaving.

The Speaker warned Cllr Oliphant for speaking without being recognised.

Cllr Foley welcomed the report and thanked the Acting Director and his team for working hard on a business plan which enabled the Municipality to recieve the funding.

The Municipal Manager stated that the company that Cllr Human referred to was not successful in getting the funding. Municipal officials applied for this funding and on page 192 there is a breakdown of how and where the funds would be utilised.
He further indicated that the total business plan costing was hundred and fifty million rand and the Municipality is grateful for the seventy four million rand that has been granted.

The Executive Mayor thanked the Municipal Manager for the information shared. He further stated that Green Future Africa informally proposed to seek funding on behalf of Kouga Municipality at National Treasury, with the condition that whatever money they find they will be the main contractor. They will appoint service providers on behalf of the Municipality. The Municipality will not have any control of what a service provider applies for, receives and spends. The Municipality is not interested and does not support proposals of fraud and corruption.

The Speaker stated that Council needs to vote for the item.

Cllr Yali raised a point of clarity and stated that there is no need to vote on the item as everyone is in support of the item

The Speaker stated that according to legislation the item needs to be approved by majority of its full number which means a vote is required.

Cllr Oliphant stated that the ANC will not vote on the item as they expressed their support for the item.

The Speaker requested Councillors to vote by show of hands all Councillors in support of the item.

In Favour: 29

The item was unanimously approved.

The Speaker indicated that he does not have any apologies from Cllr Mbandana and requested Cllr Zana to follow up.

Cllr Zana indicated that the Councillor would send a sick note to the Office of the Speaker.

Resolved (28 October 2022)

1. That 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 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the adjustments budget by the appropriation of an amount of R57 400 000 and for the projects as set out below.

Town	Project Description	U-key Nr.	Allocated amount
Humansdorp	Water treatment works		R 8,200,000.00
	Borehole 7		R 3,500,000.00
	Kruisfontein		R 14,100,000.00
Total			**R 25,800,000.00**
Jeffreys Bay **Total**	New Oxidation water treatment plant 4MI.		R 7,400,000.00 **R7,400,000.00**
Hankey	Water treatment works		R 3,700,000.00
	Boreholes		R 3,800,000.00
Total			**R 7,500,000.00**
St Francis Bay	Water treatment works		R 5,900,000.00
	Boreholes		R 4,100,000.00
Total			**R 10,0000,000.00**
Thornhill **Total**	Groundwater development		R 3,000,000.00 **R 3,000,000.00**
Loerie **Total**	Groundwater development		R 4,400 000.00 **R 4,400,000.00**
GRAND TOTAL			**R 57,400,000.00**

22/10/I&E5 **<u>RE: ADJUSTMENTS BUDGET IN RESPECT OF MIG FUNDS WITHIN INFRASTRUCTURE AND ENGINEERING DIRECTORATE</u>**

Cllr Ntshota appreciated the item and the fact that all gravel roads will be upgraded especially in Oyster Bay, she requested details of which gravel roads will be upgraded in terms of Wards.

Cllr Human concurred with the latter speaker and requested Kruisfontein in Ward 4 to be added to the list of gravel road upgrading.

Cllr Zana also requested the item to indicate more details in order to prioritize upgrading roads in formal areas where there is infrastructure.
In Kwanomzamo a road was upgraded in the informal settlements area, which will have to be excavated for trenching for infrastructure when the Municipality brings services to the area thus resulting in wasteful expenditure.

The Executive Mayor stated that a list of gravel roads was tabled and approved by Council. if Council wishes that the item be brought back it can.

Cllr Zana thanked the Mayor and requested him to supply the list of the roads.

The Speaker advised that the item should be tabled at the Portfolio Committee level. He further requested by show of hands all Councillors in favour of the item.

In favour: 29

The item was unanimously approved.

Resolved (28 October 2022)

1. That 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 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed adjustments to the 2022/2023 and 2023/2024 Capital Budget:

Project Name	**2022/2023 Approved Budget (Excl. VAT)**	**2022/2023 Proposed Adjustments (Excl. VAT)**	**Increase**	**Decrease**
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R6,687,112.00	R9,819,118.07	R3,132,006.07	R0.00
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R18,440,235.00	R15,308,228.93	R0.00	R3,132,006.07

Project Name	**2023/2024 Approved Budget (Excl. VAT)**	**2023/2024 Proposed Adjustments (Excl. VAT)**	**Increase**	**Decrease**
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R26,176,869.57	R16,415,005.50		R9,761,864.07

Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R0.00	R9,761,864.07	R9,761,864.07	

19.3 **REPORTS BY THE CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/10/PDT1 REQUEST FOR COUNCIL AUTHORISATION TO ADVERTISE AND IN-PRINCIPLE APPROVAL FOR ALIENATION OF ERF 2599, SEA VISTA -APPLICATION FROM ROTARY CLUB OF ST FRANCIS FOR THE EXTENSION AND UPGRADE OF ST FRANCIS BAY CLINIC

Cllr Bornman presented the item and stated that the Municipality has been approached by an organisation in St. Francis who would like to sponsor the extension of the clinic and the Department of Health will operate the clinic.

Cllr Zana supported the item and indicated that the clinic was highly congested and he is glad that the Department of Health will operate the clinic.

Cllr Ruth welcomed the initiative and indicated that the Community will be better serviced.

Cllr Ntshota concurred with the latter speakers and indicated that the Community faced challenges due to the small clinic. She hoped that the Community will be serviced better.

Resolved (28 October 2022)

1. That Council **Grant in-Principle Approval** for the alienation of Erf 2599, Sea Vista to the Department of Public Works, through a donation.
2. That Council authorises the applicant to proceed with consolidation of erf 2599 with Erf 2600, Sea Vista (St Francis Bay Clinic) for the intended development.
3. That in terms of Section 14 and 90 of the MFMA and departmental inputs, Council hereby confirms that the property is not needed in future to provide the minimum level of basic municipal services.
4. That Council grant authorization to the Accounting Officer to advertise Council's intention to alienate immovable property by way of Deed of Donation to the Department of Public Works for public participation.
5. That the Department of Public Works be liable for all cost derived from the transfer.

22/10/PDT2 SPONSORSHIP AGREEMENT FROM NELSON MANDELA BAY AQUATICS REQUESTING FUNDING SUPPORT FOR THE SOUTH AFRICAN NATIONAL OPEN WATER CHAMPIONSHIP

Cllr Bornman presented the item.

Cllr Oliphant enquired whether Speaker had an interest on the item.

The Speaker indicated that he does not have an interest on the item.

Cllr Oliphant stated that organizations from the Metro benefit from Kouga yet there are no organizations in Kouga which benefit from the Metro. He then proposed that the item should not be supported, and the funds be re-directed to establishing a swimming academy in Kouga.

Cllr Human indicated that he is not in support of the item as there is no development in Kouga to cater for Community, he proposed that the funds be re-directed to sports and recreation for the children of Kouga. If the item is approved by Council, Kouga must benefit.

Cllr Zana stated that at the Winterfest locals were surfing, he then indicated that the item does not indicate benefits for the locals. Will locals be allowed to participate in the championship? Organizations of Kouga should drive such events. He then stated that they are not in support of the item.

Cllr Gertenbach stated that he supports the item and proposed that a feedback report after the event be tabled to Council.

Cllr Bornman seconded Cllr Gertenbach's proposal and clarified that it is a national event which will be organised in Kouga for the benefit of Kouga with a national status. He further indicated his agreement with the previous speakers on the development of a sports and recreation for Kouga's benefit.

The Speaker indicated that there was a proposal by Cllr Gertenbach to add a recommendation that a feedback report be tabled to Council after the event, Cllr Bornman seconded the proposal. All those in favour of the proposal should vote by a show of hands.

In favour: 16

Not in favour:11

The recommendations carried.

Resolved (28 October 2022)

1. That Council approves funding towards the SA National Open Water Championship hosted in the Kouga Local Municipality area for R130 000.00 (One Hundred and Thirty Thousand Rand) all-inclusive for the 2022/2023 FY only.

2. That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Nelson Mandela Bay Aquatics in respect of sponsorship stated in (1) above.

3. That a feedback report be tabled to Council after the event.

Proposed: W Gertenbach Seconded: H Bornman

22/10/PDT3 REQUEST FOR COUNCIL IN-PRINCIPLE APPROVAL TO ALIENATE AUTHORISATION TO ADVERTISE AND IN FOR THE ALIENATION OF ERF 873 AND SURROUNDING ERVEN, JEFFREYS BAY: CENTRAL PARK DEVELOPMENT

Cllr Bornman withdrew the item indicating that there are some clarities to be finalized before the item serves.

Item withdrawn

22/10/PDT4 COUNCIL AUTHORIZATION FOR SPONSORSHIP TO THE KOUGA NON-PROFIT MAKING ORGANIZATIONS DEALING

Cllr Ruth and Cllr Dhludhlu recused themselves from the meeting.

Cllr Bornman presented the item, he also indicated that the background of the item only reflects NSRI, but the recommendations are correct.

Cllr Yali indicated that there was a request for a program to educate local NGO's and NPO's on how to benefit from the funding. Organisations that applied and were rejected should be reflected in the item. He requested that the item be referred back to be updated.

Cllr Human stated that there are many SMME's within previously disadvantaged communities which are not benefiting on the program. He concurred with Cllr Yali on the program to educate local NGO's and NPO's. He then requested the item to be referred to Portfolio Committee level for further inputs and discussion.

Cllr Zana agreed that the item back to Portfolio Committee level, develop a training program for the community and educate them on how to benefit from such funding. The Grant in Aid policy should also take into consideration a level of benefiting previously disadvantaged communities.

Cllr Bornman agreed with the Councillors and indicated that the Grant in Aid policy is failing the Municipality and should be brought back to Council to be revised. However, the item is a sponsorship agreement item where SLA's with the organizations, where feedback on how the money has been spent will be tabled to Council.

The Grant in Aid applications are still coming, the Committee had a session recently and the item will be tabled to Council. The LED department has started the process of training SMME's, NGO's and NPO's on how to apply for funding from Municipalities and registrations. The item doesn't have to be referred back because NGO's and NPO's can still apply for funding. He further added a recommendation that interested NGOs be trained on the registration and application process.

Cllr Foley seconded Cllr Bornman's proposal

The Speaker enquired whether Cllr Zana, Cllr Yali and Cllr Human would be covered with the added recommendation as proposed by the Deputy Mayor.

Cllr Yali still requested that the item be referred back, Cllr Bornman indicated that the Grant in Aid is still in progress and there is also the sponsorship, and he is concerned about the cash flow.

The Speaker indicated that there are two proposals which requires a vote, one is proposed by Cllr Yali that the item be referred back to the Portfolio which was seconded by Cllr Human. The second proposal is from Cllr Bornman that the item be approved with the additional recommendation, Cllr Foley seconded the proposal. All Councillors in favour of Cllr Yali's proposal must vote by show of hands.

In favour: 12

Not in favour: 15

The Speaker requested all Councillors in support of Cllr Bornman's proposal must vote by show of hands.

In favour: 15

Not in favour: 12

The recommendation as amended by Cllr Bornman carried.

Cllr Gertenbach stated that on the third bullet point in the recommendation, the wording of the amount should be corrected to correlate with the amount in numbers.

Cllr Yali raised a point of order against the Speaker and enquired on which point was Cllr Gertenbach rising on, as he was not on the list of speakers on this item, yet he was allowed to comment.

The Speaker took note of the point of order.

Resolved (28 October 2022)

1. That Council approves sponsorship for a period of 2022/23 financial year, to the organizations to the following non-profit making organizations as follows:
   - J-bay Animal Rescue - R85 000-00 (Eighty -Five Thousand Rands only)
   - St Francis Animal Rescue — R85 000-00 (Eighty- Five Thousand Rands only)
   - SPCA (Humansdorp)- R250 000-00 (Two Hundred and Fifty Thousand Rands only)
   - NSRI - Jeffreys Bay R250 000-00 (Two Hundred and Fifty Thousand Rands only)
   - Kouga Local Tourism Organization - R300 000 (Three Hundred Thousand Rands only)
   - Kouga Business Forum - RI 00 000 (One Hundred Thousand Rands only)
2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreements and with the approved organizations.
3. That interested NGOs be trained on the registration and application process.

Proposed: H Bornman Seconded: R Foley

19.4 **REPORTS BY THE PORTFOLIO CHAIPERSON: COMMUNITY SERVICES**

22/10/CS1 APPROVAL AND ADOPTION OF KOUGA MUNICIPALITY'S SAFETY PLAN

Cllr Benson presented the item, he then corrected a sentence on page 200 under the background on the last paragraph by removing the word "no". On page 202 paragraph 6.2 must also be corrected to "if".

Cllr Valgee requested clarity on the establishment of the operation centre.

Cllr Yali requested that the item be referred to MPAC for investigation as it is not clear who is operating the CCTV cameras. When did Council resolve on the operation centre. Is it budgeted for all wards. He further

stated that the Municipality cannot be using the ward development fund the project when wards have submitted their own priority projects. He then enquired whether the operation centre is managed by a service provider or by the Municipality and enquired who is Mr. David Phelan.

Cllr Zana concurred with Cllr Yali and stated that Kouga has a challenge of crime and gangsterism. Why is the institution not funding the project? Last year the ward development fund was utilised for the drought as the Municipality needed the funds, he then indicated the unfairness of utilising the ward development fund for the cameras. He then requested the Municipality to budget for the project of cameras in Kouga.

Cllr van der Linde welcomed the safety plan and suggested that the name be changed to Public Safety Plan to avoid confusion with the Work Safety Plan. He then enquired why was the White Paper not utilised as a base for the Safety Plan.

Cllr Heystek congratulated Cllr Benson for the Safety Plan as Kouga currently had safety challenges.

The Director Community Services stated that there is budget for the camera project but it is not enough to cover the whole Kouga, hence it will be implemented in phases.

She further indicated that Mr David Phelan is appointed by the Municipality and is assisting with the setting up of the project, there is no service provider appointed. The operating centre is in Humansdorp at the fire station.

Cllr Oliphant responded that the operating centre cannot be in the Municipal building.

The Speaker ruled Cllr Oliphant out of line and indicated that he has not been recognised and should not be shouting out statements during the meeting, he can request a point of clarity at the end of the item.

Cllr Oliphant apologised.

The Executive Mayor stated that Cllr Oliphant has been warned numerous times, after the final warning was given promises of referral were made and he kept on making comments and speaking out of turn and its overdue.

The Speaker noted the Executive Mayor.

Cllr Oliphant interjected.

The Speaker stated that the Mayor just addressed the issue of speaking out of turn and Cllr Oliphant is again speaking without being recognised, he then referred Cllr Oliphant to Rules and Ethics.

Cllr Benson referred Council's attention to the item indicating that section 152 of the Constitution indicates that the Municipality has a duty to safeguard the Communities and cameras is one of the tools which can be utilised. He then requested Councillors to participate in making Kouga area safe for all.

Cllr Yali mentioned that the Director Community Services indicated that internal funding is not sufficient to cover the project, he then stated that his Ward Development Fund will not fund the cameras. The Ward Committee does not have cameras as part of their project.

He then requested the Municipality to budget for the project of cameras and reminded Speaker on the proposal to refer the item to MPAC for investigation.

Cllr Oliphant stated that he wants to assure the Mayor that he is ready for Rules and Ethics and will not be suffocated.

The Speaker called Cllr Oliphant in to order and requested him to discuss the item on the agenda.

Cllr Yali raised a point of order

The Speaker indicated that Cllr Yali has already had a point of order in the meeting as per the rules of order therefore he is not recognising his point of order.

Cllr Yali stated that he was a speaker in the item he did not raise a point of order.

The Speaker indicated that he has made his ruling and if the Councillor is objecting the ruling he is out of order.

Cllr Dhludhlu seconded the item.

The Speaker indicated that the proposal has been seconded, he then requested a seconder for Cllr Yali's proposal.

Cllr Oliphant seconded the proposal.

The Speaker requested all those in favour of Cllr Benson's proposal should vote by show of hands.

In favour: 16

Not in favour: 10

Cllr Bornman spoke without being recognised.

The Speaker gave Cllr Bornman a final warning.

The Speaker requested all those in favour of Cllr Yali's proposal to vote by a show of hands.

In favour: 10

Not in favour: 16

The item carried.

Resolved (28 October 2022)

1. That Council approve and adopt the Kouga Municipality Safety Plan.

2. That Council note the minutes of the Safety Plan workshop held on the 28 September 2022.

3. That Council endorses the Kouga Municipality Safety Partnership Memorandum of Agreement and grant approval for the signatories to conclude such agreements on behalf of Council.

4. That the support from all relevant safety and security stakeholders be appreciated by Council.

Proposed: D Benson Seconded: B Dhludhlu

20. **CLOSURE**

The meeting closed at 13.45

_____ _____

B WILLIAMS **DATE**
SPEAKER

MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON FRIDAY,11 NOVEMBER 2022 AT 11:15

PRESENT: Councillors	Ald B Williams	(Speaker)
	Ald H Hendricks	(Executive Mayor)
	H Bornman	(Deputy Executive Mayor)
	Ald D Benson	
	B Dhludhlu	
	T Jantjes	
	W Gertenbach	
	H Murray	
	R Foley	
	F Heystek	
	C August	
	M Biko	
	M van Niekerk	
	J Alexander	
	L Maree	
	S Ruth	
	P Oliphant	
	M Dayimani	
	V Gunuza	
	K Ndzelani	
	N Ntshota	
	B Human	
	E Mbuqu	
	M Valgee	
	W van der Linde	
	L Nkilishane	
	V Zana	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	D De Jager	(Deputy Municipal Manager)
	M Rossouw	(Acting Director: Corporate & Digital Services)
	K Cakata	(Acting Director: PDT)
	C Venter	(Acting Director: Community Services)
	T Madatt	(Acting Director: I&E)
	R Lorgat	(CFO)
	L Opperman	(Manager: Legal Services)
	B Faulkner	(Acting Manager HR)
	E Goliath	(Acting Manager: Public Participation)
	A Jonck	(Chief of Staff: Office of the Executive Mayor)
	M Basson	(Acting Media Specialist)
	M Julius	(Senior Committee Officer)

N Zode (Scribe)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting that in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a Virtual Special Council Meeting will be held on held in the Council Chambers.

2. **OPENING AND WELCOME**

The Speaker welcomed those present.

3. **ABSENT WITH LEAVE**

M Yali

4. **ABSENT WITHOUT LEAVE**

M Mbandana

N Ntengwane

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

The Speaker congratulated Cllr Foley on the birth of his daughter.

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

None

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

None

9. **DISCLOSURE OF INTEREST**

Cllr Ruth declared interest on 22/11/PDT19 and indicated that she is a member of the St. Francis Animal Rescue.

Cllr Dhludhlu declared interest on 22/11/PDT17 and indicated that he is a member of the Kouga Business Forum.

The Speaker indicated that the Councillors will be recused from the meeting when the declared items are tabled for discussion.

10. **STATUTORY MATTERS**

11. **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).

11.1 **REPORTS BY THE CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/11/PDT16 COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION:KOUGA LOCAL TOURISM ORGANISATION

Cllr Ruth presented the item.

Cllr Human enquired why the items were appearing on the agenda as they were tabled in the Council meeting of 28 October 2022.

The Speaker stated that it was brought to his attention that according to the amended Municipal Structures act, the majority of Councillors need to vote on an item. Previously it was the majority of Councillors present in a meeting and he apologised for not picking the error up at the last Council meeting.

In order to ensure compliance with the amended Municipal Structures Act, the items had to be tabled again. Since there are no changes and amendments to the items and or recommendations, Council does not need to wait for three months to table the items again. Council has 30 Councillors in total and all items need to have a minimum of 16 Councillors in support in order for the recommendations to carry.

Cllr Human thanked the Speaker for the clarity and further enquired why an item that did not carry has to be tabled again and whether it should not be tabled after three months.

The Speaker explained that when an item is not supported by the minimum of 16 Councillors as per the amended Municipal Structures Act, the item cannot be approved by Council. The item can be brought back immediately if there are no changes to the recommendations.

Cllr Human indicated that he has been clarified and indicated that he is not in support of the item, the poor Communities are not included in these developments.
There are no projects to promote Khoisan heritage or the Cultural Centre, there are tourism sites like Die Berg in Humansdorp which do not get any exposure.

Cllr Zana stated that the NGO's are silent when it comes to township economy and tourism, they are not featured in the pamphlets or brochures. The local communities are excluded from the marketing and development of tourism in Kouga hence they do not support the item as the ANC caucus. He further enquired whether the NGO received both the sponsorship and Grant in Aid as stated in page 7 in the background of the item.

The Speaker noted the comments and requested the Municipal Manager to clarify the sponsorship and Grant in Aid.

The Municipal Manager stated that there are two different policies for funding, one is the sponsorship policy which has its own criteria and the second one is the Grant in Aid with its own criteria. Sponsorship is a specifics project which has economic value for the Municipality in terms of the outcomes of the sponsorship. Grant in Aid is funding applied for by organizations who need funds for running specific tasks or projects.

The Speaker enquired whether sponsorships can be awarded on a yearly basis.

The Municipal Manager confirmed that sponsorships can be awarded on a yearly basis and sometimes the Municipality does award multi -year sponsorships.

Cllr Zana clarified that his question was whether the organization received the Grant in Aid funding and will now receive sponsorship funding in addition to the Grant in Aid as indicated in the item.

The Municipal Manager stated that the only application received from the organization is for the sponsorship not Grant in Aid.

The Speaker stated that there has been an indication of not supporting the item from two political parties, Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. Results of the poll will be announced to the meeting after each poll. He further indicated that due to him being a host he will not be able to vote on the poll hence he will indicate his vote verbally. All Councillors sharing a device must indicate their votes verbally as only one person can cast a vote on the poll per device. He then requested all Councillors to vote on the poll.

The Speaker recorded his vote verbally in favour of the item.

Cllr Valgee recorded her vote verbally not in favour of the item.

In favour:17
Not in favour: 8

The recommendations carried.

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R300 000 (Three Hundred Thousand Rands Only) all-inclusive, to the non-profit organization, Kouga Local Tourism Organization.

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

22/10/PDT17 <u>COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: KOUGA BUSINESS FORUM</u>

Cllr Dhludhlu was recused from the meeting.

Cllr Ruth presented the item.

Cllr Human stated that he is not in support of the item as there is no business support for local SMME's. There was an item tabled to Council on Business Forums from the disadvantaged communities which were to sign MOU's with the Municipality but that never transpired. There are no developments by Municipality which ensure the utilisation of local SMME's as service providers to benefit from the services rendered by the Municipality to the public.

Cllr Zana stated that they are not in support of the item, there is no indication in the item of what the forum will be doing. Local SMME's are not mentioned in this business forum, he further concurred with the latter speaker on the local SMME forum.

The Speaker stated that there are two political parties who indicated no support for the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He further stated that due to him being a host he will not be able to vote on the poll hence he will indicate his vote verbally. All Councillors sharing a device must indicate their votes verbally as only one person can cast a vote on the poll per device.

The Speaker recorded his vote verbally in favour of the item.

Cllr Gunuza indicated that she is having issues with voting on the poll and recorded her vote verbally as not in favour of the item.

Cllr Valgee recorded her vote verbally as not in favour of the item.

In favour: 16
Not in favour: 9

The recommendations carried.

Cllr Dhludhlu was allowed back to the meeting.

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R100 000 (One Hundred Thousand Rands Only) all-inclusive, to the non-profit organization: Kouga Business Forum.

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

22/10/PDT18 <u>COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANIZATION: JBAY ANIMAL RESCUE</u>

Cllr Ruth presented the item.

Cllr Nkilishane stated that he is not in support of the item as the poor communities are struggling with ablution facilities. He pleaded with the Municipality to prioritize its people over animals.

Cllr Zana stated that they are not in support of the item, the animal rescue does not service all areas in Kouga including Patensie, Thornhill and Gamtoos valley.

Cllr Human stated that he is not in support of the item and requested that his comments be captured for the upcoming items as well. Animals should not be prioritised above the needs of the people. He further quoted that Council diverted funds from ward development fund to mitigate drought.

Cllr Dhludhlu stated that a Municipality is responsible for not only its people but its environment and its animals as well, hence there are applications for blue flag status to protect the marine life and environment.

The Speaker stated that three political parties indicated no support for the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He further stated that due to him being a host he will not be able to vote on the poll hence he will indicate his vote verbally. All Councillors sharing a device must indicate their votes verbally as only one person can cast a vote on the poll per device. He further requested Cllr Gunuza and Cllr Valgee to indicated their votes verbally.

Cllr Gunuza recorded her vote verbally as not in favour of the item.

Cllr Valgee recorded her vote verbally as not in favour of the item.

Cllr Human indicated that he was unable to access the poll on his device and recorded his vote verbally as not in favour of the item

The Speaker recorded his vote verbally as in favour of the item.

In favour:16
Not in favour: 7

The recommendations carried

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R85 000-00 (Eighty-Five Thousand Rands Only) all-inclusive, to the non-profit organization: J-Bay Animal Rescue.

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

22/10/PDT19 <u>COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: ST FRANCIS ANIMAL RESCUE</u>

Cllr Ruth was recused from the meeting.

The Speaker requested Cllr Jantjes to table the item on behalf of Cllr Ruth.

Cllr Jantjes presented the item.

The Speaker stated that on the previous item Cllr Human indicated that his comments should be captured on PDT19 and PDT20, he then enquired if this was still the case.

Cllr Human confirmed Speaker's statement on capturing his previous remarks for both items.

Cllr Human stated that he is not in support of the item and requested that his comments be captured for the upcoming items as well. Animals should not be prioritised above the needs of the people. He further quoted that Council diverted funds from ward development fund to mitigate drought.

Cllr Zana stated that they are not in favour of the item as these are area based organizations, he further indicated that they are not against animals but rather raising issues of priorities. He then requested the organizations to indicate the specific areas which they operate in as they are not servicing the whole Kouga. He proposed that the Municipality should investigate the option of an umbrella body for such organizations in order to service all the areas in Kouga.

The Speaker stated that two political parties indicated no support for the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He further stated that due to him being a host he will not be able to vote on the poll hence he will indicate his vote verbally. All Councillors sharing a device must indicate their votes verbally as only one person can cast a vote on the poll per device. He further requested Cllr Gunuza and Cllr Valgee to indicated their votes verbally.

Both Councillors did not respond to the Speaker.

The Speaker recorded his vote verbally as in favour of the item.

In favour: 16
Not in favour: 7

The recommendations carried.

Cllr Ruth was permitted into the meeting.

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R85 000-00 (Eighty-Five Thousand Rands Only) all-inclusive, to the non-profit organization: St Francis Animal Rescue.

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

22/10/PDT20 COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SPCA)

Cllr Ruth presented the item.

The Speaker confirmed with Cllr Human on repeating his comments as previously indicated and the Councillor agreed.

Cllr Human stated that he is not in support of the item and requested that his comments be captured for the upcoming items as well. Animals should not be prioritised above the needs of the people. He further quoted that Council diverted funds from ward development fund to mitigate drought.

Cllr Zana stated that in the absence of the umbrella body for the organizations in order to service all the areas in Kouga, they will not support the item.

The Speaker stated that two political parties indicated no support for the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He further stated that due to him being a host he will not be able to vote on the poll hence he will indicate his vote verbally. All Councillors sharing a device must indicate their votes verbally as only one person can cast a vote on the poll per device. He further requested Cllr Gunuza and Cllr Valgee to indicated their votes verbally.

Both Councillors did not respond to the Speaker.

The Speaker recorded his vote verbally as in favour of the item. He further noted a message from Cllr Gunuza on the Zoom chats stating that they are having network issues and are voting not in favour.

In favour: 17
Not in favour: 9

The recommendations carried.

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R250 000-00 (Two Hundred and Fifty Thousand Rands Only) all-inclusive, to the non-profit organization: Society for the Prevention of Cruelty to Animals (SPCA).

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

22/10/PDT21 <u>COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: NATIONAL SEA RESCUE INSTITUTE (NSRI)</u>

Cllr Ruth presented the item.

Cllr Zana proposed that the organizations should submit report back on the utilisation of the funds and how the Community has been assisted. He further indicated that they do not support the item.

The Speaker supported the suggestion of getting reports from the previous financial year. And further stated that a political party indicated no support for the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He then requested Cllr Gunuza and Cllr Valgee to indicated their vote via the Zoom chats as they are having connection issues.

Cllr Gunuza recorded her vote as not in favour of the item via Zoom chat.

Cllr Valgee recorded her vote as not in favour of the item via Zoom chat.

The Speaker recorded his vote verbally as in favour of the item

The Executive Mayor recorded his vote verbally as in favour of the item.

In favour: 17
Not in favour: 8

The recommendations carried.

Resolved (11 November 2022)

1. That Council approves sponsorship for the 2022/23 financial year for R250 000-00 (Two Hundred and Fifty Thousand Rands Only) all-inclusive, to the non-profit organization: National Sea Rescue Institute (NSRI).

2. That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1) above.

11.2 **REPORTS BY THE PORTFOLIO CHAIPERSON: CORPORATE & DIGITAL SERVICES**

22/11/CDS7 MOBILE DATA ALLOWANCES FOR COUNCILLORS

The Executive Mayor tabled the items for Corporate & Digital Services.

Cllr Jantjes presented the item.

Cllr Zana noted the item.

Resolved (11 November 2022)

1. That the report be noted.

2. That the R300 mobile data allowance be applied in terms of section 11A of the amended Upper Limits Gazette, no. 47437.

22/11/CDS8 ESTABLISHMENT OF A SECTION 79 COMMITTEE

Cllr Jantjes presented the item.

Cllr Human indicated that he supports the item as tabled and hoped that there will be more input and activities from the Committee as a section 79.

Cllr Ndzelani requested the Committee to not duplicate MPAC functions.

Cllr Zana stated that in principle the item is supported but the functions should not be confused with the scope of MPAC. He further indicated that the M&E Portfolio Committee only had a meeting once yet there was an MMC paid on a regular basis without tabling any reports to its Committee. He then proposed that the matter be referred to MPAC for investigation.

Cllr Dhludhlu stated that there was work done under M&E and there is a portfolio of evidence to support the statement as the section was working internally. He then stated that it would be fruitless to submit the issue to MPAC for investigation.

The Speaker allowed Cllr Zana a point of clarity.

Cllr Zana stated that Cllr Dhludhlu is privileged to have seen such reports, he further indicated that the ANC caucus stands by the item being referred to MPAC for investigation as there were costs incurred by the Municipality and there is a reason to move the Committee from a section 80 Committee to section 79.

The Speaker requested Cllr Zana to mute in order to allow the point of order.

Cllr Bornman raised a point of order and stated that what Cllr Zana is rising on is not a point of clarity, the Councillor is making the same statement again and a Councillor can only speak once on an item.

The Speaker noted the point of order and indicated that Council will have to vote on the item as there are Councillors not in support of the item. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote.

Cllr Zana enquired what will Council be voting on as they indicated that they are in support of the item as the ANC caucus.

The Speaker indicated that the voting will be for the new proposal to submit the item to MPAC for investigation, he then enquired whether there is a seconder for the proposal.

Cllr Oliphant seconded the recommendation.

The Speaker stated that there will be two polls for the item, the first poll will contain the recommendations as is on the agenda. The second poll will be for the amended recommendations as indicated by Cllr Zana. Council will have to vote via a poll which will pop up on the screen for all Councillors to indicate their vote. He then requested Cllr Gunuza and Cllr Valgee to indicated their vote via the Zoom chat as they are having connection issues.

Cllr Oliphant raised a hand.

The Speaker recognised Cllr Oliphant.

Cllr Oliphant enquired whether Councillors coming with proposals for MPAC investigations will be suffocated by vote yet they have rights to make proposals to Council.

The Speaker indicated that the democratic process is being allowed to continue in terms of recognising the proposal and tabling it for a vote, there are currently two proposals on the table hence Council needs to vote. If a Councillor feels that the item should be tabled to MPAC they can submit a letter in writing to the Speaker and the Municipal Manager and Council will attend to the request. He then tabled proposal one by Cllr Jantjes for voting.

Cllr Bornman indicated that he is unable to vote on his device and recorded his vote verbally as in favour of the recommendation as is.

The Executive Mayor indicated that he is unable to vote on his device and recorded his vote verbally as in favour of the recommendation as is.

The Speaker recorded his vote verbally as in favour of the item as is.

Cllr Gunuza recorded her vote verbally as not in favour of the item as is.

Cllr Valgee recorded her vote verbally as not in favour of the item as is.

In favour: 18
Not in favour: 6

The Executive Mayor indicated that the poll came through on his device after he had recorded his vote verbally and it might have been counted twice.

The Speaker confirmed that it was counted twice and corrected the voting score as 18 in favour. He then tabled proposal two by Cllr Zana with the added recommendation that the matter be referred to MPAC for investigation. He requested Cllr Gunuza and Cllr Valgee to indicate their vote.

Cllr Gunuza recorded her vote verbally as not in favour of the added recommendation.

Cllr Valgee recorded her vote verbally as not in favour of the added recommendation.

The Speaker recorded his vote verbally as not favour in of the added recommendation.

Cllr Zana raised his hand and requested the Speaker to start the voting afresh as some of the Councillors were not aware which recommendation was being voted for, hence they incorrectly voted not in favour. He requested that the poll be regarded as a spoilt ballot.

The Speaker granted the request and proposed that Councillors should listen carefully, he then requested Administration to re-start the poll.

The Executive Mayor recorded his objection to re-running the vote.

Cllr Gunuza interjected the Executive Mayor and stated that she and Cllr Valgee incorrectly voted.

The Speaker requested Cllr Gunuza to mute her device.

The Executive Mayor continued that the request for the spoilt vote has been indicated but the voting should not be starting afresh, the votes

should have been indicated as spoilt and the relevant Councillors be issues with new ballots to vote.

The Speaker thanked the Mayor and indicated that it will be reflected on the minutes that the ANC requested a re-vote as some of their members voted incorrectly and spoilt the ballots.

Cllr Gunuza recorded her vote verbally as in favour of the added recommendation.

Cllr Valgee recorded her vote verbally as in favour of the added recommendation.

The Speaker recorded his vote verbally as not in favour of the added recommendation.

In favour: 5
Noti in favour: 15

The recommendations carried

Resolved (11 November 2022)

1. That the report regarding the establishment of members to section 79 committee, be noted;

2. That Council resolve to establish a ***Monitoring and Evaluation Committee*** as follows:

2.1.1 That Council resolves that **Cllr M van Niekerk** be elected as chairperson of the *Monitoring and Evaluation Committee.*

2.1.2 That Council resolves that the following Councillors be elected as members of the Monitoring and Evaluation Committee:

- Cllr M Biko
- Cllr C August
- Cllr L Maree
- Cllr D Benson
- Cllr K Ndzelani
- Cllr E Mbuqu
- Cllr L Nkilishane
- Cllr W van der Linde
- Cllr B Human

3. That the Terms of Reference for the Monitoring and Evaluation Committee be drafted and referred to a future Council meeting for approval.

4. That the Committee becomes effective as of 1 January 2023.

12. **CLOSURE**

The meeting closed at 12:50

_____ _____

B WILLIAMS **DATE**
SPEAKER

REPORTS BY THE KOUGA AUDIT COMMITTEE (KAC)

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

KOUGA AUDIT COMMITTEE

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/KAC1**

MINUTES OF THE KOUGA AUDIT COMMITTEE

1. Introduction

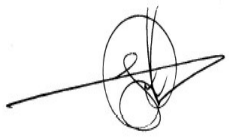
The purpose of this item is to inform Council of the minutes of the Kouga Audit Committee meeting.

2. Background

Council is advised that the Kouga Audit Committee had a meeting on 27 May 2022. The minutes of the respective meeting are attached for ease of reference.

3. Recommended:

3.1 That the minutes of the Kouga Audit Committee be noted.



Item approved by the Kouga Audit Committee Chairperson:

MINUTES OF A VIRTUAL KOUGA AUDIT COMMITTEE MEETING HELD ON FRIDAY, 27 MAY 2022 AT 10:00

PRESENT	Mr G. Billson	(Chairperson)
	Mr R. Coetzer	(Member)
	Mr Y. Ngqele	(Member)
COUNCILLORS	Cllr W. Gertenbach	(Portfolio Chairperson: Finance)
	Cllr J. Alexander	(MPAC Chairperson)
OFFICIALS	Mr R. Lorgat	(CFO)
	Mr C. du Plessis	(Municipal Manager)
	Ms N. Machelesi	(Director: Community Services)
	Ms K. Moodley	(Director: Corporate Services)
	Ms F. Mabusela	(Director: Planning, Development & Tourism)
	Mr A. Koegelenberg	(Manager: PMS)
	Mr F. Jamal	(Manager: Risk & Internal Audit)
	Mr I. Fakir	(Internal Auditor)
	Ms L. Opperman	(Manager: Legal Services)
	Ms M. Jantjies	(Committee Clerk)
	Ms N. Mazibuko	(Scribe)

1. OPENING AND WELCOME

The Chairperson welcomed everyone present and read the notice convening the meeting.

2. APOLOGIES

Ald. B. Williams	(Speaker)
Mr D. de Jager	(Deputy Municipal Manager)

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 MINUTES OF THE KOUGA AUDIT COMMITTEE MEETING HELD ON 24 FEBRUARY 2022

The Chairperson noted that there is no matters arising schedule and requested that it be included so that items are monitored for completion. He stated that a draft copy of a matters arising schedule was forwarded and it highlights the date of the matter, the nature of the matter, the person responsible and when the matter is expected to be finalised. He requested that a schedule be prepared for the next KAC meeting.

He referred to page 6 and enquired on the revised adjustment budget that was supposed to be distributed to the committee.

The Manager: Risk & Internal Audit confirmed that the revised adjustment budget was not distributed and stated that all the items that are supposed to be included in the matters arising schedule will be identified and included.

The Chairperson referred to page 8 (KAC3) and highlighted that the Audit Action plan still has not been submitted. On page 9, he highlighted that the updated Word document of the charter, with tracked changes has also still not been circulated. He stressed that resolutions need to be captured accurately to what was agreed to in the meetings.

On the Occupational Health and Safety General Compliance Review resolutions, the Chairperson stated that a number of resolutions were made and have to be actioned. On page 10, the Chairperson highlighted that the Unauthorized, Fruitless and Wasteful register as well as the contingence liability register has also not been circulated.

Resolved: (27 May 2022)

That the minutes of the Kouga Audit Committee meeting held on 24 February 2022 be accepted.

4. DECLARATION OF INTEREST

None of the members of the committee had anything to declare.

5. MATTERS FOR DISCUSSION

22/05/KAC1 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO APRIL 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2022 (2021/22 FINANCIAL YEAR)

The Chairperson noted that the overdue consumer debts amount does not indicate the final amount after the increase was imposed, so the reader has no context. He recommended that the final amount be included for context purposes in the report.

He referred to page 14 and enquired on the reasons why a creditor would not be reflected in the creditors age analysis.

The CFO explained that there is a process of inserting invoices on the system in order to centralise and control payments within 30 days. The invoices are received and captured by Expenditure and are forwarded to the relevant departments. For example a project requisition and order would be processed after work has been done and an invoice is received.

The Chairperson requested clarity on the ABSA withdrawal column under the Investment Portfolio table.

The CFO explained that the column represents a subtraction of the R21,097 shown under adjustments and that it was an end of month withdrawal.

The Chairperson enquired on the 'bank' row of the Investment Portfolio table and the difference between 'bank' and the banking institutions shown at the top of the table.

The CFO confirmed that the banking institutions are investment accounts and 'bank' is the primary account.

The Chairperson referred to Annexure A1 and requested clarity on the inclusion of the 'Monthly Actual' column.

The CFO stated that the column shows progress for a particular month.

Mr Ngqele noted the R118,639 million anticipated deficit in Annexure A1 and enquired whether this deficit is still anticipated.

The CFO referred to page 19 on expenditure and stated that expenditure was 75% for the third quarter and is now sitting at 73.23%.

The Chairperson referred to page 17 on Revenue by Source and enquired on the necessity of having a year to date budget.

The CFO stated that in the current year, the 'year to date' budget was not weighted but a request was made for the budget to be weighted in the following year, especially when it comes to transfer rates and subsidies because they are received in portions. The annual rates are upfront in the financial year, so they are reduced for the rest of the year.

On water and electricity, he stated that seasonal timelines were planned since usage increases during the colder months and decreases during the warmer months.

The Chairperson enquired on whether rental agreements are being managed and renegotiated ahead of time before the termination date.

The CFO responded that there is a process, under the Planning, Development and Tourism department, where all property matters are dealt with and where leases are forwarded to the Finance department and managed by the Assets department.

He outlined that advise is also provided to the Planning, Development and Tourism department on all the leases to determine whether an extension is required, if not, another lease is considered for appointment.

The Chairperson referred to page 18 on Fines, Penalties and Forfeits and noted that the adjustment budget reflects the Fines, Penalties and Forfeits as reduced to R794 million but the report indicates that the amount is now R400 million more. He enquired on the adjustment budget review process.

The CFO clarified that the amount was R400 000 not R400 million and that the amount was a result of the drive to clamp down any non-compliance by Community Services since more fines were submitted during the Easter period.

The Chairperson enquired on whether the finance charges debt has been paid.

The CFO confirmed that the final payment was made at the end of April 2022.

The Chairperson referred to page 20 on the Call Centre and enquired on whether the adjusted budget should be decreased considering the actual amount.

The CFO explained that the adjusted budgets are determined when user departments motivate for any user funds that are less than what was identified to be spent and committed. The call centre amount reflects the amount that was committed to be spent by the respective department.

The Chairperson enquired on whether the Consultants and Professional Services amount will be increased since there is an adjusted budget of R6 million for the next 2 months.

The CFO responded that targets need to align to the operational budget where there are targeted savings.

The Chairperson raised concerns on the low spending on maintenance and highlighted that maintenance is important in preventing future disasters. He enquired on whether there is a delay in the maintenance schedule.

The CFO stated that there has been an increase in the maintenance requisitions and that a portion of the budget is utilised to ensure that any future maintenance can be performed.

The Chairperson raised further concerns on the maintenance of water infrastructure considering the drought situation and highlighted that

nothing was spent on the water saving initiatives. He enquired on whether action was taken on the initiatives.

The CFO confirmed that water saving initiatives were initiated.

The Chairperson enquired on the credit of R15 000 on 'other'.

The CFO stated that a follow-up will be conducted on the amount.

The Chairperson enquired on the adjusted budget amount for the Registration Fees of Professional and Regulatory Bodies.

The CFO explained that the Registration Fees of Professional and Regulatory Bodies amount is spread across the entire institution and includes all the different bodies that officials belong to.

During the budget process, the different user departments had budgeted an amount for the registration fees but there was no paper work submitted in relation to the payment of the annual registration.

The Chairperson enquired on whether the Third Party Vendors amount is likely to materialise.

The CFO confirmed that the amount will materialise as there was an error before the adjustment budget was determined where R4.5 million was not included in the original budget.
In the absence of the amount, a suspense account was used to make payments specifically towards the electricity vending service provider.

The Chairperson referred to page 23 and raised concerns on the maintenance of water infrastructure.

The CFO stated that there are ongoing water initiatives to preserve and maintain water and that the budget should be spent fully especially with the ongoing drought situation.

The Internal Auditor stated that R12.5 million was received for drought funds and that the expenditure is expected to be fully utilised by the end of the financial year.

The Chairperson referred to page 24 and enquired on whether the Capital Expenditure and Funding amount for the full year forecast for National Government will be achieved.

The CFO stated that the Capital Expenditure and Funding amount is a conditional grant, however, the MIG projects are being monitored to ensure that they are implemented on time. The majority amount will be spent and will be recognised as revenue.

The Chairperson referred to page 29 and enquired on the reasons for the forecast amount being indicated if DPSA was paid in April 2022.

The CFO explained that the adjustment must still be processed since the statement is for the month of April 2022.

The Chairperson referred to page 30 and noted the adjustment budget deficit of R80 052. He enquired on the status of the draft budget for 2023.

The CFO stated that the draft budget was approved by Council on the 31st of March 2022 where recommendations were made to have a public participation process where the proposed changes will be presented to the communities.

The changes made include changes to water and sanitation tariffs, refuse from 6% to 7%, electricity to 8.61% and revenue collection from 94% to 95%.

He explained that all the departments have to realign their budgets after the final budget has been completed and assessed by National Treasury, in terms of funding. National Treasury has confirmed that the budget is funded and will be forwarded to the Council meeting of the 31st May 2022 for approval.

The Chairperson enquired on the surplus/deficit of the confirmed budget and whether it is breakeven.

The CFO stated that the amount is still a deficit as a result of the non-cash items for depreciation and debit.

The Chairperson requested the exact amount of the deficit.
The CFO responded that the total deficit is R110 million before capital expenditure. After the capital expenditure deduction of R40 million, the total deficit stands at R70 million.

The Chairperson enquired on the amount of the non-cash items.

The CFO stated that the non-cash items amount is R145 million which reflects a positive cash flow.

The Chairperson enquired on whether management is invited to the Audit Committee meetings for participation in the budget review process.

The CFO responded that the process does not exclude the Audit Committee, anyone can participate in the process.

The Chairperson indicated that in other municipalities the Audit Committee is usually invited to the management review process.

The CFO stated that invitations can be sent out upon request.

The Chairperson referred to page 31 and noted the different total amounts for Governance and Administration for the year-to-date budget and the full year forecast. He requested clarity on the different amounts.

The CFO responded that the statement will be looked into.

The Chairperson noted the year-to-date budget amount for Executive and Council and enquired on how the amount will be covered.

The CFO explained that the table on page 31 indicates the different streams of revenue, the Executive and Council amount could be the expected contributions from donors.

The Chairperson highlighted that the forecast amount is similar to the adjusted budget amount which could result in unexpected adjustments, whereas the objective of a forecast is to recognise operational changes to ensure that there is value in a forecast.

He enquired on whether there is comfort in the forecast amount being similar to the adjusted budget amount.

The CFO stated that the actual forecast amount is not used optimally but is only adjusted during an adjustment budget process since each user department must motivate that the budget is required and will be spent. He further stated that the projections made by the Finance department does not change every month but once in a year.

The Chairperson stressed that a forecast should consider amendments that need to be made. He referred to page 32 and enquired on the 'Name of Vote'.

The CFO responded that the Kouga votes are setup in relation to the 6 Directorates instead of the National Treasury templates.

The Chairperson referred to page 37 and enquired on the credit amount for 'Other' under Income Source.

The CFO stated that the amount reflects the deposits that are refundable.

The Chairperson noted that the 'Households' customer group amount is the highest, with the majority of debts being over 1 year, and enquired on the action that has been taken against the households that owe debts over 1 year and whether there have been any legal handovers.

The CFO stated that the Debtors Collection Policy will be implemented which will outline the process on collections and handovers. He highlighted that the Eskom supplied areas cannot be blocked, moreover there are no mechanisms in place for collections as a result rates increase on a year-to-year basis.

The Debtors Collection Policy was submitted for review and stricter measures will be introduced. He stated that if 94% - 95% of debts are collected then 5% of the debts will be added to the debtors balance year-to-year.

He admitted that prescriptions are an issue when it comes to three years but prescriptions are intervened by the Municipality continually when notices and accounts are issued. He highlighted that it is difficult to collect outstanding debt from people who cannot afford to pay even though requirements have been adjusted in the Policy to ensure that payment arrangements are established.

The Chairperson enquired on whether the R171 million on households for debtors owing over 1 year has been written off.

The CFO confirmed that the amount is not written-off.

The Chairperson referred to page 39 on the 'Overview of Creditors Position' and enquired on the bulk electricity credit amount for 181 days – 1 year.

The CFO stated that a follow up will be conducted on the amount and on the bulk water credit amount for 181 days – 1 year. He mentioned that there is a query with the Nelson Mandela Bay Metro Municipality which is being resolved.

The Chairperson enquired on the reasons why the Trade Creditors amount over 1 year has not been settled.

The CFO stated that there is currently a dispute on 2 invoices on work that has not been signed off due to the work not being completed. However, payment will be processed once the work is completed.

The Chairperson referred to page 41 and enquired on the reasons for the difference between the MIG adjusted budget amount and the year-to-date actual amount.

The CFO explained that the amount is operational expenditure so it should be linked directly to the 5%.

The Chairperson referred to page 42 and enquired on what the expenditure amount for the Financial Management Grant (FMG) is being spent on, in relation to supporting reforms in financial management and capacity building.

The CFO explained that the FMG is received from National Treasury and that a plan on how the grant will be spent must be formulated. The current municipal plan includes employee costs which involve the Financial Management Programme for interns.

He stated that technical support may be required by the Municipality in preparing financial statements, a part of expenditure is allowed for the preparation of financial statements especially for valuations and employee benefits where the landfill provisions require an external party.

He further highlighted that there is a section of mSCOA that speaks to training initiatives and the implementation of corrective measures and that the entire plan must be submitted to National Treasury, which will assess whether the plan meets the set criteria.

The Chairperson enquired whether the unspent Municipal Infrastructure Grant (MIG) and rollover amounts will be utilized.

The CFO stated that a number of invoices have been received and that weekly meetings have been held with the Department of Public Works and Infrastructure on the progress of spending. Two risks, the Mini Food Market Project and the Sports field Project, were identified in the previous Audit Committee meeting.

He stated that a large portion of the MIG funding is linked to the Hankey Sanitation Project, where a saving was planned however the next phase of the project was initiated, and the Roads Project, which will be fully implemented.

He indicated that the total risk for the projects is just under R2 million.

The Chairperson referred to page 43 and requested clarity on the DORA allocation year for the 4 boreholes in Humansdorp and the cost incurred.

The CFO responded that the development and equipping of the boreholes involves the whole process in getting the boreholes to working capacity and usability. The Disaster Relief Funding was received in March 2022 for the boreholes.

The Chairperson enquired on whether the development and equipping of the 4 boreholes is estimated at R12.5 million.

The Director: Corporate Services responded that the entire project is not estimated at R12.5 million however the R12.5 million was allocated for the servicing of the boreholes and for them to be connected to the water treatment works in Humansdorp. The process of initializing the boreholes was done prior to the budgeted R12.5 million.

The CFO added that a formal process was followed in terms of the initiation of the boreholes.

Resolved to recommend: (27 May 2022)

1. That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

3. That the report be noted by Kouga Audit Committee.

22/05/KAC2 KOUGA LOCAL MUNICIPALITY FINAL INTERNAL AUDIT REPORT: PERFORMANCE INFORMATION REVIEW - QUARTER 2 (2021/22)

The Chairperson requested clarity on why the 'means of verification' are noted as 'unspecified'.

The Internal Auditor explained that when a KPI is designed, the evidence to support the KPI has to be established, there is reliance on the Institutional Support Scorecard to identify the type of evidence that will be used. Therefore, the means of verification being 'not specified' means that there was no evidence to verify the KPI.

The Chairperson highlighted that the Executive Mayor raised concerns on the recent performance valuations that were conducted and portfolios of evidence and stressed that attention needs to be focused on the matter to avoid repetitive discussions at the next performance review.

He enquired whether anything has been done on the oversight of the development of KPI's in determining the means of verification and measurability.

The Manager: PMS responded that a process of amending the SDBIP for the current year was held where a means of calculation for performance evidence was included as of the 1 March 2022, the means of verification have been specified.

The Chairperson commended that the report addresses the concerns and challenges that were identified in the performance review and stated that the proposal of a workshop is excellent.

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC3 KOUGA LOCAL MUNICIPALITY FINAL EXPENDITURE RISK REGISTER FEBRUARY 2022

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC4 KOUGA LOCAL MUNICIPALITY FINAL STRATEGIC RISK REGISTER APRIL 2022

Mr Coetzer referred to page 92 on the first risk exposure being extreme and enquired on whether the constraints were financial or if the organogram was not fully utilised to accommodate the insufficiency of staff.

The Manager: Risk & Internal Audit responded that the risk is 'extreme' because the impact was superior, the controls in place were not taken into account. If the controls are taken into account then the inherent risk exposure would decrease to 'moderate'.

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC5 KOUGA LOCAL MUNICIPALITY INTERNAL AUDIT REPORT: SUPPLY CHAIN MANAGEMENT REVIEW - QUARTER 2 (2021/22)

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC6 KOUGA LOCAL MUNICIPALITY ICT RISK REGISTER WITH UPDATES

The Chairperson referred to page 108 on the lack of user awareness and training and enquired on whether the system has built-in security measures in terms of access control. He further enquired on whether the identified risk is capturing incorrect data.

The Manager: Risk & Internal Audit responded that the issue is not that there are no access controls but that the user needs to be trained more on using the relevant applications.

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC7 PROGRESS VS INTERNAL AUDIT PLAN MAY 2022

The Manager: Risk & Internal Audit indicated that the Chairperson's prior request to include percentages will be implemented.

Resolved to recommend: (27 May 2022)

1. That the report be noted.

22/05/KAC8 DRAFT KOUGA STRATEGIC RISK REGISTER 2021/22 - WITH PROGRESS UPDATED MAY 2022

Resolved to recommend: (27 May 2022)

1. That the report be noted.

The Committee requested that the following items be included in the prospective KAC Agendas:

1. The invitation of the AGSA to KAC meetings as required by the MFMA.
2. The confirmation of the Agenda.
3. The Internal Audit Plan and 3-year Strategic Plan be included at least once every quarter.
4. An Internal Audit and AGSA findings tracker to ensure that the KAC follows up the resolutions made.
5. The Internal Audit Assessment and KAC assessments until completion.
6. The quarterly reviewing of the Irregular, Fruitless, Wasteful and Unauthorized expenditure register.
7. The final budget for 2022/2023.
8. The performance management report.
9. The fraud hotline to determine whether any fraud investigations need to be undertaken. The hotline needs to be reviewed as a separate item by the in-committee and Internal Audit.

10. The Internal Audit Plan and delegations in terms of the number of available hours for specific projects.

11. The Municipal Policies and Changes register which would identify changes to higher level policies within the Municipality. The register needs to be submitted to the KAC for review and possible comments.

12. A summary document of Internal Audit and Auditor General's findings per Directorate which will serve as evidence that includes details pertaining to findings that have been addressed or will be addressed for each Directorate.

The Chairperson stated that templates of the items will be forwarded to the Internal Audit team as a guidance.

6. DATE OF NEXT MEETING

26 August 2022.

7. CLOSURE

The Chairperson thanked everyone present and declared the meeting closed.

The meeting adjourned at 12:02

MR. G. BILLSON
CHAIRPERSON

13/10/2022
DATE

REPORTS BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/MPAC1**

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. Introduction

The purpose of this item is to refer to Council the minutes of the Municipal Public Accounts Committee.

2. Background

Council is advised that the Municipal Public Accounts Committee had a meetings on 21 June 2022, 21 July 2022, 18 August 2022, 1 September 2022, 22 September 2022 and 20 October 2022. The minutes of the meetings are attached for ease of reference.

3. Recommendation

3.1 That the minutes of the Municipal Public Accounts Committee be noted.

Item prepared by the MPAC Chairperson:

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 21 JUNE 2022 AT 8H00 IN THE COUNCIL CHAMBERS

Present:

Committee Members

Cllr J. Alexander (Chairperson)
Cllr M. Biko
Cllr R. Foley
Cllr F. Heystek
Cllr H. Murray
Cllr W. van der Linde

Officials	Mr C. du Plessis	(Municipal Manager)
	Mr D. de Jager	(Deputy Municipal Manager)
	Mr R. Lorgat	(CFO)
	Mr T. Madatt	(Acting Director: I&E)
	Ms M. Rossouw	(Manager: Administration and Auxiliary Services
	Mr A. Koegelenberg	(Manager: PMS)
	Mr F. Jamal	(Manager: Risk and Internal Audit)
	Ms N. Machelesi	(Director: Community Services)
	Ms P. Setlai	(Committee Clerk/Scribe)
Stakeholders	Ms L. Mostert	(Public Representative)
	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson requested Ms. Mostert to open the meeting with a prayer. The Chairperson apologized for the misunderstanding and miscommunication regarding the venue booking which resulted in the meeting being rescheduled. He further thanked the members for availing themselves at such short notice.

2. **DECLARATION OF INTEREST**

None

3. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

3.1 **ABSENT WITH APOLOGY**

Cllr. B Human
Cllr. C August

Ms. F Mabusela	(Director: PDT)
Ms. L Opperman	(Manager: Legal Services)
Ms. K Moodley	(Director: Corporate Services)

3.2 **ABSENT WITHOUT APOLOGY**

Cllr P. Oliphant
Cllr L. Nkilishane
Cllr M. Mbandana

4. **NOTICE OF LEAVE OF ABSENCE**

To be confirmed in writing or e-mailed to the MPAC Chairperson after consent has been given by the Speaker

5. **PRESENTATIONS**

None

6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Confirmation of a Municipal Public Accounts Committee meeting held on 19 May 2022.

Resolved to Recommend (21 June 2022)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 19 May 2022 be accepted with the following amendments:

    - That the initials of Mr Lorgat to be corrected, on **page 5**.
    - That the recommendation on **page 8,** paragraph 3 be rectified to read: That the CFO confirms that the policy allows for property to be valued and added to valuation roll with rates charged prior to issuing of an occupational certificate.

Proposed by: Cllr W. van der Linde Seconded by: Cllr H. Murray

7. **MATTERS FOR DISCUSSION**

The Chairperson stated that there needs to be an urgent follow-up with the Speaker regarding the absenteeism of Cllr Oliphant since the establishment of MPAC, as he never attended any formal meeting nor rendered any apologies. He further stated that point number 4 on the agenda must form part of the terms of reference and the Notice of Leave should be confirmed in writing or email to the MPAC Chairperson after consent has been given by the Speaker.

22/06/MPACC1 **MPAC RESOLUTIONS AS AT 19 MAY 2022**

The Chairperson noted the incorrect sentence in point 3.1 to be rectified.

The Chairperson stated that MPAC needs to have a meeting prior the formal meeting as there are certain issues which require discussions and interaction and it is important that the agenda, action sheet and minutes are discussed before formal meetings.

Resolved to Recommend (21 June 2022)

1. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 19 May 2022 be noted.

22/06/MPACC2 **INSTITUTIONAL PERFORMANCE REPORT: 2021/22 FINANCIAL YEAR: PERIOD: 1 JULY 2021 TO 31 MARCH 2022**

Adv Klopper referred the committee to **page 14** and stated that he wants to understand the action that was taken against the contractors or whether there are any potential flaws in the supply chain process which led to contractors default in their appointments.

The CFO responded and stated the contract terminations were not linked to supply chain processes and were about performance of the contractor. He further stated that there was poor performance and the contract was terminated based on poor performance.

Adv Klopper enquired whether the contractor information was reported to National Treasury. The CFO stated that all contract terminations are reported National Treasury to be placed on the blacklist of Treasury.

Resolved to Recommend (21 June 2022)

1. That the institutional SDBIP Implementation Performance Report for the period 1 July 2022 to 31 March 2022 be noted.

22/06/MPACC3 **WRITE-OFF OF FRUITLESS AND WASTEFUL EXPENDITURE**

The Chairperson noted that the date needs to be amended on the agenda under the recommendation, on point 5 of the item.

The Municipal Manager stated that the expenditure is at its lowest and the measures are working, with the small amounts needing to be fixed.

The Municipal Manager commended the efforts to reducing the expenditure to the lowest point and the idea is to getting the expenditure to zero.

Ms Mostert commented and suggested that for auditing purposes, the stamps on the statements should be signed and verified with the required name and date. The Municipal Manager stated that the next step is to have the negligent officials pay a fine of the interest incurred from fruitless and wasteful expenditure, to get the message across and will discuss with management. He further stated that there are instances where there are queries and proper controls are in place to ensure that the service is rendered.

The CFO acknowledged the comments and stated that the unsigned document possibly did not go through however there are processes in place. He further stated that the statements were processed during the Covid year, with electronic approvals. He further stated that the reviews were audited by Auditor General and there were no findings on expenditure.

The Chairperson commended the CFO, officials and the Municipal Manager for reducing the expenditure to current expenditure. The Deputy Municipal Manager concurred the Chairperson's comment.

Resolved to Recommend (21 June 2022)

1. That the write-off fruitless and wasteful expenditure report be noted.

2. That in accordance with Section 32(2)(b) of the MFMA, the fruitless and wasteful expenditure in the amount of R37 528, incurred during the 2020/2021 financial year, be certified as irrecoverable and be written off.

3. That in accordance with Section 32(2)(b) of the MFMA, the fruitless and wasteful expenditure in the amount of R7 647, incurred during the 2021/2022 financial year, be certified as irrecoverable and be written off.

4. That the Municipal Manager implements the necessary control measures, in order to prevent a recurrence of instances of fruitless and wasteful expenditure.

22/06/MPACC4 **WRITE-OFF OF IRREGULAR EXPENDITURE**

The Chairperson requested the members to look at the report and the Auditor General's findings and the member's inputs would be appreciated.

The Municipal Manager stated that the irregular expenditure cases submitted in the item were emergency situations and procurement was required immediately to avoid impact on service delivery. He further stated that where deviations are done, it must be ensured that a competitive process was done.

The CFO stated that in previous years, the irregular expenditure was high and in 2021 the irregular expenditure has decreased. He further stated that there is a lack of understanding in terms of deviations. He further stated that emergency instances require deviation and where Supply Chain processes cannot be followed and explained the various incidents where irregular expenditure was acquired and stated that the Auditor General queried approach followed.

Resolved to Recommend (21 June 2022)

1. That the write-off of irregular expenditure report be noted.

2. That in accordance with Section 32(2)(b) of the MFMA, the Irregular expenditure in the amount of R1 079 310, incurred during the 2019/2020 financial year, be certified as irrecoverable and be written off.

3. That in accordance with Section 32(2)(b) of the MFMA, the Irregular expenditure in the amount of R261 222, incurred during the 2020/2021 financial year, be certified as irrecoverable and be written off.

The Chairperson referred the committee to **page 8** and stated that the item regarding the Beach Spit is sub judice and will be referred to once judgement is made and the item be noted.

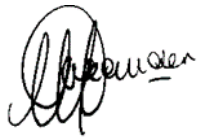
5. **DATE OF NEXT MEETING**

To be confirmed

6. **CLOSURE**

The Chairperson thanked the Committee and all officials present for attending the meeting.

The meeting adjourned at 09:08.



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CLLR J. ALEXANDER **DATE**
CHAIRPERSON

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 21 JULY 2022 AT 09H00 AT THE NEWTON HALL

Present:
Committee Members

Cllr J. Alexander (Chairperson)
Cllr M. Biko
Cllr R. Foley
Cllr F. Heystek
Cllr H. Murray
Cllr W. van der Linde
Cllr B. Human

Officials	Mr C. du Plessis	(Municipal Manager)
	Ms L. Opperman	(Legal Manager)
	Mr F. Jamal	(Manager: Risk and Internal Audit)
	Ms N. Machelesi	(Director: Community Services)
	Ms F. Mabusela	(Director: PDT)
	Ms K. Moodley	(Director: Corporate Services)
	Ms P. Setlai	(Committee Clerk/Scribe)
Stakeholders	Ms L. Mostert	(Public Representative)
	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson welcomed everyone present and requested Cllr Murray to open with a prayer. The Chairperson stated that MPAC is an important oversight structure that needs to ensure everything within the municipality is running according to the legislation and as the Chairperson, he is highly disappointed at the lack of interaction from committee members. He further requested Councillors to follow up on reports submitted to the committee as one of the functions of MPAC is to interrogate reports submitted. He stated that he is aware that the committee does not have an investigator, however it is the role of the Councillors to fulfill that role. He further stated that approval has been given by the Municipal Manager for the committee to apply for a researcher and stated that a prior meeting is needed two days before main MPAC meetings with the Councillors for interaction.

2. **DECLARATION OF INTEREST**

None

3. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

3.1 **ABSENT WITH APOLOGY**

Cllr. C August	
Cllr L. Nkilishane	
Cllr P. Oliphant	
Mr D. De Jager	(Deputy Municipal Manager)
Ms M. Rossouw	(Manager: Administration & Auxiliary Services)
Mr R. Logart	(Chief Financial Officer)
Mr T Madatt	(Acting Director: Infrastructure & Engineering)

3.2 **ABSENT WITHOUT APOLOGY**

None

4. **NOTICE OF LEAVE OF ABSENCE**

To be confirmed in writing or e-mailed to the MPAC Chairperson after consent has been given by the Speaker.

5. **PRESENTATIONS**

None

6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Confirmation of a Municipal Public Accounts Committee meeting held on 21 June 2022.

Resolved to Recommend (21 July 2022)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 21 June 2022 be accepted with the following amendments:

    - The matter of the St Francis Bay Beach Spit to remains on the action sheet and reflected as ongoing.
    - The minutes to state that the matter of the St Francis Bay Beach Spit is sub judice and to remain on the action sheet and reflect as ongoing.

Proposed by: Cllr R. Foley Seconded by: Cllr F. Heystek

7. **MATTERS FOR DISCUSSION**

22/07/MPACC1 MPAC RESOLUTIONS AS AT 21 JUNE 2022

The Chairperson stated that the St Francis Bay Beach Spit item is to remain on the action sheet and reflect as ongoing.

The Municipal Manager stated that the item is under the office of the Municipal Manager. He explained that the legal case is regarding the SRA and it is not connected to the issue of the Spit. He further stated that the Spit was funded by the Municipality and the Municipality had to complete its authorised programme, which has been completed.

He added that the SRA was to complete phase two, which the SRA has funded and they have been engaged to place new projects on hold, until the appeal process is complete. He further stated that current expenditure is for the security cameras.

Cllr van der Linde stated that his concern remains the St Francis Bay Spit and requests the Municipal Manager or Legal to engage Coastal Marine to try and get money back.

The Municipal Manager stated that this was previously discussed and the had requested the Legal Manager to engage the Legal Advisor, specialising in Environmental Affairs and that had advised the Municipality on the Spit previously . He requested Ms Opperman to give feedback of the meeting with the Legal Advisor.

Ms Opperman stated the Legal attorney was engaged and was given feedback from the MPAC meetings. She further stated that information is being compiled in order to submit the application with correspondence to the national department and once submitted, feedback will be given to the committee.

The Chairperson stated that all completed items should be removed from the action sheet.

Resolved to Recommend (21 July 2022)

1. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 21 June 2022 be noted.

22/07/MPACC2 **WAIVING OF BUILDING CONTROL PENALTY FEES FOR ERF 875 JEFFREYS BAY RESIDENTIAL DEVELOPMENT**

The Chairperson stated that in the previous meeting, there were questions regarding the verbal authorisation given and it is not included in the findings of the report. He further stated that there are no recommendations made in the report and requested Director: PDT to respond.

The Director: PDT stated that the request from the committee was to supply a follow up report, outlining the details of preceding to the request made that who are the officials that had given the verbal authorisation and it is within the report. She further stated that recommendations were not included in the report as the committee had to scrutinise both the report and the CFO's input to develop recommendations for Council.

Adv Klopper stated that he observed from the report that the verbal approval given seems to have been given at a meeting and no minutes were attached and it lacks the formality of the approval required. He referred to the last sentence in paragraph 3.6 on **page 14** and stated that there was no effort made prior to resolve the matter.

Cllr van der Linde suggested that the committee should meet, in order to conduct an oversight over the matter and develop decent recommendations.

Ms Mostert enquired whether it is the Developer's first time developing in Jeffreys Bay as she feels a developer should have approval in writing before developing. She further enquired whether the Developer previously defaulted on payments or had a similar case that the committee could look at.

The Municipal Manager stated that approval for the layout plan was given by the Deeds office. He further stated that the when the building plan was submitted, OVVIO could not process it as the system was not updated yet. He further stated that the Developer was under pressure to have the show houses built, however the developer could not complete the process because the OVVIO system would not allow the submission of the building plan and that is where the verbal approval was given to continue.

The Municipal Manager encouraged the committee to look into what transpired. He further stated that it was the Developer's first time developing in Kouga.

The Director: PDT stated that the verbal approval was not given at a formal meeting and that after the penalties were issued, the department picked up that there was a verbal approval communication.

The Chairperson stated that the committee will compile a report on the item with strict recommendations and actions that need to be taken. He further stated that verbal approval cannot be given for a project this big as there are risks involved.

He further stated that there are certificates that need to be issued and if the officials issue anything, it should have been in writing.

Cllr Mbandana stated that it is not the first time that the municipality faced this issue and believes there is a high risk in the matter. He further stated that he supports recommendations or policy guidelines for the future.

Cllr Foley enquired whether it is possible for the department to provide details on the error that was on OVVIO at that time in order to understand whether it was an operational or communication issue.

The Municipal Manager stated that an investigation needs to be conducted for understanding. He explained that the developer subdivided the erf into ervens and was registered at the Deeds office. However, the OVVIO system was not updated with additional erfs and the Developer could not submit building plans as they do not appear on the OVVIO system.

He further stated that the penalties were issued once the system was updated. He stated the committee should understand the context of the situations when conducting investigations.

Cllr Foley stated that as a recommendation for the future, there needs to be something in writing that will state that the necessary steps will be bypassed with the necessary permission to have a clear understanding for the verbal approval.

Resolved to Recommend (21 July 2022)

1. That the waiving of building control penalty fees for ERF 875 Jeffreys Bay Residential Development be noted.

2. That the MPAC committee will initiate a formal enquiry into the matter.

8. **DATE OF NEXT MEETING**

18 August 2022

9. **CLOSURE**

The Chairperson thanked the Municipal Manager, all officials and councillors present for attending the meeting.

The meeting adjourned at 09:58.



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CLLR J. ALEXANDER **DATE**
CHAIRPERSON

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 18 AUGUST 2022 AT 9H00 IN THE COUNCIL CHAMBERS

Present: Committee Members	Cllr J. Alexander (Chairperson)	
	Cllr C. August	
	Cllr F. Heystek	
	Cllr B. Human	
	Cllr H. Murray	
	Cllr L. Nkilishane	
	Cllr W. van der Linde	
	Cllr P. Oliphant	
Officials	Mr C. du Plessis	(Municipal Manager)
	Mr D. de Jager	(Deputy Municipal Manager)
	Mr R. Lorgat	(CFO)
	Ms N. Machelesi	(Director: Community Services)
	Ms L. Opperman	(Manager: Legal Services)
	Ms M. Rossouw	(Manager: Administration and Auxiliary Services)
	Mr T. Madatt	(Acting Director: Infrastructure & Engineering)
	Ms P. Setlai	(Committee Clerk/Scribe)
Stakeholders	Ms. L. Mostert	(Public Representative)
	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr Murray to open the meeting with prayer. The Chairperson welcomed everyone present.

2. **DECLARATION OF INTEREST**

None

3. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

3.1 **ABSENT WITH APOLOGY**

Ms K. Moodley	(Director: Corporate Services)
Mr F. Jamal	(Manager: Risk and Internal Audit)
Cllr M. Biko	
Cllr R. Foley	

Cllr M. Mbandana

3.2 **ABSENT WITHOUT APOLOGY**

Ms. F. Mabusela (Director: Planning, Development and Tourism)

4. **NOTICE OF LEAVE OF ABSENCE**

Cllr Oliphant enquired why consent has to be obtained from the Speaker because the committee has a chairperson. He further stated that a committee cannot be dependent on the Speaker, who is an executive, to give consent over a committee that conducts oversight. He enquired why apologies submitted to the Chairperson were not sufficient and if there is anything in writing that refers to such a process. He further stated that he is concerned that the Chairperson is abdicating his duties.

The Chairperson stated that no follow up was made with regards to the consent granted by the Speaker and the committee will have a discussion after the meeting.

5. **PRESENTATION**

None

6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

6.1 Confirmation of minutes of a Municipal Public Accounts Committee meeting held on 21 July 2022.

Resolved to Recommend (18 August 2022)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 21 July 2022 be accepted with the following amendments.

    - That the spelling error on **page 6** be corrected to "sub judice" .
    - That the recommendation to be added must read as follows "that the MPAC committee will initiate a formal enquiry into the matter" under 22/07/MPACC2.

Proposed By: Cllr W. van der Linde Seconded By: Cllr B. Human

7. **MATTERS FOR DISCUSSION**

22/08/MPACC1 MPAC RESOLUTIONS – 21 JULY 2022

The Chairperson stated that there was a request that all completed items were to be removed from the action sheet.

He further requested that a column be added to the action sheet where the dates which show when the relevant official did a follow up on the resolution.

Mr Lorgat referred to the item assigned to the Municipal Manager and stated that they need to be changed and assigned to the CFO. He referred to the first resolution of 22/05/MPACC4 and stated that occupational certificates are only one of the reasons that a supplementary evaluation can be initiated. In terms of S78(a)-(h) specifies all the reasons when a supplementary evaluation can be updated, and the Municipality's policy is in line with S78 of the Municipal Property Rates Act.
He further stated that those are all the instances where a supplementary evaluation is initiated.

Adv Klopper stated that when the occupational certificate was originally discussed, the implications of S78 has with it, as the CFO has rightly pointed out the provisions of a supplementary, one of those provisions indicated where there is a material increase and decrease in value, that is cause for supplementary evaluation roll.

He further stated that he understands the Municipality's resources are an indicator of how to apply the provision and urges the CFO to investigate the possibility of valuing properties before they are complete, and more municipalities are moving toward the trend of rating property when it is fifty percent complete.

He further stated that it would be in the interest of the Municipality to value property when it is under a material change and when property is going through various stages of development and the converse applies.

Mr Lorgat stated that the department is in the process of developing a process plan to ensure the flow between different departments occurs, as it has been a weakness in terms of timing.

He further stated that the department will ensure that inspectors report back with the percentage of completion, as part of the process flow and that can be factored in. He added that a benchmark will have to be developed and an internal discussion will be initiated to determine how to increase revenue.

Adv Klopper thanked Mr Lorgat for the response and stated that he would avail himself for any discussions with Mr Lorgat if he requires more information.

Resolved to Recommend (18 August 2022)

1. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 21 July 2022 be noted.

22/08/MPACC2 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO MARCH 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2022 (2021/22 FINANCIAL YEAR)**

The Municipal Manager referred to **page 15** and stated that a comma should be added before the surplus amount, to read "R,225 million". He further stated the after effect of Covid-19 and trying to equalise expenditure, the Municipality is down to last reserves and in the present financial year, the aim is to reach surplus and increase cash flow. He added that cash flow has been drastically negatively influenced and the present financial year is key to turning things around.

Adv Klopper commended the team for maintaining what appears to be a disappointing financial year according to Kouga standards, however the municipality has done very well compared to nationally. He enquired what is the approximate monthly bill for the Municipality.

Mr Lorgat stated that the monthly fixed costs are around 75 million and for one cost coverage, it is 75 million rands. He further stated that for Treasury norms it is between one and three ratios.

The Municipal Manager stated that with the assistance of external parties, the CFO is drafting a financial plan which will be tabled to Council and if approved, the ratios of targets will be fixed in order to budget accordingly and reach the set months for cost coverage. He further added that the financial plan is a crucial role and will be tabled to Council at the beginning of next year before the beginning of the next budget cycle and budget to achieve set ratios.

Resolved to Recommend (18 August 2022)

1 That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

8. **DATE OF NEXT MEETING**

22 September 2022

9. **CLOSURE**

The Chairperson thanked all Managers, Directors, officials and Municipal Manager for attending the meeting.

The meeting adjourned at 09:36.



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CLLR J. ALEXANDER **DATE**
CHAIRPERSON

MINUTES OF A SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 1 SEPTEMBER 2022 AT 8:15

Present: Committee Members	Cllr J. Alexander (Chairperson) Cllr C. August Cllr M. Biko Cllr R. Foley Cllr F. Heystek Cllr P. Oliphant Cllr H. Murray Cllr L. Nkilishane Cllr B. Human Cllr M. Mbandana	
Officials	Mr C. du Plessis	(Municipal Manager)
	Mr D De Jager	(Deputy Municipal Manager)
	Mr L. Lorgat	(CFO)
	Ms K. Moodley	(Director: Corporate & Digital Services)
	Ms N. Machelesi	(Director: Community Services)
	Mr T. Madatt	(Acting Director: I&E)
	Ms L. Opperman	(Manager: Legal Services)
	Ms M. Rossouw	(Manager: Administration & Auxilary Services)
	Ms N. Zode	(Scribe)
Stakeholders	Ms L. Mostert	(Public Representative)
	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson welcomed everyone present and requested Cllr Biko to open the session with prayer, he then indicated that the purpose of the meeting was to address the terms of reference for MPAC.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

2.1 **ABSENT WITH APOLOGY**

Ms F. Mabusela	(Director : PDT)
Cllr W. Van der Linde	

2.2 **ABSENT WITHOUT APOLOGY**

3. **MATTERS FOR DISCUSSION**

The Chairperson stated that there were a few things that need to be resolved in this session which includes the MPAC terms of reference and recording of apologies/ procedure for apologies submitted to MPAC. He further stated that he had a lengthy discussion with the Municipal Manager and there were a few things which are not in line with the MPAC terms of reference which must be resolved.

All Councillors report to Speaker and all Officials report to the Municipal Manager, apologies of Councillors for MPAC are supposed to be sent to the Speaker.

Cllr Oliphant stated that there is no regulation which indicates that MPAC members must account to the Speaker, he is only supposed to play an oversight role to MPAC as the presiding officer of Council. Portfolio Committee members send their apologies directly to the Portfolio Chairpersons and MPAC members should also report to the Chairperson of MPAC, he also indicated that there is no legislation stating that MPAC reports to the Speaker of Council. MPAC has a serious role to play and must be respected as such.

Adv Klopper concurred with Councillor Oliphant and indicated that he could not find any prescript which states that members of MPAC must seek consent from the Speaker's office prior to seeking consent from the Chairperson of MPAC, he also indicated that he does not want to dismiss the existence of the requirement indicated in the agenda. The officials are not members of MPAC, they can seek consent from the Municipal Manager, the Committee has powers to request or assign certain officials to attend MPAC, when officials are unable to attend they should seek consent from the Chairperson in writing.

Ms Mostert agreed with Adv Klopper and stated that it's the MPAC's responsibility to report Councillors to the Speaker when they don't attend meetings, unless there is something different in the Council rules of order which applies to MPAC.

Manager Legal stated that the officials are not members of MPAC and the Chairperson must request the attendance of officials/Directors through the office of the Municipal Manager, should a Director not be available they should advise the Municipal Manager and the Municipal Manager should advise the Chairperson.

The Chairperson stated that the Committee agrees that apologies should be sent directly to the Chairperson and not to the Speaker, that must be amended in the agenda and minutes of MPAC. Which officials are supposed to attend MPAC?

The Municipal Manager stated that everyone that is required to give clarity on the items in the agenda.

Cllr Oliphant stated that he agrees with the Municipal Manager, the officials of Council and Directors attend MPAC as per invitation because MPAC plays an oversight role on the Municipality including the Directors and Municipal Manager, MPAC may conduct an investigation on any item or report tabled.

The Chairperson enquired whether the Committee is in agreement that Officials and Directors will only be invited when required for clarity on items.

Adv Klopper proposed that when an official or a Director is invited to MPAC, they should receive only the item they are required to give clarity on and should not receive the whole agenda in order to maintain confidentiality. Officials are to be excused from the meeting after clarity has been sought.

CFO indicated that he has a different view, the finance section is his responsibility as the Director of the section but the information in finance reports is sourced from all other directorates, MPAC does oversight on capital projects and certain clarities are required on those capital projects, there might also be a report from I&E which has financial implication that finance must give clarity on, inviting just one Director for clarities on a certain item might not work as municipal function are cross functional which may require other Directors.

Adv Klopper stated that there might be instance where that arises but as mentioned, where it is relevant the relevant Director will be invited as MPAC holds meetings prior to the actual meeting to debrief and would identify which Directors are required for clarity.

Manager Administration enquired who will indicate to the scribe which officials must be invited to each meeting.

Cllr Human proposed inviting all Directors to the meetings and circulating the agenda to all the Directors to minimise discussing the same item over and over again due to not having a certain Director to clarify as they were deemed not relevant for the said item.

Cllr Oliphant re-iterated that only particular Directors should be invited based on an item relevant to them, time slots should be indicated for each Director on the agenda.

Cllr Heystek seconded Cllr Oliphant and stated that Directors have other responsibilities as well and should be invited to MPAC on an as and when requested basis.

Cllr Mbandana quoted the sections in the terms of reference and indicated that Directors will be invited based on the legislated reports which serve on MPAC as and when required as MPAC is a functional committee which conducts oversight and keep the institution on track.

The Chairperson enquired whether the Committee is approving the proposal made by Adv Klopper and supported by three Councillors or the proposal made by Councillor Human.

Cllr Foley stated that the Chairperson and the Municipal Manager can decide who needs to be invited for each meeting, he then enquired whether MPAC items will also rotate to the different directorates for comments by Directors as indicated in the SOP for item submissions?

The Municipal Manager stated that MPAC items are confidential in nature and therefore will not be following the SOP for item submission, Directors will not comment on MPAC items. He further stated that distribution of each MPAC agenda will be discussed by him and the MPAC Chairperson and communicated to the scribe after the agenda has been compiled.

He then mentioned that the leave of absence has been captured in the standing rules of order by-law which has been approved by Council and Committees must abide by the by-law which reads as follows;

" **22. Leave of absence**

22.1 ***Applications for leave of absence from any council or committee meeting must be submitted to the Speaker in writing and signed by the member applying for leave, and thereafter the member should notify the chairperson.***

22.2 ***All applications for leave must be submitted at least 12 hours before the starting time of the meeting, except where it is not reasonably possible due to unforeseen circumstances, and in which instance such an application for leave must be lodged with the Speaker within 10 days from the date on which the meeting, from which the member was absent, took place.***

22.3 ***The Speaker shall grant leave at his or her sole discretion, and the Speaker is at liberty to reject such an application for leave of absence.***

22.4 ***Leave will be deemed to have been granted if a councillor has been delegated to attend a meeting or engagement on behalf of the council.***

22.5 ***The onus rests solely on the individual members to sign the attendance register circulated at Council and Council committees' meetings."***

He then advised the Committee that unfortunately the leave of absence procedure is reflected in the by-law which has been gazetted and must be applied.

The Chairperson stated that he does agree with the by-law in essence but it is only relevant to Councillors and not to Officials, unless the by-law can be amended or rescinded it needs to be applied.

Manger Legal stated that in Council it was agreed that the municipality is in the process of amending the by-law, if its something that the Committee is contentious about it can be discussed when the by-law is tabled for a workshop.

Cllr Oliphant stated that he was going to propose the same approach as he just went through the establishment of MPAC guidelines from national treasury which the institution should have at its disposal, he welcomed the amending of by-law as it will clarify certain roles and aspects for MPAC.

Cllr Mbandana stated that SALGA offered to assist with regards to MPAC if the municipality needs such, MPAC needs a researcher that will assist the committee. The by-law needs to be reviewed, can SALGA be invited to the workshop where the by-law will be discussed. MPAC accounts to Council not to the Speaker.

Manager Legal advised that the Municipal Structures act amendment has revised the functions of the Speaker and additional functions have been granted to the Speaker which includes oversight of section 79 Council Committees such as MPAC.

Cllr Oliphant stated that there is nothing in the guidelines that talks about the Speaker, he then quoted national treasury guidelines as follows "the MPAC will report to Council on the activities of the committee". The by-law is incorrect in stating that MPAC apologies must go to the Speaker as the Committee accounts to Council not to the Speaker. He then encouraged the Chairperson to download the National Treasury guidelines and circulate them to the Committee. He then stated MPAC has legal personnel as part of the Committee who guide the Committee and so far they have concurred with all the inputs.

The Municipal Manager stated that the Committee should not have a narrow interpretation of the legislation, roles and functions of everyone involved in MPAC should be looked into as MPAC is a Committee of Council and reports to Council however the Speaker is the Chairperson of Council tasked with oversight of the Committees of Council and ensuring that they are functioning. Application for leave of absence to the Speaker enables him to ensure that Councillors are attending Committees which they are assigned to and when they don't attend they need to be removed or replaced, that does not mean that the Committee is reporting to the Speaker. All issues raised by the Committee on the leave of absence issue should be discussed when the by-law is tabled for review. After the amended municipal structures act the role of the Speaker has been given more functions.

The Chairperson agreed with the Municipal Manager on by-law review as Manager Legal stated correctly that the municipal structures act was amended in November 2021 which added more duties for the Speaker. He then stated that MPAC is not a monster or police, MPAC is doing oversight over the municipality and the roles and functions of MPAC are clearly stipulated, he then advised all Directors and officials to familiarize themselves with MPAC. He then requested that MPAC be given the same respect given to the office of the Municipal

Manager. MPAC does not report to the Municipal Manager or the Speaker and does not need any approval from the Municipal Manager or the Speaker when requesting information from officials for investigation.

Ms Mostert stated that when MPAC requests information and the request is not clear, the person being requested the information must keep the information confidential and should they require any clarity they should liaise with the Chairperson of MPAC or the Municipal Manager, shared emails with confidential information may jeopardize the investigation.

Cllr Mbandana concurred with Ms Mostert and emphasized on confidentiality in MPAC.

Cllr Oliphant stated that MPAC must develop a confidentiality clause to be signed by the Committee members and the scribe, it must be communicated clearly that MPAC is a body that is established according to an Act and anyone who disregards or undermines MPAC is directly contravening the regulations guiding the functions and powers of MPAC which will warrant consequence management which will be captured in a report to Council. It cannot be that an official of Council receives a confidential information request from the MPAC Chairperson for investigation and the individual seek advice from someone else. The officials who were invited to woltemade by the MPAC Chairperson and did not attend should account in writing or give reasons for non-attendance as it is a misconduct but the MPAC Chairperson has not reported the matter to Council. He then requested the Chairperson to ask for the information again and if there is any sign of being undermined then MPAC must elevate the issue to Council. Council will instruct the Municipal Manager to investigate and suspend. If MPAC investigates irregularities they must account to the public.

The Chairperson stated that he requested that the Municipal Manager and all Directors should attend this meeting or send a representative, two Directors left the meeting without a representative which is disrespectful and undermining the request, he then instructed the scribe to not share information when he requests information from the scribe and the scribe should not ask any permission from their superiors when given an instruction by the MPAC Chairperson, when it comes to MPAC the scribe only reports to the Chairperson and should not consult or seek advice from their Manager or Director or supervisor when requested to give information for MPAC.

CFO enquired about the line of request in terms of information because according to the understanding of officials when Councillors request information the request is supposed to come from the Municipal Manager's office, in this setup now is this still the case?

Manager Legal stated that MPAC cannot put the scribe of MPAC in such a position, there should be a warm body that does the investigation and coordinates the information for MPAC, a scribe cannot investigate or source information for MPAC as the job description does not accommodate such, the scribe is supposed to compile the agenda and capture minutes. If the Committee requires someone to coordinate the affairs of MPAC there should be someone appointed for such.

The Chairperson thanked Manager legal and stated that maybe he expressed it wrongly, the scribe will not be doing investigations but since she will be dealing with confidential information she should not share it with her superiors.

Adv Klopper stated that any request made by the MPAC Chairperson is sanctioned by the Committee, anything that is requested will be of the knowledge of the Municipal Manager, there are instance or special circumstances where the Municipal Manager might not be involved maybe his office might be investigated, MPAC is allowed to make direct requests from officials without involving the Municipal Manager but with interest of cooperation and efficiency the Municipal Manager will always be involved.

Cllr August stated that it is not proper for a scribe belonging to the institution under a Directorate to be a scribe of MPAC, they will want to report to their seniors and Managers and Directors and they will be asked to report on the happenings of MPAC and it will be difficult to keep the confidentiality, she then enquired whether there isn't a way for MPAC to appoint their own scribe and at the very same time safeguard the staff members.

The Chairperson stated the Deputy Municipal Manager might assist, there is an unfunded post for MPAC which falls under the Deputy Municipal Manager.

Deputy Municipal Manager agreed that there is a vacancy for MPAC, he will discuss with the CFO, Municipal Manager and the Mayor for funding as the post is more than a scribe and other municipalities have such a person, he further stated that he will revert to the Chairperson on the progress. He then stated that a circular should be done for the staff to be informed what MPAC is about.

The Chairperson stated that MPAC is under pressure for an item that was referred to MPAC for investigation but has not been investigated yet but will start soon and report to Council.

Cllr Oliphant concurred with Deputy Municipal Manager on the circular to be developed and circulated to all staff to put everyone at ease, he then stated that he happy about sourcing a scribe for MPAC as an internal scribe can be terrorized to reveal what was discussed in MPAC, the scribe accounts to a senior in a directorate. Any request for information will be signed by the Chairperson, it will not be done telephonically as MPAC must have a paper trail, proper process will be followed to access information.

It must be indicated in the circular that refusal not to cooperate or withhold information from MPAC will be an offense and will be regarded as a misconduct.

Deputy Municipal Manager concurred with Cllr Oliphant on request for information coming from one point of communication which is the Chairperson and must be signed as indicated.

Municipal Manager stated that 85% of what was referred to MPAC came from officials wanting to clean up, any information needed by MPAC for investigation will be provided, the Municipal Manager and Management team are committed to clean administration and want to work with MPAC and ensure transparency to the public.

Ms Mostert welcomed the decision of having one source requesting information as staff gets agitated when numerous sources request information.

The Chairperson thanked everyone for attending and their inputs.

Resolved (1 September 2022)

1. That Directors be invited to MPAC as and when required for clarity and only receive the item which they will give clarity on.
2. That the Municipal Manager and MPAC Chairperson will indicate to the scribe the distribution list for each MPAC meeting.
3. That requests for information for MPAC will be signed and communicated via email by the Chairperson on behalf of MPAC.

4. **DATE OF NEXT MEETING**

5. **CLOSURE**

The meeting adjourned at 09:50.

_____ _____

CLLR J. ALEXANDER **DATE**
CHAIRPERSON

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 22 SEPTEMBER 2022 AT 10:00 IN THE COUNCIL CHAMBERS

Present: Committee Members	Cllr J. Alexander (Chairperson) Cllr C. August Cllr F. Heystek Cllr R. Foley Cllr B. Human Cllr H. Murray Cllr M. Biko Cllr C. August Cllr L. Nkilishane Cllr W. van der Linde Cllr P. Oliphant	
Officials	Mr C. du Plessis	(Municipal Manager)
	Mr E. Goliath	(Acting Deputy MM)
	Mr R. Lorgat	(CFO)
	Ms K. Moodley	(Director: Corporate & Digital Services)
	Mr P. Molele	(Representing Director: PD&T)
	Ms L. Opperman	(Manager: Legal Services)
	Mr I. Fakir	(Acting Manager: Risk & Internal Audit)
	Ms M. Rossouw	(Manager: Administration and Auxiliary Services)
	Ms N. Zode	(Scribe)
Stakeholders	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr van der Linde to open the meeting with prayer. The Chairperson welcomed everyone present. He then indicated that Mr. E. Goliath is acting Deputy Municipal Manager and Mr. P. Molele is representing Director: PDT.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

2.1 **ABSENT WITH APOLOGY**

Ms N. Machelesi	(Director: Community Services)
Ms F. Mabusela	(Director: Planning, Development & Tourism)
Mr D. De Jager	(Deputy Municipal Manager)
Ms L. Mostert	(Public Representative)

2.2 **ABSENT WITHOUT APOLOGY**

None

3. **PRESENTATIONS**

None

4. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

Resolved to Recommend (22 September 2022)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 18 August 2022 be accepted.

   Proposed By: Cllr P. Oliphant Seconded By: Cllr B. Human

2. That the minutes of the Special Municipal Public Accounts Committee meeting held on 1 September 2022 be accepted.

   Proposed By: Cllr P. Oliphant Seconded By: Cllr R. Foley

5. **MATTERS FOR DISCUSSION**

Cllr Oliphant raised a point of order on the issue of the cameras installed in the Council Chambers, and the monitoring systems in the Speakers and Mayors' Offices. His main concern is with regards to the confidential issues discussed at MPAC. He stated that the Council Chambers is a legislature room and decisions such as installing cameras should have a Council resolution. He indicated that MPAC is a confidential committee and should not be held in a venue where other people can watch the proceedings.

Cllr van der Linde enquired whether there is audio or is it just recording pictures only.

The Chairperson requested the Manager Legal verify whether the cameras have audio.

Manager Legal indicated that the camera system does not have audio.

Cllr Oliphant stated that no one would install cameras without audio, and with or without audio the installation should not have been done in the Council Chambers. MPAC should investigate who took the decision to install the cameras in the Council Chamber. Legal guidance must be provided and the person who authorised the installation should be held responsible, and the cameras should be removed.

The Chairperson noted the comments of the Councillor and advised that due processes should be followed and the matter should be reported to the office of the Speaker and Council.

Cllr Oliphant stated that the Speaker's Office is implicated by the fact that the monitor is in his office, he enquired whether MPAC will prepare an item to Council. He further stated that he believes that the cameras have audio and recording.

Cllr Nkilishane concurred with Councillor Oliphant and proposed changing the venue for MPAC, as he has also seen the cameras and believes that the cameras are recording, and MPAC investigations could be compromised.

Adv Klopper stated that he would need to research the rationale behind the installation. Was there a Council resolution or is it just a matter of security?

The CFO stated that MPAC is open to the public and has public representatives, there is nothing confidential about MPAC.

Cllr Oliphant stated that MPAC is open to the public on non-confidential issues, when it comes to investigation issues it becomes confidential and is not open to the public which is his main concern.

The Municipal Manager stated that the cameras were installed for security matters, there were instances in the past where in the Council Chambers threats were made to Councillors and officials. He then proposed that the issue be tabled to the Speaker in order for him to advise on the matter.

The Chairperson stated that the matter will be tabled to the Speaker for his input, and after the feedback an investigation on the matter may continue.

Cllr Oliphant stated that when it comes to security matters there must be a security assessment done on the matter and the report must be tabled in Council for a resolution. The Council Chambers is a legislature and the Speaker is the presiding officer of Council. The Executive Mayor is not a presiding officer. There is an anomality in the applying of the decision of installation in the Speaker and the Mayor's office. MPAC plays a role of oversight on the Executive.

The Chairperson stated that a notification will be sent to the Speaker's office for his input and MPAC will start an enquiry on what led to the installation of the cameras in the Council Chambers.

22/09/MPACC1 **<u>MPAC RESOLUTIONS – 18 AUGUST 2022</u>**

The CFO stated that the action related to the rates which is indicated in the action sheet should be removed as it has been finalised.

The Chairperson indicated that the waiving of penalties item which was referred from Council to MPAC will be investigated and finalised soon in order to serve at Council.

Cllr Oliphant enquired on the time frames for the investigation.

The Chairperson stated that he requested inputs from members of the Committee regarding the item and it will discuss time frames and way forward for the investigation after the meeting.

Resolved to Recommend (22 September 2022)

2. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 18 August 2022 be noted.

22/09/MPACC2 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JULY 2022 (2022/23 FINANCIAL YEAR)**

The CFO stated the two issues will be picked up on the statements, first one being the high amount of cash back in the first month because of the equitable share. The other issue is the rates which are charged in the first month, and payments are done the following month. On the expenditure point the first month will not reflect much expenditure as award of tenders and planning occurs during the first month of the financial year once budget has been approved.

Resolved to Recommend (22 September 2022)

1. That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

3. That the Section 71(1) report for July 2022 be noted by the committee

22/09/MPACC3 **KOUGA MUNICIPALITY: DRAFT ANNUAL REPORT (2020/2021)**

The Chairperson enquired whether MPAC is 3 months behind schedule on handling the Annual Report since it was tabled in August 2022 to Council.

The CFO stated that the Draft Annual Report was tabled early in Council. As per legislation, the Draft Annual Report should have been tabled in January 2023, which gives MPAC time to prepare the Oversight Report and table it to Council in March 2023.

Cllr Oliphant stated that MPAC must do a comparison on what is captured in the Annual Report to what has been implemented on service delivery projects and whether they were part of the approved IDP, which is MPAC's role as the Oversight Committee.

Cllr Mbandana agreed with the previous speaker and requested timelines for the assessment of the Annual Report as there are SDBIPs and EQS and grants that must be assessed by MPAC.

Cllr Oliphant stated that each department in the directorate must be assessed, he made an example of the condition of the cemeteries around Kouga and stated that they are in the state of disaster. Physical site visits should be conducted to verify the information indicated in the Annual Report.

The Chairperson noted the comments and stated that MPAC Oversight will start shortly and the comparisons and site visits will be planned accordingly for oversight purposes.

Resolved to Recommend (22 September 2022)

1. That the Municipal Public Accounts Committee in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003 prepare an Oversight Report on the 2020/21 Annual Report for Kouga Municipality.

22/09/MPACC4 **INSTITUTIONAL PERFORMANCE REPORT: DRAFT ANNUAL PERFORMANCE REPORT: INSTITUTIONAL SDBIP - IMPLEMENTATION SCORECARD: 2021/22 YEAR**

The Municipal Manager stated that there Institutional SDBIP is tabled together with the Annual Report, there are updates which were done on the report and were submitted to Auditor General.

Cllr Mbandana stated that there is a long outstanding item on shortage of land in Patensie in terms of extension of the township, there was nothing done on the item but on the score card local economic development is indicated. In Kwanomzamo there is raw sewer and community animals drink in that sewer, there is no land for commonage yet animals get impounded.

Cllr Oliphant stated that a big sewer plant was built in Arcadia to ease the pressure on the Kwanomzamo, the state of that sewer plant is not in good working condition. Pounding animals is not the solution as the owners might not have money to pay for their animals.

The Chairperson stated that he had a meeting with the Kruisfontein emerging farmers, there are challenges in getting the emerging farmers to work together to get land availed to them.

Cllr van der Linde stated that time frames are very important in order to start with oversight.

The Municipal Manager stated that the Kwanomzamo Water Waste Treatment Works was supposed to be upgraded by the Department of Water Affairs. The project was registered with the Municipality, funding was received for the first phase as a multi year project. The plant was vandalised by the community, the Department of Water Affairs then failed to give more funding for the project. The Municipality resolved to register the plant under MIG and has also been allocated on the loan of the municipality as it will unlock building of houses.

The Chairperson stated that the Committee will also start an investigation on the facilities that are vandalised by community members, yet there are cameras on site and there is security personnel, cases are not reported to the police.

Cllr Heystek stated that he and Cllr Foley did an oversight on the control room and there are some needs identified, he then enquired on page 403 protection services budget and proposed that oversight must be done the security and protection services.

Cllr Foley enquired on page 433 whether provision had been made on the organizational structure for land use staff shortage.
The Municipal Manager stated that the problem is insufficient funding for the staff, and escalating the staff expenditure is another challenge and the municipality must keep the staff expenditure below 35%. There are two departments in need of staff namely Infrastructure and Engineering and the other one is Building Control. The Municipality is currently utilising the current staff component.

Cllr Oliphant enquired whether National Government did not have provision for assisting Municipalities with interns.

The Municipal Manager stated that the Municipality does get assisted with interns from SETA and other departments but there are certain skills required in certain positions. There are huge backlogs and the Municipality needs to start automating certain processes and training must be done for public and staff.

Resolved to Recommend (22 September 2022)

1. That the content of the Draft Annual Performance Report on the implementation of the 2021/22 Service Delivery and Budget Implementation Plan be considered as part of the oversight process on the 2021/22 Annual Report.

6. **DATE OF NEXT MEETING**

20 October 2022

7. **CLOSURE**

The Chairperson thanked the Committee and all officials present for their valuable input and for attending the meeting.

The meeting adjourned at 11:15.



_____ _____

CLLR J. ALEXANDER **DATE**
CHAIRPERSON

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON THURSDAY, 20 OCTOBER 2022 AT 10:00 IN THE COUNCIL CHAMBERS

Present: Committee Members	Cllr J. Alexander (Chairperson) Cllr C. August Cllr F. Heystek Cllr R. Foley Cllr B. Human Cllr H. Murray Cllr M. Biko Cllr M. Mbandana Cllr C. August Cllr L. Nkilishane Cllr W. van der Linde Cllr P. Oliphant	
Officials	Mr C. du Plessis	(Municipal Manager)
	Mr N. Swarts	(Representing CFO)
	Ms L. Opperman	(Manager: Legal Services)
	Mr I. Fakir	(Acting Manager: Risk & Internal Audit)
	Mr. A. Koegelenberg	(Manager: PMS)
	Ms N. Zode	(Scribe)
Stakeholders	Adv A. Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson read the notice convening the meeting and requested Cllr Foley to open the meeting with prayer. The Municipal Manager stated that the CFO sent Mr. N. Swarts to represent him. He further indicated that Mrs. K. Moodley was no longer in the employment of Kouga Municipality.

The Chairperson urged the Municipal Manager to request the Directors to attend the meeting and when they are unable to attend they need to send representatives as MPAC dates were approved in Council and are indicated in the Council calendar.

2. **APPLICATION FOR LEAVE OF ABSENCE / ABSENT WITH APOLOGY/ ABSENT WITHOUT APOLOGY**

2.1 **ABSENT WITH APOLOGY**

Ms N. Machelesi	(Director: Community Services)
Ms F. Mabusela	(Director: Planning, Development & Tourism)
Mr D. De Jager	(Deputy Municipal Manager)

Ms M. Rossouw	(Manager: Administration & Auxiliary)
Mr T. Madatt	(Acting Director: I&E)
Mr R. Lorgat	(CFO) – Represented by Mr. N. Swarts
Ms L. Mostert	(Public Representative)

2.2 **ABSENT WITHOUT APOLOGY**

None

3. **PRESENTATIONS**

None

4. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

Resolved to Recommend (20 October 2022)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 22 September 2022 be accepted.

Proposed By: Cllr B. Human Seconded By: Cllr F. Heystek

5. **MATTERS FOR DISCUSSION**

22/10/MPACC1 MPAC RESOLUTIONS – 22 SEPTEMBER 2022

Cllr Oliphant enquired on the action sheets of 19 May 2022, where a follow up meeting is indicated with specific officials and Councillors. He then urged the Chairperson to refrain from having sessions outside MPAC on issues which are tabled at MPAC as information might be distorted and compromise the credibility of MPAC. The officials and the executive form part of the scope which MPAC needs to play oversight on. Should there be any issue that needs to be clarified, the officials or Councillors should be invited to a formal MPAC meeting to give clarities required.

The Chairperson stated that the meeting never took place, the action taken needs to be revised as there are no meetings held outside MPAC. The action needs to indicate that the matter is still being investigated by MPAC. The responsible person will be MPAC Chairperson.

Cllr van der Linde clarified that they tried to get a political resolution on the issue but the meeting never occurred, it was a decision taken by MPAC that some members of MPAC should have a session with the Executive Mayor, Speaker and the officials but the meeting never took place.

The Chairperson stated that there needs to be a date of when the action sheet was updated because it would have reflected the reference of when the action was updated, he then thanked Cllr van der Linde for the clarity provided.

Resolved to Recommend (20 October 2022)

1. That the updated Action Sheets reflecting resolutions of the MPAC meeting held on 22 September 2022 be noted.

22/10/MPACC2 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2022 TO AUGUST 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 2022 (2022/23 FINANCIAL YEAR)**

The Municipal Manager presented the item.

Cllr Oliphant enquired whether there are any areas of concern that MPAC should take cognisance on.

The Municipal Manager highlighted the fuel costs going up due to loadshedding, as the generators need to be kept running for water pumps and sewerage and further indicated that a budget needs to be secured in the adjustment budget. The security around plants need to be prioritised as they get vandalised on a regular basis. The repairs and maintenance expenditure needs to get to at least 8% minimum which is currently a challenge for many municipalities.

Cllr van der Linde stated that his concern is the Eskom account going higher yet there is load shedding. He further indicated that in St. Francis Bay there was an issue with rates and there was a memo written by the Deputy Municipal Manager stating that there was a mistake on their account which will be rectified. There is a resolution taken by Council, how is that a mistake? Shouldn't Council be referring back the resolution for rescindment if it was a mistake?

The Municipal Manager stated that there was a problem which was picked up on one of the formulars that were used where the coma was indicated incorrectly, certain tariffs were too high and the issue was corrected. He further indicated that with Eskom its really difficult to say as he currently does not have figures in front of him, his understanding is that loadshedding does create a problem.

The calculation of what is charged depends on the maximum demand per month. When there is loadshedding which is scheduled, after the power comes back the demand for power goes up and not all areas are switched on at once. The big demand impacts the Eskom account.

Cllr Foley enquired on the contracted services, why is the Municipality contracting services for leak detection when the Municipality has a leak detection vehicle? And there was also funding received for the employees operating in the leak detection vehicle?

Mr Swarts indicated that he will enquire with the CFO and get back to the Committee on the issue.

Resolved to Recommend (20 October 2022)

1. That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

3. That the Section 71(1) report for July 2022 be noted by the Committee.

22/10/MPACC3 **KOUGA MUNICIPALITY: 1st DRAFT ANNUAL REPORT (2021/2022)**

Cllr Mbandana enquired on the trade receivables in terms of water and electricity, there is always a statement that there is 94% collection. However the Auditor General did raise the issue of loss in the annual report, how does the Municipality balance the losses on water and electricity. Is the Municipality up to date with roads and transport in terms of collection and payment?

The Municipal Manger stated that the losses on electricity should be around 8% on the system, the Municipality is trying to reduce the losses on electricity. There are also non revenue losses incurred on streetlights at 7.3%. water losses is indicated at 54% on non revenue and there are many issues which have an impact on the losses. The CFO is currently trying to replace meters in order to get accurate analysis. There are over two thousand households without meters, the Municipality is currently dealing with the challenge. There will be a physical verification on which places still require meters. Now that the Municipality is utilising boreholes there is a reduction on water.

The Chairperson stated that he had concerns on the water losses however the Municipal Manager addressed that there are measures in place to address the challenge. Is budget in place for the replacement of meters?

The Municipal Manager indicated that the Municipality applied for funding and the smart meters will be covered from the allocation.

Cllr Mbandana requested the Municipality to improve on the losses in order to balance the statement of financial position. However there is a disjuncture in terms of the policy on how to deal with the issue.

Cllr Heystek stated that there are other means of technology which can be used to monitor sites when there are no physical guards, and the service provider is supposed to have insurance when they are unable to guard a site, he indicated that he will liaise with the Municipal Manager.

Cllr Oliphant stated that there is a disconnect on the issue of actual budget on water and electricity, there are currently water restriction in Kouga which should have an impact on less water consumption, Community members indicated that there is no difference on their accounts in spite of water restrictions. He further stated that there are households which have meters that are hidden, but the meter readers would make up readings for such households and the Municipality issues out accounts to the public based on such readings.

The implementation of replacement of meters should be accompanied with amnesty for the households which have been receiving accounts from made up readings, where their meters are not visible for accurate reading. He further inquired whether Council took a resolution on sending traffic fines to the western cape for people to be blocked unless they pay their fines, the eastern cape province has no law on blocking people until they pay fines. Why use a western cape service provider to block eastern cape road users?

The Chairperson requested the Councillor to provide evidence to himself and the Municipal Manager on the issue for investigation.

Cllr van der Linde inquired whether there are monthly reports received on the leak detection, he indicated that there was a leak reported in front of his house and the leak detection team could not resolve it, the leak detection team struggled to get the system working. He then requested the Municipal Manager to organise training for the team. The team dug up in front of his house and they left the hole open.

The Municipal Manager stated that there are leak reports tabled at Portfolio Committee level. New technology takes time to be mastered, the equipment is of high quality and the Municipal infrastructure is not in similar quality which becomes challenging. All the meter readers report meters that they are unable to read and they take photos and give details of where the meter is, I&E has a team that follows up on the issues in terms of cleaning or fixing the meters.

Cllr Murray raised a point of two hundred and twenty houses without water meters.

The Municipal Manager stated that the human settlements project ran out of funds and could not fund the installation of water meters. Those are indigent households and calculations of water usage would have been covered by the indigent grant, the Municipality is currently doing estimations for those houses. He further indicated that the Municipality is looking at possibly increasing the allocation of free basic water from 12kl to 18kl, the Municipality is not getting the revenue anyway, if its increased the Municipality would be able to claim from indigent grant from government.

The Chairperson stated that MPAC should visit Oyster bay to check the meters which are no longer visible and identify issues and report back to the Municipality for actioning. He further proposed that the list of households that have restrictors installed should be availed to Councillors in order to be able to advise and assist the public when they query certain issues.

Cllr Oliphant proposed that the annual report be noted and all queries be submitted to the MPAC Chairperson.

Cllr Mbandana seconded the proposal.

The Municipal Manger stated that the Municipality pays the department of roads every month all obligations, he further stated that the was not aware about the issue of blocking road users for unpaid fines and will take the matter further.

Mr Koegelenberg stated that the annual report is tabled to MPAC for the purpose of preparing an oversight report which is due to be submitted in March 2023. In the past MPAC would invite Directors to give clarification on the issues raised, he then indicated that he looked at the MPAC schedule of meetings and some dates conflict with the period which the oversight report should be finalised. Legislation requires that the draft annual report be tabled to Council in January, immediately after that it must be made public for comments, there was an issue in the past where MPAC public participation process was not done within a reasonable period. The financial information is submitted after the AG report has been received around November. When the annual report has been finalised it must go back to MPAC. The MPAC meeting scheduled for 23 February 2023 will be challenging as the closing date for items will not be met, as the document will be advertised for a period of 21 days after Council in January 2023. He further stated that he will send the Chairperson an email explaining all the dates that should be revised in order to have everything submitted in time.

Cllr Oliphant stated that the institutional calendar and MPAC dates should be re-aligned, the annual report has been interrogated and the Municipal Manager has clarified some of the issues. If there are aspects that require clarification by certain Directorates they will be submitted in writing to the relevant departments for response.

The Chairperson thanked Councillor Oliphant and indicated that he will have a discussion with the Manager: PMS on the dates and will provide feedback to the Committee.

Resolved to Recommend (20 October 2022)

1. That the Municipal Public Accounts Committee in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003 prepare an Oversight Report on the 2021/22 Annual Report for Kouga Municipality.

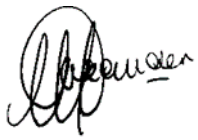
6. DATE OF NEXT MEETING

24 November 2022

7. CLOSURE

The Chairperson thanked the Committee and all officials present for their valuable input and for attending the meeting.

The meeting adjourned at 11:50.



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CLLR J. ALEXANDER **DATE**
CHAIRPERSON

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

REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/MM1**

COUNCIL RESOLUTIONS AS AT 28 OCTOBER AND 11 NOVEMBER 2022

1. Introduction

The purpose of this item is to provide a report back on progress of Council Resolutions.

2. Background

The Action Sheets reflect outstanding Council resolutions for all Directorates.

3. Comments by Directorates:

3.1 Acting Director: Corporate & Digital Services

Item noted

3.2 Director: Community Services:

Item noted

3.3 Acting Director: I & E:

Item noted

3.4 Chief Financial Officer:

Item noted

3.5 Deputy Municipal Manager

Item noted

3.6 Municipal Manager

The item is noted.

3.7 Director PDT:

Noted

4. Financial implications:

None

5. Legal implications:

None

6. Recommendation

6.1 That the updated Action Sheets reflecting resolutions of previous Council meetings, be noted.

Item prepared by: Acting Director: Corporate & Digital Services

Item endorsed by: The Chief Financial Officer

Item endorsed by: Director Planning, Development & Tourism

Item endorsed by: The Acting Director: Infrastructure & Engineering

Item endorsed by: The Director: Community Services

Item endorsed by: The Deputy Municipal Manager

Item approved by: The Municipal Manager

INFRASTRUCTURE & ENGINEERING: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
31-Mar-22	22/03/I&E1	RE: PROGRESS ON GRANT FUNDING (MIG, WSIG & EPWP) AS AT END DECEMBER 2021	the MIG rollover funding was fully spent for Sea Vista sports field facilities. Only internal funding will be rolled over. The project will be completed	Project has been completed	Manager: PMU	
	22/03/I&E2	STATUS OF THE WESTON WASTE WATER TREATMENT WORKS	That I&E present an updated report with a clear way forward at the next Portfolio Committee meeting .	project approved for MIG Registration at the DAC held on 16 November 2022,	Manager: PMU	
29-Apr-22	22/04/I&E3	WATER QUALITY REPORT	Hankey: Due to the Manganese and Iron levels exceeding the SANS limits, a treatment plant is under construction on the WTW site . The plant should be completed by mid-December 2022. The existing boreholes must be rehabilitated and set in operation . Target is to get the plant in operation by mid December 2022.	This water quality in Hankey will be addressed with the funding committed by the DWS, a activated oxidation processing package plant to treat the water is part of the application. Business plans have been signed approved. MOU between DWS and Kouga signed .		
			Jeffreys Bay: That due to the JBM boreholes(new boreholes) exceeding the Iron levels in terms of the SANS limits a treatment plant has been constructed on the site of the WTW. The plant has been completed but the boreholes must be retro-fitted with probes for monitoring purposes as required by DWS	Imp has been appointed and MOU between DWS and Kouga has been signed.		

		REPORT: ELECTRICAL MAINTENANCE REPORT JULY 2021 TO FEBRUARY 2022	That Law Enforcement actively police the theft of copper cables and illegal electrical connections.	Electricians are spending ample time opening cases on copper theft, this time could have been utilised more effectively to do electrical maintenance on infrastructure. Law enforcement to assist the electrical department arranging disconnections with SAPS. on going had a successful operation in ocean view.	Manager; Electricity	
	22/04/I&E9		That Eskom be engaged on the maintenance and repair of street lights in the Gamtoos Valley.	Eskom indicated telephonically that it will hand over streetlight maintenance in the Gamtoos area to Kouga. No official notification thereof was received, Eskom still considering how it will be handing the infrastructure over to Kouga, Eskom is also considering the amount of months Kouga paid for maintenance not provided.	Manager; Electricity	
	22/04/I&E10	**REQUEST FOR APPROVAL FOR THE DEVIATION FROM KOUGA MUNICIPALITY AUGMENTATION POLICY**	That the time period for the payment of the augmentation levies be set to 18 months and that the agreement be amended accordingly.	Before occupation Certificate is issued, augmentation to be paid,		
29-Jul-22	**22/07/I&E3**	**RE: REQUEST FOR INCREASE OF MIG FUNDING (BUDGET MAINTENANCE): UPGRADING OF GRAVEL ROADS IN KOUGA-HUMANSDORP**	That the Council support and approve the application to the Department of Cooperative Government and Traditional Affairs for an increase in total project funding for the MIG project: Form ID: 358972- Upgrading of Gravel Roads in Kouga-Humansdorp with an additional amount of R 5 595 161.86 (Incl. VAT).	Budget Maintenance was approved at the DAC Meeting heweld on 16 November 2022,	PMU Manager	
			That the priority list for gravel road upgrades be resubmitted to the I&E Portfolio Committee for noting.	List of Roads have been included in the registration for MIG Phase 2 of project. The list of roads will be submitted at the next I&E Portfolio Committee Meeting	PMU Manager	

31-Aug-22	22/08/I&E4	**REGISTRATION OF NEW PROJECT ON THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)- HIGH MAST LIGHT**	That the item be accepted and approved.	The Project was approved for registration at the DAC held on 16 November 2022, Planning Stage only.	November 2022 - Planning Stage only.	
	22/08/I&E8	**STATUS OF THE WESTON WASTE WATER TREATMENT WORKS**	That Council treat this as a high priority project.	the project was approved for registration at the DAC held on 16 November 2033 - Planning Stage only,	PMU Manager	
			That Council secure funding in order to safeguard the area as Kouga is not in compliance with the law in terms of safety.	Tender for Fencing is being prepared by PMU.	PMU Manager	
28-Oct-22	22/10/I&E1	**REQUEST TO AMEND THE CROSSWAYS SLA WITH AN ADDENDUM PROVIDING EXEMPTION FROM PAYING ADDITIONAL AUGMENTATION FEES FOR FURTHER PHASED CONSTRUCTION OF THE ORIGINAL CROSSWAYS DEVELOPMENT**	That an amendment be included in the SLA that the water supply not be disconnected from the supply network. This is necessary in case they require a water connection in future, the connection will still be available to the development, also that availability fees be levied against the development as per council approved tariffs.	According to the Legal Department, Crossways SLA Lapsed. Addendum not enforceable.		
			That Council approve only the exemption for the augmentation for the 750 units, and not for the 1 258, any units in addition to the 750 units to pay augmentation fees.	Resolution falls away		
			That 1. and 2. above be approved subject to the validity of the Service Level Agreement entered into between Crossways and Kouga Local Municipality.			
	22/10/I&E2	**APPLICATION OF FRACTIONS OF EQUIVALENT ERVEN (EE) FOR THE CALCULATION OF PAYMENT OF AUGMENTATION FEES**	That Council approve that the fractions of an Equivalent Erf (ee) be used for the calculation of augmentation fees payable.	According to Legal Department, only applicable to Erf 5563 Jeffreys Bay. Not all erven applications. Policy workshop to be held to discuss it.		
			That the Augmentation Policy be reviewed.	Legal Dept Action required,.		
	22/10/I&E3	**SERVICE LEVEL AGREEMENT FOR PORTION 26 OF THE FARM KLAAREFONTEIN No. 449 DIVISION OF UITENHAGE, PROVINCE OF THE EASTERN CAPE**	That the Kouga Municipality enter into an SLA with the owner of Portion 26 of the Farm Klaarefontein No.449, Uitenhage District.	Legal Dept busy with drawing up SLA		
			That the SLA will only be applicable to Portion 26 Of the Farm Klaarefontein No.449, Uitenhage District.			
			Any other portion or erf in the subject development, will be subject to the same principle of the owner had to enter into an SLA with Council.			
			That the finalized SLA be approved by the Municipal Manager as the delegated official.			

	22/10/I&E4	**2022/23 ADJUSTMENTS BUDGET FOR THE APPROPRIATION OF ADDITIONAL FUNDS RECEIVED**	That 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 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the adjustments budget by the appropriation of an amount of R57 400 000 and for the projects as set out below.			
	22/10/I&E5	**RE: ADJUSTMENTS BUDGET IN RESPECT OF MIG FUNDS WITHIN INFRASTRUCTURE AND ENGINEERING DIRECTORATE**	That 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 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed adjustments to the 2022/2023 and 2023/2024 Capital Budget:			

OFFICE OF THE MM: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
30-Jul-19	**19/07/MM4**	**RESCISSION OF A COUNCIL RESOLUTION – 17/8/F23 OF A COUNCIL MEETING HELD ON 31 AUGUST 2017**	That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.	Due to budget constraints the service provider could not be appointed - sufficient provision has been made on the adjustment budget and the process will now commence. Feedback at next meeting	Planning & Development	
30-Jan-20	**20/01/MM1**	**COUNCIL RESOLUTIONS FOR 12 DECEMBER 2019**	That the management/custodianship initiatives of all Kouga Sports fields in respective Wards be considered with public participation process to be followed **(refer to item 19/10/CS13 – Custodianship: Kruisfontein Sports Field).**	Draft Agreement submitted to Manager Parks & Community Amenities in December 2019.	Director: Community Services	
			That the relevant Directorate submit a status report on the development proposal on portion of erf 499: Humansdorp **(19/12/PD6)** be submitted to the next Council meeting.	Council subsequently approved the development of the Biomass Harvesting and Processing on Erf 499 - 20/07/CS7. Item is at BID SPEC	Director: PD&T and Director: Community Services	
31-May-21	**21/05/MM9**	**2019/20 ANNUAL REPORT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT**	That it be noted with concern that no attention was given to the Council priority of the conversion of bucket sanitation to more acceptable sanitation system and that an action plan for such conversions be submitted to Council without further delay.	Report not yet compiled	Director: I&E	
			That a report on community acceptance of the containerized sanitation for informal settlements be submitted.		Director: PDT	
			That measures be implemented to ensure that all consumers are billed for service received from Kouga Municipality.		CFO	
			That measures be implemented to reduce water losses to more acceptable levels.	drought mitigation task team established to implement water loss strategy	Director: I&E	
			That measures be implemented to reduce electricity losses to more acceptable levels.	Revenue manager & Electricity Manager monitor losses	Director: I&E	

17-Nov-21	**21/11/MM2**	**DECLARATION OF INTEREST OF COUNCILLORS**	That all Councillors submit the duly completed Declaration of Interest form to the office of the Municipal Manager before 17 January 2022.	Matter in progress	Office of the Speaker	
13-Dec-21	**21/12/MM2**	**REPORT ON DELEGATIONS REGISTER**	That the Municipal Manager be instructed to submit a report to the Mayoral Committee with recommendations on any changes to the Delegation Register mentioned in 1 above;	to form part of the agenda for the next Mayarol Committee - The internal review has not been completed yet	Legal Manager	
			That the Mayoral Committee submit recommendations thereon to the Municipal Council for resolution.	to form part of the Council Agenda following the next Mayoral Committee - to follow after internal review completed	Legal Manager	
31-Mar-22	**22/03/MM2**	**2020/21 ANNUAL REPORT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: OVERSIGHT REPORT**	That measures be put in place to staff the performance management unit, improve on the quality of performance information, improve on the quality of performance reports and the regular review of performance.	In process - the new IDP will include smart performance indicators		
			That the Mayoral Committee, as a priority, review the membership and functioning of the IT Steering Committee and hold the IT Steering Committee accountable to ensure that IT Service Level Agreements are in place,			
			That the performance of IT Service Providers are being monitored,			
			That the IT Strategy is reviewed and improved on that a skills plan for IT staff is developed and implemented and that the system access controls are significantly improved on.			
			That Supply Chain Management expedite the approval of contracts (BSC, BEC and BAC) for implementation of projects, because it delays service delivery and give rise to fruitless and wasteful expenditure.	Management has been giving attention to the process of expediting supply chain management meetings. Turn around times improved drastically. CFO has implemented measures to improve turn around		
			That the bulk water service agreement with the Nelson Mandela Metro be finalized.	In process. As part of the settlement agreement with NM Metro, our legal team is facilitating the new water service agreement.		
			That a new agreement with Department of Water and Sanitation for the provision of an increased water quota for domestic use by Kouga Dam be negotiated.	This is ongoing. Kouga Municipality has been raising this issue with the Dept. of Water and Sanitation with little success. We have managed to secure extra water		
			That the dramatic increase in growth rate and associated informal settlements be used to motivate for infrastructure grants from Government.	Upgrading of Informal Settlements has received funding. Continuous process		
			That a Repair and Maintenance Plan be drafted to ensure the realistic spending of the budget.	Ongoing		

			That the relocation of residents after removal from informal settlements and the removal of old shacks be guided by a Relocation Plan.	It will be the strategy followed by our Housing Section.		
			That new cemeteries be planned for Kouga and that the existing cemeteries be upgraded and fenced.	The need for new cemeteries will be on our new IDP. Cemetery upgrading is dependent on budget funding		
			That the Disaster Management Plan be updated and improved.	The District is drafting new plans for all municipalities in the district. Draft plans are complete and will soon be presented to Kouga Municipal Council		
			That all the Draft Policies be updated and finalized.	Updating and development of policies is a continuous process and done annually when needed.		
			That the increased expenditure on Employee Related Cost, Impairment Losses and Contracted Services be curtailed and that where possible, the entire Capital Budget be spent.	The CFO and MM has done an analysis in terms of Financial liability and by comparing with other municipalities, have identified areas for improvement		
			That the replacement of the bucket system and upgrade conservancy tanks to a waterborne system where possible be expedited.	The eradication of buckets will find new ……..with new housing projects being implemented and informal settlements upgrading taking place over the next 2 years		
			To negotiate with the Provincial Roads Department to take over the ownership of the roads that run through Kouga towns.	Formal negotiations need to take place / Formal Council resolution needed		
			That it be requested that both the EPWP and CWP programmes be referred to COGTA for their attention.	Meetings have been held with relevant departments regarding both EPWP and CWP to improve performance		
			That a marketing plan for Kouga Municipal Caravan Parks be drawn up.	New Manager Parks have been appointed and tasked to develop marketing plan for caravan park		
			That measures be implemented to ensure that all consumers are billed for services received from Kouga Municipality.	The CFO is busy with a data clearing exercise to ensure accurate billing for services.		
			That measures be implemented to reduce water losses to more acceptable levels.	Department I&E have installed zonal and other meters to be able to assess water losses and where they occur		
			That measures be implemented to reduce electricity losses to more acceptable levels.	Removal of illegal connection drives are being held. New smart metres will replace old electricity meters to reduce tampering and		
			That the KPI's for 2022/23 Financial year be reconsidered.	The new 5year IDP will contain new targets. New performance targets		
			That the report be workshopped after its adoption.	In process		

31-May-22	22/05/MM1	COUNCIL RESOLUTIONS AS AT 29 APRIL 2022	That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.			
			That the SPU unit establish a sports committee and that an item be tabled to Council.	Meeting is set for the 21st of July 2022 with DSRAC and SBDM Sports Council, way forward will be establish before Item goes to Kouga Council.	SPU	
29-Jun-22	22/06/MM6	COUNCIL RESOLUTIONS AS AT 31 MAY 2022	That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.			
	22/06/MM8	DRAFT POLICY ON WHISTLEBLOWING	That the Policy be communicated to all Employees by the Internal Audit Section.			
29-Jul-22	N/A	REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE	That the Sarah Baartman representative team meet, under the leadership of Cllr V Gunuza, to ensure that a report back is tabled at the next Council meeting.			
31-Aug-22	22/08/MM2	MEDIA REPORT: FOURTH QUARTER 2021/2022	That the Media and Communications Policy be workshopped at the next Policy Workshop, together with the Draft Communications Strategy-for noting.	Submitted	DMM	
	22/08/MM6	COUNCIL RESOLUTIONS AS AT 29 JULY 2022	That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.			
			That the report be tabled at the next Kouga Collective Meeting.			
	22/08/MM7	KOUGA MUNICIPALITY: FIRST DRAFT: ANNUAL REPORT (2021/2022)	That the First Draft Annual Report(2021/2022) be workshopped with Councillors.	Date of workshop to be finalised	MM	
			That corrections be submitted in writing to the Office of the Municipal Manager.			

CORPORATE SERVICES: ACTION SHEET COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
26-Feb-21	**21/02/CORP5**	**OHS RISK ASSESSMENT**	That all outstanding High-Risk areas be prioritized for immediate remedial action.	The item was on the agenda for 3 May 2022, but was not discussed. The item served at the June 2022 Porfolio where it was reported that the MM requested respective depts to send him a plan on the resolution of the risks. Plan not sent by depts **Update as at 20 Sept 2022** - The matter was discussed at Collective on 30 August 2022 where the Mayor expressed his concern that departments are not taking this matter seriously and instructed that a plan to resolve the matters, be submitted to the MM by Acting HR Manager as at 30 Nov 2022 - That a comprehensive report be submitted to the next portfolio meeting in 2023 about the non compliance of sections	All Departments	
30-Sep-21	**21/09/CORP7**	**OHS RISK ASSESSMENT**	That respective departments be given until 30 September 2021 to rectify all non-compliances.	Same as above	All Departments	
13-Dec-21	**21/12/CORP4**	**STRUCTURING OF THE MUNICIPAL COUNCIL: COMPOSITION OF MEMBERS TO SECTION 79 COMMITTEES**	That the Terms of Reference for the Rules and Ethics Committee be reviewed and referred to a future Council meeting for approval.	Current TOR has been provided to the elected chairperson. The review will be conducted by the Committee at the first meeting of the Committee, to be scheduled. **Updates as at 20 Sept 2022** - Legal Manager to advise of date of next Rules & Ethics Committee.		

<table>
<tr><td></td><td>22/06/CORP9</td><td>PROPOSED DRAFT STANDARD OPERATING PROCEDURE FOR AGENDA COMPILATION FOR COUNCIL AND COMMITTEE MEETINGS</td><td>That a Standard Operating Procedure for the preparation and distribution of minutes, memo’s and action sheets for Council and Committee Meetings be developed.</td><td>Update as at 20 Sept 2022- The draft SOP for Memo's, Minutes and Action Sheets will be tabled at Top Management on 10 Oct 2022. Update as at November 2022. SOP is still in draft stage. To complete by end Jan 23</td><td>Manager Administration & Auxiliary Services</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>29-Jul-22</td><td>22/07/CORP1</td><td>USE OF MUNICIPAL HOUSE AS A GUESTHOUSE – 2 DIANA CRESCENT, ST FRANCIS</td><td>That the necessary Consent Use Application process commence to formally obtain planning approval for the house to be used as a guesthouse.</td><td>Update as at 20 Sept 2022 - A requisition for appointment of an architectect to prepare the required plans and doumenents for the consent use applications. Awaiting order. Update as at Nov 2022, order received and plans submitted to Building Control</td><td>Director: Corporate Services</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">31-Aug-22</td><td rowspan="2">22/08/CORP14</td><td rowspan="2">CONNECTIVITY AND NETWORK ASSESSMENT REPORT</td><td>That funding as shown below be urgently made available to resolve the high priority connectivity issues that have plagued the Municipality for a long time.

<table>
<tr><th>ITEM</th><th>COST</th><th>CAPITAL BUDGET</th><th>OPERATIONAL BUDGET</th></tr>
<tr><td>Improved Network Connectivity</td><td>R243 480</td><td></td><td>R 243 480</td></tr>
<tr><td>Top Up – Monthly Connectivity Costs</td><td>R1 000 000</td><td></td><td>R1 000 000</td></tr>
<tr><td>New Routers</td><td>R129 480</td><td>R129 480</td><td></td></tr>
<tr><td>Local Server Space</td><td>R10 000</td><td>R10 000</td><td></td></tr>
<tr><td>Invertors(10 of 45)</td><td>R180 000</td><td></td><td>R180 000</td></tr>
<tr><td>TOTAL LESS NETWORK MONITORING TOOL</td><td>R1 562 960</td><td>R139 480</td><td>R1 423 480</td></tr>
</table>
</td><td>Update as at 20 Sept 2022 - A meeting will take place between Digital Services & the CFO on 22 Sept 2022, to consider funding from other departments to rectify the Network challenges. Feedback will be provided at the meeting
Update as per 25 November 2022 –

Point 1 – Improved Network Connectivity – This is once off cost and has been included in Adjustments Budget. ISP Tender is still in BEC stage.
Point 2 – Top up – Monthly connectivity costs – Included in Adjustments Budget – Part of ISP tender.
Point 3 – New Routers – Included in Adjustments Budget – Part of ISP tender.
Point 4 – Local Server Space – Included in Adjustments Budget
Point 5 – Inverters - CFO confirmed that Inverters may be purchased on operational budget available and that a journal will be completed by Assets to convert to Capital. During adjustments budget the funds used to purchase inverters will be topped up/replaced. Currently – Inverter Tender approved 24 November 2022, in order to purchase around 10 inverters.</td><td>Director: Corporate & Digital Services</td><td></td></tr>
<tr><td>That funding be possibly sourced from the following avenues:

3.1 Rollover Funds during the August 2022 Rollover budget

3.2 Across Departmental budgets

3.3 Capital Funds from I&E and Finance where capital budget has been provided for.</td><td>Update as at 20 Sept 2022 - A meeting will take place between Digital Services & the CFO on 22 Sept 2022, to consider funding from other departments to rectify the Network challenges. Feedback will be provided at the meeting
Update as at 25 November 2022 - Awaiting feedback from CFO</td><td>Director: Corporate & Digital Services</td><td></td></tr>
</table>

			That the funding table reflected in recommendation 2. be accepted with the total less the Network Monitoring Tool.		Director: Corporate & Digital Services	
	22/08/CORP15	**ORGANISATIONAL STRUCTURE: 2022/2023**	That the filling of positions be prioritised subject to budgetary provision and organizational priorities.	**Update as at 20 Sept 2022** - HR Implements as per budget verification	Director: Corporate & Digital Services	IN PROGRESS
			That the critical vacancy committee be resuscitated to establish a critical vacancies list.	**Update as at 20 Sept 2022** - HR will convene a meeting of the said committee during the first week of Oct 2022: **Update as per 30 Nov 2022 -** Email has been forwarded to the MM to request that we meet as the critical vacany committee, critical vacancy committee discussed vacancies at the Top Management Meeting dated 14 November 2022.	Acting HR Manager	
11-Nov-22	**22/11/CDS7**	**MOBILE DATA ALLOWANCES FOR COUNCILLORS**	That the R300 mobile data allowance be applied in terms of section 11A of the amended Upper Limits Gazette, no. 47437.	Completed	Acting Director: Corporate & Digital Services	
	22/11/CDS8	**ESTABLISHMENT OF A SECTION 79 COMMITTEE**	That Council resolves that **Cllr M van Niekerk** be elected as chairperson of the *Monitoring and Evaluation Committee.*	Completed	Acting Director: Corporate & Digital Services	
			That Council resolves that the following Councillors be elected as members of the Monitoring and Evaluation Committee: • Cllr M Biko • Cllr C August • Cllr L Maree • Cllr D Benson • Cllr K Ndzelani • Cllr E Mbuqu • Cllr L Nkilishane • Cllr W van der Linde • Cllr B Human	Completed	Acting Director: Corporate & Digital Services	
			That the Terms of Reference for the Monitoring and Evaluation Committee be drafted and referred to a future Council meeting for approval	Email sent to Chairperson to confirm availability of members for first meeting to take place in Jan 2023	Acting Director: Corporate & Digital Services	
			That the Committee becomes effective as of 1 January 2023.	Email sent to Chairperson to confirm availability of members for first meeting to take place in Jan 2023	Acting Director: Corporate & Digital Services	

FINANCE - ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
26-Feb-21	**21/02/F5**	**WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**	That future reports indicate the area well as the Ward for the Equitable Share-write-offs.	A report of this nature will need to be written within the Financial System. These requirements are being assessed.	CFO	
31-Mar-21	**21/03/F1**	**Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2021/22 to 2023/24 Financial Years**	That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce non-technical electricity losses.	Implementation Strategy being developed.	Acting Director: I&E	
			That the Acting Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to reduce water losses.	Implementation Strategy being developed.	Acting Director: I&E	
			That the Director: Community Services reports on the outcomes of the implementation of a strategy by 7 May 2021 to the Office of the Municipal Manager, to collect outstanding traffic fines.	Implementation Strategy being developed.	Director: Community Services	
31-Jan-22	**22/01/F3**	**SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2021**	That a full report on sewerage issues within the Municipality be tabled at the next Infrastructure & Engineering Portfolio Committee meeting.	Report will be submitted to next portfolio committee meeting	I&E	
			That site visits be conducted with the relevant departments.	Report will be submitted to next portfolio committee meeting	I&E	
29-Jun-22	**22/06/F25**	**ELECTRICITY TARIFF INCREASES: 2022/23 FINANCIAL YEAR**	That the I&E directorate embark on cost of supply study for electricity be done in the 2022/23 financial year	The COS Study has been initiated.	Acting Director: I&E	

31-Aug-22	**22/08/F2**	**SUPPLY CHAIN MANAGEMENT: S40 DISPOSAL MANAGEMENT (DISPOSAL OF SLOW-MOVING STOCK, REDUNDANT STOCK AND DAMAGED STOCK ITEMS)**	That the recommended disposal strategy by SCM section for these stock items be a public auction, and after approval by Council these items will be removed from the shelves at stores. Thereafter be kept safe for consideration by Manager Assets until the next public auction.	The items will be disposed off through a public auction once the Council resolves on disposal of assets (PPE) after the audit process.	CFO	
28-Oct-22	**22/10/F2**	**BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**	That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.	Submitted to Provincial Treasury and Auditor-General	CFO	

PLANNING & DEVELOPMENT: ACTION SHEET - COUNCIL

MEETING DATE	ITEM NO	ITEM DESCRIPTION	RESOLUTION	ACTION TAKEN	RESPONSIBLE OFFICIAL	CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING NO ACTION REQUIRED
30-May-19	**19/05/PD6**	**PUBLIC WORKS PROPERTIES TO BE TRANSFERRED TO KOUGA MUNICIPALITTY**	That Council accepts the following erven from Public Works and that they are added to the asset register of Kouga Municipality: Farm 448 portion 15 — Uitenhage RD Pellsrus: 677; 678; 733; 751 ; 753; 794;812 826; 854; 862 Humansdorp: 1 968 Thornhill: 221 ; 237 333; 334; 342;362;376;751v; 762; 763; 775; 776; 777; 778; 779; 780; 781 ; 782; 783; 784; 785; 788; 789; 790; 791 ; 792; 805; 845; 846; 849; 850; 852; 855; 857; 859; 860; 861 ; 862; 863; 865; 866; 868; 870; 874; 875; 883; 884; 885; 886; 887; 888; 889; 891; 892; 894; 895; 897; 898; 896	The finalisation of the transfer of Public Work properties to Kouga Municipality in progress	Manager: Legal Services	In Progress
			That Kouga Human Settlement Department proceed with the transfers of these erven to the owners of the properties as soon as registration to Kouga has been completed	Awaiting Transfer of properties by Public Works.		
30-Oct-19	**19/10/PD3**	**SELLING OF 98 HIGH WATER TABLE HUMAN SETTLEMENT ERVEN – KRUISFONTEIN**	That all proceeds from the sale of the 98 high water table erven be ringfenced for projects namely the upgrading of gravel roads to paved roads	Billet & Gouws Attorneys has been appointed and attending to payments and transfers of properties contemplated herein are in progress. The Attorney was instructed to hold the process in Abeyance following the instruction from MMC for the matter to be reviewed and discussed in view of emerging issues.	CFO/ Dir: PDT	In Progress
29-May-20	**20/05/PD2**	**REPORT ON THE PROGRESS AND STATUS OF THE SOCIAL HOUSING PARTNETSHIP FOR THE DEVELOPMENT**	That Development Contribution or Augmentation fees be waivered for the Social housing project.	Progress was presented by SHI at the PD&T portfolio committee held on 7/6/22. Resolution will be actioned during project commencement	Dir: PDT/ CFO/MM/ I&E	In Progress

		OF A SOCIAL AND (FLISP) HOUSING PROJECT ON Erf 335, JEFFERYS BAY	That the plans scrutiny and approval fees be dealt with on the same basis as BNG/RDP housing projects.	The resolution will be implemented upon submission of Building plans for the development. Ongoing, project is still on planning phase. Resolution will be actioned during project commencement	Dir: PDT / Manager P&D	In Progress
			That charges be levied for all appropriate utility charges.	At project implementation phase. Resolution will be actioned during project commencement	Dir: PDT / CFO	In Progress
	20/05/PD3	**DONATION AND TRANSFER OF KOUGA MUNICIPAL PROPERTIES FROM KOUGA MUNICIPALITY TO PUBLIC WORKS**	That Erf 560 be rezoned in terms of SPLUMA from Residential 1 to Institutional in accordance to existing land use.	Rezoning in progress.	Manager :L&PA	In Progress
	20/05/PDT5	**APPROVAL FOR THE COMMENCEMENT TO ESTABLISH "AESTHETICS AND HERITAGE BUILDING COMMITTEE" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA**	That Aesthetic Committees be established in all Wards, if required, to maintain uniform architecture design for specific areas be included in the Terms of Reference.	Draft "by-law" with legal section to finalised all legal requirements. Meeting with C W Malan to be held. Legal services has set up a date for finalisation of draft by-law . Last meeting was postpone due covid cases at C W Malan office. See last comments - with Legal Dept. Report to be submitted.	Dir: PDT / Manager P&D	In Progress
26-Jun-20	**20/06/PD4**	**DEVELOPMENT PROPOSAL: PRECINCT PLAN FOR Erf 8783: OCEAN VIEW, JEFFREYS BAY**	That the precinct plan and development proposal of Erf 8783 Ocean be subject to public participation.	Public Meeting to be held where the development proposal will be presented to community. The Public Participation Office will be assisting.	Dir: PDT	In Progress
			That the registration of Erf 8783, Ocean View to Kouga Municipality be continued and concluded.	Transfer in progress	Manager: Legal Services	In Progress

11-Dec-20	20/12/PD5	**APPROVAL OF GRANT FUNDING FOR THE UPGRADING OF INFORMAL SETTLEMENTS**	That a report on the joint planning between Infrastructure and Human Settlements serve at the next Portfolio Committee.	Delays with the appointment of contractor to install interim and permanent services. Award letters will be sent to appointed contractor by end July 2022 .Tenders for interim/temporary services is being evaluated by the HDA. Finalisation of permanent engineering designs for each informal settlement.	Dir: PDT/ Manager: Human Settlements	In progress
	20/12/PD8	**APPROVAL FOR THE COMMENCEMENT TO DRAFT "AESTHETICAL AND HERITAGE BUILDING BY-LAW" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA IN TERMS OF SECTION 13 OF THE MSA,2000: OBJECTIONS RECEIVED**	That the Department: Planning & Development facilitate the process to address the "Objectors Objections" by convening a virtual meeting with the objectors as well as other Interested and affected parties. That a date and venue be determined as to when such meeting will take place for a virtual hearing and that it be published in the local newspaper and on the website. That all the objectors be notified timeously of the date and venue for the virtual hearing.	Draft completed. Legal to check it .Published document for comments in March . See previous comments for 20/05/PDT5. Draft By-Law with attorneys. Had discussion with Attorneys to find an alternative way to promulgate said regulations. Attorneys to confirm way forward. Manager Legal to appoint a SP to assist with draft. Advised that the by-law route would cumbersome and that the matter can be addressed under the Land Use Scheme - overlay	Acting Manager: LPA	In progress
26-Feb-21	21/02/PD13	**DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP**	That the applicant be responsible for the cost associated with the closure of public roads and transfer of property.	The applicant, Woodlands Dairy has appointed Maarschalk & Partners. Closure is completed. Legal has is busy with the disposal and transfer.	Applicant	Completed
	21/02/PD14	**ESTABLISHMENT OF AN AUTISM CENTRE - APPLICATION FOR RIGHT TO USE/MANAGE MUNICIPAL LAND: Erf 5812 JEFFREYS BAY**	That the approval of the right to use, control, manage the be subject to the said property being closed as a public place and rezoned to an appropriate zoning.	The closure of public place was gazetted and completed. Instruction was given to the Town Planning Department to commence with the rezoning.	Dir: PDT/ Manager L&P/Manager: P&D	In Progress
31-Mar-21	21/03/PD1	**TRANSFER OF RESIDENTIAL SITE: HISTORIC CONDITION OF**	That Council grant approval to the subdivision a of a standard size residential erf from the remainder of erf 1331, Pellsrus and transfer such erf in favour of the Pienaar Family.	The subdivision has been approved and has been placed in the provincial gazette in accordance legislation.	Director: PDT/ Acting Manager: LPA	In Progress

		SALE: ERF 1331 PELLSRUS: PIENAAR FAMILY	That Council grant approval for the closure of a public open space with regard to the subdivided erf contemplated in (a) and that transfer herein be dependent on the formal closure of the public open space.	Instruction will be given to Town Planning Department to commence with rezoning once gazette period has come to an end.		
	21/03/PD3	**Application to Purchase a Portion of Erf 552 Sea Vista (Mr. M. Johansens)**	That Council rescinds the previous council resolution and grant in-principle approval to dispose a portion of erf 552, Sea Vista to Mr. Johansen.	Council rescinded the previous resolution	Director: PDT / Acting Manager L&P	Completed
			That the applicant be responsible and carry the cost for the closure of public open space and subdivision of erf 552.	Power of Attorney was granted to the applicant to enable him to bring land use application. Awaiting application from applicant, however indication was that the applicant is currently abroad.	Manager: Legal Services / Acting Manager L&P	In Progress
			That the newly created erf be transferred only once the formal closure has been concluded, and the conveyance cost be carried by the applicant.	Will be considered in agreement.	Manager: Legal Services / Acting Manager L&P	In Progress
31-May-21	**21/05/PD1**	**PROGRESS REPORT: ALIENATION OF 98 WET ERVEN: KRUISFONTEIN**	That Council grant authorization to the Accounting Officer to the conclude Option to Purchase agreements as the Grantor on behalf of the Municipality.	Billet & Gouws Attorneys has been appointed and attending to payments and transfers of properties contemplated herein are in progress	Director:PDT/ Manager L&P	In Progress
	21/05/PD10	**DISPOSAL AND CLOSURE OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP**	That the applicant be responsible for the costs associated with the closure of public roads and transfer of property.	Legal Department indicated that a service provider was appoint who is dealing with the disposal and transfer process.	Applicant	In Progress
	21/05/PD11	**LAND SWAP: A PORTION OF ERF 6650 IN FAVOUR OF ERF 6649, JEFFREYS BAY: MR. S. STANLEY**	That the Municipality be liable for all Transfer, subdivision and consolidation costs linked to this transaction.	Legal is busy with transfer of the newly created erf and reported that conveyancers have been appointed.	Director:PDT/ Manager L&P	In Progress

	21/05/PD15	APPLICATION TO PURCHASE: A PORTION OF PORTION 4 OF THE FARM ZWARTENBOSCH NO. 347: TEEN CHALLENGE SA	That Council rescinds the resolution pertaining to the lease of a portion of portion 4 of the Farm Zwartenbosch No. 347 to Teen Challenge which reads as follows: - **13/05/FAME26 APPLICATION FOR LAND – PORTION OF FARM 347 PORTION 4 (ZWARTENBOSCH)** Resolved: (30 May 2013) i) That Teen Challenge SA-Western Cape be allowed to utilize the Portion of Farm 347, Portion 4 of the Farm Zwartenbosch for community projects for a period of nine (9) years and 11 (eleven) months, subject to the following conditions: a) That a formal Lease Agreement be entered into between Teen Challenge SA – Western Cape and the Council. b) That Teen Challenge SA – Western Cape be responsible for all cost (that may escalate) in respect of services and services connections fees as determined by the Council. c)That it be recorded that in terms of Section 14 of the Municipal Finance Management Act, the portion of Farm 347, Portion 4 of the Farm Zwartenbosch is not required for basic level of municipal service. d)That all legislative requirements and advertisement procedures be adhered to. e)That any comments and objections from the public be taken into careful consideration.	Comments has been received from relevant departments in order to respond to National Treasury in respect of the disposal of a portion of portion 4 of the Farm No 347 Humansdorp RD. A letter was sent to National Treasury on 15 July 2022 as a response on the initial letter received from Treasury. Treasury confirmed that they received the correspondence and will revert back to the Municipality. Still awaiting response from Treasury after a follow-up was done during the week of 19 September.	Director:PDT/ Manager L&P	In Progress
			That the subdivision and rezoning of the land be attended to and concluded.	Will be attended to should final approval be granted by Council.	Director:PDT/ Manager L&P	In progress
			That Council consider the fair market related value of R770 000.00 that was obtained from a professional valuer for the portion of portion 4 of the Zwartenbosch No 347.	Will be considered in the sale agreement.	Director:PDT/ Manager L&P	In progress
			That Council consider disposing the immovable property contemplated herein to Teen Challenge as a social care user at 25% of the fair market value.	Will be considered in the sale agreement.	Director:PDT/ Manager L&P	In progress
			That if the land was to be sold by the applicant, it only be sold back to Council.	Will be considered in the sale agreement.	Director:PDT/ Manager L&P	In progress
30-Jul-21	21/07/PD9	APPOINTMENT OF KOUGA MUNICIPALITY AS AN IMPLEMENTING AGENT FOR THE CONSTRUCTION OF INTERNAL SERVICES FOR THE HANKEY 990 HOUSING PROJECT	That the CFO places the received grant funding in a dedicated interest-bearing account.	In progress, construction of 990 services is in progress. No advance payments received from ECDHS	Dir:PDT/ Manager:HS/ Manager:	ongoing
			That the interest accumulated from the grant funding be ringfenced for future Human Settlements projects.	To be confirmed	CFO	
			That monthly, quarterly and annual expenditure reports with supporting documentation be reported to Council and ECDHS; and	Project is progressing well	Manager HS	ongoing

31-Aug-21	**21/08/PD11**	**ESTABLISHMENT OF AN AUTISM CENTRE - APPLICATION FOR RIGHT TO USE/MANAGE MUNICIPAL LAND: ERF 5812 JEFFREYS BAY**	That all the legislative processes contemplated herein commence and be concluded in line with Council resolution 21/02/PD14.	The closure of public place was gazetted on 6 August. Town Planning to finalise the rezoning of the erf.	Director:PDT/ Manager L&P	In progress
	21/08/PD12	**DISPOSAL OF ERF 1382, SEA VISTA (ST FRANCIS BAY) THROUGH SALE TO EDG3 PROJECTS**	That Council grant authorization the Accounting Officer to enter into a sale agreement with Edg3 Projects, for the sale of the municipal property contemplated herein, for the amount of R180 000.00.	Land-use (rezoning) application has been approved. Deed of sale signed by MM and Edge. Disposal and transfer now in progress.	Director:PDT/ Manager L&P	In progress
06-Sep-21	**21/09/PD1**	**APPLICATION TO PURCHASE ERF 2896 - SEA VISTA – INDUSTRIAL AREA (NEXUS YACHTS)**	That the relevant department rezones and closes the public open space prior to disposal of erf 2896, Jeffery's Bay through an open tender process.	The gazetting of the property has been completed. Instruction was given to Town Planning Department to proceed with rezoning.	Director:PDT/ Manager L&P	In Progress
			That the newly created erf be transferred only once the formal closure, consolidation and rezoning has been concluded, and the conveyance cost be carried by the applicant.	Legal department has commenced disposal and transfer of the property.	Director:PDT/ Manager L&P	In Progress
30-Sep-21	**21/09/PD10**	**RELOCATION OF THE UNLAWFUL DWELLERS OF THE ASTON BAY CARAVAN PARK**	That the Municipal Manager be allowed to negotiate with the Department of Public Works on the relocation costs.		MM	In Progress
	21/09/PD11	**APPLICATION FOR RIGHT TO USE: VARIOUS MUNICIPAL PROPERTIES FOR UPGRADES AND NEW BUILDINGS: BOPHELO IMPILO DEVELOPMENT CENTRE**	That Council grant authorization to the Accounting Officer to enter into Right-to-Use Lease agreements with Bophelo Impilo Development Centre in respect of the properties contemplated herein for the specific use as follows: portion of Erf 353, Humansdorp (public pool area as per area FA and EF in Annexure c) portion of portion 72 of the Erf No. 746 Sea Vista (Taxi Rank, Multi-purpose Centre and Recycling) portion of erf 1269, Humansdorp (Multi-purpose Court for Tennis, Netball and Basketball) portion of erf 2, Kruisfontein (Multi-purpose Centre)	Draft consent use lessee agreement confirmed by Lessee.Lessee requested to produce authority in the form of a resolution to enter into agreement. Last follow up correspondence received 8 September 2022 indicating POA is being circulated between members to confirm authority.	Director:PDT/ Manager L&P	In Progress
	21/09/PD12	**APPOINTMENT OF HOUSING DEVELOPMENT AGENCY(HDA) VIA AN IMPLEMENTATION PROTOCOL/AGREEMENT BETWEEN KOUGA MUNICIPALITY AND THE HAD**	That approval be granted by Council in terms of Section 110 of the Municipal Finance Management Act No. 56 of 2003 for appointment of the Housing Development Agency (HDA) via an Implementation Protocol to plan and implement integrated human settlements in the Kouga municipal area.	Meeting to finalise IP was on 08/3/22	Director:PDT / Manager Human Settlements	In Progress
			That all planned human settlements pipeline projects be included in the Implementation Protocol between the Kouga Municipality and the HDA.	Discussions on the revised Implementation Protocol are ongoing	Director:PDT / Manager Human Settlements	In Progress
			That the Municipal Manager be granted Power of Attorney to sign the Implementing Protocol on behalf of the Municipality.		Director:PDT / Manager Human Settlements	In Progress

	21/09/PD16	IN PRINCIPLE APPROVAL: DISPOSAL & ALIENATION OF ERVEN 887, 1259 & 2496 SEA VISTA	That Council authorizes the Planning &Development Department to embark on a process to close and rezone the above public open spaces to Residential.	Service provider in the process to advertise closures in the provincial gazette.	Director:PDT/ Manager L&P	In Progress
			That a fair market value be obtained for Council to consider in line with Section 14(2) of the Municipal Finance Management Act.		Director:PDT/ Manager L&P	In Progress
			That the revenue generated from the sale be ringfenced for waterborne sewerage systems.	This will done during the sale of properties.	Director:PDT/ Manager L&P	In Progress
14-Oct-21	21/10/PD1	ERF 4587 & 4588 (KRUISFONTEIN) ERF 190 (PELLSRUS) ERF 8813 (OCEAN VIEW): VICTORY 4 ALL	That the Finance department expedite the bad debt review process on the outstanding debt and advise the client by 30 October 2021.	Report for write-off included in Council Agenda	Finance	In Progress
	21/10/PD3	SALE OF 98 WET ERVEN	That the proceeds from the Sale of 98 Wet erven be ring-fenced for roads upgrades and social infrastructure in the 98 wet erven area.	The proceeds will be ring-fenced as per Council resolution.	Director:PDT/ Manager L&P	In Progress
28-Oct-21	21/10/PD5	DISPOSAL AND TRANSFER OF PRE-94 MUNICIPAL HOUSES IN SEA VISTA	That the Accounting Officer be authorised to enter into an Offer to Purchase Agreement with the occupants and appoint conveyancers to effect transfers.	Service provider has been appointed. Transfers in progress	Director:PDT / Manager Human Settlements	In Progress
28-Feb-22	22/02/PDT16	GRANT IN AID ALLOCATIONS FOR THE 2021/2022 FINANCIAL YEAR	That the Grant in Aid policy be reviewed at the next Policy Workshop to cater for organisations working with vulnerable communities.	Will be reviewed in next GIA policy	Director:PDT / LED Officer	In Progress
31-Mar-22	22/03/PDT6	AUTHORISATION FOR A 3-YEAR SPONSORSHIP AGREEMENT FOR EVENTS SUPPORT FOR THE ALOE CUP RUGBY AND NETBALL TOURNAMENT	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Jeffreys Bay Primary School in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress
	22/03/PDT7	DEVOLUTION (OFFER) OF LAND PARCELS OWNED BY THE FORMER NATIONAL HOUSING BOARD TO KOUGA LOCAL MUNICIPALITY	That Council grants authorization to the Accounting Officer to enter into relevant agreement with the Provincial Department of Human Settlement for transfer of the property to KLM.	Council resolution to be amended based on the advise received from the Department of Human Settlements on the land that will be devolved to Kouga Municipality. Item will be tabled at the Council Meeting on 28 October 2022.	Dir. PD&T	In Progress
	22/03/PDT8	KOUGA MUNICIPALITY: WESTERN CAPE GIS BENCHMARKING VISIT	That Council establish a GIS/ICT Steering Committee to develop an enterprise GIS Strategy and Policy for council adoption.	In the process to establish Entrerprise GIS Strategy and workshop has been planned for 19 October.	PDT	In Progress
			That Council moves from the current Ovvio System to a GIS based environment.	The directorate developing a transitional plan in progress	MM / PDT	In Progress

			That Council engage in Change management and Intensive 1 month testing of the implementation before implementation.	In consultation with service provider to obtain 1 month testing demo.	MM / PDT	In Progress
29-Apr-22	22/04/PDT4	ALLOCATION PROCESS OF 200 HOUSES IN OCEANVIEW 1500 PROJECT	That Housing Committees be resuscitated as a matter of urgency.	Meeting with housing committees scheduled for June 2022	Manager Human Settlements	In progress
	22/04/PDT7	SPONSORSHIP AGREEMENT FROM TASTE EXPERIENCES T/A CONCOURS SUR MESURE REQUEST EVENT SUPPORT FOR THE CONCOURS SUR MESURE FESTIVAL FROM 27 – 30 OCTOBER 2022	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Taste Experiences T/A Concours Sur Mesure in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress
	22/04/PDT8	SPONSORSHIP AGREEMENT FROM SURFING SOUTH AFRICA REQUESTING EVENT SUPPORT FOR THE SOUTH AFRICA LONGBOARD CHAMPIONSHIPS IN AUGUST 2022	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Surfing South Africa in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress
	22/04/PDT4	ALLOCATION PROCESS OF 200 HOUSES IN OCEANVIEW 1500 PROJECT	That Housing Committees be resuscitated as a matter of urgency.	Meeting with housing committees scheduled for June 2022	Manager Human Settlements	In progress
	22/04/PDT7	SPONSORSHIP AGREEMENT FROM TASTE EXPERIENCES T/A CONCOURS SUR MESURE REQUEST EVENT SUPPORT FOR THE CONCOURS SUR MESURE FESTIVAL FROM 27 – 30 OCTOBER 2022	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Taste Experiences T/A Concours Sur Mesure in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Organisers must submit Closeout Report after concluding the event.	Dir PDT / Events Officer	In Progress
	22/04/PDT8	SPONSORSHIP AGREEMENT FROM SURFING SOUTH AFRICA REQUESTING EVENT SUPPORT FOR THE SOUTH AFRICA LONGBOARD CHAMPIONSHIPS IN AUGUST 2022	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Surfing South Africa in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress

	22/04/PDT12	**SPONSORSHIP AGREEMENT FROM KINETIC EVENTS REQUEST EVENT SUPPORT FOR THE 2023 ADVENTURE RACING WORLD CHAMPIONSHIPS PRE-LAUNCH AND MARKETING IN 2021/2022 AND 2022/2023**	That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Kinetic Events respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Organisers must submit Closeout Report after concluding the event.	Dir PDT / Events Officer	In Progress
	22/04/PDT13	**3-YEAR SPONSORSHIP PROPOSAL FROM THE WORLD SURF LEAGUE (WSL) TO REQUEST EVENT SUPPORT TO HOST THE J-BAY OPEN SURF FROM 2022 – 2024 IN JEFFREYS BAY**	That Council authorizes the Accounting Officer to conclude a 3-year Sponsorship Agreement / SLA with World Surf League (WSL) in respect of sponsorship stated in (1.) above.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress
	22/04/PDT14	**ESTABLISHMENT AND RECOGNITION OF THE KOUGA SMME FORUM**	That the item be deferred to the next Council meeting.	TOR's to be discussed in the next LEDF	LED Officer	In progress
	22/04/PDT15	**GRANT IN AID APPLICATIONS FOR THE 2021/22 CALENDAR YEAR**	That the Grant in Aid policy be workshopped and that communities be educated on the policy and application process during the public participation process.	Grant in Aid Council resolution and Application for On Eagles Wings Muli-purpose centre were submitted to Legal on 10 May 2022 to draft the GIA Agreement	LED Office Adinistartor	In progress
	22/04/PDT18	**COUNCIL DISPOSAL OF ERF 353, HUMANSDORP (OLD CARAVAN PARK) FOR A SOCIAL HOUSING PROJECT**	That the Planning Development and Tourism Directorate prepare a Request for Proposals document for advertising/publication.	Tender specifications were approved, advertisment will commence soon. Development proposals close on 26/9/2022	Manager Human Settlements	In Progress
31-May-22	**22/05/PDT1**	**RE: SUBDIVISION, CONSOLIDATION AND REZONING OF PORTION 8 &13 OF THE FARM DIEPRIVIER 689, HUMANSDORP**	That a full proposal for the envisaged plot & plan allocation, including the proposed Housing plan prototypes be submitted for Council approval prior to implementation.	As per Council Resolution	CBCO/ Manager:HS	In progress
	22/05/PDT2	**IMPOSING OF MANDATORY INSTALLATION OF RAINWATER HARVESTING**	That the Planning, Development and Tourism Directorate engage in public awareness programmes, including engagement with Kouga Architectural designers' Forums to ensure compliance with the mandatory requirement for the provision of rainwater tanks for all new buildings plans to be submitted.	Building Control to facilitate (July 2022) engagement for comment with Kouga Architectural Designer's Forum (KDF) on implementation of implementation of Resolution - 22/05/PDT2	CBCO	In progress

		TANKS FOR NEW BUILDINGS IN KOUGA MUNICIPALITY IN RESPONSE TO DROUGHT	That a study be conducted to track the financial implications of the requirement on water usage and the Municipality's water bill.			Ongoing
29-Jun-22	**22/06/PDT7**	**RE: PLANNING AND IMPLEMENTATION OF KOUGA TOURISM INDABA**	That Council approves R500 000.00 (Five Hundred Thousand rand) to appoint a service provider that will plan and facilitate the Kouga Tourism indaba launch in St Francis in 2022/23 FY and hosting the main Kouga tourism indaba 2023 exhibition planned for the 2023/2024 financial year.	Bid Spec approved, in a process of advertising	Dir PDT / Tourim Officer	In Progress
	22/06/PDT14	**REQUEST FOR COUNCIL'S FINAL APPROVAL: APPLICATION TO PURCHASE ERF 2896 - SEA VISTA – INDUSTRIAL AREA (NEXUS YACHTS)**	That the Council grant authorisation to the Accounting Officer to finalize the sale and transfer of the property contemplated herein.	Sale Agreement signed, and conveyancer appointed to attend to the transfer.	PDT/MM/Legal	In progress
	22/06/PDT17	**REZONING OF A PORTION 1 OF THE FARM HUMANSDORP NO. 499, FROM "AGRICULTURAL ZONE 1" TO "SPECIAL ZONE" FOR THE PURPOSE OF A MIXED USE FOR INDUSTRIAL PURPOSES AND ANXULLARY USE (INTEGRATED INDUSTRIAL DEVELOPMENT ZONE)**	That Council grants in-principle approval principle for the rezoning of a portion of Portion 1 of the Farm Humansdorp No.499, as described in the item.	Act Manager :Planning in process of preparing the rezoning application		In Progress
			That Council authorizes the Department Planning & Development to proceed with the rezoning of a portion of Portion 1 of the Farm Humansdorp No.499 from "Agricultural Zone 1" to "Special Zone' to accommodate the intended uses for an" Integrated Industrial Development Zone" as previously described.			In Progress
			That Council authorizes the Municipal Manager to sign a "Power of Attorney" on behalf of Council and any other applicable documentation in support of the application.	Act Manager :Planning in process of preparing the application for rezoning.	Act:MPD	In progress
	22/06/PDT18	**DISPOSAL AND ALIENATION OF COUNCIL PROPERTIES LEASED TO EARLY CHILDHOOD DEVELOPMENT CENTRES (CRECHES) TO REGISTERED SOCIAL CARE USERS**	That Council grant in-principle approval for the alienation/transfer of property to the Registered Organizations (Social Care Organizations) currently operating on the property by way of a Deed of Donation with restrictive conditions in respect of the land usage for the sole purposes of social care uses.	In-principle Council approval was received on 29 June 2022. The Council resolution and recommendation to be implemented	Director:PDT/ Manager L&P	In progress
			That Council grant authorization to the Accounting Officer to advertise Council's intention to alienate immovable property by way of Deed of Donation to Registered Social Organisations for public participation.	An advert for public participation will be placed in the local newspaper during the week of 25 August 2022.	Director:PDT/ Manager L&P	In progress
29-Jul-22	**22/07/PDT1**	**RE: COUNCIL APPROVAL AND ADOPTION OF DRAFT**	That Council approves and adopts the Housing allocation policy.			

	HOUSING ALLOCATION POLICY	That the approved policy be placed on the Municipal Website.			
22/07/PDT2	**DRAFT BYLAW RELATING TO LAND INVASION, MANAGEMENT AND CONTROL OF INFORMAL SETTLEMENTS**	That in terms of section 12 (3) of the Municipal Systems Act, the Council approves the Draft By-law for public participation process relating to land invasion, management and control of informal settlements.			
22/07/PDT3	**DISPOSAL OF LONG STREET, BOKMAKIERIE STREET, PORTION OF BLOUBOK STREET AND PORTION OF HERON STREET – PUBLIC ROADS IN THE INDUSTRIAL AREA HUMANSDORP**	That that Accounting Officer proceed with the finalisation of the disposal of the public roads based on fact that the public roads contemplated in 1. have now been formally closed.	Instruction was given to Legal Department to proceed with the finalisation of the disposal of the roads as per council resolution taken on 31 July 2022. Legal Department confirmed that a service provider has been appointed.	Director:PDT/ Manager L&P	In progress
		That Council grants authorization to the Accounting Officer to transfer the slivers located on erven 3771, 3772 and 3776 Humansdorp to Woodlands Dairy as non-viable land which is of no practical use to any other person.	Instruction was given to Legal Department to proceed with the finalisation of the transfer of the slivers to Woodlands Dairy as per council resolution taken on 31 July 2022. Legal Department confirmed that a service provider has been appointed.	Director:PDT/ Manager L&P	In progress
22/07/PDT4	**EXPANDED DEFINITION OF BUILDING DEPOSITS FEES AND CHARGES FOR THE 2022-23 FINANCIAL YEAR**	That Council approve the extended definitions of “Sub-economic” and “Other” as they relate to building deposit charges and fees for the Planning, Development and Tourism Directorate for the 2022/23 financial year, as reflected in Annexure “A” as amended, with effect from 29 July 2022.			
		That Council authorize the Accounting Officer/CFO to update the building deposit charges and fees for Planning, Development and Tourism Directorate for 2022/23 financial year to reflect.			
31-Aug-22	**22/08/PDT3**	**IN PRINCIPLE APPROVAL FOR LONG TERM LEASE OF A PORTION ERF 499, HUMANSDORP TO CD FREIGHT LOGISTICS FOR INDUSTRIAL PURPOSE**	That Council grant in-principle approval for the lease of a portion of Erf 499, Humansdorp for 9 years and 11 months.	Coucil granted in-principle approval on 31 August.	Manager Land & Properties	In progress
			That Council grant authorization to the Accounting Officer to advertise the immovable property herein.	Anticipate that the advert will be placed in the local newspaper during the week of 26 September for public participation.	Manager Land & Properties	In progress
			That the market related rental valuation be obtained and presented to Council for Final approval.	Has started with the process to obtain quotations to do market related valuation.	Manager Land & Properties	In progress

			That a land surveyor be appointed to attend and conclude the subdivision, etc. as well as all other administrative costs for the cost of the applicant.	In the process to obtain quotations in order to appoint service provider	Manager Land & Properties	In progress
			That all applicable SPLUMA By-Law and ILUS requirements are met prior operations	Applicant to submit application in line with applicable legislation	Manager Land & Properties	In progress
			That all bulk services that are required, needs to be provided by the developer with no financial implications to Council.	Developer responsible for costs	Manager Land & Properties	In progress
	22/08/PDT6	**3-YEAR SPONSORSHIP PROPOSAL: ST FRANCIS TOURISM REQUEST EVENT SUPPORT FOR THE ANNUAL CALAMARI FESTIVAL HOSTED IN ST FRANCIS BAY FROM THE 23 – 25 OF SEPTEMBER 2022 WITH CONSIDERATION FOR EXTENSION FOR 2023 – 2024**	That Council approves the funding amount of R200 000.00 (Two Hundred Thousand rand) excluding vat. annually towards the Calamari Festival hosted by St Francis Tourism in St Francis Bay for a 3-year period from 2022 - 2024.	SLA signed and payment processed. Awaiting Closeout Report from the organisers.	Dir PDT / Events Officer	In Progress
			That Council authorizes the Accounting Officer to conclude a 3-year Funding Agreement / SLA with St Francis Tourism in respect of sponsorship stated in (1.) above.			
	22/08/PDT8	**EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF ERF 406, PARADISE BEACH (PARADISE BEACH WATER RESERVOIR)**	That Council grant in-principle approval for the extension of the lease of a portion of Erf 406, Paradise Beach (Paradise Beach Water Towers) for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.	Coucil granted in-principle approval on 31 August.	Manager Land & Properties	In progress
			That Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.	Anticipate that the advert will be placed in the local newspaper during the week of 26 September for public participation.	Manager Land & Properties	In progress
			That Council consider the market related valuation of the immovable property.	Has started with the process to obtain quotations to do market related valuation.	Manager Land & Properties	In progress
			That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.	Applicant responsible for costs	Manager Land & Properties	In progress
			That only upgrades be allowed on the municipal property but no new infrastructure.	Will be implemented in accrodance with resolution	Manager Land & Properties	In progress
	22/08/PDT9	**EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF ERF 873, JEFFREYS BAY)**	That Council grant in-principle approval for the extension of the lease of a portion of Erf 873, Jeffreys Bay for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.	Coucil granted in-principle approval on 31 August.	Manager Land & Properties	In progress

			That Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.	Anticipate that the advert will be placed in the local newspaper during the week of 26 September for public participation.	Manager Land & Properties	In progress
			That Council consider the market related valuation of the immovable property.	Has started with the process to obtain quotations to do market related valuation.	Manager Land & Properties	In progress
			That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.	Applicant responsible for costs	Manager Land & Properties	In progress
			That only upgrades be allowed on the municipal property but no new infrastructure.	Will be implemented in accrodance with resolution	Manager Land & Properties	In progress
	22/08/PDT10	**EXTENSION OF LEASE OF LAND FOR A CELLULAR BASE STATION (VODACOM PROPRIETARY LIMITED) – A PORTION OF FARM 746, PORTION 72, HUMANSDORP RD (SEA VISTA WATER RESEVOIR)**	That Council grant in-principle approval for the extension of the lease of a portion of Farm 746, portion 72, Humansdorp RD (Sea Vista Water Towers) for a Cellular Base Station to Vodacom Proprietary Limited for 9 years and 11 months.	Coucil granted in-principle approval on 31 August.	Manager Land & Properties	In progress
			That Council grant authorization to the Accounting Officer to advertise Council's intention to lease immovable for public participation.	Anticipate that the advert will be placed in the local newspaper during the week of 26 September for public participation.	Manager Land & Properties	In progress
			That Council consider the market related valuation of the immovable property.	Has started with the process to obtain quotations to do market related valuation.	Manager Land & Properties	In progress
			That all other administrative costs (valuation, advertisement, etc.) be for the cost of the applicant.	Applicant responsible for costs	Manager Land & Properties	In progress
			That only upgrades be allowed on the municipal property but no new infrastructure.	Will be implemented in accordance with resolution	Manager Land & Properties	In progress
	22/08/PDT11	**ACQUISITION OF IMMOVABLE ASSET: TRANSFER OF PROVINCIAL ROADS: DA GAMA ROAD, ST. FRANCIS DRIVE & WOLTEMADE STREET TO KOUGA MUNICIPALITY**	That Council grant in-principle approval for the transfer of Da GamaRoad, St Francis Drive, Main Road-Humansdorp and Woltemade Street to Kouga Municipality in order to manage and maintain the roads contemplated herein.	Council granted in-principle approval on 31 August.	Manager Land & Properties	In progress
			That the Council grant authorisation to the Accounting Officer to enter into a transfer agreement with the Provincial Department of Transport in respect of Da Gama Road, St Francis Drive, Main Road-Humansdorp and Woltemade Street.	Accounting Officer and Legal responsible	MM/Legal	In progress
			That Council make budgetary provision for the management and maintenance of the roads contemplated in point 2.	I&E responsible	I&E	In progress
	22/08/PDT13	**PROCESS PLAN AND TIME SCHEDULE FOR THE REVIEW OF THE INTEGRATED DEVELOPMENT PLAN AND THE PREPARATION OF THE BUDGET FOR 2023/2024 FINANCIAL YEAR**	That Council adopts the Process Plan as for the IDP Review and Budget for year 2023/24 annexed (Annexure A), in accordance with Section 28(1) of the Municipal Systems Act, No 32 of 2000.	The action done and Council adopted the Process Plan	Council	Complete
			That in terms of MSA S28 (3), the Process Plan be advertised within 10 days after adoption by the Council and be placed on the municipal website.	The Process plan was submitted to EC- Cogta within timeframes	Dir PDT / IDP Manager	Complete
			That the Process Plan be submitted to EC-Cogta and Provincial Treasury within 10 days after adoption by the Council.	The Process plan was submitted to EC- Cogta within timeframes	Dir PDT / IDP Manager	Complete
			That the Administration advise on the amended dates for the IDP and Budget Steering Committee.	The action was carried	Dir PDT / IDP Manager	Complete

05-Sep-22	**22/09/PDT1**	**AUTHORISATION FOR KOUGA MUNICIPALITY DELEGATION TO PARTICIPATE AND EXHIBIT KOUGA LOCALLY PRODUCED PRODUCTS AT THE INTERNATIONAL IMPORT EXPO 5-10 NOV 2022**	That Council approves the participation of Kouga LM in the International Business Expo from 05 – 10 November 2022 in Shanghai.	The council approved a delegation to represent Kouga municipality at International Import Expo in Shanghai, due to Covid 19 restriction that where not lifted the trip was cancelled. SBDM had a team that was responsible for the SBDM stand and gave continues feedback on day to day activities. A whatsapp group was created with Political leadership, heads of departments, officials and product owners.	Tourism Officer	complete
			That Council approves the financial support rendered to the local producers for sample products to be exhibited in the Expo.	Three products where assisted by the municipality financially, all these products had positive response from the buyers, KLM and SBDM are organising briefing session for all products in Jan 2023	Tourism Officer	complete
			That Council approves the following delegation to represent and participate in the International Business Expo in Shanghai: The Executive Mayor Director: Planning, Development & Tourism MMC: Planning, Development & Tourism Destination Marketing & Tourism Officer	Due to Covid restriction the delegation did not attend	Tourism Officer	complete
28-Oct-22	**22/10/PDT1**	**REQUEST FOR COUNCIL AUTHORISATION TO ADVERTISE AND IN-PRINCIPLE APPROVAL FOR ALIENATION OF ERF 2599, SEA VISTA - APPLICATION FROM ROTARY CLUB OF ST FRANCIS FOR THE EXTENSION AND UPGRADE OF ST FRANCIS BAY CLINIC**	That Council **Grant in-Principle Approval** for the alienation of Erf 2599, Sea Vista to the Department of Public Works, through a donation.	As per Council Resolution - The In principle agreement granted	Council	Complete
			That Council authorises the applicant to proceed with consolidation of erf 2599 with Erf 2600, Sea Vista (St Francis Bay Clinic) for the intended development.	The applicant will be informed.	Manager: Land & Property Admin	In Progress
			That Council grant authorization to the Accounting Officer to advertise Council's intention to alienate immovable property by way of Deed of Donation to the Department of Public Works for public participation	The advertisement will be in the publication dated 08 December 2022	Manager: Land & Property Admin	
			That the Department of Public Works be liable for all cost derived from the transfer.	The applicant will be informed	Manager: Land & Property Admin	
	22/10/PDT2	**SPONSORSHIP AGREEMENT FROM NELSON MANDELA BAY AQUATICS REQUESTING FUNDING SUPPORT FOR THE SOUTH AFRICAN NATIONAL OPEN WATER CHAMPIONSHIP**	That Council approves funding towards the SA National Open Water Championship hosted in the Kouga Local Municipality area for R130 000.00 (One Hundred and Thirty Thousand Rand) all-inclusive for the 2022/2023 FY only.	Legal Department to draft SLA	Dir PDT / Events Officer	In Progress

			That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Nelson Mandela Bay Aquatics in respect of sponsorship stated in (1) above.			
			That a feedback report be tabled to Council after the event.			
11-Nov-22	22/11/PDT16	**COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: KOUGA LOCAL TOURISM ORGANISATION**	That Council approves sponsorship for the 2022/23 financial year for R300 000 (Three Hundred Thousand Rands Only) all-inclusive, to the non-profit organization, Kouga Local Tourism Organization.			
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
	22/11/PDT17	**AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: KOUGA BUSINESS FORUM**	That Council approves sponsorship for the 2022/23 financial year for R100 000 (One Hundred Thousand Rands Only) all-inclusive, to the non-profit organization: Kouga Business Forum.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
	22/11/PDT18	**COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANIZATION: J-BAY ANIMAL RESCUE**	That Council approves sponsorship for the 2022/23 financial year for R85 000-00 (Eighty-Five Thousand Rands Only) all-inclusive, to the non-profit organization: J-Bay Animal Rescue.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
	22/11/PDT19	**COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: ST FRANCIS ANIMAL RESCUE**	That Council approves sponsorship for the 2022/23 financial year for R85 000-00 (Eighty-Five Thousand Rands Only) all-inclusive, to the non-profit organization: St Francis Animal Rescue.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
	22/11/PDT20	**COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SPCA)**	That Council approves sponsorship for the 2022/23 financial year for R250 000-00 (Two Hundred and Fifty Thousand Rands Only) all-inclusive, to the non-profit organization: Society for the Prevention of Cruelty to Animals (SPCA).	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress

	22/11/PDT21	**COUNCIL AUTHORISATION FOR SPONSORSHIP TO THE NON-PROFIT ORGANISATION: NATIONAL SEA RESCUE INSTITUTE (NSRI)**	That Council approves sponsorship for the 2022/23 financial year for R250 000-00 (Two Hundred and Fifty Thousand Rands Only) all-inclusive, to the non-profit organization: National Sea Rescue Institute (NSRI).	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress
			That the Municipal Manager, as the Accounting Officer of the Municipality, be authorized to enter into a Service Level and Sponsorship Agreement in respect of sponsorship stated in (1.) above.	The SLAs are being drafted and almost completed	Manager Legal Services	In Progress

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 09 DECEMBER 2022 **ITEM NO: 22/12/MM2**

KOUGA SUMMER FESTIVAL 2022: 9 DECEMBER 2022 – 1 JANUARY 2023

1. Introduction

The purpose of this item is to inform Council of the Kouga Summer Festival beachfront events, Township Festive Roadshow and Music Festival at Mentorskraal, from 09 December to 1 January 2023.

2. Background

Kouga Municipality annually hosts the Kouga Summer Festival, organized by the Mayor's Office/Events in partnership with identified partners.

The 2022 Kouga Summer Festival is the annual summer festival hosted, and offering fun and summer activities, live music and stages, children fun and roadshows. The main festival days on the Beachfront will be the 10th, 16-18th, 23rd and 31st of December. Live Music Festival at Mentorskraal from 27th of December and closing the Summer Festival on 1st of January with a Gospel Day.

Coca-Cola is partnering with the Music Festival at Mentorskraal and we also procured SABS and 5FM for the sporting weekend of 16 – 18th of December. The programs for the Summer Festival are combined programs with the Office of The Mayor and Events.

Annexure A: Summer Festival Program

3. Comments by Directorates:

3.1 Municipal Manager

The item and recommendations is supported.

3.2 Deputy Municipal Manager

Noted

3.3 Chief Financial Officer

Item noted

3.4 Acting Director: Corporate & Digital Services

Item noted

3.5 Director: Community Services

Item noted

3.6 Director: PDT

Noted

3.7 Acting Director: I&E

Noted

4. Financial implications

R200000-00 Fireworks
R250000-00 Kouga Summer Festival

5. Legislative Provisions

Section 67 of the MFMA reads as follows:

Funds transferred to organizations and bodies outside government

(1) Before transferring funds of the municipality to an organization or body outside any sphere of government otherwise than I compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body:

(a) Has the capacity and has agreed -

(i) to comply with any agreement with the municipality;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and

(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;

(b) Implements effective, efficient, and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) Has in respect of precious similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation of body provided that:
(a) subsection (1)(a) and (b) is complied with; and
(b) the relevant provincial treasury has approved the transfer.

(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(4) Subsection (1)(a) does not apply to an organization or body serving the poor or used by government as an agency to serve the poor, provided:
(a) that the transfer does not exceed a prescribed limit; and
(b) that the accounting officer –
(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
(ii) certifies to the AG that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

6. Other implications

None.

7. Recommendation:

7.1 That the 2022 Kouga Summer Festival be noted.

7.2 That the funding available be paid over to Mentorskraal and a fully audited statement and report be submitted.

7.3 That the Council approves the funding amount of R450000.00 (four hundred and fifty thousand rand) excluding VAT.

7.4 That the Council authorizes the Accounting Officer to conclude a Sponsorship Agreement/SLA with Mentorskraal in respect of the sponsorship stated in the above.

Item prepared by Chief of Staff – Mayors's Office

Item approved by Deputy Municipal Manager:

Item endorsed Municipal Manager:

Item approved by Executive Mayor:

2022 KOUGA SUMMER FESTIVAL PROGRAM

DATE	EVENT	TIME	VENUE
9 DECEMBER	Mayor's Tourist Welcome Campaign		Entrances of Kouga
10 DECEMBER	OPENING OF THE SEASON		
	Kids Fest	09:00 – 12:00	Dolphin Beach
	Street Float Parade	14:00 – 16:00	Dolphin Beach
	Live Stage Entertainment	16:00 – 21:00	Dolphin Beach
	Switching on of the Lights – Mayor	21:00	Dolphin Beach
	Fireworks	21:10	Dolphin Beach
16–18 DECEMBER	Beach Sports Tournament	09:00 – 17:00	Dolphin Beach
17 DECEMBER	Colour Run	07:30 – 08:30	Dolphin Beach
19–22 DECEMBER	KOUGA SUMMER FESTIVAL ROADSHOW Hankey, Patensie, Loerie, Thornhill, Sea Vista Humansdorp Ward 5 & 6, Kwanomzamo	09:00 – 13:00	Route TBC Closer To Time
21 DECEMBER	Christmas Carols at Bruce's	18:00	St Francis Bay
23 DECEMBER	Annual Picnic	12:00	Tokyo Sexwale Sports Field
	OUTDOOR PICNIC & CHRISTMAS CAROLS Guest Artist: Stephanie Baartman (Bibi – Getroud Met Rugby)	17:00 – 20:00	Supertubes Park Dolphin Beach
26 DECEMBER	USN 1TOUCH RUGBY	09:00 – 16:00	Dolphin Beach
27 DECEMBER	Festival Grounds and Stalls Open Gertjie 'Ou Buddy Ou Pjel' De Jager Tino, Dodo Nyoka, Irene-Louise van Wyk Ruan Josh, Franja du Plessis, Juanita du Plessis	09:00 – 20:00	Mentors Country Estate
28 DECEMBER	Festival Grounds and Stalls Open Gertjie 'Ou Buddy Ou Pjel' De Jager Tino, Die Twaalf, Dodo Nyoka, Early B Neon Dreams, Matthew Mole Desmond & The Tutus	09:00 – 20:00	Mentors Country Estate
29 DECEMBER	St Francis Bay Sandcastle Competition	10:00	St Francis Bay Beach
	Festival Grounds and Stalls Open Gertjie 'Ou Buddy Ou Pjel' De Jager Tino, Dodo Nyoka, Willem Botha, Jay Juan Boucher, Tarryn Lamb, Kurt Darren	09:00 – 20:00	Mentors Country Estate
30 DECEMBER	Festival Grounds and Stalls Open Gertjie 'Ou Buddy Ou Pjel' De Jager Monster Energy Flight Night, Elvis Blue	09:00 – 20:00	Mentors Country Estate
31 DECEMBER	Festival Grounds and Stalls Open Gertjie 'Ou Buddy Ou Pjel' De Jager Bee-Bee Die By, Kizzoo, Tjiff & Tjaff	09:00 – 15:00	Mentors Country Estate
	NEW YEAR'S EVE CELEBRATION		
	Kids Fest, Sandcastle Competition	09:00 – 13:00	Dolphin Beach
	New Year's Eve Live Entertainment	18:00 – 23:50	Dolphin Beach
	Mayor's New Year's Address	23:50	Dolphin Beach
	Fireworks	00:00	Dolphin Beach
1 JANUARY	Festival Grounds and Stalls Open Church Service, Hope City Music Veronica Meyer	09:00 – 13:00	Mentors Country Estate

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/MM3**

PUBLIC PARTICIPATION REPORT: FIRST QUARTER 2022/2023

1. Introduction

The purpose of the report is to provide an overview of public participation activities and operations by the Office of the Executive Mayor/Speaker during the first quarter of the 2022/2023 financial year.

2. Background

The Constitution of the Republic of South Africa, 1996, sets the requirement for effective public participation in municipalities, as section 152, setting out the objectives of local government, states as follows: *152. Objects of local government.- The objects of local government are – (e) to encourage the involvement of communities and community organisations in the matters of local government.*

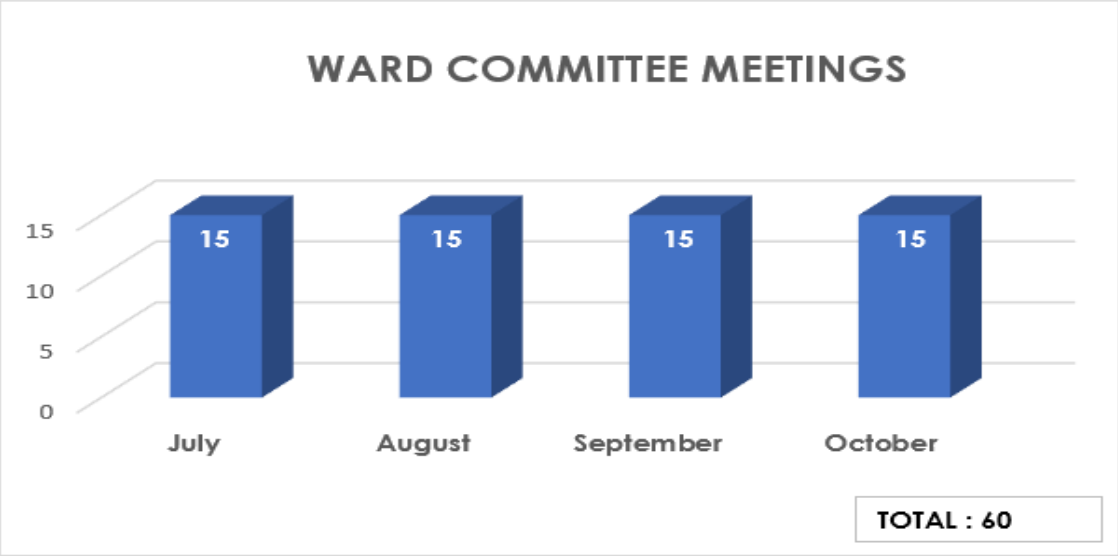
Local municipalities are compelled by law to ensure that they provide mechanisms for citizens to participate in the affairs of local government. The National Policy Framework for Public Participation (2013) defines public participation as "an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making".

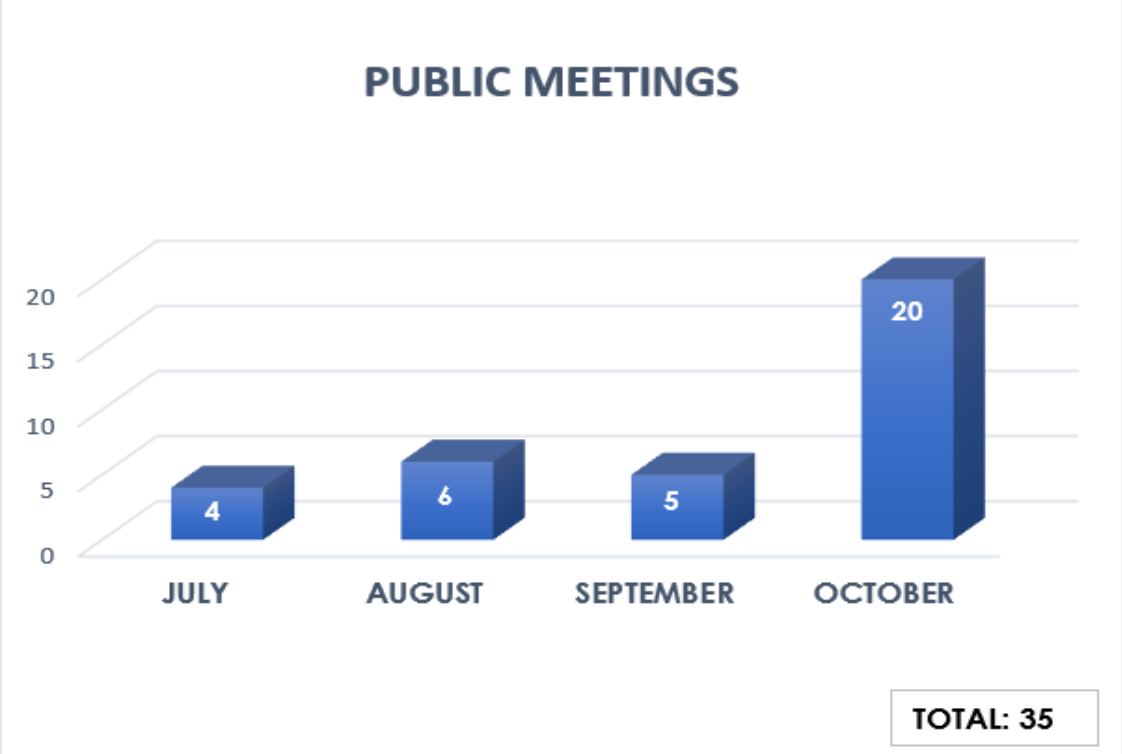
3. Public Meetings/Support

The PPU is responsible for the governance support function in respect of the public meetings *(i.e., Ward Councillor feedback-, Imbizos, MRM, CDW forums, Ward Committees, etc.)*. As per the previous report, a schedule of meetings was developed and presented to the Executive Mayor and Speaker for approval and inclusion on the KLM meeting schedule.

As at, 31 October 2022, 60 ward committee meetings have been conducted and 35 public meetings. Meetings will continue as per planned schedule in 2022/2023 financial year.

See below monthly figures:





*NB: Ward Committee Elections & Training was conducted during Feb-Mar 2022.

See supporting images below;

W1: STREET / PUBLIC MEETING



W2: PUBLIC MEETING





W8: STREET / PUBLIC MEETING



W9: PUBLIC FEEDBACK MEETING



W15: PUBLIC FEEDBACK MEETING



4. **<u>Ward Committee Meetings</u>;**

As per clause 10.1 in Ward Committee Policy, It is stated that "The Ward Councillor must convene meetings of the Ward Committee at least once a month (except for December), and a list of the meeting dates must be supplied to the Office of the Speaker for inclusion in the official municipal calendar", for administration purposes, meetings must be held before the 10th of each new month.

Action sheets are developed from minutes taken in ward committee meetings for the inputs of the relevant department/section for resolve & feedback within the stipulated timeframes. Updated actions sheets are communicated to Ward Committees on monthly basis.

The action sheets for the month of September were submitted to Individual Portfolio Committees.

The Strategic Management Team has conducted Ward Based Planning & Integrated Development Plan of Municipalities 2022/2023 for all fifteen wards.

See supporting images below;

WARD BASED PLANNING & REVIVAL OF INTEGRATED DEVELOPMENT PLAN OF MUNICIPALITIES FOR 2022/2023: WARD 1-15



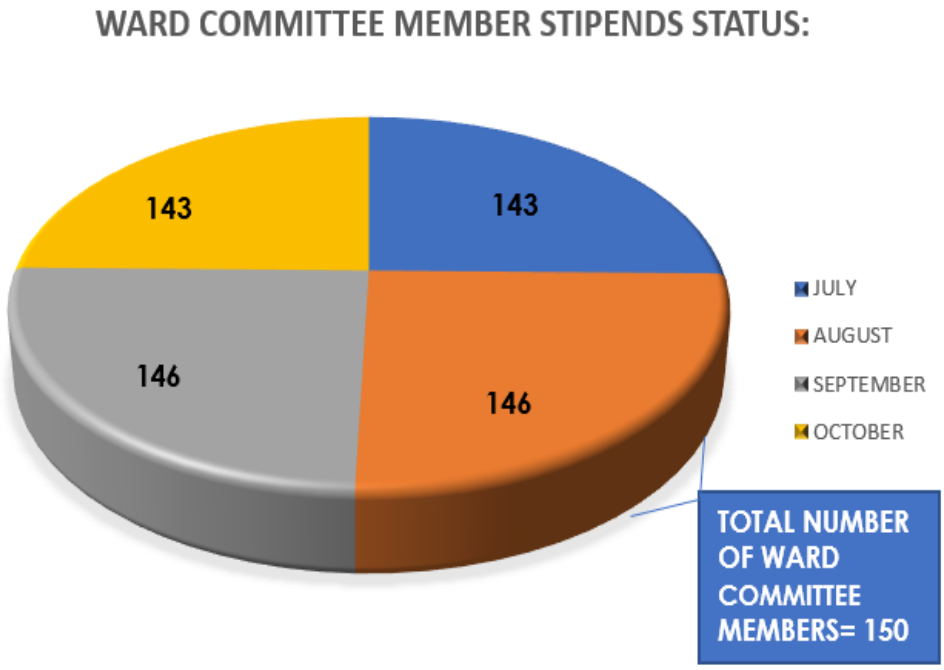
5. Community Participation Structures

5.1 **Ward Committees**

As per previous report, 15 ward committees were elected and ten committee members appointed for each ward.

In terms of, payment of out-of-pocket expenses for the months of July, August, September & October 2022, all payment documents were submitted to HR and committee members are paid on the 25th of each month.

See below monthly figures:



6. **Intergovernmental Stakeholder Support**

The PPU interacts with all district/provincial/national sector departments *(i.e., DoH, DoE, DEL, COGTA, etc.)* to ensure that public participation mechanisms are effective, efficient, and actively encourage meaningful participation by all municipal stakeholders.

The Office of the Speaker: PPU was engaged in the following Intergovernmental Stakeholder Activities;

See supporting images below;



Joint Portfolio oversight Committee (Department of Employment & Labour, Agriculture, Land Reforms Stakeholder Engagement), 14-18 July 2022



Stakeholder Engagement Meeting

VENUE: City Hall Auditorium – Gqeberha (Port Elizabeth)

Date:	**Friday, 22 July 2022**
Time:	**10:00**
Agenda:	**Stakeholder engagement on living and working conditions of farm workers, farm dwellers and farmers**
09:50 – 10:00	Welcome, introductory remarks and the purpose of the meeting by the Chairperson Ms ML Dunjwa
10:00 – 10:15	Presentation by AgriEC – Mr McNamara
10:15 – 10:30	Presentation by Ecofo – Mr Magedla
10:30 – 10:45	Presentation by East Cape Agricultural Research Project - Ms Lali Naidoo
10:45 – 11:00	**Clarity-seeking Questions from Members of Parliament (MPs)**
11:00 – 11:15	**Responses by stakeholders**
11:15 – 11:30	Presentation by Khanyisa Education and Development Trust – Mr Simahiwe Gada

SANRAL Stakeholder's Meeting (22 July 2022)



Provincial Launch of Ward Committee (29 September 2022, Gqeberha).



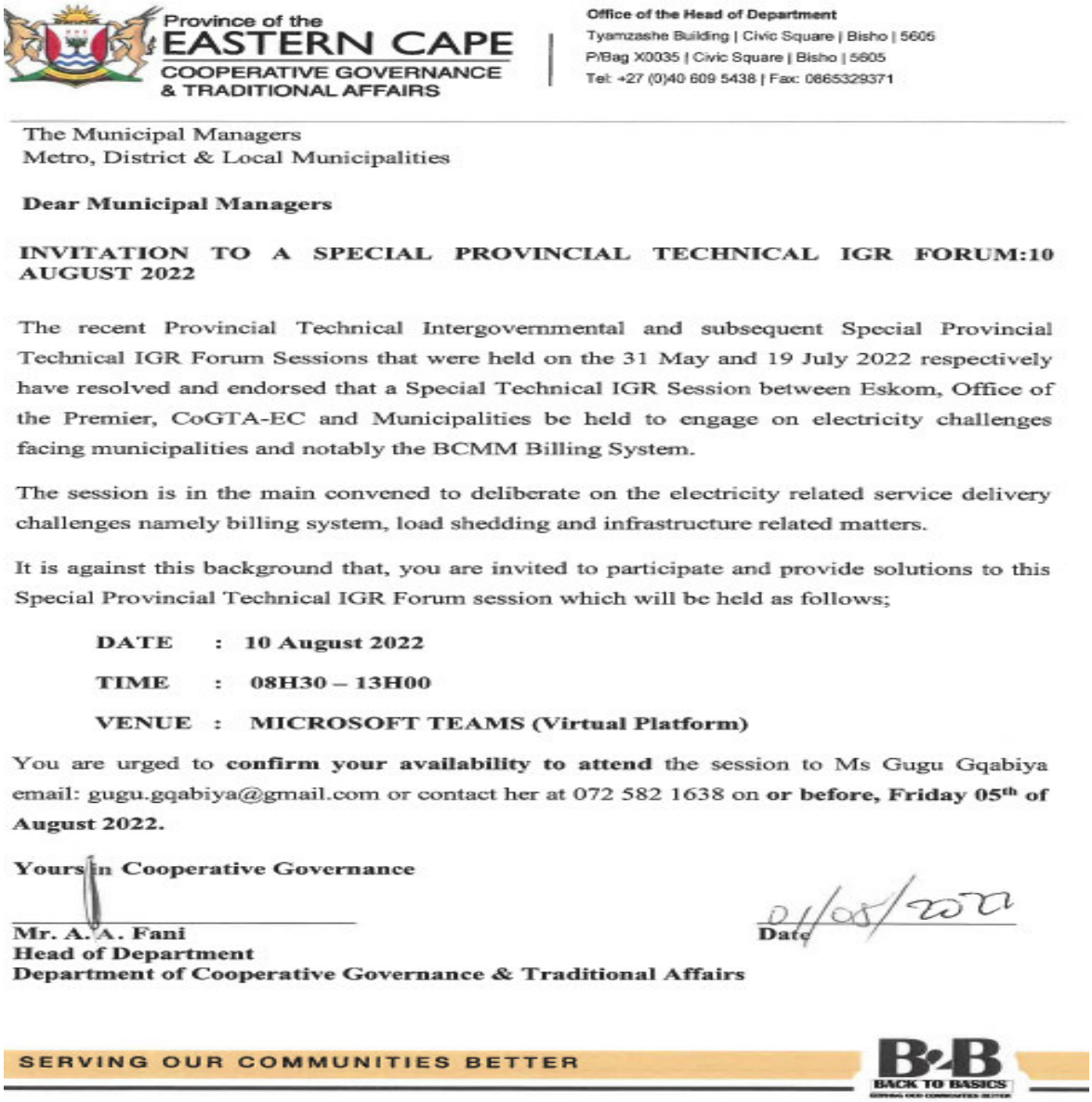
Provincial Public Participation Forum (25 August 2022, Joe Gqabi District Municipality).

7. <u>Inter-Governmental Relations Forum (IGR)</u>

The Office of the Executive Mayor held an IGR Forum meeting during June 2021 and March 2022 where sector departments made presentations respectively. All presentations made and interactions is submitted to the Office of the Executive Mayor for record purposes and further engagements will be held with individual departments.

On the 31st May and 19 July 2022, the Provincial Technical Intergovernmental and Subsequence Special Provincial Technical IGR Forum were convened and resolved to have Special Technical IGR Session on electrical issues.

See supporting images below;



Province of the EASTERN CAPE
COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

Office of the Head of Department
Tyamzashe Building | Civic Square | Bisho | 5605
P/Bag X0035 | Civic Square | Bisho | 5605
Tel: +27 (0)40 609 5438 | Fax: 0865329371

The Municipal Managers
Metro, District & Local Municipalities

Dear Municipal Managers

INVITATION TO A SPECIAL PROVINCIAL TECHNICAL IGR FORUM:10 AUGUST 2022

The recent Provincial Technical Intergovernmental and subsequent Special Provincial Technical IGR Forum Sessions that were held on the 31 May and 19 July 2022 respectively have resolved and endorsed that a Special Technical IGR Session between Eskom, Office of the Premier, CoGTA-EC and Municipalities be held to engage on electricity challenges facing municipalities and notably the BCMM Billing System.

The session is in the main convened to deliberate on the electricity related service delivery challenges namely billing system, load shedding and infrastructure related matters.

It is against this background that, you are invited to participate and provide solutions to this Special Provincial Technical IGR Forum session which will be held as follows;

DATE : 10 August 2022

TIME : 08H30 – 13H00

VENUE : MICROSOFT TEAMS (Virtual Platform)

You are urged to **confirm your availability to attend** the session to Ms Gugu Gqabiya email: gugu.gqabiya@gmail.com or contact her at 072 582 1638 on **or before, Friday 05th of August 2022.**

Yours in Cooperative Governance

Mr. A. A. Fani
Head of Department
Department of Cooperative Governance & Traditional Affairs

Date 04/08/2022

SERVING OUR COMMUNITIES BETTER

B2B BACK TO BASICS

8. <u>Moral Regeneration Movement (MRM)</u>

Section 17(2) requires a municipality to establish appropriate mechanisms, processes, and procedures to enable the local community to participate effectively in the affairs of the municipality.

The MRM launch was communicated and convened on 13th April 2022. The public and all stakeholders were invited, however due to low turnout, the launch was postponed. On Saturday, 18th June 2022, an MRM launch Meeting was convened, and different role players and groupings were present, a committee was then elected (see below committee members).

As at 31 October 2022, there were 2 meetings and 5 outreach/involvement programmes conducted with the MRM support.

See supporting images below:



MRM: Weston, Hankey Outreach



MRM: Establishment of Restoration Centre





MRM: World Aids Day



MRM: Site Specific Sculpture



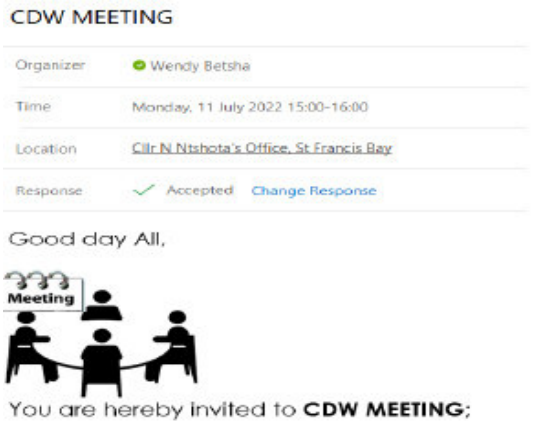
MRM: Meeting

9. Community Development Workers Forum (CDWF)

Section 18 provides that a municipality must communicate the public participation mechanisms, processes, and procedures, as well as matters which require community participation, to the community to encourage and facilitate community participation. Quarterly sectoral meetings are held with COGTA are held to evaluate the functionality of KLM's public participation mechanisms/structures. CDWs are employed by COGTA and placed in the various wards, however KLM have only 7 out of 15 CDWs.

The PPU through the Office of the Speaker will convene with COGTA through the IGR platform to evaluate the feasibility of appointing the vacant CDWs and conclude a new Memorandum of Understanding on the operational and functional duties within the KLM. During the first quarter of 2022/2023 four CDW meetings were convened .

See supporting images below;



CDW MEETING

Organizer: Wendy Betsha
Time: Monday, 11 July 2022 15:00-16:00
Location: Cllr N Ntshota's Office, St Francis Bay
Response: Accepted Change Response

Good day All,

Meeting

You are hereby invited to **CDW MEETING**;

Date: 11 July 2022
Time: 15:00pm
Venue: Cllr N Ntshota's Office, St Francis Bay.

Thank you.



Meeting with KOUGA MUNICIPALITY ON PETITIONS MANAGEMENT

Reply Reply All

MF Mxolisi Faku <Mxolisi.Faku@eccogta.gov.za>
To egoliath@kouga.go.za
Cc Wendy Betsha

Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictur

Mr Goliath

This serves to confirm our meeting scheduled as follows:

Date : 25 October 2022
Time : 14h00
Venue : Municipal Office, Jeffreys Bay

Kind regards

Mxolisi Faku : Director ,Rapid Response
0765107522

W1: CDW Discussion Meeting



Province of the EASTERN CAPE
LOCAL GOVERNMENT & TRADITIONAL AFFAIRS

Municipal Public Participation
Tyamzashe Building · Phola Avenue
Private Bag X0035 · Bisho · 5605
Eastern Cape · REPUBLIC OF SOUTH AFRICA

Mr. E Goliath
The Manager for Public Participation
Kouga Municipality
Humansdorp

Dear Sir

The Department of COGTA Municipal Public participation will be meeting community Development workers. The purpose of this meeting is to shape structured working relations between them and your good office.

The Department wish to extend an invitation to MPP Manager in Kouga Municipality. Furthermore, the Department also seek your full participation in quarterly round tables to ensure full involvement of our CDW's within your respective constituency.

Your presents in this meeting will be highly appreciated.

Discussion Meeting: COGTA Rapid Response Unit



Province of the EASTERN CAPE
COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

Head of Department
Tyamzashe Building | Civic Square | Bisho | 5605
Private Bag X0035 | Civic Square | Bisho | 5605
Tel: +27 (0)40 609 5743 / 5327 | Fax: +27 (0)40 639 2135
Enquiries: L. Madyibi – 071 607 7569

TO: MUNICIPAL MANAGERS
LOCAL, DISTRICT MUNICIPALITIES AND METROPOLITAN MUNICIPALITIES
EASTERN CAPE PROVINCE

Dear Sir/Madam

RE: RE: INVITATION TO THE WARD COMMITTEE LAUNCH BY THE HONOURABLE MEC

Your manager responsible for Public Participation is cordially invited to participate in the Provincial Launch of Ward Committees. This communique serves as a reminder to the practitioners to conclude and complete the phase of ward committee establishment as enshrined in the National Ward Committee establishment road map. The dialogue will adopt an inclusive approach of presiding officers particularly at local and ward levels for creation of harmonious and synergised developmental local government approach.

Ward Committees are the legal and legislated structures with a sole purpose to give effect to the realisation of meaningful participation by communities on affairs of local government. Fewer local municipalities have still not yet inducted their ward committees while the majority of them are ready to get started in the performance of their duties.

10. **Presidential Hotline**

The PPU is responsible for the complaints management system *(i.e., service-delivery queries, KLM Presidential Hotline platform)* including the customer satisfaction survey. KLM has only one outstanding complaint *(resolved in September 2021)* on the Presidential Hotline reporting tool and could not be closed out due to the continued inaccessibility of the system on the side of the Office of the Premier. KLM will pursue to resolve this matter through the SBDM Office of the Executive Mayor during June 2022.

See supporting images below;



Public Liaison Officer's forum (14 October 2022)



Service Delivery Queries: Facebook Complaint Resolved

Province of the
EASTERN CAPE
OFFICE OF THE PREMIER

11 October 2022

TO: ALL MUNICIPAL MANAGERS (EC)

Dear Colleagues,

INVITATION TO THE EASTERN CAPE PUBLIC LIAISON OFFICER'S FORUM MEETING AND ITSM SYSTEM TRAINING

This correspondence serves to invite all the E.C Public Liaison Officers (PLOs) to the Forum meeting and ITSM System training to be held on the 27 - 28 October 2022.

The Office of the Premier's Presidential and Provincial Hotline sub-unit has an obligation to ensure that the resolution rate of queries logged on the Presidential Hotline system pertaining to the EC Province's performance is at 95% and above.

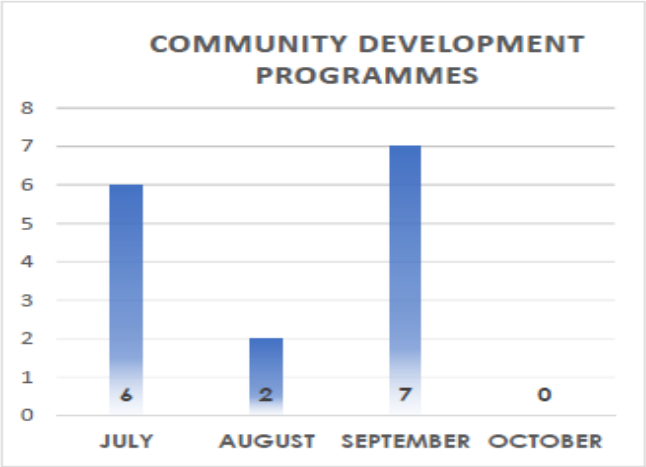
In view of the above, quarterly meetings are convened by the Office of the Premier in collaboration with the Presidency to ensure that the PLOs of the province have the ability to log on to the latest ITSM system and timeously deal with queries allocated to their respective departments / municipalities. These meetings are held over two (2) days, please refer to attached copy of the annual schedule of the upcoming meetings.

Public Liaison Officer's forum & ITSM Training (27-28 October 2022)

11. Internal Stakeholders

The PPU supports all internal departments through the provision of the public participation committee framework. Activity support is provided at community engagements *(i.e., electrifications projects, housing developments, environmental clean-ups, etc.)*. As at, 31st October 2022, there were 76 community development programmes held by different wards supported by the PPU.

See below monthly Figures:





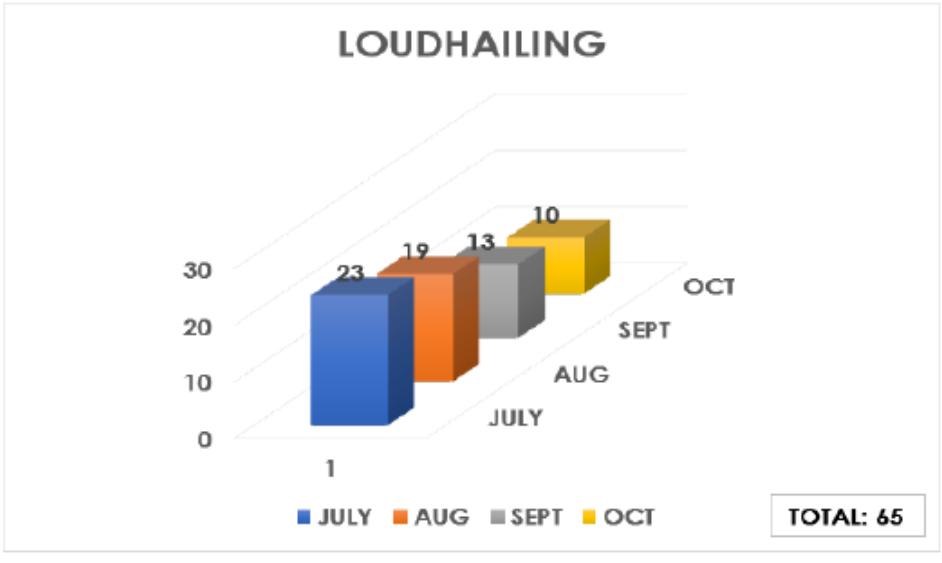
ISUP PROJECT STEERING COMMITTEE MEETING AND SITE VISITS

12 AUGUST 2022 – 09:00 – 13:00

	Activity	Responsible
	Chairperson	Mr. Charl Du Plessis Municipal Manager: KLM
SECTION A:	PROCEDURAL ARRANGEMENTS	
1.	Opening and Welcoming	Chairperson
2.	Credentials and Apologies	Chairperson
3.	Purpose of the meeting	Mr. Mawethu Fetao Manager: Human Settlements
SECTION B:	PROGRESS REPORT TO PSC MEMBERS	
4.	Progress report Presentation	V3 Consulting Engineers
5.	Question and clarities	ALL
6.	Appointment of contractor (interim services)	HDA
7.	Question and clarities	ALL
8.	Payment of outstanding invoice	HDA
9.	Communication protocol	ALL
SECTION C:	SITE VISITS BY OFFICIALS AND COUNCILLORS (DONKERHOEK 234 AND KWANOMZAMO 553)	ALL
10.	Way forward	ALL
11.	Closure	Chairperson
	Closure	

12. Disaster Management Support

Disaster Management activities *(i.e., Covid-19 outreaches, floods, fire, drought, etc.)* are duly supported through loudhailing, pamphlet distribution and awareness programme support to requesting departments across the KLM directorates. As at, 31st October 2022, sixty-five (65) loudhailings has been done. **See below monthly figures:**



13. Customer Satisfaction Survey

The Local Government Municipal Structures Act, 1998 Chapter Two (Section 19) of the Act requires a municipality to strive within its capacity to achieve the objectives set out in Section 152 of the Constitution, namely, to: - *annually review the needs of the community and municipal priorities and strategies for meeting those needs and involving the community in municipal processes.*

As per previous report, the PPU in conjunction with Internal Communications and Media Units were in process of converting the CSS into an e-format "*digital interface*" for roll-out in April 2022. As of 28 July 2022, the e-format survey is in place and will roll-out commenced to the public from 01st June to 30th of June 2022, the current survey consists of 52 questions. As per discussions between CSS Team, it was decided that the survey will be split into two sections *(Interna "institutional" & External "public")* in the 2022/2023 financial year, further to that, new revised format will be completed/done on quarterly basis.

Through an integrated strategy to improve on previous year participation and responses, the customer satisfaction survey was conducted through various platforms (i.e., printed forms, Facebook-, WhatsApp- and Internet links) to ensure that a more users of municipal services participate.

Report shows that the respondents were satisfied with the overall service delivery experience by Kouga Local Municipality and the way the municipality is governed.

See below stats;

Municipality gets thumbs up from residents

Kouga Municipality conducted its annual Customer Satisfaction Survey from June 2021 to July 2022.

The survey serves as a public participation tool which helps the municipality to get a sense of how the community measures its performance.

The survey was conducted using forms, Facebook, WhatsApp, and an online link.

A total of 397 residents participated in the survey.

Overall satisfaction

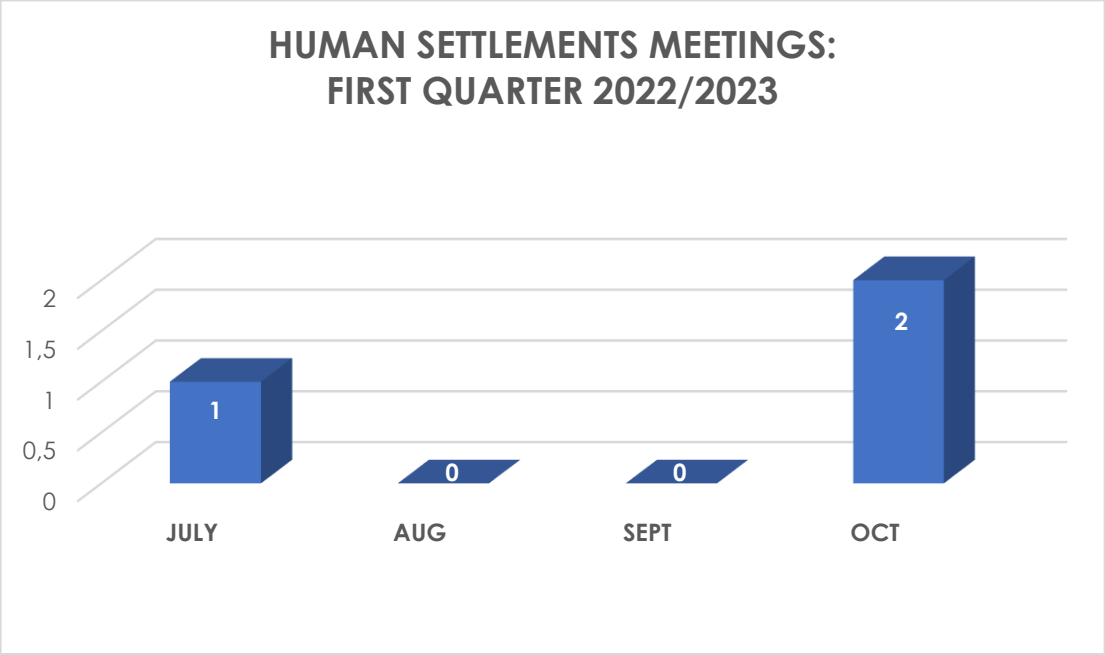
- Municipal Service Delivery – 85%
- Mayor – 85%
- Refuse Collection – 85%
- Road Maintenance – 85%
- Electricity Supply – 85%
- Water Supply – 85%
- Information Supplied by Municipality to the Public – 51%
- Opportunities for Consultation on Municipal Affairs – 44%

14. Human Settlement Outreach Programme

The Office of the Speaker is embarking on various outreach programmes with the different Directorates in all wards of KLM. The HSD kicked off its weekly outreach programme in all wards, where services of the department will be available on various days which makes it easier for remote communities to access these services at various community halls.

It's envisaged to encourage other departments to follow suit in pursuit of "*government on your stoep*" vision as expressed by the Executive Mayor.

See below monthly figures.



See supporting images below;



W2- 1500 RDP Houses Project Meeting

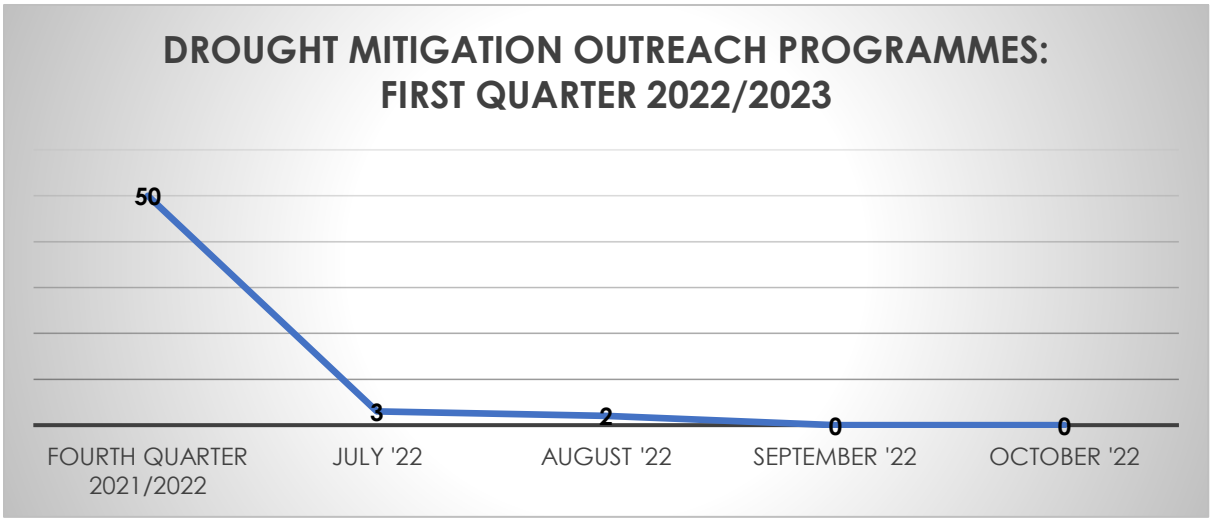


W10: Human Settlements Feedback Meeting on Wrong Title Deeds

15. Drought Mitigation Communication Support

Drought Mitigation Ward Base Outreach Programme activities commenced and targeted at all communities within various wards. These activities are championed and campaigned by Ward Councillors, ward committee members and PPU staff. Lead by Ward Councillors the outreach programme seeks to advise communities on water saving tips and scarcity of water in our municipality. To date, Fifty five outreach interventions were conducted, and this is set to be an ongoing weekly or bi-weekly project.

See below monthly figures:



See supporting images below;



W1: DROUGHT MITIGATION (SAND WATER PRIMARY SCHOOL)

16. Comments by Directorates:

16.1 Municipal Manager

That the report be noted with appreciation.

16.2 Deputy Municipal Manager

That the report be noted with appreciation.

16.3 Chief Financial Officer

Item noted

16.4 Acting Director: Corporate & Digital Services

Item noted

16.5 Director: Community Services

Item noted

16.6 Director: Planning, Development & Tourism

Noted

16.7 Acting Director: Infrastructure & Engineering

Noted

17. Financial Implications

None.

18. Legal Implications

Not applicable

19. Other Implications

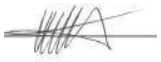
None.

20. Recommendation

20.1 That the public participation report for July-October 2022 year be noted.

20.2 That proposed plans and activities in support of institutionalizing Public Participation be supported by all Directorates.

Item prepared by: Manager Public Participation: 

Item approved by: Deputy Municipal Manager 

Item endorsed by: Municipal Manager 

Item noted by: Speaker 

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE:9 DECEMBER 2022 **ITEM NO: 22/12/MM4**

SUBMISSION OF PERFORMANCE AGREEMENTS: SECTION 56 AND SECTION 57 EMPLOYEES: 2022/23 FINANCIAL YEAR

1. Introduction:

The purpose of this report is to table the 2022/23 Performance Agreements and Performance Plans for the Municipal Manager and Directors to Council for information in compliance with legislative requirements in this regard.

The Performance Agreements is attached hereto.

2. Background:

Section 57(1)(b) and (2)(a)(i)(ii) of the Local Government Municipal Systems Act 32 of 2000 provides that a person appointed as Municipal Manager and a person appointed as a manager directly accountable to the Municipal Manager may only be appointed to such a position subject to a separate performance agreement concluded annually within one month of the beginning of each financial year provided that in the instance of new appointments, the performance agreement must be concluded within 60 days from date of appointment,

The Act further provides that the contract of employment of any such Manager shall lapse where the provisions with regard to the conclusion of the performance agreements have not been complied with.

Section 53(3) of the Local Government Municipal Finance Management Act 56 of 2003 requires the performance agreements of Municipal Managers and Directors to be submitted to the MEC for Local Government.

The performance plans of the Municipal Manager and Directors are based on the Service Delivery and Budget Implementation Plan for the 2022/23 year as approved by the Executive Mayor.

As per direction of the Municipal Manager were some operational matters included in the performance plans and on Political Direction inclusions were made on the performance plans relevant to performance on the overall institutional targets relevant to their Directorate and performance in the implementation of the Departmental SDBIP.

In terms of legislative provisions, the performance agreement of the Municipal Manager is concluded with the Executive Mayor and the performance agreements of Directors with the Municipal Manager.

The Performance Agreements and Performance Plans as signed at 31 July 2022 was submitted to COGTA and a further submission shall now be made on the amended performance plans.

3. Comment by the Municipal Manager:

3.1 Municipal Manager

Item is noted and report supported.

3.2 Chief Financial Officer

Item noted

3.3 Director: Community Services

Item noted

3.4 Director: Corporate & Digital Services

Item noted

3.5 Director Planning Development and Tourism

Noted

3.6 Acting Director: Infrastructure and Engineering

Item noted

4. Financial Implications

None

5. Legal Implications

None

6. Recommendation

6.1 That the Performance Agreements and supporting Performance Plans for the 2022/23 financial year in respect of the Municipal Manager and Directors be noted.

6.2 That in terms of the provisions of Section 53(3) of the Local Government Municipal Finance Management Act 56 of 2003 the amended Performance Agreements of the Municipal Manager and Directors for the 2022/23 financial year be submitted to the MEC for Local Government.

Item Prepared by Manager PMS: 

Item approved for submission by Municipal Manager: 

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

KOUGA MUNICIPALITY
HEREIN REPRESENTED BY

MR. C DU PLESSIS

AND

MR. T MADATT
EMPLOYED BY KOUGA MUNICIPALITY AS
ACTING DIRECTOR INFRASTRUCTURE AND ENGINEERING

FOR THE PERIOD:

1 JULY 2022 TO 30 JUNE 2023

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities.

2.3 Specify accountabilities as set out in the Performance Plan.

2.4 Monitor and measure performance against set targeted outputs.

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job.

2.6 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on 1 July 2022 and will remain in force for the duration of the Employee's contractual appointment.

3.2 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.3 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and includes key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

4.5 It is specifically agreed that in preparation of the implementation of standardized national key performance indicators for local government institutions, the performance plan of the Employee includes a section

requiring the Employee, at the indicated intervals, to provide operational statistical information to be used as performance baselines for the 2023/24 financial year. The performance of the Employee shall not be measured on such information for the 2022/23 year.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein to enable the Employer to evaluate the performance of the Employee.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

KPA No	Key Performance Area	Weight
1.	Infrastructure and Basic Service Delivery	60
2.	Municipal Financial Viability and Management	20
3	Good Governance and Public Participation	10
4.	Operational Targets	10
	Total	100

6.4.1 The Core Competency Requirements provided for in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, R805 dated 1 August 2006 as listed hereunder will make up the other 20% of the Employee's assessment score:

CCR No	Core Competency Requirement	Weight
	Core Managerial Competencies	
1	Strategic Capability and Leadership	10
2	Programme and Project Management	15
3	Financial Management	10
6	Service Delivery Innovation	10
7	Problem Solving and Nalysis	10
8	People Management and Empowerment	10
9	Client Orientation and Customer Focus	15
CORE OCCUPATIONAL COMPETENCIES		
12	Competence in Self Management	10
22	Exceptional and dynamic creativity to improve the functioning of the municipality	10
		100%

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator which could also be incorporated in the performance management system utilized by the Employer. Such overall rating represents the outcome of the performance appraisal. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					

2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	15 October 2022
Review	:	29 October 2022
Second Quarter	:	**October – December 2022**
Submission of evidence	:	14 January 2023
Review	:	28 January 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	15 April 2023
Review	:	29 April 2023
Fourth quarter	:	**April-June 2023**
Submission of evidence	:	22 July 2023
Review	:	23 September 2023

8.2 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.3 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.4 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee.

9.1.2 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.3 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.4 Make available to the Employee such resources as the Employee may reasonably require from time to time, assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions.

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. PERFORMANCE REPORTING

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall ensure that performance reporting is completed within a period of eleven (11) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting and the submission of performance evidence shall be completed within the stipulated reporting period.

11.3.2 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods, time frames and the submission of performance evidence shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1 1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation, the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.

12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.

12.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Thus done and signed at Jeffreys Bay on this the 29th day _____ of 2022.

AS WITNESSES:

1. _____

2. _____

EMPLOYEE

MUNICIPAL MANAGER

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE MUNICIPAL MANAGER

MR C DU PLESSIS

AND

T Madatt
.....

THE EMPLOYEE OF THE MUNICIPALITY

DIRECTOR INFRASTRUCTURE AND ENGINEERING

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

1. PURPOSE

The performance plan defines the Council's expectations of the Director Infrastructure and Engineering's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Director Infrastructure and Engineering shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Director Infrastructure and Engineering shall not be restricted to the measured responsibilities only.

3. PERFORMANCE REPORTING

3.2 The provision of the Performance Agreement relative to performance reporting time frames is herewith re-confirmed.

3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.

3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Municipal Manager detailing the following:

- Key Performance Indicator and target for the reporting period;
- Actual achievements on the target in accordance with the Key Performance Indicator;
- Reasons why the target could not be fully achieved;
- Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year;
    - Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the

matter shall be dealt with to ensure achievement in the shortest possible time after year end.

- Only where the Municipal Manager has approved the reasons for the non-achievement of a target shall the Employee report the non-achievement of the target as part of the performance reporting cycle and the Employee shall at all times attach the Memorandum directed to the Municipal Manager as well as the approval of the Municipal Manager to such reporting on the electronic performance management system.

4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
1	Infrastructure and Basic Service Delivery	60
2	Financial Viability and Management	20
3.	Good Governance and Public Participation	10
4.	Operational Targets	10
	Total	100

5. KEY PERFORMANCE INDICATORS

5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

5.2 INSTITUTIONAL SERVICE DELIVERY IMPLEMENTATION PLAN TARGETS ALOCATED TO THE DIRECTOR INFRASTRUCTURE AND ENGINEERING

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Infrastructure Master Plans (Stormwater; Roads & Sewer)	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Water Master Plan developed by 30 June 2023,	Number of Water Master Plans developed by 30 June 2023.	New	0 of 1	0 of 1	1 of 1		1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Water Master Plan was adopted	5
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Infrastructure Master Plans (Stormwater; Roads & Sewer)	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Sewer Master Plan developed by 30 June 2023, (To include bucket eradication plan).	Number Sewer of Master Plans developed by 30 June 2023.	New	0 of 1	0 of 1	1 of 1		1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Sewer Master Plan was adopted	5
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Water loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Reduce water losses to 35% between water purchased/ produced and water sold/ accounted for	% Reduction in water losses between water purchased/ produced and water sold/ accounted for	49.1%	35%	35%	35%	35%	1 = No reduction 2 = Reduction to 36% 3 = Reduction to 35% 4 = Reduction to 34% 5 = Reduction to below 33%	Financial Statements indicating water purchases and water sold/accounted for	20

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced Keep Kouga Safe	Water Quality	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100% Compliance with SANS standards for drinking water	% Compliance with SANS standards for drinking water	New	100%	100%	100%	100%	1 = less than 90% compliance 2 = 91 to 97% compliance 3 = 98% compliance 4 = 99% compliance 5 = 100% compliance	**Laboratory results** on water testing conducted, calculate complaint tests as a % of total tests	5
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced Keep Kouga Safe	Water Quality	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	60% Blue Drop compliance score	% Blue drop compliance score	New	35 of 60%	45 of 60%	50 of 60%	60 of 60%	1 = less than 50% 2 = 51 to 59% 3 = 60% 4 = 61 to 65% 5 = more than 65%	Blue Drop results	5
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Drought Mitigation/ Water Security	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Drought Mitigation/ Water Security Plan implemented by 30 September 2022	Number of Drought Mitigation/ Water Security Plans implemented by 30 September 2022	New	1 of 1	-	-	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Drought Mitigation/ Water Security Plan implementation report was adopted	10

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Effluent treatment	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	98% Compliance with SANS standards wastewater treated meeting discharge standards	% Compliance with SANS standards waste water treated meeting discharge standards	New	98%	98%	98%	98%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Number water samples taken and laboratory results	10
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Effluent treatment	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	31% Green Drop Score	% Green Drop Score	New	20 of 31%	25 of 31%	30 of 31%	31 of 31%	1 = less than 25% 2 = 26 to 30% 3 = 31% 4 = 32 to 35% 5 = More than 35%	Green Drop score results	5
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Renewable Energy	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 internal workshop for a strategy for renewable energy held by 1 December 2022.	Number of workshops for a Strategy for renewable energy held by 1 December 2022.	New	0 of 1	1 of 1	-		1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting where the Renewable Energy Strategy was discussed/adopted	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Electricity loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	**Reduce** non-distribution electricity losses to 10% between electricity purchased and electricity sold/ accounted for	% Reduction in electricity losses between electricity purchased and electricity sold/ accounted for	12.33%	12%	12%	11%	10%	1 = **no reduction** 2 = Reduction to 11% 3 = Reduction to 10% 4 = Reduction to 9%% 5 = Reduction to less than 9%	**Financial** statements indicating electricity purchases and electricity sold/accounted for, calculate % difference between purchased and sold/accounted for	15
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	MIG Expenditure	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100% of MIG Grant funding spent	% Expenditure of MIG Grant Funding		5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% expenditure 2 = 91 to 97% expenditure 3 = 98% expenditure 4 = 99% expenditure 5 = 100% expenditure	Financial statements indicating % MIG expenditure against MIG received for the year under review (roll overs to be included in received and spent)	15
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Completion certificates for internally funded capital projects	15
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Climate Change Management	Building energy efficiency	100% of municipal buildings have an energy efficiency improvement plan 30 June 2023	% of municipal buildings with an energy efficiency improvement plan	New	0 of 100%	0 of 100%	0 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Number of buildings and energy efficiency improvement plans	5

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standard	Evidence	Weight
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter for all Sections within the Directorate developed by 31 January 2023	Number of Service Charters for all Sections within the Directorate Developed by 31 January 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the service charter was adopted	5
Total weight													**100%**

6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE DIRECTOR INFRASTRUCTURE AND ENGINEERING

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Director Infrastructure and Engineering and the Director Infrastructure and Engineering shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Director Infrastructure and Engineering relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Bucket eradication	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Bucket toilet audit completed by 31 December 2022	Number of bucket toilet audits completed by 31 December 2022	New	0 of 1	1 of 1	-	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Bucket Toilet Audit Report was submitted	10
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Water treatment plan safety	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Audit on the safety of water treatment plants completed by 31 October 2022 (Fencing, access control and Green Drop related compliance matters)	Number of Audits on the safety of water treatment plants completed by 31 October 2022 (Fencing, access control and Green Drop related compliance matters)	New	0 of 1	1 of 1	-	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Water Treatment safety audit has been submitted	10
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Electrification	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs	1 Application for funding for the electrification of households submitted to DOE by 31 October 2022	Number of Applications for funding for the electrification of households submitted to DOE by 31 October 2022	New	0 of 1	1 of 1	-	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1	Proof of submission of application	15

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
											month before due date 5 = More than 1 Month before due date		
KPA 5. Good Governance and Public Participation	Keep Kouga Growing	Cascading Performance Management	-	100% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	New	-	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of quarterly performance reviews	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	Creditor Payments	-	100%	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	100%	100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Invoice Certification Register	5
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Drought mitigation	-	100%	% Completion of projects implemented through the WSIG	New	5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Completion certificates for WSIG funded projects	40

KEY PERFORMANCE AREA	MUNICIPAL KPA	PROJECT NAME	IDP Objective	Departmental Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Departmental Performance		Improve Institutional SDBIP Performance relevant to the Directorate to 90% Achievement	% Achievement of the Implementation of the Institutional SDBIP relevant to the Directorate	63.63%	-			90%	1 = less than 80% 2 = 81 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	Annual Performance Report	10
Total weight													100%

7. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

7.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
EE1.11	Number of dwellings provided with connections to mains electricity supply by the municipality	EE1.11(1)	(1) Number of residential supply points energized and commissioned by the municipality	
EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	EE3.11(1)	(1) Number of unplanned outages restored within x hours	
		EE3.11(2)	(2) Total number of unplanned outages	
EE3.21	Percentage of planned maintenance performance	EE3.21(1)	(1) Actual number of maintenance 'jobs' for planned or preventative maintenance	
		EE3.21(2)	(2) Budgeted number of maintenance 'jobs' for planned or preventative maintenance	
WS1.11	Number of new sewer connections meeting minimum standards	WS1.11(1)	(1) Number of new sewer connection to consumer units	
		WS1.11(2)	(2) Number of new sewer connections to communal toilet facilities	
WS2.11	Number of new water connections meeting minimum standards	WS2.11(1)	(1) Number of new water connections to piped (tap) water	
		WS2.11(2)	(2) Number of new water connections to public/communal facilities	
WS3.11	Percentage of callouts responded to within 24 hours (sanitation/wastewater)	WS3.11(1)	(1) Number of callouts responded to within 24 hours (sanitation/wastewater)	
		WS3.11(2)	(2) Total number of callouts (sanitation/wastetwater)	
WS3.21	Percentage of callouts responded to within 24 hours (water)	WS3.21(1)	(1) Number of callouts responded to within 24 hours (water)	
		WS3.21(2)	(2) Total water service callouts received	

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	TR6.12(1)	(1) Kilometres of municipal road lanes resurfaced and resealed	
		TR6.12(2)	(2) Kilometres of surfaced municipal road lanes	
TR6.13	KMs of new municipal road lanes built	TR6.13(1)	(1) Number of kilometres of resurfaced road lanes built	
		TR6.13(2)	(2) Number of kilometres of unsurfaced road lanes built	
TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	TR6.21(1)	(1) Number of pothole complaints resolved within the standard time after being reported	
		TR6.21(2)	(2) Number of potholes reported	
LED1.21	Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	LED1.21(1)	(1) Number of work opportunities provided by the municipality through the Expanded Public Works Programme	
		LED1.21(2)	(2) Number of work opportunities provided through the Community Works Programme and other related infrastructure initiatives	

7.2 OUTPUT INDICATORS FOR ANNUAL REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
WS5.31	Percentage of total water connections metered	WS5.31(1)	(1) Number of water connections metered	
		WS5.31(2)	(2) Number of connections unmetered	
TR6.11	Percentage of unsurfaced road graded	TR6.11(1)	(1) Kilometres of municipal road graded	
		TR6.11(2)	(2) Kilometres of unsurfaced road network	

7.3 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C56.	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	
C57.	Number of registered electricity consumers with a mini grid-based system in the municipal service area	
C58.	Total non-technical electricity losses in MWh (estimate)	
C59.	Number of municipal buildings that consume renewable energy	
C61.	Total number of chemical toilets in operation	

Reference	Performance Indicator	2022/23 Achievements
C63.	Total volume of water delivered by water trucks	

7.4 ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C60.	Total number of sewer connections	
C62.	Total number of Ventilation Improved Pit Toilets (VIPs)	

7.5 OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
EE4.4	Percentage total electricity losses	EE4.4(1)	(1) Electricity Purchases in kWh					
		EE4.4(2)	(2 Electricity Sales in kWh					
WS3.1	Frequency of sewer blockages per 100 KMs of pipeline	WS3.1(1)	(1) Number of blockages in sewers that occurred					
		WS3.1(2)	(2) Total sewer length in KMs					
WS3.2	Frequency of water mains failures per 100 KMs of pipeline	WS3.2(1)	(1) Number of water mains failures (including failures of valves and fittings					
		WS3.2(2)	(2) Total mains length (water) in KMs					
WS3.3	Frequency of unplanned water service interruptions	WS3.3(1)	(1) Number of unplanned water service interruptions					
		WS3.3(2)	(2) Total number of water service connections					
WS4.2	Percentage of wastewater samples compliant to water use license conditions	WS4.2(1)	(1) Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements					

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
		WS4.2(2)	(2) Total wastewater samples tested for all determinants over the municipal financial year					
WS5.1	Percentage of non-revenue water	WS5.1(1)	(1) Number of Kilolitres Water Purchased or Purified					
		WS5.1(2)	(2) Number of kilolitres of water sold					
WS5.2	Total water losses	WS5.2(1)	(1) System input volume					
		WS5.2(2)	(2) Authorised consumption					
		WS5.2(3)	(3) Number of service connections					
WS5.4	Percentage of water reused	WS5.4(1)	(1) Volume of water recycled and reused (VRR)					
		WS5.4(2)	(2) 1.a Direct use of treated municipal wastewater (not including irrigation)					
		WS5.4(3)	(3) 1.b Direct use of treated municipal wastewater for irrigation purposes					
		WS5.4(4)	(4) System input volume					
TR6.2	Number of potholes reported per 10kms of municipal road network	TR6.2(1)	(1) Number of potholes reported					
		TR6.2(2)	(2) Kilometres of surfaced municipal road network					

Thus, done and signed on this 22 nd day of Nov 2022 in the presence of the undersigned witnesses

EMPLOYEE

EMPLOYER

WITNESSES:

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

KOUGA MUNICIPALITY
HEREIN REPRESENTED BY

MR C DU PLESSIS

AND

MR D DE JAGER
EMPLOYED BY KOUGA MUNICIPALITY AS
DEPUTY MUNICIPAL MANAGER

FOR THE

FINANCIAL YEAR: 1 JULY 2022 TO 30 JUNE 2023

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities.

2.3 Specify accountabilities as set out in the Performance Plan.

2.4 Monitor and measure performance against set targeted outputs.

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job.

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on 1 July 2022 and will remain in force until 30 June 2023, where after a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June of each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement, at least once a year by not later than 31 July of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for whatever reason.

3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and includes key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

4.5 It is specifically agreed that in preparation for the implementation of standardized national key performance indicators for local government institutions, that the Employee, at the indicated intervals, shall provide operational statistical information to be used as performance baselines for the 2023/24 financial year with the submission of performance reports at the agreed submission dates. The performance of the Employee shall not be measured on such information for the 2022/23 year.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein to enable the Employer to evaluate the performance of the Employee.

6.2.1 The Employee undertakes to consult MFMA Circular 88 in order to ensure that the Circular 88 reporting component of the Performance Plan of the Employee complies with the Technical Indicator Descriptions so as to ensure that performance evidence supplied in this regard shall in future withstand audit scrutiny.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment

result as per the weightings agreed to between the Employer and Employee:

Kpa No	Key Performance Area	Weight
1	Financial Viability and Management	25
2	Good Governance and Public Participation	50
3.	Operational Targets	25
	Total	100

6.4.1 The Core Competency Requirements provided for in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, R805 dated 1 August 2006 as listed hereunder will make up the other 20% of the Employee's assessment score:

CCR No	Core Competency Requirement	Weight
	Core Managerial Competencies	
1	Strategic Capability and Leadership	5%
3	Financial Management	5%
4	Change Management	10%
7	Problem Solving and Analysis	10%
8	People Management and Empowerment	10%
9	Client Orientation and Customer Focus	10%
10	Communication	10%
11	Honesty and Integrity	10%
CORE OCCUPATIONAL COMPETENCIES		
13	Interpretation and implementation within the legislative and national policy frameworks	10%
14	Knowledge of developmental government	15%
16	Knowledge of global and South African specific political, social and economic contexts	5%
		100%

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator which could also be incorporated in the performance management system utilized by the Employer. Such overall rating represents the outcome of the performance appraisal. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against					

		all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

7.6 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established –

7.6.1 Municipal Manager.

7.6.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee.

7.6.3 Member of the Mayoral Committee or Executive Committee or in respect of a plenary-type municipality, another member of council; and

7.6.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	15 October 2022
Review	:	29 October 2022
Second Quarter	:	**October – December 2022**
Submission of evidence	:	14 January 2023
Review	:	28 January 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	15 April 2023
Review	:	29 April 2023
Fourth quarter	:	**April-June 2023**
Submission of evidence	:	22 July 2023
Review	:	23 September 2023

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee.

9.1.2 Provide access to skills development and capacity building opportunities.

9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time, assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions.

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus between 5% to 14% of the Employee's inclusive annual remuneration package as detailed in the relevant policy, may be paid to the Employee in recognition of outstanding performance subject to the provisions of applicable legislation in this regard.

11.3 Whereas the Employee's contract of employment provides in clause 2.4 that the appointment is subject to the conclusion of a performance agreement annually within one (1) month after the commencement of the new financial year and whereas parties to this agreement agrees that performance reporting by Directorates is an indispensable component of the management of Kouga Municipality.

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall ensure that performance reporting is completed within a period of eleven (11) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting and the submission of performance evidence shall be completed within the stipulated reporting period.

11.3.2 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods, time frames and the submission of performance evidence shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting and as such may non-compliance with completion of performance reports by the Employee or the submission of performance evidence result in any performance reward that may be due or may become due may be forfeited in part or in full at the discretion of the Employer.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation, the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.

12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.

12.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Kouga Municipality

Thus done and signed at JEFFREYS BAY on this the 27th day JULY of 2022.

AS WITNESSES:

1. _____

2. _____

_____
EMPLOYEE

_____
MUNICIPAL MANAGER

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE MUNICIPAL MANAGER

MR C DU PLESSIS

AND

DAVID DE JAGER

THE EMPLOYEE OF THE MUNICIPALITY

DEPUTY MUNICIPAL MANAGER

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

1. PURPOSE

The performance plan defines the Council's performance expectations of the Deputy Municipal Manager and has the purpose of the alignment of such performance expectations with the Integrated Development Plan as provided for in Section 57 (5) of the Municipal Systems Act.

2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Municipal Manager shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Chief Financial Officer shall not be restricted to the measured responsibilities only.

3. PERFORMANCE REPORTING

3.2 The provision of the Performance Agreement relative to performance reporting time frames and the time frames for the submission of supporting performance evidence is herewith re-confirmed.

3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information and/or performance evidence, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.

3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Municipal Manager detailing the following:

- Key Performance Indicator and target for the reporting period.
- Actual achievements on the target in accordance with the Key Performance Indicator.
- Reasons why the target could not be fully achieved.
- Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year.
- Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the matter shall be dealt with to ensure achievement in the shortest possible time after year end.

Only where the Municipal Manager has approved the reasons for the non-achievement of a target shall the Employee report the non-achievement of the target as part of the performance reporting cycle and the Employee shall at all times attach the Memorandum directed to the Municipal Manager as well as the

approval of the Municipal Manager to such reporting on the electronic performance management system.

4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
1.	Municipal Financial Viability and Management	25
2.	Good Governance and Public Participation	50
3.	Operational Targets	25
	Total	100

5. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN KEY PERFORMANCE INDICATORS ALLOCATED TO THE DEPUTY MUNICIPAL MANAGER AND/OR KEY PERFORMANCE INDICATORS FOR WHICH THE DEPUTY MUNCIPAL MANAGER IS JOINTLY RESPONSIBLE

5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Audit Outcomes	To manage and Develop financial services to ensure financial viability, compliance & reporting.	100% Implementation of corrective actions to address AG findings	% Implementation of corrective actions to address AG findings		0 of 100%	25 of 100%	100 of 100%		1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	AG report and Management Letters and proof of corrective actions taken	40
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	100% of staff members below the Senior Management Level participates in the performance management system	% of staff below senior management level that participates in the performance management system	New	5 of 100%	25 of 100%	50 of 100%	100 of 100%	1 = Less than 50% 2 = 51 to 80% 3 = 81 to 90% 4 = 91 to 95% 5 = more than 95%	System participation records	30

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Office of the Municipal Manager)` developed by 31 March 2023	Number of Service Charters Developed by 31 March 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the service charter was adopted	30
Total													100%

6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE DEPUTY MUNICIPAL MANAGER

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Deputy Municipal Manager and the Deputy Municipal Manager shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Deputy Municipal Manager relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 202/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Growing	Cascading Performance Management	-	100% of Line Managers and Staff reporting directly to the Deputy Municipal Manager subjected to six monthly performance reviews	% of Line Managers and Staff reporting directly to the Deputy Municipal Manager subjected to quarterly performance reviews	New	-	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of quarterly performance reviews	5
KPA 5. Good Governance and Public Participation	Good Governance	Customer Satisfaction		1 Customer satisfaction survey completed by 31 October 2022	Number of Customer satisfaction surveys completed by 31 October 2022	1	0 of 1	1 of 1	-	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Customer satisfaction survey results	10

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 202/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Good Governance	Communication		1 Media and Communication Policy adopted by Council by 30 April 2023	Number of Media and Communication Policies adopted by Council by 30 April 2023	1	0 of 1	0 of 1	1 of 1	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the media and communication policy was adopted	20
KPA 5. Good Governance and Public Participation	Good Governance	Operational Procedures		4 Standard Operational Procedures completed by 31 March 2023	Number of Standard Operational Procedures completed by 31 March 2023	New	0 of 4	2 of 4	4 of 4	-	1 = None 2 = 1 to 3 3 = 4 4 = 5 5 = More than 5	Approved Standard Operational Procedures	15

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 202/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Job card/call centre integration	-	100% Integration of job cards with call centre service requests by 30 June 2023	% Integration of job cards with call centre service requests by 30 June 2023	New	0 of 100%	0 of 100%	25 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of system integration	20
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Municipal Court	-	1 Municipal Court established by 31 March 2023	Number of Municipal Courts established by 31 March 2023	0	0 of 1	0 of 1	1 of 1	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Proof establishment of municipal court	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	Creditor Payments	-	100%	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to	100%	100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Invoice Certification Register	10

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 202/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
					finance calculated from date of receipt by the Directorate								
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Departmental Performance	-	75% Achievement in the implementation of the Departmental SDBIP	% Achievement of the implementation of the Departmental SDBIP	New	-	-	-	75%	1 = less than 70% 2 = 71 to 74% 3 = 75% 4 = 76 to 80% 5 = more than 80%	Annual Departmental Performance Report	10
Total weight													**100%**

7. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

7.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward councilor)	GG2.11(1)	(1) Total number of ward committees with 6 or more members	
		GG2.11(2)	(2) Total number of wards	
GG2.12	Percentage of wards that have held at least one councilor-convened community meeting	GG2.12(1)	(1) Total number of councillor convened ward community meetings	
		GG2.12(2)	(2) Total number of wards	

7.2 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievement
C11.	Number of litigation cases instituted by the municipality	
C12.	Number of litigation cases instituted against the municipality	
C13.	Number of forensic investigations instituted	
C14.	Number of forensic investigations conducted	

7.3 COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievement
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	
Q7.	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of priority.	
Q9.	Does the municipality have an Internal Audit Unit?	
Q10.	Is there a dedicated position responsible for internal audits?	
Q12.	Has an Audit Committee been established? If so, is it functional?	
Q13.	Has the internal audit plan been approved by the Audit Committee?	
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?	
Q15.	Does the internal audit plan set monthly targets?	
Q16.	How many monthly targets in the internal audit plan were not achieved?	
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:	
Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	

7.4 OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievement
GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	GG2.1(1)	(1) Functional ward committees					

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievement
		GG2.1(2)	(2) Total number of wards					

Thus, done and signed on this 30th day of JULY 2022 in the presence of the undersigned witnesses

EMPLOYEE

MUNICIPAL MANAGER

WITNESSES: _____

_____

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

KOUGA MUNICIPALITY
HEREIN REPRESENTED BY

MR C DU PLESSIS

AND

MR R LORGAT
EMPLOYED BY KOUGA MUNICIPALITY AS
CHIEF FINANCIAL OFFICER

FOR THE

FINANCIAL YEAR: 1 JULY 2022 TO 30 JUNE 2023

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities.

2.3 Specify accountabilities as set out in the Performance Plan.

2.4 Monitor and measure performance against set targeted outputs.

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job.

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

AM

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on 1 July 2022 and will remain in force until 30 June 2023, where after a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June of each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement, at least once a year by not later than 31 July of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for whatever reason.

3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan,

Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and includes key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

4.5 It is specifically agreed that in preparation for the implementation of standardized national key performance indicators for local government institutions, that the Employee, at the indicated intervals, shall provide operational statistical information to be used as performance baselines for the 2023/24 financial year with the submission of performance reports at the agreed submission dates. The performance of the Employee shall not be measured on such information for the 2022/23 year.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein to enable the Employer to evaluate the performance of the Employee.

6.2.1 The Employee undertakes to consult MFMA Circular 88 in order to ensure that the Circular 88 reporting component of the Performance Plan of the Employee complies with the Technical Indicator Descriptions so as to ensure that performance evidence supplied in this regard shall in future withstand audit scrutiny.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Kpa No	Key Performance Area	Weight
1	Financial Viability and Management	85
2	Good Governance and Public Participation	10
3.	Operational Targets	5
	Total	100

6.4.1 The Core Competency Requirements provided for in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, R805 dated 1 August 2006 as listed hereunder will make up the other 20% of the Employee's assessment score:

CCR No	Core Competency Requirement	Weight
	Core Managerial Competencies	
1	Strategic Capability and Leadership	20
3	Financial Management	20
7	Problem Solving and Analysis	20
8	People Management and Empowerment	20
9	Client Orientation and Customer Focus	20
	Total	100%

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating
An overall rating is calculated by using the applicable assessment-rating calculator which could also be incorporated in the performance management system utilized by the Employer. Such overall rating represents the outcome of the performance appraisal. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					

1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

7.6 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established –

7.6.1 Municipal Manager.

7.6.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee.

7.6.3 Member of the Mayoral Committee or Executive Committee or in respect of a plenary-type municipality, another member of council; and

7.6.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	15 October 2022
Review	:	29 October 2022
Second Quarter	:	**October – December 2022**
Submission of evidence	:	14 January 2023
Review	:	28 January 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	15 April 2023

Review	:	29 April 2023
Fourth quarter	:	**April-June 2023**
Submission of evidence	:	22 July 2023
Review	:	23 September 2023

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee.

9.1.2 Provide access to skills development and capacity building opportunities.

9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time,

assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions.

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus between 5% to 14% of the Employee's inclusive annual remuneration package as detailed in the relevant policy, may be paid to the Employee in recognition of outstanding performance subject to the provisions of applicable legislation in this regard.

11.3 Whereas the Employee's contract of employment provides in clause 2.4 that the appointment is subject to the conclusion of a performance agreement annually within one (1) month after the commencement of the new financial year and whereas parties to this agreement agrees that performance reporting by Directorates is an indispensable component of the management of Kouga Municipality.

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall

ensure that performance reporting is completed within a period of eleven (11) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting and the submission of performance evidence shall be completed within the stipulated reporting period.

11.3.2 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods, time frames and the submission of performance evidence shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting and as such may non-compliance with completion of performance reports by the Employee or the submission of performance evidence result in any performance reward that may be due or may become due may be forfeited in part or in full at the discretion of the Employer.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation, the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.

12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.

12.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Thus done and signed at Jeffreys Bay on this the 28th day of July of 2022.

AS WITNESSES:

1. _____

2. _____

_____
EMPLOYEE

_____
MUNICIPAL MANAGER

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE MUNICIPAL MANAGER

MR C DU PLESSIS

AND

RIAAZ LORGAT

THE EMPLOYEE OF THE MUNICIPALITY

CHIEF FINANCIAL OFFICER

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Revenue Collection	To manage and develop financial services to ensure financial viability, compliance & reporting.	95% Revenue collected against revenue raised	% Revenue collected against revenue raised	94.41%	95%	95%	95%	95%	1 = Less than 90% 2 = 90 to 94.99% 3 = 95% 4 = 95.01 to 96% 5 = More than 96% %	Financial Statements on revenue raised and revenue collected.	20
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Creditor Payments	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% of creditors paid within 30 days of invoice or statement as per Section 65 of the MFMA	% Of creditors paid within 30 days from date of invoice or statement as per Section 65 of the MFMA		100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Record of invoices submitted and paid calculated as a % paid within 30 days	15
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Viability	To manage and develop financial services to ensure financial viability, compliance & reporting.	Current Ratio of 0.9:1	Current Ratio		0.9:1	0.9:1	0.9:1	0.9:1	1 = less than 0.1:1 2 = 0.1:1 3 = 0.9:1 4 = 1.0:1 5 = More than 1.0:1	Financial statements indicating current ratio	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Viability	To manage and develop financial services to ensure financial	Liquidity ratio of 0.01:1	Liquidity ratio		0.01:1	0.01:1	0.01:1	0.01:1	1 = less than 0.001:1 2 = 0.001:1 to 0.009:1 3 = 0.01:1 4 = 0.02:1 to 0.09:1	Financial statements indicating liquidity ratio	10

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
			viability, compliance & reporting.								5 = Better than 0.9:1		
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Indigent Support	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% of indigent residents as per Indigent Register with access to free basic services	% of indigent residents as per indigent register with access to free basic services		100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Indigent Register and Financial Statements indicating Indigent Support	5
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Procurement Planning	To manage and develop financial services to ensure financial viability, compliance & reporting.	1 Electronic purchasing system implemented by 30 June 2023	Number of Electronic purchasing systems implemented by 30 June 2023	New	0 of 1	0 of 1	0 of 1	1 of 1	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Proof of system implementation	15

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Planning	To manage and develop financial services to ensure financial viability, compliance & reporting.	1 Long Term Financial Plan completed by 30 June 2023	Number of Long-Term Financial Plans completed by 30 June 2023	New	0 of 1	0 of 1	0 of 1	1 of 1	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Long-Term Financial Plan was adopted	20
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter for Finance Department developed by 31 January 2023	Number of Service Charters Developed by 31 January 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the service charter was adopted	5
Total weight													**100%**

6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE CHIEF FINANCIAL OFFICER

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Chief Financial Officer and the Chief Financial Officer shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Chief Financial Officer relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Cascading Performance Management	-	100% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	% Of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	New	-	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of quarterly performance reviews	30

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Departmental Performance	-	Improve Institutional SDBIP Performance relevant to the Directorate to 90% Achievement	% Achievement of the implementation of the Institutional SDBIP relevant to the Directorate	63.63%	-			90%	1 = less than 80% 2 = 81 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	Annual Performance Report	70
Total weight													**100%**

7. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

7.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	LED1.11(1)	(1) R-value of operating expenditure on contracted services within the municipal area	
		LED1.11(2)	(2) Total municipal operating expenditure on contracted services	
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services	GG6.11(1)	(1) R-value of operating budget expenditure spent on free basic services	
		GG6.11(2)	(2) Total operating budgets for the municipality	
LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	LED3.31(1)	(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award	
		LED3.31(2)	(2) Total number of 80/20 tenders awarded as per the procurement process	
LED3.32	Percentage of municipal payments made to service providers who	LED3.32(1)	(1) Number of municipal payments within 30-days of complete invoice receipt made to service providers	

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
	submitted complete forms within 30-days of invoice submission	LED3.32(2)	(2) Total number of complete invoices received (30 days or older)	

7.2 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievement
C26.	R-value of all tenders awarded	
C27.	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	
C28.	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	
C33.	Number of tenders over R200 000 awarded	
C71.	Number of procurement processes where disputes were raised	
C77.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	
C78.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	
C79.	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	
C86.	Number of households in the municipal area registered as indigent	

7.3 ANNUAL COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievement
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	

Thus, done and signed on this 30 day of JULY 2022 in the presence of the undersigned witnesses

EMPLOYEE **EMPLOYER**

WITNESSES:

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

KOUGA MUNICIPALITY
HEREIN REPRESENTED BY

MR C DU PLESSIS

AND

ME N MACHELESI
EMPLOYED BY KOUGA MUNICIPALITY AS
DIRECTOR COMMUNITY SERVICES

FOR THE

FINANCIAL YEAR: 1 JULY 2022 TO 30 JUNE 20232

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities.

2.3 Specify accountabilities as set out in the Performance Plan.

2.4 Monitor and measure performance against set targeted outputs.

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job.

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on 1 July 2022 and will remain in force until 30 June 2023, where after a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June of each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement, at least once a year by not later than 31 July of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for whatever reason.

3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and includes key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

4.5 It is specifically agreed that in preparation of the implementation of standardized national key performance indicators for local government institutions, the performance plan of the Employee includes a section requiring the Employee, at the indicated intervals, to provide operational statistical information to be used as performance baselines for the 2023/24 financial year. The performance of the Employee shall not be measured on such information for the 2022/23 year.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

SC NM RL

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein to enable the Employer to evaluate the performance of the Employee.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

NM RL SC

KPA I	Key Performance Area	Weight
1	Infrastructure and Basic Services	65
2.	Financial Viability and Management	5
2	Good Governance and Public Participation	5
3.	Operational Targets	25
	Total	100

6.4.1 The Core Competency Requirements provided for in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, R805 dated 1 August 2006 as listed hereunder will make up the other 20% of the Employee's assessment score:

CCR No	Core Competency Requirement	Weight
	Core Managerial Competencies	
2	Programme and Project Management	9
3	Financial Management	8
5	Knowledge Management	8
6	Service Delivery Innovation	9
8	People Management and Empowerment	8
9	Client Orientation and Customer Focus	10
10	Communication	8
CORE OCCUPATIONAL COMPETENCIES		
12	Competence in Self Management	8
13	Interpretation and implementation within the legislative and national policy frameworks	8
15	Knowledge of Performance Management and Reporting	8
17	Competence in policy conceptualization, analysis and implementation	8
21	Competence as required by other national line sector departments	8
Total		100

NM
SC RL

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

SC NM RL

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator which could also be incorporated in the performance management system utilized by the Employer. Such overall rating represents the outcome of the performance appraisal. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully					

SC NM RL

		achieved all others throughout the year.	
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

7.6 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established –

7.6.1 Municipal Manager.

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7.6.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee.

7.6.3 Member of the Mayoral Committee or Executive Committee or in respect of a plenary-type municipality, another member of council; and

7.6.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	15 October 2022
Review	:	29 October 2022
Second Quarter	:	**October – December 2022**
Submission of evidence	:	14 January 2023
Review	:	28 January 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	15 April 2023
Review	:	29 April 2023
Fourth quarter	:	**April-June 2023**
Submission of evidence	:	22 July 2023
Review	:	23 September 2023

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of the Performance Plan whenever the performance management system is

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adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee.

9.1.2 Provide access to skills development and capacity building opportunities.

9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time, assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions.

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers

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contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus between 5% to 14% of the Employee's inclusive annual remuneration package as detailed in the relevant policy, may be paid to the Employee in recognition of outstanding performance subject to the provisions of applicable legislation in this regard.

11.3 Whereas the Employee's contract of employment provides in clause 2.4 that the appointment is subject to the conclusion of a performance agreement annually within one (1) month after the commencement of the new financial year and whereas parties to this agreement agrees that performance reporting by Directorates is an indispensable component of the management of Kouga Municipality.

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall ensure that performance reporting is completed within a period of eleven (11) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting and the submission of performance evidence shall be completed within the stipulated reporting period.

11.3.2 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods, time frames and the submission of performance evidence shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting and as such may non-compliance with completion of performance reports by the Employee or the submission of performance evidence result in any performance reward that may be due or may become

due may be forfeited in part or in full at the discretion of the Employer.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation, the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.

12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.

12.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Thus done and signed at JEFFREYSBAY on this the 28 day July of 2022.

AS WITNESSES:

1. _____

2. _____

_____
EMPLOYEE

_____
MUNICIPAL MANAGER

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE MUNICIPAL MANAGER

MR C DU PLESSIS

AND

N MACHELESI

THE EMPLOYEE OF THE MUNICIPALITY

DIRECTOR COMMUNITY SERVICES

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

1. PURPOSE

The performance plan defines the Council's performance expectations of the Director Community Services and has the purpose of the alignment of such performance expectations with the Integrated Development Plan as provided for in Section 57 (5) of the Municipal Systems Act.

2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Director Community Services shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Director Community Services shall not be restricted to the measured responsibilities only.

3. PERFORMANCE REPORTING

3.2 The provision of the Performance Agreement relative to performance reporting time frames and the time frames for the submission of supporting performance evidence is herewith re-confirmed.

3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information and/or performance evidence, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.

3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Municipal Manager detailing the following:

- Key Performance Indicator and target for the reporting period.
- Actual achievements on the target in accordance with the Key Performance Indicator.
- Reasons why the target could not be fully achieved.
- Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year.
- Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the matter shall be dealt with to ensure achievement in the shortest possible time after year end.

Only where the Municipal Manager has approved the reasons for the non-achievement of a target shall the Employee report the non-achievement of the target as part of the performance reporting cycle and the Employee shall at all times attach the Memorandum directed to the Municipal Manager as well as the

approval of the Municipal Manager to such reporting on the electronic performance management system.

4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
1	Infrastructure and Basic Service Delivery	65
2.	Municipal Financial Viability and Management	5
3.	Good Governance and Public Participation	5
4.	Operational Targets	25
	Total	100

5. INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN KEY PERFORMANCE INDICATORS ALLOCATED TO THE DIRECTOR COMMUNITY SERVICES

5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Climate Change Management	Building energy efficiency	1 Climate Change Strategy developed by 31 December 2022	Number of Climate Change Strategies developed by 31 December 2022	New	0 of 1	1 of 1	-		1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the Climate Change Strategy was adopted	25
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Cemetery Management	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Cemetery Management System implemented by 31 March 2023	Number of Cemetery Management Systems implemented by 31 March 2023	New	0 of 1	0 of 1	1 of 1		1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Proof of acquisition of cemetery management system and proof of implementation	30
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	Waste Reduction	To manage and ensure the provision of basic municipal services and	2 000 - tonnes waste recycled at Humansdorp Landfill Site	Tonnes of waste recycled at the Humansdorp Landfill Site	1 5 00	600 of 2 000	800 of 2 000	1350 of 2 000	2 000 of 2 000	1 = less than 6 000 2 = 800 to 1 000 3 = 1300 to 1500	Proof of quarterly recycling reports	30

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
			the reduction of infrastructure backlogs.	(20 000kg = 2 000tonnes)							4 = 1600 to 2000 5 = more than 2 000		
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter for all Sections in the Directorate developed by 31 January 2023	Number of Service Charters for all Sections within the Directorate Developed by 31 March 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the service charter was adopted	15
Total weight													**100%**

6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE DIRECTOR COMMUNITY SERVICES

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Director Community Services and the Director Community services shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Director Community Services relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Growing	Cascading Performance Management	- To manage and Develop financial services to ensure financial viability, compliance & reporting	100% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	New	1 of 4	2 of 4	3 of 4	4 of 4	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of quarterly performance reviews	5
KPA1: Basic Services & Infrastructure	Keep Kouga Safe	Traffic Law Enforcement	- Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga	5 000	Traffic fines increase by 20% from previous reporting period	4 500	1000 of 5000	2 500 of 5 000	3 500 of 5 000	5 000 of 5 000	1 = less than 4000 2 = 4001 to 4999 3 = 5000 4 = 5001 to 5500 5 = more than 5500	Consolidated report on traffic fines issued	10

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Clean	Waste Site License Compliance	- To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	60%	% Compliance with waste site licensing conditions	New	30 of 60%	40 of 60%	50 of 60%	60 of 60%	1 = less than 30% 2 = 31 to 49% 3 = 50% 4 = 51 to 60% 5 = more than 60%	Audited compliance results of waste site licensing condition compliance	10
KPA1: Basic Services & Infrastructure	Keep Kouga Clean	Waste Minimization	-- To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	3	Number of waste minimization projects implemented by 30 June 2023	New	0 of 3	1 of 3	2 of 3	3 of 3	1 = None 2 = 1 to 2 3 = 3 4 = 4 5 = More than 4	Waste Minimization project implementation reports submitted to Council	15

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA1: Basic Services & Infrastructure	Keep Kouga Safe	Fire and Rescue	- To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	80%	% response to fire and rescue calls within 15 from call (Hankey, Humansdorp, Greater Jeffreys Bay and St Francis Bay)	75.25	75 of 80%	76 of 80%	80 of 80%	80 of 80%	1 = less than 70% 2 = 71 to 76% 3 = 76% 4 = 77 to 80% 5 = More than 80%	Control Room incident register and response reports	5
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	Creditor Payments	-- To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100%	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	100%	100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Invoice certification register	5
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Budgeting	To manage and Develop financial services to ensure financial viability, compliance & reporting.	1 Departmental Repair and Maintenance Plan prepared by 31 March 2023	Number of Departmental Repair and Maintenance Plans developed by 31 March 2023		0 of 1	0 of 1	1 of 1	-	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before	Departmental Repair and Maintenance Plan as submitted for budgetary considerations	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
											due date 5 = More than 1 Month before due date		
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Trees Planted	To manage and ensure the provision of basic municipal services and the reduction of infrastructure	Number of trees planted	2 000 trees to be planted by 30 June 2023	2000	500 of 2000	1000 of 2000	1500 of 2000	2000 of 2000	1 = less than 1 000 2 = 1 100 to 1 500 3 = 1 510 to 1 800 4 = 1 810 to 2 000 5 = more than 2 000	Photos of tree planting events, letter of confirmation on number of trees from donors, coordinates where trees were planted + plan of trees to be planted in each area (Annual events calender)	10
KPA1: Basic Services & Infrastructure	Keep Kouga Safe	Safety Plans	Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga	Development of Safety Plans	Number of Safety Plans developed by 31 December 2022	New	0 of 1	1 of 1			1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1	Minutes + Council Resolution	15

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
											Month before due date		
KPA1: Basic Services & Infrastructure	Keep Kouga Safe	Disaster management Plan	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Revise Disaster management Plan for Kouga Municipality	Revised and implement disaster risk management plan by 30 June 2023	1	0 of 1	0 of 1	0 of 1	1 of 1	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes + Council Resolution	10
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good	90%	% Achievement on the implementation of Institutional SDBIP targets for the Directorate	81.25%%	10 of 90%	30 of 90%	75 of 90%	90 of 90%	1 = less than 85% 2 = 85 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	Annual Performance Report	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
			governance through service excellence.										
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Departmental Performance	-	75% Achievement in the implementation of the Departmental SDBIP	% Achievement of the implementation of the Departmental SDBIP in so far as it relates to targets set for Line Managers	New	-	-	-	75%	1 = less than 70% 2 = 71 to 74% 3 = 75% 4 = 76 to 80% 5 = more than 80%	Annual Departmental Performance Report	5
Total weight													**100%**

7. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

7.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
FD1.11	Percentage of compliance with the required attendance time for structural firefighting incidents	FD1.11(1)	(1) Number of structural fire incidents where the attendance time was less than 14 minutes	
		FD1.11(2)	(2) Total number of distress calls for structural fire incidents received	
LED3.11	Average time taken to finalize business license applications	LED3.11(1)	(1) Sum of the total working days per business application finalised	
		LED3.11(2)	(2) Number of business applications finalised	

7.2 OUTPUT INDICATORS FOR ANNUAL REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
ENV4.11	Percentage of biodiversity priority area within the municipality	ENV4.11(1)	(1) Total land area in hectares classified as "biodiversity priority areas"	
		ENV4.11(2)	(2) Total municipal area in hectares	

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
ENV4.21	Percentage of biodiversity priority areas protected	ENV4.21(1)	(1) Area of priority biodiversity area in hectares which is protected	
		ENV4.21(2)	(2) Total area identified as a priority biodiversity area in hectares	

7.3 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C30.	Number of business licenses approved	
C73.	Number of structural fires occurring in informal settlements	
C74.	Number of dwellings in informal settelements affected by structural fires (estimate)	

7.4 ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C53.	Square meters of maintained public outdoor recreation space	
C54.	Number of municipality-owned community halls	

7.5 COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievements
Q20.	What is the number of steps a business must comply with when applying for a construction permit before final document is received?	

7.6 OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
WS4.1	Percentage of drinking water samples complying to SANS241	WS4.1(1)	(1) Number of water sample tests that complied with SANS 241 requirements					
		WS4.1(2)	(2) Total number of water samples tested					
ENV5.1	Recreational water quality (coastal)	ENV5.1(1)	(1) Number of coastal water samples classified as "sufficient"					
		ENV5.1(2)	(2) Total number of recreatinoal coastal water quality samples taken					
ENV5.2`	Recreational water quality (inland)	ENV5.2(1)	(1) Number of inland water sample tests within the 'targeted range' for intermediate contract recreational water use					
		ENV5.2(2)	(2) Total number of					

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
			sample tests undertaken					
HS3.5	Percentage utilisation rate of community halls	HS3.5(1)	(1) Sum of hours booked across all community halls in the period of assessment					
		HS3.5(2)	(2) Sum of available hours for all community halls in the period of assessment					
HS3.6	Average number of library vists per library	HS3.6(1)	(1) Total number of library visits					
		HS3.6(2)	(2) Count of municipal libraries					
HS3.7	Percentage of municipal cemetery plots available	HS3.7(1)	(1) Number of available municipal burial plots in active municipal cemeteries					
		HS3.7(2)	(2) Total capacity of all burial plots in active municipal cemeteries					

Thus, done and signed on this 30th day of OCTOBER 2022 in the presence of the undersigned witnesses

EMPLOYEE **EMPLOYER**

WITNESSES:

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

KOUGA MUNICIPALITY
HEREIN REPRESENTED BY

MR. C DU PLESSIS

AND

MRS M ROSSOUW
EMPLOYED BY KOUGA MUNICIPALITY AS
ACTING DIRECTOR CORPORATE SERVICES

FOR THE PERIOD:

1 JULY 2022 TO 30 JUNE 2023

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities.

2.3 Specify accountabilities as set out in the Performance Plan.

2.4 Monitor and measure performance against set targeted outputs.

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job.

2.6 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on the date of the acting appointment of the Employee and will remain in force for the duration of the Employee's contractual appointment.

3.2 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.3 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and includes key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

4.5 It is specifically agreed that in preparation of the implementation of standardized national key performance indicators for local government

institutions, the performance plan of the Employee includes a section requiring the Employee, at the indicated intervals, to provide operational statistical information to be used as performance baselines for the 2023/24 financial year. The performance of the Employee shall not be measured on such information for the 2022/23 year.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein to enable the Employer to evaluate the performance of the Employee.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

KPA	Key Performance Area	Weight
1	Institutional Development and Transformation	35
2.	Municipal Financial Viability and Management	25
3	Good Governance and Public Participation	25
4.	Operational Targets	15
	Total	100

6.4.1 The Core Competency Requirements provided for in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, R805 dated 1 August 2006 as listed hereunder will make up the other 20% of the Employee's assessment score:

CR No	Core Competency Requirement	Weight
	Core Managerial Competencies	
1	Strategic Capability and Leadership	7
2	Programme and Project Management	5
3	Financial Management	5
4	Change Management	6
5	Knowledge Management	5
6	Problem Solving and Analytical Thinking	6
7	People and Diversity Management	7
8	Client Orientation and Customer Focus	7
9	Communication	5
10	Honesty and integrity	7
	Core Occupational Competencies	
11	*Competence in Self-Management*	6
12	*Interpretation of and implementation within the legislative and national policy frameworks*	5
13	*Knowledge of Developmental Local Government*	6
14	*Knowledge of Performance Management and Reporting*	5
15	*Competence in policy conceptualization, analysis and implementation*	6
16	*Knowledge of more than one functional municipal field/discipline*	5
17	*Exceptional and dynamic creativity to improve the functioning of the municipality*	7
TOTAL		**100**

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator which could also be incorporated in the performance management system utilized by the Employer. Such overall rating represents the outcome of the performance appraisal. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective					

		results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	15 October 2022
Review	:	29 October 2022
Second Quarter	:	**October – December 2022**
Submission of evidence	:	14 January 2023
Review	:	28 January 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	15 April 2023
Review	:	29 April 2023

Fourth quarter	:	**April-June 2023**
Submission of evidence	:	22 July 2023
Review	:	23 September 2023

8.2 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.3 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.4 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee.

9.1.2 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.3 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.4 Make available to the Employee such resources as the Employee may reasonably require from time to time, assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions.

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. PERFORMANCE REPORTING

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall ensure that performance reporting is completed within a period of eleven (11) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting and the submission of performance evidence shall be completed within the stipulated reporting period.

11.3.2 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods, time frames and the submission of performance evidence shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation, the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.

12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.



12.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Thus done and signed at Kouga Municipality on this the 23 day November of 2022.

AS WITNESSES:

1. _____

2. _____

_____
EMPLOYEE

_____
MUNICIPAL MANAGER

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE MUNICIPAL MANAGER

MR C DU PLESSIS

AND

M ROSSOUW

THE EMPLOYEE OF THE MUNICIPALITY

ACTING DIRECTOR CORPORATE SERVICES

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

1. PURPOSE

The performance plan defines the Council's performance expectations of the Acting Director Corporate Services and has the purpose of the alignment of such performance expectations with the Integrated Development Plan as provided for in Section 57 (5) of the Municipal Systems Act.

2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Acting Director Corporate Services shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Acting Director Corporate Services shall not be restricted to the measured responsibilities only.

3. PERFORMANCE REPORTING

3.2 The provision of the Performance Agreement relative to performance reporting time frames and the time frames for the submission of supporting performance evidence is herewith re-confirmed.

3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information and/or performance evidence, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.

3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Municipal Manager detailing the following:

- Key Performance Indicator and target for the reporting period.
- Actual achievements on the target in accordance with the Key Performance Indicator.
- Reasons why the target could not be fully achieved.
- Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year.
- Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the matter shall be dealt with to ensure achievement in the shortest possible time after year end.

Only where the Municipal Manager has approved the reasons for the non-achievement of a target shall the Employee report the non-achievement of the target as part of the performance reporting cycle and the Employee shall at all times attach the Memorandum directed to the Municipal Manager as well as the

approval of the Municipal Manager to such reporting on the electronic performance management system.

4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
1.	Institutional Development and Transformation	35
2.	Municipal Financial Viability and Management	25
4.	Good Governance and Public Participation	25
3.	Operational Service Delivery Targets	15
	Total	100%

5. INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN KEY PERFORMANCE INDICATORS ALLOCATED TO THE ACTING DIRECTOR CORPORATE SERVICES

5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Employment Equity Compliance	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	1 AM (Senior Management) and 5 AM, 3 AF (Professionally qualified) appointed in compliance with the employment equity plan (3 highest levels of employment)	Number of Snr Management and Professionally qualified appointments made in compliance with the employment equity plan (3 highest levels of employment)	2 AM 2 AF				1 AM (Snr) 5 AM 3 AF (Prof)	1 = None 2 = 3 AM, 1 AF 3 = 4 AM, 2 AF 4 = 5 AM, 3 AF 5 = More than 5 AM and 3 AF	Employment Equity Plan and proof of appointments made to at Senior management and professionally qualified levels	5
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff Skills Development	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	98% Expenditure of Skills funding for staff development	% Expenditure of Skills funding for staff development	98%	5 of 98%	20 of 98%	75 of 98%	98 of 98%	1 = less than 90% expenditure 2 = 91 to 95% expenditure 3 = 96% expenditure 4 = 97% expenditure 5 = More than 98% expenditure	Report from BTO on expenditure on the Skills Ukey	20

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff Skills Development	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	30 frontline Staff members given Batho Pele Training by 30 June 2023	% of frontline staff members that went on Batho Pele Training	New	0 of 30	30 of 30 X	-	- 30 of 30	1 = None 2 = 1 to 29 3 = 30 4 = 31 to 40 5 = More than 40	Training records	5
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff appointment	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	Vacancy rate of less than 3% over a 3-month period against approved Organogram	% Vacancy rate over a 3-month period against approved Organogram	3%	3%	2.9%	2.8%	2.8%	1 = vacancy rate more than 5% 2 = Vacancy rate of 4% 3 = vacancy rate of 3% 4 = vacancy rate of 2% 5 = vacancy rate less than 2%	Organogram funded positions, proof of vacancies and appointments	20

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Staff Costs	To manage and Develop financial services to ensure financial viability, compliance & reporting.	34.8% of total operational expenditure attributable to staff costs	% Of total operational expenditure attributable to staff costs		35%	35%	35%	35%	1 = More than 40% 2 = 35 to 39% 3 = 34.8% 4 = 33 to 34% 5 = Less than 34%	Financial statements indicating total operational expenditure and staff cost expressed as a % of total OPEX	20
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Expenditure of internally funded capital projects	% Expenditure of internally funded capital projects	100%	5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Report from BTO on expenditure for internally funded capital projects	5
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through	1 Service Charter for all Sections within the Directorate developed by 31 January 2023	Number of Service Charters for all Sections within the Directorate Developed by 31 March 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date	Minutes of the meeting of Council where the service charter was adopted	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
			service excellence.								5 = More than 1 Month before due date		
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Functionality of Finance Management System	To manage and develop financial services to ensure financial viability, compliance & reporting.	98% up time of ICT System	% Up time of ICT System	New	98%	98%	98%	98%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	ICT System up time reports	20
Total weight													**100%**

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6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE ACTING DIRECTOR CORPORATE SERVICES

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Acting Director Corporate Services and the Acting Director Corporate Services shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Acting Director Corporate Services relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5. Good Governance and Public Participation	Keep Kouga Growing	Cascading Performance Management	-	100% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	% of Line Managers and Staff reporting directly to the Director subjected to quarterly performance reviews	New	-	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Proof of quarterly performance reviews	30
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	ICT Connectivity	-	95%	% Up-Time of ICT Network Connectivity inclusive of Wi-Fi and Cable connections	New	95%	95%	95%	95%	1 = less than 90% 2 = 91 to 94% 3 = 95% 4 = 96 to 98% 5 = 99 to 100%	ICT Network connectivity reports	30
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Telephone Queuing	-	1	Number of Telephone queuing systems implemented for 5 highest unanswered call users by 31 December 2022	New	0 of 1	1 of 1	0	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Proof of implementation of telephone queuing system	10

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KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 4: Municipal Financial Viability and Management	Keep Kouga Serviced	Creditor Payments	-	100%	% Compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	100%	100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Invoice Certification Register	10
KPA 5. Good Governance and Public Participation	Keep Kouga Serviced	Departmental Performance	-	Maintain Institutional SDBIP Performance relevant to the Directorate above 90% Achievement	% Achievement of the implementation of the Institutional SDBIP relevant to the Directorate	100%	-			90%	1 = less than 80% 2 = 81 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	Annual Performance Report	20
Total weight													**100%**

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7. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

7.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
GG1.21	Staff vacancy rate	GG1.21(1)	(1) The number of employees on the approved organisational structure	
		GG1.21(2)	(2) The number of permanent employees in the municipality	
GG1.22	Percentage of vacant posts filled within 3 months	GG1.22(1)	(1) Number of vacant posts filled within 3 months since the date (dd/mm/yyyy) of authority to proceed with filling the vacancy	
		GG1.21(2)	(2) Number of vacant posts that have been filled	
GG4.11	Number of agenda items deferred to the next council meeting	GG4.11(1)	(1) Sum total number of all council agenda items deferred to the next meeting	
GG5.11	Number of active suspensions longer than three months	GG5.11(1)	(1) Simple count of the number of active suspensions in the municipality lasting more than three months	

7.2 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C2.	Number of ExCo or Mayoral Executive meetings held	
C3.	Number of Council portfolio committee meetings held	

Reference	Performance Indicator	2022/23 Achievements
C7.	Number of formal (minuted) meetings - to which all senior managers were invited- held	
C8.	Number of councilors completed training	
C9.	Number of municipal officials completed training	
C10.	Number of work stoppages occurring	
C15.	Number of days of sick leave taken by employees	
C16.	Number of permanent employees employed	
C17.	Number of temporary employees employed	
C19.	Number of recognized traditional and Khoi-San leaders in attendance (sum of) at all council meetings	
C20.	Number of permanent environmental health practitioners employed by the municipality	
C22.	Number of Council meetings held	
C23.	Number of disciplinary cases for misconduct relating to fraud and corruption	
C24.	Number of council meetings disrupted	
C25.	Number of protests reported	
C32.	Number of positions filled with regard to municipal infrastructure	
C34.	Number of months the Municipal Managers' position has been filled (not Acting)	
C35.	Number of months the Chief Financial Officers' position has been filled (not Acting)	
C36.	Number of vacant posts of senior managers	
C38.	Number of filled posts in the treasury and budget office	
C40.	Number of filled posts in the development and planning department	
C42.	Number of registered engineers employed in approved posts	
C43.	Number of engineers employed in approved posts	
C44.	Number of disciplinary cases in the municipality	

Reference	Performance Indicator	2022/23 Achievements
C45.	Number of finalized disciplinary cases	
C47.	Number of waste management posts filled	
C49.	Number of electricians employed in approved posts	
C51.	Number of filled water and wastewater management posts	
C67.	Number of paid full-time firefighters employed by the municipality	
C68.	Number of part-time and firefighter reservists in the service of the municipality	
C89.	Number of meetings of the Executive or Mayoral Committee postponed due to lack of quorum	

7.4 ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C21.	Number of approved environmental health practitioner posts in the municipality	
C31.	Number of approved posts in the municipality with regard to municipal infrastructure	
C37.	Number of approved posts in the treasury and budget office	
C39.	Number of approved posts in the development and planning department	
C41.	Number of approved engineer posts in the municipality	
C46.	Number of approved waste management posts in the municipality	
C48.	Number of approved electrician posts in the municipality	
C50.	Number of approved water and wastewater management posts in the municipality	

7.5 COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievements
Q11.	Is the internal audit position filled or vacant?	

7.6 OUTCOME INDICATORS FOR ANNUAL MONITORING

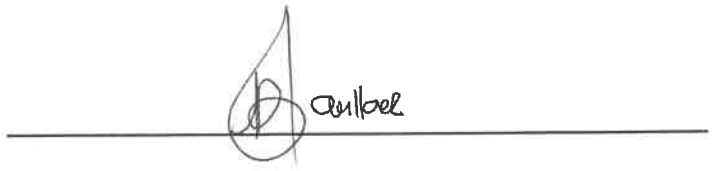
Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
GG1.1	Percentage of municipal skills development levy recovered	GG1.1(1)	(1) R-value of municipal skills development levy recovered					
		GG1.1(2)	(2) R-value of the total qualifying value of the municipal skills development levy					
GG1.2	Top management stability	GG1.2(1)	(1) Total sum of standard working days, in the reporting period, that each S56 and S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)					
		GG1.2(2)	(2) Aggregate working days for all S56 and S57 Posts					
GG2.2	Attendance rate of municipal council meeting by	GG2.2(1)	(1) Sum of the total number of recognized traditional and Khoi-San leaders					

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
	recognized traditional and Khoi-San leaders		in attendance at municipal council proceedings					
		GG2.2(3)	(3) Total number of Council meetings					
GG4.1	Percentage of councilors attending council meetings	GG4.1(1)	(1) The sum total of councilors attendance of all council meetings					
		GG4.1(2)	(2) The total number of council meetings					
		GG4.1(3)	(3) The total number of councilors in the municipality					

Thus, done and signed on this 7th day of 23 2022 in the presence of the undersigned witnesses

EMPLOYEE **EMPLOYER**

WITNESSES:



KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MUNICIPALITY OF KOUGA
HEREIN REPRESENTED BY THE EXECUTIVE MAYOR

CLLR H. HENDRICKS

AND

MR. C. DU PLESSIS
EMPLOYED AS
MUNICIPAL MANAGER

FOR THE

FINANCIAL YEAR: 1 JULY 2022 TO 30 JUNE 2023

PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN

The Municipality of Kouga herein represented by Cllr H. Hendricks in his capacity as Executive Mayor (hereinafter referred to as the Employer)

and

Mr C. du Plessis an Employee of the Municipality of Kouga (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will ensure the achievement of local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

2.1 Comply with the provisions of Section 57(1)(b),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities;

2.3 Specify accountabilities as set out in the Performance Plan;

2.4 Monitor and measure performance against set targeted outputs;

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job;

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

3.1 This Agreement will commence on 1 July 2022 and will remain in force until 30 June 2023, where after a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June of each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement, at least once a year by not later than 31 July of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan attached to this Agreement sets out –

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be performed. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

5.3 The Employer will consult with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including

special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein in order to enable the Employer to evaluate the performance of the Employee.

6.3 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competencies Requirements (CCR's) respectively.

6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Kpa No	Key Performance Area	Weight
1	Financial Viability and Management	20
2	Good Governance and Public Participation	20
3.	Institutional Development and Transformation	20
4.	Infrastructure and Basic Service Delivery	20
5.	Operational Targets	20
	Total	100

6.4.1 The CCR's as prescribed in terms of the provisions of the Local Government: Regulations on Appointment and Conditions of Employment Senior Managers, Notice 21 dated 17 January 2014 as listed hereunder will make up the other 20% of the Employee's assessment score:

CORE MANAGERIAL COMPETENCIES	INDICATE CHOICE	WEIGHT
Strategic Capability and Leadership	X	10
Financial Management	Compulsory	10
Service Delivery Innovation	X	10
Problem Solving and Analysis	X	10
People Management and Empowerment	Compulsory	10
Client Orientation and Customer Focus	Compulsory	10
Honesty and Integrity	X	10
CORE OCCUPATIONAL COMPETENCIES:		
Interpretation of and implementation within the legislative and national policy frameworks	X	10
Knowledge of Developmental Local Government	X	10
Exceptional and dynamic creativity to improve the functioning of the municipality	X	10
Total Weighting		**100**

7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed

to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.3) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating
An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	**Outstanding performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	**Performance significantly above expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	**Fully effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	**Not fully effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the					

		key performance criteria and indicators as specified in the PA and Performance Plan.	
1	**Unacceptable performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

7.7 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established –

7.7.1 Executive Mayor;

7.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;

7.7.3 Member of the Mayoral Committee or Executive Committee or in respect of a plenary type municipality, another member of council; and

7.7.4 Mayor and/or Municipal Manager from another Municipality.

7.7.5 Member of a Ward Committee as nominated by the Executive Mayor.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates:

First Quarter	:	**July- September 2022**
Submission of evidence	:	29 October 2022
Review	:	20 November 2022

Second Quarter	:	**October – December 2022**
Submission of evidence	:	29 January 2023
Review	:	25 February 2023
Third quarter	:	**January-March 2023**
Submission of evidence	:	30 April 2023
Review	:	15 May 2023
Fourth quarter	:	**April-June 2023**
Submission of evidence	:	30 July 2023
Review	:	30 August 2023

Annual Performance Evaluation: December 2023 after receipt of the AG report on the audit of the 2022/23 financial statements.

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of the Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee;

9.1.2 Provide access to skills development and capacity building opportunities;

9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time, assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers of the Employer will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions;

10.1.2 Commit the Employee to implement or to give effect to a legitimate decision made by the Employer; and

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practically possible to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus between 5% to 14% of the Employee's inclusive annual remuneration package as detailed in the relevant policy, may be paid to the Employee in recognition of outstanding performance subject to the provisions of applicable legislation in this regard.

11.3 Whereas the Employee's contract of employment provides in clause 2.4 that the appointment is subject to the conclusion of a performance agreement annually within one (1) month after the commencement of the new financial year and whereas the parties to this agreement agrees that

performance reporting is an indispensable component of the management of Kouga Municipality;

11.3.1 It is herewith specifically agreed that the Employee shall utilize the performance management system of the Municipality on a continuous basis and the Employee shall ensure that performance reporting is completed within a period of 14 (fourteen) working days immediately following any performance reporting period, unless otherwise stated herein, with the provision that where any performance information is subject to Audit, provisional performance reporting shall be completed within the stipulated reporting period.

11.5 The Employee herewith acknowledge and agree that failure to comply with performance reporting periods and time frames shall impact on the ability of the Employer to comply with legislated and stipulated performance reporting and as such may non-compliance with completion of performance reports by the Employee result in any performance reward that may be due or may become due may be forfeited in part or in full at the discretion of the Employer.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by –

12.1.1 The MEC for Local Government in the Province, or any person designated by the MEC within thirty (30) days of receipt of a formal written dispute from the Employee, whose decision shall be final and binding.

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14. PERSONAL DEVELOPMENT PLAN

14.1 The personal development plan of the Employee is attached hereto.

Thus, done and signed at JEFFREYS BAY on this the 28th day JULY of 2022.

AS WITNESSES:

1. _____

2. _____

_____
EMPLOYEE

_____
EXECUTIVE MAYOR

Annexure A

KOUGA
local municipality
Good Governance through Service Excellence

PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF KOUGA

AS REPRESENTED BY THE EXECUTIVE MAYOR

CLLR. HORATIO HENDRICKS

AND

CHARL DU PLESSIS
THE EMPLOYEE OF THE MUNICIPALITY
MUNICIPAL MANAGER
PERIOD: 1 JULY 2022 TO 30 JUNE 2023

1. PURPOSE

The performance plan defines the Council's expectations of the Municipal Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Municipal Manager shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Municipal Manager shall not be restricted to the measured responsibilities only.

3. PERFORMANCE REPORTING

3.2 The provision of the Performance Agreement relative to performance reporting time frames is herewith re-confirmed.

3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.

3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Executive Mayor detailing the following:

- Key Performance Indicator and target for the reporting period;
- Actual achievements on the target in accordance with the Key Performance Indicator;
- Reasons why the target could not be fully achieved;
- Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year;
    - Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the

matter shall be dealt with to ensure achievement in the shortest possible time after year end.

- The Employee shall at all times attach the Memorandum directed to the Executive Mayor to such reporting on the electronic performance management system.

4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
1	Infrastructure and Basic Service Delivery	20
2	Financial Viability and Management	20
3	Good Governance and Public Participation	20
4	Institutional Development and Transformation	20
5	Operational Targets	20
	Total	100

5. INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN KEY PERFORMANCE INDICATORS ALLOCATED TO THE MUNICIPAL MANAGER AND/OR KEY PERFORMANCE IDICATORS IN RESPECT OF WHICH THE MUNICIPAL MANAGER HAS A SHARED RESPONSIBILITY

5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Water loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Reduce water losses to 35% between water purchased/ produced and water sold/ accounted for	% Reduction in water losses between water purchased/ produced and water sold/ accounted for	49.1%	35%	35%	35%	35%	1 = No reduction 2 = Reduction to 36% 3 = Reduction to 35% 4 = Reduction to 34% 5 = Reduction to below 33%	Financial Statements indicating water purchases and water sold/accounted for	10
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced Keep Kouga Safe	Water Quality	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100% Compliance with SANS standards for drinking water	% Compliance with SANS standards for drinking water	New	100%	100%	100%	100%	1 = less than 90% compliance 2 = 91 to 97% compliance 3 = 98% compliance 4 = 99% compliance 5 = 100% compliance	Laboratory results on water testing conducted, calculate complaint tests as a % of total tests	10
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Electricity loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Reduce non-distribution electricity losses to 10% between electricity purchased and electricity sold/ accounted for	% Reduction in electricity losses between electricity purchased and electricity sold/ accounted for	12.33%	12%	12%	11%	10%	1 = no reduction 2 = Reduction to 11% 3 = Reduction to 10% 4 = Reduction to 9%% 5 = Reduction to less than 9%	Financial statements indicating electricity purchases and electricity sold/accounted for, calculate % difference between purchased and sold/accounted for	10
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	MIG Expenditure	To manage and ensure the provision of basic municipal services and the reduction of	100% of MIG Grant funding spent	% Expenditure of MIG Grant Funding		5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% expenditure 2 = 91 to 97% expenditure 3 = 98% expenditure 4 = 99% expenditure 5 = 100% expenditure	Financial statements indicating % MIG expenditure against MIG received for the year under review (roll overs to be included in	10

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
			infrastructure backlogs.									received and spent)	
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff Skills Development	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	100% Expenditure of LGSETA funding received for staff development	% Expenditure of LGSETA funding received for staff development	98%	5 of 100%	20 of 100%	75 of 100%	100 of 100%	1 = less than 90% expenditure 2 = 91 to 96% expenditure 3 = 97% expenditure 4 = 98% expenditure 5 = 100% expenditure	Financial statements indicating LGSETA grant funding and expenditure	10
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff appointment	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	Vacancy rate of less than 3% over a 3-month period against approved Organogram	% Vacancy rate over a 3-month period against approved Organogram	3%	3%	2.9%	2.8%	2.8%	1 = vacancy rate more than 5% 2 = Vacancy rate of 4% 3 = vacancy rate of 3% 4 = vacancy rate of 2% 5 = vacancy rate less than 2%	Organogram funded positions, proof of vacancies and appointments	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Revenue Collection	To manage and Develop financial services to ensure financial viability, compliance & reporting.	95% Revenue collected against revenue raised	% Revenue collected against revenue raised		95%	95%	95%	95%	1 = Less than 90% 2 = 90 to 94.99% 3 = 95% 4 = 95.01 to 96% 5 = More than 96% %	Financial Statements on revenue raised and revenue collected. (Debt older than 60 days to be excluded from revenue collection rates)	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Creditor Payments	To manage and Develop financial services to ensure financial viability, compliance & reporting.	100% of creditors paid within 30 days of invoice	% of creditors paid within 30 days from date of invoice		100%	100%	100%	100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Record of invoices submitted and paid calculated as a % paid within 30 days	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Staff Costs	To manage and Develop financial services to ensure financial viability, compliance & reporting.	34.8% of total operational expenditure attributable to staff costs	% Of total operational expenditure attributable to staff costs		35%	35%	35%	35%	1 = More than 40% 2 = 35 to 39% 3 = 34.8% 4 = 33 to 34% 5 = Less than 34%	Financial statements indicating total operational expenditure and staff cost expressed as a % of total OPEX	10
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Viability	To manage and Develop financial services to ensure financial viability, compliance & reporting.	Current Ratio of 0.9:1	Current Ratio		0.9:1	0.9:1	0.9:1	0.9:1	1 = less than 0.1:1 2 = 0.1:1 3 = 0.9:1 4 = 1.0:1 5 = More than 1.0:1	Financial statements indicating current ratio	2

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Viability	To manage and Develop financial services to ensure financial viability, compliance & reporting.	Liquidity ration of 0.01:1	Liquidity ratio		0.01:1	0.01:1	0.01:1	0.01:1	1 = less than 0.001:1 2 = 0.001:1 to 0.009:1 3 = 0.01:1 4 = 0.02:1 to 0.09:1 5 = Better than 0.9:1	Financial statements indicating liquidity ratio	2
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	5 of 100%	45 of 100%	75 of 100%	100 of 100%	1 = less than 90% 2 = 91 to 97% 3 = 98% 4 = 99% 5 = 100%	Completion certificates for internally funded capital projects	2
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	Improve overall Institutional SDBIP implementation performance by 5% compared to previous year.	% Improvement in overall institutional SDBIP implementation performance compared to previous year	86.75% (2020/21)	0 of 5%	0 of 5%	0 of 5%	5 of 5%	1 = no improvement 2 = improvement up to 4.9% 3 = 5% improvement 4 = 5.1 to 6% improvement 5 = More than 6% improvement	Annual Institutional Performance Report	5

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weighting
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	100% of staff members below the Senior Management Level participates in the performance management system	% of staff below senior management level that participates in the performance management system	New	-	100%	100%	100%	1 = Less than 50% 2 = 51 to 80% 3 = 81 to 90% 4 = 91 to 95% 5 = more than 95%	System participation records	3
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023	Number of Service Charters Developed by 31 March 2023	New	0 of 1	0 of 1	1 of 1	0	1 = More than 1 month after due date 2 = Between 2 week and 1 month after due date 3 = within 2 weeks of due date 4 = 2 weeks to 1 month before due date 5 = More than 1 Month before due date	Minutes of the meeting of Council where the service charter was adopted	2
Total													100%

6. OPERATIONAL KEY PERFORMANCE INDICATORS ALLOCATED TO THE MUNICIPAL MANAGER

6.1 The following Key Performance Indicators (KPI's) has been allocated to the Municipal Manager and the Municipal Manager shall provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other. These operational Key Performance Indicators shall be taken into account in all performance reviews and performance evaluations of the Municipal Manager relevant to the 2022/23 year.

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	95%	% Achievement on the implementation of Institutional SDBIP targets for the Directorate Community Services	90% (2020/21)	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95% 4 = 96 to 97% 5 = more than 97%	Annual Performance Report	15
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good	95%	% Achievement on the implementation of Institutional SDBIP targets for the Directorate Corporate Services	100% (2020/21)	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95% 4 = 96 to 97% 5 = more than 97%	Annual Performance Report	15

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
			governance through service excellence.										
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	95%	% Achievement on the implementation of Institutional SDBIP targets for the Office of the Deputy Municipal Manager	New	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95% 4 = 96 to 97% 5 = more than 97%	Annual Performance Report	15
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	95%	% Achievement on the implementation of Institutional SDBIP targets for the Directorate Finance	100% (2020/21)	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95% 4 = 96 to 97% 5 = more than 97%	Annual Performance Report	20
KPA 5: Good Governance	Good Governance	Performance Management	To ensure that municipal	95%	% Achievement on the implementation	84.85% (2020/21)	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95%	Annual Performance Report	20

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	Operational Target 2022/23)	KPI	Baseline	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Standards	Evidence	Weight
and Public Participation			services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.		of Institutional SDBIP targets for the Directorate Infrastructure and Engineering						4 = 96 to 97% 5 = more than 97%		
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	95%	% Achievement on the implementation of Institutional SDBIP targets for the Directorate Planning Development and Tourism	71.42% (2020/21)	10 of 95%	30 of 95%	75 of 95%	95 of 95%	1 = less than 85% 2 = 85 to 94% 3 = 95% 4 = 96 to 97% 5 = more than 97%	Annual Performance Report	15
Total weighting													**100%**

6. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

6.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward councilor)	GG2.11(1)	(1) Total number of ward committees with 6 or more members	
		GG2.11(2)	(2) Total number of wards	
GG2.12	Percentage of wards that have held at least once councilor-convened community meeting	GG2.12(1)	(1) Total number of councilor convened ward community meetings	
		GG2.12(2)	(2) Total number of wards	

6.2 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievement
C1.	Number of signed performance agreements by the MM and section 56 managers	
C4.	Number of MPAC meetings held	
C5.	Number of recognised traditional leaders within your municipal boundary	
C6.	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters	
C11.	Number of litigation cases instituted by the municipality	
C12.	Number of litigation cases instituted against the municipality	
C13.	Number of forensic investigations instituted	
C14.	Number of forensic investigations conducted	

6.3 COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievement
Q1.	Does the municipality have an approved Performance Management Framework?	
Q2.	Has the IDP been adopted by Council by the target date?	
Q3.	Does the municipality have an approved LED Strategy?	
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	
Q5.	How many public meetings were held in the last quarter at which the Mayor or members of the Mayoral/Executive committee provided a report back to the public?	
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	
Q7.	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of priority.	
Q8.	Please list the locality, date and cause of each incident of protest within the municipal area during the reporting period:	
Q9.	Does the municipality have an Internal Audit Unit?	
Q10.	Is there a dedicated position responsible for internal audits?	
Q12.	Has an Audit Committee been established? If so, is it functional?	
Q13.	Has the internal audit plan been approved by the Audit Committee?	
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?	
Q15.	Does the internal audit plan set monthly targets?	
Q16.	How many monthly targets in the internal audit plan were not achieved?	
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:	
Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	
Q24.	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.	Y
Q25.	Has a report by the Executive Committee on all decisions it has taken been submitted to Council this financial year?	

6.4 OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievement
GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	GG2.1(1)	(1) Functional ward committees					
		GG2.1(2)	(2) Total number of wards					

Thus, done and signed on this 30th day of July 2022 in the presence of the undersigned witnesses

EMPLOYEE

EXECUTIVE MAYOR

WITNESSES: _____

_____

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE:9 DECEMBER 2022 **ITEM NO: 22/12/MM5**

2022/23 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: PROGRESS UP TO THE QUARTER ENDING 30 SEPTEMBER 2022

1. Introduction

The implementation progress report on the 22/23 Service Delivery and Budget Implementation Plan, is herewith submitted to Council.

2. Comment

The Implementation Report is arranged per Directorate to allow ease of oversight per Directorate.

Green highlighting reflects targets achieved while orange highlighting reflects non-achievement of targets and/or where performance was not reported.

Grey highlighting reflects no performance target set for the quarter

The following reflects areas of under-performance and/or performance reports not in line with the Key Performance Indicators.

OFFICE OF THE MUNICIPAL MANAGER AND DEPUTY MUNICIPAL MANAGER		
Quarter 1 Target	**Reported performance**	**PMS Comment**
5% of staff below senior management level participates in the performance management system	Delayed until October 2022 for reason that the development of Departmental SDBIP is taking longer than anticipated. Process Plan in place to guide completion	Development of Departmental SDBIP should commence with the submission of the Draft SDBIP to Council in March each year.
DIRECTORATE FINANCE		
Quarter 1 Target	**Reported performance**	**PMS Comment**
95% revenue raised against revenue collected	78% - The low collection rate is due to the annual rates being billed. The rate will increase over the next few months.	None
Quarter 1 Target	**Reported performance**	**PMS Comment**
100% of creditors paid within 30 days of invoice	97%, please note final payment run is on the 30 October 2022, therefore this is	None

	not a final figure	
DIRECTORATE INFRASTRUCTURE AND ENGINEERING		
Quarter 1 Target	**Reported performance**	**PMS Comment**
35% Reduction in water losses between water purchased/ produced and water sold/ accounted for	All bulk meters paid to the metro for usage by private individuals, developments, farms or factories will be handed to the finance department in August to be billed. Municipal building will be audited for water leaks and billing meter details to be given to finance department.	% Reduction should be reported in line with KPI, failing to do so will result in AG deeming 0% reduction
100% Compliance with SANS standards for drinking water	A tender document compiled between I&E and Community service are being drafted to be advertised in August 2022 for a accredited lab to perform our tests, chemical as well as Biological for the municipality to increase performance, waiting period and contribute to a more positive blue drop report. The tender was advertised and closed on 18 October 2022.	%Compliance should be reported in line with KPI, failing to do so will result in AG deeming 0% compliance
35% Blue drop compliance score	Willem Hofmeyr will replace Sinawu in the short term as to chair the task team to drive the project, the manager technical will be the permanent chair of the committee. Training has been done through DWS with all relevant staff and further training for Process controllers will be ongoing. The committee include members from I&E and community service, the selection was done to ensure proper procedures and reporting is done. Different tests will be conducted as prescribed by SANS 241 in compliance with license conditions. A tender	%Compliance should be reported in line with KPI, failing to do so will result in AG deeming 0% compliance

	was advertised for laboratory services which closed on 18 October 2022.	
Quarter 1 Target	**Reported performance**	**PMS Comment**
1 Drought Mitigation/ Water Security Plans implemented by 30 September 2022	Plan to be actioned through August 2022. The DWS assisted Kouga with grant funding to augment our water supply in the Kouga region. The implementation phase has started with Humansdorp completed. R57.4m grant funding was allocated by DWS to Kouga as WSIG Funding. Package plants to be erected in St Francis Bay, Hankey and Jeffreys Bay. Additional Bore holes will be drilled in Hankey, St Francis Bay, Kruisfontein and Thornhill. These are all exploratory Bore holes	Number of plans implemented must be reported in line with KPI, failing to do so will result in the AG deeming 0 implementation.
98% Compliance with SANS standards wastewater treated meeting discharge standards	A champion to drive the project need to be appointed, training will be organised for all role players, plant operators and area engineers through the DWS to ensure proper procedures and reporting is done. The tender to be advertised during September will also assist with regular testing and maintenance issues. The tender for the laboratory services closed on 18 October 2022	%Compliance should be reported in line with KPI, failing to do so will result in AG deeming 0% compliance
20% Green Drop Score	Kwanomzamo & Weston WWTW registered on MIG to address capacity challenges. The projects were presented at the BAC Meeting with MIG in Nov 2022 for the registration.	%Score should be reported in line with KPI, failing to do so will result in AG deeming 0% score

5% Expenditure of MIG Grant Funding	Phase 3 sanitation tender advertised and closed on Monday 01 August to appoint a successful contractor. Roads tender to be advertised as well. Loerie Sports field Upgrade was advertised 25 July 2022. Both these projects are currently at BEC.	% Expenditure should be reported in line with KPI, failing which AG will deem expenditure to be 0%
DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM		
Quarter 1 Target	**Reported performance**	**PMS Comment**
5% Completion of internally funded capital projects	There are no funded projects in 2022/23 FY Indicator to be removed.	Removal of KPI from PDT to be considered with the amendment of the SDBIP

Directorates have been made aware that all areas of under-performance must be discussed at the Portfolio Committee level, with the monthly submission of Departmental SDBIP implementation reports, to determine corrective actions towards ensuring the achievement of the annual targets.

All corrective actions agreed to at the level of the Portfolio Committee must be inserted in the quarterly SDBIP implementation reports by Directorates for consolidation into the Institutional Performance Report.

3. Comment by the Directorates:

3.1 Municipal Manager

The item is noted and recommendation supported.

3.2 Chief Financial Officer

Item noted

3.3 Director: Community Services

Item noted

3.4 Acting Director: Corporate & Digital Services

Item noted

3.5 Director Planning Development and Tourism

Noted

3.6 Acting Director: Infrastructure and Engineering

Item noted, continues discussions with manager PM to improve on reporting KPI's

4. Financial Implications

None

5. Legal Implications

None

6. Recommendation

6.1 That the Quarter 1 operational and institutional performance report on progress made with the implementation of the 2022/23 Service Delivery and Budget Implementation Plan be noted.

6.2 That Directorates ensure that corrective actions are discussed and agreed on at the level of the Portfolio Committees in respect of all Key Performance Indicators where set targets for the reporting period have not been achieved in order to ensure achievement of the annual performance targets.

Prepared by: A Koegelenberg



Approved for submission by Municipal Manager:



KOUGA
local municipality
Good Governance through Service Excellence

2022/23: QUARTER 1 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: IMPLEMENTATION PERFORMANCE REPORT

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1. Financial Targets

1.1. Revenue by Source

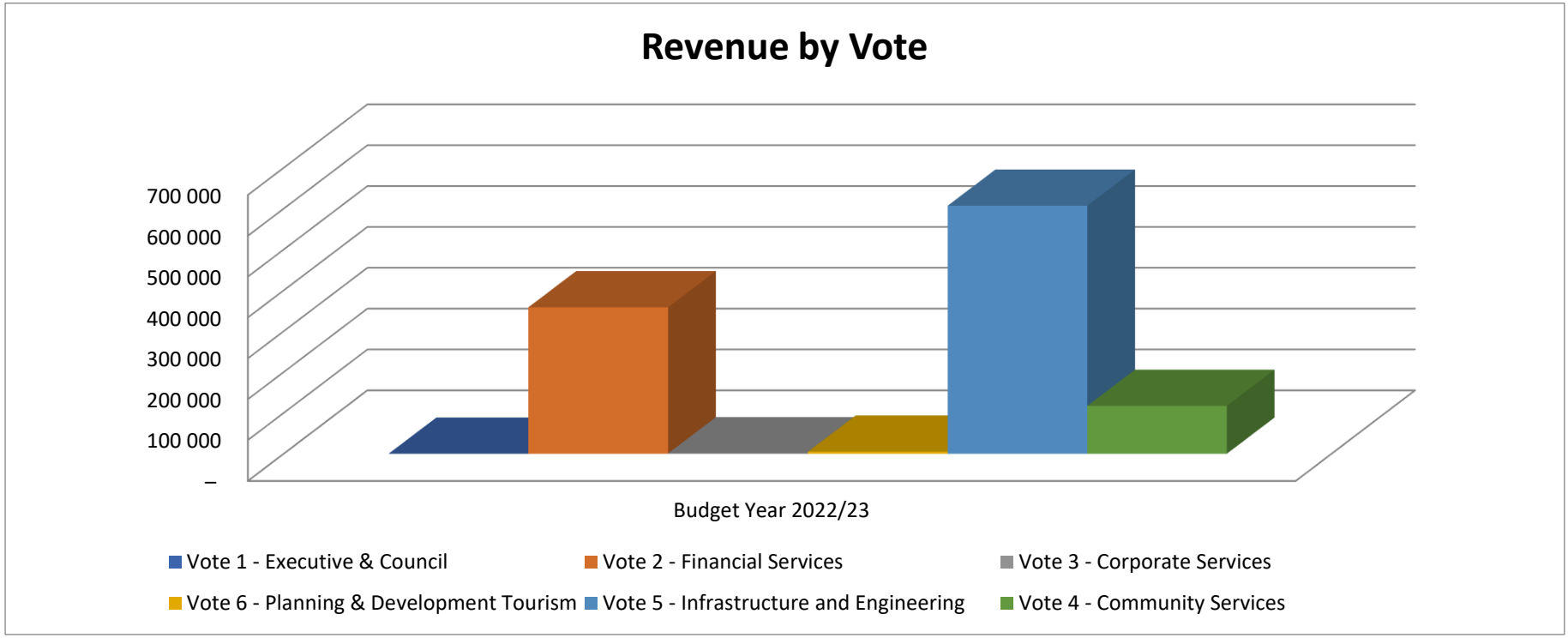
Description	Budget 2022/23		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
	Budget Year	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	% of Budget
R thousands											
Revenue By Source											
Property rates	240,849	113,322	106,040,903	113,322	145,886		186,201		240,849		
Service charges - electricity revenue	371,804	82,020	120,510	82,020	222,835		308,411		371,804		
Service charges - water revenue	89,362	17,271	21,985	17,271	43,263		64,885		89,362		
Service charges - sanitation revenue	62,796	15,651	16,108	15,651	31,099		46,358		62,796		
Service charges - refuse revenue	62,858	16,658	16,659	16,658	31,489		46,346		62,858		
Rental of facilities and equipment	2,968	397	952	397	1,647		2,309		2,968		
Interest earned - external investments	2,811	643	902	643	1,560		2,186		2,811		
Interest earned - outstanding debtors	13,706	4,940	3,426	4,940	6,853		10,279		13,706		
Fines, penalties and forfeits	1,842	1,011	270	1,011	467		655		1,842		
Licences and permits	8,397	3,604	2,411	3,604	4,130		6,195		8,397		
Agency services	5,352	672	1,349	672	2,702		3,990		5,352		

Transfers and Subsidies - Operational	177,920	64,968	58,116	64,968	120,847		177,198		177,920		
Other revenue	12,298	2,324	10,885	2,324	18,505		28,336		12,298		
Total Revenue (excluding capital transfers and contributions)	**1,052,961**	**323,480**	**359,616**	**323,480**	**631,281**	**–**	**883,350**	**–**	**1,052,961**	**–**	**0.00%**

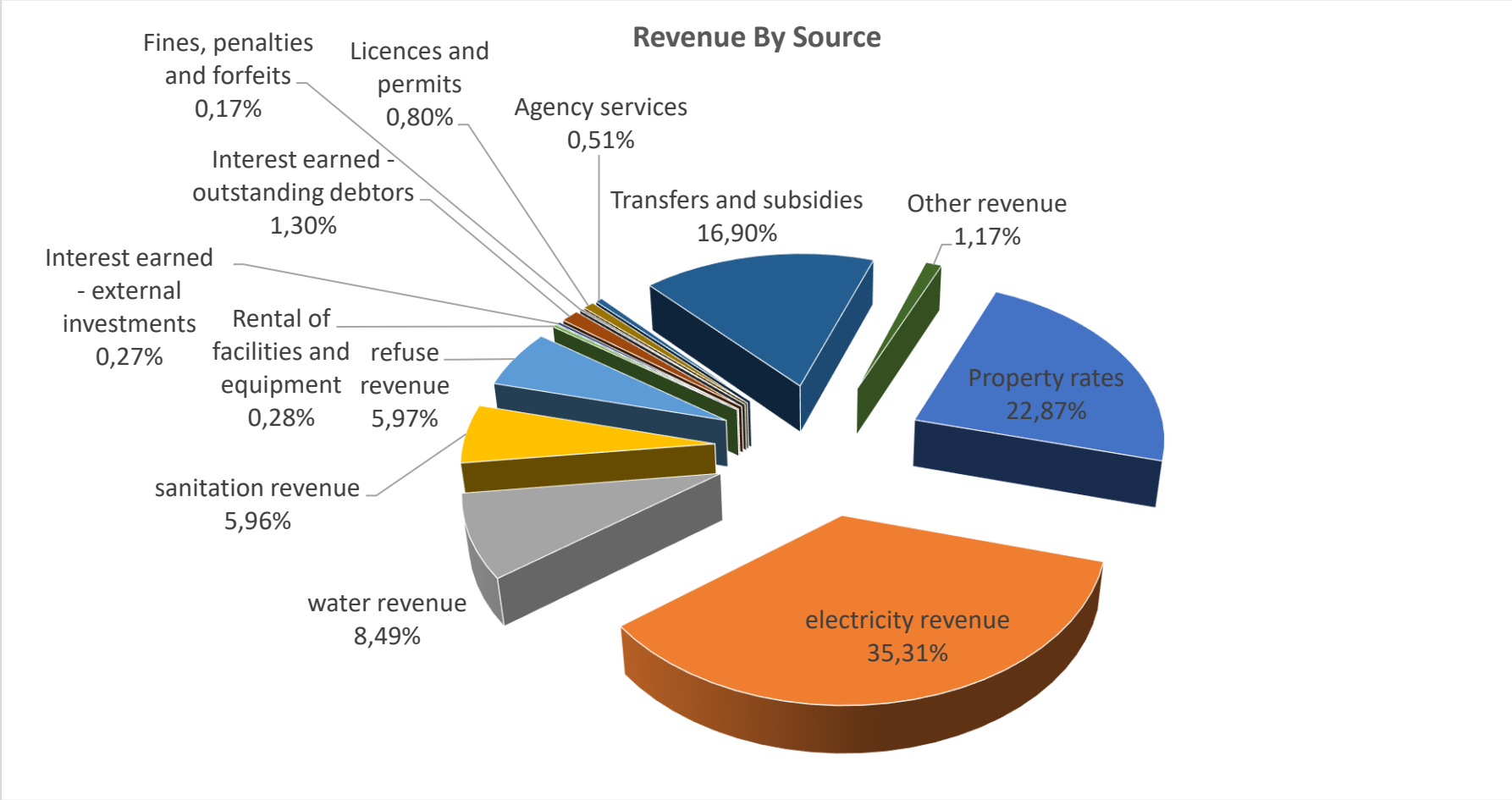
1.2. Revenue by Vote

Vote Description	Budget 2022/23		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
	Budget Year	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	% of Budget
R thousands											
Revenue by Vote											
Vote 1 - EXECUTIVE COUNCIL											
Vote 2 - FINANCIAL SERVICES	358,424	179,509	122,412	179,509	214,886		300,689		358,424		
Vote 3 - CORPORATE SERVICES	975	137	333	137	585		818		975		
Vote 4 - COMMUNITY SERVICES	117,205	24,200	40,029	24,200	70,268		98,325		117,205		
Vote 5 - INFRASTRUCTURE AND ENGINEERING	607,132	127,524	207,352	127,524	363,993		509,335		607,132		
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	4,960	1,306	1,694	1,306	2,973		4,161		4,960		
Total Revenue by Vote	**1,088,696**	**332,676**	**371,820**	**332,676**	**652,705**	**–**	**913,328**	**–**	**1,088,696**		

1.3. Budgeted Revenue Graph (illustration)



1.4. Source of Budgeted Income Graph (illustration)



2. EXPENDITURE - BUDGETS

2.1 Operating Expenditure by Vote

Vote Description	Budget 2022/23		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
	Budget Year	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	% of Budget
R thousands											
Expenditure by Vote											
Vote 1 - EXECUTIVE COUNCIL	58,894	12,547	15,440	12,547	30,005		43,559		58,894		
Vote 2 - FINANCIAL SERVICES	98,012	17,481	25,696	17,481	49,935		72,491		98,012		
Vote 3 - CORPORATE SERVICES	43,088	8,398	11,297	8,398	21,952		31,868		43,088		
Vote 4 - COMMUNITY SERVICES	230,145	46,156	60,338	46,156	117,254		170,217		230,145		
Vote 5 - INFRASTRUCTURE AND ENGINEERING	696,069	163,185	182,490	163,185	354,631		514,818		696,069		
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	37,702	6,005	9,884	6,005	19,208		27,885		37,702		
Total Expenditure by Vote	**1,163,909**	**253.773**	**305,145**	**253.773**	**592,986**	**–**	**860,838**	**–**	**1,163,909**		

EC108 Kouga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23							Medium Term Revenue and Expenditure Framework							
R thousand		July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	udget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	-															
Vote 1 - EXECUTIVE COUNCIL		–	–	–	–	–	–	–	–		–	–	–	–	–	-
Vote 2 - FINANCIAL SERVICES		147 057	15 925	16 527	16 291	14 953	71 599	11 9	16 582	53 20	15 171	15 081	15 215	358 424	381 710	406 995
Vote 3 - CORPORATE SERVICES		43	53	41	213	86	56	(	(71)	8	85	75	102	975	1 018	1 064
Vote 4 - COMMUNITY SERVICES		9 354	6 919	7 927	9 084	7 574	9 989	8 9	5 719	7 51	8 284	7 443	7 761	117 205	117 410	124 047
Vote 5 - INFRASTRUCTURE AND ENGINEERING		48 602	30 874	48048	44 515	44 417	44 922	49 0	44 650	56 63	44 416	44 409	44 429	607 132	660 153	711 400
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		348	600	358	1 085	437	284	3	(359)	41	432	381	517	4 960	5 178	5 411
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–		–	–	–	–	–	-

Total Revenue by Vote		**205 404**	**54 372**	**72 901**	**71 188**	**67 468**	**126 851**	**70 3**	**66 521**	**117 8**	**68 388**	**67 388**	**68 024**	**1 088 696**	**1 165 470**	**1 248 91**
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE COUNCIL		4 093	3 779	4 675	4 757	5 462	4 764	4 8	4 800	4 8	5 333	4 921	4 914	58 894	55 800	58 06
Vote 2 - FINANCIAL SERVICES		5 439	3 795	8 247	7 689	10 718	7 589	7 7	7 723	7 8	7 718	7 398	8 871	98 012	100 545	104 49
Vote 3 - CORPORATE SERVICES		2 687	3 078	2 633	3 456	4 879	3 037	3 3	3 063	3 4	3 288	3 494	4 225	43 088	43 530	44 31
Vote 4 - COMMUNITY SERVICES		13 171	15 053	17 932	18 987	24 336	19 579	17 7	17 091	17 8	17 964	17 377	21 829	230 145	234 876	245 14
Vote 5 - INFRASTRUCTURE AND ENGINEERING		144 820	50 475	67 890	46 970	49 682	54 215	50 2	49 597	50 9	46 965	47 631	50 292	695 979	737 705	788 39
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		1761	2 050	2 195	2 571	3 597	4 071	3 7	2 462	2 4	3 502	2 636	4 308	37 702	33 566	35 03
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–		–		–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–		–		–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–		–		–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–		–		–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**71 971**	**78 229**	**103 573**	**84 429**	**98 675**	**93 254**	**87 6**	**84 736**	**87 4**	**84 771**	**83 456**	**94 438**	**1 163 819**	**1 206 023**	**1 275 44**
Surplus/(Deficit) before assoc.		**133 433**	**(23 858)**	**(30 671)**	**(13 241)**	**(31 207)**	**33 597**	**(17 35**	**(18 215)**	**30 3**	**(16 383)**	**(16 068)**	**(26 414)**	**(75 124)**	**(40 553)**	**(26 52**

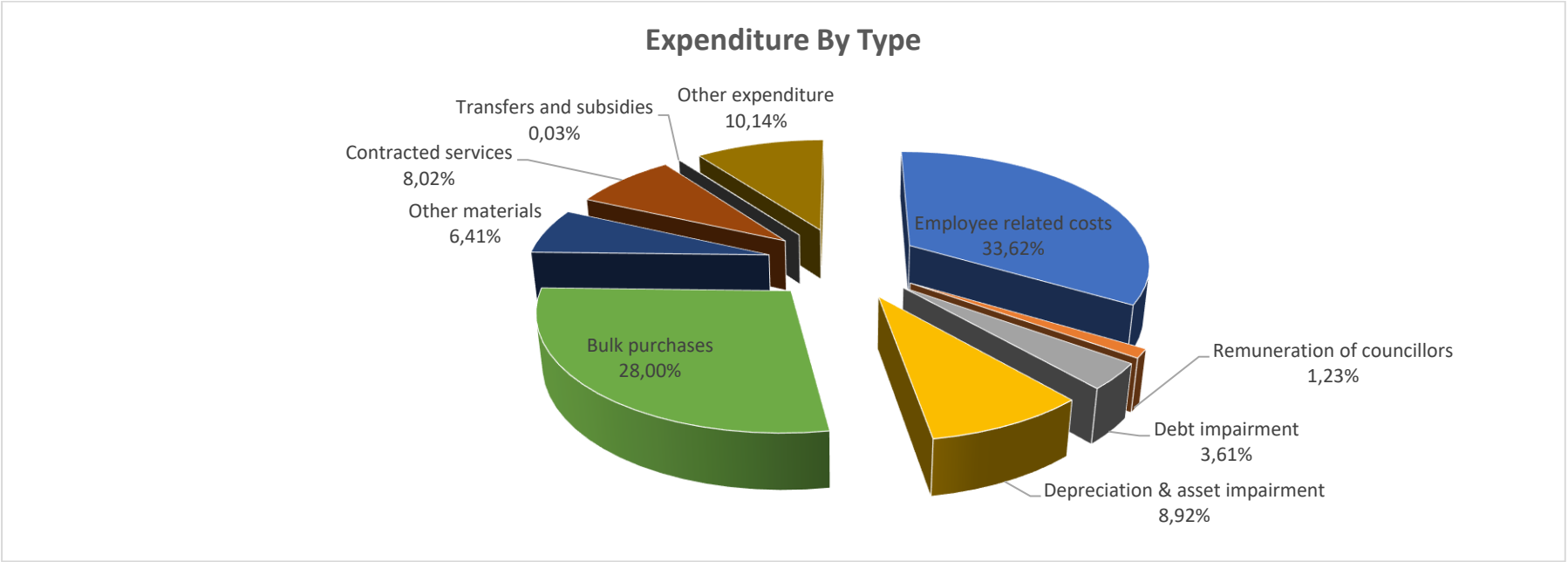
Taxation		–	–	–	–	–	–		–		–	–	–	–	–	-
Attributable to minorities		–	–	–	–	–	–		–		–	–	–	–	–	-
Share of surplus/ (deficit) of associate		–	–	–	–	–	–		–		–	–	–	–	–	-
Surplus/(Deficit)	**1**	**133 433**	**(23 858)**	**(30 671)**	**(13 241)**	**(31 207)**	**33 597**	**(17 35**	**(18 215)**	**30 39**	**(16 383)**	**(16 068)**	**(26 414)**	**(75 124)**	**(40 553)**	**(26 526**

2. Operating Expenditure by Type

Description	Budget 2022/23		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
	Budget Year	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	Budget	YearTD actual	% of Budget
R thousands											
Expenditure By Type											
Employee related costs	391,318	81,290	93,300	81,290	205,601		298,901		391,318		
Remuneration of councillors	14,364	3,879	3,591	3,879	7,182		10,773		14,364		
Debt impairment	42,069	3,482	10,517	3,482	21,034		31,552		42,069		
Depreciation & asset impairment	103,850	25,963	25,963	25,963	51,925		77,888		103,850		
Finance charges	-	518	-	518	-						
Bulk purchases - electricity	325,900	93,086	96,259	93,086	166,457		239,347		325,900		
Inventory consumed	74,648	17,656	17,961	17,656	33,248		47,814		74,648		
Contracted services	93,375	9,182	27,958	9,182	48,347		65,775		93,375		

Transfers and subsidies	400	-	100	-	200		300		400		
Other expenditure	117,984	10,755	29,496	10,755	58,992		88,488		117,984		
Total Expenditure	**1,163,909**	**253,773**	**305,145**	**253,773**	**592,986**	**–**	**860,838**	**–**	**1,163,909**	**–**	**0.00%**

2.3 Budgeted Expenditure Graph (illustrative)



3. CAPITAL EXPENDITURE

EC108 Kouga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	-															
Vote 1 - EXECUTIVE COUNCIL		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 2 - FINANCIAL SERVICES		147 057	15 925	16 527	16 291	14 953	71 599	11 9	16 582	53 20	15 171	15 081	15 215	358 424	381 710	406 995
Vote 3 - CORPORATE SERVICES		43	53	41	213	86	56		(71)	8	85	75	102	975	1 018	1 064
Vote 4 - COMMUNITY SERVICES		9 354	6 919	7 927	9 084	7 574	9 989	8 9	5 719	7 51	8 284	7 443	7 761	117 205	117 410	124 047
Vote 5 - INFRASTRUCTURE AND ENGINEERING		48 602	30 874	48048	44 515	44 417	44 922	49 0	44 650	56 63	44 416	44 409	44 429	607 132	660 153	711 400
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		348	600	358	1 085	437	284	3	(359)	41	432	381	517	4 960	5 178	5 411
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–		–	–	–	–	–	-

Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–		–	–	–	–	–	-
Total Revenue by Vote		**205 404**	**54 372**	**72 901**	**71 188**	**67 468**	**126 851**	**70 3**	**66 521**	**117 8**	**68 388**	**67 388**	**68 024**	**1 088 696**	**1 165 470**	**1 248 91**
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE COUNCIL		4 093	3 779	4 675	4 757	5 462	4 764	4 8	4 800	4 8	5 333	4 921	4 914	58 894	55 800	58 06
Vote 2 - FINANCIAL SERVICES		5 439	3 795	8 247	7 689	10 718	7 589	7 7	7 723	7 8	7 718	7 398	8 871	98 012	100 545	104 49
Vote 3 - CORPORATE SERVICES		2 687	3 078	2 633	3 456	4 879	3 037	3 3	3 063	3 4	3 288	3 494	4 225	43 088	43 530	44 31
Vote 4 - COMMUNITY SERVICES		13 171	15 053	17 932	18 987	24 336	19 579	17 7	17 091	17 8	17 964	17 377	21 829	230 145	234 876	245 14
Vote 5 - INFRASTRUCTURE AND ENGINEERING		44 820	50 475	67 890	46 970	49 682	54 215	50 2	49 597	50 9	46 965	47 631	50 292	695 979	737 705	788 39
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		1 761	2 050	2 195	2 571	3 597	4 071	3 7	2 462	2 4	3 502	2 636	4 308	37 702	33 566	35 03
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–		–		–	–	–	–	–	-
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**71 971**	**78 229**	**103 573**	**84 429**	**98 675**	**93 254**	**87 6**	**84 736**	**87 4**	**84 771**	**83 456**	**94 438**	**1 163 819**	**1 206 023**	**1 275 44**

Surplus/(Deficit) before assoc.		**133 433**	**(23 858)**	**(30 671)**	**(13 241)**	**(31 207)**	**33 597**	**(17 35**	**(18 215)**	**30 39**	**(16 383)**	**(16 068)**	**(26 414)**	**(75 124)**	**(40 553)**	**(26 526**
Taxation		–	–	–	–	–	–		–		–	–	–	–	–	-
Attributable to minorities		–	–	–	–	–	–		–		–	–	–	–	–	-
Share of surplus/ (deficit) of associate		–	–	–	–	–	–		–		–	–	–	–	–	-
Surplus/(Deficit)	**1**	**133 433**	**(23 858)**	**(30 671)**	**(13 241)**	**(31 207)**	**33 597**	**(17 35**	**(18 215)**	**30 39**	**(16 383)**	**(16 068)**	**(26 414)**	**(75 124)**	**(40 553)**	**(26 526**

3.1 CAPITAL PROGRAMME: 2022/23

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2022/23	Actuals as at 30 September 202
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Fire Vehicle	FT911	1,638,000	- 2,745
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery & Equipment - Radio Communication		58,270	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Transport Assets - Quardbike		95,598	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment		387,811	-
					2,179,679	**- 2,745**
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councilors Capital project	PC_65	750,000	-
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices		-	- 1,892
EXECUTIVE & COUNCIL	MAYOR	Internal	Municipal Court - Office equipment		100,000	-
EXECUTIVE & COUNCIL	Risk and Internal Audit Unit	Internal	Furniture and equipment		22,819	15,739
					872,819	**13,848**
FINANCE	EXPENDITURE	Internal	Furniture and equipment	PC048	30,000	23,991
FINANCE	ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	PC22601	650,000	-
FINANCE	ASSET MANAGEMENT	Internal	Furniture and equipment	PC048	30,000	-
FINANCE	Finance: IT	Internal	Computer Equipment	CP_4	1,020,000	854,353
					1,730,000	**878,344**
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	CP7_ELC	1,023,347	879,656
INFRASTRUCTURE & ENGINEERING	Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	CP_4WAT	501,966	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	CP6_WAT	405,488	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	CP5_SW	1,195,528	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	CP4_SW	902,858	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Piped Reticulation - St Francis Bay	CP7_SEW	355,829	-
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Bulk 66kv Overhead lines	CP66KV	715,068	129,067
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	18,440,235	1,713,917
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Upgrade Loerie sewer pump station	CP_3SW	418,318	-
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	6,687,112	6,328,836
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading of Sports Facilities	CP_74	4,521,739	-
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga		180,555	180,312
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace Main Waterline South Rivier Bridge Crossing		171,223	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect 4 x drilled boreholes to treatment works		819,941	130,923
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay		111,464	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	WATER TANKS JEFFREYS BAY - DROUGHT PROJECT		393,150	303,712
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connecting Kruisfontein Boreholes to Humansdorp Water		3,255,369	2,532,178
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	400,000	-
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Humansdorp, Kruisfontein and Osean View Electrific		-	- 1,987,104
					40,499,190	**10,211,497**
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software and Applications		**-**	**- 1,103**
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre		**336,499**	**-**
					336,499	**- 1,103**
				Total	**45,618,187**	**11,099,841**

4. OFFICE OF THE MUNICIPAL MANAGER: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Audit Outcomes	To manage and Develop financial services to ensure financial viability, compliance & reporting.	100% Implementation of corrective actions to address AG findings	% Implementation of corrective actions to address AG findings	New	100%	0 of 100%	25 of 100%	100 of 100%	
		Comment and corrective actions									
		Q1	In progress								
		Q2									
		Q3									
		Q4									
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	100%	5 of 100%	45 of 100%	75 of 100%	100 of 100%
		Comment and corrective actions									
		Q1	Capital budget expenditure as at 30 September 2022 = R11 099 851 of R45 618 187 or 24.3%, thus project completion rate of approximately 20%								
		Q2									
		Q3									
		Q4									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 5: Good Governance and Public Participation	Good Governance	Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	Improve overall Institutional SDBIP implementation performance by 5% compared to previous year.	% Improvement in overall institutional SDBIP implementation performance compared to previous year	86.75%	91.75%	0 of 5%	0 of 5%	0 of 5%	5 of 5%
		Comment and corrective actions									
		Q1	Can only be measured at year end								
		Q2									
		Q3									
		Q4									
		Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	100% of staff members below the Senior Management Level participates in the performance management system	% of staff below senior management level that participates in the performance management system	New	100%	5 of 100%	25 of 100%	50 of 100%	100 of 100%
		Comment and corrective actions									
		Q1	Delayed until October 2022 for reason that the development of Departmental SDBIP is taking longer than anticipated.								
		Q2									
		Q3									
		Q4									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023	Number of Service Charters Developed by 31 March 2023	New	1	0 of 1	0 of 1	1 of 1	0
		Comment and corrective actions									
		Q1	Q3 target development in progress								
		Q2									
		Q3									
		Q4									

4.1 OFFICE OF THE DEPUTY MUNICIPAL MANAGER: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Audit Outcomes	To manage and Develop financial services to ensure financial viability, compliance & reporting.	100% Implementation of corrective actions to address AG findings	% Implementation of corrective actions to address AG findings	0 of 100%	25 of 100%	100 of 100%	
COMMENT AND CORRECTIVE ACTIONS WHERE TARGET HAS NOT BEEN ACHIEVED									
Q1	Not applicable as at 30 September 2022.								
Q2									
Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target 2022/23	KPI	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
Q4									
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	100% of staff members below the Senior Management Level participates in the performance management system	% of staff below senior management level that participates in the performance management system	5 of 100%	25 of 100%	50 of 100%	100 of 100%
COMMENT AND CORRECTIVE ACTIONS WHERE TARGET HAS NOT BEEN ACHIEVED									
Q1	0% target for quarter 1 not achieved as the departmental SDBIP was amended and thus delayed the process. A process plan in in place to remedy such.								
Q2									
Q3									
Q4									
KPA 5: Good Governance and Public Participation	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Office of the Municipal Manager) developed by 31 March 2023	Number of Service Charters Developed by 31 March 2023	0 of 1	0 of 1	1 of 1	0
COMMENT AND CORRECTIVE ACTIONS WHERE TARGET HAS NOT BEEN ACHIEVED									
Q1	Not applicable as of yet. Drafting of service charter has started and matter is ongoing								
Q2									
Q3									
Q4									

5. DIRECTORATE COMMUNITY SERVICES: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Climate Change Management	Building energy efficiency	1 Climate Change Strategy developed by 1 December 2022	Number of Climate Change Strategies developed by 31 December 2022	New	1	0 of 1	1 of 1	-	
		Comment and corrective actions									
		Q1	Quarter 2 target however the following took place: • 26 July 2022: The Working group held a Climate Change Risk Assessment workshop to identify risks impacting on Kouga Municipality. • 11 August 2022 – The Working Group had a workshop on the Response Strategy to mitigate and adapt to Climate Change • The Climate Change strategy has been drafted and was workshopped with internal stakeholders on the 15 September 2022 and draft to be circulated for comments to external stakeholders								
		Q2									
		Q3									
		Q4									
		Cemetery Management	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Cemetery Management System implemented by 31 March 2023	Number of Cemetery Management Systems implemented by 31 March 2023	New	1	0 of 1	1 of 1		
		Comment and corrective actions									
		Q1	Quarter 3 target however the Cemetery Management Proposal was submitted to IT Section for consideration on the 28 July 2022								
		Q2									
		Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q4									
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Waste Reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	2 000 - tonnes waste recycled at Humansdorp Landfill Site (20 000kg = 2 000tonnes)	Tonnes of waste recycled at the Humansdorp Landfill Site	1 5 00	**2 000**	600 of 2 000	800 of 2 000	1350 of 2 000	2 000 of 2 000
		Comment and corrective actions									
		Q1	Recycling tonnages monitored on monthly basis July - 247 tons. Aug – 265 tons Sep – 277 tons. Total recycled for Q1 (Jul – Sep 2022) = 789 tons Recycling company working on site at Humansdorp collecting from waste pickers/reclaimers on daily basis (Monthly report)								
		Q2									
		Q3									
		Q4									
KPA 5: Good Governance and Public	Good Governance	Service Charter	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter for all Sections in the Directorate developed by 31 January 2023	Number of Service Charters for all Sections within the Directorate Developed by 31 March 2023	New	1	0 of 1	0 of 1	1 of 1	0
		Comment and corrective actions									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q1	Quarter 3 target								
		Q2									
		Q3									
		Q4									

6. DIRECTORATE CORPORATE SERVICES: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Employment Equity Compliance	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	1 AM (Senior Management) and 5 AM, 3 AF (Professionally qualified) appointed in compliance with the employment equity plan (3 highest levels of employment)	Number of Snr Management and Professionally qualified appointments made in compliance with the employment equity plan (3 highest levels of employment)	2 AM 2 AF	1 AM (Snr) 5 AM 3 AF (Prof)	-	-	-	1 AM (Snr) 5 AM 3 AF (Prof)	Employment Equity Plan and proof of appointments made to at Senior management and professionally qualified levels
		Comment and corrective actions										

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
		Q1	As at Aug 2022– 1 AM – Tactical skill level As at September – 1 CF – Professionally qualified As at September – 1CM – Professional qualified									
		Q2										
		Q3										
		Q4										
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff Skills Development	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	98% Expenditure of LGSETA funding received for staff development	% Expenditure of LGSETA funding received for staff development	98%	98%	5 of 98%	20 of 98%	75 of 98%	98 of 98%	Report from BTO on expenditure on the Skills Ukey
		Comment and corrective actions										
		Q1	9% As of end of July 2022 41% As of end of August 2022 53% As of end of September 2022									
		Q2										
		Q3										
		Q4										

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
		Staff Skills Development	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	30 frontline Staff members given Batho Pele Training by 30 June 2023	Number of frontline staff members that went on Batho Pele Training	New	30	0 of 30	30 of 30	-	-	Training Records
		Comment and corrective actions										
		Q1	No staff trained: Batho Pele Training as at end of July 2022 No staff trained: Batho Pele Training as at end of August 2022 No staff trained: Batho Pele Training as at end of September 2022									
		Q2										
		Q3										
		Q4										
KPA 2: Municipal Institutional Development and Transformation	Keep Kouga Growing	Staff appointment	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence	Vacancy rate of less than 3% over a 3-month period against approved Organogram	% Vacancy rate over a 3-month period against approved Organogram	3%	3%	3%	2.9%	2.8%	2.8%	Organogram funded positions, proof of vacancies and appointments

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
		Comment and corrective actions										
		Q1	3.1% as at end of July 2022 2.5% as at end of August 2022 2.4% as at end of September 2022									
		Q2										
		Q3										
		Q4										
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Staff Costs	To manage and develop financial services to ensure financial viability, compliance & reporting.	34.8% of total operational expenditure attributable to staff costs	% Of total operational expenditure attributable to staff costs	34.26%	35%	35%	35%	35%	35%	Financial statements indicating total operational expenditure and staff cost expressed as a % of total OPEX
		Comment and corrective actions										
		Q1	32.03%									
		Q2										
		Q3										
		Q4										
KPA 4: Municipal Financial Viability	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	100%	5 of 100 %	45 of 100%	75 of 100%	100 of 100%	Report from BTO on expenditure for internally funded capital projects

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
		Comment and corrective actions										
		Q1	R854 353 of R 1 020 00 or 84% has been spent on computer equipment up to 30 September 2022 thus project completion is approximately 80%									
		Q2										
		Q3										
		Q4										
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023 (**Dept target 31 January 2023)**	Number of Service Charters Developed by 31 March 2023(**Dept target 31 January 2023)**	New	1	0 of 1	0 of 1	1 of 1	0	Minutes of the meeting of Council where the service charter was adopted.
		Comment and corrective actions										
		Q1	No target for this Quarter									
		Q2										
		Q3										
		Q4										

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Evidence
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	98% Up time of ICT system	% Up time of ICT System	New	98%	98%	98%	98%	98%	ICT Server up time reports
		Comment and corrective actions										
		Q1	As of end of July 94,81 % connectivity As of end of August 98,84 % connectivity									
		Q2										
		Q3										
		Q4										

7. DIRECTORATE FINANCE: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Revenue Collection	To manage and Develop financial services to ensure financial viability, compliance & reporting.	95% Revenue collected against revenue raised	% Revenue collected against revenue raised	94.41%	95%	95%	95%	95%	95%
		Comment and corrective actions									
		Q1	78% - The low collection rate is due to the annual rates being billed. The rate will increase over the next few months.								
		Q2									
		Q3									
		Q4									
		Creditor Payments	To manage and Develop financial services to ensure financial viability, compliance & reporting.	100% of creditors paid within 30 days of invoice	% of creditors paid within 30 days from date of invoice	100%	100%	100%	100%	100%	100%
		Comment and corrective actions									
		Q1	97% , please note final payment run is on the 30 October 2022, therefore this is not a final figure								
		Q2									
		Q3									
		Q4									
KPA 4: Municipal	Keep Kouga	Financial Viability	To manage and Develop financial services to ensure financial viability, compliance & reporting.	Current Ratio of 0.9:1	Current Ratio	0.58:1	0.91:1	0.9:1	0.9:1	0.9:1	0.9:1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Comment and corrective actions									
		Q1	1.44:1 was achieved at the end of this quarter								
		Q2									
		Q3									
		Q4									
		Financial Viability	To manage and Develop financial services to ensure financial viability, compliance & reporting.	Liquidity ratio of 0.01:1	Liquidity ratio	1.32:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1
		Comment and corrective actions									
		Q1	0.68:1 was achieved at the end of this quarter								
		Q2									
		Q3									
		Q4									
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Indigent Support	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% of indigent residents as per Indigent Register with access to free basic services	% of indigent residents as per indigent register with access to free basic services	100%	100%	100%	100%	100%	100%
		Comment and corrective actions									
		Q1	100% achieved in this quarter								

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q2									
		Q3									
		Q4									
		Procurement Planning	To manage and develop financial services to ensure financial viability, compliance & reporting.	1 Electronic purchasing system implemented by 31 December 2022	Number of Electronic purchasing systems implemented by 1 December 2022	New	1	0 of 1	1 of 1	-	-
		Comment and corrective actions									
		Q1	Not applicable in this quarter								
		Q2									
		Q3									
		Q4									
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Financial Planning	To manage and develop financial services to ensure financial viability, compliance & reporting.	1 Long Term Financial Plan completed by 30 June 2023	Number of Long-Term Financial Plans completed by 30 June 2023	New	1	0 of 1	0 of 1	0 of 1	1 of 1
		Comment and corrective actions									
		Q1	Not applicable in this quarter								
		Q2									
		Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q4									
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023 (**Dept target 31 January 2023)**	Number of Service Charters Developed by 31 March 2023(**Dept target 31 January 2023)**	New	1	0 of 1	0 of 1	1 of 1	0
		Comment and corrective actions									
		Q1	Not applicable in this quarter								
		Q2									
		Q3									
		Q4									

8. DIRECTORATE INFRASTRUCTURE AND ENGINEERING: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	Infrastructure Master Plans	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Water Master Plan developed by 30 June 2023,	Number of Water Master Plans developed by 30 June 2023.	New	1	0 of 1	0 of 1	1 of 1	0 of 1
		Comment and corrective actions									
		Q1	No budget provision was made on this item, an application will be submitted to DBSA, this was endorsed by council in the meeting held on 2 July 2022 to assist Kouga with drafting the water master plan through their non-lending support program to local municipalities. Uhambiso Consult has been appointed to compile the Water Master Plans for the Whole of the Kouga Area, but the project has been put on hold, due to no funding,								
		Q2									
		Q3									
		Q4									
		Infrastructure Master Plans	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Sewer Master Plan developed by 30 June 2023, (To include bucket eradication plan).	Number of Sewer Master Plans developed by 30 June 2023.	New	1	0 of 1	0 of 1	1 of 1	0 of 1
		Comment and corrective actions									
		Q1	No budget provision was made on this item, an application will be submitted to DBSA, this was endorsed by council in the meeting held on 21 July 2022 to assist Kouga with drafting the sewer master plan through their non-lending support program to local municipalities.								
		Q2									
		Q3									
		Q4									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Water loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Reduce water losses to 35% between water purchased/ produced and water sold/ accounted for	% Reduction in water losses between water purchased/ produced and water sold/ accounted for	49.1%	35%	35%	35%	35%	35%
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced Keep Kouga Safe	**Comment and corrective actions**									
		Q1	All bulk meters paid to the metro for usage by private individuals, developments, farms or factories will be handed to the finance department in August to be billed. Municipal building will be audited for water leaks and billing meter details to be given to finance department.								
		Q2									
		Q3									
		Q4									
		Water Quality	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100% Compliance with SANS standards for drinking water	% Compliance with SANS standards for drinking water	New	100%	100%	100%	100%	100%
		Comment and corrective actions									
		Q1	A tender document compiled between I&E and Community service are being drafted to be advertised in August 2022 for a accredited lab to perform our tests, chemical as well as Biological for the municipality to increase performance, waiting period and contribute to a more positive blue drop report. The tender was advertised and closed on 18 October 2022.								
		Q2									
		Q3									
		Q4									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced Keep Kouga Safe	Water Quality	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	60% Blue Drop compliance score	% Blue drop compliance score	39.9%	60%	35 of 60%	45 of 60%	50 of 60%	60 of 60%
		Comment and corrective actions									
		Q1	Willem Hofmeyr will replace Sinawu in the short term as to chair the task team to drive the project, the manager technical will be the permanent chair of the committee. Training has been done through DWS with all relevant staff and further training for Process controllers will be ongoing. The committee include members from I&E and community service, the selection was done to ensure proper procedures and reporting is done. Different tests will be conducted as prescribed by SANS 241 in compliance with license conditions. A tender was advertised for laboratory services which closed on 18 October 2022.								
		Q2									
		Q3									
		Q4									
		Drought Mitigation/ Water Security	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Drought Mitigation/ Water Security Plan implemented by 30 September 2022	Number of Drought Mitigation/ Water Security Plans implemented by 30 September 2022	New	1	1 of 1	-	-	-
		Comment and corrective actions									
		Q1	Plan to be actioned through August 2022. The DWS assisted Kouga with grant funding to augment our water supply in the Kouga region. The implementation phase has started with Humansdorp completed. R57.4m grant funding was allocated by DWS to Kouga as WSIG Funding. Package plants to be erected in St Francis Bay, Hankey and Jeffreys Bay. Additional Bore holes will be drilled in Hankey, St Francis Bay, Kruisfontein and Thornhill. These are all exploratory Bore holes								

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q2									
		Q3									
		Q4									
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Effluent treatment	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	98% Compliance with SANS standards wastewater treated meeting discharge standards	% Compliance with SANS standards wastewater treated meeting discharge standards	New	98%	98%	98%	98%	98%
		Comment and corrective actions									
		Q1	A champion to drive the project need to be appointed, training will be organised for all role players, plant operators and area engineers through the DWS to ensure proper procedures and reporting is done. The tender to be advertised during September will also assist with regular testing and maintenance issues. The tender for the laboratory services closed on 18 October 2022.								
		Q2									
		Q3									
		Q4									
		Effluent treatment	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	31% Green Drop Score	% Green Drop Score	19%	31%	20 of 31%	25 of 31%	30 of 31%	31 of 31%
		Comment and corrective actions									
		Q1	Kwanomzamo & Weston WWTW registered on MIG to address capacity challenges. The projects were presented at the pre BAC Meeting with MIG in Nov 2022 for the registration.								
		Q2									
		Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q4									
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Renewable Energy	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	1 Internal workshop for a strategy for renewable energy held by 1 December 2022.	Number of workshops for a Strategy for renewable energy held by 1 December 2022.	New	1	0 of 1	1 of 1	-	
		Comment and corrective actions									
		Q1	Funding to undertake a feasibility study to be secured, this will activate the steps to start the procurement process to appoint service providers at the best rate to supply Kouga will reliable cheaper energy.								
		Q2									
		Q3									
		Q4									
		Electricity loss reduction	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	Reduce non-distribution electricity losses to 10% between electricity purchased and electricity sold/ accounted for	% Reduction in electricity losses between electricity purchased and electricity sold/ accounted for	12.33%	5.3%	12%	12%	11%	10%
		Comment and corrective actions									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q1	Tender will be awarded to a service provider during August 2022 to assist Kouga inspecting all prepaid meters within its license jurisdiction. Non-revenue losses already 5.3%. The tender has closed and is still at BAC.								
		Q2									
		Q3									
		Q4									
KPA1: Basic Services & Infrastructure	Keep Kouga Serviced	MIG Expenditure	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.	100% of MIG Grant funding spent	% Expenditure of MIG Grant Funding	41.85%	100%	5 of 100%	45 of 100%	75 of 100%	100 of 100%
		Comment and corrective actions									
		Q1	Phase 3 sanitation tender advertised and closed on Monday 01 August to appoint a successful contractor. Roads tender to be advertised as well. Loerie Sports field Upgrade was advertised 25 July 2022. Both these projects are currently at BEC.								
		Q2									
		Q3									
		Q4									
KPA1: Basic Services & Infrastructure	Keep Kouga Green	Climate Change Management	Building energy efficiency	100% of municipal buildings have an energy efficiency improvement plan 30 June 2023	% of municipal buildings with an energy efficiency improvement plan	New	100%	0 of 100%	0 of 100%	0 of 100%	100 of 100%
		Comment and corrective actions									
		Q1	Plan to be drafted and submitted.								

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q2									
		Q3									
		Q3									
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	100%	5 of 100%	45 of 100%	50 of 100%	50 of 100%
		Comment and corrective actions									
		Q1	R10 211 497 of R40 499 190 or approximately 25% has been spent on capital projects for Infrastructure. This suggest a completion of approximately 20% All tenders to be advertised and actioned as per the procurement plan. Current capital projects are ongoing.								
		Q2									
		Q3									
		Q4									
KPA 5: Good Governance and Public	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023 (**Dept target 31 January 2023)**	Number of Service Charters Developed by 31 March 2023 **(Dept target 31 January 2023)**	New	1	0 of 1	0 of 1	1 of 1	0
		Comment and corrective actions									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q1	Training to be conducted by PMS to educate managers.								
		Q2									
		Q3									
		Q4									

9. DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: 2022/23 SDBIP IMPLEMENTATION: QUARTER 1

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 3: Local Economic Development	Keep Kouga Growing	Job Creation	To provide planning services that encourage economic upliftment and Development in the Municipal Area.	110 FTE Jobs created through LED initiatives and capital programs	Number of FTE jobs created through LED initiatives and capital programs	New	110	50 of 110	80 of 110	100 of 110	110 of 110
		Comment and corrective actions									
		Q1	EPWP: 33, Drought Relief Programme: 13, MIG 07, Humansdorp Museum: 04, Calamari Festival: 24 , Long Board Surf Competition : 70 , Metrofibre :15 **Total = 166**								
		Q2									
		Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q4									
KPA 3: Local Economic Development	Keep Kouga Growing	Land Use and Building Plan Approval	To provide planning services that encourage economic upliftment and Development I the Municipal Area.	1 Online Customer tracking system for land use and building plan applications implemented by 31 March 2023	Number of Online customer tracking systems for land use and building plan applications implemented by 31 March 2023	New	1	0 of 1	0 of 1	1 of 1	-
		Comment and corrective actions									
		Q1	No Target for Q1								
		Q2									
		Q3									
		Q4									
		External Investments	To provide planning services that encourage economic upliftment and Development I the Municipal Area.	Complete 1 feasibility study for the establishment of a LED Special Purpose Vehicle by 30 June 2023	Number of feasibility studies completed for the establishment of a LED Special Purpose Vehicle completed by 30 June 2023	New	1	0 of 1	0 of 1	0 of 1	1 of 1
		Comment and corrective actions									
		Q1	No Target for Q1								
		Q2									
		Q3									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
		Q4									
KPA 3: Local Economic Development	Keep Kouga Growing	Corporate Social Responsibility	To provide planning services that encourage economic upliftment and Development I the Municipal Area.	1 Corporate Social Responsibility Policy developed by 31 December 2022	Number of Corporate Social Responsibility Policy developed by 31 December 2022	New	1	0 of 1	1 of 1	-	-
		~~Comment and corrective actions~~									
		~~Q1~~	Indicator moved to Finance								
		Q2									
		Q3									
		Q4									
KPA 3: Local Economic Development	Keep Kouga Smart	Smart City	To provide planning services that encourage economic upliftment and Development I the Municipal Area.	1 Strategic Session held by 1 December 2022 towards the development of a Strategy for the implementation of the Smart City concept	Number of Strategic Sessions held by 1 December 2022 for the development of a Strategy for the implementation of the Smart City concept	New	1	0 of 1	1 of 1	-	-
		Comment and corrective actions									
		Q1	No target for 2022/23 FY								
		Q2									
		Q3									
		Q4									

KEY PERFORMANCE AREA	MUNICIPAL SFA	PROJECT NAME	IDP Objective	SDBIP Target (Annual IDP Target 2022/23)	KPI	Baseline	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
KPA 4: Municipal Financial Viability and Management	Keep Kouga Growing	Capital Budget Expenditure	To manage and develop financial services to ensure financial viability, compliance & reporting.	100% Completion of internally funded capital projects	% Completion of internally funded capital projects	New	100%	5 of 100%	45 of 100%	75 of 100%	100 of 100%
		Comment and corrective actions									
		Q1	There are no funded projects in 2022/23 FY Indicator to be removed.								
		Q2									
		Q3									
		Q4									
KPA 5: Good Governance and Public Participation	Good Governance	Cascade Performance Management	To ensure that municipal services are administered in accordance with the principles of transparency and accountability to ensure good governance through service excellence.	1 Service Charter (Which includes service standards for all Departments) developed by 31 March 2023 **(Dept target 31 January 2023)**	Number of Service Charters Developed by 31 March 2023**(Dept target 31 January 2023)**	New	1	0 of 1	0 of 1	1 of 1	0
		Comment and corrective actions									
		Q1	No Target for Q1.								
		Q2									
		Q3									
		Q4									

10. CIRCULAR 88 REPORTING:

10.1 OFFICE OF THE MUNICIPAL MANAGER AND OFFICE OF THE DEPUTY MUNICIPAL MANAGER (COMBINED): 2022/23: QUARTER 1

OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward councilor)	GG2.11(1)	(1) Total number of ward committees with 6 or more members	15
		GG2.11(2)	(2) Total number of wards	15
GG2.12	Percentage of wards that have held at least once councilor-convened community meeting	GG2.12(1)	(1) Total number of councilor convened ward community meetings	100%
		GG2.12(2)	(2) Total number of wards	15
GG2.31	Percentage of official complaints responded to through the municipal complaint management system	GG2.31(1)	(1) Number of official complaints responded to according to municipal norms and standards	10 606
		GG2.31(2)	(2) Number of official complaints received	17

OUTPUT INDICATORS FOR ANNUAL REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement
GG3.12	Percentage of councilors who have declared their financial interests	GG3.12(1)	(1) Number of councilors that have declared their financial interests	30
		GG3.12(2)	(2) Total number of municipal councilors	30

QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievement			
		Q1	Q2	Q3	Q4
C1.	Number of signed performance agreements by the MM and section 56 managers	5			
C4.	Number of MPAC meetings held	2			
C5.	Number of recognised traditional leaders within your municipal boundary	3			
C6.	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters	3			
C11.	Number of litigation cases instituted by the municipality	2			

Reference	Performance Indicator	2022/23 Achievement			
		Q1	Q2	Q3	Q4
C12.	Number of litigation cases instituted against the municipality	1			
C13.	Number of forensic investigations instituted	0			
C14.	Number of forensic investigations conducted	0			

COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievement
Q1.	Does the municipality have an approved Performance Management Framework?	y
Q2.	Has the IDP been adopted by Council by the target date?	y
Q3.	Does the municipality have an approved LED Strategy?	y
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	None
Q5.	How many public meetings were held in the last quarter at which the Mayor or members of the Mayoral/Executive committee provided a report back to the public?	23
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	July 22
Q7.	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of priority.	Opportunities for consultation on municipal affairs
Q8.	Please list the locality, date and cause of each incident of protest within the municipal area during the reporting period:	0
Q9.	Does the municipality have an Internal Audit Unit?	Y
Q10.	Is there a dedicated position responsible for internal audits?	Y
Q12.	Has an Audit Committee been established? If so, is it functional?	Y
Q13.	Has the internal audit plan been approved by the Audit Committee?	Y
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?	Y
Q15.	Does the internal audit plan set monthly targets?	Y
Q16.	How many monthly targets in the internal audit plan were not achieved?	0
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:	Technical IGR
Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	Office of the Municipal Manager
Q24.	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.	Y
Q25.	Has a report by the Executive Committee on all decisions it has taken been submitted to Council this financial year?	Y

OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievement
GG2.1	Percentage of ward committees that are	GG2.1(1)	(1) Functional ward committees	100%				100%

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievement
	functional (meet four times a year, are quorate, and have an action plan)	GG2.1(2)	(2) Total number of wards	15				15

10.2 CIRCULAR 88 REPORTING: DIRECTORATE COMMUNITY SERVICES: 2022/23: QUARTER 1

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
FD1.11	Percentage of compliance with the required attendance time for structural firefighting incidents	FD1.11(1)	(1) Number of structural fire incidents where the attendance time was less than 14 minutes	26			
		FD1.11(2)	(2) Total number of distress calls for structural fire incidents received	29			
LED3.11	Average time taken to finalize business license applications	LED3.11(1)	(1) Sum of the total working days per business application finalised	July: 3 days Aug: 5 Days Sep: 0 days			
		LED3.11(2)	(2) Number of business applications finalised	July: 4 Appl Aug: 2 Appl Sep: 0 Appl			

OUTPUT INDICATORS FOR ANNUAL REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
ENV4.11	Percentage of biodiversity priority area within the municipality	ENV4.11(1)	(1) Total land area in hectares classified as "biodiversity priority areas"	198ha
		ENV4.11(2)	(2) Total municipal area in hectares	241800ha
ENV4.21	Percentage of biodiversity priority areas protected	ENV4.21(1)	(1) Area of priority biodiversity area in hectares which is protected	127ha
		ENV4.21(2)	(2) Total area identified as a priority biodiversity area in hectares	75ha

QUARTERLY COMPLIANCE REPORTING INDICATORS

		2022/23 Achievements			
Reference	Performance Indicator	Q1	Q2	Q3	Q4
C30.	Number of business licenses approved	6			
C73.	Number of structural fires occurring in informal settlements	15			
C74.	Number of dwellings in informal settlements affected by structural fires (estimate)	19			

ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C53.	Square meters of maintained public outdoor recreation space	185859,6sq meters
C54.	Number of municipality-owned community halls	13

COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievements
Q20.	What is the number of steps a business must comply with when applying for a construction permit before final document is received?	6

OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
WS4.1	Percentage of drinking water samples complying to SANS241	WS4.1(1)	(1) Number of water sample tests that complied with SANS 241 requirements	105 Bacterial 35 Chemical			
		WS4.1(2)	(2) Total number of water samples tested	105 Bacterial 35 Chemical			
ENV5.1	Recreational water quality (coastal)	ENV5.1(1)	(1) Number of coastal water samples classified as "sufficient"	2			
		ENV5.1(2)	(2) Total number of recreational coastal water quality samples taken	10			
ENV5.2`	Recreational water quality (inland)	ENV5.2(1)	(1) Number of inland water sample tests within the 'targeted range' for intermediate contract recreational water use	1			
		ENV5.2(2)	(2) Total number of sample tests undertaken	11			
HS3.5	Percentage utilisation rate of community halls	HS3.5(1)	(1) Sum of hours booked across all community halls in the	1 914			

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
			period of assessment				
		HS3.5(2)	(2) Sum of available hours for all community halls in the period of assessment	13 000			
HS3.6	Average number of library visits per library	HS3.6(1)	(1) Total number of library visits	12 643			
		HS3.6(2)	(2) Count of municipal libraries	14			
HS3.7	Percentage of municipal cemetery plots available	HS3.7(1)	(1) Number of available municipal burial plots in active municipal cemeteries	74 566			
		HS3.7(2)	(2) Total capacity of all burial plots in active municipal cemeteries	97ha			

10.3 CIRCULAR 88 REPORTING: DIRECTORATE CORPORATE AND DIGITAL SERVICES: 2022/23: QUARTER 1

OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
GG1.21	Staff vacancy rate	GG1.21(1)	(1) The number of employees on the approved organisational structure	1113			
		GG1.21(2)	(2) The number of permanent employees in the municipality	869			
GG1.22	Percentage of vacant posts filled within 3 months	GG1.22(1)	(1) Number of vacant posts filled within 3 months since the date (dd/mm/yyyy)	8			

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
			of authority to proceed with filling the vacancy				
		GG1.21(2)	(2) Number of vacant posts that have been filled	8			
GG4.11	Number of agenda items deferred to the next council meeting	GG4.11(1)	(1) Sum total number of all council agenda items deferred to the next meeting	0			
GG5.11	Number of active suspensions longer than three months	GG5.11(1)	(1) Simple count of the number of active suspensions in the municipality lasting more than three months	1			
GG5.12	Quarterly salary bill of suspended officials	GG5.12(1)	(1) Sum of the salary bill for all suspended officials for the reporting period	R 53 972,09			

QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements			
		Q1	Q2	Q3	Q4
C2.	Number of ExCo or Mayoral Executive meetings held	0			
C3.	Number of Council portfolio committee meetings held	1			
C7.	Number of formal (minuted) meetings - to which all senior managers were invited- held	4			
C8.	Number of councillors completed training	19			
C9.	Number of municipal officials completed training	63			
C10.	Number of work stoppages occurring	0			
C15.	Number of days of sick leave taken by employees	218			
C16.	Number of permanent employees employed	869			
C17.	Number of temporary employees employed	244			
C19.	Number of recognized traditional and Khoi-San leaders in attendance (sum of) at all council meetings	1			
C20.	Number of permanent environmental health practitioners employed by the municipality	6			
C22.	Number of Council meetings held	3			

Reference	Performance Indicator	2022/23 Achievements			
		Q1	Q2	Q3	Q4
C23.	Number of disciplinary cases for misconduct relating to fraud and corruption	0			
C24.	Number of council meetings disrupted	0			
C25.	Number of protests reported	0			
C32.	Number of positions filled with regard to municipal infrastructure	245			
C34.	Number of months the Municipal Managers' position has been filled (not Acting)	3			
C35.	Number of months the Chief Financial Officers' position has been filled (not Acting)	3			
C36.	Number of vacant posts of senior managers	1			
C38.	Number of filled posts in the treasury and budget office	9			
C40.	Number of filled posts in the development and planning department	31			
C42.	Number of registered engineers employed in approved posts	3			
C43.	Number of engineers employed in approved posts	6			
C44.	Number of disciplinary cases in the municipality	21			
C45.	Number of finalized disciplinary cases	16			
C47.	Number of waste management posts filled	113			
C49.	Number of electricians employed in approved posts	9			
C51.	Number of filled water and wastewater management posts	148			
C67.	Number of paid full-time firefighters employed by the municipality	45			
C68.	Number of part-time and firefighter reservists in the service of the municipality	0			
C89.	Number of meetings of the Executive or Mayoral Committee postponed due to lack of quorum	0			

ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C21.	Number of approved environmental health practitioner posts in the municipality	6
C31.	Number of approved posts in the municipality with regard to municipal infrastructure	245
C37.	Number of approved posts in the treasury and budget office	10
C39.	Number of approved posts in the development and planning department	31
C41.	Number of approved engineer posts in the municipality	9
C46.	Number of approved waste management posts in the municipality	62
C48.	Number of approved electrician posts in the municipality	49
C50.	Number of approved water and wastewater management posts in the municipality	140

COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievements
Q11.	Is the internal audit position filled or vacant?	Vacant since 31 August 2022

OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements			
				Q1	Q2	Q3	Q4
GG1.1	Percentage of municipal skills development levy recovered	GG1.1(1)	(1) R-value of municipal skills development levy recovered	R830 745.83			
		GG1.1(2)	(2) R-value of the total qualifying value of the municipal skills development levy				
GG1.2	Top management stability	GG1.2(1)	(1) Total sum of standard working days, in the reporting period, that each S56 and S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)	315			
		GG1.2(2)	(2) Aggregate working days for all S56 and S57 Posts	441			
GG2.2	Attendance rate of municipal council meeting by recognized traditional and Khoi-San leaders	GG2.2(1)	(1) Sum of the total number of recognized traditional and Khoi-San leaders in attendance at municipal council proceedings	1			
		GG2.2(3)	(3) Total number of Council meetings	1 OF 3			
GG4.1	Percentage of councillors attending council meetings	GG4.1(1)	(1) The sum total of councillors attendance of all council meetings	96%			
		GG4.1(2)	(2) The total number of council meetings	3			
		GG4.1(3)	(3) The total number of councillors in the municipality	30			

10.4 CIRCULAR 88 REPORTING: DIRECTORATE FINANCE: 2022/23: QUARTER 1

CIRCULAR 88 REPORTING

OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement			
				Q1	Q2	Q3	Q4
LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	LED1.11(1)	(1) R-value of operating expenditure on contracted services within the municipal area	R9.2m			
		LED1.11(2)	(2) Total municipal operating expenditure on contracted services	9.62%			
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services	GG6.11(1)	(1) R-value of operating budget expenditure spent on free basic services				
		GG6.11(2)	(2) Total operating budgets for the municipality	R1.168b			
LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	LED3.31(1)	(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award	104			
		LED3.31(2)	(2) Total number of 80/20 tenders awarded as per the procurement process	4			
LED3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days	LED3.32(1)	(1) Number of municipal payments within 30-days of complete invoice receipt made to service providers	97%			

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievement			
				Q1	Q2	Q3	Q4
	of invoice submission	LED3.32(2)	(2) Total number of complete invoices received (30 days or older)	956			

QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievement			
		Q1	Q2	Q3	Q4
C26.	R-value of all tenders awarded	R198 737 (3 Tenders were awarded on rates-base)			
C27.	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	35			
C28.	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	R7 050 103			
C33.	Number of tenders over R200 000 awarded	3			
C71.	Number of procurement processes where disputes were raised	Nil			
C77.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	Unknown			
C78.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	Unknown			
C79.	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	Unknown			
C86.	Number of households in the municipal area registered as indigent	7269			

ANNUAL COMPLIANCE QUESTIONS

Reference	Question	2022/23 Achievement
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	Yes

10.5 CIRCULAR 88 REPORTING: DIRECTORATE INFRASTRUCTURE AND ENGINEERING: 2022/23: QUARTER 1

OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
EE1.11	Number of dwellings provided with connections to mains electricity supply by the municipality	EE1.11(1)	(1) Number of residential supply points energized and commissioned by the municipality	13
EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	EE3.11(1)	(1) Number of unplanned outages restored within x hours	1
		EE3.11(2)	(2) Total number of unplanned outages	16
EE3.21	Percentage of planned maintenance performance	EE3.21(1)	(1) Actual number of maintenance 'jobs' for planned or preventative maintenance	6
		EE3.21(2)	(2) Budgeted number of maintenance 'jobs' for planned or preventative maintenance	12
WS1.11	Number of new sewer connections meeting minimum standards	WS1.11(1)	(1) Number of new sewer connection to consumer units	23
		WS1.11(2)	(2) Number of new sewer connections to communal toilet facilities	0
WS2.11	Number of new water connections meeting minimum standards	WS2.11(1)	(1) Number of new water connections to piped (tap) water	15
		WS2.11(2)	(2) Number of new water connections to public/communal facilities	0
WS3.11	Percentage of callouts responded to within 24 hours (sanitation/wastewater)	WS3.11(1)	(1) Number of callouts responded to within 24 hours (sanitation/wastewater)	180
		WS3.11(2)	(2) Total number of callouts (sanitation/wastetwater)	260
WS3.21	Percentage of callouts responded to within 24 hours (water)	WS3.21(1)	(1) Number of callouts responded to within 24 hours (water)	120
		WS3.21(2)	(2) Total water service callouts received	234
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	TR6.12(1)	(1) Kilometres of municipal road lanes resurfaced and resealed	3
		TR6.12(2)	(2) Kilometres of surfaced municipal road lanes	
TR6.13	KMs of new municipal road lanes built	TR6.13(1)	(1) Number of kilometres of resurfaced road lanes built	0
		TR6.13(2)	(2) Number of kilometres of unsurfaced road lanes built	0

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	TR6.21(1)	(1) Number of pothole complaints resolved within the standard time after being reported	80
		TR6.21(2)	(2) Number of potholes reported	150
LED1.21	Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	LED1.21(1)	(1) Number of work opportunities provided by the municipality through the Expanded Public Works Programme	37
		LED1.21(2)	(2) Number of work opportunities provided through the Community Works Programme and other related infrastructure initiatives	

OUTPUT INDICATORS FOR ANNUAL REPORTING

Reference	Performance Indicator	Reference	Data Element	2022/23 Achievements
WS5.31	Percentage of total water connections metered	WS5.31(1)	(1) Number of water connections metered	15
		WS5.31(2)	(2) Number of connections unmetered	
TR6.11	Percentage of unsurfaced road graded	TR6.11(1)	(1) Kilometres of municipal road graded	3KM
		TR6.11(2)	(2) Kilometres of unsurfaced road network	15

QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C56.	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	0
C57.	Number of registered electricity consumers with a mini grid-based system in the municipal service area	0
C58.	Total non-technical electricity losses in MWh (estimate)	5.2MW
C59.	Number of municipal buildings that consume renewable energy	0
C61.	Total number of chemical toilets in operation	183
C63.	Total volume of water delivered by water trucks	360KL

ANNUAL COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2022/23 Achievements
C60.	Total number of sewer connections	10
C62.	Total number of Ventilation Improved Pit Toilets (VIPs)	183

OUTCOME INDICATORS FOR ANNUAL MONITORING

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
EE4.4	Percentage total electricity losses	EE4.4(1)	(1) Electricity Purchases in kWh	15 361 189kWh				
		EE4.4(2)	(2 Electricity Sales in kWh					
WS3.1	Frequency of sewer blockages per 100 KMs of pipeline	WS3.1(1)	(1) Number of blockages in sewers that occurred	260				
		WS3.1(2)	(2) Total sewer length in KMs	80				
WS3.2	Frequency of water mains failures per 100 KMs of pipeline	WS3.2(1)	(1) Number of water mains failures (including failures of valves and fittings	4				
		WS3.2(2)	(2) Total mains length (water) in KMs	80				
WS3.3	Frequency of unplanned water service interruptions	WS3.3(1)	(1) Number of unplanned water service interruptions	4				
		WS3.3(2)	(2) Total number of water service connections	15				
WS4.2	Percentage of wastewater samples compliant to water use license conditions	WS4.2(1)	(1) Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements	1				
		WS4.2(2)	(2) Total wastewater samples tested for all determinants over the municipal financial year	1				
WS5.1		WS5.1(1)	(1) Number of Kilolitres	240ML				

Reference	Performance Indicator	Reference	Data Element	Q1	Q2	Q3	Q4	2022/23 Achievements
	Percentage of non-revenue water		Water Purchased or Purified					
		WS5.1(2)	(2) Number of kilolitres of water sold	FINANCE				
WS5.2	Total water losses	WS5.2(1)	(1) System input volume	240				
		WS5.2(2)	(2) Authorised consumption	120				
		WS5.2(3)	(3) Number of service connections					
WS5.4	Percentage of water reused	WS5.4(1)	(1) Volume of water recycled and reused (VRR)	0				
		WS5.4(2)	(2) 1.a Direct use of treated municipal wastewater (not including irrigation)	0				
		WS5.4(3)	(3) 1.b Direct use of treated municipal wastewater for irrigation purposes	4ML				
		WS5.4(4)	(4) System input volume	6ML				
TR6.2	Number of potholes reported per 10kms of municipal road network	TR6.2(1)	(1) Number of potholes reported	150				
		TR6.2(2)	(2) Kilometres of surfaced municipal road network	80				

10.6 CIRCULAR 88 REPORTING: DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: 2022/23: QUARTER 1

CIRCULAR 88 REPORTING INDICATORS

Reference	Performance Indicator	2020/21 Baseline			
		Q1	Q2	Q3	Q4
C29.	Number of approved applications for rezoning a property for commercial purposes	[7]			
C69.	Number of 'displaced persons' to whom the municipality delivered assistance	None			
C76.	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders	None SMME digitisation support programmes started in FY 2022/23			
Q3.	Does the municipality have an approved LED Strategy?	Yes			
Q17.	Does the Municipality have a dedicated SMME support unit or facility in place either directly or in partnership with a relevant roleplayer?	Yes			
Q18.	What economic incentive policies adopted by Council does the municipality have by date of adoption?	NONE Adopted to date (Investment Incentive policy currently at PDT sub committee [Development Facilitation Committee] development stage			

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/MM6**

REQUEST FOR COUNCIL TO INVESTIGATE AN ALLEGED BREACH OF CODE OF CONDUCT

1. Introduction

The purpose of this item is to advise the Municipal Council of an alleged breach of the Code of Conduct for Councillors (hereinafter referred to as the Code), as set out in Schedule 7 of the Local Government: Municipal Structures Act No.117 of 1998, as amended.

2. Discussion

It is alleged that Councillor Dayimani has acted in breach of Item 4 of the Code, and which Item reads as follows:

Attendance at meetings: *A Councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when – (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or (b) that councillor is required in terms of the Code to withdraw from the meeting.*

It is alleged that the said Councillor failed to attend the following meetings of which he is a member:

Special Council meetings dated 31 January 2022, 7 February 2022, 28 February 2022, and

Infrastructure & Engineering Services Portfolio meetings dated 9 February 2022, 6 April 2022 and 8 June 2022.

A correspondence, dated 24 October 2022 and attached as Annexure A hereto, was put to Clllr Dayimani, setting out the allegations and said councillor failed and/or refused to reply to said correspondence.

Item 15 of the Code provides that if the Speaker of the Municipal Council, on reasonable suspicion, is of the opinion that a provision of the Code has been breached the Speaker must authorise and investigation of the facts and circumstances of the alleged breach and give the councillor a reasonable opportunity to reply in writing regarding the alleged breach and report the matter to a meeting of the municipal council.

Item 15(5) provides that the Speaker refuses to authorize an investigation the council must establish a special committee to investigate and make a finding on any alleged breach of the Code.

Item 16 (1)(b) of the Code provides that council may establish a special committee to investigate and make findings on any alleged breach of the Code and make appropriate recommendations to the Council.

3. Comments by Directorates:

3.1 Acting Director: Corporate & Digital Services

Item noted

3.2 Acting Director: I & E:

Item noted

3.3 Director: PDT:

Noted

3.4 Director: Community Services

Item noted

3.5 Chief Financial Officer:

Item noted

3.6 Municipal Manager:

Noted

4. Financial implications:

None

5. Legal implications:

In referring the matter to a special committee, the committee would be at liberty to investigate the allegation and make a finding and make appropriate recommendations to council.

Should the committee find that the councillor is in breach of the Code, the council may issue a formal warning to the councillor, reprimand the councillor, request the MEC for local government in the province to suspend the councillor for a certain period, fine the councillor or request the MEC to remove the

councillor from office. The Speaker must inform the MEC concerned, within 14 days of the finding and sanction decided on by council.

Any investigation in terms of Item 16 must be in accordance with section 3 of the Promotion of Administrative Justice Act No.3 of 2000.

6. Recommendation

6.1 That Council notes the report submitted herein.

6.2 That Councill authorizes the Rules and Ethics Committee to investigate and make a finding on the alleged breach of the Code of Conduct for Councillors by Cllr Dayimani.

Item Prepared by : Manager: Legal Services 

Item approved by: Deputy Municipal Manager 

Item endorsed by: Municipal Manager 

ANNEXURE A

KOUGA
local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

OFFICE OF THE SPEAKER
CLLR BRENTON WILLIAMS
Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200
Cell: 083 549-6795
Email: paspeaker@kouga.gov.za
Website: www.kouga.gov.za

24th October 2022

Dear Cllr Dayimani

IN RE: ALLEGED BREACH OF THE CODE OF CONDUCT OF COUNCILLORS AS CONTAINED IN SCHEDULE 7 OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT NO.117 OF 1998, AS AMENDED.

The above matter refers.

This correspondence serves as a written notice as contemplated in the Policy on the Standing Rules and Procedures with regard to Disciplinary Matters against Kouga Municipal Councillors.

You are reminded of the statutory functions of the Speaker, as stipulated in Section 37 of Local Government Municipal Structures Act No. 117 of 1998, as amended, provides that the Speaker must ensure compliance in Council and Council Committees with the Code of Conduct.

It has come to my attention that you have breached the Code of Conduct for Councillors in that you have acted in contravention of Item 4 of the Code of Conduct, in that you have been absent from three or more consecutive meetings of a committee of council which you required to attend in terms of Item 4 of the Code of Conduct.

It is alleged that you have failed to attend the following Special Council meetings:

- 31 January 2022
- 7 February 2022
- 23 February 2022

You have further failed to attend the Infrastructure & Engineering Services Portfolio meetings, of which committee you are a member, as follows:

- 9 February 2022
- 6 April 2022
- 8 June 2022

You are hereby requested to give written responses in respect to the allegations set out herein within 7(seven) calendar days from date of receipt hereof.

Regards

BRENTON WILLIAMS
SPEAKER

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/MM7**

REQUEST FOR COUNCIL TO INVESTIGATE AN ALLEGED BREACH OF CODE OF CONDUCT

1. Introduction

The purpose of this item is to advise the Municipal Council of an alleged breach of the Code of Conduct for Councillors (hereinafter referred to as the Code), as set out in Schedule 7 of the Local Government: Municipal Structures Act No.117 of 1998, as amended.

2. Discussion

It is alleged that Councillor Oliphant has acted in breach of Item 4 of the Code, and which Item reads as follows:

Attendance at meetings: *A Councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when – (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or (b) that councillor is required in terms of the Code to withdraw from the meeting.*

It is alleged that the said Councillor failed to attend the following meetings of which he is a member:

MPAC meetings dated 17 February 2022, 18 March 2022, 23 March 2022, 4 April 2022, 19 May 2022, 21 June 2022 and 21 July 2022, and

Community Services Portfolio meetings dated 9 February 2022, 6 April 2022 and 8 June 2022.

A correspondence, dated 24 October 2022 and attached as Annexure A hereto, was put to Clllr Oliphant, setting out the allegations. Cllr Oliphant responded to said correspondence and same is attached as Annexure B hereto.

Item 15 of the Code provides that if the Speaker of the Municipal Council, on reasonable suspicion, is of the opinion that a provision of the Code has been breached the Speaker must authorise and investigation of the facts and circumstances of the alleged breach and give the councillor a reasonable opportunity to reply in writing regarding the alleged breach and report the matter to a meeting of the municipal council.

Item 15(5) provides that the Speaker refuses to authorize an investigation the council must establish a special committee to investigate and make a finding on any alleged breach of the Code.

Item 16 (1)(b) of the Code provides that council may establish a special committee to investigate and make findings on any alleged breach of the Code and make appropriate recommendations to the Council.

5. Comments by Directorates:

5.1 Acting Director: Corporate & Digital Services

Item noted

5.2 Acting Director: I & E:

Item noted

5.3 Director: PDT:

Noted

5.4 Director: Community Services

Item noted

5.5 Chief Financial Officer:

Item noted

5.6 Municipal Manager:

Noted

6. Financial implications:

None

5. Legal implications:

In referring the matter to a special committee, the committee would be at liberty to investigate the allegation and make a finding and make appropriate recommendations to council.

Should the committee find that the councillor is in breach of the Code, the council may issue a formal warning to the councillor, reprimand the councillor, request the MEC for local government in the province to suspend the councillor for a certain period, fine the councillor or request the MEC to remove the councillor from office. The Speaker must inform the MEC concerned, within 14 days of the finding and sanction decided on by council.

Any investigation in terms of Item 16 must be in accordance with section 3 of the Promotion of Administrative Justice Act No.3 of 2000.

6. Recommendation

6.1 That Council notes the report submitted herein.

6.2 That Councill authorizes the Rules and Ethics Committee to investigate and make a finding on the alleged breach of the Code of Conduct for Councillors by Cllr Oliphant.

Item Prepared by : Manager: Legal Services

Item approved by: Deputy Municipal Manager

Item endorsed by: Municipal Manager

ANNEXURE A

KOUGA
local municipality
Good Governance through Service Excellence

Cape St Francis
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Tel: 042 200 2200
Cell: 083 549-6795
Email: paspeaker@kouga.gov.za
Website: www.kouga.gov.za

24th October 2022

Dear Cllr Oliphant

IN RE: ALLEGED BREACH OF THE CODE OF CONDUCT OF COUNCILLORS AS CONTAINED IN SCHEDULE 7 OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT NO.117 0F 1998, AS AMENDED.

The above matter refers.

This correspondence serves as a written notice as contemplated in the Policy on the Standing Rules and Procedures with regard to Disciplinary Matters against Kouga Municipal Councillors.

You are reminded of the statutory functions of the Speaker, as stipulated in Section 37 of Local Government Municipal Structures Act No. 117 of 1998, as amended, provides that the Speaker must ensure compliance in Council and Council Committees with the Code of Conduct.

It has come to my attention that you have breached the Code of Conduct for Councillors in that you have acted in contravention of Item 4 of the Code of Conduct, in that you have been absent from three or more consecutive meetings of a committee of council which you required to attend in terms of Item 4 of the Code of Conduct.

It is alleged that you have failed to attend the following scheduled committee meetings, of which you are a member:

Municipal Public Accounts Committee (MPAC):

- 17 February 2022
- 18 March 2022
- 23 March 2022
- 4 April 2022
- 19 May 2022
- 21 June 2022
- 21 July 2022

Community Services Portfolio:

- 9 February 2022
- 6 April 2022
- 8 June 2022

You are hereby requested to give written responses in respect to the allegations set out herein within 7(seven) calendar days from date of receipt hereof.

Regards



BRENTON WILLIAMS
SPEAKER

ANNEXURE B

Fwd: YOUR LETTER DATED 24th OCTOBER 2922

Phumzile Oliphant <poliphant@kouga.gov.za>
Fri 2022/10/28 14:36
To: paspeaker <paspeaker@kouga.gov.za>

Get Outlook for Android

From: Phumzile Oliphant <poliphant@kouga.gov.za>
Sent: Wednesday, 26 October 2022, 12:31
To: Speakers Office <speakers_office@kouga.gov.za>
Subject: YOUR LETTER DATED 24th OCTOBER 2922

The Speaker
Kouga Local Municipality
33 Da Gamma Road
Jeffreys Bay
6330

Attention : Hon Speaker B Williams

Subject : FORMAL RESPONSE TO YOUR LETTER DATED 24th OCTOBER 2022

Your communique directed to me and its content is hereby noted

I further appreciate the opportunity given to reply on it

1 As was communicated to me by my Chief Whip (Cllr V Zana) that I was Deployed as a member in MPAC , because I noticed that I wasn't receiving Notices of meetings its then that I became worried and registered my concern with him (Cllr Zana) I registered my concerns for more than four (4) times with him

2 Instead of my concerns being addressed I was told that the Speaker was contemplating taking action against me for non - attendance of MPAC meetings as much as the Speaker never brought any concern directly to me pertaining to the matter, I elected to make an appointment with him to seek clarity on what I was hearing

3 At that session with the Speaker in his office I reiterated that; I NEVER RECEIVED NOTICES FOR MPAC MEETINGS

Why would I attend all Standing Committee Meetings, Special Council Meetings and Ordinary Council Meetings and not attend MPAC Meetings ?

Its unlike me I served in this council since 2009 and remained discipline and fully adhered to the prescripts of the relevant regulations governing local government

4 After receiving the communication from the Speaker, I then was compelled to solicit an opinion regarding the MPAC notices sent to me which I never received

The following was what I was told to do;

THAT I SHOULD GO TO THRASH OR JUNK AND SEARCH AS AT TIMES EMAILS DIRECTLY GOES ON THOSE FIELDS

Indeed, I followed the advice as I equally wanted to satisfy myself and I find all of these notices there together with many other important emails

I want to assure you speaker I did not deliberately stay away from the meetings as I had no reason to do so

As a honest and disciplined servant of the people I regret not having known that I should have searched on thresh and junk fields if emails are not reflecting on inbox

I place it on record that this won't happen again please accept my sincere apology

Regards

Cllr Phumzile Oliphant

Date: 26 October 2022

Outlook for Android

Disclaimer: E-Mail sent by the Kouga Municipality is to be treated as confidential, and the information in it may not be used or disclosed except for the purpose for which it has been sent. If you have reason to believe that you are not the intended recipient of this communication, please contact the sender immediately. Please then delete the message and do not disclose its contents to any person. Neither the sender nor Kouga Municipality accepts any liability whatsoever as a result of the further dissemination of this message. Whilst all reasonable steps are taken to avoid corruption of data or information, we do not accept any liability should such corruption occur. No employee or agent is authorised to conclude any binding agreement on behalf of the Kouga Municipality with another party by e-mail without express written confirmation by the Kouga Municipality.

REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/F1**

SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

1. Introduction

The purpose of this item is to report on the Supply Chain Management activities for the first quarter of the 2022/23 financial year, ending 30 September 2022.

2. Background

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.

3. Discussion

Below find the quarterly Supply Chain Management report for the quarter ending 30 September 2022:

A. Compliance and Reporting

1. National Treasury Centralised Supplier Database

The Supply Chain Management officials are listed on the National Treasury Centralised Supplier Database. The municipality has been added as a supplier on the National Treasury Centralised Supplier database, with the supplier number **MAAA0214163**. This is the very same centralised database where all companies that are doing business with the municipality are vetted from, in checking their compliance for doing business with the state.

2. Bid Committees

The committees mentioned below are established and functioning in accordance with the SCM Policy

A. Bid Specification Committee (BSC)

B. Bid Evaluation Committee (BEC)
C. Bid Adjudication Committee (BAC)

The committees are responsible to ensure that the required procurement processes are followed in respect of formal tenders.

1. Training - Supply Chain/Stores Section

The following SCM Officials are doing the Municipal Finance Management Programme:

- Nerina Malgas
- Elvin Felix
- Althian Alexander
- Sibusiso Khuzwayo

2. Monthly Reports

Monthly deviations reports are submitted in terms of the SCM policy for the procurement of goods and service.

Monthly reports are required to be submitted to Provincial and National Treasury in respect of procurement of goods and services. These reports are submitted in terms of paragraph 6 of the Supply Chain Management Policy. Monthly reports are submitted to the Standing Committee meetings.

4A. Seven Day Notices (Price Quotations)Awarded:

One (1) Seven Day Notice was awarded for this period 01 July 2022 to 30 September 2022.

Description	Service Provider	Date of Award	Amount
Notice 101/2022 Supply, Delivery and Offloading of LED Streetlight Fittings	Kaziscan (Pty) Ltd	13 Sept 2022	R 198 737.30

4B. Competitive Bids Awarded for the Period

A total of three (3) bids was awarded for the period 01 July 2022 to 30 September 2022.

Description	Service Provider	Date of Award	Amount

Description	Service Provider	Date of Award	Amount
Notice 18/2022 The Compilation of the Valuation Roll and Supplementary Valuation Rolls and Maintenance thereof for the financial years starting 1 July 2022 to 30 June 2025 for Kouga Local Municipality	DDP Valuers (Pty) Ltd	15 July 2022	Various Rates
Notice 20/2022 The Provision of Services for the Disconnection & Re-connection of Municipal Services for the financial years starting 1 July 2022 to 30 June 2025	BTF Global (Pty) Ltd	06 Sept 2022	Various Rates
Notice 32/2022 Technical Financial Support to Enhance the Financial Sustainability and improve audit outcomes at KLM for a period of three (3) years	Bonakude Consulting (Pty) Ltd	06 Sept 2022	Various Rates

4C. Section 36 Deviations In Terms of Supply Chain Management Policy

The section 36 deviations for the quarter ending 30 September 2022 amounted to **R 7 050 104.71**

Month	Amount
July 2022	**R 1 674 172.40**
August 2022	**R 3 465 848.84**
September 2022	**R 1 910 083.47**

5. Report on the Balance of Stock on Hand at Stores as of 30 Sepember 2022

This report shows movement of stock from stores which Stores Section has received from various suppliers as procured by Stores Section and stock issued to various directorates. That would be for the purpose of service delivery, herewith

attached ***Annexure 1A to A3***, reflect all the movement of stock from July 2022 to September 2022.

6. Supply Chain Management Staff Component

The section consists of 9 permanent staff members, 3 contract workers and 1 finance intern.

Below details the staff members:

- Mr. L. Landu (Manager)

Supply Chain Management	**Stores**
Mrs. C. Groenewald (Permanent)	Mr. E. Felix (Permanent)
Mrs. N. Malgas (Permanent)	Mr. A. Alexander (Permanent)
Ms. A. Smith (Permanent)	Mr. D. Volontiya (Permanent)
Ms. A. Gorden (Permanent)	Mr. F. Msolo (Permanent)
Mr. S. Khuzwayo (Contract worker)	Mr. C. Didloft (Contract worker)
Ms. N. Mandeka (Finance Intern)	Mr. TJ. Konza (Contract worker)

7. Comments by Directorates:

7.1 Director : Finance

Item supported.

7.2 Director: Planning, Development & Tourism

Item noted

7.3 Director: Community Services

Item noted

7.4 Acting Director: Corporate & Digital Services

Item noted

7.5 Acting Director : Infrastructure & Engineering

Item noted

7.6 Municipal Manager

Report is noted

8. Financial implications

None.

9. Legal implications

None.

10. Other implications

None.

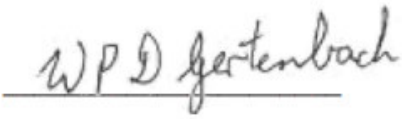
11. Recommendation

11.1 That the report be submitted to Council for approval as per the reporting Requirements, this being the report for the first quarter (July to September 2022)

Item prepared by the Manager: SCM : 

Item approved by the CFO: : 

Item endorsed by Municipal Manager : 

Item Noted by the Portfolio Councillor : 

STOCK BALANCE FOR MONTH END 31 JULY 2022 (ANNEXURE A1)

DATE	BALANCE		ISSUES	RECEIPTS	Jnl/Return	BALANCE				
01/07/2022	15 941 576,16	0	-	-	-	15 941 576,16	15 941 576,16	0,00		
04/07/2022	15 941 576,16	11	19 420,76	-	-	15 922 155,40	15 922 155,40	0,00		
05/07/2022	15 922 155,40	0	-	-	-	15 922 155,40	15 922 155,40	0,00		
06/07/2022	15 922 155,40	18	50 792,05	-	-	15 871 363,35	15 871 363,35	0,00		
07/07/2022	15 871 363,35	0	-	-	-	15 871 363,35	15 871 363,35	0,00		
08/07/2022	15 871 363,35	11	21 257,28	-	-	15 850 106,07	15 850 106,07	0,00		
11/07/2022	15 850 106,07	15	104 791,91	-	-	15 745 314,16	15 745 314,16	0,00		
12/07/2022	15 745 314,16	19	261 854,66	-	-	15 483 459,50	15 483 459,50	0,00		
13/07/2022	15 483 459,50	9	40 998,27	-	-	15 442 461,23	15 442 461,23	0,00		
14/07/2022	15 442 461,23	10	60 075,24	45 878,00	-	15 428 263,99	15 428 263,99	0,00		
15/07/2022	15 428 263,99	26	158 458,02	-	-	15 269 805,97	15 269 805,97	0,00		
18/07/2022	15 269 805,97	22	47 977,48	79 262,35	167,40	15 301 258,24	15 301 258,24	0,00		
19/07/2022	15 301 258,24	25	126 018,55	16 560,00	-	15 191 799,69	15 191 799,69	0,00		
20/07/2022	15 191 799,69	36	167 804,13	75 413,63	-	15 099 409,19	15 099 409,19	0,00		
21/07/2022	15 099 409,19	12	76 720,12	147 963,04	264,98	15 170 917,09	15 170 917,09	0,00		
22/07/2022	15 170 917,09	20	92 490,69	75 025,30	-	15 153 451,70	15 153 451,70	0,00		
25/07/2022	15 153 451,70	19	75 329,89	1 589,36	-	15 079 711,17	15 079 711,17	0,00		
26/07/2022	15 079 711,17	22	77 844,99	146 657,25	801,66	15 149 325,09	15 149 325,09	0,00		
27/07/2022	15 149 325,09	13	56 389,14	10 726,00	-	15 103 661,95	15 103 661,95	0,00		
28/07/2022	15 103 661,95	8	39 050,76	21 858,93	-	15 086 470,12	15 086 470,12	0,00		
29/07/2022	15 086 470,12	11	44 360,87	773 928,00	(1 144,64)	15 814 892,61	15 814 892,61	0,00		
		307	1 521 634,81	1 394 861,86	89,40					

STOCK BALANCE FOR MONTH END 31 AUGUST 2022 (ANNEXURE A2)

DATE	BALANCE		ISSUES	RECEIPTS	Jnl/Return	BALANCE					
01/08/2022	15 814 892,61	16	12 644,53	521 600,00	466,29	16 324 314,37		16 324 314,37	0,00		
02/08/2022	16 324 314,37	11	74 022,39	238 818,95	93,25	16 489 204,18		16 489 204,18	0,00		
03/08/2022	16 489 204,18	13	36 804,31	-	-	16 452 399,87		16 452 399,87	0,00		
04/08/2022	16 452 399,87	0	-	-	-	16 452 399,87		16 452 399,87	0,00		
05/08/2022	16 452 399,87	0	683 445,90	2 381,56	343,36	15 771 678,89		15 771 678,89	0,00		
08/08/2022	15 771 678,89	15	84 372,17	125 913,68	3 897,56	15 817 117,96		15 817 117,96	0,00		
09/08/2022	15 817 117,96	0	-	-	-	15 817 117,96		15 817 117,96	0,00		
10/08/2022	15 817 117,96	9	30 011,12	-	343,36	15 787 450,20		15 787 450,20	0,00		
11/08/2022	15 787 450,20	0	121 965,95	347 571,68	2 694,39	16 015 750,32		16 017 810,48	-2060,16		
12/08/2022	16 015 750,32	0	22 603,13	53 790,34	1 319,45	16 048 256,98		16 048 256,98	0,00		
15/08/2022	16 048 256,98	0	51 176,83	-	-	15 997 080,15		15 997 080,15	0,00		
16/08/2022	15 997 080,15	0	41 617,77	323 474,22	142,29	16 279 078,89		16 279 078,89	0,00		
17/08/2022	16 279 078,89	0	101 120,20	48 907,31	4 703,35	16 231 569,35		16 231 569,35	0,00		
18/08/2022	16 231 569,35	0	41 634,27	119 710,80	-	16 309 645,88		16 309 645,88	0,00		
19/08/2022	16 309 645,88	10	59 593,12	1 668,00	-	16 251 720,76		16 251 720,76	0,00		
22/08/2022	16 251 720,76	17	91 186,37	24 750,00	-	16 185 284,39		16 185 284,39	0,00		
23/08/2022	16 185 284,39	20	150 319,22	-	-	16 034 965,17		16 034 965,17	0,00		
24/08/2022	16 034 965,17	16	71 507,57	147 826,82	898,22	16 112 182,64		16 112 182,64	0,00		
25/08/2022	16 112 182,64	5	9 847,91	35 856,00	424,56	16 138 615,29		16 138 615,29	0,00		
26/08/2022	16 138 615,29	9	45 834,27	91 135,48	14 306,16	16 198 222,66		16 198 222,66	0,00		
29/08/2022	16 198 222,66	6	103 046,17	274 410,56	46,36	16 369 633,41		16 369 633,41	0,00		
30/08/2022	16 369 633,41	18	81 209,17	164 671,74	45,13	16 453 141,11		16 453 141,11	0,00		
31/08/2022	16 453 141,11	11	46 115,23	-	-	16 407 025,88		16 407 025,88	0,00		
		176	1 729 707,03	2 083 404,84	29 632,24						

STOCK BALANCE FOR MONTH END 30 SEPTEMBER 2022 (ANNEXURE A3)

DATE	BALANCE		ISSUES	RECEIPTS	Jnl/Return	BALANCE				
01/09/2022	16 407 025,88	8	19 897,12	78 077,80	-	16 465 206,56		16 465 206,56	0,00	
02/09/2022	16 465 206,56	13	111 235,69	-	-	16 353 970,87		16 353 970,87	0,00	
05/09/2022	16 353 970,87	0	-	-	-	16 353 970,87		16 353 970,87	0,00	
06/09/2022	16 353 970,87	21	108 055,60	23 922,50	(1 543,83)	16 268 293,94		16 268 293,94	0,00	
07/09/2022	16 268 293,94	11	24 540,36	1 807,90	15,54	16 245 577,02		16 245 577,02	0,00	
08/09/2022	16 245 577,02	13	57 760,00	145 825,98	(16,33)	16 333 626,67		16 333 626,67	0,00	
09/09/2022	16 333 626,67	10	28 573,58	159 698,20		16 464 751,29		16 464 751,29	0,00	
12/09/2022	16 464 751,29	10	33 462,28	71 692,00	2 571,76	16 505 552,77		16 505 552,77	0,00	
13/09/2022	16 505 552,77	9	16 511,91	-	1 073,96	16 490 114,82		16 490 114,82	0,00	
14/09/2022	16 490 114,82	13	132 636,23	-	-	16 357 478,59		16 357 478,59	0,00	
15/09/2022	16 357 478,59	13	34 586,32	74 346,70	-	16 397 238,97		16 397 238,97	0,00	
16/09/2022	16 397 238,97	9	57 280,36	10 807,80	230,48	16 350 996,89		16 350 996,89	0,00	
19/09/2022	16 350 996,89	7	15 676,04	151 109,00	-	16 486 429,85		16 486 429,85	0,00	
20/09/2022	16 486 429,85	0	-	-	1 589,78	16 488 019,63		16 488 019,63	0,00	
21/09/2022	16 488 019,63	0	-	-	-	16 488 019,63		16 488 019,63	0,00	
22/09/2022	16 488 019,63	32	188 494,47	203 346,06	-	16 502 871,22		16 502 871,22	0,00	
23/09/2022	16 502 871,22	6	5 293,06	82 006,06	641,48	16 580 225,70		16 580 225,70	0,00	
26/09/2022	16 580 225,70	13	51 941,29	38 060,35	13,10	16 566 357,86		16 566 357,86	0,00	
27/09/2022	16 566 357,86	14	115 121,13	326 609,40	481,05	16 778 327,18		16 778 327,18	0,00	
28/09/2022	16 778 327,18	11	44 305,66	16 131,80	12,40	16 750 165,72		16 750 165,72	0,00	
29/09/2022	16 750 165,72	10	75 800,35	62 901,09	-	16 737 266,46		16 737 266,46	0,00	
30/09/2022	16 737 266,46	14	25 978,86	261 552,02	-	16 972 839,62		16 972 839,62	0,00	
		237	1 147 150,31	1 707 894,66	5 069,39					

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/F2**

DEVELOPMENT OF A LONG-TERM FINANCIAL PLAN FOR KOUGA MUNICIPALITY

1. Introduction

The purpose of this item is to submit the Draft Long-Term Financial Plan to Council for consideration and adoption.

2. Background

The Municipality does not have a Long-Term Financial Plan (LTFP) and requires a Plan in terms of the requirements of the IDP Assessment. A LTFP is also required by the Municipality to assist the Municipality in achieving key financial ratios i.e. liquidity ratio, current ratio, cost coverage ratio as well as overall financial sustainability.

The development of a Long-term Plan was identified as a key need for the Municipality and has been included as a KPI on the CFO Performance Plan.

The LTFP was then developed by INCA Portfolio Managers – See **Annexure A**

It is important to note that the recommendations within the LTFP will influence all relevant Budget-related Policies subject to Council approval. The recommendations will also need to influence the IDP, Budget and SDBIP going forward for the LTFP to become a reality.

For the above LTFP to be implemented within the key documents of the Municipality, Council must consider the LTFP and approve the Plan.

3. Comments by Directorates:

3.1 Director : Finance

The LTFP has been reviewed and the recommendations in the LTFP is considered accurate and is fully supported.

3.2 Director: Planning, Development & Tourism

Noted

3.3 Director : Community Services

Item noted

3.4 Acting Director : Corporate & Digital Services

Item noted

3.5 Acting Director : Infrastructure & Engineering

Item supported

3.6 Municipal Manager

The future financial sustainability of Kouga Municipality is dependent on the adoption of long-term financial plan to guide future budget processes of the municipality. Having adopted such a plan will guide the Kouga Municipality budget and treasury office in preparing future budgets for municipality. I am in full support of the plan and the recommendations.

4. Financial implications

The LTFP was obtained at no cost to Council.

The implementation of the recommendations would ensure the financial sustainability of the Municipality thus enhancing Revenue and reducing costs. The amounts cannot be accurately determined at this point, other than the projected outcomes indicated in the LTFP subject to the assumptions within the LTFP.

5. Legal implications

None.

6. Other implications

None.

7.1 Recommendation

7.1 That the Long-Term Financial Plan 2022/23 – 2031/32 be approved by Council; and

7.2 That the recommendations in the Long-Term Financial Plan be incorporated into the relevant Budget-related policies, IDP, Budget and SDBIP going forward.

Item drafted by the CFO: : _____

Item endorsed by the Municipal Manager : _____

Item noted by the Portfolio Councillor : _____

KOUGA LOCAL MUNICIPALITY

KOUGA
local municipality
Good Governance through Service Excellence

Long Term Financial Plan

2022/23 – 2031/32

INCA
Portfolio Managers

Contact:

Attie van Zyl
Chief Executive

INCA Portfolio Managers (Pty) Ltd
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Woodmead
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e: attie.vanzyl@inca.co.za

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ABBREVIATIONS USED

AFS	Annual Financial Statements
ARC	Asset Replacement Cost
CPI	Consumer Price Index
CRC	Current Replacement Cost
CRR	Capital Replacement Reserve
EAP	Economically Active Population
FY	Financial Year
FYE	Financial Year End
GVA	Gross Value Added
KLM	Kouga Local Municipality
IDP	Integrated Development Plan
INCA	Infrastructure Finance Corporation
IPM	INCA Portfolio Managers
LM	Local Municipality
LTFM	Long Term Financial Model
LTFP	Long Term Financial Plan
MRRI	Municipal Revenue Risk Indicator
MSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Energy Regulator of South Africa
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
Rm	Rand x 1 000 000
Rb	Rand x 1 000 000 000
SDF	Spatial Development Framework

EXECUTIVE SUMMARY

Introduction to the Report

1. This report contains the proposed long-term financial plan of the Kouga Local Municipality ("Kouga", "Kouga LM" or "KLM"). It is submitted to the municipality for its consideration and adoption.

2. The proposed plan was preceded by an Independent Financial Assessment of KLM prepared by INCA Portfolio Managers in June 2022, drawing on the audited financial statements for the past 8 years up to FYE2020/21. This assessment is attached as Annexure 1. The report in Annexure 1 includes a summary of the latest available information on the demography, economy and household infrastructure of the KLM. Based on the findings of the Independent Financial Assessment, the KLM is in a reasonable financial position, but key metrics are trending in the wrong directions and is indicative of potential financial risks. The risks include consistent low collection rates, deteriorating liquidity levels, high creditor payment days ratios and significantly reduced surplus margins from the sale of Electricity and Water Services. Although, the municipality still maintains a positive cash bank balance and is able to provide ongoing services to residents, upgrade infrastructure and address infrastructure backlogs, its ability to do so may be curtailed if the negative trends are not addressed.

3. Kouga LM achieved a shadow credit rating of **5.0** on the INCA Shadow Credit Rating Model. This is "Investment Grade" and equates to a rating of **BBB-** on the National Credit Ratings Scale. With a history of unqualified audit reports with findings KLM should have the ability to access external borrowing.

4. The municipality's cash needs compared to the operating cash flows it can expect to generate, based on the economy and population of the sub-region, was modelled. This forms the basis to determine the future financial sustainability of the municipality.

5. A number of potential outcomes or scenarios were modelled. The "MTREF Case" forecasts sustained Operational deficits due to the high increases of electricity bulk purchases for the next financial period which may not be fully passed on to the consumers. There is also a high dependency on grants to finance the growing capital expenditure needs of the municipality.

6. The drivers or variables causing some of the negative impacts on the MTREF case, were addressed and presented as the Base Case Model (which is the optimal scenario). This was done by decreasing operational expenditure by 2% (+/- R25 million) per annum during the MTREF period. The results reflect positive Cash Balances should the Collection Rate be maintained at 95% from FY2022/23 onward. The affordable level of Capital Expenditure over the 10-year planning period is R 517 million.

7. This LTFP report includes the effects of the COVID 19 pandemic and how it impacted on the financial position of the municipality. Our recommendations are aimed at guiding the municipality towards long-term financial sustainability in a post-pandemic environment. Although the worst of the COVID-19 pandemic has passed, the model continues to assess the potential impact of unexpected events and a range of operational and policy responses to help mitigate these impacts.

Key Findings

8. The following summary observations, pursuant to the ***Independent Financial Assessment*** for the historic period FYE2014/15 to FYE2021/22 and the interpretation of the socio economic and infrastructure data published by ***IHS Global Insight Rex*** database, were made:

   8.1. Kouga has a total population of approximately 128 000 (2021) growing at 1.99% per annum over the last 5 years. 51% of the population falls in the working age group of 25 – 64 years with 43.2% of the population being regarded as economically active.
   8.2. Annual per capita income of R 91 547 is higher than that of the country (R 72 085) and district (R 73 329). Approximately 10.7% of all households have an income of less than R 42 000 p.a. and in theory should qualify for free basic services.
   8.3. It is calculated that about 10 500 people staying in Kouga are working outside the town, this equates to 19% of the economically active population (EAP) of Kouga. The unemployment rate of 30.9% for 2021 is below the provincial and the national rates of 45.8% and 33.5%, respectively. Labour survey statistics remain problematic, and the absolute value is not necessarily the main indicator, rather the increasing trend in unemployment.
   8.4. The local economy (GVA) of R 10.7 billion contributes approximately 32.5% of the district economy and 3.5% of the provincial economy. The local economy is largely underpinned by the Trade, Finance and Community Services sectors which make up 21%, 20% and 26%, respectively, of the GVA. The 5-year average growth rate indicates that the economy has effectively been stagnant since FY2017.
   8.5. The total number of formally employed people is just under 26 000 with 8 300 (32%) being employed by the Agricultural sector followed by the Community services sector (approx. 5 000).
   8.6. The continued service delivery challenges in 2021 is reflected in the 7.8% of households that experience sanitation backlogs and 11.7% refuse removal backlogs, compared to the 12.8% sanitation and 15.3% refuse removal backlogs in 2012.
   8.7. Barely adequate liquidity ratio fluctuating between 0.72 and 1.12 during the review period which is below the NT benchmark range of 1.5:1 to 2:1. The exclusion of debtors greater than 30 days impacts the liquidity ratio which then deteriorates to 1.02 as at FYE2021/22.
   8.8. Unencumbered cash and cash equivalents fully covered the minimum liquidity requirements up to FYE2020, with a cash shortfall thereafter that increased to R 88.8 million in shortfall as at FYE2021/22.

8.9. The collection ratio as at FYE2021/22 was 92%, which is below the NT benchmark of 95%, whilst Net Debtor days stood at 41 days at year-end, higher than the 30 days NT benchmark. Net Creditor days were 56 days at year-end, also more than the NT benchmark of 30 days.

8.10. On exclusion of capital grants, the municipality made operating deficits from FY2017 onward, with the deficit increasing annually to come to -R 145.5 million in FY2022.

8.11. Kouga LM managed to generate cash from its operations up to FY2019, whereafter cash utilisation were realised. An improving trend is noted from FY2020 to FY2022.

8.12. As the main income contributor Electricity services maintained a net surplus margin averaging 17% over the 8-year period, with a declining trend noted.

8.13. Expenditure on repairs and maintenance as a percentage of property plant and equipment averaged 2% over the review period. This is well below the NT benchmark of 8%.

8.14. Cumulative capital expenditure of R 742.3 million over the 8-year period was primarily funded by capital grants (60%), followed by own cash (34%) and marginal external financing was obtained.

8.15. Kouga LM underspent on its capital budget throughout the same period, with actual capital expenditure as a percentage of budgeted capital expenditure being consistently below the NT norm range of 95% and 100%. Notably, this ratio was 129% in FY2022.

Conclusions drawn from Financial Model

A long-term financial model was developed, based on the FY2021/22 Pre-Audit AFS of the municipality and populated with several assumed variables. A summary of the outcome of the Base Case of the model is presented in the **TABLE 1** below.

TABLE 1: BASE CASE (OPTIMAL) FINANCIAL OUTCOME

Outcome	10-Year Outcome
Average annual % increase in Revenue	6.8%
Average annual % increase in Expenditure	4.3%
Accounting Surplus accumulated during Planning Period (Rm)	-R 373
Operating Surplus accumulated during Planning Period (Rm)	-R 777
Cash generated by Operations during Planning Period (Rm)	R 305
Average annual increase in Gross Consumer Debtors	18.8%
Capital investment programme during Planning Period (Rm)	R 517
External Loan Financing during Planning Period (Rm)	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 207
No of Months Cash Cover at the end of the Planning Period (Rm)	1.4
Liquidity Ratio at the end of the Planning Period	1.3 : 1
Gearing at the end of the Planning Period	1.6%
Debt Service to Total Expense Ratio at the end of the Planning Period	0.0%

9. In the ***Base Case Scenario,*** the municipality will, over the 10-year planning period from FY2022/23 to FY2030/31 realise Operating deficits of R 777 million, generate Cash from

Operations of R305 million and can afford a Capital Investment Programme of R 517 million.

Recommendations

10. Chapter 12 of the main report lists a comprehensive list of recommendations. These recommendations are based on the historic independent financial assessment and long-term financial model. In summary, a financial plan is recommended with the following focus areas:

    10.1. Improve the liquidity position of the municipality by increasing efforts to collect consumer debts and apply an optimal capital funding mix which includes prudent utilisation of debt funding, where possible.

    10.2. Develop a cost-reflective tariff model and ensure that the full costs of providing all services are shared by as many households as possible.

    10.3. Develop a clear principle-based prioritization approach to infrastructure investment.

    10.4. Update and implement Integrated Waste Management Plan in order to optimize the landfill sites.

    10.5. Curb technical losses on water services and maintain low losses on electricity services through improved policing, safeguarding infrastructure and effective law enforcement with other security agencies.

1. INTRODUCTION

1.1. This Long-Term Financial Plan report is prepared by INCA Portfolio Managers ("IPM") with financing from the INCA Capacity Building Fund (ICBF), a not-for-profit company established in 1998 as a joint venture between Infrastructure Finance Corporation Limited (INCA) and Agence Française de Development (AFD). The funding of the report, as mentioned in the Introduction for the Independent Financial Assessment (IFA), is through the recapitalisation grant that has been received by SECO.

1.2. The second phase of this assignment, undertaken by INCA Portfolio Managers ("IPM"), is to develop a Long-Term Financial Plan ("LTFP") of Kouga Local Municipality for a period of 10 years from 1 July 2023 to 30 June 2032, based on a Long-Term Financial Model ("LTFM").

1.3. In this assignment, a historic financial assessment of the municipality with the financial information up to 30 June 2022 has been included.

1.4. Based on a review of various documents made available by the municipality with further inputs provided by the management of the municipality, this document reflects on the capital investment requirements and financial strategies to enhance the financial sustainability of the municipality. Virtual interviews with certain municipal staff were also conducted prior to finalising the report. The capital expenditure demand, consisting of asset replacement costs and new capital investments, is evaluated against the operating cash flows of the municipality to afford these future capital expenses. In the evaluation the potential future municipal revenues, based on the economy and population of the sub-region, has been estimated. These revenues will in turn inform the funding mix that the municipality can access to finance its future capital needs.

1.5. The recommendations reflect the outcome of the analysis and aim to enhance the long-term financial sustainability of Kouga LM.

1.6. The following sources of information have been scrutinised and taken into consideration in the Independent Financial Analysis (IFA) and the development of this LTFP:

a. The audited financial statements for the years ending 30 June 2013 to 30 June 2021 as well as the pre-audit AFS for 2021/22.
b. Kouga LM Adopted Budget Report: FY2022/23-FY2024/25.
c. The Medium-Term Revenue & Expenditure Framework FY2022/23 – FY2024/2025.
d. Various other documents of the municipality that are publicly available.
e. Economic, demographic and household infrastructure data extracted from ***IHS Global Insight's Regional Explorer***.

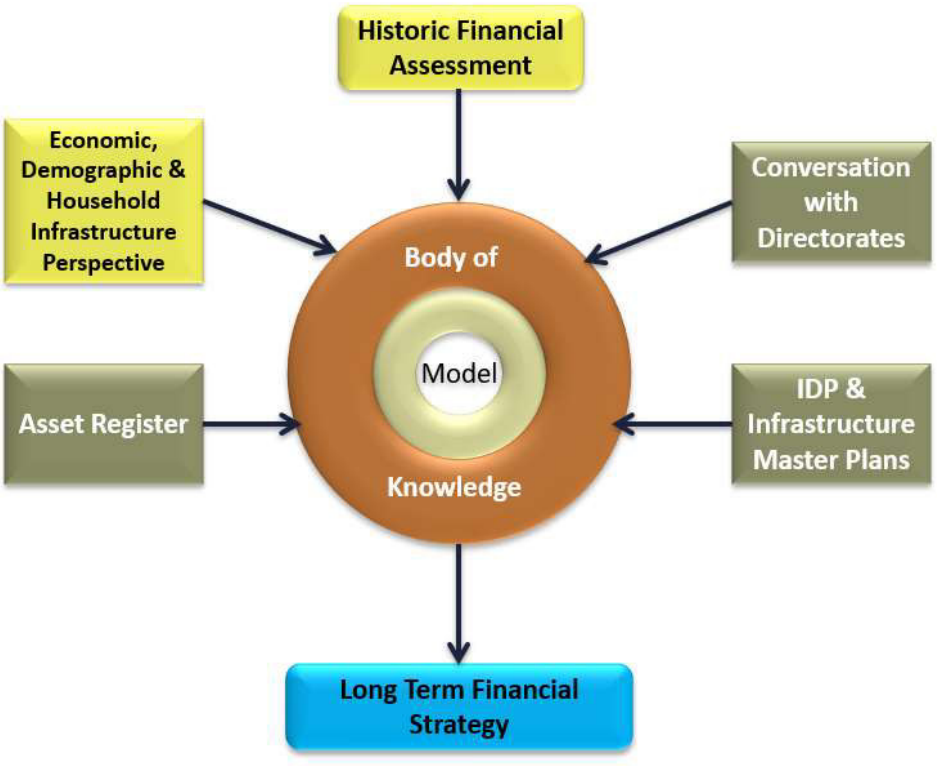
2. OBJECTIVES OF THE LONG-TERM FINANCIAL PLAN

2.1. The purpose of a long-term financial plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance, future plans and the environment in which it operates.

2.2. The plan provides guidelines, within the context of an uncertain future, of what the municipality can afford.

2.3. The generic process (adapted for each municipality pending availability of data) that was followed in reaching the objective of the Long-Term Financial Plan, is illustrated in the diagram below:

FIGURE 1: PLANNING PROCESS



3. PERSPECTIVE

An assessment of the Kouga LM historic financial performance for the period 2015 to 2022 is presented in more detail in Annexure 1: *Kouga Local Municipality: Independent Financial Assessment against the Background of the Municipality's Demographic, Economic & Household Infrastructure Situation, June 2022.* The KLM is characterized by the following socio-economic and financial indicators:

- ***The total Population*** of 128 000 (iHS 2021), represents 24% of people living in the Sarah Baartman District and growing at 1.99% p.a. Approximately 51% of the population falls in the working age group of 25 – 64 years with 43% of the population being regarded as economically active.
- ***Annual per capita income*** of R 91 547 is higher than that of the country (R72 085) and for the district (R 73 329). 10.7% of all households have an income of less than R 42 000 p.a. and qualify for free basic services.
- The Trade, Finance and Community Services are the mainstay of the local economy and contributes approximately 67% to the Gross Value Add (GVA)
- ***Unemployment Rate*** of 30.9% is lower than the Provincial unemployment rate of 45.8%. This should not be taken as an absolute figure, but rather the the upward trend should be noted.
- Weak ***liquidity ratio*** fluctuating between 0.72:1 and 1.12:1 over the review period, which is below the NT benchmark range of 1.5:1 to 2:1.
- The ***collection ratio*** as at FYE2021/22 was 92%, this is below the NT benchmark of 95%.
- Analysis of financial performance reveal that on exclusion of capital grants, the municipality made ***operating deficits*** in 6 years, and the deficit for FY2021/22 was R 145.5 million.
- ***Cash vs Minimum Liquidity Requirements:*** Unencumbered cash and cash equivalents fully covered the minimum liquidity requirements until FYE2020, with the cash shortfall increasing to R 89 million for FYE2022.
- Overall, the financial indicators depict a stagnant to marginally deteriorating financial position but prudent financial management in line with key recommendations will contribute significantly to the long-term sustainability of the municipality.

3.1. An assessment of Kouga Local Municipality's historic financial performance for the period 2015 to 2022 is presented in more detail in Annexure 1: *Kouga Local Municipality: Independent Financial Assessment against the Background of the Municipality's Demographic, Economic & Household Infrastructure Situation, June 2022.* This is summarised below:

Spatial & Demographic Perspective

3.2. Kouga's Total Population increased from 104 030 in 2012 to 128 202 in 2021.

3.3. 5-year average population growth rate of 1.99% is the highest of the municipalities within the district and higher still than the national (1.44%) growth rate over the same period.

3.4. Just more than 50% of the population falls in the working age group of 25 – 64 years with 43.2% of the population being regarded as economically active.

3.5. Kouga's annual per capita income of R 91 547 is higher than that of the country (R 72 085) and for the district (R 73 329).

3.6. 10.7% of households in Kouga earn an annual income of below R 42,000 p.a.

3.7. The unemployment rate of 30.9% is lower than the Provincial unemployment rate of 45.8%. The upward trend in unemployment is more important, and of more concern, than the absolute level of unemployment in the municipal area.

Economic Perspective

3.8. Kouga's local economic output, i.e. Gross Value Add (GVA) of R 10.7 billion contributes approximately 32.5% of the district economy and 3.5% of the provincial economy. GVA annual growth has been stagnant (0.18% per annum) over the review period.

3.9. The local economy is largely underpinned by the Trade, Finance and Community Services sectors which represent 21.2%, 19.9% and 26%, respectively, of the GVA.

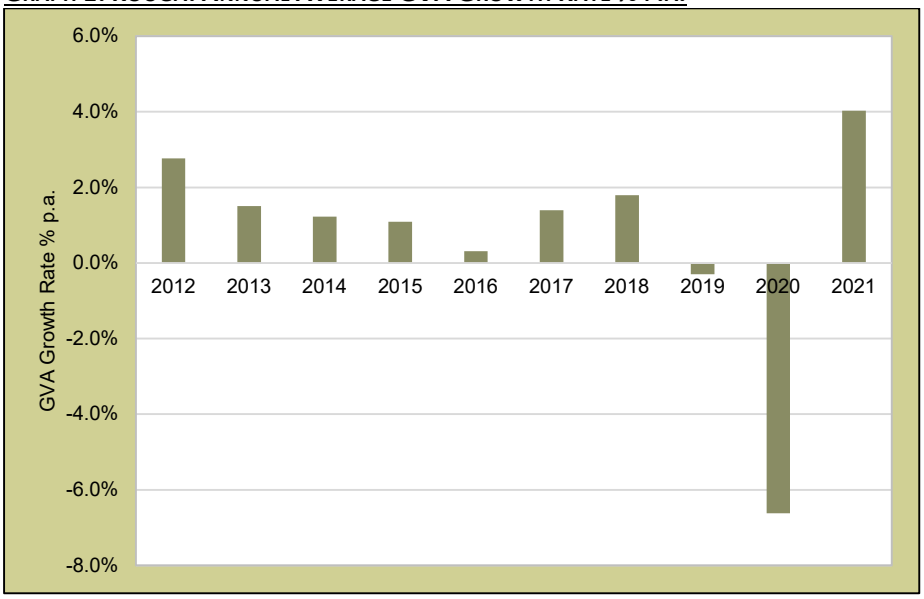
3.10. Agricultural activities represent the largest provider of employment in Kouga in 2021, employing approximately 8 500 people.

3.11. The positive spatial employment balance indicates that there are more people residing in Kouga and working elsewhere than people living elsewhere and working in Kouga. Tourism trips decreased from 187 081 trips in 2012 to 80 738 in 2021, with the main purpose for the trips being for leisure or holiday (60% of trips). Tourism spend was R 1.06 billion in 2021 and contributed 7.4% to GVA. The tourism contribution to GVA for 2019 (pre-Covid) was 9.99%.

TABLE 2: SECTOR SHARE OF TOTAL GVA: KLM

Sub Sector	2012	2021
1 Agriculture	6.6%	7.3%
2 Mining	0.0%	0.0%
3 Manufacturing	10.1%	9.7%
4 Electricity	1.3%	1.1%
5 Construction	10.6%	7.8%
6 Trade	22.7%	21.2%
7 Transport	7.0%	6.9%
8 Finance	17.4%	19.9%
9 Community services	24.2%	26.0%

GRAPH 1: KOUGA: ANNUAL AVERAGE GVA GROWTH RATE % P.A.

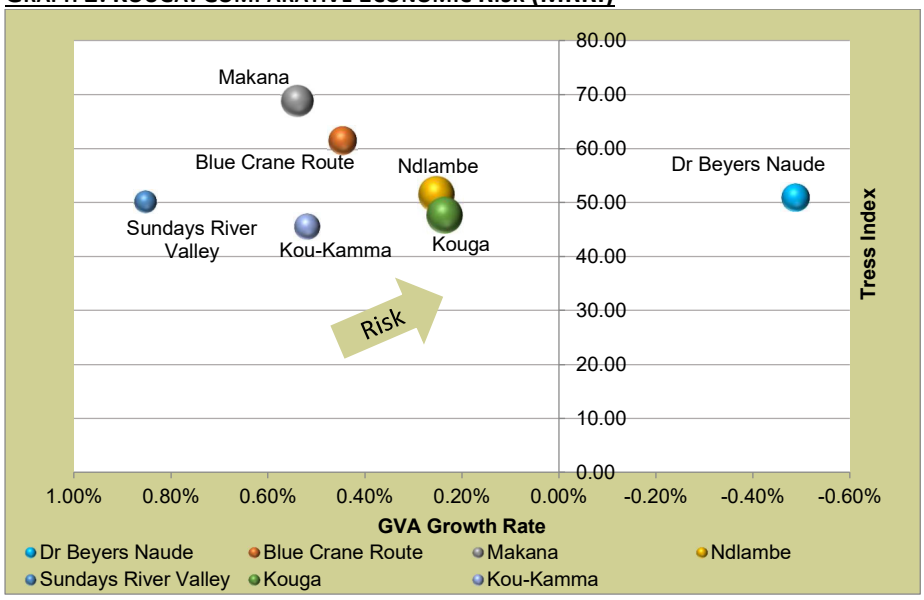


3.12. IPM has developed the Municipal Revenue Risk Indicator ("MRRI"), which measures the risk of a municipality to generate its own revenues. This risk is on the one hand a function of the economy (size of the economy as measured by the GVA per capita, GVA growth rate and Tress Index) and on the other a function of households' ability to pay (measured by the % of households with income below R 42 000 p.a., unemployment rate and Human Development Index).

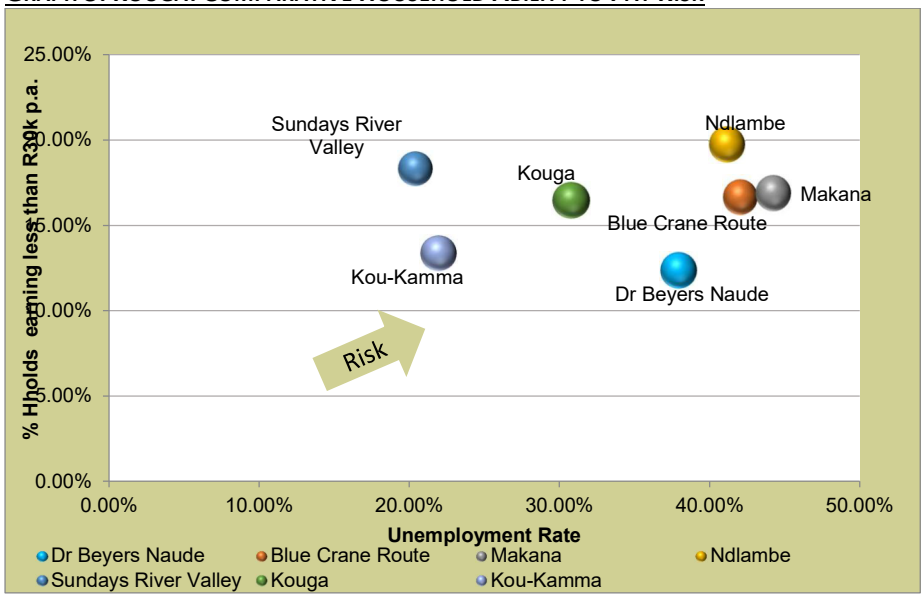
3.13. The regional economy and the ability of households to pay for services delivered by the municipality, rates KLM as a "High" risk on IPM's Municipal Revenue Risk Indicator scale. There is a high risk that the municipality will not be able to generate enough own revenue in future. In addition, the economy is not well diversified, and the unemployment is reasonably high. This indicates that the ability-to-pay risk is high, as evidenced in the decrease in collection rate in recent years.

The following graphs illustrate Kouga's relative position in comparison to the other local municipalities in the Sarah Baartman District.

GRAPH 2: KOUGA: COMPARATIVE ECONOMIC RISK (MRRI)



GRAPH 3: KOUGA: COMPARATIVE HOUSEHOLD ABILITY TO PAY RISK



Household Infrastructure Perspective

3.14. The level of service delivery as expressed by the Infrastructure Index for Kouga LM increased from 0.83 in 2012 to 0.84 in 2021, higher than the national (0.76) index, but 2nd lowest within the district.

3.15. Kouga LM underperformed in terms of access to Electricity provision when measured against the district, though exceeded district averages in all other service delivery categories in 2021.

3.16. Between 2012 and 2021 the rate of household formation in South Africa was 14.2%. Kouga experienced the highest household formation (21.5%) within the district, at an average annual growth rate of 2.2% p.a. There are more than 38 000 households in the municipality at present.

3.17. The percentage of households with access to a level of service of RDP or higher, is lower than the percentage of households with income above the R 42,000 p.a. bracket, i.e. 84.1% vs. 89.3%. The almost 5 percentage point difference is relatively large and indicates an imbalance between the level of service delivery and household income on average. This may indicate that the municipality is not billing enough and in theory missing out on potential revenue that can easily be collected, i.e. the level of services provided to residents with the ability to pay, is lower than the minimum (RDP) level provided for through the Equitable Share. Considering the current and forecasted financial position of the KLM, the strategy of such revenue collection should be identified, and future service levels increased.

Financial Perspective

Financial Position

3.18. Below acceptable liquidity ratio fluctuating between 0.72:1 and 1.12:1 during the review period. The exclusion of debtors greater than 30 days significantly impacts the liquidity ratio, which then deteriorates even further to 1.02:1.

3.19. Unencumbered cash and cash equivalents fully covered the minimum liquidity requirements up to FYE2020, with a cash shortfall thereafter that increased to a shortfall of R 88.8 million as at FYE2021/22.

3.20. The collection ratio as at FYE2021/22 was 92%, which is below the NT benchmark of 95%, whilst Net Debtor days stood at 41 days at year-end, higher than the 30 days NT benchmark. Net Creditor days were 56 days at year-end, also more than the NT benchmark of 30 days.

Financial Performance

3.21. On exclusion of capital grants, the municipality realised operating deficits from FY2017 onward, with the deficit increasing annually to come to -R 145.5 million for FY2022.

3.22. Kouga LM managed to generate cash from its operations up to FY2019, whereafter cash were utilised by operations. An improving trend is noted from FY2020 to FY2022.

3.23. KLM managed to maintain net surplus margins on water and electricity services throughout the 8-year period.

As the main income contributor Electricity services maintained a net surplus margin averaging 17% over the 8-year period, with a declining trend noted. Water Services maintained an average net surplus margin of 38% over the same period.

3.24. Staff costs as a percentage of total operating expenditure declined over the review period and was below the NT norm range between 30% and 40% for FY2022. Contracted Services as a percentage of total expenditure on the other hand increased from 1% in FY2013/14 to 6% in FY2021/22, this is in excess of the NT norm range of 2% and 5%.

3.25. Expenditure on repairs and maintenance as a percentage of property plant and equipment was 2% and is below the NT benchmark of 8%.

Cash Flow Statement

3.26. Management of working capital resulted in a cumulative working capital cash outflow of R 12.1 million over the review period.

3.27. Cumulative Capital expenditure of R 742 million over the 8-year period was primarily funded by capital grants (60%), followed by own cash (34%).

3.28. Kouga LM consistently underspent on its capital budget throughout the same period, with actual capital expenditure as a percentage of budgeted capital expenditure being on average 81%, which is below the NT norm range of 95% and 100%.

Cash Forecast

3.29. The total operating deficit (excluding capital grants) is expected to decrease annually from a deficit of R 145.5 million in FY2021/22 to a deficit of R 77.9 million in FY2024/25. An historic trend of increasing operating deficits is noted, and although the MTREF depicts an improving trend, it seems unlikely to materialize.

3.30. The current ratio is budgeted to improve from 1.12 in FY2021/22 to 1.32 in FY2024/25. Over the past three years the current ratio has declined from marginally below the National Treasury norm range of 1.5 to 2.1 to well below that. Although the MTREF has budgeted to improve this ratio it will remain below the NT norm range.

3.31. Based on the FY2022/23 MTREF, Capital expenditure was budgeted to decrease and fluctuate between R 40 million and R 45 million annually. With an under-performing budget implementation ratio, it is highly likely that there will not be a year-on-year increase in actual capital expenditure.

3.32. Cash and cash equivalents are forecast to decrease in FY2022/23 to R 5.4 million and decrease further to R 3.9 million in 2023/24 whereafter in increase to R 20.4 million is expected for FY2024/25.

4. KEY FOCUS AREAS

Due to geographical restrictions and the ease with which virtual business meetings were accepted during the COVID-19 situation, IPM did not meet with the municipality in person. However, IPM and municipal staff met in a series of virtual meetings during June 2022. The final outcomes of this report and the presentation thereof will be delivered in person, however.

This section summarizes the key issues raised and discussed during the meetings with the KLM directorates. This is an important part of the LTFP process and helps the team to get a better understanding of key issues the municipality is dealing with. Importantly, it ensures that the desktop work, the outcomes of the LTFM and the recommendations are aligned with the realities at ground level. This section does not necessarily capture all of the matters raised but focuses on matters which will potentially impact (positively or negatively) on the long-term financial position of the KLM.

This section is organised as follows:

- Points of departure
- Planning, strategic and cross-cutting issues
- Financial matters
- Infrastructure
- Organisational and institutional
- Other matters

4.1. Points of departure

4.1.1. The KLM operates in a complex and dynamic socio-economic environment. To formulate a coherent long-term plan, one must recognise the following key characteristics underpinning the developmental, socio-economic, institutional, and financial challenges. Whilst some are typical of South African urban environments, the municipality faces some unique challenges:

- The KLM area of responsibility is large covering a geographic area of over 2 600 km^2 with a population density of 48 people/km^2.
- The population resides in varying levels of developed structures and towns (like Jeffrey's Bay, Humansdorp, Hankey and Patensie), rural villages and increasingly, informal settlements. This requires a focused and prioritised infrastructure response to ensure widely differing service delivery modalities and -levels to disparate household types.
- As a result of urbanisation and insufficient project management by contractors responsible for development, the municipality is unable to provide serviced land fast enough, and consequently, informal settlements have been established. This adds to the strain on the financial position of the municipality as a result of illegal electrical- and water connections resulting in losses in revenue, additional expenditure, damage to infrastructure and increased cost to repair infrastructure.
- The approval of approx. 2 300 formal building plans during FY2022 is an indication of the expansion of the housing in the municipality. This equates to 6% of all households

recognised within the municipal boundaries. Although not all the approved housing plans will come to fruition, the number of formal applications should provide insight into the additional pressures that will be exerted onto the existing infrastructure. Add to this the growth in informal housing and illegal settlements, and a clear picture emerges that the municipality needs to invest in upgrading the infrastructure if they want to provide the desired level of access to services.

- Financial Services, Community services and Trade activities (all of which is heavily related to Agricultural activities) contribute 87% to the GVA of the economy. Although the agricultural produce is mostly exported, no major shipping and distribution site is present in Kouga. There is however, a major shipping port in Gqeberha, the metropolitan municipality bordering Kouga to the east. Some mention of the development of special industrial sites within the municipal boundaries has been made but no formal identification and development has taken place for these designated industrial sites to attract the required investment in processing equipment. The GVA growth rate has been stagnant since 2016. This, in combination with a high dependence on seasonal employment opportunities, poses potential risk to the KLM in terms of high indigent volumes and also non-payment as set out in paragraphs 3.12-3.13 above.
- From a municipal perspective, most concerning is the severely aged infrastructure for water and electricity provision as well as the roads management. The management of major roads leading to Kouga do not fall under the municipality's mandate, but in order to create the desired environment and attract the desired interest some of the maintenance has been undertaken by Kouga, with the understanding that the expenses can be recouped from the relevant responsible entities - though this has proven easier said than done. As a result, the maintenance cost, and frequency, is becoming unsustainable and leaves the municipality vulnerable for unexpected high repairs and maintenance costs that the municipality would need to carry for extended periods before it can be recouped.
- In an effort to alleviate some of the electricity struggles that the municipality has experienced, pilot projects for wind electricity generation has been done. The feasibility seems to be sufficient, given the location of the municipality. Further exploration regarding funding, partnerships and infrastructure needs for full scale expansion should be explored.

4.2. Planning, strategic and cross-cutting issues

Planning

4.2.1. This LTFP is the first such exercise that KLM has undergone. This strategic document should be consulted whenever needs are assessed, policy decisions are made, and resources allocated. Developing a strong planning approach and discipline to manage

these processes and its results could assist in the optimization of the municipality's potential. All the key planning documents are in place (and updated or being updated) and include among others at the strategic level, the IDP, SDF, BEPP and the valuation roll. At service- and project level we understand that each municipal service has a strategic plan in place and similarly, detail project plans – especially for catalytic programmes. However, in order for these plans to remain relevant, follow through is needed and these exercises should not be merely a "box-ticking'' exercise.

4.2.2. Although some of the strategic plans have a longer-term focus, there is no consolidated long-term infrastructure investment plan in place and which links to a long-term financial plan. From experience, we noted that where infrastructure investment plans are accurately incorporated in the long-term financial plan it ensures a consistency and follow-through at the implementation-level. In addition, it removes much of the annual contestations around capital investment as the long-term investment- and financial plan has been agreed.

4.2.3. An important strength, from an institutional perspective, is the role of Executive Support Services to actively nurture an effective working relationship between the Council and the Administration. Whilst some tensions and disparities are natural between these two functions, it is critical that the Administration execute on the political objectives, and on the other hand, the administration is permitted to shape or adjust the political objectives to address the socio-economic-, financial- and institutional realities on the ground. The proposed LTFP, and its integration with the other strategic planning and decision-making processes, is a useful tool to guide such discussions to ensure consistency in implementation and avoid ad-hoc approaches or projects.

4.2.4. There are various projects currently in differing stages of development and each providing unique opportunities and challenges to the growth, sustainability, and revenue of the municipality. There is, however, no formal prioritization for the projects. Prioritization programmes can assist in identifying the most pressing needs that need to be addressed which in turn drives the capital investment decisions, particularly regarding the catalytic projects. To achieve such deep structural changes requires a long-term approach and fits well with the LTFP being developed.

4.2.5. It is recommended that this LTFP and a consolidated infrastructure investment plan be used as basis for annual budgeting and updated when required. Furthermore, and to ensure political buy-in, that the LTFP be submitted to Council for approval as part of the normal budget cycle.

<u>Prioritisation</u>

4.2.6. Under conditions where both financial resources and implementation capacity are limited, and the demand for infrastructure investment is greater than the resources available, it is essential to develop a clear principle-based prioritisation approach to infrastructure investment. From the discussions we gathered that no formal structured prioritisation system is currently in place.

4.2.7. From a planning philosophy perspective, it is important to ensure that the strategic plans (typically longer-term in their planning horizon), infrastructure investment plans (medium-term time horizon) and project plans "cascade" coherently to ensure the desired development impact is achieved.

4.2.8. Practically, at implementation-level an accurate prioritisation system also ensures projects are sequenced correctly, delays are limited, and financial efficiency and deployment of capital is ensured. This will also assist in finding the correct balance between revenue- and non-revenue generating projects and ensure coherency in the geographic spread of projects.

4.2.9. During the discussions it was clear the KLM faces severe challenges regarding the infrastructure, specifically referring to water provision capacity when considering the planned expansion projects, with an immediate focus on the approved formal building plans. Additionally, the size, pace and spread of informal settlements being established within the wider area also needs to be considered. This has a significant impact on the ability of the municipality to provide services in accordance with its long-term plans. Once an informal settlement (often the result of illegal land occupation) is "established" it is typically followed by a rapid wave of illegal connections to water and electricity services and illegal dumping, which damages infrastructure (usually water provision and sewerage removal facilities). Once "embedded" or de facto "recognised" by the authorities and political leadership, it becomes a planning and service delivery burden for the municipality. What follows is then further densification and increased demand for services from which the KLM generates no revenue.

4.2.10. This is a particularly problematic matter to deal with due to the current socio-economic conditions in the country and the province, and there are no easy answers. At a minimum, an effective early-response from the authorities is necessary to ensure such informal settlements and illegal land occupation does not take root. Critically, where "community leaders" or "businesspeople" are involved, they should be held accountable.

4.2.11. From a planning perspective these types of developments outside the urban edge simply exacerbate the urban sprawl and increase the unit cost of service delivery. It is recommended that earmarked areas for development within the urban edge be made available "pre-emptively" to help guide people towards areas where services are at least planned for and within reach.

4.2.12. It is recommended that the KLM consider options for formalizing project prioritisation system which integrates with existing planning systems / platforms and with the LTFP.

Land occupation, illegal connections, illegal dumping and damage to infrastructure

4.2.13. Kouga LM has a prevailing problem of deliberate damage to infrastructure, illegal connections, land occupations and illegal dumping. These problems are interrelated and are not unique to the KLM area. It does however in our view, require a coordinated approach among the law enforcement agencies.

4.2.14. Although electricity losses have decreased over the past few years, it is still not within the acceptable margin set out by NT. A constant threat to one of the key revenue sources of the municipality remains illegal connections. If not properly and sufficiently dealt with, the problem can quickly become systemic and not only limited to informal settlements.

4.2.15. Illegal dumping of refuse and solid waste remains a cause for concern. KLM has two permitted operational land fill sites and two that have been decommissioned. None of these land fill sites are fenced off and thus creates difficulty in regulating the kind of waste that is being dumped there, as well as ensuring that the decommissioned sites remain inactive. A safety and compliance score of 56% has been achieved, though this needs to improve. The municipality has limited employees working at the sites and limited equipment. The fact that there are no fees involved in accessing/using the land fill site, means that this function needs to be cross subsidised by all other service charges. The municipality intends to keep the fee free structure for fear of increased illegal dumping. Illegal dumping is usually done in the informal areas but also in such a manner that causes damage to the infrastructure that has been put in place. An example would be to dump refuse and solid waste directly into the sewer system or stormwater drainage system which causes not only blockages, but physical damage and costly repairs are then needed. The municipality operates four drop-off sites at the landfills for recycling and green waste, although this has not been formalised as of yet. Biomass (trees, alien vegetation and other living material) of approx. 30-years' worth of growth needs to be removed in order for the recycling and green waste sites to be properly functional. Partnerships with the wind farm pilot projects are looking into recycling initiatives such as buy back centres and plastic repurposing operations.

4.2.16. In the light of the nature of illegal connections, it is recommended that the KLM, provincial and national law enforcement agencies develop a coordinated approach to deal with the problem. From a municipal perspective, a "softer" intervention could be to develop an information campaign to secure support from communities. As for the waste collection sites and landfills, a first step would be to erect proper

fences, taking into account the easiest access for the greatest amount of people who will be using these facilities.

4.3. Financial matters

General:

4.3.1. It is clear from the IFA submitted earlier that the KLM financial position has deteriorated over the last 4 years. Based on the MTREF and the forecast from the LTFM, it is now also clear that without any corrective and effective measures by Kouga LM, this negative trend can quickly spiral, and the financial position of the municipality will become unsustainable.

4.3.2. Before turning to proposed interventions, it is necessary to identify the key factors contributing to this situation. One must recognise that there are a range of complex interlocking factors and although a focused long-term approach is required to turn the situation around, it is important to agree on a prioritized and sequenced series of interventions, some focused on the immediate-, some on shorter- and others on medium- and longer-term. In the LTFM we demonstrated the impact of some of the proposed interventions. This is not a complete list of interventions, but the LTFM is used to shape the LTFP and help develop policy- and strategy options to ensure the interventions are effective.

4.3.3. The key financial risk factors are:

- Not achieving targeted collection rate
- Declining service margins and water losses
- Increasing employee-related costs
- Outstanding debtors
- High creditor days
- Increased pressure on tax base
- High reliance on grants and own cash reserves to fund capex programme
- Inability to implement capex spending

4.3.4. It is important to note that all these risk factors are interrelated, and an integrated approach would be required to ensure an effective change in the financial trajectory of Kouga LM. However, it is also evident that some of the matters can be addressed immediately, are reasonably easy to implement and have a measurable impact on the financial position of the municipality.

4.3.5. Based on the outcomes of the scenarios in the LTFM, it is recommended that a phased prioritized intervention strategy be followed. Broadly, it could be as follows:

Immediate- and short term (stabilisation):

- Confirmation of correct billing details for debtors and updating of database.
- Debtor assessment by type and value and immediate active pursuit for payment.
- Any debt relief pertaining to COVID-19 to be further assessed on a case-to-case basis and relief measures applied stringently.

- Normal collection practices to be applied with discipline, including preparation of bills, meter reading, sending out of bills, follow-up notices on outstanding amounts, and if required, disconnection of services.
- This approach requires unwavering political support, strong leadership from HODs and senior management and consistency and discipline from revenue department staff.
- Provide clear accurate communication to residents explaining the above approach.
- Curb technical losses on both electricity- and water services through improved policing, safeguarding infrastructure and effective law enforcement with other security agencies.

Shorter- to medium term (normalisation):

- Improve billing accuracy and reliability by upgrading and installing pre-paid metering systems.
- Improve billing distribution process and regular issuing of bills.
- Implement new billing technology systems, if appropriate and improving value-for-money.
- Adjust property leases to be market related or consider the sale properties that doesn't provide a real or market value return to the municipality.

Longer term (expansion and sustainability) :

- Expand rate payer base, by incorporating housing aimed at potential rate-contributing residents and introducing tariffs for rural residents.
- Identify new sources of revenue, e.g. renewable sources of energy generation.

Electricity infrastructure

4.3.6. For many years, the infrastructure of the electrical grid in KLM has been serviced as and when breakdowns occurred, and not at regular pre-planned instances as needed. Although the electricity infrastructure might seem to be able to function, if the expansion in households that is being experienced is going to continue, most parts of the electrical infrastructure within the municipal area would need substantial upgrading. Electricity provision is one of the main revenue generating streams of municipalities country wide, and failure to properly provide access to such a big revenue generating source is a risk for the sustainability of the entire municipality.

4.3.7. Another portion of the electrical system that needs upgrading, and that assists with revenue collection is the pre-paid metering systems. There are areas in the municipality where readings cannot be taken due to the dangers that it involves to the lives of the employees, a challenge which pre-paid meters may address. Safeguarding one of the primary revenue streams of the municipality should be of paramount importance and assisting the municipality in collecting revenue from residents. It may result in making illegal connections more difficult, collecting revenue more efficient and reduce expenses in terminating illegal connections.

4.3.8. A key element of the plan to limit potential electricity losses is to provide electrical connections to informal households as part of the of the upgrading process. This approach must however go together with programmes which must strongly discourage further illegal connections, meter tampering and damage to infrastructure.

Water and sanitation services and water losses:

4.3.9. Regarding water and sanitation services it is clear from the most recent MTREF and from the discussions that these are a key infrastructure focus for KLM. Many of the municipalities within the district and province were subject to severe droughts over the last few years. The proper management and reduction of water losses is thus all the more important and any form of wastage should be addressed as soon and effectively as possible. Kouga disclosed that for the 2022 financial year, 49% water losses were experienced. Not only is this a major loss of revenue, but given the environmental circumstances, wasting half of the water of a municipality on an annual basis is unacceptable.

4.3.10. The rapid expansion of households within the municipality has also highlighted the need to improve and upgrade the existing water network. Towns such as Jeffreys Bay and Cape St. Francis are experiencing severe pressure on the water network that is somewhat outdated and overburdened. These are also the areas where the largest growth in formal housing is taking place, and thus provides the opportunity to increase the operating income for the municipality through service charges.

4.3.11. Long-term financial sustainability depends not only on ensuring revenue collection remains high, but that the full cost of services (capital, maintenance, and replacement) be shared by as many households as possible.

4.3.12. In this regard we recommend a review of current tariff policies by first developing a tariff model which can guide how best to formulate and implement tariffs for services. Early indications are that there is scope for the municipality to increase service charges and that this will not over burden households.

4.3.13. A second matter regarding water- and sanitation services requiring attention is the service delivery model and level-of-service in indigent communities. Relatively few households are considered indigent through the income levels that are available to us, but in reality, far more households are reliant on indigent support. A full review of the indigent register is recommended to ensure that only households that really are indigent receive support. With the expansion of formal developments, there is also substantial growth in the number of indigent households. The unit cost of delivering infrastructure services to indigent areas will increase the pressure on the financial sustainability of the municipality. It is for this reason that particularly the SDF must focus on providing not only low-cost housing in the newly targeted

developments. It becomes simply too costly to deliver infrastructure services to non-rate paying residents. The situation is exacerbated when illegal settlements are taken into account that want access to current services placing further strain on already limited infrastructure. We understand that there is currently limited revenue collection within rural areas. We do not have all the information on the rural water and sanitation infrastructure services, but the following basic principles need to be considered:

- Service delivery in rural areas must comply with the minimum level of RDP standards.
- The infrastructure solutions must be fit-for-purpose.
- If and where feasible, households should pay (or part-pay) for services.

4.3.14. It is recommended the KLM assess the extent of the problem, immediately ensure cost-recovery from such households, and finally develop a plan to either curtail such development or formalise policy to manage it.

4.3.15. With the recent drought in the area, a solution to ensure sustained water provision to the area was to try and identify an own source of water for the municipality such as bore holes. It is estimated that approximately 60% of the municipalities water needs can be met through this solution. Other alternatives such as package plants and surface water collection are also being explored. The proposed solutions seem feasible and would require far less chemicals to treat water, thus making it more cost effective as well.

Debt funding for capital expenditure:

4.3.16. A key objective of the LTFP is to ensure that Kouga LM is financially sustainable, and able to accelerate its capital expenditure programme in order to meet the infrastructure needs. To achieve this, municipalities need to borrow within the normal fiduciary limits as determined by National Treasury. There appears to be some ambivalence regarding borrowing. This emanates from the following misperceptions:

- All new borrowing will inevitably require tariffs to be increased to provide for loan repayments.
- There must be a precise match between the tariff for a service and the loan repayment, based on the principle of “cost-reflective” tariffs, which includes the debt repayment for an asset, or infrastructure service.
- Borrowing exposes the municipalities to additional and unknown financial risk.

4.3.17. Our approach to municipal borrowing is in line with the guidelines from National Treasury, i.e. municipalities should borrow within the fiduciary limits and not deplete cash reserves to fund long-life infrastructure assets. The IPM model forecasts the future capex that a municipality can afford; based on the operational cash flows it can expect to generate, and within the financial ratio guidelines from National Treasury.

4.3.18. IPM encourages municipalities to make use of loans for infrastructure capital expenditure. Our view is that this is the correct financing method as the tenor of long-term loans approximates the lifespan of infrastructure assets. Furthermore, making use of available cash reserves not only deplete the cash reserves, but diminishes the liquidity position of the municipality. Through the LTFP our vision is to stabilize and over the longer term expand the revenue and tax base of the municipality, ensure optimal revenue collections and strengthen the financial position to such an extent that the municipality could access the debt markets regularly, and by so-doing accelerate its infrastructure capex programme.

4.3.19. It is recommended that the KLM consider the financing strategy and limits determined in the LTFM dealt with in Chapter 7 below. The outcomes of the modelling that has been performed, indicated that if the optimal capital funding mix that has been proposed (such as taking up more substantial external borrowings and being less reliant on grant funding) is maintained and managed prudently, the misconceptions around external borrowing, as stated earlier, are proven to be untrue.

Tariff model:

4.3.20. There is currently no formal tariff model in place. However, tariffs are currently calculated based on an assessment of part of the cost of providing the service and the perceived willingness of residents to pay, and the tariff determined accordingly. Public perception about the accuracy and reliability of municipal bills is a contributing factor to the resistance to pay bills as presented. As part of the longer-term process to improve revenue collection and accuracy / credibility of household bills, a tariff model will be a useful tool.

4.3.21. It is recommended that KLM consider a more robust and accurate formal tariff modelling be used to determine tariffs and as a basis to guide tariff policy in future.

4.4. Infrastructure

Social- and economic infrastructure

4.4.1. The apparent choice between economic- and social infrastructure also relates to the issue of how to prioritise infrastructure investment. Simply put, municipalities often face the dilemma of how and where to allocate capital to gain the greatest financial impact.

Although much of the backlogs and greatest needs are typically in poorer communities, such infrastructure investment will not be covered through rates and tariffs from such communities. Conversely, the cost of new, or upgraded infrastructure in wealthier areas can often be fully recovered through rates and tariffs.

4.4.2. Balancing the priorities and needs of poorer communities with the financial sustainability of municipalities remain a fundamental feature of all public finance decisions in South Africa. The Local Government Fiscal Framework recognises these realities and is aimed to ensure municipalities can provide the basic level of services to all residents.

Service delivery models

4.4.3. From the discussions it appears that there is cautious support for new infrastructure delivery models, and particularly models which provides for greater private sector participation. In this regard we noted for instance the possibilities of developing programs for wind harvesting as well as solar electricity generation. The feasibility of these programs have been extensively explored and are in developmental and implementation phases.

4.4.4. It is clear from recent policy and strategy announcements by National Government, that it supports service delivery models which includes greater private sector participation. There have also been positive outcomes in other municipalities where Private Sector Participation (PSP) models have been used.

4.4.5. During the discussions KLM staff raised their willingness to procure such delivery models and highlighted that although "pure" PPP models are not always the best option, if a specific function cannot be fulfilled by the municipality, private sector might be better suited. IPM suggest there is room to consider alternative PSP models under the right circumstances. This may include for example Rehabilitation, Operational and Maintenance contracts with clear performance criteria and costs linked to clearly defined and contracted outputs.

4.4.6. We recommend that KLM undertakes an initial assessment to identify potential projects / services that may be suitable for PSP delivery models. This should be based on clear investment selection criteria and where the greatest benefit may be achieved.

Solid waste

4.4.7. As mentioned in discussions with directorates, of the four current landfill sites, two are in the process of being decommissioned and two are operational whilst a further two that weren't operated lawfully are in the process of being rehabilitated. Due to the area that the municipality covers, the landfill sites are far apart and requires a fair amount of travel. The cost of fuel is volatile and can (and has) increase rapidly,

thus the municipality is considering introducing renewable energy powered waste collection vehicles into their fleet. This would make KLM one of the first municipalities to have such vehicles, and there are a few factors to consider when weighing the options for the introduction of such vehicles, such as amongst others: the costs involved in procuring and operating vs staying with the current fleet and having a volatile fuel cost component, future savings, future needs in terms of servicing and operating, longer term effect on the environment etc.

4.4.8. None of the land fill sites are fenced off and thus creates difficulty in regulating the kind of waste that is being dumped there, as well as ensuring that the decommissioned sites remain inactive. A safety and compliance score of 56% has been achieved, though this needs to improve. The municipality has limited employees working at the sites, limited equipment and makes regular use of casual labourers. The fact that there are no fees involved in accessing/using the land fill site, means that this function needs to be cross subsidised by all other service charges. The municipality intends to keep the fee free structure for fear of increased illegal dumping.

4.4.9. The municipality operates four drop-off sites at the landfills for recycling and green waste, although this has not been formalised as of yet. Biomass (trees, alien vegetation and other living material) of approx. 30-years' worth of growth needs to be removed in order for the recycling and green waste sites to be properly functional. Partnerships with the wind farm pilot projects are looking into recycling initiatives such as buy back centres and plastic repurposing operations.

4.4.10. There are no collection services or disposal sites for healthcare and medical refuse (Bio-waste) as the municipality does not have an incinerator that it operates.

4.4.11. Legislation calls for a reduction of up to 50% of waste going into landfills, by implementing refuse sorting strategies and recycling initiatives. The municipality is somewhat successful in achieving these targets, and these strategies are underpinned by an Integrated Waste Management Plan, though it remains unfunded and needs to be updated.

4.4.12. IPM recommends that the Integrated Waste Management Plan be reviewed and updated and as part of this process, investigate erecting fences around landfills, weigh options for renewable energy powered waste collection vehicles, incineration facilities and up to date recycling initiatives.

4.5. Organisational, institutional and corporate services

Performance management and productivity:

4.5.1. There are legitimate concerns about the proportion of the municipal expenditure that goes to employee-related cost (about 28% excluding contracted services). Several measures can be put in place to manage this expenditure item, such as:

- Freezing of posts
- Stricter control over overtime expenditure and a review of the discretionary items of salaries
- A wider organisational review to ensure the KLM staff compliment is fit-for-purpose.

4.5.2. In general, the most common threats to the sustainability of a municipality in terms of employees are:

- Staff productivity, and related to this
- Performance management at all levels

4.5.3. It is obviously important to ensure the organizational size and composition of skills is such that it can execute on its constitutional mandate. However, when staff productivity is insufficient it is mostly due to a lapse in very basic organizational discipline. It is essential that HODs and senior management set the tone for a disciplined work environment, ensure basic organizational disciplines (such as time keeping, record keeping, implementing standard procedures, maintenance schedules etc.) are maintained, clear targets set, and performance measured on a continuous basis.

4.5.4. We understand and appreciate that there remains a small percentage of critical skills shortages that are in the process of being attended to and that HR is in the process of filling the specific posts with the necessary skills required.

4.5.5. A formal all-encompassing HR system will go a long way in assisting the HR department with time-keeping, over time management, leave planning and approval and general organizational management. This does not necessarily mean complicated management systems or organizational developmental interventions. Our view is that a performance management system is a key element in organizational turn-around and the basis for improved productivity.

4.5.6. Basic onboarding and organizational training done by HR whenever a new employee is added, though there is no formal in house training department that equips and enables newly appointed employees to be optimally productive within the shortest period possible.

4.5.7. It has also been mentioned that Kouga LM is sometimes being seen/used as a career stepping stone and even though posts are filled, the individuals occupying them do not often stay very long.

4.5.8. It is recommended that the HODs and senior management take full ownership of the organizational structure and performance, and that it secures the full buy-in and support from Council.

4.5.9. It is recommended that KLM implement performance management (irrespective of the type of tool / system being used) throughout the organisation, with clear consequence management where lapses in outcomes occur.

Capacity to implement projects

4.5.10. We noted that there are quite a few ongoing and envisaged projects in KLM. IPM recommends that there be a clear focus on catalytic projects and that the required project management is in place before the start of the project to ensure that when and if there is part or wholly grant funded mandates they are fully implemented and that such funding would not need to be returned to NT.

4.5.11. We recommend that this capacity be retained and, if appropriate, enhanced to ensure effective implementation of projects.

4.6. Other matters

Uncategorized matters:

4.6.1. The ICT of the municipality at the stage of writing is manged internally. This offering can be streamlined in the event that it is outsourced. The responsible director should do a proper needs assessment in order to ascertain the full extent of the network-, hardware- and software-requirements. In so doing, the budget required to properly upgrade and maintain the required system for the size and needs of the municipality can be formulated. Not only will an improved ICT system assist the municipality in being more efficient, but departments will be able to co-ordinate better, revenue collection could be tracked easier, assets managed better, and the required meter updates for pre-paid electricity could also be managed sufficiently, to only name a few benefits.

4.6.2. Kouga LM is in the process of investigating the viability to utilize a piece of land where a new, central municipal building can be constructed to consolidate the different offices scattered across the geographic area of the municipality. In doing so, it is believed that the cost of utilities, building maintenance etc, can be consolidated. There exists a need within the community to have a central point of access in order to engage with the different functions of the municipality. The current office building is on prime land and could be vacated to optimize investment opportunities. This type of investment may, however, not be financially beneficial to the municipality and the financial viability of such an investment should be considered in light of the other investment demands of the municipality.

5. DEMAND FOR FUTURE CAPITAL EXPENDITURE

Asset Replacement Expenditure

5.1. The replacement cost at a future replacement date for all the assets in the asset register was determined. "Replacement" could also imply rehabilitation, enhancement (upgrade) or renewal (refurbishment) of that asset, but excludes routine repairs and maintenance.

5.2. The calculation is done mechanistically and does not cater for engineering judgement, although the condition of the assets as recorded in the asset register of the municipality was considered when determining the future replacement date. The information in the municipality's asset registers was used to estimate the future replacement cost[1]. The model calculates the Replacement Cost (in nominal terms) of assets for the Planning Period, i.e., up to and including 2030/31. Some asset classes were not reviewed for replacement, viz. "Land" and "Investment Properties".

5.3. The outcome of this analysis and the Annual Replacement Cost ("ARC") is presented in Annexure 4: Assets Earmarked for Replacement.

5.4. According to a mechanistic calculation, the nominal replacement cost for the period from 2021/22 (and before) to 2030/31 amounts to R 2 153.4 million. The replacement of assets in the roads infrastructure category amounts to 54% of this amount and 17% comprises sewerage infrastructure. The estimated current replacement cost ("CRC") of only those assets that were assessed amounts to R43.7 billion compared to the carrying value of PPE and Intangible assets of approximately R 2 056 million in 2021. This gap between CRC and Carrying Value is an indication of the backlog that exists in the replacement of ageing infrastructure.

5.5. We have amended the estimated replacement costs. This was achieved by:

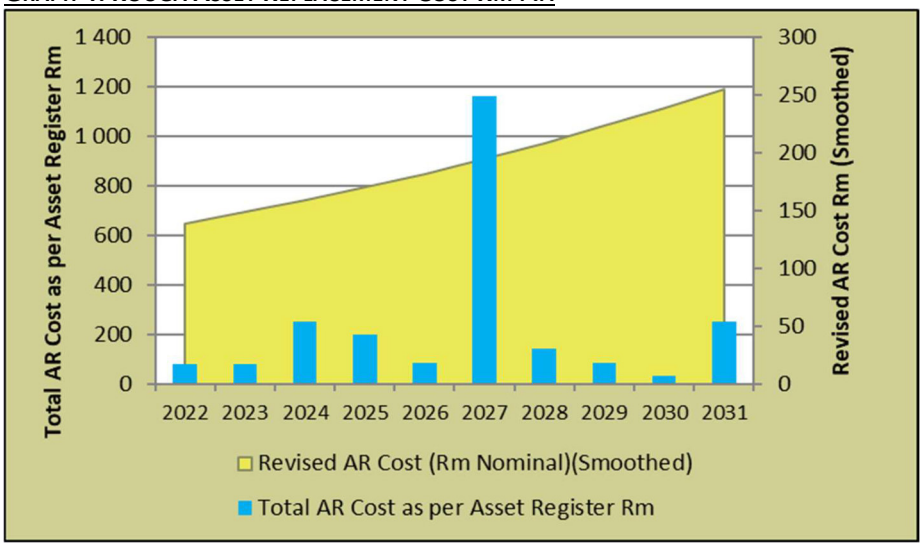
- Assuming that the actual remaining life of some assets will exceed the life recorded for some of the assets in the asset register
- Assuming that only a percentage of assets will be replaced when their estimated useful life expires (e.g. in the case of buildings, it is doubtful whether the whole structure will have to be replaced, possibly only certain fittings, roof, finishes, etc.)
- Spreading replacement not done in the past over several future years, and
- Smoothing the constant 2021 value over the Planning Period and reverting these back to nominal values

5.6. The total asset replacement cost, for the period 2021/22 to 2030/31 was reduced from the original R 2 153.4 million to R 1 920.6 million.

5.7. The graph below compares the Replacement Cost as determined from the asset register and the smoothed Replacement cost after adjustment as described above:

[1] The asset register records the "Cost" and "Purchase Date" for each asset component. For purposes of this analysis, we accepted that the cost is a nominal value as at the purchase date.

GRAPH 4: KOUGA ASSET REPLACEMENT COST RM P.A



5.8. The high amount estimated for 2027 is due to (but not exclusively) to the replacement of:

Humansdorp Kwanomzama Sewerage Treatment Works
Jeffrey's– and St Francis Bay Water Pipelines
Johnson Ridge Dam
Several water reservoirs

It is worthwhile to assess the condition of the assets as accurately as possible and apply engineering judgment to determine when the asset components need to be replaced.

5.9. The smoothed Annual Replacement Cost ("ARC") curve ranges from R 130 to R 255 million p.a. for the period 2021/22 to 2030/31. A future smoothed asset replacement programme of this nature would be advisable to avoid the spikes as expected in 2027. The quantum may however not be affordable considering that the investment in PPE of the municipality in 2020/21 was only R 60 million, which included investment in new as well as replacement assets.

5.10. In addition to asset replacement the municipality has the need to create new capital assets. However, in the light of the backlog of asset replacement this should not be neglected, and we propose that the municipality identify priority projects and implement a smooth asset replacement budget for future years.

5.11. In the light of the large demand for the replacement of assets that will be reaching the end of its useful life during the 10-year planning period, we propose that the municipality prioritises a cash backed Capital Replacement Reserve ("CRR") for this purpose. It would be prudent to transfer the full depreciation charge to the CRR once the cash balances are available. The CRR can then be used as a funding source for future capital expenditure. Furthermore, once the CRR has built up a significant balance the municipality should avoid depleting its CRR in any given financial year but use a

percentage (say 50%) of the prior year balance for assets that require replacement. An asset replacement programme within the levels of available resources in the CRR will go a far way in quantifying the future replacement budget.

6. FINANCIAL MODEL

Future forecasts are based on the outcome of a financial model. Two basic scenarios are presented: First, the MTREF figures from the KLM Budget FY2022/23-FY2024/25 were used unaltered. This resulted in an unsustainable outcome and the scenario was adjusted by maintaining a 95% collection rate, reducing electricity losses to 10% over 5 years, reducing water losses to 30% over ten years and reducing the operating expenditure by 2%. This adjusted outcome was used as the Base Case and termed as such in the rest of the report. The **Base Case** assumptions of the model are listed in the table below:

ASSUMPTIONS OF BASE CASE VARIABLES

Variable	Base Case Average for the 10-year Planning Period
RSA consumer inflation rate (CPI)	5.3%
Population Growth Rate	1.6%
GVA Growth Rate	2.3%
Short term investment rate (Margin above CPI)	1.5%
Electricity Price Elasticity of Demand	-0.4
Water Price Elasticity of Demand	-0.2
Employee related cost escalation	6.7%
Bulk electricity cost escalation	7.6%
Collection Rate of customer billings	95.0%

The Base Case outcome of the financial model is summarised below:

BASE CASE OUTCOME

Outcome	10-Years up to 2032
Average annual % increase in Revenue	6.8%
Average annual % increase in Expenditure	4.3%
Accounting Surplus accumulated during Planning Period (Rm)	-R 373
Operating Surplus accumulated during Planning Period (Rm)	-R 777
Cash generated by Operations during Planning Period (Rm)	R 305
Average annual increase in Gross Consumer Debtors	18.8%
Capital investment programme during Planning Period (Rm)	R 517
External Loan Financing during Planning Period (Rm)	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 207
No of Months Cash Cover at the end of the Planning Period (Rm)	1.4
Liquidity Ratio at the end of the Planning Period	1.3 : 1
Gearing at the end of the Planning Period	1.6%
Debt Service to Total Expense Ratio at the end of the Planning Period	0.0%

6.1. The proposals in this financial plan are based on the assumptions in the Base Case Financial Model. We are cognisant of the fact that future cash flows may be influenced by a variety of variables which limits the accuracy with which forecasts can be made.

6.2. The model framework is illustrated in the diagram below:

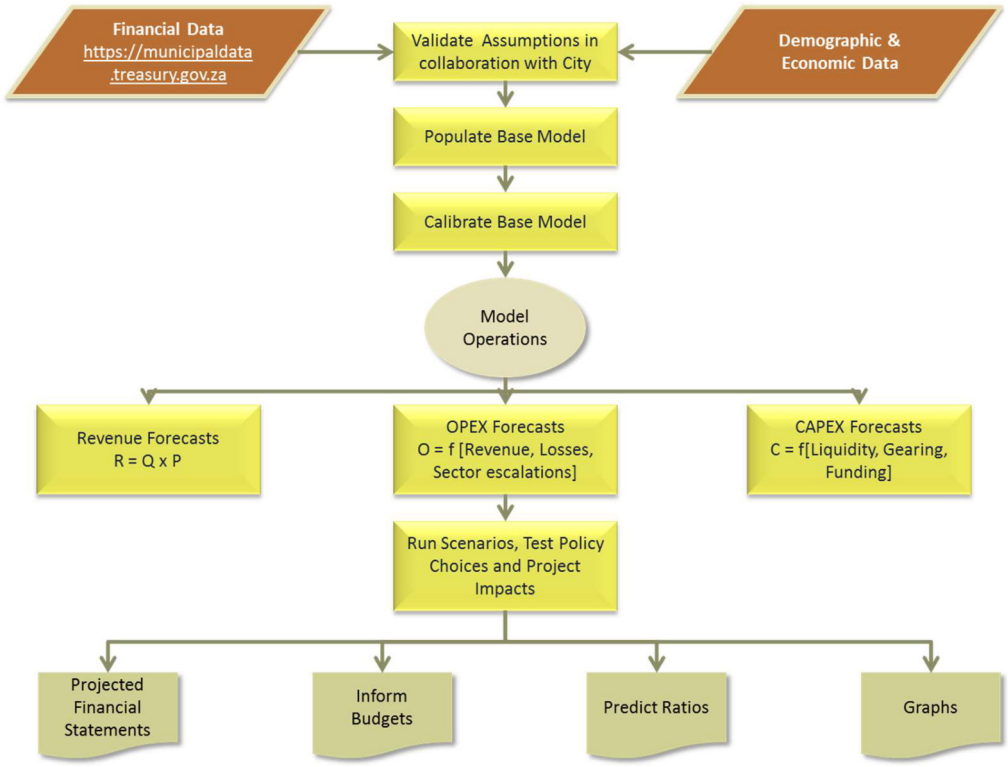


FIGURE 2: LTFM FRAMEWORK

6.3. The output of the Base Case model, especially the graphs and tables are used throughout this document. The Projected Financial Statements are presented in Annexure 2, which may also serve as a guide to inform future budgets of the municipality. The Financial ratios are presented in Annexure 3 and summarised in paragraph 6.13 below.

6.4. The model forecasts the future revenue and expenditure by applying several independent variables. As an example, the future water services charges will in addition to the tariff charged be affected by future consumption as well as the addition of new users. Generic growth pursuant to the growth in population, households or economic output will be forecast.

6.5. To estimate the future revenue and expenditure, certain assumptions need to be made. These assumptions will serve as input to the model. For example, an assumption of future collection rates (payment ratios) is required to convert billings to actual cash receipts.

The average values for the 10-year planning period of those variables that were also changed for scenario testing are indicated in **TABLE 3** below:

TABLE 3: ASSUMPTIONS OF BASE CASE VARIABLES

Variable	Base Case/Average for the 10-year Planning Period
RSA consumer inflation rate (CPI)	5.3%
Population Growth Rate (% p.a.)	1.6%
GVA Growth Rate (% p.a.)	2.3%
Short term investment rate (Margin above CPI)	1.5%
Electricity Price Elasticity of Demand	-0.4
Water Price Elasticity of Demand	-0.2
Employee related cost escalation (p.a.)	6.7%
Bulk electricity cost escalation	7.6%
Collection Rate of customer billings	95.0%

6.6. Most of these variables are self-explanatory. Whereas the average economic growth rate, as measured by the percentage GVA p.a. that currently is 2.3%, and ranges between -1% p.a. and 3% p.a. Employee related expenses are expected to be higher than CPI and increase by 6.7% p.a. The collection rate of customer billings is assumed to be 95% for the entire forecast period from 2023 onward. This is an improvement from the lower collection rates observed over the last three years. The model allows for the decline of water consumption pursuant to price increases by applying a Price Elasticity of Demand ratio, estimated to be -0.2.

6.7. To derive the Base Case Scenario, we adjusted the MTREF operating expenditure downward by 2%, along with improving electricity losses to 10% (from 13.3%) over the next 5 years and water losses to 30% (from 54%) over the next 10 years. Currently capital expenditure is fully reliant on grant funding and the utilization of external borrowings will be explored in a scenario later on in this report.

6.8. These adjustments result in an optimised case which is referred to as ***Base Case*** in this report. It must be emphasised that to achieve this optimised base case will require a long-term commitment to the parameters of the LTFP, financial discipline and improved revenue collection.

6.9. The historic financial assessment of the municipality indicated KLM's declining liquidity position, which can be ascribed to annual declines in the collection rates from 2019 onward, use of own cash resources for capital investment and under implementation of said capital investment budgets. The objective of the assumptions in the model was to incorporate realistic assumptions to ensure future financial sustainability. The following factors represent the most important assumptions that were made in this regard.

These assumptions will also have to be incorporated in the formulation of the municipality's long-term financial plan:

6.9.1. The average Collection Rate of customer billings over the last 10-year period was 95%. Although this was influenced by the onset of COVID-19, this was assumed to be a realistic, achievable collection rate over the forecast period.

6.9.2. The base case model incorporated all the increases in both expenditure and revenue items as announced by the KLM in the Adopted Budget Report. The operating expenditure has, however, subsequently been reduced by 2% (R25 million per annum)

6.9.3. Days receivables were maintained at 30 days, whilst days payables were maintained at 64 over the forecast period.

6.9.4. It is highly encouraged that KLM strives to reduce the distribution losses incurred in the supply of Water and Electricity services, the model assumptions improve the FY2021/22 rates from 54% to 30% over 10 years for water losses and from 13.3% to 10% for electricity over 5 years.

6.10. The Capital Budget was not amended as we took cognisance of both debt service and gearing limits as well as cash availability when considering the most likely outcome of the capital expenditure and funding over the forecast period.

6.11. The outcome of the Base Case is reflected in the **Table 4** below:

TABLE 4: BASE CASE OUTCOME

Outcome	10-Years up to 2029
Average annual % increase in Revenue	6.8%
Average annual % increase in Expenditure	4.3%
Accounting Surplus accumulated during Planning Period (Rm)	-R 373
Operating Surplus accumulated during Planning Period (Rm)	-R 777
Cash generated by Operations during Planning Period (Rm)	R 305
Average annual increase in Gross Consumer Debtors	18.8%
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External Loan Financing during Planning Period (Rm)	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 207
No of Months Cash Cover at the end of the Planning Period (Rm)	1.4
Liquidity Ratio at the end of the Planning Period	1.3 : 1
Gearing at the end of the Planning Period	1.6%
Debt Service to Total Expense Ratio at the end of the Planning Period	0.0%

6.12. In the Base Case KLM posts Operating and Accounting Deficits during the 10-year planning period. However, the ability to generate cash from operations is exhibited by generating a total of R 305 million over the forecast period and a Cash Balance of R 207 million by the end of FY2031/32. The total capital investment programme is R 517 million funded through grants (77%) and own cash (23%).

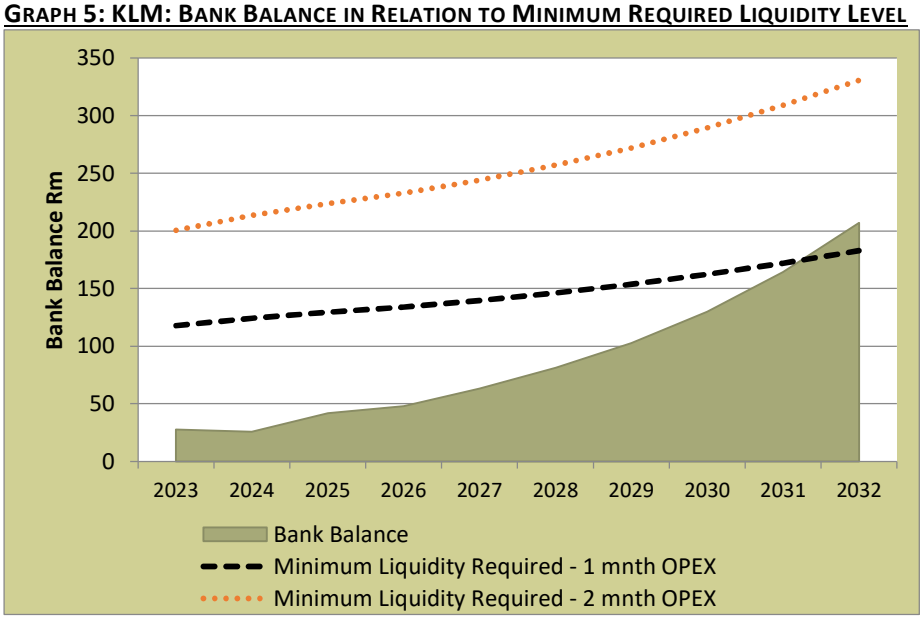
6.13. The current forecast does not include scope for an increase in external borrowings and thus, both Gearing and Debt Servicing remains well within the limits considered to be affordable to the municipality (30% and 7% respectively).

6.14. The summary projected financial statements for the Base Case are presented in Annexure 2: Base Case Summary Projected Financial Statements.

6.15. A selection of ratios is summarised in **Table 5** below. A complete list of ratios is presented in Annexure 3. These ratios are the outcome of the financial model.

6.16. KLM generates a significant portion of its revenue through income from Rates and Electricity services. The Cash Generated by Operations / Own Revenue Ratio remains stable at around 6% annually though is reasonably low. This should and will improve as the municipality improves the long-term management and implements frugal financial policies. The Liquidity Ratio decreases initially to below 1:1 until FY2025, though improves to 1.3:1 by the end of the forecast period. The average Cash Balance remains positive throughout but is below the minimum required liquidity level until FY2031. The minimum required liquidity level is based on the requirement that at least 1 month's operational expenditure must be held in cash in addition to all other statutory reserves. The future projected cash balances in relation to the Minimum Required Liquidity Level based on a 1-month operational expenditure level is illustrated in **GRAPH 5.**

GRAPH 5: KLM: BANK BALANCE IN RELATION TO MINIMUM REQUIRED LIQUIDITY LEVEL



GRAPH 6: KLM: ANALYSIS OF SURPLUS

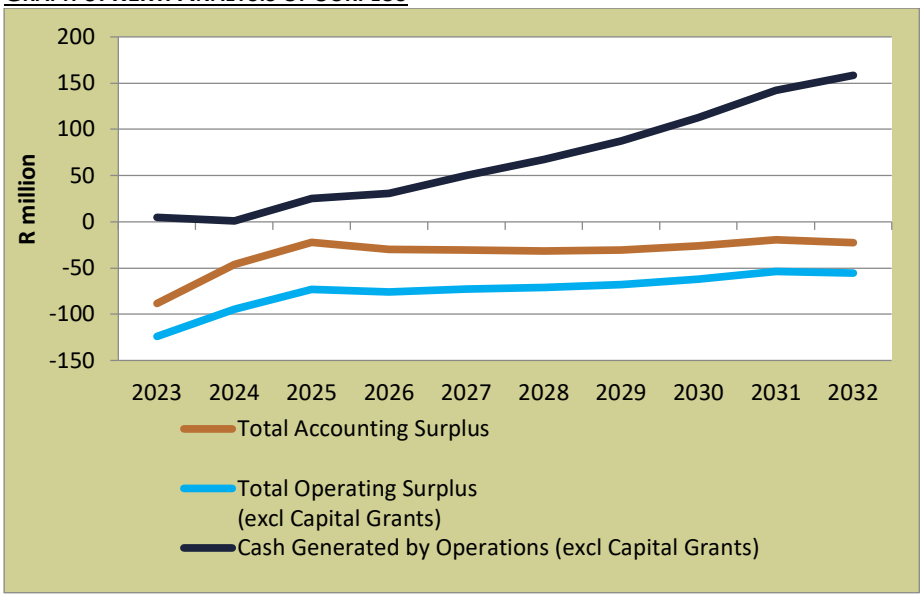


TABLE 5: SELECTION OF RATIOS (SEE ANNEXURE 3 FOR COMPLETE LIST)

YEAR		1	3	5	7	9	10
RATIOS	**Norm**	**2022/23**	**2024/25**	**2026/27**	**2028/29**	**20230/31**	**2031/32**
Cash Generated by Operations / Own Revenue		4.7%	6.2%	6.0%	6.0%	6.3%	6.5%
Liquidity Ratio (Current Assets: Current Liabilities)	1:1.5 - 1:2.0	0.7 : 1	0.7 : 1	0.8 : 1	1 : 1	1.2 : 1	1.3 : 1
Cash Surplus / Shortfall on Minimum Liquidity Requirements		-R 94.1 m	-R 89.1 m	-R 77.7 m	-R 52.7 m	-R 9.6 m	R 22.0 m
Capital Expenditure / Total Expenditure	10% - 20%	3.3%	3.4%	3.4%	3.4%	3.2%	3.2%
Gearing = Total Debt (Borrowings) / Operating Revenue	45%	3.0%	2.6%	2.3%	2.0%	1.8%	1.6%
Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)	Min 1.3:1	-	-	-	-	-	-
Total Grants / Total Revenue		19.7%	20.3%	18.4%	16.7%	15.1%	14.3%

7. FUTURE MUNICIPAL REVENUE

In constant monetary terms (2015) the municipal revenue per capita in 2032 is estimated to be R 3 533 p.a., higher than the R 3 346 p.a. real per capita revenue generated in 2022. This is a key indicator for the municipality's ability to obtain revenue from residents as pointed out in Section 3 above when presenting the MRRI model

- The estimated future 10-year annual average growth in revenue is 6.8% p.a.

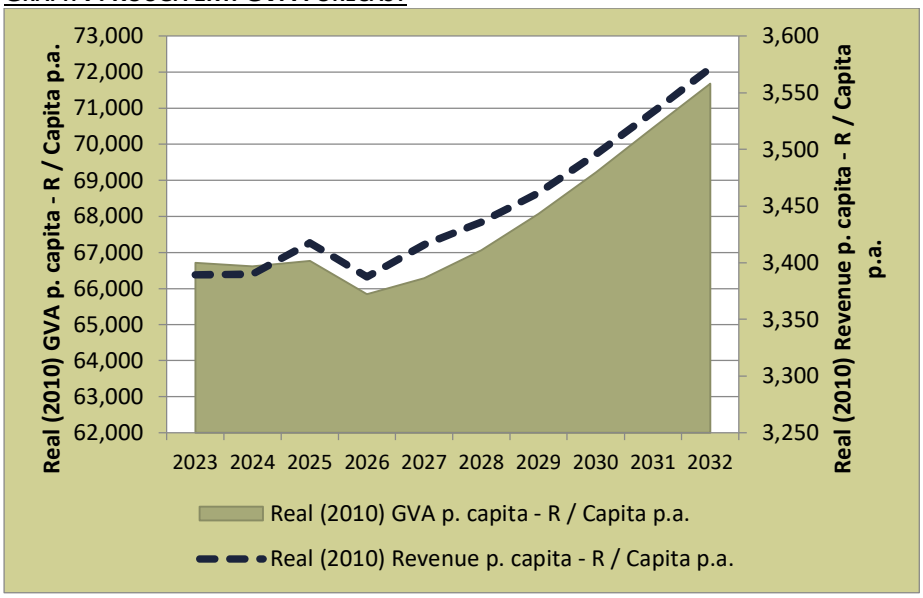
AVERAGE ANNUAL 10-YEAR GROWTH OF MAJOR REVENUE ITEMS

Revenue Item	Average Billings Growth % p.a.
Rates	5.9
Water	15.1
Electricity	10.1
Operating Transfers	5.0
Sanitation	6.0
Refuse	6.0

7.1. The forecast of future revenue in the financial model is based in part on historical trends as well as an estimate of future revenue (Revenue = Quantity x Price), where "Quantity" is a function of independent variables (such households, population and GVA) and "Price" a function of policy choices such as tariff increases.

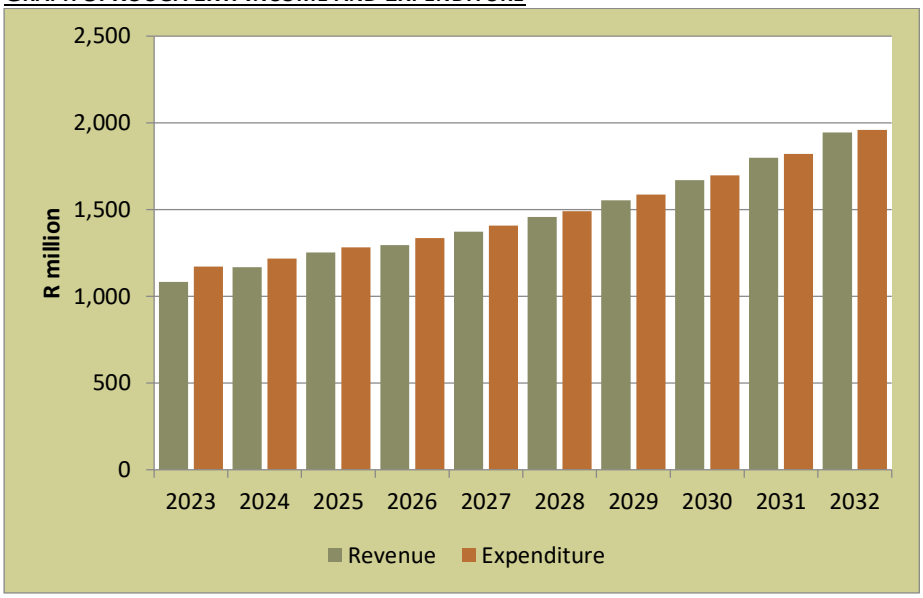
7.2. The future Gross Value Add ("GVA") of KLM was estimated based on a view of the future economic growth of the region as well as an estimate of future population in the municipal area. The **GRAPH 7** below illustrates the Base Case GVA and GVA growth rates used in IPM's model. Notwithstanding the GVA growth of 4% experienced in 2022, this is still lower than the contraction of -6.6% in 2021 which was brought about by the impact of COVID-19. The average annual economic growth rate for the planning period is positive at 2.29% p.a. Since 2011 the economy in KLM grew at an average of 1% p.a.

GRAPH 7: KOUGA LM: GVA FORECAST



7.3. The estimated future revenue was informed by the municipality's forecast of future revenue in its MTREF. The estimated Total Income and Expenditure during the planning period for KLM is illustrated in **GRAPH 8**:

GRAPH 8: KOUGA LM: INCOME AND EXPENDITURE



7.4. The number of households is expected to grow at an average rate of 1.6% p.a., equal to the assumed population growth rate of 1.6% p.a. The proportion of indigent households will continue to increase to 49% as many jobs were lost as a result of COVID-19 and is also attributable to the urbanisation trends observed.

7.5. With regards to fiscal transfers, the national budget indicated the following: "Transfers to the local government equitable share remain the largest spending item, in order to fund municipalities to provide free basic services for low-income households and subsidise poorer municipalities. As a result of once-off allocations to support municipalities in FY2020/21 and spending reductions, the equitable share will decline by 0.4 per cent over the medium term." As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R 19.4 billion, including R 14.7 billion from the local government equitable share. Therefore, KLM needs to take into account the reduction in these transfers.

7.6. The 10-year growth in billings of the major revenue items is illustrated in the **TABLE 6** below.

TABLE 6: AVERAGE ANNUAL 10-YEAR GROWTH OF MAJOR REVENUE ITEMS

Revenue Item	Average Billings Growth % p.a.
Rates	**5.9**
Water	**15.1**
Electricity	**10.1**
Operating Transfers	**5.0**
Sanitation	**6.0**
Refuse	**6.0**

7.7. From the Income and Expenditure graph above, KLM is on the path of continuing to post Operational Deficits, however, with an improving trend (deficits decreasing annually). The total grants to revenue ratio indicate a decreasing trend in grant dependency, however, the Equitable Share allocations may be further reduced in real terms which will place further pressure on the municipality. Therefore, KLM is strongly urged to ensure own revenue is increased and that revenue collection become the top priority.

7.8. Revenue from the sale of electricity is the single largest revenue item, with 39.3% of Operating Revenue emanating from this source. The price of electricity is highly regulated. For the forecast period the gross margin on electricity is on average 10.2% p.a which is lower than the National Treasury norm of 15%. The increasing rate of indigent households provides limited opportunities for higher tariff increases, though according to the percentage of households above the equitable share bracket vs the households receiving RDP lever services or higher, there remains scope to increase revenue through billings. This is however influenced by the number of illegal connections, damage to infrastructure and resulting increased repair cost.

7.9. IPM's model estimates that the real GVA per capita in 2032 is R 71 681, 7.4% higher in real terms than the GVA per capita of R 66 734 in 2022 due to the growing nature of the

local economy. By comparison, the municipal real revenue per capita (excluding grants) in 2032 is estimated to amount to R 3 533 p.a. which exceeds the R 3 346 p.a. real per capita revenue of 2022 by 6.7%. We are comfortable that the Real Revenue per Capita for 2032 as forecast by IPM's model is reasonable. Considering the current demographic and socio-economic nature within the municipality, these projections raises concerns on the affordability of the municipal bill.

8. FUTURE OPERATIONAL EXPENDITURE

The largest operational expenditure items are Employee Related Expenses and Electricity bulk purchases. To remain sustainable the municipality should maximize its productivity by:

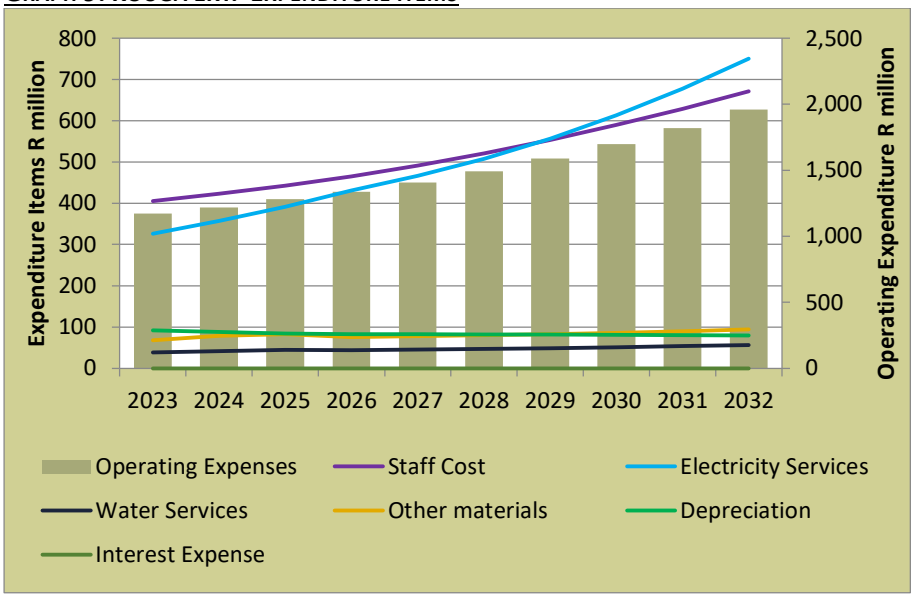
- Optimising the use of employees and contractors
- Performing an Organisational review
- Reducing Debt Impairment by improving the collection rate
- Ensuring that the full cost of water supply and distribution is covered by tariffs
- Reducing water and electricity losses
- Implementing an effective strategy to manage Creditors payment period

8.1. The ongoing challenge remains to align the expenditure budget not only to anticipated revenue growth, but very specifically to anticipated cash collections to generate both accounting and cash surpluses. Therefore, stringent expenditure management remains as important as ensuring that revenues are collected.

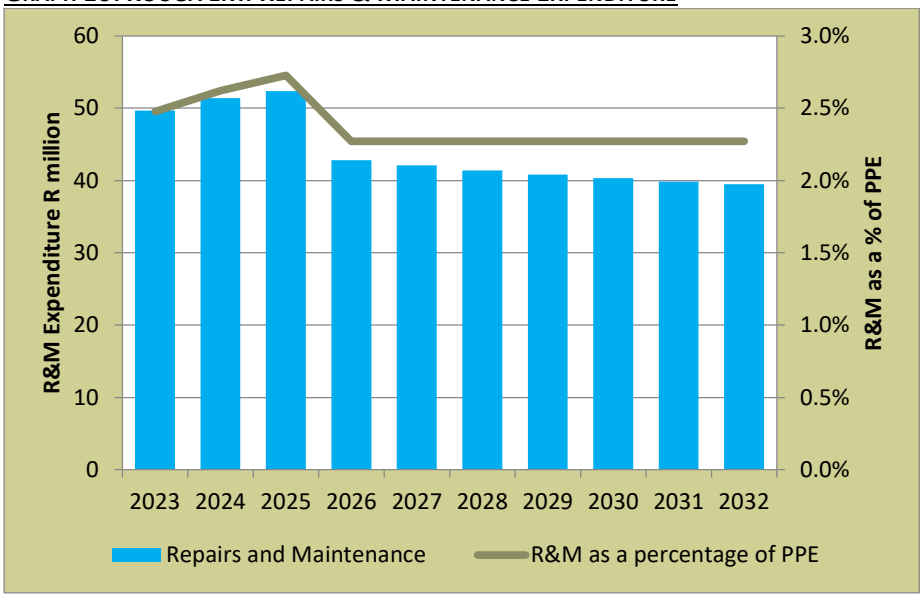
8.2. There is limited scope to substantially increase any costs without negatively impacting on the overall operational performance of the Municipality, therefore requiring both effective management of increases in current expenses and as importantly, ensure expenditure is efficient, targeted and clearly prioritised.

8.3. The regulated expense item, Employee Related Expenses, amounts to an average 33.5% of Total Expenditure over the forecast period. This ratio is within the National Treasury benchmark of 25% - 40%. However, Contracted Services, which in many respects is an alternative to Employee Related Expenses amounts to a further 4.7% of Total Expenditure, which is then just below the maximum benchmark figure. The projected increase in Salaries and Wages for the next financial year is modelled according to budgeted amounts, however it should be noted that the negotiations with bargaining councils in future should be considered in light of the future sustainability of the municipality and the impact on operational expenditure.

GRAPH 9: KOUGA LM: EXPENDITURE ITEMS



GRAPH 10: KOUGA LM: REPAIRS & MAINTENANCE EXPENDITURE



8.4. Repairs and Maintenance in 2022 constituted only 2.27% of PPE and Investment Properties – against the 8% norm suggested by National Treasury guidelines. In the light of the weaker liquidity position of the municipality, this is forecast to remain at 2.27% per year for the 10-year period. The future increases should be aligned with the municipality's asset renewal strategy and repairs & maintenance plan.

8.5. The financial model has assumed cost increases as per the figures contained in the MTREF for the first three years, but uses various independent variables to calculate expenses in future and where applicable accounts for losses to calculate bulk purchases and services sold.

9. AFFORDABILITY OF FUTURE CAPITAL EXPENDITURE

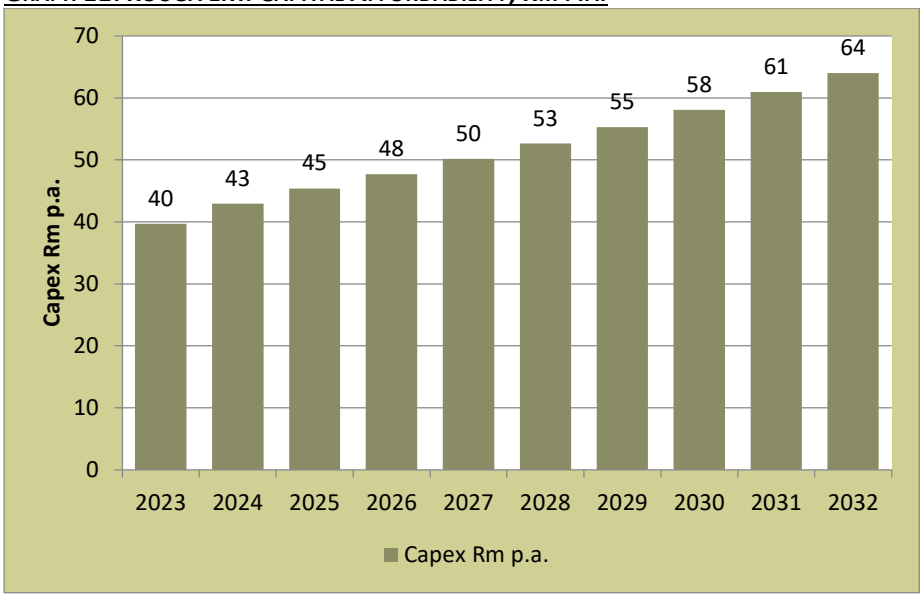
The total affordable capex for the period FY2022/2023 to FY2031/32 amounts to R 517 million. The affordable capex is materially lower than the future capex replacement cost of R 1.9 billion as indicated in section 5 of this report. The historic level of annual capital spending was an annual average of R 92.8 million. The model builds on this and accelerates capital expenditure over the 10-year period by 5% annually. However, the accelerated capex is largely funded through grants, as set out in Section 10 below.

9.1. It was assumed that the capital expenditure budget presented in the MTREF for the period up to FY2024/25 will be implemented. The long-term financial model calculates the future capex that the municipality can afford for the period up to FY2031/32 and increases the expenditure annually within the affordability limits. Over the 10-year period, average capital expenditure amounts to R 51.7 million per year. This is close to half of the historic average of R 92.8 million.

9.2. There is no cash available to service any new debt which is calculated by subtracting from the revenue as determined in Section 7 above. In theory a waterfall of cash needs to start with operational expenses and existing debt service. We are guided by the minimum liquidity reserves that should be held before allocating cash towards investment in capital assets.

9.3. In the event that the municipality can afford it, New Debt plus any remaining cash as well as estimated capital grants and other capital contributions (e.g. developers' bulk contributions) can then be allocated towards capital expenditure. A detailed scenario is explored later on in this report on how KLM can accelerate its capital expenditure programme by making optimal use of lending whilst preserving its own cash resources and staying within financial prudential limits.

GRAPH 11: KOUGA LM: CAPITAL AFFORDABILITY, RM P.A.



10.FUNDING OF FUTURE CAPITAL EXPENSES

The estimated 10-year capex funding is shown in the table below:

FUNDING FUTURE AFFORDABLE CAPITAL EXPENDITURE

Source of Funds	Amount Rm	%
Public & Developers' Contributions	-	-
Capital Grants	403	77%
Financing	-	-
Cash Reserves and Funds	124	23%
Cash Shortfall	-	-
TOTAL	**527**	**100%**

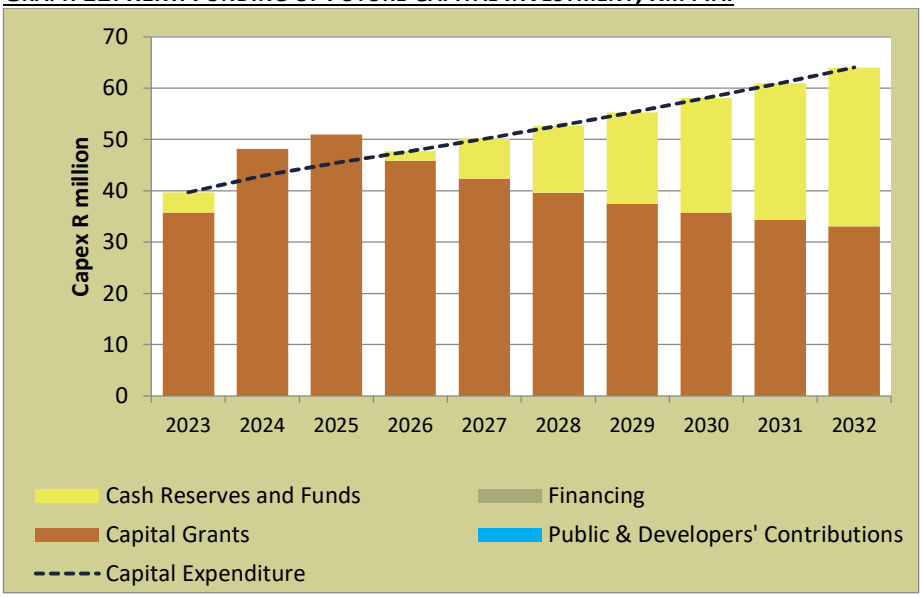
10.1. The funding mix to fund the future affordable capex is determined by the model by ensuring that the available cash is either invested to cover the minimum liquidity requirements and fund a capital replacement reserve or invested in capital assets. In accordance with the model the capex may be funded as follows:

TABLE 7: ESTIMATED 10-YEAR FUNDING OF CAPITAL EXPENDITURE R MILLION

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0
Capital Grants	36	48	51	46	42	40	37	36	34	36
Financing	0	0	0	0	0	0	0	0	0	0
Cash Reserves and Funds	4	0	0	2	8	13	18	22	27	4
Capital Expenditure	**40**	**43**	**45**	**48**	**50**	**53**	**55**	**58**	**61**	**40**

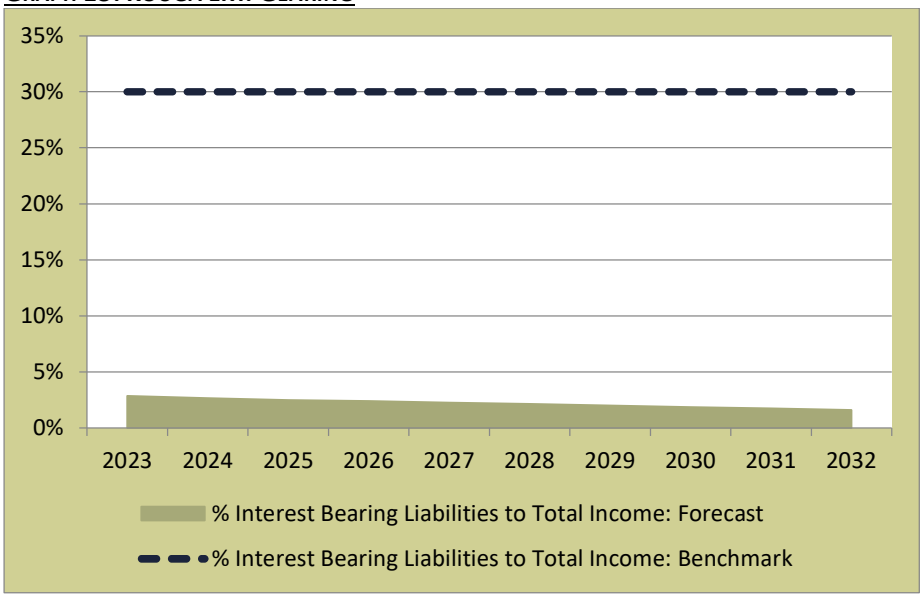
10.2. An important feature of the current financing strategy is the heavy reliance on grant funding for capital investment. Over the 10-year period an average of R40 million p.a is funded through grants i.e. about 77% of the total capital funding need. This is a reasonably high level of reliance in grant funding.

GRAPH 12: KLM: FUNDING OF FUTURE CAPITAL INVESTMENT, RM P.A.

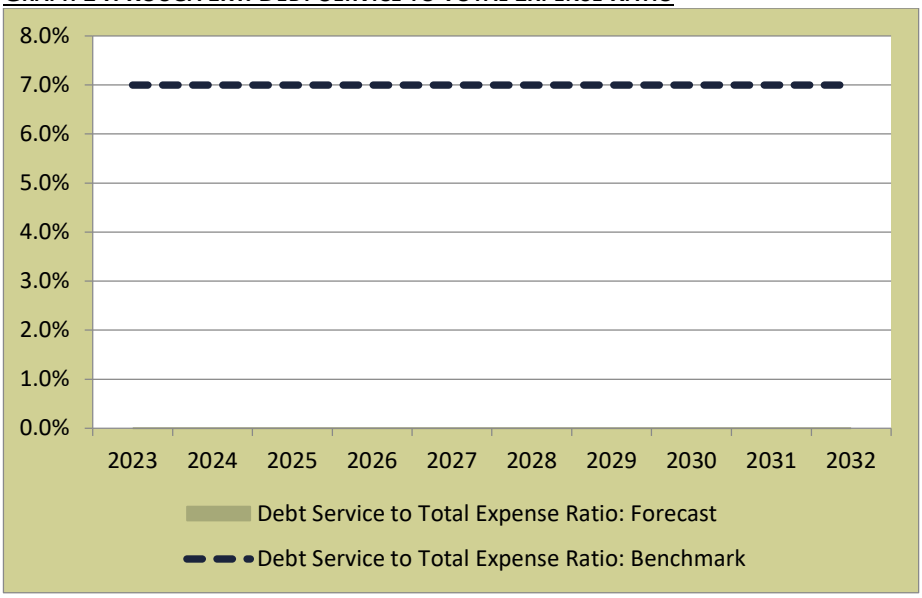


10.4. The amount of Grants was informed by historical trends (but may differ considerably if the current constraints of the national fiscus proceed indefinitely). Although the future quantum of grants is uncertain the model calculates that from FY2026, the municipality will need to be less reliant on grant funding for capex investment. The capital grants to Total Expenditure ratio will therefore decrease from 90% in 2023 to 51.6% in 2032.

GRAPH 13: KOUGA LM: GEARING



GRAPH 14: KOUGA LM: DEBT SERVICE TO TOTAL EXPENSE RATIO



10.5. The model proceeds from the premise that the minimum required liquidity must preferably be held in reserve before cash may be spent on capex. The "Liquidity Reserve" is the amount of cash equivalents held to cover the amounts of statutory reserves, unspent conditional grants, short term provisions and at least one month's operational expenditure.

10.6. As indicated, no new debt is expected in the base case as limited external borrowings were utilized historically and the municipality's ability to access debt remains questionable. A scenario is explored later on in this report where annual access to debt market is obtained. Regular access to the debt market ensures that the market becomes familiar with the municipality, and if it continues to service the debt obligations as scheduled, the risk view of the municipality will improve and over time reduce the overall cost of funding.

10.7. While the municipality can theoretically afford increased annual capital investments, it is important to develop a long-term programmatic and prioritised investment programme. Where appropriate, and feasible, the municipality should consider greater private sector participation in the rehabilitation-, operation and maintenance of infrastructure assets, particularly if the municipality does not have adequate in-house skills to manage such projects. To avoid any deterioration in the asset quality, the municipality is advised to prioritise asset renewal and replacement and maintaining the higher levels of expenditure on repairs and maintenance.

11.ALTERNATIVE SCENARIOS

Three scenarios were analyzed and compared to the Base Case. The rationale for this section is to identify key variables and demonstrate the impact on the long-term financial position of the municipality by changing only one variable at a time. This helps to focus future policy interventions.

- Improved collection rate: +1% Scenario (sensitivity analysis).
- Deteriorated collection rate: -1% Scenario (sensitivity analysis).
- An accelerated capital expenditure and optimal financing scenario.

Environmental factors outside the control of the municipality (e.g. economic growth and regulated prices) as well as policy choices by the municipality (e.g. rates and tariff increases) have a significant impact on the future financial viability.

Scenario: Collection Rate sensitivity

11.1. The unpredictable environment that KLM operates in, which is reflected by the effects of events such as the Covid-19 pandemic as well as the effects of events in other parts of the world such as flooding in KZN or the war between Russia and the Ukraine on the local GVA projections and economic output, makes for a possible likelihood of a decrease in collection rate. Any changes in collection rate will affect KLM's ability to generate cash from operations.

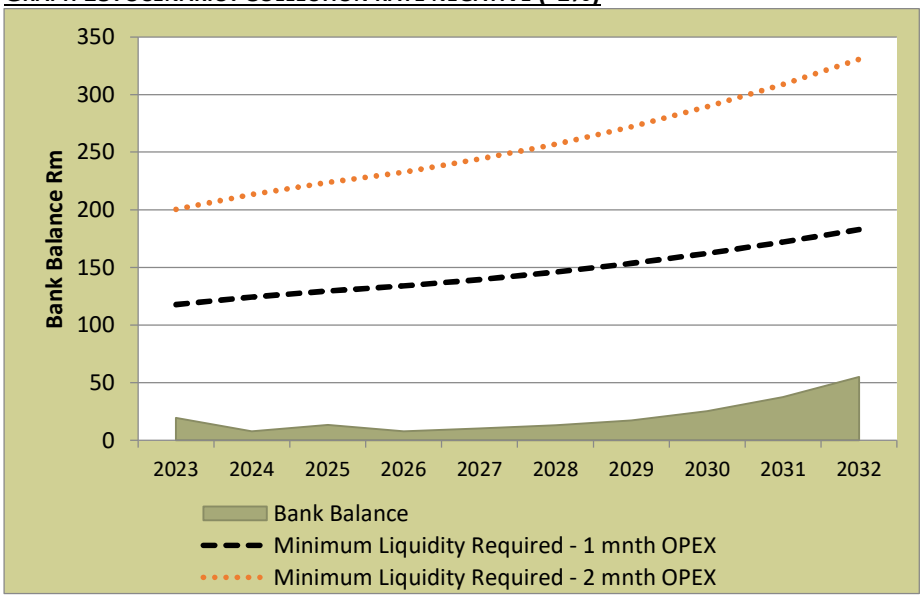
11.2. To illustrate this sensitivity and to highlight the importance of credit control, the outcomes of collection scenarios are tabled below:

TABLE 8: COLLECTION RATE SENSITIVITY SCENARIO

Outcome	Base Case	Collection rate -1%	Collection rate +1%
Average annual % increase in Revenue	6.8%	6.7%	6.8%
Average annual % increase in Expenditure	4.3%	4.3%	4.2%
Accounting Surplus accumulated during Planning Period (Rm)	-R 373	-R 525	-R 222
Operating Surplus accumulated during Planning Period (Rm)	-R 777	-R 928	-R 625
Cash generated by Operations during Planning Period (Rm)	R 305	R 153	R 457
Average annual increase in Gross Consumer Debtors	18.8%	20.8%	16.5%
Capital investment programme during Planning Period (Rm)	R 517	R 517	R 517
External Loan Financing during Planning Period (Rm)	R 0	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 207	R 55	R 359
No of Months Cash Cover at the end of the Planning Period (Rm)	1.4	0.4	2.4
Liquidity Ratio at the end of the Planning Period	1.3 : 1	0.6 : 1	1.9 : 1
Gearing at the end of the Planning Period	1.6%	1.6%	1.6%
Debt Service to Total Expense Ratio at the end of the Planning Period	0.0%	0.0%	0.0%

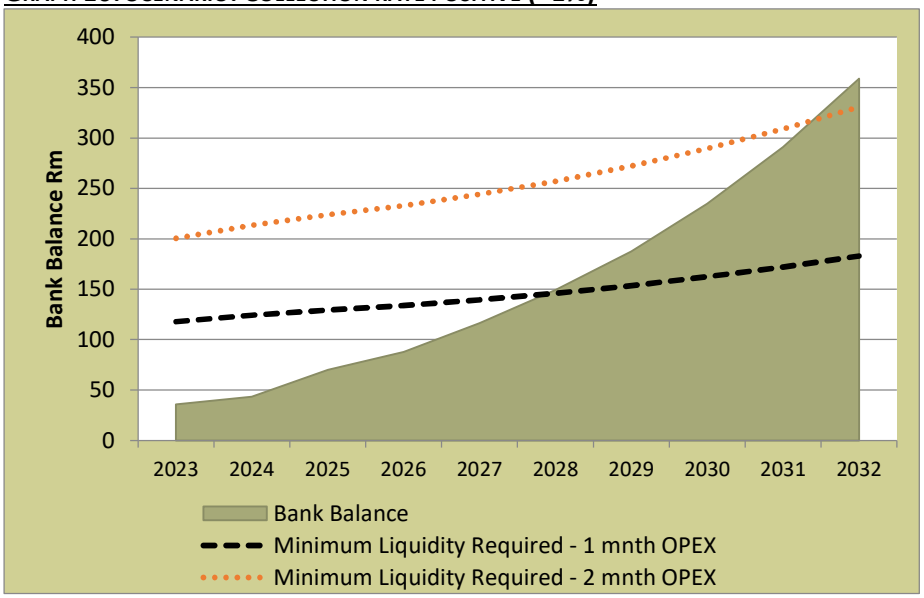
11.3. The Base Case estimates a collection rate of 95% from FY2022/23 throughout the forecast period. The sensitivity analysis scenario assuming a 1% decline and a 1% increase in collection rates, with the outcomes on liquidity and financial performance of KLM presented on Table 9 and the graphs below.

GRAPH 15: SCENARIO: COLLECTION RATE NEGATIVE (-1%)



11.4. A decrease in collection rate to 94% in FY2022/23 and for the remainder of the planning period results in an increased accounting deficit of R 525 million, compared to a deficit of R 373 million on the base case. The bank balance of R 55 million in 2032 will be insufficient to cover the minimum liquidity requirements including 30 days operating expenditure.

GRAPH 16: SCENARIO: COLLECTION RATE POSITIVE (+1%)



11.5. The positive scenario is based on a collection rate of 96% in FY2022/23 and remains at 96% throughout the forecast period while all other variables remain the same.

11.6. The results indicate a marked improvement in cash generated and liquidity components during the planning period as illustrated in **TABLE 8 & GRAPH 16.**

Scenario: Accelerated Capital Expenditure with Optimal Capital Funding Mix.

11.7. This scenario builds on the base case scenario. From the Base Case Model the following changes were made to assess the overall impact of this scenario:

- Capital expenditure was increased to R 86 million over the forecast period.
- Capital expenditure for FY2023 and FY2024 was kept at the budgeted amounts, whilst capex for FY2025 and FY2026 was increased to R 60 million annually. After the MTREF period, total capex was increased annually by 3%.
- Borrowings for FY2023 and FY2024 was maintained at R 0, whilst borrowings were implemented for FY2025 of R 9 million and R 14 million for FY2026. After the MTREF period, borrowings were increased by 18.5% annually.

The comparison of outcomes can be seen on the table below:

TABLE 9: BASE CASE VS CAPEX SCENARIO

Outcome	Base Case	Capex Scenario
Average annual % increase in Revenue	6.8%	6.7%
Average annual % increase in Expenditure	4.3%	4.4%
Accounting Surplus accumulated during Planning Period (Rm)	-R 373	-R 470
Operating Surplus accumulated during Planning Period (Rm)	-R 777	-R 873
Cash generated by Operations during Planning Period (Rm)	R 305	R 222
Average annual increase in Gross Consumer Debtors	18.8%	18.8%
Capital investment programme during Planning Period (Rm)	R 517	R 603
External Loan Financing during Planning Period (Rm)	R 0	R 182
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 207	R 183
No of Months Cash Cover at the end of the Planning Period (Rm)	1.4	1.2
Liquidity Ratio at the end of the Planning Period	1.3 : 1	1.1 : 1
Gearing at the end of the Planning Period	1.6%	9.2%
Debt Service to Total Expense Ratio at the end of the Planning Period	0.0%	1.4%

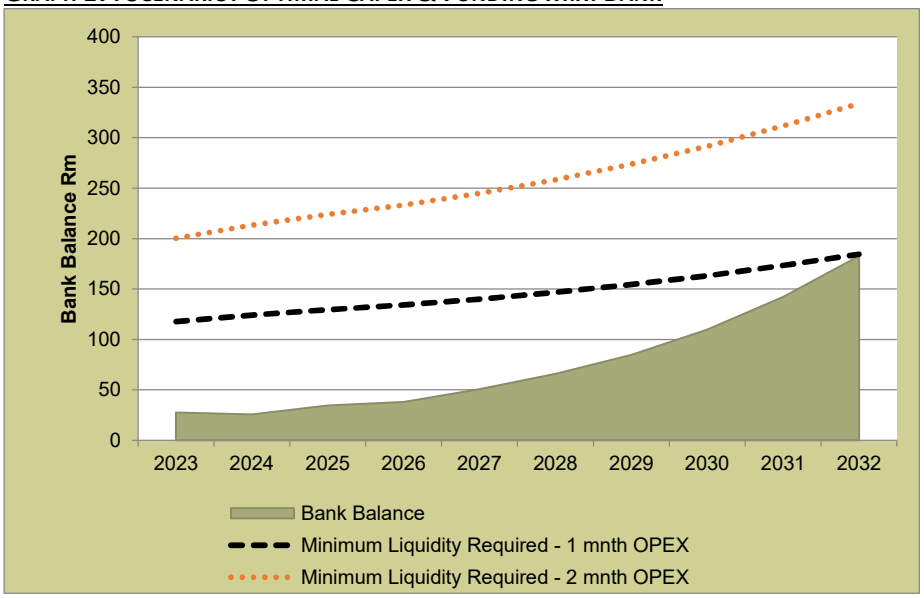
11.8. Should KLM invest efforts to increase capital expenditure in line with the proposed strategy there is potential benefits in the long term.

11.9. The noticeable differences include the loan funding and total capital expenditure over the forecast period. Cash generated from operations decreases to R 222 million whilst a liquidity ratio of 1.1:1 is achieved in 2032. The total capital expenditure program increases from R 517 million to R 603 million. The gearing ratio and debts service to total expense ratio both increase but remains below NT norm standards as well as below the IPM recommendation of 30% and 7% for a municipality such as Kouga LM.

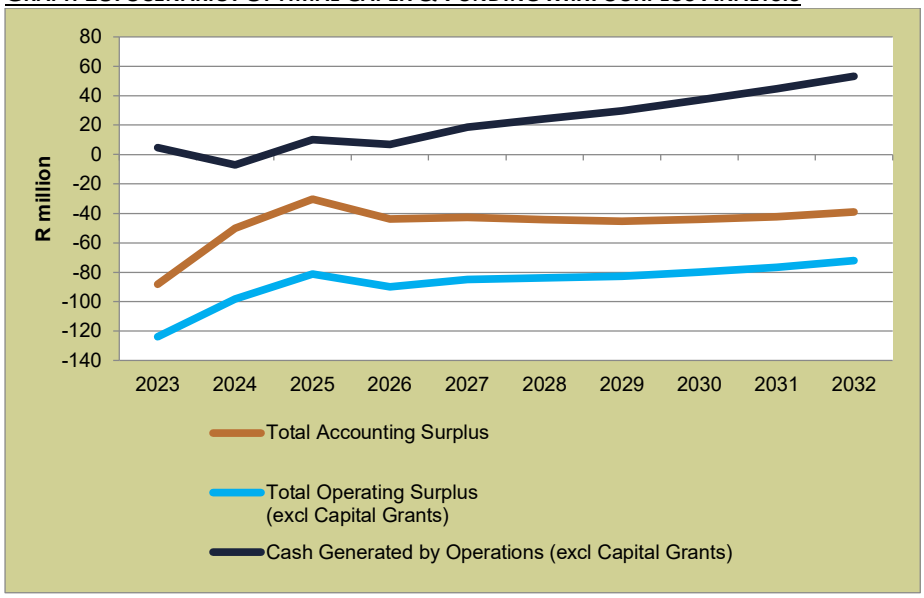
11.10. It has to be mentioned that some of the metrics of this scenario indicate decline when compared to the base case. This is due to the fact that the impact of the capital expenditure on future revenue generation cannot be accurately predicted. It is our opinion though, that the capital expenditure be focussed on revenue generating assets, If this is managed prudently, the cash generation and liquidity position of Kouga LM can, and should, be stronger by the end of the forecast period.

11.11. The graphical representation below shows the operational performance and liquidity surpluses which can be used to fund a capital replacement reserve and build strong liquidity reserves that the municipality can use to moderate the effects of unforeseen events and ensure long term sustainability.

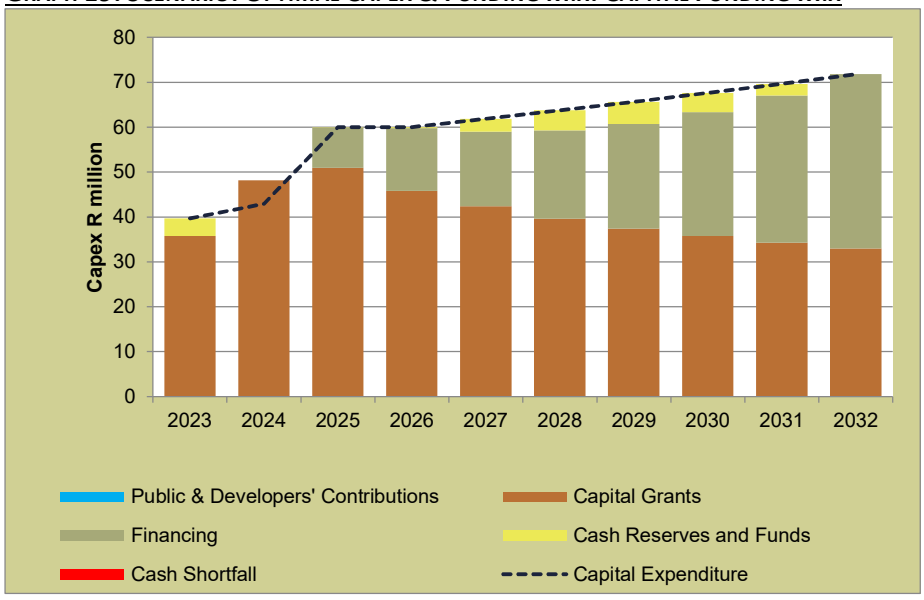
GRAPH 17: SCENARIO: OPTIMAL CAPEX & FUNDING MIX: BANK



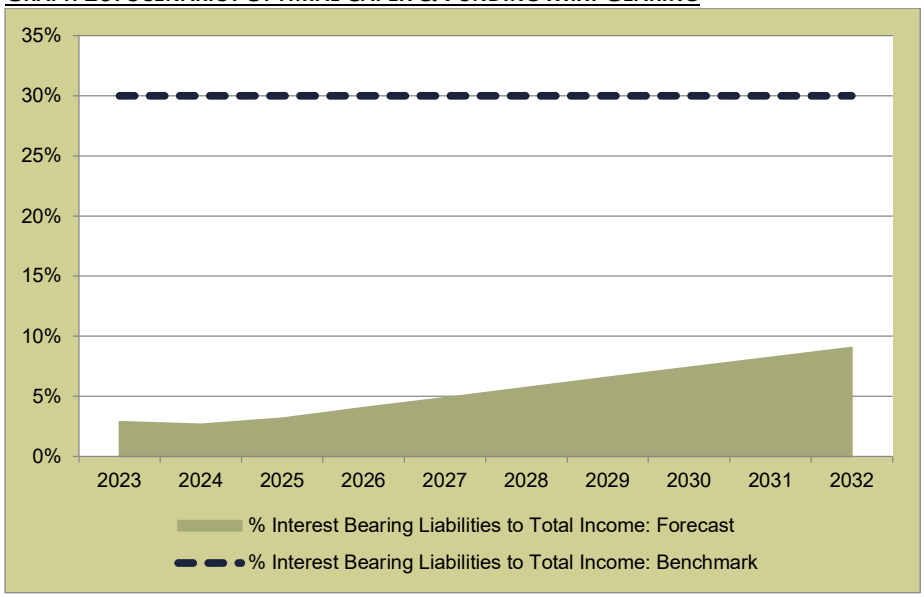
GRAPH 18: SCENARIO: OPTIMAL CAPEX & FUNDING MIX: SURPLUS ANALYSIS



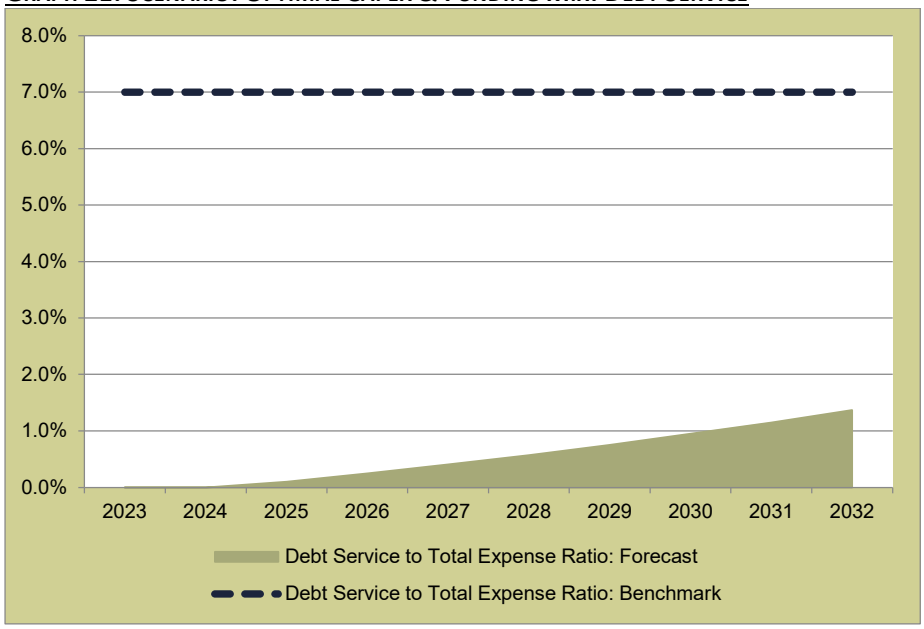
GRAPH 19: SCENARIO: OPTIMAL CAPEX & FUNDING MIX: CAPITAL FUNDING MIX



GRAPH 20: SCENARIO: OPTIMAL CAPEX & FUNDING MIX: GEARING



GRAPH 21: SCENARIO: OPTIMAL CAPEX & FUNDING MIX: DEBT SERVICE



12.RECOMMENDATIONS

We recommend the following, subject to discussions with Executive Management and Council of the Municipality, to be adopted for inclusion in a long-term financial plan.

The recommendations are based on the finding in the Independent Financial Analysis which concluded that KLM is in a deteriorating financial position with risk factors such as a faltering liquidity ratio, insufficient liquidity requirements, operational deficits, and as result, diminishing cash position to name but a few. We recommend that the municipality implements an integrated plan which preserves cash resources and improve the low collection rate, and only once this has been achieved, accelerate the capital investment programme through prudent use of debt funding during the 10-year planning period.

12.1. OPERATIONS FRAMEWORK

Whereas some of the Base Case Outcome does not yet comply with benchmark norms it is essential that the municipality commences with a financial plan that aims to achieve the norms of the following parameters (detail and definitions are provided in Annexure 3: Ratio Analysis and Annexure 6: Viability Framework):

TABLE 10: OPERATIONS FRAMEWORK

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
FINANCIAL POSITION					
ASSET MANAGEMENT					
	Capital Expenditure / Total Expenditure	10% - 20%	10%	20%	3.2%
	Repairs and Maintenance as % of PPE and Investment Property	8%	n.a.	6%	2%
DEBTORS MANAGEMENT					
	Gross Consumer Debtors Growth	n.a.	n.a.	0%	11.7%
	Payment Ratio / Collection Rate	95%	90%	95%+	95%
	Net Debtors Days	30	60	30	12
LIQUIDITY MANAGEMENT					
	Minimum Liquidity Level	1 – 3 months	1 months	3 months	3.1
	Liquidity Ratio (Current Assets: Current Liabilities)	1.5:1 – 2.:1	1 : 1	2 : 1	1.3 : 1
LIABILITY MANAGEMENT					
	Debt Service as % of Total Operating Expenditure	6% - 8%	n.a.	8.0%	-

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
	Total Debt (Borrowings) / Operating Revenue	45%	40%	35%	1.6%
	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)	n.a.	1.3	1.5	-
SUSTAINABILITY					
	Net Financial Liabilities Ratio	n.a.	n.a.	< 60%	15.5%
	Operating Surplus Ratio	n.a.	n.a.	0% - 10%	-2.5%
	Asset Sustainability Ratio	n.a.	n.a.	> 90%	0.0%
FINANCIAL PERFORMANCE					
EFFICIENCY					
	Accounting Surplus R'000	Break even or >0	Break even	> 0	-373
	Cash Operating Surplus R'000	n.a.	Break even	> 0	-777
	Net Operating Surplus / Total Operating Revenue	>= 0%	Break even	> 0%	-2.5%
	Electricity Surplus / Total Electricity Revenue	0% - 15%	> 0%	> 15%	9.7%
	Water Surplus / Total Water Revenue	>= 0%	= 0%	> 0%	62.5%
REVENUE MANAGEMENT					
	% Increase in Billed Income p.a.	CPI	n.a	n.a	8.9%
	Operating Revenue Growth %	CPI	n.a	n.a	8.3%
	Annual Increase per Income Source: Equitable Share	n.a	n.a	n.a	5.0%
	Annual Increase per Income Source: Property Rates	n.a	n.a	n.a	5.9%
	Annual Increase per Income Source: Electricity Services	n.a	n.a	n.a	10.1%
	Annual Increase per Income Source: Water Services	n.a	n.a	n.a	17.5%
EXPENDITURE MANAGEMENT					
	Creditors Payment Period	30	30	30	85
	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	25% - 30%	25%	33.2%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	2% - 5%	< 5%	3.6%
GRANT DEPENDENCY					
	Total Grants / Total Revenue	n.a.	n.a.	n.a.	14.3%
	Own Source Revenue to Total Operating Revenue	n.a.	n.a.	n.a.	87.1%
	Capital Grants to Total Capital Expenditure	n.a.	n.a.	n.a.	51.6%

12.2. PLANNING STRATEGIES

The Municipality will assess the implication of its long-term planning processes on its financial sustainability.

12.3. ORGANISATIONAL STRATEGIES

We recommend that KLM implement a performance management (irrespective of the type of tool / system being used) throughout the organization, with clear consequent management where lapses in outcomes occur.

12.4. REVENUE RAISING STRATEGIES

The Municipality will continue to work on diversifying and ensuring growth of its revenue base. The following revenue streams need to be maximised:

- Revenue from trading services
- Agency fees and fines
- Grants
- Donor funding
- Public-Private-, Public-Public Partnerships and exploring models, where appropriate for greater private sector participation in the rehabilitation-, operation- and maintenance of infrastructure services.

12.4.1. Debtors Collection Action Plan

Continue with the current collection plan, where cases of non-payment is assessed on a case to case basis and minimal relief funding is provided. The Base Case assumes that the consumer collection rate will remain at 95% after the budgeted projected decreases.

12.4.2. Service Charges Margins

The municipality is advised to safeguard the margins on its service charges from further decline. The steep Eskom tariff increases coupled with NERSA capping of prices that municipalities charge final consumers result in a sharp decline in surpluses. The Base Case assumes that water tariffs will increase at about the same rate as the increase in associated bulk purchases tariffs in future.

12.4.3. Enhance Potential Revenue

We recommend that:

- All consumers are captured, data is verified, billing is correct and monies due are collected.
- Large consumers are billed correctly for all services used and payments made are correct.
- Tariffs reflect cost, including depreciation, and that yields are safeguarded.
- Zero based budgeting is applied.
- Indigent support cases are verified independently.
- Maintain indigent support levels at the minimum levels as funded by fiscal transfers.
- KLM assess the extent of property developments or residential homes being built in rural areas, immediately ensure cost-recovery from such households, and finally develop a plan to either curtail such development or formalise policy to manage it.

12.5. COST SAVING STRATEGIES

The Municipality will align the expenditure budget not only to anticipated revenue growth, but very specifically to anticipated cash collections to generate cash surpluses. Stringent expenditure management remains an important aim.

12.5.1. Productivity

The employee related expenses as a percentage of total expenditure are currently not excessive, at 28% on average. There will, however, be a need to become more efficient in future and work smarter. The municipality must ensure that its employment of staff and contractors is linked to its expected income.

Several measures as discussed with directorates, are in place to manage this expenditure item through, among others:

- Stricter control over overtime expenditure and a review of the discretionary items of salaries
- A wider organisational review to ensure the KLM staff compliment is fit-for-purpose.

It is **recommended** that the HODs and senior management take full ownership of the organizational Long Term Financial plan, and that it secures the full buy-in and support from both the current Council and new Council members as and when elections and by-elections are held.

12.6. FINANCIAL MANAGEMENT STRATEGIES

The sustainability and financial wellbeing of the Municipality is linked directly to sound financial management. In this regard the Municipality will continuously:

- Ensure that it complies with GRAP standards.
- Review and update all policies and procedures annually.
- Automate National Treasury reporting templates to ensure proper reporting.
- Train and develop staff to minimize the use of the consultants.
- Document processes to improve on the institutional memory.
- Maintain an effective system of expenditure control, including procedures for approval authorization, withdrawal and payment of funds.
- Prepare annual financial statements timeously and review performance and achievements.
- Preserve and diversify its investment portfolio to maximize returns.
- Ensure that multi-year forecasts are sustainable.
- Maintain financial procedures and discipline to achieve and maintain unqualified audit history, and addressing the audit findings which were raised in the past.

12.7. ASSET MANAGEMENT STRATEGIES

The Municipality will ensure that its assets are properly accounted for and safeguarded. Leveraging on the municipal assets will drive the economic growth and sustainable development of the Municipality. In particular:

12.7.1. Integrated Asset Management

Integrated asset management aims to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers. This encompasses practices associated with considering management strategies as part of the asset lifecycle by minimizing long term costs. Such practices include management of assets, asset information (such as location and condition), demand forecasts, risk assessment and mitigation, maintenance, replacement, refurbishment and renewal programmes and procedures.

12.7.2. Repairs and Maintenance

Budgeted repairs and maintenance expenditure of infrastructure remains lower than the recommended benchmark of 8% of the carrying value of PPE at 2%. This needs to improve gradually in order to safeguard the effectiveness of infrastructure and prevent environmental degradation because of infrastructure failures.

12.7.3. Water and electricity losses

The non-revenue water and/or water loss of 49% and electricity loss of 13% recorded in 2022 is very high. The municipality will benefit financially from continued efforts to reduce these losses.

In the light of the nature of the problem, it is **recommended** that the KLM, provincial and national law enforcement agencies develop a coordinated approach to deal with the problem. From a municipal perspective, a "softer" intervention could be to develop an information campaign to secure support from communities.

It is **recommended** that the KLM commit to the proposed revenue protection strategy set out in the budget, ensure the required resources are made available and strengthen the capacity of the relevant units to execute the strategic plan. As part of a comprehensive strategy, KLM proceed to implement new technology solutions and improvements in the securing of vulnerable infrastructure.

12.7.4. Infrastructure planning

It is **recommended** that this LTFP and a consolidated infrastructure investment plan be used as basis for annual budgeting and updated when required. Furthermore, and to ensure political buy-in, that the LTFP be submitted to Council for approval as part of the normal budget cycle.

It is **recommended** that the KLM consider options for formalizing project prioritization system which integrates with existing planning systems / platforms and with the LTFP.

Based on the outcomes of the scenarios in the LTFM, it is **recommended** that a phased prioritized intervention strategy be followed as set out in Section 7.

12.7.5. Infrastructure delivery models

We **recommend** that KLM builds on the initial assessments that identified potential projects / services that may be suitable for PSP delivery models. This should be based on clear investment selection criteria and where the greatest benefit may be achieved.

Many of the facilities within the municipality present significant opportunities for greater partnerships with communities, businesses, and non-profit organizations. It is **recommended** that KLM continue to explore opportunities for such partnerships and expand the partnerships where they do exist.

12.8. **CAPITAL FINANCING STRATEGIES**

IPM encourages municipalities to make use of loans for infrastructure capital expenditure. Our view is that this is the correct financing method as the tenor of long-term loans approximates the lifespan of infrastructure assets. Furthermore, making use of available cash reserves not only deplete the cash reserves, but diminishes the liquidity position of the municipality.

It is **recommended** that the municipality implements an integrated plan which preserves cash resources and improve the low collection rate, and only once this has been achieved, accelerate the capital investment programme by considering the financing strategy and limits determined in the LTFM dealt with in the accelerated capital expenditure scenario.

12.8.1. Fund a Capital Replacement Reserve ("CRR")

We recommend that once liquidity improves, a CRR is cash backed and that tariffs are progressively increased to also include a depreciation charge that can be used to fund a cash backed CRR which in turn can be applied towards the funding of the replacement of ageing infrastructure.

13.8.1. Tariff Model

There is currently no formal tariff model in place. However, tariffs are currently calculated based on an ad-hoc basis, somewhat considering the cost of providing the service and the tariff determined accordingly. Public perception about the accuracy and reliability of municipal bills is a contributing factor to the resistance to pay bills as presented. As part of the longer-term process to improve revenue collection and accuracy / credibility of household bills, a tariff will be a useful tool.

It is **recommended** that KLM consider a more robust and accurate formal tariff modelling be used to determine tariffs and as a basis to guide tariff policy in future.

12.9. **OPERATIONAL FINANCING STRATEGIES**

Operational efficiency will be maintained by ensuring the targeted collection rates are achieved and KLM is managing the underlying items of current assets and current liabilities optimally.

ANNEXURE 1: INDEPENDENT FINANCIAL ASSESSMENT AGAINST THE BACKGROUND OF KOUGA LOCAL MUNICIPALITY'S DEMOGRAPHIC, ECONOMIC & HOUSEHOLD INFRASTRUCTURE SITUATION

[SEE SEPARATE DOCUMENT]

ANNEXURE 2: BASE CASE SUMMARY PROJECTED FINANCIAL STATEMENTS

Municipal Financial Model

Statement of Financial Position

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
R thousands										
Non-current assets:	2,269,890	2,224,387	2,184,493	2,149,673	2,117,623	2,088,350	2,062,142	2,039,249	2,019,884	2,004,232
Property, plant and equipment	2,005,355	1,960,361	1,921,008	1,886,152	1,854,042	1,824,695	1,798,400	1,775,406	1,755,927	1,740,148
Intangible assets	1,890	1,380	839	875	936	1,010	1,097	1,198	1,312	1,439
Investment properties	262,645	262,645	262,645	262,645	262,645	262,645	262,645	262,645	262,645	262,645
Investments	–	–	–	–	–	–	–	–	–	–
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Current assets:	107,476	106,718	123,192	129,503	145,466	163,987	186,064	214,428	249,678	293,303
Inventories	12,599	13,673	14,236	14,271	14,882	15,532	16,251	17,108	18,043	19,069
Trade and other receivables	67,326	67,326	67,326	67,326	67,326	67,326	67,326	67,326	67,326	67,326
Cash & Short term investments	27,550	25,718	41,629	47,906	63,258	81,129	102,487	129,994	164,309	206,908
TOTAL ASSETS	**2,377,366**	**2,331,105**	**2,307,685**	**2,279,176**	**2,263,089**	**2,252,337**	**2,248,207**	**2,253,677**	**2,269,562**	**2,297,535**
Municipal Funds:	1,993,831	1,943,709	1,914,306	1,874,368	1,838,532	1,804,147	1,771,971	1,744,461	1,722,795	1,708,590
Housing development fund & Other Cash Backed Reserves	–	–	–	–	–	–	–	–	–	–
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	1,993,831	1,943,709	1,914,306	1,874,368	1,838,532	1,804,147	1,771,971	1,744,461	1,722,795	1,708,590
Non-current liabilities:	222,444	222,444	222,444	230,600	244,426	261,266	281,152	304,111	330,144	359,197
Long-term liabilities (Interest Bearing)	31,068	31,068	31,068	31,068	31,068	31,068	31,068	31,068	31,068	31,068
Non-current provisions	191,375	191,375	191,375	199,532	213,358	230,197	250,083	273,043	299,076	328,129
Current liabilities:	161,091	164,952	170,935	174,207	180,131	186,925	195,084	205,105	216,622	229,748
Consumer deposits	23,530	22,985	21,797	19,788	18,577	17,141	15,605	14,235	12,799	11,360
Provisions	35,110	35,110	35,110	35,110	35,110	35,110	35,110	35,110	35,110	35,110
Trade and other payables	102,452	106,858	114,028	119,309	126,445	134,674	144,369	155,761	168,714	183,279
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	–	–	–	–	–	–	–	–	–	–
TOTAL MUNICIPAL FUNDS AND LIABILTIES	**2,377,366**	**2,331,104**	**2,307,685**	**2,279,176**	**2,263,089**	**2,252,337**	**2,248,207**	**2,253,677**	**2,269,562**	**2,297,535**

Municipal Financial Model
Statement of Financial Performance

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
R thousands										
Revenue										
Property rates	239,470	252,799	264,474	272,779	286,918	302,302	319,446	339,567	361,749	386,287
Service Charges	584,705	631,732	682,919	729,666	786,709	848,854	921,251	1,004,853	1,099,566	1,205,750
Service charges - electricity	371,041	403,887	441,138	474,479	516,410	562,023	616,012	678,689	750,309	831,012
Service charges - water	88,408	94,778	100,476	105,012	111,072	117,319	124,142	132,109	140,798	150,358
Service charges - sanitation	62,597	66,500	70,617	75,050	79,573	84,713	90,502	96,977	104,175	112,131
Service charges - refuse	62,659	66,567	70,688	75,126	79,654	84,800	90,595	97,078	104,284	112,249
Service charges - other	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Rental of facilities and equipment	2,968	3,099	3,238	3,313	3,428	3,546	3,675	3,830	3,997	4,179
Interest earned - external investments	2,228	1,984	1,595	2,399	2,953	4,116	5,511	7,199	9,362	12,042
Interest earned - outstanding debtors	13,706	14,639	15,638	6,494	7,409	8,392	9,484	10,706	12,049	13,516
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,842	1,879	1,919	1,963	2,031	2,101	2,177	2,269	2,368	2,476
Licences and permits	8,397	8,766	9,160	9,710	10,482	11,417	12,521	13,800	15,259	16,900
Agency services	5,352	5,528	5,716	5,848	6,051	6,260	6,488	6,761	7,056	7,378
Transfers and subsidies (operating)	177,920	186,595	202,872	204,529	209,880	215,413	221,487	228,978	237,062	245,895
Other revenue	12,298	12,839	13,417	13,726	14,202	14,693	15,228	15,870	16,562	17,317
Gain on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Revaluation of assets gain / (loss)	–	–	–	–	–	–	–	–	–	–
Total revenue before Capital Grants	1,048,885	1,119,859	1,200,948	1,250,426	1,330,061	1,417,094	1,517,268	1,633,833	1,765,031	1,911,740
Capital Grants	35,734	48,141	50,951	45,815	42,383	39,633	37,424	35,739	34,298	33,031
Public & developers contributions	–	–	–	–	–	–	–	–	–	–
Total Revenue after Capital Grants	1,084,619	1,168,001	1,251,899	1,296,242	1,372,445	1,456,727	1,554,692	1,669,572	1,799,328	1,944,772
Operating expenditure										
Employee related costs	391,318	408,609	426,580	449,026	474,456	502,954	534,603	569,480	607,648	649,144
Remuneration of councillors	14,364	14,996	15,671	16,339	17,101	17,957	18,908	19,952	21,090	22,319
Debt impairment	42,788	45,844	49,028	51,822	55,444	59,388	63,938	69,212	75,152	81,793
Depreciation and asset impairment	91,656	87,892	84,771	82,545	82,183	81,923	81,500	80,960	80,343	79,686
Finance charges	–	–	–	–	–	–	–	–	–	–
Bulk purchases	325,900	357,186	391,476	430,971	466,257	507,440	556,185	612,775	677,440	750,305
Inventory Consumed	67,648	78,826	81,989	75,519	77,614	79,959	82,711	86,148	89,978	94,234
Repairs and maintenance	–	–	–	–	–	–	–	–	–	–
Contracted services	87,919	70,135	72,578	66,109	66,889	67,737	68,748	70,141	71,716	73,512
Transfers and subsidies	400	418	436	439	450	461	474	489	505	523
Other expenditure	108,731	109,433	110,844	114,711	117,655	120,686	124,029	128,232	132,780	137,771
Loss on disposal of PPE	42,069	44,784	47,929	48,698	50,231	52,607	55,772	59,693	64,342	69,688
Total Expenditure	1,172,794	1,218,123	1,281,302	1,336,179	1,408,281	1,491,112	1,586,868	1,697,082	1,820,994	1,958,977
Suplus/ (Shortfall) for the year	**(88,175)**	**(50,123)**	**(29,403)**	**(39,938)**	**(35,836)**	**(34,386)**	**(32,176)**	**(27,511)**	**(21,665)**	**(14,205)**

Municipal Financial Model
Cash Flow Statement

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
R thousands										
Cash flows from Operating Activities										
Suplus/Deficit for the year including Capital Grants	(88,175)	(50,123)	(29,403)	(39,938)	(35,836)	(34,386)	(32,176)	(27,511)	(21,665)	(14,205)
Suplus/Deficit for the year excluding Capital Grants & Contributions	(123,909)	(98,264)	(80,354)	(85,753)	(78,219)	(74,018)	(69,600)	(63,249)	(55,963)	(47,237)
Capital Grants & Contributions	35,734	48,141	50,951	45,815	42,383	39,633	37,424	35,739	34,298	33,031
Adjustments for non-cash items:										
Depreciation, amortisation and impairment loss	91,656	87,892	84,771	82,545	82,183	81,923	81,500	80,960	80,343	79,686
Revaluation on investment property (gain) / loss	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) current provisions & non-interest bearing liabilities	32,548	–	–	–	–	–	–	–	–	–
Increase / (Release from) other non-current provisions & non-interest bearing liabilities	(13,130)	–	–	8,156	13,826	16,840	19,886	22,960	26,033	29,053
(Increase) / Release from non-current interest bearing assets	–	–	–	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–	–	–	–	–
Operating surplus before working capital changes:	22,899	37,769	55,368	50,763	60,173	64,377	69,211	76,409	84,711	94,534
Change in W/C Investment	17,686	3,332	6,608	5,246	6,524	7,580	8,976	10,535	12,018	13,539
(Increase)/decrease in inventories	4,368	(1,074)	(563)	(35)	(611)	(650)	(719)	(857)	(935)	(1,026)
(Increase)/decrease accounts receivable	17,823	0	(0)	(0)	0	(0)	0	(0)	0	0
Increase/(decrease) in trade payables	(4,505)	4,406	7,170	5,281	7,135	8,230	9,695	11,392	12,953	14,566
Net cash flow from Operating activities	40,585	41,101	61,975	56,009	66,697	71,957	78,187	86,944	96,728	108,073
Cash flows from Investing Activities										
Capital expenditure	(39,685)	(42,898)	(45,418)	(47,689)	(50,134)	(52,650)	(55,293)	(58,066)	(60,978)	(64,035)
Decrease/(Increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	(1,057)	510	541	(36)	–	–	–	–	–	–
Net cash flow from Investing activities	(40,743)	(42,388)	(44,877)	(47,724)	(50,134)	(52,650)	(55,293)	(58,066)	(60,978)	(64,035)
Cash flows from Financing Activities										
New loans raised	–	–	–	–	–	–	–	–	–	–
Loans repaid	–	–	–	–	–	–	–	–	–	–
(Decrease) / Increase in consumer deposits	(143)	(545)	(1,187)	(2,009)	(1,212)	(1,436)	(1,536)	(1,370)	(1,436)	(1,440)
Net cash flow from Financing activities	(143)	(545)	(1,187)	(2,009)	(1,212)	(1,436)	(1,536)	(1,370)	(1,436)	(1,440)
Change in Cash	(300)	(1,832)	15,911	6,276	15,352	17,871	21,358	27,507	34,315	42,599
Cash/(Overdraft), Beginning	27,851	27,550	25,718	41,629	47,906	63,258	81,129	102,487	129,994	164,309
Cash/(Overdraft), Ending	**27,550**	**25,718**	**41,629**	**47,906**	**63,258**	**81,129**	**102,487**	**129,994**	**164,309**	**206,908**

ANNEXURE 3: RATIO ANALYSIS

YEAR			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
FINANCIAL POSITION												
ASSET MANAGEMENT												
R29	Capital Expenditure / Total Expenditure	10% - 20%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.3%	3.2%	3.2%
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	2.2%	2.3%	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
DEBTORS MANAGEMENT												
R4	Gross Consumer Debtors Growth		38.2%	28.6%	23.0%	19.1%	16.6%	14.9%	13.7%	12.8%	12.1%	11.7%
R5	Payment Ratio / Collection Rate	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
	Net Debtors Days	30	25	21	20	18	17	16	15	14	13	12
LIQUIDITY MANAGEMENT												
R49	Cash Coverage Ratio (excl. Working Capital)		0.8 : 1	0.7 : 1	1.2 : 1	1.4 : 1	1.8 : 1	2.3 : 1	2.9 : 1	3.7 : 1	4.7 : 1	5.9 : 1
R50	Cash Coverage Ratio (incl. Working Capital)		0.2 : 1	0.2 : 1	0.3 : 1	0.4 : 1	0.4 : 1	0.5 : 1	0.7 : 1	0.8 : 1	0.9 : 1	1.1 : 1
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		-R 94.1 m	-R 99.8 m	-R 89.1 m	-R 87.4 m	-R 77.7 m	-R 66.5 m	-R 52.7 m	-R 34.0 m	-R 9.6 m	R 22.0 m
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1:1.5 - 1:2.1	0.7 : 1	0.6 : 1	0.7 : 1	0.7 : 1	0.8 : 1	0.9 : 1	1 : 1	1 : 1	1.2 : 1	1.3 : 1
LIABILITY MANAGEMENT												
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

YEAR			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
R6	Total Debt (Borrowings) / Operating Revenue	45%	3.0%	2.8%	2.6%	2.5%	2.3%	2.2%	2.0%	1.9%	1.8%	1.6%
R7	Repayment Capacity Ratio		0.77	0.76	0.50	0.55	0.47	0.43	0.40	0.36	0.32	0.29
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		-	-	-	-	-	-	-	-	-	-
SUSTAINABILITY												
	Net Financial Liabilities Ratio	< 60%	26.3%	25.1%	22.5%	22.0%	21.0%	20.1%	19.1%	18.0%	16.8%	15.5%
	Operating Surplus Ratio	0% - 10%	-11.8%	-8.8%	-6.7%	-6.9%	-5.9%	-5.2%	-4.6%	-3.9%	-3.2%	-2.5%
	Asset Sustainability Ratio	> 90%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FINANCIAL PERFORMANCE												
EFFICIENCY												
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	-11.8%	-8.8%	-6.7%	-6.9%	-5.9%	-5.2%	-4.6%	-3.9%	-3.2%	-2.5%
R43	Electricity Surplus / Total Electricity Revenue	0% - 15%	12.2%	11.6%	11.3%	9.2%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
R44	Water Surplus / Total Water Revenue	>= 0%	56.4%	56.4%	56.0%	58.4%	59.1%	59.8%	60.5%	61.2%	61.8%	62.5%
REVENUE MANAGEMENT												
R8	Increase in Billed Income p.a. (R'm)		R 133.8 m	R 60.5 m	R 63.0 m	R 55.1 m	R 71.3 m	R 77.6 m	R 89.7 m	R 103.9 m	R 117.1 m	R 130.9 m
R9	% Increase in Billed Income p.a.	CPI	19.3%	7.3%	7.1%	5.8%	7.1%	7.2%	7.8%	8.3%	8.7%	8.9%
R12	Operating Revenue Growth %	CPI	10.3%	6.8%	7.2%	4.1%	6.4%	6.5%	7.1%	7.7%	8.0%	8.3%
R14	Contribution per Income Source: Equitable Share		15.6%	15.9%	16.2%	15.6%	15.1%	14.5%	13.9%	13.3%	12.8%	12.2%

YEAR			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
R15	Contribution per Income Source: Conditional Operating Grants		1.4%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%
R16	Contribution per Income Source: Property Rates		22.8%	22.6%	22.0%	21.8%	21.6%	21.3%	21.1%	20.8%	20.5%	20.2%
R17	Contribution per Income Source: Electricity Services		35.4%	36.1%	36.7%	37.9%	38.8%	39.7%	40.6%	41.5%	42.5%	43.5%
R18	Contribution per Income Source: Water Services		8.4%	8.5%	8.4%	8.4%	8.4%	8.3%	8.2%	8.1%	8.0%	7.9%
R19	Contribution per Income Source: Interest on Investments		0.2%	0.2%	0.1%	0.2%	0.2%	0.3%	0.4%	0.4%	0.5%	0.6%
R20	Annual Increase per Income Source: Equitable Share		13.6%	9.0%	9.1%	0.7%	2.5%	2.5%	2.7%	3.3%	3.4%	3.6%
R21	Annual Increase per Income Source: Property Rates		9.4%	5.6%	4.6%	3.1%	5.2%	5.4%	5.7%	6.3%	6.5%	6.8%
R22	Annual Increase per Income Source: Electricity Services		16.6%	8.9%	9.2%	7.6%	8.8%	8.8%	9.6%	10.2%	10.6%	10.8%
R23	Annual Increase per Income Source: Water Services		96.6%	7.2%	6.0%	4.5%	5.8%	5.6%	5.8%	6.4%	6.6%	6.8%
R24	Annual Increase per Income Source: Interest on Investments		-30.9%	-11.0%	-19.6%	50.4%	23.1%	39.4%	33.9%	30.6%	30.1%	28.6%
R47	Cash Generated by Operations / Own Revenue		4.7%	4.4%	6.2%	5.4%	6.0%	6.0%	6.0%	6.2%	6.3%	6.5%
R48	Cash Generated by Operations / Total Operating Revenue		3.9%	3.7%	5.2%	4.5%	5.0%	5.1%	5.2%	5.3%	5.5%	5.7%
EXPENDITURE MANAGEMENT												
	Creditors Payment Period	30	59	62	65	69	72	75	78	81	83	85
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	33.5%	33.6%	33.3%	33.6%	33.7%	33.7%	33.7%	33.6%	33.4%	33.2%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	7.3%	5.6%	5.5%	4.8%	4.6%	4.4%	4.2%	4.0%	3.8%	3.6%
R31	Contribution per Expenditure Item: Electricity Services		26.9%	28.3%	29.5%	31.1%	32.0%	32.9%	33.9%	34.9%	36.0%	37.1%

YEAR			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
R32	Contribution per Expenditure Item: Water Services		3.2%	3.3%	3.3%	3.2%	3.1%	3.1%	3.0%	2.9%	2.9%	2.8%
R33	Contribution per Expenditure Item: Repairs & Maintenance		4.1%	4.1%	3.9%	3.1%	2.9%	2.7%	2.5%	2.3%	2.1%	2.0%
R34	Contribution per Expenditure Item: Depreciation and Asset Impairment		7.6%	7.0%	6.4%	6.0%	5.6%	5.3%	5.0%	4.6%	4.3%	3.9%
R35	Contribution per Expenditure Item: External Interest Charged		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R36	Annual Increase per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)		15.0%	4.4%	4.4%	5.2%	5.6%	6.0%	6.3%	6.5%	6.7%	6.8%
R37	Annual Increase per Expenditure Item: Electricity Services		10.4%	9.6%	9.6%	10.1%	8.2%	8.8%	9.6%	10.2%	10.6%	10.8%
R38	Annual Increase per Expenditure Item: Water Services		-34.9%	7.1%	7.1%	-1.2%	4.0%	3.8%	4.0%	4.6%	4.7%	4.9%
R39	Annual Increase per Expenditure Item: Repairs & Maintenance		6.3%	3.4%	1.9%	-18.3%	-1.7%	-1.6%	-1.4%	-1.3%	-1.1%	-0.9%
R40	Annual Increase per Expenditure Item: Depreciation		7.3%	-4.1%	-3.6%	-2.6%	-0.4%	-0.3%	-0.5%	-0.7%	-0.8%	-0.8%
R41	Annual Increase per Expenditure Item: External Interest Charged		-	-	-	-	-	-	-	-	-	-
GRANT DEPENDENCY												
R10	Total Grants / Total Revenue		19.7%	20.1%	20.3%	19.3%	18.4%	17.5%	16.7%	15.9%	15.1%	14.3%
R11	Own Source Revenue to Total Operating Revenue		83.0%	83.3%	83.1%	83.6%	84.2%	84.8%	85.4%	86.0%	86.6%	87.1%
	Capital Grants to Total Capital Expenditure		90.0%	112.2%	112.2%	96.1%	84.5%	75.3%	67.7%	61.5%	56.2%	51.6%

These ratios are calculated from the output of the model and can at best only approximate the calculation based on actual accounts.

DEFINITIONS	
Liquidity Ratios	
Current Ratio	*Current Assets / Current Liabilities*
Quick Liquidity Ratio	*(Current Assets - Debtors > 30 days) / Current Liabilities*
Minimum Liquidity Level (or Cost Coverage)	*((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Gain and Loss on Disposal of Assets)*
Overdraft to Total Income	*Overdraft / Total Operating Revenue*
Operational Ratios	
Accounting Surplus	*Total Operating Revenue + Conditional Grants - Total Operating Expenditure*
Cash Operating Surplus	*Total Operating Revenue - Total Operating Expenditure + Working Capital*
Cash from Operations as a % of own Revenue	*Operating Cash / Operating Revenue*
Repairs and Maintenance to PPE	*Total Repairs and Maintenance Expenditure / Carrying Value of PPE x 100*
Debtors Payment Ratio	*(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) / Billed Revenue x 100*
Staff Costs	*Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100*
External Gearing Ratios	
External Loan Liability Paid Coverage Ratio	*(Total Operating Revenue - Total Operating Expenditure (excluding non-cash items)) / Capital Cost (Interest Paid and Redemption)*
External Interest and Capital Paid to Total Expenditure	*Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100*
External Gearing Ratio (or Debt as a % of Own Revenue)	*(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue*
Other Ratios	
Level of Grant Dependency	*(Total Grants) / (Total Operating Revenue)*
Operating Surplus Ratio	*(Operating Revenue - Operating Expenditure) / Operating Revenue*
Net Financial Liabilities Ratio	*(Total Liabilities - Current Assets) / Operating Revenue (excl Capital Grants)*
Asset Sustainability Ratio	*Capex for Replacement / Depreciation*

ANNEXURE 4: VIABILITY FRAMEWORK

1. A proposed framework is provided below, within which to manage liquidity, operational performance and external gearing and is aligned to MFMA Circular No. 71.

2. The municipality is advised to include these ratios in the relevant revised financial policies:

Liquidity Ratios

3. Standard Liquidity Ratio (The ability to fully provide for current liabilities with current assets.)

   Minimum norm: 1:1
   Healthy norm: 2:1
   MFMA norm: 1.5 – 2:1

4. Quick Liquidity Ratio (The ability to provide for current liabilities with liquid current assets therefore current assets including only 30-day debtors.)

   Minimum norm: 1:1
   Healthy norm: 2:1
   MFMA norm: None

5. Minimum Liquidity Level (Holding sufficient cash and investments to fully provide for the sum of unspent conditional grants, short term provisions, ceded investments, cash backed reserves and provisions and at least one month of operating expenditure (excluding non-cash expenses).

   Minimum norm: 1:1
   Healthy norm: 1:1 plus an additional month's operational expenditure
   MFMA norm: 1 – 3 months

   MFMA calculation excludes cash backed reserves and short-term provisions; however, an additional ratio is stipulated in Circular 71 regarding the Level of Cash Backed Reserves.

6. Overdraft to Total Income (Preferably a municipality should not have an overdraft facility at all at year end, however, should an overdraft facility be used it should not exceed 5% of Total Income.)

   Maximum norm: 5%
   Healthy norm: 0%
   MFMA: None

7. Other ratios as stipulated below are to be managed at levels applicable to the Municipality and although industry benchmarks exist it is more prudent to set objectives given the current financial context of the Municipality. The following ratios are recommended for consideration and it would be prudent to report hereon on a quarterly basis to the Finance Committee:

Operational Ratios

8. Total Accounting Surplus (The ability to post an accounting operational surplus where Total Income exceeds Total Expenditure with a positive margin.)

   Minimum norm: Break-even of the above calculation
   Healthy norm: Positive margin that is maintained
   MFMA norm: Break-even or >0

9. Cash Operating Surplus (The ability to generate surplus cash from operational performance therefore Total Income less conditional transfers less total expenditure excluding non-cash items adjusted for changes in working capital should be positive.)

   Minimum norm: Break-even of the above calculation
   Healthy norm: Positive margin that is maintained
   MFMA norm: None

10. Repairs and maintenance to Total Expenditure (The ability of the municipality to effectively maintain the infrastructure assets from which it derives its primary income.)

    Minimum norm: 5%
    Healthy norm: 7%
    MFMA norm: 8%

    MFMA calculation differs in using the Property, Plant and Equipment (carrying value) as the base of the ratio instead of Total Expenditure.

11. Consumer Collection Levels (For a municipality to maintain its viability it should maintain its collection levels at least above 90%. Growth in gross consumer debtors including debts written off in the financial year as a percentage of billed income including equitable share, will provide the non-collection level therefore the difference will indicate the consumer collection level.)

    Minimum norm: 90%
    Healthy norm: 95%+
    MFMA norm: 95%

12. Staff Costs, Allowances and Wages (The level of staff costs, allowances and wages to total operational expenditure needs to be effectively managed to ensure that costs aren't considered too high, but also that the municipality is not under capacitated and employment levels are too low.)

    Minimum norm: 25%
    Healthy norm: 25% to 30%
    MFMA norm: 25% to 40%

External Gearing Ratios

13. Proposed External Gearing ratios are subject to Liquidity ratios being within recommended levels.

14. External Loan Liability Paid Coverage Ratio (The ability to at least cover the External Interest and Capital Payable with the cash generated from operations before interest.)

    Minimum norm: 1:1
    Healthy norm: 2:1
    MFMA norm: None

15. External Interest and Capital Paid to Total Expenditure (The percentage of Total Expenditure utilised to service external loan repayments.)

    Maximum norm: 10%
    Healthy norm: 7.5%
    MFMA norm: 6% - 8%

16. External Gearing Ratio (The level to which the municipality has geared itself is calculated as Total External Interest-Bearing Debt as a percentage of Total Income less conditional grant funding.)

    Maximum: 40%
    Healthy norm: 35%
    MFMA norm: 45%

REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE AND ENGINEERING

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE & ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/I&E1**

PROJECTS PRESENTED AT PRE DAC (DISTRICT ADJUDICATION COMMITTEE) MEETING FOR MIG REGISTRATION ON 28 SEPTEMBER 2022

1. Introduction

Kouga LM receives MIG grant funding from DORA, which must be spent on infrastructure projects.

The MIG funding for the 22/23 and 23/24 Financial years are as follows:

22/23 R35,891,000.00
23/24 R37,372,000.00

As such, it is essential that Kouga LM have sufficient MIG projects registered to ensure that the yearly MIG funding allocation is spent.

2. Background

Currently only the following projects are registered MIG funded project:

- Kouga Gravel Roads Upgrade Phase1;
- Upgrade of Hankey Sanitation;
- Upgrading of Sports Facilities in the Kouga Area.

Both the Kouga Gravel Roads Upgrade Phase 1 and the Upgrading of the Hankey Sanitation Upgrade are nearing completion.

As such, Kouga LM must register additional projects on the MIG system.

3. Projects presented at Pre-DAC Meeting on 28 September 2022

The following projects were presented at the pre-DAC (District Adjudication Committee) on 28 September 2022:

Project Description	Registration Value	Timeframe (Financial Years)
Gravel Roads Phase 2 Budget Maintenance	R5,595,162.12	2022/23
Kwanomzamo WWTW Upgrade	R42,360,556.91	23/24 - 24/25
Kouga Gravel Roads Upgrade Phase 2	R37,038,263.00	23/24 - 25/26
La Mer New Sewer Rising Main (Planning Stage	R790,050.00	23/24 – Planning stage only
Oceanview Sewer Pipe Upgrade (Planning Stage):	R747,500.00	23/24 – Planning stage only
Sewer Reticulation (Planning Stage)	R1,150,000.00	23/24 – Planning stage only
Design of New High Mast Lights (Planning Stage)	R645,150.00	23/24 – Planning stage only

All the above listed items were previously approved by Council for MIG registration. At the pre-DAC meeting, it was recommended that all of the above projects be presented at the next DAC meeting to be recommended for MIG Registration.

The next DAC meeting is scheduled to convene in October 2022.

4. Financial implications

The project will be funded by the MIG upon successful registration at DAC, which is scheduled to convene in October 2022.

5. Legal implications

None.

6. Other implications

None.

7. Comments by Directorates:

7.1 Acting Director : I&E

Upon successful registration of this project on the MIG system, the projects can be implemented in the 23/24, 24/25 and 25/26 Financial Years.

It is noted that four projects were listed as Planning Stage projects. Should these projects be successfully registered as MIG projects, the funding will be used to appoint Professional Service Providers to conduct the design and specialist studies, as well as to obtain the necessary approvals from the Sector Departments.

The following two projects are ready for the implementation of the construction stage:

- Kwanomzamo Wastewater Treatment Works Upgrade;
- Gravel Roads Upgrade Phase 2.

7.2 Acting Director: Corporate & Digital Services

Item noted

7.3 CFO

Report is noted

7.4 Director: Planning, Development and Tourism

Item noted

7.5 Director: Community Services

Item Noted

7.6 Municipal Manager

Item noted

8. Recommendation

8.1 That Council approve this item.

Item prepared by: PMU Manager

Item prepared by the Acting Director: T Madatt: .....

Item approved by the Portfolio Councilor: .....

Item endorsed by the Municipal Manager:

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE & ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/I&E2**

STATUS OF THE UMZAMAWHETHU SANITATION SYSTEM

1. Introduction

The purpose of this report is to update Council on the current status of the Umzamawhethu sanitation system during the 2021/2022 financial year.

2. Background

Umzamawhethu, the low-income group township in Oyster Bay currently has no waterborne sanitation system or Wastewater Treatment system in place. The township is currently serviced by conservancy tanks, which are emptied on a monthly basis by suction tankers since its inception more than 20 years ago.

Due to the age of the installation and the methods used, some of these conservancy tanks has since collapsed, causing raw sewerage to flow out of these tanks, into residents' yards and then into the streets, causing hygienic and environmental risks. There are currently 6 households affected by this.

3. Site location

The site is located in Oyster Bay, as shown on the picture below:



4. Project background

This project was initiated by Council to provide sanitation facilities to the community consisting of approximately 190 household units.

5. Appointed service providers

- Implementing Agent / Consulting Engineers
- Unknown
- Contractor
- Unknown

6. Investigation Findings

No drawings or records with regards to designs or capacities of these conservancy tanks were available at the time of investigation and information was gathered by interviews with the residents and affected people.

The findings were that some of these tanks were dysfunctional since inception more than 20 years ago. The tanks are plastic made, which collapsed due to lateral earth pressure during construction, since it was not filled with water when it was placed, to provide stiffness when being compacted.

According to residents it is normal JoJo tanks that were installed. These tanks also have no vent pipes to allow air intake when being emptied by suction tankers, causing it to collapse.

7. Site photos



8. Discussion

It is imperative that Council immediately escalate remedial action in this regard. In order to prevent further contamination and discomfort to residents, it is hereby advised that these tanks be replaced by either the latest designed plastic conservancy tanks or brick and mortar constructed conservancy tanks.

Ultimately, replacing the current system with a fully developed waterborne piped system, serviced with either a packaged Wastewater Treatment Works or Pond system. The implementation of the above was also listed in the latest IDP of Council, as well as the previous IDP.

9. Financial implications

- Newly designed plastic conservancy tanks are currently sold for approximately **R30 000.00 each**, and installation cost approximately **R10 000.00 each.** Total cost is thus **R40 000.00 x 190 units = R7 600 000.00 (Timeframe: 2 Months for immediate 6 Units)**

- Brick and mortar constructed conservancy tanks were priced at R35 000.00 each. Total cost is thus **R35 000.00 x 190 units = R6 650 000.00 (Timeframe: 2 Months for immediate 6 Units)**

    - A fully waterborne system with WWTW should conservatively be approximately **R35 000 000.00 (Timeframe: 18 Months)**

10. Legal implications

Imminent risk of contravening applicable environmental legislation as well as environmental health legislation.

11. Other implications

- Continuous discomfort to residents
- Danger to cattle and pets
- Damage to other infrastructure

12. Comments by Directorates:

12.1 Acting Director: I&E

While focusing on the larger problem I&E will be focusing on the immediate challenge whereby the sewer is spilled into the houses and the environment.

12.2 Acting Director: Corporate & Digital Services

Item noted

12.3 CFO

Report is noted

12.4 Director: Planning, Development and Tourism

Item noted

12.5 Director: Community Services

Item Noted

12.6 Municipal Manager

Item noted

13. Recommendation

13.1 That council support the registration of the Umzamawhethu sewer reticulation on the MIG project list for future .

13.2 That the 6 affected households be serviced with new conservancy tanks.

13.3 That a submission of business plans be made to Kouga Windfarms for funding.

Item prepared by: PMU Manager

Item prepared by the Acting Director: T Madatt: .....

Item approved by the Portfolio Councilor: .....

Item endorsed by the Municipal Manager:

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE AND ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM : 22/12/I&E3**

CORRECTION TO ITEM- 2022/23 ADJUSTMENTS BUDGET FOR THE APPROPRIATION OF ADDITIONAL FUNDS RECEIVED

1. Introduction

The purpose of this item is to seek Council's approval to approve the corrected item served before council on 28 October 2022. Appropriate the additional allocation received from the National Department of Water and Sanitation into the 2022/23 annual budget, the funds received herein is in respect of the application submitted to the said department for the drought mitigation projects identified.

2. Legislative Requirements

In accordance with Section 28(2)(b) of the Municipal Finance Management Act (MFMA), Council may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.

In accordance with Regulation 23(2) of the Municipal Budget and Reporting Regulations of 17 April 2009, an adjustment budget can be tabled to Council when additional revenues as contemplated in Section 28 (2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget.
And in such instance Regulation 23(3) provides that the Mayor of the municipality must, at the next council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28 (2) (b) of the Act in the municipal council to appropriate these additional revenues.

3. Background

The municipality has been appointed by the Department of Water and Sanitation (DWS) as the implementing Agent (IA) for implementation and management of emergency drought projects funded through Water Services Infrastructure Grant (WSIG) in the affected areas of the Kouga Local Municipality. The Water Services Infrastructure Grant (WSIG) amount to R 57,4 million and is allocated to the municipality in terms of Division of Revenue Act (DoRA).

The drought projects listed below have been approved for implementation in the 2022/23 financial year.

Town	Project Description	U-key Nr.	Allocated amount
Humansdorp	Water treatment works		R 8,200,000.00
	Borehole 7		R 3,500,000.00
	Kruisfontein		R 14,100,000.00
Total			**R 25,800,000.00**
Jeffreys Bay T**otal**	New Oxidation water treatment plant 4Ml.		R 7,400,000.00 **R7,400,000.00**
Hankey	Water treatment works		R 3,700,000.00
	Boreholes		R 3,800,000.00
Total			**R 7,500,000.00**
St Francis Bay	Water treatment works		R 5,900,000.00
	Boreholes		R 4,100,000.00
Total			**R 10,000,000.00**
Thornhill **Total**	Groundwater development		R 3,300,000.00 **R 3,300,000.00**
Loerie **Total**	Groundwater development		R 3,400 000.00 **R 3,400,000.00**
GRAND TOTAL			**R 57,400,000.00**

4. Comments by Directorates:

4.1 Director: Planning, Development and Tourism

Noted

4.2 Director: Community Services

Item noted

4.3 Acting Director: Corporate & Digital Services

Item noted

4.4 Acting Director: Infrastructure & Engineering

The item served at council in the preceding meeting and was approved. Calculation errors were picked up within the schedule drafted. The intention is to rectify the figures in order to include it in the budget.

The correction is on the Loerie ground water project where it was in the table below displayed as R 4,400,000.00. this figure is replace with R 3,400,000.00.

4.5 Municipal Manager

The recommendations are supported.

4.6 CFO

5. Financial Implication

2022/23 approved budget will be increased by an amount of R 57,4 million in terms of the Water Services Infrastructure Grant (WSIG) and the appropriation of the additional funds into the budget will accelerate the spending programmes already budgeted for.

6. Legal Implications

Section 15 of the Local Government: Municipal Finance Management Act prescribes that a Municipality may, expect where otherwise provided in the Act, incur expenditure only in terms of an approved budget, and within the limits of the amounts appropriated or the different votes in an approved budget. Therefor in order for the department to incur any expenditure on the additional funds received herein, same must be appropriated into the Annual budget, and failing which any expenditure incurred could result in unauthorized and irregular expenditure as defined by the said Act.

7. Recommendation

7.1 That Council, accept the revised item where calculation errors was rectified.

Town	**Project Description**	**U-key Nr.**	**Allocated amount**
Humansdorp	Water treatment works		R 8,200,000.00
	Borehole 7		R 3,500,000.00
	Kruisfontein		R 14,100,000.00
Total			**R 25,800,000.00**
Jeffreys Bay	New Oxidation water		R 7,400,000.00

T**otal**	treatment plant 4Ml.		**R7,400,000.00**
Hankey	Water treatment works		R 3,700,000.00
	Boreholes		R 3,800,000.00
Total			**R 7,500,000.00**
St Francis Bay	Water treatment works		R 5,900,000.00
	Boreholes		R 4,100,000.00
Total			**R 10,000,000.00**
Thornhill **Total**	Groundwater development		R 3,300,000.00 **R 3,300,000.00**
Loerie **Total**	Groundwater development		R 3,400 000.00 **R 3,400,000.00**
GRAND TOTAL			**R 57,400,000.00**

Item prepared by the Acting Director: T Madatt: .....

Item approved by the Portfolio Councilor: .....

Item Endorsed by Municipal Manager:

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE AND ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/I&E4**

2022/23 ADJUSTMENTS BUDGET FOR THE ADDITIONAL TRANSFER

1. Introduction

The purpose of this item is to seek approval for the additional funding to be allocation to the Upgrade of Saffrey sub station project tender number 160/2020 awarded to 4RGA for a period of 3 years.

2. Legislative Requirements

In accordance with Section 28(2)(b) of the Municipal Finance Management Act (MFMA), Council may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.

In accordance with regulation (3) of the Municipal Budget and Reporting Regulations, if a national or provincial adjustments budget allocates or transfers additional revenue to a municipality, the mayor of the municipality must, at the next council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28 (2) (b) of the Act in the municipal council to appropriate these additional revenues.

3. Background

The project was initiated by the electrical department to upgrade the substation to minimise power failures in the lower region of Humansdorp. Through a fair tender process the consultant CVW was appointed in 2020 as part of the panel for electrical consultants, subsequent to this as municipal nominated consultants went out on tender notice 160/2020 and the service provider 4RGA Electrical contractors was appointed on this project.

The project is in its final stage but due to the increases in cost we have a short fall of R 400 000,00 excl. VAT to complete the substation upgrade.

it is requested that the short fall on the Saffrey substation upgrade project be transferred from the Bulk 66kv overhead line as in the. The total allocation of R 700 000,00 initially budgeted on the project was far too little as the material on this project is very expensive.

We applied to INEP for funding on the 66kv Overhead line project as the bulk service. The electrification of the entire 1 500 housing project will have a direct influence on the total capacity of the overhead line and for this reason we applied for it to be the nominated bulk project for Jeffreys Bay. We are still awaiting the funding and approval but even if not approved it was never feasible to go out on tender for the amount originally budgeted.

4. Comments by Directorates

4.1 Director: Finance

Item noted

4.2 Director: Planning, Development and Tourism

Noted

4.3 Director: Community Services

Item noted

4.4 Acting Director: Corporate Services

Item noted

4.5 Acting Director: Infrastructure and Engineering

This project is in an advance stage as all the switch gear, and associated equipment has been procured and needs to be installed as to complete the substation and bring it up to standard in regard to safety for the staff operating the switch gear.

4.6 Municipal Manager

The recommendations are supported.

5. Financial Implication

Activity	**Amount**
Appointed Value	**R 3 909 999,98**
Contractor Y1	R 1 455 271,18
Contractor Y2	R 884 409,80
Contractor Y3	R 1 570 319.00
Paid to date	**R 3 426 651,04**
Shortfall contractor	R 483 348,94
Consultant Y1	R 261 898,95
Consultant Y2	R 131 313,56

Consultant Y3	R 157 031,90
Paid to date	**R 501 909,61**
Appointed Value	**R 550 244,41**
Shortfall Consultant	R 48 334,80
Contractors fee year 3	R 483 348,94
Consulting fee year 3	R 48 334,80
Total shortfall	**R 531 683,74**

PROJECT	U-KEY	CURRENT AVAILABLE BUDGET	TRANSFER
66kv Line	20210710000777	R 586 000.51	R 550 000.00
Saffery substation	20200711023285	R 133 178.10	R 0.00

PROJECT	CURRENT AVAILABLE BUDGET	SHORTFALL	AMOUNT REQUIRED
Saffery substation	R 133 178.10	R 550 000.00	R 683 178.00

6. Legal Implications

As per MFMA, PFMA requirements.

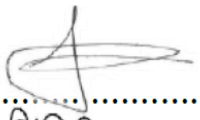
7. Recommendation

7.1 That 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 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the following adjustments budget.

PROJECT	U-KEY	CURRENT AVAILABLE BUDGET	TRANSFER
66kv Line	20210710000777	R 586 000.51	R 550 000.00
Saffery substation	20200711023285	R 133 178.10	R 0.00

PROJECT	CURRENT AVAILABLE BUDGET	SHORTFALL	AMOUNT REQUIRED
Saffery substation	R 133 178.10	R 550 000.00	R 683 178.00

Item prepared by Area Engineer: 

Item prepared by the Acting Director: T Madatt: 

Item approved by the Portfolio Councilor: 

Item endorsed by the Municipal Manager: 

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE & ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM: 22/12/I&E5**

ADJUSTMENTS BUDGET IN RESPECT OF MIG FUNDS WITHIN INFRASTRUCTURE AND ENGINEERING DIRECTORATES

1. Introduction

The purpose of this report is to seek Council's approval for the reallocation of the funds budgeted for Municipal Infrastructure Grant (MIG) funded capital projects.

2. Background

The Infrastructure and Engineering (I&E) Directorate is seeking Council's approval to reallocate funds from two MIG funded projects within the I&E Directorate.
The two applicable projects are:

- Hankey Sanitation upgrade
- Upgrade of Gravel Roads in Kouga

Intention: To re-allocate the amount of +R1,733,352.30 from the Upgrade Sanitation System of Old Hankey (ukey 20190710991734) to Upgrading of Gravel Roads in Kouga (ukey 20221303055077) in the 2022/23 financial year, and to re-allocate an amount of +R1,733,352.30 from Upgrade of Gravel Roads in Kouga to Upgrade Sanitation System of Old Hankey in the 2023/2024 financial year.

Motivation: A Contractor is currently appointed for the implementation of the Gravel Roads Upgrade project and funding is required for the project within the 2022/23 financial year.
The Hankey Sanitation Upgrade, Phase 1 and 2 is in the process of being completed within the allocated budget. Budget Maintenance for Kouga Gravel Roads was approved at DAC on 16 November 2022, and as such funding is being transferred to this project so that the Contractor for the Gravel Roads Upgrade can complete this project. Hankey Phase 3 has been approved at BAC and the Contractor will start in January 2023, finishing in the 23/24FY.

Applicable legislation: Section 28(1) of the Local Government: Municipal Finance Management Act (the Act) provides that a municipality may revise an approved annual budget through an adjustments budget. Section 28(2(d) prescribes that an adjustments budget may authorize the utilisation of projected savings in one vote towards spending under another vote.

3. Comments by Directorates and Municipal Manager:

3.1 Director: Infrastructure and Engineering

The re-allocation of funds is in the interest of council to achieve the percentage expenditure as per the MIG agreement of 40% and also critically important that we do not stall other projects which is in the interest of service delivery.

3.2 Acting Director: Corporate Services

Item noted

3.3 Director: Planning, Development and Tourism

Noted

3.4 Director: Community Services

Item is supported

3.5 Municipal Manager

Item is supported

3.6 CFO: Comment

Item noted

4. Financial Implications

There is no financial implications as this is only a reallocation of funds within the approved budget.

Project Name	2022/2023 Approved Budget (Excl. VAT)	Actual Expenditure (Excl. VAT)	Available Balance (Excl. VAT)	2022/2023 Proposed Adjustments (Excl. VAT)	Total Adjusted Budget (Excl. VAT)
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R9,819,118.07	R6,450,675.10	R3,365,042.43	+R1,733,352.30	R11,552,470.37
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R15,308,228.93	R3,340,484.44	R11,967,745.17	-R1,733,352.30	R13,574,876.63

Project Name	2023/2024 Approved Budget (Excl. VAT)	Actual Expenditure (Excl. VAT)	Available Balance (Excl. VAT)	2023/2024 Proposed Adjustments (Excl. VAT)	Total Adjusted Budget (Excl. VAT)
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R16,415,005.50	R0.00	R16,415,005.50	-R1,733,352.30	R14,681,653.20
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R9,761,864.07	R0.00	R9,761,864.07	+R1,733,352.30	R11,495,216.37

5. Legal Implications

Transferring of approved budget allocations of the capital budgets, and budgets included in a SDBIP can only be adjusted through an adjustments budget approved by Council. Failure to so re-allocate budget allocation in the absence of a Council approval may render subsequent expenditure to be unauthorized and irregular.

6. Recommendation

6.1 That 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 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed adjustments to the 2022/2023 and 2023/2024 Capital Budget:

Project Name	**2022/2023 Approved Budget (Excl. VAT)**	**2022/2023 Proposed Adjustments (Excl. VAT)**	**Increase**	**Decrease**
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R6,687,112.00	R9,819,118.07	R3,132,006.07	R0.00
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R18,440,235.00	R15,308,228.93	R0.00	R3,132,006.07

Project Name	**2023/2024 Approved Budget (Excl. VAT)**	**2023/2024 Proposed Adjustments (Excl. VAT)**	**Increase**	**Decrease**
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R26,176,869.57	R16,415,005.50		R9,761,864.07
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R0.00	R9,761,864.07	R9,761,864.07	

Item prepared by: PMU Manager: J Du Toit: .....

Item approved by: Acting Director I & E: .....

Item noted by the Portfolio Councillor: .....

Item endorsed by the Municipal Manager:

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

INFRASTRUCTURE & ENGINEERING

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/I&E6**

WAYLEAVE BY-LAW

1. Introduction

This item serves to refer to Council the Kouga Local Municipality Wayleave By-Law for further consideration and approval. The attached draft By-Law as advertised for public comment is attached as Annexure A, for ease of reference.

2. Discussion

Council adopted the draft Kouga Local Municipality Wayleave By -law on 31 August 2022, 22/08/MM8:

22/08/MM8 **KOUGA LOCAL MUNICIPALITY WAYLEAVE BY-LAW**

Resolved (31 August 2022)

1. That Council support and adopts the Draft Kouga Municipality Wayleave By- Law.

2. That the Draft Kouga Municipality Wayleave By-Law be published, for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

3. That the Draft Kouga Local Municipality Wayleave By-Law be referred back to the Municipal Council following the implementation and finalization of the public participation process referred to in 2. above, for approval.

The draft By-law was subsequently advertised for public comments:

PERSOONLIKE DIENSTE

KRUIEKENNER

1435

CHIEF BABASHE
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Bring all unfinished jobs and I will help you. Mail order available. Pay after job is done

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CHRISTELIK-MAATSKAPLIKE RAAD

TWO VACANCIES:
Child Carers , Jeffreysbay

APPLICATIONS ARE NOW OPEN FOR
Child Carers at Masakhe Daycare at CMR.
REQUIREMENTS:
Gr 12 | Afrikaans/English/isiXhosa
Preference will be given to qualified ECD carers.

CLOSING DATE:
30 September 2022

CV'S TO BE SENT TO:
PER HAND TO:
CMR, 10 Piet Uys Street,
Humansdorp, 6300

E-mail: cmrhdorp@telkomsa.net | Enquiries: Mrs M van Taak, 042 2951103

KOUGA local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)
NOTICE NO: 148/2022

TEMPORARY CLOSURE OF STREETS IN ST FRANCIS BAY, 23 - 25 SEPTEMBER 2022

Notice is hereby given in terms of Section 138(a)(v) of Ordinance 20 of 1974 that the following streets will be temporarily closed in St Francis Bay:

1. Assisi Drive

Between St Francis Street and Kansies Road will be temporarily closed for Traffic. A portion of Assisi Drive will be closed from the Petrol Station to St Francis Drive. **23 September 2022 from 06h00** until **24 September 2022 18h00**. (Please note roads will be open to residents and Emergency vehicles only).

C DU PLESSIS
MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

MEDICAL NEGLIGENCE CLAIMS

AMPUTATIONS

Amputation is the loss of a body part.

It can be a life changing experience affecting your ability to move, work, interact and maintain your independence.

Continuing pain and emotional trauma can complicate recovery.

If you suspect medical negligence may have played a role, the experienced lawyers at Gert Nel Inc. can help.

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For free legal advice, get in touch with our Medical Negligence Attorneys at 072 262 3391 or info@gertnelattorneys.co.za

Gert Nel Incorporated ATTORNEYS

VACANCY:
GENERAL PRACTITIONER'S RECEPTIONIST/NURSE

Responsibilities:
- Nursing abilities
- Reception

Requirements:
- Registered at Nursing Council with nursing experience
- Computer literate
- Fluent in Afrikaans and English

Skills:
- Communication skills
- Be able to work under pressure
- Time management

Kindly submit detailed CV to drjpotgieter@lgen.co.za by no later than 23rd September 2022

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3 x QUALIFIED BEAUTICIANS WANTED

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Be able to Multitask
Polite, Professional and Reliable
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Kindly email cv to Info@grandhouselodge.co.za

Victory4All

FOSTER HOMES

REQUIRES A
FOSTER MOTHER/ COUPLE
FOR ONE OF OUR HOMES IN HUMANSDORP & JEFFREYS BAY

As a Christian based organisation, we are looking for a special person/couple to care for children in foster care in Humansdorp or Jefferey's bay area.
This is a live-in position which includes full board and lodging.
Salary negotiable depending on qualifications/experience

Requirements
- Child care qualification / experience preferable
- Have no dependants,
- Christian values
- Effective parenting skills
- Must be able to live with children on a full time basis
- Must be able to read, write in Afrikaans, English and IsiXhosa an additional advantage

Main responsibilities
- Be willing to undertake, exercise and maintain parental responsibilities
- Have the capacity to provide an environment that is conducive to the child's growth and development.

Please email CV to homes@victory4all.com
Contact: 082 856 7290/ 082 990 1073 (office hours) **Closing date:** 29 September 2022

KOUGA local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)
NOTICE NO: 139/2022

INFRASTRUCTURE & ENGINEERING

PUBLIC INVITATION FOR COMMENTS ON THE DRAFT KOUGA MUNICIPALITY: WAYLEAVE BY-LAW

Notice is hereby given in terms of Section 160(4) (b) of the Constitution, Act 108 of 996, read with Section 12(3)(b) of the Local Government: Municipal Systems Act, No. 32 of 2000, as amended, that the draft Kouga Municipality: Wayleave By- law is available for inspection, comments, or representation. A copy of the draft document will lie open for inspection at the main building in Da Gama Road, Jeffreys Bay, as well as all the satellite offices in the Kouga municipal area. An electronic copy of the draft document can be viewed and downloaded on the municipal website: www.kouga.gov.za

Any person who cannot write may come to the office of the Deputy Municipal Manager where an official will be availed to assist in transcribing that person's comments or representation.

Members of the public or interested parties are hereby invited to submit comments or make representations within a period of **30 days** from date of publication of this notice.

Kindly address any comments, in writing, to the office of the Deputy Municipal Manager, Mr. D de Jager, at 33 Da Gama Road, Jeffreys Bay or by way of an email correspondence to jreed@kouga.gov.za no later than **15h00 on Friday 14 October 2022.**

MR D de JAGER DEPUTY MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

KOUGA local municipality
Good Governance through Service Excellence

KOUGA LOCAL MUNICIPALITY (EC108)

DIRECTORATE: COMMUNITY SERVICES

NOTICE NO: 138/2022
NOTICE OF PUBLIC PARTICIPATION PROCESS: KOUGA DISASTER MANAGEMENT PLAN – REVIEW PUBLIC INPUTS ON THE DISASTER MANAGEMENT PLAN

Notice is given in terms of Regulation 53 of the Disaster Management Plan for Municipal areas under Chapter 5 of the Disaster Management Act 57of 2002. Each municipality must, within the applicable Municipal Disaster Management Framework, regularly review and update its plan, and through appropriate mechanism, processes and procedures established in terms of Chapter 4 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000) consult the local community on the preparation or amendment of its Plan.

Project Description: Review and Update of Kouga Disaster Management Plan.

The Disaster Management Plan lies open for public comments at the following municipal offices and libraries during normal office hours (Mon – Thursday - 7:30 – 16:15 & Friday 07:30 - 15:00). It can also be viewed on the Municipal Website **www.kouga.gov.za** and on the Municipal Notice Boards.

Jeffreys Bay Municipal Offices · Humansdorp Municipal Offices · St Francis Bay Municipal Offices · Hankey Municipal Offices · Patensie Municipal Offices · Humansdorp Library · Jeffreys Bay Library · Kruisfontein Library · Ukhanyiso Library · Patensie Library · Loerie Library · Hankey South Library · Hankey North Library · Weston Library · Sewendelaan Library · Thornhill Library

Written comments must be submitted to the Office of the Director: Community Services, Jeffreys Bay, or can be handed in at the Municipal Offices, 33 Da Gama Road, Jeffreys Bay, 6330 on/before **Friday, 23 September 2022. Enquiries** herein can be obtained from Mr. D. Barnard, at tel: 042-2910283 or fax 042-2910405 or email to **dbarnard@kouga.gov.za**

MR D de JAGER DEPUTY MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

NETWERK24

news

● MEC calls for police and community action after 18 held at gunpoint

Bay social workers mugged while out on calls

Andisa Bonani

Social workers are being robbed during home visits in Nelson Mandela Bay, with 18 held at gunpoint in the northern areas, New Brighton, Kwa-Magxaki and western suburbs of the city.

The workers have had their personal belongings such as phones, laptops and handbags stolen, with government vehicles also hijacked but later recovered.

Social development MEC Bukiwe Fanta raised concerns over the attacks yesterday and called on the police to act swiftly.



NEED PROTECTING: Social development MEC Bukiwe Fanta has raised concerns over attacks on social workers Picture: THEO JEPTHA

"We are concerned about the ongoing attacks on our social workers," she said.

"They continue to be victimised and robbed as they conduct home visits in Nelson Mandela Bay.

"To date, 18 social workers have been held at gunpoint while conducting home visits and programmes."

The latest incident was reported on August 1.

Despite a large number of incidents recorded, only a few complaints were laid with the New Brighton police.

Police spokesperson Colonel Priscilla Naidu said social workers were robbed at gunpoint in July.

"It is alleged that on July 6 the complainant and two other colleagues were busy with home visits and while driving in New Brighton, firearms were pointed at them by two men and they were ordered to stop the vehicle.

"The men demanded their cellphones and asked for firearms."

She said when the social workers said they did not have firearms, the robbers grabbed the vehicle's key and threw it into a yard.

Naidu said the social workers were not harmed and a case of robbery was opened.

"The suspects wore masks and would not be able to be identified by the victims," Naidu said.

Fanta said the department had to take safety precautions by involving the police to protect staff.

However, she said, it was not always possible to have a police escort for every home visit.

"We have had to make arrangements with the police to accompany social workers when they conduct visits, but even that is not enough.

"It's really difficult for our social workers to work and this is worrying especially at the height of gender-based violence, rape cases and many social ills that have engulfed our communities.

"Though the police assist in many visits, they are unable to accompany each and every social worker doing home visits as they have other cases to attend to as well."

Fanta called on the police to do more to ensure social workers were able to carry out their duties.

"We are also calling on law enforcement agencies to make arrests that will lead to successful prosecution and convictions.

"The police need to send a strong message to these criminals, a message that will act as a deterrent to other robbers that are targeting our social workers.

"But it doesn't end there, our communities need to stand together and protect social workers."

On August 21, a nurse was assaulted when three men brought a man with multiple gunshot wounds to the Uitenhage Provincial Hospital shortly after 6am.

This left staff traumatised, with the team that was meant to report for night shift duty refusing to work, fearing for their safety.

Cogta working through submissions for mayoral system change

The Herald facebook www.facebook.com/HeraldLIVE

Andisa Bonani

The co-operative governance department is sifting through the objections received on whether the mayoral executive system should be scrapped in Nelson Mandela Bay.

The closing date was on Monday, with Cogta spokesperson Mamnkeli Ngam saying the department would make an announcement on the outcome shortly.

However, Ngam said discussions were under way regarding an extension to the deadline.

"We will collate and then study all the submissions made and make a formal pronouncement," he said.

"We do not know the magnitude of the submissions, however, the matter is receiving our utmost attention to restore much-needed stability in the metro."

The ANC in the region has also made a U-turn and is not in support of the move.

Former Cogta MEC Xolile Nqatha signed and gazetted a notice late in August that seeks to scrap the mayoral executive system in the metro.

Instead, he wants it replaced with a collective executive with a ward participatory system. Nqatha has since been replaced by Zolile Williams.

The proposed system would take powers away from the mayor and allow a new committee to run proceedings at the council.

It was brought to the council but rejected by all parties except the ANC as they feel the new system would only benefit the ANC and not the residents.

ANC regional secretary Luyolo Nqakula said the party had changed its stance on the matter, however.

"The problems in the metro are not caused by the structural design of the municipality but are rather political issues.

"They require an attitude of rising above political differences and putting residents first," he said.

Nqakula would not say if the region would object to the change.

"Our understanding is that the deadline has been extended by 30 days," he said.

"We will formally participate and be on record in line with our new attitude on the matter."

ACDP councillor Lance Grootboom said the proposal was irrational as there was no need to change the system.

"There is no problem with the current system because it has worked in the past.

> **'The problems in the metro are not caused by the structural design of the municipality but are rather political issues'**

"The grounds laid out by [Nqatha] to change the system are a clear indication that it's the ANC that's brought instability in the council," he said.

"We have since launched an intergovernmental dispute to state that we don't support the proposed changes."

Nqatha outlined the motive for his intention to change the system in a letter sent to mayor Eugene Johnson last month.

FF+ councillor Bill Harrington said his party had objected to the proposed change.

"It is not a democratic process and the ANC is doing this to try to stay in council. We should be allowed to vote on this in council before such a decision is forced upon us."

The DA submitted an objection on September 9, opposing it for two reasons.

In the submission, the party said: "First, the MEC acts for an ulterior purpose — political gain for the ANC, instead of the best interest of the municipality. The MEC proposes the amendment only as a last-ditch attempt to ensure that the ANC does not lose control over the municipality.

"The Act does not authorise the MEC to act for this reason.

"Second, the MEC's decision is irrational.

"The MEC's proposed amendment will not achieve any of its supposed purposes."

DA federal chair Helen Zille said the party made its submission well ahead of time and clearly stated its reasons.

Northern Alliance general secretary Vasu Padayachy said they were still working on submitting a formal objection.

"The one that's closed is for the public, we are still working on ours.

"We support the DA's submission which we have seen.

"If you look at the breakdown of the new system executive it means smaller parties will not be represented and that's not how democracy works."

The proposal means the mayor would no longer select those overseeing the different departments, and the two majority parties would have an equal number of seats on a 10-person committee.

The ANC and DA would have four seats each if the new system was to be implemented, with one seat each for the Northern Alliance and EFF.

GOOD councillor Lawrence Troon said his party did not send in an objection.

"However, we do not support this move," he said.

"There is no guarantee this will even create stability. It is just a desperate attempt."

UDM councillor Yongama Zigebe said they submitted their objection to the proposal as the new system would not work in the city.

"The proposal is a political ploy concocted by the ANC to cling to power by all means.

"All other parties want to fix the metro and it's only the ANC who are the gatekeepers of the mess that's been created in the city."

EFF councillor Zain Mnqam said the party would get advice from its national leaders.

DOP councillor Tukela Zumani said his party would submit an objection.

Patriotic Alliance national chair Marlon Daniels declined to comment.



MURKY WATERS: Water and sanitation minister Senzo Mchunu has his work cut out at his department Picture: FREDDY MAVUNDA

Mchunu determined to steer his department to calm waters

Amanda Khoza

When he became water and sanitation minister in August last year, he inherited a department riddled with vacancies and millions in unauthorised, irregular and fruitless and wasteful expenditure, Senzo Mchunu said.

This, he said, was something he and his team were determined to turn around.

Mchunu and senior department officials yesterday briefed parliament's standing committee on public accounts (Scopa) on its audit outcomes for the 2020/2021 financial year and the Special Investigating Unit's (SIU) probe into the department.

He said a number of critical interventions had been implemented, including filling of posts to eliminate "accounting gaps".

"We filled the position of the director-general with effect from January this year.

"There were four deputy director-general posts that were vacant — DDG for corporate services; DDG chief finance officer; DDG regulation, enforcement and compliance; and DDG water and sanitation have all been filled.

"All seven vacant DDG posts [that we found] are now filled, barring one, the DDG of infrastructure, whose case is dragging on and on," Mchunu said he was aware that filling posts did not automatically mean a strong department.

"You need to go into all the systems of the department, from procurement.

"We realised that the recurring improper accounting issues flowed from weaknesses in the system we found there."

Mchunu said he had told his director-general to pay close attention to procurement, human resources and internal matters, including construction.

"[With] some of these issues, we are dealing with Treasury because it's clear to us that procuring pens and paper is not the same as procuring for a R24bn project.

"We have raised the matter and cabinet is dealing with [it], so there is a way to fast-track the delivery of projects."

Mchunu said that by March 2021 there was R641m in unauthorised expenditure.

"There was irregular expenditure of R18bn from the main and trading accounts. Fruitless and wasteful expenditure amounted to R287m, with the main account at R64m and the trading account at R223m.

"It's very ugly and this improper expenditure was incurred over a number of years before we arrived in August 2021. It was] reported to Scopa in March 2021."

Mchunu said he had brought interventions aimed at ending this. On matters under investigation internally by the SAPS or the SIU, Mchunu said during late minister Edna Molewa's tenure a number of cases were registered.

"Between 2009 and 2014, 28 cases were registered for investigation. Of that, 27 were of a financial nature. [At the time, one case was pending].

"The person leading the department at an executive level was an acting director-general.

"From 2014 until 2018, he was still acting. [We were in an era of] letting people act for an unreasonably long time, [the reasons for which are] beyond our understanding."

While a deputy director-general was eventually appointed, Mchunu said during that period 72 cases were registered for investigation.

"Out of 72 cases, 64 were finalised and eight are outstanding."

Scopa chair Mkhuleko Hlengwa said the water and sanitation department had been on the committee's radar for some time.

"The magnitude and the complexity of the water matters require our attention and we are aware of the presidential proclamation on granting the SIU the opportunity to investigate." — *TimesLIVE*

KOUGA local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC108)
NOTICE NO: 139/2022

INFRASTRUCTURE & ENGINEERING

PUBLIC INVITATION FOR COMMENTS ON THE DRAFT KOUGA MUNICIPALITY: WAYLEAVE BY-LAW

Notice is hereby given in terms of Section 160(4) (b) of the Constitution, Act 108 of 996, read with Section 12(3)(b) of the Local Government: Municipal Systems Act, No. 32 of 2000, as amended, that the draft Kouga Municipality: Wayleave By-law is available for inspection, comments, or representation. A copy of the draft document will lie open for inspection at the main building in Da Gama Road, Jeffreys Bay, as well as all the satellite offices in the Kouga municipal area. An electronic copy of the draft document can be viewed and downloaded on the municipal website: www.kouga.gov.za

Any person who cannot write may come to the office of the Deputy Municipal Manager where an official will be availed to assist in transcribing that person's comments or representation.

Members of the public or interested parties are hereby invited to submit comments or make representations within a period of **30 days** from date of publication of this notice.

Kindly address any comments, in writing, to the office of the Deputy Municipal Manager, Mr D de Jager, at 33 Da Gama Road, Jeffreys Bay or by way of an email correspondence to jreed@kouga.gov.za no later than **15h00 on Friday 14 October 2022.**

MR D de JAGER DEPUTY MUNICIPAL MANAGER
P.O. Box 21, JEFFREYS BAY, 6330

SCHOOLS ARE NOT PLACES OF FIGHTING.



BACK IN BUSINESS: Northern Alliance councillors, from left, Bevan Brown, Gary van Niekerk and Stag Mitchell Picture: EUGENE COETZEE

NA councillors back in council

Yolanda Palezweni
palezweniy@theherald.co.za

The three Northern Alliance councillors embroiled in factional politics and courtroom drama have returned to their positions in the Nelson Mandela Bay council.

A notice was emailed to municipal staff yesterday by city manager Nxolo Nqwazi's office.

Gary van Niekerk returns to his position as speaker while Stag Mitchell resumes his duties as the political head of infrastructure and engineering.

Bevan Brown remains a councillor.

Van Niekerk said their attorneys had been in talks with the municipality for days and all agreed that the case between himself and the metro be withdrawn.

"We have decided to put everything aside and focus on the best interest of the metro," he said.

"The infighting has been a distraction but now we are back to resume our duties."

He said their party members had also returned to their political positions in the metro.

According to the notice, officials were asked to support the three councillors and assist them so that they can execute their duties.

Nqwazi could not be reached for comment.

The Herald air your views herald letters @arena.africa

IFP boots member who voted against DA speaker

Mawande AmaShabalala

Sbusiso Phalakthi has been fired as IFP councillor in the City of Johannesburg and member of the Gauteng provincial executive committee (PEC) of the party with immediate effect.

This comes after Phakathi joined those who supported the PAC motion of no confidence against the DA's Vasco da Gama as speaker which succeeded on August 31.

The IFP said this was against the party line since the party was part of the DA-led multiparty coalition government in the city.

Phakathi was charged with bringing the party into disrepute and subjected to a disciplinary hearing on Saturday.

"Mr Sbusiso Phakathi was found guilty of bringing the party into disrepute and defying a party mandate," the party said.

"He was thus recalled, with immediate effect, as a councillor in the City of Johannesburg and as a member of the IFP Gauteng PEC."

Phakathi is not the first to be axed for supporting the fall of Da Gama. ActionSA, which is also in bed with the DA, fired its councillor who was absent on the day of the council sitting that entertained the motion.

Three ACDP councillors were also subjected to disciplinary proceedings by their party for voting for the motion against Da Gama and the UIM has chopped its councillor.

The DA, ActionSA, COPE and the PA have claimed some councillors were paid by the ANC to vote against Da Gama, and ultimately against mayor Mpho Phalatse. — *TimesLIVE*

3. Comments by Directorates and Municipal Manager:

3.1 Acting Director: Corporate Services

Item noted

6.1 Acting Director: I & E:

Item supported

3.7 Director: PDT:

Noted

3.8 Director: Community Services

The item is supported.

3.9 Chief Financial Officer:

Item noted

3.10 Municipal Manager:

The item and recommendations are supported.

4. Financial implications:

None

5. Legal implications:

Council is advised that a by-law must be made by a decision taken by a municipal council with a supporting vote of a majority of its members.

Section 12 (3) of the Local Government: Municipal Systems Act 32 of 2000 (hereinafter referred to as the Act), as amended provides that no by-law may be passed by the Council unless all members of council have been given reasonable notice, and the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

Section 13 further provides that a by-law passed by a municipal must be published promptly in the Provincial Gazette, and when feasible, also in a local newspaper or in any other practical way to bring the contents of by-law to the attention of the local community, and takes effect when published or on a future date determined in or in terms of the law.

6. Recommendation

6.1 That Council approves the Kouga Local Municipality Wayleave By – Law.

6.2 That the approved Kouga Local Municipality Wayleave By- Law be advertised in the Government Gazette for promulgation.

Item prepared by the Acting Director: T Madatt: .....

Item approved by the Portfolio Councilor: .....

Item endorsed by the Municipal Manager:

ANNEXURE A

KOUGA MUNICIPALITY: WAYLEAVE BY-LAW

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Purpose:

A. To provide a regulatory authority for the application, construction, installation, implementation, and maintenance of fiber-optic and telecommunication infrastructure within the jurisdiction of the Kouga Local Municipality;
B. To provide a formalized structure for the application for municipal permits and licenses to commence work and reserve control over telecommunication infrastructure, installed or brought onto municipal land or infrastructure

C. To minimize damage to municipal infrastructure and services, and reduce the risk of injury and inconvenience caused to the community as a result of the construction or installation of fiber optic or telecommunication infrastructure installed or brought onto municipal land or infrastructure ; and
D. To prescribe punitive measures for non-compliance with this by-law.

Preamble:

WHEREAS section 156(1) of the Constitution of the Republic of South Africa, 1996 confers on municipalities the executive authority and right to administer local government matters set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution;

WHEREAS Part B of Schedule 4 to the Constitution lists municipal planning as a local government matter;

WHEREAS section 156(1) of the Constitution provides that the municipality has executive authority in respect of and has the right to administer the local government matters as listed in Part B of Schedule 4 of the Constitution.

WHEREAS section 156(2) of the Constitution empowers municipalities to make and administer laws for the effective administration of matters that it has the right to administer;

WHEREAS Parliament has enacted the Spatial Planning and Land Use Management Act, 2013(Act 16 of 2013), the Eastern Cape Provincial Legislature has enacted the Eastern Cape Provincial Spatial Development Framework, and the Kouga Municipality has adopted a Spatial Development Framework, which among other things set out principles which apply to the use and development of land;

WHEREAS the Kouga Local Municipality intends to regulate construction works pursuant to the development and maintenance of telecommunication infrastructure within its geographical area of jurisdiction

WHEREAS telecommunications service providers and the Kouga Local Municipality need to work in cooperation to ensure that fiber optic and telecommunication infrastructure development conforms with the applicable statutory requirements and realization of the municipality's duties to the community, as a local government authority,

AND WHEREAS the Electronic Communications Act no.36 of 2005 provides for the granting of licenses and new social obligations and makes provisions for the regulation of electronic communications services, electronic communication network services and broadcasting services.

AND NOW, THEREFORE, BE IT ENACTED by the Council of the Kouga Local Municipality, as follows:

CHAPTER 1: INTERPRETATION AND APPLICABILITY

1. Interpretation and definitions

In these by-laws, the following words shall have the following corresponding meaning:

"Applicant" means the person applying for a wayleave, who if granted will become the wayleave holder.

"**Backfilling**" refers to the replacement of the structural layers in the trench or excavation and includes the base, subbase, selected subgrade, and subgrade, but excludes the surfacing (see Reinstatement).

"Certificate of Completion" means the document issued by a suitably qualified Engineer as proof that Work in the public road reserves has been completed according to the specifications of this document.

"CIBD" means the Construction Industry Development Board established in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

"Contractor" means a natural person or juristic entity that undertakes to provide building materials, plans, drawings, labour, and perform construction services pursuant to the work described in the wayleave application.

"**Council**" means the Kouga Municipal Council established by Provincial Notice No. 6770 of 2000 dated 1 October 2000, as amended, or its successor in title, and any committee or person to which or whom an instruction has been given or any power, function or duty has been delegated or sub-delegated in terms of, or as contemplated in, section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

"Municipal Area" means the jurisdiction area of the Kouga Local municipality.

"Municipality" refers to the Kouga Local Municipality and includes the Council, any executive councilor, or committee established by the Municipality, or any employee thereof, or duly authorized agent thereof acting in connection with this By-Law by virtue of a power vested in the Municipality and delegated to such employee or agent.

''Municipal property'' means land, structures, conduits, or any other material objects fixed to or positioned on, in or under land owned by the Municipality, including but not limited to:

(a) roads and road reserves;

(b) pavements, curbs, pedestrian walks, and cycle paths;

(c) drainage facilities;

(d) underground ducts, pipes conduits and tunnels;

(e) poles, gantries, signs, and similar structures;

(f) other high sites such as water towers, buildings, masts, etc;

(g) municipal water and sewer lines;

(h) municipal utility facilities;

(i) municipal traffic signals and signs;

(j) street lighting poles and similar street installations including overhead cables;

(k) trees on the municipal property;

(l) land and buildings owned by the municipality; and

(m) any other structure owned by the municipality.

"Person" shall be interpreted to refer to either a natural person or a juristic person.

"Qualified Engineer" means a person registered as a Professional Engineer/ Technologist in terms of the Engineering Professions Act, 2000, who is registered with ECSA and appointed and funded by the Wayleave Holder to ensure compliance with the Conditions of Approval of the Wayleave.

"**Public Road Reserve**" means the full width of a public road and includes both the verge areas and the roadway.

"Reinstatement" refers to replacing the bituminous surfacing, paving blocks, or grass, as applicable, in the case of roads, footways, and verges.

"Service Agency" means any municipal department, other organ of state, public agency or company that utilizes municipal property to supply a public service.

"**Service Coordinator**" means the official appointed or otherwise delegated by the Council with the responsibility to carry out the administrative functions of receiving and processing applications for wayleaves, obtaining comments from the various internal and external service agencies, and following the decision by the Council, conveying this decision in writing to the applicant, namely to approve with conditions, or reject with reasons, any application, and to provide record- keeping of each application and installation, provided that this by-law will not be interpreted to prohibit the Council to delegate to the Service Coordinator the authority to decide on applications submitted in terms of this by-law.

"**Service Information**" means public service infrastructure positioned or installed above the ground, on the ground, and below the surface of municipal property, and includes electrical and gas infrastructure, road, stormwater, water infrastructure, sanitation services, environment facilities, or any other utilities or services.

"Site" means a property, which includes the area of any building, yard, courtyard, or garden on an erf and in relation to FAR, coverage and parking calculations, the whole of the area registered as an erf or other piece of land including the area of any servitude registered over such an erf or other piece of land.

"**Wayleave**" is an easement consisting of written approval and permission granted to carry out Work on Municipal Property. A Wayleave is issued by the responsible Service Coordinator. A Wayleave authorize a Fibre Network Operator or a Telecommunication Provider to construct and install telecommunications services on Municipal land; and
"**Work**" refers specifically to construction or maintenance work done by a Contractor in respect of a Wayleave.

2. Application

This By-law applies to every person who carries out work in a road reserve of a municipal road and includes an internal municipal department, an organ of state other than the Municipality, a service agency, and a contractor.

CHAPTER 2: WAYLEAVES

3. Application process for the undertaking of work on municipal property

(1) No person may undertake any work on municipal property unless that person has obtained a written wayleave approval from the Municipality before the undertaking of such work.

(2) An application for a wayleave shall be made to the Municipality on the prescribed wayleave application form and upon payment of the prescribed fee.

(3) The duly completed application form for a wayleave must be accompanied by –

(a) Confirmation of a written request made to the relevant department at the Municipality for Service Information at the geographical location where the work is intended to be undertaken;

(b) An acceptance of public liability and indemnification of the Municipality against all forms or risk pursuant to, or likely to result from, the undertaking of work described in the wayleave;

(c) Confirmation of public liability insurance cover by an approved registered financial services provider no older than 14 days from

the date of the application, in an amount determined by the Municipality, in its discretion, having regard to –

I. the nature and scope of the work,

II. the proximity to public roads and private property,

III. the risk of injury to the public, and

IV. any other relevant factor,

which insurance cover shall remain active for the duration of the work;

(d) A copy of the applicant company's registration documents depicting the current active directors or members (in the case of juristic persons), or a copy of the identity document of the applicant (in the case of natural persons);

(e) A resolution by the board of directors of the applicant, resolving that the applicant intends to apply for a wayleave to undertake the work and authorizing a named individual to sign the necessary documents on behalf of the applicant (in the case of juristic entities);

(f) Proof of the applicant's primary place of business (in the case of juristic entities), or place of residence (in the case of natural persons);

(g) The particulars of the appointed Contractor, with proof of the Contractor's Construction Industry Development Board (CIDB) registration;

(h) Proof that an environmental impact assessment as required in the National Environmental Management Act, 1998 (Act 107 of 1998) was undertaken, if applicable;

(i) An assessment of the health and safety risks to the public and the particulars, including the contact details, of the representative responsible for ensuring that health and safety guidelines are being adhered to;

(j) A detailed planning program for the work, including the commencement and completion dates for each phase of the work;

(k) A site layout plan, engineering plans, proposed building plans indicating proposed services dimensioned from either erf boundary or curb line, and details of proposed and existing services and structures;

(l) If the work is likely to have an impact on the flow of traffic, then a traffic control plan showing how vehicular and pedestrian traffic will be accommodated during the execution of the work; and

(m) Proof of payment of the applicable fees and tariffs.

4. Additional requirements for wayleave applications for telecommunication mast constructions and fibre-optic cable infrastructure installations

(1) Applications for the installation or construction of telecommunication masts infrastructure shall be accompanied, in addition to the items listed in section (3) above, by the following-

(a) A zoning certificate, if necessary;

(b) The site coordinates;

(c) A radiation frequency report by a qualified person and approved by ICASA;

(d) A copy of the title deed of the property on which the TMI is to be constructed or installed;

(e) A copy of the lease agreement, if the property is leased;

(f) Comments by the residents of the neighboring properties, if the TMI is to be constructed or installed in an urban area;

(g) Proof of authorization by the SA Aviation Authority, if necessary;

(h) Proof of authorization by the South African Heritage Resources Agency, if the intended telecommunication masts infrastructure is located next to Heritage sites;

(i) A zoning certificate, if necessary;

(j) A letter of consent by the School Governing Body, if constructed or installed on school property; and

(k) A letter of consent from the Tribal Authority, if constructed or installed on tribal land.

(2) Applications for the deployment of fiber-optic cable infrastructure shall be accompanied, in addition to the items listed in section (3) above, by the following -

(a) The applicant's ICASA Class Electronic Communication Network Services (CECNS) license;

(b) The applicant's ICASA Electronic Communication Services (ECS) license;

(c) Proof that the applicant has informed all active fibre network operator licensees of its wayleave application; and

(d) Proof of expertise and experience regarding the construction, maintenance, and operation of fiber-optic networks, if requested.

5. Wayleave approval, commencement of work, and post-work reporting

(1) The Municipality may, after receipt of an application, grant a wayleave on such conditions and with such directions as it may deem necessary, which may include:

a) A description of the work to be done, with or without limitations, and the required specifications as to its quality;

b) The timeframe within which work must be done;

c) The days and times during which any work or certain work-may or may not take place;

d) Geographical location of the work to be done;

e) The manner and method of doing any sub-surface work;

f) The provision of access crossings for vehicles and pedestrians;

g) Additional health and safety requirements;

h) A prohibition on the use of certain types of mechanical trenching equipment;

i) The display of signage by the wayleave holder, stating the name of the wayleave holder and its appointed Contractor, with contact details;

j) The phasing of the work program;

k) The provision of warning signs, barriers, and hoarding around the work;

l) The execution of any preliminary works and crosscuts to establish the precise position of existing services when information on such services is unclear;

m) The provision of storage for rubble, sand, or soil during the work;

n) The presence of a supervisor; or where necessary, a Professional Engineer, on the site of the work;

o) Further indemnification of the Municipality or specific insurance against appreciable risks associated with the work;

p) Specific conditions required by service agencies;

q) Reinstatement requirements; and

r) Payment of refundable security deposit or provision of a guarantee issued by a registered financial services provider for the duration of the work, equal to no less than 10 (ten) percent of the total estimated project value, as security for the risk of damage to municipal property or to rectify any unsatisfactory reinstatement.

(2) Before the commencement of work, but after the wayleave has been granted, the applicant must-

(a) Collect the wayleave from the Municipality, and the person collecting the wayleave shall provide proof of authority to collect the wayleave on behalf of the applicant, unless the person collecting the wayleave is positively identified as the applicant;

(b) At its own cost, give prior notice to residents, businesses, and other concerns in the path of or adjacent to the work, who are likely to be affected by the work, providing details of the extent, duration, and precise location of the intended work; and

(c) If applicable, provide a physical plan of the work including the intended placement of any wires, cables, pipes, tubes, or the like, and the coordinates of the beginning, end, and all bend points in between, in the electronic file format required by the Municipality from time to time.

(3) Upon completion of the work, the Municipality must be provided with-

(a) The Geographical Information System (GIS) coordinates of the installed infrastructure and electronic copies of the drawings of the work done;

(b) A signed confirmation by the Municipal official appointed as the Director of Infrastructure & Engineering, stating that the work was carried out to completion and is of a satisfactory standard; and

(c) A request for the refund of the deposit, if applicable, accompanied by the banking details on a company letterhead or a bank stamped bank statement.

6. General provisions in respect of executing work pursuant to a wayleave

(1) A wayleave holder shall commence work within 60 (sixty) days from the date of receiving the wayleave approval.

(2) Wayleaves are not transferable to third parties. Any person who attempts to sell or in any way transfer a wayleave to another party without the Municipality's prior written consent shall be guilty of an offense.

(3) A Wayleave approval will only be issued once all the requirements have been complied with and will be subject to any conditions imposed by the Municipality.

(4) Only the work determined in the wayleave granted by the Municipality in terms of subsection (1) may be undertaken by the holder of the

wayleave and it may only be undertaken at the location described in the wayleave.

(5) Should the project / proposed work exceed the time frames for which the wayleave is valid, the wayleave holder may make a request for an extension in writing to the Municipal official appointed as the Senior Manager: Infrastructure & Engineering.

(6) Where installed Telecommunication Infrastructure requires the supply of electricity, the Telecommunication Provider must apply to the Municipality for the installation of a metered electricity point, which consumption charges shall be billed monthly to the wayleave holder's account.

(7) The Municipality shall exercise its lien in terms of Section (12) of this by-law as security, should a wayleave holder default on electricity account payments.

7. Termination or suspension of a wayleave

(1) A wayleave may be suspended or terminated at any time by the Municipality if-

(a) the wayleave holder acts or has acted beyond the scope or in contravention of a condition to the wayleave or any provision of this by-law;

(b) the wayleave holder has failed to adhere to the predetermined timeframes due to its own willful misconduct or negligence, or the Contractor does not possess the necessary skill, expertise, or experience to carry out the work; or

(c) the work has been carried out in such a reckless or negligent manner that it has caused or is likely to cause injury to any person or undue burden on the flow of traffic that could and should otherwise have been avoided.

(2) Should the wayleave be suspended or terminated as contemplated in subsection (1) above, then the Municipality will, in its discretion, be entitled to:

(a) Direct that defective work be rectified by the wayleave holder before proceeding with any further construction;

(b) Undertake the completion of the work or request that a third party complete the work;

(c) Do remedial works to work done where the quality of the work is below the standards imposed by the municipality or any other applicable legislation;

(d) Recover the cost of such remedial work or the cost of completing the work from any security deposit paid to the municipality, or if such security deposit is insufficient, from the wayleave holder any amount necessary for the recovery of the reasonable costs incurred by the Municipality; and

(e) Reject any future applications submitted by the person whose wayleave was suspended or terminated.

8. Emergency repairs

(1) In the event that the Municipality undertakes any emergency repairs or maintenance to Service Information, and during the course of effecting such emergency repairs cause damage to any infrastructure, cables, conduits, pipes or electrical wiring of a private owner, then the Municipality shall be indemnified against liability by such private owner for losses incurred resulting from such damage, unless the damage was caused due to gross negligence or positive intent on the part of the Municipality's employees or duly authorized agents.

(2) In the event that a private owner of any infrastructure, cables, conduits, pipes or electrical wiring needs to perform emergency repairs or maintenance, the process prescribed in section (2) above may be waived by the Municipality, provided that: -

(a) The private owner was previously a wayleave holder;

(b) The tradesman or Contractor provides a certificate setting out the urgency, scope and nature of the repairs; and

(c) The Municipality is satisfied that the private owner or the public may likely suffer unnecessary and undue hardship should the requirements contained in section (2) not be waived.

CHAPTER 3: GENERAL PROVISIONS

9. Fees, Penalties, and Fines

(1) The municipality will publish from time to time, and make available upon request, tariffs prescribed by the council for any fees and levies payable in terms of this by-law.

(2) A wayleave Administration Fee will be applicable in terms of the Council Approved Tariff System. Payment of the Administrative fee must be made up front with submission of the Wayleave application, with all other fees payable upon wayleave approval.

(3) Any person who fails to comply with the conditions contained in a wayleave, or who constructs or excavates on any municipal property without being in possession of a valid wayleave shall be guilty of an offense.

(4) Any person who is convicted of an offense under this by-law is liable to –

(a) A fine;

(b) A period of imprisonment; or

(c) Both a fine and a period of imprisonment.

(5) When determining an appropriate sanction, every meter of trench excavated or cut exceeding five meters shall be an aggravating factor.

10. Municipality's *lien* over equipment to recover losses

The Municipality shall have a common law *lien* over all equipment installed, constructed, deployed on or below the surface of municipal property, which *lien* may be exercised by removing and selling any equipment on such property to recover a debt arising from non-payment of amounts owing to the Municipality for outstanding rates and taxes, electricity, fees, or any fines imposed due to a contravention of this by-law.

11. Appeals

Any person may appeal against any decision taken under this By-Law by giving written notice of the appeal in accordance with the provisions of section 62 of the Municipal Systems Act, 2000, as amended.

12. Short title and commencement

This By-law shall be known as the Kouga Municipality: Wayleave By-law, and shall come into operation on the date of publication thereof in the *Provincial Gazette*.

_____

REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/CS1**

REPORT ON ADOPTION AND IMPLEMENTATION OF THE FINAL DISTRICT FIRE SERVICES BY-LAW 2021

1. Introduction

The purpose of the report is to submit the approved and gazetted District Fire Services By – Law 2021 to the committee and request Council for the adoption and implementation thereof.

2. Background

During 2008/9 financial year, Sarah Baartman District Municipality (former Cacadu District Municipality) developed Community Fire Safety By-law for the District and its nine (9) Local Municipalities. During the 2020/21 financial year, the District Municipality in consultation with Local Municipalities through Disaster Management Advisory Forum and District Fire Coordinator's Forum agreed that Community Fire Safety By-Law was due for the review.

In terms of Section 156 (1) of the Constitution of the Republic of South Africa Act, 1996, a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.

Section 160(4) states that no by-law may be passed by a Municipal Council, unless –

a) all members of the Council have been given reasonable notice; and

b) the proposed by-law has been published for public comment

During the month of July 2021, a report on the Draft of SBDM Fire Services By-law was submitted to the Mayoral Committee for consideration and seeking Council approval to conduct public participation for the gazetting of such by-law.

Legislative provision:

Legislative procedures

12. (1) Only a member or committee of a municipal council may introduce a draft by-law in the council.

(2) A by-law must be made by a decision taken by a municipal council—

(*a*) in accordance with the rules and orders of the council; and

(*b*) with a supporting vote of a majority of its members.

(3) No by-law may be passed by a municipal council unless—

(a) all the members of the council have been given reasonable notice; and

(*b*) the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

(4) Subsections (1) to (3) also apply when a municipal council incorporates by reference, as by-laws, provisions of—

(*a*) legislation passed by another legislative organ of state: or

(*b*) standard draft by-laws made in terms of section 14.

3. <u>District Fire Services By-Law</u>

The purpose of this by-law is to establish and maintain a service for the area of jurisdiction of the municipality, to promote the achievement of a fire-safe environment for the benefit of all persons within the area of jurisdiction of the municipality and to provide for procedures, methods and practices to regulate fire safety within the area of jurisdiction of the municipality.

This by-law is promulgated by the Sarah Baartman District Municipality (SBDM) and may be applied by the local municipalities within the District by virtue of section 84(1)(j)(i) read with section 88 of the Local Government: Municipal Structures Act, 117 of 1998 which provides for the regulation of fire services for the district as a whole.

Sarah Baartman District Fire Services By-law once gazetted Provincially shall be applicable to all Local Municipalities within the Sarah Baartman District to standardise Fire Services throughout the District.

The tariffs are determined and set out in the Tariff Policy by each local municipality. All local municipalities must publish their list of tariffs annually.

4. <u>Process Undertaken for Fire Services By-law Public Participation</u>

On 25 August 2021, the Sarah Baartman District Council resolved to give notice to the public to allow for public comments to be provided on the Draft District Fire Services By-law 2021.

Public participation was conducted by the municipality i.e., consulting with the people, especially interested or affected individuals before finalization of the by-law. Due to Covid-19 Regulations and protocols, the process undertaken for public participation was as follows:

- Building of the District Fire Services By-law Portfolio of evidence.
- Fire Services By-law posted on the SBDM Website and Facebook page.
- Notification of Public Participation advertised on The Herald Newspaper.
- Distribution of District Fire Services By-law hard copies to all Local Municipal libraries as well as Municipal buildings for easily access to communities.
- SBDM Executive Mayor made a presentation on the Draft District Fire Services By-law to the interested and affected parties on a virtual session held on the 12th of October 2021.
- Comments and inputs from all interested and affected parties were directed to the Senior Manager: Disaster Management and Fire Chief Officers.
- Closing date for all comments and inputs was 24 November 2021.

5. Comments by Directorates:

5.1 Director: Community Services

Item supported.

5.2 Acting Director: Corporate & Digital Services

Item noted.

5.3 Acting Director: Infrastructure and Engineering

Item supported

5.4 Director: Planning, Development and Tourism

Item noted.

5.5 Chief Financial Officer

Report is noted.

5.6 Municipal Manager

The item and recommendations are supported.

6. Financial implications

None.

7. Legal implications

Should Council adopt the by-law the said by-law will be applicable within the jurisdictional area of the Kouga Municipality.

8. Recommendations

8.1 That the District Fire Services By-Law 2021 be adopted and implemented in the Kouga municipal area.

8.2 That the tariffs be determined accordingly to enforce the By-Law in Kouga Jurisdiction.

8.3 That Kouga Municipality publish the By-Law tariffs annually.

8.4 That the District Fire Services By-Law 2021 be placed on Kouga municipality's website.

8.5 That Councillors be workshopped on the District Fire Services By-Law 2021

Item prepared by: Manager: Fire and Disaster

Item approved by: Director Community Services

Item Endorsed by: The Municipal Manager

Item noted by: The Portfolio Chairperson

ANNEXURE "A"

Sarah Baartman
DISTRICT MUNICIPALITY
Province of the Eastern Cape
progress through development

SARAH BAARTMAN DISTRICT: FINAL FIRE SERVICES BY-LAW, 2021

Promulgated on:

SARAH BAARTMAN DISTRICT MUNICIPALITY

DISTRICT FIRE SERVICES BY-LAW

[MUNICIPALITY RESOLUTION:

[Date of Commencement: _____]

The objective of the bylaws is to enable the Sarah Baartman District Municipality to is to establish and maintain a service for the area of jurisdiction of the municipality, to promote the achievement of a fire-safe environment for the benefit of all persons within the area of jurisdiction of the municipality and to provide for procedures, methods and practices to regulate fire safety within the area of jurisdiction of the municipality

Under the provisions of section 156(2) of the Constitution of the Republic of South Africa, 1996 and sections 84((1)(j)(i) and 88 of the Local Government: Municipal Structures Act, 117 of 1998, the Sarah Baartman District Municipality, enacts as follows:-

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CHAPTER 1

DEFINITIONS AND INTERPRETATION OF THIS BY-LAW

1. Definitions and interpretation

In this by-law, words used in the masculine gender include the feminine, the singular includes the plural and *vice versa*, the English text prevails in the event of an inconsistency between the different texts and unless the context otherwise indicates –

“above ground storage tank” means a tank situated above ground for the storage of flammable substances as contemplated in SANS 10131 and SANS 10089 Part 1 and SANS 10087 Part 3;

“Act” means the Fire Brigade Services Act, 99 of 1987;

“agricultural holding” means a portion of land not less than 0,8 hectares in extent used solely or mainly for the purpose of agriculture, horticulture or for breeding or keeping domesticated animals, poultry or bees;

"animal" means any animal that is kept for domestic, breeding, research, agricultural, resale, veterinary treatment or animal welfare purposes within the area of the controlling authority;

“approved” means as approved by the municipality;

“automatic releasing hold-open device” means a device used to hold open a fire door and operates on the detection of a fire to close the fire door;

“basement” in relation to a building, means any part of the building which is below the level of the ground storey;

“boundary” means any lateral or street boundary of a site;

“building” means:-

(a) any structure, whether of a temporary or permanent nature and irrespective of the materials used in the construction thereof, erected or used for or in connection with:-
    (i) the accommodation or convenience of human beings or animals;
    (ii) the manufacture, processing, storage or sale of any goods;
    (iii) the rendering of any service;
    (iv) the destruction or treatment of combustible refuse or combustible waste;
    (v) the cultivation or growing of any plant or crop;
(b) any wall, swimming pool, reservoir or bridge or any other structure connected therewith;

(c) any fuel pump or any tank used in connection therewith;
(d) any part of a building, including a building as defined in paragraph (a) or (b;)
(e) any facilities or system, or part or portion thereof, within or outside but incidental to a building, for the provision of a water supply, drainage, sewerage, storm water disposal, electricity supply or other similar service in respect of the building;

"bund wall" means a containment wall surrounding an above ground storage tank, constructed of an impervious material and designed to contain 110% of the contents of the tank;

"certificate of compliance" means a certificate contemplated in section 37;

"chief fire officer" means the chief fire officer appointed by the municipality in terms of section 5 of the Fire Brigade Services Act and includes any person appointed as acting chief fire officer;

"class" means a class of petroleum product based on the following classification-

(a) Class O: liquefied petroleum gasses;
(b) Class I: liquids subdivided as follows:
    (i) Class IA: liquids which have a closed-cap flash point below 23°C and a boiling point below 35°C; and
    (ii) Class IB: liquids which have a closed-cap flash point below 23°C and a boiling point of 38°C or above;
    (iii) Class IC: liquids which have a closed-cap flash point of 23°C or above but below 38°C;
(c) Class II: liquids which have a closed-cap flash point of 38°C or above but below 60, °5C;
(d) Class IIIA: liquids which have a closed-cap flash point of 60,5°C or above but below 93°C; and
(e) Class IIIB: liquids which have a closed-cap flash point of 93°C or above;

"combustible liquid" means a liquid which has a close-cap flash point of 38°C or above;

"combustible material" means combustible refuse, combustible waste or any other material capable of igniting;

"combustible refuse" means combustible rubbish, litter or material that is discarded, refused, rejected, or considered worthless;

"combustible waste" means combustible waste material which is salvageable, retained or collected for scrap or reprocessing and may include all combustible fibres, hay, straw, hair, feathers, down, wood shavings, turnings, all types of paper products, soiled cloth trimmings

and cuttings, rubber trimmings and buffing, metal filings, and any mixture of the above items, or any other salvageable combustible waste material;

“competent person” means a person who is qualified by virtue of his or her experience and training;

"control room” means a room on any premises which is equipped and used to co-ordinate and control an emergency in or on designated premises;

“Constitution” means the Constitution of the Republic of South Africa, 1996;

“Criminal Procedure Act” means the Criminal Procedure Act, 51 of 1977;

“dangerous goods” means any flammable gas, flammable liquid or flammable solid as contemplated in SANS 0228;

"designated premises" means any premises designated and registered as such by the municipality and which is required to have an emergency evacuation plan as contemplated in section 34 of this by-law;

“dwelling” means a single dwelling unit situated on its own site, including any motor vehicle garage and other domestic outbuildings on that site;

“dump” means to abandon or discard any hazardous substance by depositing, discharging, spilling or releasing it and “**dumping site**” carries a corresponding meaning;

“emergency” means any incident or eventuality which seriously endangers or may endanger any person or property;

“emergency evacuation plan” means an emergency evacuation plan contemplated in section 34;

“emergency route” means that part of any escape route which-
(a) protects the occupiers of any building from fire; and
(b) leads to an escape door;

"enclosed place" in respect of domestic animals means any kraal, cage, camp or similar enclosure where domestic animals are kept or exercised;

“escape door” means any door at the end of an emergency route and includes any door providing entrance to, or exit from, a building;

“escape route” means the entire path of travel, measured from an escape door to the furthest point in any room in a building;

“explosives” means explosives as defined in section 1 of the Explosives Act, 26 of 1956 and the regulations promulgated there under;

“Explosives Act” means the Explosives Act, 26 of 1956, and any regulations made under that Act;

“extinguishing stream” means the amount of water that the municipality needs to extinguish a fire;

“feeder route” means that part of an escape route which allows travel in two different directions to the access doors of at least two emergency routes;

“Fire Brigade Services Act” means the Fire Brigade Services Act, 99 of 1987 as amended, and any regulations made under that Act;

“fire damper” means an automatic damper, including its assembly, which complies with the requirements of SANS 193;

“fire door” means an automatic or self-closing door or shutter assembly especially constructed to prevent the passage of fire for a specific length of time;

“fire extinguisher” means a portable or mobile rechargeable container which has a fire extinguishing substance that is expelled by the action of internal pressure for the purposes of extinguishing a fire;

“firefighting equipment” means any portable or mobile fire extinguisher, hose reel or fire hydrant;

“fire hazard” means any situation, process, material or condition which may cause a fire or explosion or provide a ready fuel supply to increase the spread or intensity of the fire or explosion and which poses a threat to life or property;

“fire installation” means any water installation which conveys water solely for the purposes of firefighting;

“fire protection installation” means any device or system designed and installed to –

(a) detect, control or extinguish a fire, or
(b) alert occupants or the fire service, or both, to a fire;
but excludes portable and mobile fire extinguishers;

"fire risk category" means the definition of the risk profile of any sub-area within the area of the controlling authority as provided for in SANS 10090 and includes:

Category A: Central business districts and extensive commercial and industrial areas normally found in cities and large towns (areas where the risk to life and property are likely to be high due to fire occurrence and spread).

Category B: Limited central business districts, smaller commercial or industrial areas normally associated with small towns and decentralised areas of cities and large towns (areas where the risk to life and property is likely to be moderate due to fire occurrence and spread).

Category C: Residential areas of conventional construction.

Category D: Rural risks of limited buildings and remote from urban areas.

Category E: Special risks. Individual risks requiring a pre-determined attendance over and above the predominant risk category in an area; Includes large shopping/entertainment centres, informal settlements, harbours, hospitals, prisons, large airport buildings, high-rise buildings and petrochemical plants.
NOTE: High-rise buildings are an integral part of central business districts and would therefore be included in Category A. Buildings with major fire safety or other risk implications may, however, be classed as special risks;

"flammable gas" means a gas which at 20°C and a standard pressure of 101,3 kilopascals –

(a) is ignitable when in a mixture of 13% or less by volume with air; or
(b) has a flammable range with air of at least 12%, regardless of the lower flammable limit;

"flammable liquid" means a liquid or combustible liquid which has a closed-cap flash point of 93°C or below;

"flammable solid" as contemplated in SANS10228, means a solid that is easily ignited by external sources, such as sparks and flames, solids that are readily combustible, solids that are liable to cause, or contribute to, a fire through friction or solids that are desensitised (wetted) explosives that can explode if not diluted sufficiently;

"flammable store" means a store that is used for the storage of flammable liquids and solids, and complies with the criteria set out in Chapter 6 of this by-law;

"flammable substance" means any flammable or combustible solids or liquids or flammable gas;

"Group I, II, III, V, VI, VIII and IX hazardous substances" means Group I, II, III, V, VI, VIII and IX hazardous substances, as the case may be, as contemplated in the Hazardous Substances Act;

“hazardous substance” means any hazardous substance contemplated in the Hazardous Substances Act;

“Hazardous Substances Act” means the Hazardous Substances Act, 15 of 1973, and any regulations made under that Act;

“Land Survey Act” means the Land Survey Act, 8 of 1997;

“liquefied petroleum gas” means a mixture of light hydrocarbons (predominantly propane, butane) that is gaseous under conditions of ambient temperature and pressure and that is maintained in a liquid state by an increase of pressure or lowering of temperature;

“municipal manager” means a person appointed in terms of section 54A of the Municipal Systems Act, or his nominee;

"**municipality**" means Sarah Baartman District Municipality and any of the local municipalities within the area of the Sarah Baartman District Municipality, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorised agent or any employee acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 32 of 2000;

“member” means a member of the Service and includes the chief fire officer;

“National Archives and Record Service of South Africa Act” means the National Archives and Record Service of South Africa Act, 43 of 1996;

“National Building Regulations” means the National Building Regulations and Building Standards Act, 103 of 1977, and any regulations made under that Act;

“National Road Traffic Act” means the National Road Traffic Act, 93 of 1996, and any regulations made under that Act;

“Occupational Health and Safety Act” means the Occupational Health and Safety Act, 85 of 1993 and the regulations promulgated thereunder;

“occupier” means any person who occupies or has control over any premises;

'owner' has its common law meaning and includes-

(a) a lessee or other person who controls the land in question in terms of a contract, testamentary document, law or order of a High Court;
(b) in relation to land controlled by a community, the executive body of the community in terms of its constitution or any law or custom;
(c) in relation to State land not controlled by a person contemplated in paragraph (a) or a community-
    (i) the Minister of the Government department or the member of the executive council of the provincial administration exercising control over that State land; or
    (ii) a person authorised by him or her; and
(c) in relation to a municipality, the municipal manager of the municipality or a person authorised by him or her;

"permit" means a permit contemplated in section 51;

"person in charge" means:–

(a) in relation to premises, either a natural or juristic person who is permanently or temporarily responsible for the management, maintenance or utilisation of the premises;
(b) in relation to a building, either a natural or juristic person who is permanently or temporarily responsible for the management, maintenance or utilisation of the building;
(c) in relation to an installation, either a natural or juristic person who is permanently or temporarily responsible for the management or utilisation of the installation; provided that such a person is not the person mentioned in (a); and
(d) in the event of the chief fire officer being unable to determine the identity of a person mentioned in (a), (b) and (c), any person who is in the opinion of the chief fire officer deemed to be in charge of such premises, building or installation;

"Promotion of Access to Information Act" means the Promotion of Access to Information Act, 2 of 2000;

"prescribed" means as determined by the municipality;

"premises" means any land, building, terrain, road, construction or structure or part thereof and includes any train, boat, aircraft or other vehicle;

"prescribed fee" means a fee determined by the municipality by resolution in terms of section 75A of the Municipal Systems Act, or any other applicable legislation;

"public gathering" includes any gathering by members of the public-
(a) to view any theatrical or operatic performances, orchestral or choral recitals or cinematic-graphic screenings; or

(b) to attend, practice or participate in any indoor sports activity, dance, physical activity or other recreational activity;

"public place" means any square, park, recreation ground, beach, sports ground, sanitary lane or open space which has –

(a) been provided, reserved or set apart for use by the public or at any time been dedicated to the public;
(b) been used by the public without interruption for a period of at least thirty years; or
(c) at any time been declared or rendered such by the municipality or other competent authority;

"registered premises" means any premises in respect of which a permit has been issued;

"SANS" means the South African National Standards contemplated in section 24 of the Standards Act, 8 of 2008, and SANS followed by any number means a reference to a SANS code of practice, specification or standard of the corresponding number;

"service" means the Fire Brigade Service established and maintained by the municipality as contemplated in section 4;

"service installation" means any automatic fire-extinguishing installation, fire pump connector, fire pump, emergency power or stand-by generator, fire detection, locating or alarm system, emergency lighting or evacuation communication system, mechanical ventilation system, pressure regulation system, smoke ventilation system, hoist, symbolic safety sign and smoke or fire door assembly;

"spray" means to spray, coat, plate or epoxy-coat with any hazardous substance and "spraying" has a corresponding meaning;

"spraying permit" means a permit contemplated in section 91;

"spraying room" means a room contemplated in section 90;

"State" means: -
(a) any department of state or administration in the national, provincial or local sphere of government, or
(b) any other functionary or institution -
    (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution; or
    (ii) exercising a public power or performing a public function in terms of any legislation, but does not include a court or judicial officer;

“storage vessel” means a pressure vessel as defined in the Regulations for Pressure Vessels made under the Occupational Health and Safety Act;

“store room” means a room for storage of flammable substances contemplated in section 65;

“street” means any street, road, cycle path, thoroughfare or any other place, including –

(a) the verge of any such road, street or thoroughfare;
(b) any footpath, sidewalk or similar pedestrian portion of a road reserve;
(c) any bridge, ferry or drift traversed by any such road, street or thoroughfare;
(d) any other object belonging to such road, street or thoroughfare, which has at any time been –
    (i) dedicated to the public;
    (ii) used without interruption by the public for a period of at least thirty years;
    (iii) declared or rendered such by the municipality or other competent authority, or
    (iv) constructed by a local authority, and
    (v) any land, with or without buildings or structures thereon, which is shown as a street on –
        (aa) any plan of subdivision or diagram approved by the municipality or other competent authority and acted upon, or
        (bb) any general plan, as defined in the Land Survey Act, registered or filed in a deeds registry or Surveyor General’s office, unless such land is on such plan or diagram described as a private street;

“this by-law” includes the Schedules published in terms of this by-law;

“summary abate” means to immediately judge a condition to be a fire hazard or other threatening danger to life or property and to order immediate correction of such condition;

“underground tank” means any tank used or intended to be used for the storage of any flammable liquid and which is wholly sunk into and below the surface of the ground;

“vegetation” includes grass, weeds, leaves, shrubs and trees; and

“vehicle” includes a trailer or semi-trailer which-

(a) has at least 4 wheels with independent axles and suspension systems; and
(b) can be hitched to a truck-tractor or any other motor vehicle contemplated in the National Road Traffic Act.

CHAPTER 2

PURPOSE AND APPLICATION OF BY-LAW

2. Purpose of by-law

The purpose of this by-law is to establish and maintain a service for the area of jurisdiction of the municipality, to promote the achievement of a fire-safe environment for the benefit of all persons within the area of jurisdiction of the municipality and to provide for procedures, methods and practices to regulate fire safety within the area of jurisdiction of the municipality.

3. Application of by-law

(1) This by-law is applicable to all persons within the area of jurisdiction of the municipality and includes both formal and informal sectors of the community and economy.

(2) This by-law is promulgated by the Sarah Baartman District Municipality and may be applied by the local municipalities within the area of Sarah Baartman District Municipality by virtue of section 84((1)(j)(i) of the Local Government, Municipal Structures Act, 117 of 1998 which provides for the regulation of fire services for the district as a whole, and supplemented by section 88 of the Local Government, Municipal Structures Act, 117 of 1998.

(3) Notwithstanding the provisions in either the Hazardous Substances Act or the Occupational Health and Safety Act**,** and in addition to any other applicable national or provincial law, this by-law regulates flammable substances in the area of jurisdiction of the municipality to prevent and reduce fire hazards or other threatening dangers.

(4) The municipality may, in terms of an agreement as contemplated in section 12 of the Act, and the payment of tariffs in accordance with the municipality's tariff policy or as contemplated in this by-law, be employed outside the area of jurisdiction of the municipality.

(5) If any provision in this by-law vests or imposes any power, function or duty of the municipality in or on an employee of the municipality and such power, function or duty has in terms of section 81(2) of the Municipal Systems Act, or any other law been assigned to a service provider, the reference in such provision to such employee must be read as a reference to the municipality's service provider or, where applicable, an employee of the service provider authorized by it.

_____

1. The following Local Municipalities are within the Sarah Baartman District: Blue Crane Route, Dr Beyers Naude, Makana, Ndlambe, Sundays River Valley, Kouga and Koukamma.

CHAPTER 3

ESTABLISHMENT OF A FIRE BRIGADE SERVICE

4. Establishment and maintenance of service

(1) A service for the area of jurisdiction of the municipality is established as contemplated in section 3(1) of the Fire Brigade Services Act, read with section 156(1)(a) and Part B of Schedule 4 of the Constitution.

(2) The municipality must maintain the Service, which includes -
- (a) appointing a chief fire officer and the necessary members of the Service;
- (b) ensuring that such officer and members are properly trained; and
- (c) acquiring and maintaining the necessary vehicles, machinery, equipment, devices and accessories to ensure that the Service is effective and able to fulfil its objects.

5. Objectives of the Service

(1) The objects of the Service are –
- (a) to prevent the outbreak or spread of a fire;
- (b) to fight and extinguish any fire that endangers any person or property;
- (c) to protect any person or property against any fire or other danger as contemplated in this by-law;
- (d) to rescue any person or property from any fire or other danger as contemplated in this by-law; or
- (e) to perform any other function connected with any of the matters referred to in subsection (a) to (d).

(2) The Service may provide any service related to its objectives to any other person.

(3) Any service contemplated in subsection (2) may, at the discretion of the chief fire officer, be terminated without notice if the municipality's equipment or members involved in providing that service are required to deal with an emergency, fire hazard or other threatening danger.

6. Reporting a fire hazard and other threatening danger

(1) An owner or the person in charge of premises, upon discovering any evidence of a fire hazard or other threatening danger as contemplated in this by-law, must immediately notify the Service.

(2) An owner or the person in charge of premises must provide all details pertaining to the incident as contemplated in subsection (1), to the Service as requested.

(3) Any person who contravenes subsections (1) and (2) commits an offence.

7. Administration and enforcement

(1) The chief fire officer is responsible for the administration and enforcement of this by-law.

(2) Where no chief fire officer has been appointed, or where no acting chief fire officer has been appointed by the municipal manager as contemplated in section 9(3), the municipal manager is responsible for the administration and enforcement of this by-law.

8. Delegation

(1) The chief fire officer may delegate any power granted to him in terms of this by-law as contemplated in section 19 of the Act or in accordance with the system of delegation of the municipality developed in terms of section 59 of the Municipal Systems Act.

(2) A municipal manager may delegate any power granted to him in terms of this by-law in accordance with the system of delegation of the municipality developed in terms of section 59 of the Municipal Systems Act.

9. Chief fire officer

(1) The chief fire officer has the powers as contemplated in sections 8(1) and 8(2) of the Act, and must also -

(a) make or implement such general orders, procedures, rules and such other measures as he may consider necessary for the proper administration and enforcement of this by-law; provided that the making or implementation of such general orders, procedures, rules and such other measures are not inconsistent with the provisions of this by-law or any other by-law or policy of the municipality;
(b) ensure that contact numbers in respect of the Service are made available to the public and other institutions or organisations;
(c) inform the municipal manager of operational requirements for the structuring of the Service.

(2) Notwithstanding anything to the contrary contained in any other law, the chief fire officer has the authority to investigate the cause, origin and circumstances of any fire or other threatening danger.

(3) Whenever the chief fire officer is for any reason unable to perform his duties of office, the municipal manager must appoint a suitably qualified member of the Service as acting chief fire officer to perform the duties and functions of the chief fire officer.

10. Instructions by members of service

(1) In addition to any powers as contemplated in section 8 of the Act, a member may give any instruction to any person in order to secure compliance with this by-law or to ensure the safety of any person or property.

(2) An instruction may be given orally or in writing and if the instruction is given orally, the member must confirm it in writing and give it to the person concerned at the earliest opportunity.

(3) An instruction contemplated in subsection (1) may include, but is not limited to an instruction –

(a) for the immediate evacuation of any premises;
(b) to close or barricade any premises, or part thereof, until such time as any contravention of this by-law has been rectified;
(c) to cease any activity;
(d) to remove any immediate threat to the safety of any person or property;
(e) to take specified steps to comply with this by-law, either immediately or within a specified period; and
(f) if it is not reasonable for steps referred to in paragraph (e) to be taken immediately for the owner or person in charge of the premises concerned, to provide the chief fire officer with a written description of the steps to be taken and a time-table for the taking of these steps in order to ensure compliance with this by-law.

(4) Any person who contravenes subsection (3) commits an offence.

11. Pretending to be member of service prohibited

(1) No person may pretend to be a member.

(2) No person who is not a member may wear any official clothing, uniform, badge or insignia of the Service.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

12. Identification of members of service

(1) The chief fire officer must provide each member with a document identifying that person as a member.

(2) A member, while performing any function or exercising any power as contemplated in this by-law must –

(a) keep the identification document provided in terms of subsection (1), on his person; and
(b) produce it for inspection on request by any person.

13. Wearing of uniform and insignia

(1) The chief fire officer and every member of the Service must wear the uniform, rank markings and insignia of the Service as prescribed.

(2) Uniforms, rank markings and insignia as contemplated in subsection (1) must be issued to the chief fire officer and members of the Service in accordance with the conditions of employment of the municipality or as agreed collectively.

14. Driving of service vehicles

(1) A member may, with the written authority of the chief fire officer and as directed in the exercise of his or her duties, drive a Service vehicle if he or she is in possession of a valid driving licence for the code of vehicle in question.

(2) A member, who is duly authorised to do so, as contemplated in subsection (1), must drive a Service vehicle in accordance with the provisions of the National Road Traffic Act, and any regulations made under the Act.

(3) Any member who fails to comply with the provisions of this section is guilty of an offence.

15. Duties and orders during emergencies

(1) The chief fire officer or a member in charge of an emergency, including one attended to in terms of an agreement must, in respect of every such emergency, ensure that-

(a) sufficient manpower and the appropriate apparatus and equipment are made available, deployed and are used without delay;
(b) the emergency is immediately assessed upon arrival and additional resources or assistance that he may deem necessary, are called for without delay.
(c) all pertinent information, including information about places and times and relevant particulars, is recorded during the emergency or as soon as possible after the emergency, and that the recorded information is preserved in accordance with the provisions of the National Archives and Record Service of South Africa Act, and any regulations made under the Act.

(2) Any person or body, including any State department as contemplated in section 17 of the Act, the South African Police Service, and the Department of Justice who wishes to inspect any information referred to in subsection (1)(c) must send a motivated request in writing to the chief fire officer along with the prescribed fees.

(3) Any press or media release concerning the Service, emergencies or any matter in relation thereto must be in accordance with the policy guidelines determined by the municipality.

16. Right of access to buildings and premises and issue of instructions

(1) The chief fire officer or a member may, in executing the powers delegated in terms of this by-law or any other legislation, enter any premises at any reasonable time to conduct inspections in order to determine the existence of a fire hazard or compliance with any applicable legislation relating to fire safety on such premises.

(2) Should any fire hazard or condition of non-compliance contemplated in subsection (1) exist, such member may serve a written instruction on the owner or occupier of such premises and such notice shall incorporate such directives or requirements that are necessary to abate the condition, which instruction must determine a deadline for compliance.

(3) Whenever any condition that may increase the risk of fire or which may pose a threat to life or property exists on any premises and such condition cannot be immediately rectified, or if costs need to be incurred to rectify such condition, the owner of the premises must, after receiving any written instruction referred to in subsection (2), inform the chief fire officer forthwith, in writing, of the measures which he or she intends taking to remedy the condition and provide a programme and deadline to the chief fire officer for approval.

(4) The chief fire officer may approve the proposed measures and deadline with or without amendments and may give further instructions for compliance with the proposed or required measures.

(5) Any person who fails to comply with a written instruction referred to in this section is guilty of an offence.

17. Interference with the Service

(1) No person may interfere with, prevent, obstruct or hinder the chief fire officer, municipal manager or any member in the execution of his duties as contemplated in this by-law or the Act.

(2) Any person who contravenes subsection (1) commits an offence.

18. Furnishing of false information

(1) No person may wilfully give any member of the Service any notice, or furnish any information regarding an outbreak of fire, or any other emergency requiring the attendance of the Service, and which, to his knowledge, is false or inaccurate.

(2) Any person who contravenes subsection (1) commits an offence.

19. Denial, suspension or revocation of an approval or a permit

(1) The chief fire officer may refuse, suspend or revoke an approval or a permit required by this by-law for –

(a) failure to meet the requirements of this by-law for the issue of the approval or permit; or
(b) non-compliance with the provisions of the approval or permit.

20. Records required, access to records and release of media statements

(1) The safekeeping of all relevant records and documents pertaining to the Service in accordance with the provisions of the National Archives and Record Service of South Africa Act is the responsibility of the municipal manager.

(2) A request for access to a record held for the purpose or with regard to the exercise of a power or the performance of a function in respect of the Service must be made in accordance with the provisions of the Promotion of Access to Information Act.

(3) Media statements regarding the Service must be released as prescribed in terms of the communication strategy of the municipality.

21. Failure to comply with provisions

(1) When the chief fire officer finds that there is non-compliance with the provisions of this by-law, excluding the situation in section 16(2), a written notice must be issued and include the following –

(a) confirmation of the findings;
(b) provisions of this by-law that are being contravened;
(c) the remedial action required; and
(d) a time for compliance.

(2) An order or notice issued under this by-law must be served either by personal delivery or registered mail upon a person who is in the opinion of the chief fire officer, deemed to be the appropriate person.

(3) For unattended or abandoned premises, a copy of such order or notice must be posted on the premises in a conspicuous place at or near the entrance to such premises and the order or notice must be mailed by registered mail, to the last known address of the owner, the person in charge of the premises or both.

22. Payment for services

(1) The municipality may charge the fees payable in terms of its Tariff Policy by a person on whose behalf the municipality rendered any service as contemplated in this by-law.

(2) The municipality may charge a prescribed fee for the provision of an inspection, re-inspection or any other service, including the approval or issuing of permits or certificates as contemplated in this by-law.

(3) Any cost incurred by the municipality for any action necessary to prevent a fire hazard, accident or other threatening danger shall be considered a fee payable by a person for services rendered as contemplated in subsection (1).

(4) Any costs incurred by the municipality in connection with the examination or analysis of any sample taken from any premises for the purposes of this by-law, and a report on such analysis by an institution accredited by the chief fire officer for that purpose may be recovered from the owner or person in charge of the premises if such owner or person in charge is not in compliance with this by-law regarding the substance concerned.

(5) Notwithstanding the provisions of subsection (1), the chief fire officer may assess the aggregate of charges as contemplated in subsection (1) or any portion thereof, provided that such portion shall not be less than ninety percent of the aggregate of the charges that would have been payable; provided further that in assessing such charges or portion thereof, due regard, in addition to other factors, be given to:

(a) the fact that the amount so assessed shall be commensurate with the services rendered;
(b) the manner, place and origin of fire or other emergency;
(c) the loss that might have been caused by the fire or other emergency to the person liable to pay the charges, if the services had not been rendered.

(6) Where charges are assessed in terms of paragraph (a) and the person liable to pay such charges is aggrieved by or is with such assessment, he may lodge a written appeal in terms of section 99 of this by-law.

CHAPTER 4

FIRE PROTECTION

Part A: Fire protection for buildings and premises

23. General provisions

The chief fire officer must in terms of sections 16(3) and 21(1) of this by-law abate a contravention of the National Building Regulations relating to fire and safety of buildings and premises.

24. Design and construction of buildings

(1) Subject to the provisions of subsection (3), every owner of a building, excluding a dwelling, must ensure that it is designed and constructed in a manner that –

(a) if any water resulting from fire-extinguishing activities should spill into a basement, such water is discharged directly into a storm water drain; and
(b) it complies with the requirements of SANS 10400 (Parts A, J, K, M, N, O, S, T, V and W) insofar as it relates to fire protection.

(2) Subject to the provisions of subsection (3), every owner of a building equipped with a transformer room must ensure that -

(a) the transformer room is situated on the ground level;
(b) access to the transformer room is from outside the building; and
(c) there is adequate and ready access to the transformer room for firefighting and maintenance activities.

(3) Subsections (1) and (2) do not apply in respect of any building that exists at the commencement of this by-law.

(4) Any person who contravenes subsections (1) and (2) or Parts A, J, K, M, N, O, S, T, V or W of SANS 10400 in so far as it relates to fire protection, commits an offence.

25. Requirements for sprinkler systems

(1) If a sprinkler system is required in any building in accordance with SANS 10400, or if the chief fire officer so requires, the owner or person in charge of the premises must ensure that the building is equipped with a sprinkler system.

(2) Every person who designs, constructs or installs a sprinkler system must ensure that it is designed, constructed and installed -

(a) in accordance with SANS 10287; and
(b) in compliance with the requirements of SANS 10400 insofar as it relates to fire protection.

(3) Any person who contravenes subsections (1) and (2) commits an offence.

26. Requirements for extractor fan systems

(1) Every person who designs, constructs or installs an extractor fan system, any related ducts or any similar chimney system and every owner or person in charge of the building in which such a system is installed, must ensure that –

(a) it is designed, constructed and installed in a manner that provides for clearly demarcated, adequate and easy access for inspection, maintenance and repairs; and
(b) the conduit and outlet of any such system is installed in a manner that does not result in a fire hazard to any person or property.

(2) Every owner or person in charge of a building in which an extractor fan system, any related ducts or any similar chimney system has been installed, must ensure that every filter, fire damper, screen or conduit forming an integral part of the system is regularly inspected, cleaned and maintained to ensure that fatty residues or any other combustible residues do not accumulate.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

27. Requirements for emergency exits

(1) Every owner of a building must ensure that any escape door in that building –
(a) is fitted with hinges that open in the direction of escape; and
(b) is equipped with a fail-safe locking device or devices that do not require a key in order to exit.

(2) Every owner of a building must ensure that any door in a feeder route –
(a) is a double swing-type door;
(b) is not equipped with any locking mechanism.

(3) No person may obstruct or allow the obstruction of any escape route from any premises that may prevent or hinder the escape of any person or animal from the premises in an emergency.

(4) Any escape route must be clearly indicated with signage, which complies with SANS 1186, indicating the direction of travel in the event of fire or any other emergency.

(5) Any person who contravenes subsections (1), (2), (3) or (4) commits an offence.

28. Requirement regarding fire doors and assemblies

(1) Subject to the provisions of SANS 1253, a fire door and assembly must be maintained in such a manner that in the event of a fire it retains its integrity, insulation and stability for the time period required for that particular class of door.

(2) A fire door may be kept open, only when it is equipped with an automatic releasing hold-open device approved by the chief fire officer.

(1) A fire door and assembly may not be rendered less effective through the following actions –

(a) altering the integrity, insulation or stability of a particular class of door;
(b) disconnecting the self-closing mechanism;
(c) wedging, blocking or obstructing the door so that it cannot close;
(d) painting the fusible link actuating mechanism of a door;
(e) disconnecting or rendering less effective an electric or electronic release mechanism, or
(f) any other action that renders a fire door or assembly less effective.

(2) Any person who contravenes subsections (1), (2) or (3) commits an offence.

29. Design, identification and access for firefighting and rescue purposes

(1) Subject to the requirements of any applicable zoning scheme regulations or the conditions of establishment of any township, every person who plans, designs or constructs a building, excluding a dwelling, must ensure that the premises on which the building is situated, are planned, designed and constructed to –

(a) permit vehicles with a carrying capacity of at least 20 metric tons; and
(b) provide any entrance arch to the premises with an opening with dimensions at least 4 metres wide x 4.5 metres high, unless there is an alternative and easy access route to the premises of at least the same dimensions; and
(c) for a vehicle turning circle of at least 12.5 metres in diameter.

(2) Any person who contravenes or fails to comply with subsection (1) commits an offence.

30. Accessibility of firefighting equipment and fire installations

(1) Any firefighting equipment or fire protection installations installed on any premises must be accessible to the Service at all times.

(2) Any person, who causes or permits any firefighting equipment or fire protection installations to be obstructed or impedes such accessibility or operation, commits an offence.

31. Fire protection for thatch roof structures

(1) Any thatch roof construction with a span not exceeding 6 metres and which is supported by structural walls must comply with the provisions of SANS 10407.

(2) A rational design must be provided for any thatch roof construction with a span exceeding 6 metres or where such construction is not supported by structural walls.

(3) Where a new or replacement thatch structure is to be constructed for any building, the following must be incorporated into the design and construction of such thatch roof:

(a) The thatch density may not be less than 35 to 50 kg/m^2 for a thickness of 175mm to 200mm;
(b) Sisal binding twine must be used;
(c) Construction of any thatch roof must be sound, and all materials used therein must be of good quality;
(d) Where electrical wiring passes through the roof space of any thatch roof, all wiring must be run in continuous conduit and all junction boxes must be properly sealed;
(e) Where, in the opinion of the chief fire officer, the risk of lightning may pose a hazard, he may direct that certain occupancies, as he may determine, be protected by the installation of lightning conductors in accordance with SANS 10313;
(f) All wooden components and all exposed surfaces of thatch must be treated with an approved fire retardant and the thatching must be rodent proofed;
(g) Upon completion of any thatch construction, the owner must provide the chief fire officer with written certification of compliance with all of the provisions of this subsection.

(4) Where, in the opinion of the chief fire officer, any fire in a thatched building will pose an unacceptable risk to any adjacent buildings or property or where its location will result in an increased risk from an external fire, the chief fire officer may prescribe the installation of a sprinkler or drencher system, provided that such system must automatic in operation.

(5) Any chimney passing through a thatch roof must be constructed so that:

(a) only full 220mm bricks are used and laid so that the unexposed faces in contact with thatch do not be become hot;
(b) all joints and spaces are properly filled with mortar;
(c) no wooden building component or decoration is built into or through any chimney;
(d) the top of any chimney stack must extend at least 1 metre above the highest point of the roof;
(e) a spark arrestor comprising a stainless-steel wire mesh measuring 10 x10 x 1mm across the full width of the flue be fitted not less than 750mm from the top of the stack**.**

(6) Any person who contravenes subsections (1) to (5) commits an offence.

Part B: Firefighting equipment

32. Installation and maintenance of firefighting equipment

(1) Every owner of a building must ensure that–

(a) all firefighting equipment and service installations on the premises are installed in a manner and condition ready for use in an emergency;

(b) all portable and mobile fire-extinguishers and all hose reels on the premises are serviced and maintained in accordance with SANS 10105 and SANS 1475; and

(c) all firefighting equipment and service installations on the premises are –

(i) maintained in a good working condition by a competent person;
(ii) inspected and serviced in accordance with manufacturer specifications; and
(iii) are inspected by an appropriately registered and competent person at least once every 12 months; and

(d) a comprehensive service record of all firefighting equipment and service installations on the premises is maintained and furnished to the chief fire officer every 12 months or as otherwise directed.

(2) Every person who inspects, services or repairs any firefighting equipment or service installation must–

(a) on completing the inspection, service or repairs, as the case may be –
(i) certify in writing that the equipment or installation concerned is fully functional; and

(ii) furnish that certificate to the owner of the premises; or
(b) if the equipment or installation cannot readily be repaired to a functional state, notify the chief fire officer of this fact in writing without delay.

(3) Except for purposes of inspection, service, repair or firefighting, no person may remove or interfere with any firefighting equipment or service installation at any premises.

(4) No person may alter, damage, misuse or render ineffective any firefighting equipment or service installation at any premises.

(5) Any person who contravenes subsections (1), (2), (3) or (4) commits an offence.

33. Fire alarms and fire hydrants

(1) Without compensation to the owner of the premises concerned, the chief fire officer may cause: -

(a) a fire alarm;
(b) a transmission instrument for calls of fire or other emergency, or

(c) a transmission instrument for warning residents of a fire or other emergency, to be affixed to any building, wall, fence, pole or tree.

(2) Without compensation to the owner of the premises concerned, the chief fire officer may cause the position of a fire hydrant and fire alarm or any other fire protection information to be marked on any building, wall, fence, pole, tree, road, pavement or hydrant cover with a board, metal plate or painted marker or by any other means, as prescribed.

(3) The chief fire officer may at any time cause a fire alarm, other transmission instrument mentioned in subsection (1), board, metal plate or painted marker to be removed from the premises concerned.

(4) An unauthorised person is prohibited from removing, defacing, altering, tampering or damaging a fire alarm, other transmission instrument mentioned in subsection (1), board, metal plate or painted marker.

(5) No person may render less effective, inoperative, inaccessible, obstruct or tamper and interfere with a fire hydrant.

(6) Any person who contravenes subsections (1), (2), (3), (4) and (5) commits an offence.

Part C: Emergency evacuation plans

34. Chief fire officer may designate premises for emergency evacuation plans

(1) The chief fire officer may by written notice designate any premises as premises requiring an emergency evacuation plan.

(2) The notice contemplated in subsection (1), must be served on the premises concerned and addressed to the owner or person in charge of the premises.

35. Duties of owner or occupier of designated premises

(1) The owner, or with the approval of the chief fire officer, the occupier, of any premises designated in terms of section 34 must –

(a) prepare a comprehensive emergency evacuation plan for the premises in accordance with the guideline contained in Schedule 1 and submit it to the chief fire officer in triplicate within 30 days of service of the designation notice;
(b) establish a fire protection committee comprised of occupiers of the premises to assist the owner or person in charge of the premises to organise a fire protection programme and regular and scheduled fire evacuation drills;
(c) ensure that the emergency evacuation plan is reviewed-
  (i) at least every 12 months;
  (ii) whenever the floor layout of the premises is changed; and
  (iii) whenever the chief fire officer requires revision of the plan;
(d) ensure that an up-to-date emergency evacuation plan, any fire protection programmes, evacuation drills and any related documents are kept, maintained and at all times available in a control room on the premises for inspection by any member;

(e) display the emergency evacuation plan at conspicuous positions inside the premises; and
(f) identify a place of safety off the designated premises, but in the immediate vicinity of the premises, where persons who reside or work on the premises may gather during an emergency for the purpose of compiling a list of survivors.

(2) The chief fire officer may in respect of premises designated in terms of section 34 –

(a) require the review of any emergency evacuation plan by the owner or person in charge of the premises and may provide directions in this regard;
(b) instruct the owner or person in charge of the premises to implement a fire protection program which he believes is necessary to ensure the safety of persons and property on the premises; and
(c) require the owner or person in charge of the premises to provide him with a certified copy of the emergency evacuation plan and any associated documents at a specified time and place.

Part D: Public gatherings and water supply for firefighting services

36. Prohibition of public gatherings in certain circumstances

(1) No person may hold a public gathering or allow a public gathering to be held in any building or temporary structure unless a certificate of compliance has been issued by the chief fire officer in respect of that building or temporary structure, unless a certificate of compliance previously issued in terms of this subsection, has not yet expired.

(2) Subsection (1) does not apply in respect of a building or temporary structure which existed at the commencement of this by-laws, unless after that date –

(a) the building or temporary structure is rebuilt, altered, extended or its floor layout is changed; or
(b) ownership or control of the building or structure changes.

(3) Any person who contravenes subsection (1) commits an offence.

37. Application for certificate of compliance

(1) Every owner of a building or temporary structure intended for the holding of a public gathering must complete and submit to the chief fire officer an application form for a certificate of compliance in the form and manner as contemplated in section 39.

(2) An application contemplated in subsection (1) must be submitted at least 30 days before any intended public gathering.

(3) Any person who contravenes subsection (1) commits an offence.

38. Requirements for certificate of compliance

(1) The chief fire officer may not issue a certificate of compliance in respect of a building or temporary structure –

(a) unless the municipality is in possession of an up-to-date set of building plans for the premises;
(b) unless the building or temporary structure complies with the requirements of this by-law; and
(c) for a period of validity exceeding 12 months.

39. Form and content of certificate of compliance

(1) A certificate of compliance must be in the form as prescribed and must at least record the following information, where applicable-

(a) the trade name and street address of each occupier of the building or temporary structure;
(b) a description of the type of activity carried on by each occupier of the building or structure;
(c) the maximum permissible number of people who may be admitted to the useable floor area of the building or structure;
(d) the number of emergency exits and their dimensions; and
(e) the dates of issue and expiry of the certificate and its serial number.

(2) Notwithstanding subsection (1), the chief fire officer may request additional information from the applicant.

40. Duties of holder of certificate of compliance

(1) The holder of a certificate of compliance must –

(a) comply with the provisions of the certificate of compliance;
(b) at all times –
  (i) display the certificate prominently on the premises; and
  (ii) maintain the certificate in a legible condition;
(c) immediately notify the chief fire officer in writing of any change to the trade name, activity or governing or similar body of any occupier of the building or structure;
(d) submit any application for renewal of the certificate of compliance at least 30 days before its expiry in the form and manner prescribed.

(2) Any person who contravenes subsection (1) commits an offence.

41. Cancellation of certificate of compliance

(1) The chief fire officer may cancel any certificate of compliance in respect of premises or temporary structure if he has reason to believe that –

(a) the owner or person in charge of the premises concerned contravenes or fails to comply with any provision of this by-law; or
(b) the building or structure contravenes or does not comply with the requirements of this by-law.

(2) Subject to subsection (3), before the chief fire officer cancels a certificate of compliance as contemplated in subsection (1), he must –

(a) give the owner or person in charge of the premises written notice of the intention to cancel the certificate of compliance and the reasons for such cancellation;
(b) give the owner or person in charge of the premises reasonable time to make written representations regarding the matter to the municipality.

(3) If the chief fire officer has reason to believe that the failure to cancel a certificate of compliance may endanger any person or property, he may cancel such certificate without prior notice to the owner or person in charge of the premises as contemplated in subsection (2).

(4) If the chief fire officer cancels a certificate of compliance in terms of subsection (3), he must –

(a) furnish the owner or person in charge of the premises or temporary structure concerned with written notice of the cancellation;
(b) give the owner or person in charge of the premises a period of at least 21 days to make written representations regarding the matter to the municipality.

42. Fire risk categories

(1) The following areas of a development must be regarded-

(a) as high risk –
(i) any factory area, high density shopping area, warehouse or commercial building;
(ii) any plantation, timber yard or wooden building;
(iii) any building higher than 3 storeys;
(iv) any building in which hazardous substances are used, handled or stored or in which hazardous processes are conducted; and
(v) any other area that has a high fire risk or high fire spread risk;

(b) as moderate risk –

(i) any area in which –
(aa) factories, commercial buildings or residential buildings are generally detached from each other and do not exceed 3 storeys; and
(bb) the chief fire officer has not declared the materials processed or stored in these buildings as highly dangerous;
(ii) any area where the fire risk and spread risk of fire is moderate; and
(iii) any other area that is not a high or low risk area; and

(c) as low risk –

(i) any area that is mainly residential or semi-rural;
(ii) any area that has predominantly detached, duet, cluster or town house developments; and
(iii) any area where the fire risk or risk of spread of fire is slight or insignificant.

43. Connections to water reticulation system

(1) No person may obtain a water connection to the water reticulation system of the municipality unless the fire protection plans for the premises to be connected have been approved by the chief fire officer.

(2) Every person or owner of premises who requires a water connection to the water reticulation system of the municipality must –

(a) if the premises to be connected are protected by a sprinkler installation, ensure that –
(i) the connection is calculated and designed for each sprinkler installation in accordance with the National Building Regulations and SANS 10287; and
(ii) the size, delivery pressure and flow of the water connection is calculated in advance by the responsible engineer;

(b) if the chief fire officer requires a larger water connection for purposes of firefighting, provide the larger water connection;

(c) ensure that the size, work pressure and delivery flow, except in the case of a water connection to a sprinkler installation, is calculated and designed in accordance with SANS 10400 (Part W); and

(d) ensure that the water installation upon completion complies with the provisions of SANS-10400: 2011.

(3) Any person who contravenes subsection (1) commits an offence.

Part E: Prevention of fire hazards

44. Applicable legislation

The municipality, taking cognisance of the provisions of the Environment Conservation Act, 73 of 1989, the National Veld and Forest Fires Act, 101 of 1998, and the regulations made under these acts, adopts the provisions thereof in this part.

45. Certain fires prohibited

(1) No person may make or allow any other person to make a fire that may endanger any person, animal or property.

(2) No person may burn or allow any other person to burn any refuse or combustible material–
(a) without the prior written permission of the chief fire officer; or
(b) unless the refuse or combustible material is burnt in an approved incinerating device.

(3) Any person, who makes a fire or allows any other person to make a fire, must take reasonable steps to ensure that the fire does not endanger any person, animal or property.

(4) The prohibition in subsection (2) does not apply to any fire made –

(a) in an approved and purpose-made stove, fireplace or hearth that forms an integrated part of a building or structure;
(b) for the purpose of preparing food on private premises set aside for that purpose; or
(c) in any device for preparing food which –
(i) is heated by electricity or liquefied petroleum gas; and
(ii) is so positioned that the fire does not endanger any person, animal or property.

(5) Any person who contravenes subsections (1), (2), (3) or (4) commits an offence.

46. Storage and accumulation of combustible material prohibited

(1) No person may store any combustible material or allow it to be stored, at any place or in any manner that may pose a fire hazard to any person, animal or property.

(2) No person may allow the accumulation of dust at any place in quantities sufficient to pose a fire hazard to any person, animal or property.

(3) No person may use or allow to be used any sawdust or similar combustible material to soak up any flammable liquid.

(4) No person may allow soot or any other combustible material to accumulate in any chimney, flue or duct in such quantities or in any manner that may pose a fire hazard to any person or property.

(5) No person may allow any vegetation to become overgrown at any place under that person's control that may pose a fire hazard to any person, animal or property.

(6) If a fire hazard contemplated in subsection (5) arises, the owner or person in charge of the premises must without delay eliminate the hazard or cause the hazard to be eliminated by –

(a) cutting any grass, leaves or weeds associated with the fire hazard to a maximum height of 150 millimetres;
(b) pruning, chopping down or sawing any shrub or tree; and
(c) removing any resulting combustible residue from the property.

(7) Any person who contravenes subsections (1), (2), (3), (4), (5) or (6) commits an offence.

47. Electrical fittings, equipment and appliances

(1) No person may cause or allow –
(a) any electrical supply outlet to be overloaded; or
(b) any electrical appliance or extension lead to be used in any manner that may pose a fire hazard to any person or property.

(2) Any person who contravenes subsection (1) commits an offence.

48. Flame-emitting devices

(1) No person may use or cause or allow the use of any flame-emitting device, including but not limited to any candle, lantern or torch, in any manner that may pose a fire hazard to any person or property.

(2) Any person who contravenes subsection (1) commits an offence.

49. Discarding of flammable liquid or substance in sewers or drains

(1) No person may discard into, or cause, permit or allow a flammable liquid or flammable substance to enter any waste or foul water or storm water sewer or drain whether underground or on the surface.

(2) A person who becomes aware of any escape, whether accidental or otherwise, of any quantity of flammable liquid or flammable substance which is likely to constitute a fire hazard, from any premises or vehicle into any sewer or drain or any inlet or drain linking with such sewer or drain, must immediately report such escape to the chief fire officer.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

50. Flammable gas

(1) No person may fill any balloon or other device with flammable gas without the written authority of the chief fire officer, and subject to such conditions as he may require after having regard to the circumstances of the specific case.

(2) Any person who contravenes subsection (1) commits an offence.

51. Firebreaks

(1) Every owner who has a duty to prepare and maintain firebreaks in terms of section 12 of the National Veld and Forest Fires Act, 101 of 1998, and who intends to prepare and maintain a firebreak by burning, must obtain the written permission of the municipality prior to such burning.

(2) Any person who contravenes subsection (1) commits an offence.

CHAPTER 5

PERMIT FOR USE, HANDLING AND STORAGE OF FLAMMABLE SUBSTANCES

52. Use, handling and storage of flammable substances prohibited in certain circumstances

(1) Subject to the provisions of subsection (3), no person may use, handle or store any flammable substance or allow such substance to be used, handled or stored on any premises unless that person is the holder of a permit issued by the chief fire officer in respect of the flammable substance and the premises concerned.

(2) A permit contemplated in subsection (1) is not required if the flammable substance concerned is of any class and does not exceed the quantity stipulated in Schedule 2.

(3) No person may use, handle or store any flammable substance in respect of which no permit is required or allow such substance to be used, handled or stored on any premises, unless the flammable substance –

(a) is used, handled or stored in a manner that ensures that –
  (i) no flammable substance nor any flammable substance fumes come into contact with any source of ignition that may cause the flammable substance or fumes to ignite;
  (ii) in the event of a fire or other emergency, the escape of any person or animal is not hindered or obstructed in any way; or

(b) is used, handled or stored -
  (i) in a naturally ventilated room that prevents the accumulation of fumes or gas;
  (ii) in a suitable place outdoors that ensures the safe disposal of fumes or gas; or

(c) is stored in strong, gas-tight containers and labelled as such.

(4) Any person who contravenes subsections (1) or (3) commits an offence.

53. Application for permit for flammable substances

(1) An application for a permit contemplated in section 51(1) must be completed and submitted in the form and manner prescribed.

54. Issue of storage permit

(1) If the chief fire officer issues a permit to any person, he must endorse on the permit –

(a) the class and quantity of the flammable substance permitted to be stored on the premises;
(b) the number of storage tanks or storage facilities on the premises and their capacities;
(c) the number of flammable substance storerooms on the premises and their capacities;
(d) the number of liquefied petroleum gas installations, types of installations and the combined capacity of all cylinders that may be stored on the premises;

(e) the number of storage facilities for any other flammable substance and the volume of each such facility;
(f) the period of validity and expiry date of the permit; and
(g) the name and physical address of the premises.

(2) A permit –
(a) is not transferable between premises;
(b) may not be issued by the chief fire officer for a period exceeding 12 months;
(c) may be transferred to the new owner of the premises in respect of which it was issued, only if an application for such transfer is approved by the chief fire officer in writing.

(3) A permit is valid only for –
(a) the installation for which it was issued;
(b) the state of the premises at the time of issue; and
(c) for the quantities of flammable substance stated on the permit.

55. Availability of permit at premises

The holder of a permit must ensure that the permit is available on the premises concerned at all times for inspection by any member.

56. Firefighting equipment

(1) Any person who holds a permit or other authorisation contemplated in this by-law must ensure that the premises to which the authorisation applies, are equipped with –

(a) subject to the provisions of subsection (6), portable fire extinguishers –
(i) as specified in SANS 1567 (carbon dioxide-type), SANS 810 (dry chemical-type), SANS 1573 (foam-type) and SANS 1571 (transportable-type);
(ii) in such numbers as is appropriate in each section of the premises in accordance with the SANS codes applicable to the flammable substance and risk concerned;

(b) if applicable, hose reels as specified in SANS 453 (hose reels), that are connected to a water supply –
(i) as contemplated in SANS 10400 (Part W); and
(ii) that enables each hose reel to maintain a minimum flow of 0,5 litres per second at a minimum work pressure of 300 kPa;

(c) if applicable, fire hydrants –
(i) with couplings as specified in SANS 1128 (Part II) (firefighting equipment couplings); and

(d) in a ratio of 1 to every 500 square metres or part thereof.

(e) if applicable, in relation to any above-ground facility, a sprinkler system or deluge system that –
(i) is approved by the chief fire officer; and

(ii) with the exception of temporary storage facilities, is installed in a position indicated in the building plans for the premises.

(2) Notwithstanding the provisions of subsection (1), if the chief fire officer believes that there is any exceptional hazard or risk in respect of the premises concerned, he may –
(a) specify the type of fire extinguisher to be installed;
(b) require that a greater number of fire extinguishers be installed; and
(c) require that a fire detection or warning system be installed.

(3) The holder of any permit or other authorisation contemplated in this by-law must ensure that all firefighting equipment contemplated in subsection (1) –
(a) is inspected, maintained and serviced to the satisfaction of the chief fire officer –
(i) by a competent, registered and appropriately qualified person in accordance with the provisions of SANS 10105 and SANS 1475;
(ii) at least every 12 months;
(b) if installed outside the premises, is adequately protected from the weather; and
(c) is positioned prominently or where this is not possible, the position of the firefighting equipment is clearly indicated by a symbolic safety sign-
(i) in accordance with the specifications of SANS 1186; and
(ii) to the satisfaction of the chief fire officer.

(4) Any person who contravenes subsections (1), (2) and (3) commits an offence.

57. Amendment to permit

The chief fire officer may amend any permit on application by the holder.

58. Cancellation of permit

The provisions of section 37, read with the necessary changes, apply to any cancellation by the chief fire officer of a permit.

59. Renewal of permit

Any application for the renewal of a permit must be submitted to the chief fire officer at least 30 days prior to the expiry date of the permit.

60. Record of permits

The chief fire officer must keep updated records of all premises in respect of which a permit has been issued, amended or renewed.

CHAPTER 6

GENERAL PROVISIONS REGARDING THE USE, HANDLING AND STORAGE OF FLAMMABLE SUBSTANCES

61. General prohibitions regarding the use, handling and storage of flammable substances

(1) No person who uses, handles or stores a flammable substance or allows them to be used, handled or stored on any premises may –

(a) do anything or allow anything to be done that may result in or cause a fire or explosion;

(b) do anything or allow anything to be done that may obstruct the escape to safety of any person or animal during an emergency.

(2) No person may –

(a) dump or spill or allow the dumping or spilling of any flammable substance into any borehole, sewer, drain system or surface water;

(b) discard or allow the discarding of any flammable substance from any premises in any way other than by a competent person who is properly equipped and authorised to do in terms of this by-law;

(c) make or bring any fire or device capable of producing an open flame or allow any other person to do so, within 5 metres of any place where a flammable substance is stored;

(d) use or allow to be used any device in connection with a flammable substance in any basement level of a building, other than a gas welding or cutting device, used for the sole purpose of maintenance of the building;

(e) in or on a bus, transport or allow the transport of any flammable substance on such bus, except in its fuel tank; and

(f) deliver or supply or allow to be delivered or supplied, any flammable substance to any premises unless the owner or person in charge of the premises is in possession of a valid permit or certificate.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

62. Use, handling and storage of liquefied petroleum gas

(1) No person may use, handle or store liquefied petroleum gas in any quantity exceeding that stipulated in Schedule 2 unless –

(a) the person is in possession of a permit contemplated in section 51; and

(b) the use, handling and storage of the liquefied petroleum gas complies with the requirements of SANS 10087, Parts 1, 3, 7 and 10.

(2) Liquid petroleum gas may only be used, handled or stored within property boundaries and in compliance with safety distances stipulated in SANS 10087, Parts 1, 3, 7 and 10.

(3) Any storage of liquid petroleum gas cylinders at any service station for retail purposes must comply with SANS 10087, Part 7.

(4) No liquid petroleum gas cylinder may be used, handled or stored at any public exhibition or demonstration without the prior written permission of the chief fire officer.

(5) An application for permission contemplated in subsection (4) must be made in writing at least 14 days before the event concerned.

(6) The chief fire officer may impose any reasonable condition on the use, handling and storage of liquid petroleum gas cylinders at a public exhibition or demonstration, including but not limited to, the number of cylinders, the manner of storage, safety distances and other safety requirements.

(7) Any person using, handling or storing any liquid petroleum gas cylinder at any public exhibition or demonstration must comply with any condition imposed in terms of subsection (6).

(8) Any person who contravenes subsections (1), (2), (3), (4), (5), (6) or (7) commits an offence.

63. Display of symbolic warning signs required

(1) The owner or person in charge of any premises where any flammable or explosive substance is used, handled or stored must, in the affected area of the premises, display symbolic signs –

(a) prohibiting smoking and open flames;
(b) of a size and number determined by the chief fire officer; and
(c) prominently in places where the signs can be clearly observed.

(2) No person may disregard or allow to be disregarded any prohibition on a symbolic sign displayed in terms of subsection (1).

(3) Any person who contravenes subsections (1) or (2) commits an offence.

CHAPTER 7

STORAGE OF FLAMMABLE SUBSTANCES

64. Storage of flammable substances prohibited in certain circumstances

(1) No person may store or allow the storage of any flammable substance in any storeroom unless –

(a) that person has a permit contemplated in section 51; and
(b) the storeroom complies with the requirements of this by-law and any other applicable law.

(2) Any person who contravenes subsection (1) commits an offence.

65. Symbolic safety signs must be displayed

(1) The holder of a permit for a storeroom to be used for any flammable substance must ensure that -

(a) symbolic safety signs prohibiting open flames and smoking are displayed in the storeroom –

(i) of a number determined by the chief fire officer;
(ii) of dimensions at least 290 millimetres by 200 millimetres; and
(iii) manufactured in accordance with SANS 1186;

(b) the groups of flammable substances and their corresponding quantities which may be stored in the storeroom are indicated on the outside of every door to the storeroom in red letters at least 75 millimetres high, against a white background**.**

(2) Any person who contravenes subsection (1) commits an offence.

66. Construction of flammable substance storerooms

(1) Every storeroom must be designed and constructed according to the following criteria -

(a) the storeroom floor must consist of concrete;
(b) the storeroom walls must consist of material that has a fire resistance of at least 120 minutes;
(c) the storeroom roof must consist of –
(i) reinforced concrete with a fire resistance of at least 120 minutes; or
(ii) any other non-combustible material, if the storeroom -
(aa) is not situated within 5 metres of any adjacent building or boundary of the premises; or
(bb) adjoins a higher wall with no opening within 10 metres of any adjacent building.

(2) Any person who contravenes subsection (1) commits an offence

67. Requirements for storeroom doors

(1) Every storeroom must be equipped with a fire rated fire door that –

(a) is manufactured and installed in accordance with SANS 1253;
(b) opens to the outside;
(c) is equipped with a lock or locks approved by the chief fire officer; and
(d) is at all times capable of being opened from the inside of the storeroom without the use of a key.

(2) A storeroom must be equipped with two or more fire doors if the distance to be covered from any part in that storeroom to a door is 4 metres or more, in which case, the fire doors must be installed as far from each other as is practicable in the circumstances.

(3) Fire doors contemplated in subsections (1) and (2) must if installed on –

(a) external walls, be “B” class fire doors; and
(b) internal walls in communication within a building, be “D” class fire doors.

(4) Any person who contravenes subsections (1), (2) and (3) commits an offence

68. Requirements for storeroom windows

(1) Every storeroom window frame must -
  (a) consist of steel;
  (b) have window panels of dimensions not exceeding 450 millimetres x 450 millimetres; and
  (c) be fitted with wire glass of a thickness not less than 8 millimetres.

(2) No storeroom window must be capable of being opened.

(3) Every storeroom window must be fitted to the external wall of a building.

(4) Any person who contravenes subsections (1), (2) or (3) commits an offence.

69. Requirements for storeroom catch pits

(1) Every storeroom must be designed and constructed so that its floor is recessed below the level of the door sill to form a catch pit –

  (a) with a holding capacity at least equal to the total volume of hazardous substances capable of being stored in the storeroom, plus 10 percent; and
  (b) if required by the chief fire officer –
    (i) covered at door sill level by a strong, stable, non-combustible and oxidation free floor grill; and
    (ii) equipped, at its lowest level, with a non-corrosive drainage valve for cleaning purposes and product recovery.

(2) The floor grill contemplated in subsection (i) must contain a suitably positioned access hatch for cleaning purposes.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

70. Ventilation of storerooms

(1) Every storeroom must be designed and constructed to ensure -
  (a) the effective ventilation of flammable substance fumes;
  (b) that fumes released from the storeroom into the open air will not come into contact with any source of ignition.

(2) If the storeroom is designed and constructed for natural ventilation, the owner or person in charge of the storeroom must ventilate the storeroom at a minimum cycle of 30 air changes per hour by installing non-combustible airbricks –

  (a) that are not less than 140 millimetres by 250 millimetres in extent, with non-corrosive gauze wire with a minimum opening diameter of 0.5 millimetres;
  (b) that are provided in at least 3 external walls of the storeroom; and
  (c) that are positioned 100 millimetres above the level of the sill and 100 millimetres below the level of the roof and not more than 450 millimetres apart.

(3) If the storeroom is designed and constructed for mechanical ventilation, the owner or person in charge of the storeroom must equip it with a mechanical ventilation system –

  (a) designed and installed for this purpose;
  (b) with a flow rate of 0,5 meters / second across the store;
  (c) with vanes that consist of a static-free material;
  (d) that discharges through a vertical metal duct into the open air –

(i) not situated within 5 metres of any opening of a building or erf boundary; and

(ii) terminating at least 1 metre above roof height or at least 3,6 meters above ground level, whichever is the greater;

(e) equipped with ventilators that are firmly attached to the inside of the walls of the storeroom and, in the case of bottom ventilators, as close as possible to the level of the sill;

(f) with all ventilation or air duct openings in the external wall opposite the mechanical ventilator installed 100 millimetres above the level of the sill to ensure effective cross-ventilation; and

(g) equipped with ducting material that –

(i) is as short as possible in the circumstances and does not have sharp bends; and

(ii) is fitted with a fire damper of at least 120 minutes fire resistance at any point where the ducting exits the storeroom, if ducting material is installed external to the storeroom in communication with the remainder of the building

(4) Any person who contravenes subsections (1), (2) or (3) commits an offence.

71. Electrical equipment in storerooms

(1) The owner or person in charge of any storeroom must ensure that –

(a) all electrical apparatus, fittings or switch gear used or installed in the storeroom are used or installed as contemplated in SANS 10108;

(b) no switch gear, distribution box, fuse or other electrical equipment, except electrical equipment as contemplated in SANS10108, is situated –

(i) inside the storeroom; or

(ii) in any position where it may come into contact with any flammable substance fumes leaving the storeroom;

(c) any metal part, electrical fittings and device used in or in connection with the storeroom are earthed effectively to each other and to the ground;

(d) any mechanical ventilation system switch is situated outside the storeroom;

(e) any mechanical ventilation system is on at all times, except when the system is being repaired or replaced, in which case the system must be repaired or replaced without delay; and

(f) all electrical apparatus and fittings, except the mechanical ventilation system, are switched off when the storeroom is unattended.

(2) Any electrical installation in a storeroom may be installed and certified only by an electrician who is qualified and competent by virtue of his or her training and experience.

(3) The owner or person in charge of a storeroom must submit the certificate contemplated in subsection (2) to the chief fire officer for record purposes immediately after installation contemplated in such subsection.

(4) Any person who contravenes subsections (1), (2) or (3) commits an offence.

72. Foam inlets required for certain storerooms

(1) The owner or person in charge of a storeroom that is used or intended to be used for storing more than 5000 litres of flammable substance must ensure –

(a) that the storeroom is provided with a foam inlet consisting of a 65 mm male instantaneous coupling and mild steel pipe work leading to the inside thereof; and
(b) that the foam inlet is identified by a sign in block letters at least 100 millimetres high, displaying the words “foam inlet”.

(2) Any person who contravenes subsection (1) commits an offence.

73. Shelving in storerooms

(1) The owner or person in charge of a flammable storeroom must ensure that any racking of shelving erected or installed in the storeroom is of non-combustible material.

(2) Any person who contravenes subsection (1) commits an offence.

74. Unauthorised use and entry of storerooms prohibited

(1) No person may –

(a) without the authority of the owner or person in charge, enter or allow any other person to enter any flammable storeroom;
(b) use any storeroom or allow it to be used for any purpose other than for the use, handling or storage of flammable substances;
(c) allow any person to work in a storeroom unless all the doors of the storeroom are wide open or the mechanical ventilation system is switched on; or
(d) place or allow to be placed any obstruction or hindrance in a passage of any storeroom or in front of any storeroom door.

(2) Any person who contravenes subsection (1) commits an offence.

75. Mixing and decanting rooms

(1) The owner or person in charge of any premises where quantities of flammable liquids exceeding those stipulated in Schedule 2 are decanted or mixed, must ensure that any room where decanting or mixing takes place complies with all requirements of this by-law applicable to storerooms.

(2) Any person who contravenes subsection (1) commits an offence.

76. Temporary above ground storage of flammable substances

(1) Any person, who wishes to store any flammable substance on premises on a temporary basis, must apply to the chief fire officer for a temporary permit.

(2) A temporary permit may be issued by the chief fire officer -
(a) for a period not exceeding 12 months;
(b) if the flammable substance concerned is required -
(i) in respect of excavation work, construction work or road construction if the volume of the flammable substance does not exceed 9 000 litres;

(ii) in respect of small fleet maintenance or research purposes, if the volume of the flammable substance does not exceed 4 400 litres; and

(iii) the application complies with the requirements of SANS10131 and this Chapter.

(3) Every holder of a temporary permit contemplated in subsection (1) must ensure that –

(a) a storage tank for the flammable substance is not erected within 3.5 metres of any erf boundary, building, excavation, road, driveway or any other flammable substances or combustible material;

(b) adequate provision is made for rainwater run-off from retaining walls or embankments;

(c) no source of ignition or potential source of ignition exists within 5 metres of a storage tank;

(d) a symbolic sign of dimensions at least 300 millimetres by 300 millimetres prohibiting smoking and open flames is displayed on every side of a temporary storage tank; and

(e) at least two 9-kilogram dry chemical fire extinguishers are installed and kept in good working condition, within 10 metres of a temporary storage tank.

(4) Any person who contravenes subsections (1), (2) or (3) commits an offence.

77. Hand tools must be intrinsically safe

(1) The owner or person in charge of any flammable substance storeroom must ensure that any hand tool used in the storeroom is intrinsically safe.

(2) Any person who contravenes subsection (1) commits an offence.

78. Permanent above ground storage tanks for flammable liquids

(1) In addition to any other requirement of this Chapter, the owner or person in charge of an above ground storage tank for flammable liquids must ensure –

(a) that the tank is erected or installed –

(i) in accordance with SANS 10131 and SANS 089, Part I;

(ii) at least 3.5 metres from any erf boundary, building, excavation, road, driveway or any other flammable substance, combustible substance or combustible material;

(b) that the flammable liquid stored in the tank is clearly identified by means of Hazchem placards contemplated in SANS10232, Part 1.

(2) Any electrical installation associated with the storage tank must comply with SANS 10108 and SANS 10089, Part 2, subject to the approval of the chief fire officer.

(3) Any person who contravenes subsections (1) or (2) commits an offence.

79. Underground storage tanks for flammable liquids

(1) The owner or person in charge of any premises used or intended to be used for the underground storage of any flammable liquid must ensure that any underground storage tank, pump, dispenser and pipe work is erected or installed in accordance with SANS 10400, SANS10089, Part 3 and SANS 10131.

(2) Any person who contravenes subsection (1) commits an offence.

80. Installing, erecting, removing and demolishing prohibited without prior notice

(1) No person may, in respect of registered premises, erect, install, remove, demolish, extend or change any delivery pump, storage tank, storeroom, spraying room, gas installation, storage facility, fire protection arrangement or floor layout unless that person has given the chief fire officer at least 3 working days prior written notice of the intention to do so, in the form and manner as prescribed.

(2) The notice in term of subsection (1) must include the intended commencement date and estimated completion date of the proposed work.

(3) The provisions of subsection (1) do not apply to –
(a) the nece**s**sary replacement of equipment or their parts; and
(b) the replacement of any storage tank with a tank of the same capacity.

(4) Any person who contravenes subsection (1) and (2) commits an offence.

81. Termination of storage and use of flammable substances

(1) If an aboveground or underground tank installation, liquid petroleum gas installation or associated pipe work is no longer required for the storage or use of a flammable substance, the owner or person in charge of the premises on which the installation is located, must –

(a) notify the chief fire officer in writing within seven days of such storage or use ceasing;
(b) ensure that the flammable substance is removed from the installation and the premises are rendered safe within 30 days of the cessation;
(c) unless the chief fire officer directs otherwise, remove the installation including any associated pipe work from the premises within 180 days of the cessation; and
(d) to the satisfaction of the chief fire officer, restore any public foot path or roadway that has been disturbed by the removal of the installation within a period of 7 days of completing such removal.

(2) Notwithstanding the provisions of subsection (1) if the removal of any underground tank installation for the storage of a flammable substance will detrimentally affect the stability of the premises concerned, the owner or person in charge of the installation may, with the prior written permission of the chief fire officer, fill the underground tank with liquid cement slurry.

(3) Any person who contravenes subsection (1) commits an offence.

82. Container handling and storage

(1) Every flammable substance container must –

(a) be kept closed when not in use;
(b) be declared gas- or vapour-free by a competent person before any modification or repairs are undertaken;

(c) be manufactured and maintained in such condition as to be reasonably safe from damage and to prevent leakage of any flammable substance or vapour from the container.

(2) Every flammable liquid container must be labelled and marked with words and details indicating the flammable liquid contained in the container as well as any hazard associated with the flammable liquid.

(3) No person may extract flammable liquid from a container of a capacity exceeding 200 litres, unless the container is fitted with an adequately sealed pump or tap.

(4) Any empty flammable liquid container must be stored in a storeroom.

(5) Notwithstanding the provisions of subsection (4) the chief fire officer may permit the storage of any empty flammable liquid container in the open air if no storeroom is available and if he is satisfied that –

(a) the storage area is in a position and of sufficient size that a fire hazard or other threatening danger will not be caused;
(b) the storage area is well ventilated and enclosed by a wire mesh fence;
(c) the fence supports are of steel or reinforced concrete;
(d) the storage area has an outward opening gate that is kept locked when not in use;
(e) when the floor area exceeds 10 m2 an additional escape gate is installed and fitted with a sliding bolt or other similar locking device that can be opened from the inside without the use of a key; and
(f) the storage area is free of vegetation and has a non-combustible, firm and level base.

(6) When the quantity of flammable and combustible liquids to be stored is more than 1000 litres in total, such flammable and combustible liquids must be stored in a storeroom approved by the chief fire officer.

(7) Any person who contravenes subsections (1), (2), (3), (4) or (6) commits an offence.

CHAPTER 8

HAZARDOUS SUBSTANCES

83. Supply of hazardous substances

(1) No person may:
(a) supply, have supplied or permit to be supplied to any premises, greater quantities of any hazardous substance than referred to in table 1 of this by-law; or
(b) handle or permit any container containing a hazardous substance to be handled in such a manner that will damage or may cause damage to such container.

(2) Any person who fails to comply with the provisions of this section commits an offence.

84. Flammable liquid in fuel tanks of vehicles or engines

(1) Notwithstanding anything to the contrary in this by-law and for the purpose of the registration of premises, flammable liquid is not deemed to be stored, handled or transported provided:

(a) it is contained in the fuel tank of a motor vehicle for normal use;
(b) it is contained in the fuel tank of a stationary engine: Provided that the volume of the fuel tank does not exceed 1 000 litres and it is surrounded by an impervious bund wall, volumetrically capable of containing the maximum proposed quantity of liquid, plus 10% of the volume of the tank.

(2) Any person who fails to comply with the provisions of this section commits an offence.

85. Renewal of spraying permits

(1) Any holder of a spraying permit must submit an application for renewal of the permit to the municipality on the prescribed form before the first working day of December each year, provided that the municipality may require further, additional or amended plans of registered premises for the purposes of renewal.

(2) Any person who fails to comply with the provisions of this section is guilty of an offence.

86. Delivery of hazardous substances

(1) Any person delivering hazardous substances to any supplier or user:
(a) may not park any delivery vehicle on or across any pavement or a public road;
(b) may not place or allow any delivery hose to lie on or across any pavement, public road or other premises, or pass through or over a building;
(a) must ensure that a 9kg dry chemical fire extinguisher is available and placed in the immediate readiness at all times;
(b) must ensure that, during the pumped transfer of hazardous substances by pipe or hose, the delivery vehicle and all components of the transfer including the storage facility are bonded and earthed;
(c) must ensure that the delivery vehicle is positioned so as to enable quick and easy removal thereof in the event of an emergency without exacerbating the situation; and
(f) must ensure that no hazardous substance is transferred from a delivery vehicle to a facility that is leaking or broken.

(2) The owner of any device connected with or used for the delivery of a hazardous substance must ensure that the device is designed for the intended purpose and is in a safe and good working condition.

(3) The person in charge of any delivery process relating to any hazardous substance must take reasonable precautionary measures to ensure that no hazardous substance is spilled on any surface during delivery or the transfer thereof from a delivery vehicle to a storage facility.

(4) No person may transfer or permit the transfer of any hazardous substance to a motor vehicle, aircraft, vessel, ship or boat whilst the power source thereof is in operation.

(5) No person may transfer a hazardous substance to an aircraft unless and until the aircraft has been bonded to the transfer device and earthed to ground.

(6) Any person who fails to comply with the provisions of this section commits an offence.

87. Prohibition of certain actions

(1) Any person who on any premises stores or permits, hazardous substances to be stored, handled or used, as the case may be, may not:
   (a) perform, have performed or permit any act or action that may reasonably result in or cause a fire or an explosion; and
   (b) perform, have performed or permit any act or action that may reasonably obstruct the escape to safety of any human being or animal during an emergency.

(2) No person may dump or permit any hazardous substance to be dumped into any borehole, pit, sewer, drain system or surface water.

(3) No person may discard hazardous substances in any manner other than by having or permitting such substances to be removed by a registered hazardous waste disposal agency that is suitably equipped to do so.

(4) No person may light, bring or use, or permit any fire, flame or anything that produces or is capable of producing an open flame within 5m of any area where hazardous substances are stored, used or handled.

(5) No person may use or permit any device to be used in connection with hazardous substances in any basement of a building, excluding a gas welding device and/or gas cutting device for the sole purpose of welding and/or cutting in connection with the maintenance of that building,

(6) With the exception of the driver or other person in charge thereof, no person may fill, have filled or permit the filling of the fuel tank of a bus while there is any other person or persons on board such bus and no person may transport or permit the transportation of any hazardous substances in or on any bus, except in the fuel tank.

(7) Any person who fails to comply with the provisions of this section commits an offence.

88. "No Smoking" Signs

(1) The owner of a building must, in areas where flammable and/or explosive hazardous substances are used, stored and handled, display SANS 1186 symbolic signs prohibiting smoking and open flames. Such signs must be of the size specified by the municipality and must be prominently displayed.

(2) Any owner or person who fails to comply with or who permits any contravention of subsection (1) commits an offence.

TABLE 1

Maximum quantities of hazardous substances for exemption from storage permits or certificates

(A)	SINGLE-LOAD HAZARDOUS SUBSTANCES	QUANTITIES MAY NOT EXCEED
1.	**Group I: Explosives**	**No exemption**
2.	**Group II: Gases**	
2.1	Flammable gases	100kg total cylinder capacity
2.2	Non-flammable gases	333kg total cylinder capacity
2.3	Toxic gases	**No exemption**
3.	**Group III: Flammable liquids**	
3.1	Flash point ≤ 18 ºC	100 litres
3.2	Flash point > 18 ºC but ≤ 23 ºC	420 litres
3.3	Flash point > 23 ºC but ≤ 61 ºC	1 100 litres
3.4	Flash point > 61 ºC but ≤ 100 ºC	1 100 litres
4.	**Group IV: Flammable solids**	
4.1	Flammable solids	Section 1.01 250kg
4.2	Pyrophoric substances	**No exemption**
4.3	Water-reactive substances	**No exemption**
5.	**Group V: Oxidising agents and organic peroxides**	
5.1	Oxidising agents	200kg
5.2	Group I organic peroxides in packets	**No exemption**
5.3	Group II organic peroxides in packets	200kg
6.	**Group VI: Toxic/ Infective substances**	
6.1	Group I toxic substances in packets	5kg
6.2	Group II toxic substances in packets	50kg
6.3	Group III toxic substances in packets	500kg
6.4	Infective substances	**No exemption**
7.	**Group VII: Radioactive materials**	**No exemption**
8.	**Group VIII: Corrosive**/ caustic **substances**	
8.1	Group I acids in packets	50kg
8.2	Group II acids in packets	200kg
8.3	Group III acids in packets	1 000kg
8.4	Group I alkaline substances in packets	50kg
8.5	Group II alkaline substances in packets	200kg
8.6	Group III alkaline substances in packets	1 000kg
9.	*Group IX: Miscellaneous substances*	
9.1	Liquids	210 litres
9.2	Solids	210 kg
(B)	*MULTIPLE-LOAD HAZARDOUS SUBSTANCES*	**No exemption**

89. Group I hazardous substances

(1) All Group I hazardous substances (explosives) must be handled, used, stored and transported in accordance with the provisions of SANS 10228, 10229, 10232 and 10263, the Explosives Act and the Hazardous Substances Act, and any regulations made under these Acts, as the case may be.

(2) Any person who by any act or omission commits a breach of any provision of this section commits an offence

90. Group II hazardous substances

(1) Portable containers
- (a) All portable metal containers and related devices for Group II hazardous substances must be manufactured, marked, maintained, filled and stored in accordance with the provisions of SANS 10019, SABNS 10228, SANS 10229 and SANS 10238, as the case may be.
- (b) All portable metal containers for liquid petroleum gas must be stored, filled and/or installed in accordance with the provisions of SANS 10228, SANS 10229, SANS10238, SANS 10019 and SANS 10087, Parts 1 to 10, as the case may be.
- (c) All portable containers for Group II hazardous substances must at all times be transported, stored and/or installed in a vertical position.

(2) Bulk containers
- (a) All bulk containers for Group II hazardous substances must be designed, manufactured, maintained and installed in terms of the provisions of the Occupational Health and Safety Act, 85 of 1993, and any regulations made under the Act; SANS 10019; SANS 10087-3; and the provisions of the National Building Regulations and Building Standards Act, and any regulations made under the Act, as the case may be.

(3) Manifold installations
- (a) No Group II hazardous substance may, for any reason whatsoever, be used, stored, handled or installed indoors in any manifold installation or otherwise on any premises.
- (b) The provisions of this section are not applicable to the storage, use, handling or installation of any portable liquid petroleum gas container with a maximum water capacity of 45 Litres inside a detached private dwelling, on condition that such container is used solely for *bona fide* residential purposes: Provided that such cylinders are installed in accordance with the requirements of SANS 10087-1.
  - (i) Any person who furnishes proof, as contemplated in subsection (4)(b), must be an approved professional engineer or other registered competent person and, in terms of Regulation A19 of the National Building Regulations, be appointed by the owner or occupier of the building in question.
  - (ii) Scientifically based detailed calculations and tests must form the basis of such proof.

(4) (a) No person may, without the permission of the chief fire officer, use, handle, display or apply any hydrogen-filled portable containers, hydrogen devices and/or hydrogen balloons indoors, for whatever purpose.

(b) In enforcing this subsection, hydrogen gas shall include any gas compound that contains hydrogen gas, unless the non-flammable nature and/or non-explosiveness of the gas compound can be scientifically certified.

(5) Acetylene welding and/or cutting devices may only be used indoors in accordance with the provisions of SANS10238: Provided that the chief fire officer may prescribe fire protection requirements concerning the installation, storage and use of such devices.

(6) Underground pipelines:

Any underground pipeline for a Group II hazardous substance must comply with the following requirements:

(a) The owner of the pipeline must provide fire hydrants, of which the required delivery of each individual fire hydrant must be at least 1 200ℓ per minute at a work pressure of 300 kPa, and such fire hydrants must be parallel to the pipeline at every pump station within the area. The owner must maintain the fire hydrants in a working condition at all times.
(b) The owner of a pipeline must provide sufficient cathodic protection for the pipeline and maintain the cathodic protection in a working condition at all times.
(c) A pipeline must be indicated by markers approved by the chief fire officer and such markers must be maintained in a functional condition at all times by the owner of the pipeline.
(d) The installation and extension of a pipeline or branches to consumers' premises, and the maintenance of the pipeline within the area of the local authority, must *in toto* be done according to a recognised standard approved by the chief fire officer.
(e) No construction work above or below the ground may be done within 16m of the pipeline reserve, unless the construction company is in possession of written authorisation to do so, which authorisation has been issued by the controlling authority and the owner of the pipeline.

(7) Any person who fails to comply with the provisions of this section commits an offence.

CHAPTER 91:

SPRAY PAINTING AND SPRAYING ROOMS

91. Spray rooms and booths

A spray room, booth or area designated for the application of a flammable liquid must be constructed and equipped according to the requirements in Schedule 4 of this by-law and must be operated in such a manner as to comply with the General Safety Regulations promulgated in terms of the Occupational Health and Safety Act.

92. Spraying prohibited without spraying permit

(1) No person may spray, coat, plate or epoxy-coat any vehicle, article, object or building or part thereof or allow them to be sprayed, coated, plated or epoxy-coated with any flammable substance unless –

(a) that person is in possession of a spraying permit contemplated in section 92;

(b) the spraying, coating, plating or epoxy-coating as the case may be is conducted in a spraying room approved by the chief fire officer.

(2) Any person who contravenes subsection (1) commits an offence.

93. Application for spraying permit

Any person who wishes to obtain a spraying permit must complete and submit to the chief fire officer an application form for such permit in the form and manner as prescribed.

94. Cancellation of spraying permit

The provisions of section 37, read with the necessary changes, apply to the cancellation by the chief fire officer of any spraying permit.

CHAPTER 10

MISCELLANEOUS

95. Exemption from provisions of this by-law

(1) Any person may make application to the municipality in writing, for an exemption from any provision of this by-law, specifying the reasons for exemption in such application.

(2) The municipality may grant an exemption –
(a) in general, or in particular;
(b) for any period; and
(c) subject to any condition that will provide the same overall fire prevention and protection that would result from the full application of this by-law.

(3) If an exemption is granted in terms of subsection (2), the municipality must issue a letter of exemption to the person concerned, specifying the scope and period of the exemption and any condition imposed.

(4) The municipality may amend or withdraw a letter of exemption at any time.

(5) The holder of a letter of exemption must ensure that the letter is available on the premises concerned at all times for inspection by any member.

96. Approval, authorisation or permission under this by-law

Any person who requires any approval, authorisation or permission contemplated in this by-law in respect of which no application procedure is provided, must apply for that approval, authorisation or permission –

(a) by completing and submitting an application in the form and manner determined by the municipality; and
(b) by paying the prescribed fee, if applicable.

97. Cancellation of approval, authorisation or permission

The provisions of section 41, read with the necessary changes, apply to any approval, authorisation or permission contemplated in section 95.

98. By-law binds State

This by-law binds the State and any person in the service of the State.

99. Appeal

A person whose rights are affected by a decision of the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act to the municipal manager within 21 days of the date of the notification of the decision.

100. Repeal of by-laws

The By-law relating to Fire Safety published in Provincial Gazette Extraordinary No [……] dated [……] is repealed as a whole.

101. Short title and commencement

This by-law is called the Sarah Baartman District Fire Services by-law and comes into operation on the date of publication in the Provincial Gazette.

SCHEDULE 1

GUIDELINES FOR EMERGENCY EVACUATION PLANS

Content of emergency evacuation plans

1. Every emergency evacuation plan contemplated in section 34 must contain at least the information under the headings below.

(1) Emergency telephone numbers
A list of all relevant emergency telephone numbers.

(2) General information
(a) the physical address of the premises;
(b) a description of the activities on the premises;
(c) the number of persons present on the premises at any time;
(d) an indication of any control room on the premises;
(e) an indication of any alarm system on the premises; and
(f) the particulars and contact details of every responsible person in the event of an emergency.

(3) Area study
An area study addressing the following:
(a) a history of emergency incidents on the premises;
(b) any important and relevant features or landmarks regarding the premises; and
(c) any information regarding adjacent premises that may be relevant to evacuation in an emergency.

(4) Socio-economic or other threats
Any socio-economic or other threats and their potential impact on the premises.

(5) Details of available equipment
Particulars and details regarding the position of the following equipment:
(a) Equipment in the control room;
(b) firefighting and first aid equipment on the premises; and
(c) any other equipment which may be relevant in an emergency.

(6) The emergency team
Particulars and details regarding the identity of members of the emergency team, including -
(a) its management;
(b) the continuity officers;
(c) the fire teams; and
(d) the first aid teams.

(7) Duties of emergency team members
The duties and responsibilities of members of the emergency team.

(8) Action plans and emergency procedures
Details of the specific action plans and emergency procedures applicable to the premises.

(9) Building plans and maps
The building plans of the premises and any relevant topographical map must be included in the evacuation plan.

(10) Emergency plan register
The plan must include –
(a) an updated drill register for the emergency evacuation plan; and
(b) a bomb threat questionnaire.

Review of emergency evacuation plans

2. (1) An emergency evacuation plan must be reviewed and updated by the owner or occupier of the premises concerned at least once each year and whenever a member of the management of the emergency team ceases to work at the premises.

(2) Whenever an emergency evacuation plan is reviewed and updated, the owner or occupier of the premises concerned must ensure that all old plans on the premises or in the possession of the management of the emergency team are collected and destroyed in order to eliminate any confusion regarding the validity and accuracy of the evacuation plan.

Emergency evacuation drills

3. An emergency evacuation plan should be drilled at least twice each year and involve the participation of all persons who work or reside in the building concerned.

Emergency evacuation awareness

4. Every person who works or resides on premises should be aware of the emergency evacuation plan for that premises.

SCHEDULE 2

EXEMPTION FROM STORAGE PERMIT

A permit in terms of section 51 is not required if the flammable substances concerned are of a type and do not exceed the quantity stipulated below.

GASES :		
Class O	Liquefied petroleum gas	Flat- Total cylinder capacity may not exceed 9 kg per flat. Houses or commercial premises- Total maximum of 19 kg inside and total maximum of 100 kg on premises. Industrial premises- Maximum of 19 kg per 600 m3 of building space with a total maximum of 100 kg.
FLAMMABLE LIQUIDS AND COMBUSTIBLE LIQUIDS :		
Class I	Liquids that have a closed-cap flash point of below 38°C	Total maximum of 40 litres
Class II	Liquids that have a closed-cap flash point of 38°C or above, but below 60,5°C	Total quantity of Class II and Class IIIA together may not exceed the maximum quantity of 210 litres
Class IIIA	Liquids that have a close-cap flash point of 60,5°C or above but below 93°C	

SCHEDULE 3

SPRAY BOOTH CONSTRUCTION

WALLS	225mm Brickwork.
ROOF	Reinforced concrete.
FLOOR	Concrete or other impervious material.
DOORS (A) (B)	Constructed of 50mm hardwood completely covered, including the edges, with 24 s.w.g. metal secured to the door with bolts at 30mm centres along the edges. The doors to open outwards and to be hung on Tee hinges bolted to the door. Close fitting metal doors not less than 3mm in thickness, carried on an angle iron frame and having an all-round overlap of not less than 50mm.
NOTE :	Where the floor area exceeds 18 sq. metres 2 doors must be provided.
WINDOWS	Metal frames with no opening sections glazed with wire-woven glass not exceeding 460mm x 460mm. Putty approved by the SANS Code No. 680/59 only to be used and the occupier to furnish proof of this to the chief fire officer.
NOTE :	The Department of Labour requires natural light to the extent of 20% of the floor area.
VENTILATION	30 linear metres/minute velocity across the room must be provided by means of mechanical ventilation, with the centre line of the inlets 460mm above the floor level and to discharge through vertical metal ducting terminating one (1) metre above the apex of the roof. No right angle bends to be used in the ducting system. Exhaust fans to be installed at four (4) metre centres or horizontal metal ducting extending the entire length of the wall with suitable inlets, must be provided.
NOTE :	If the ducting is external to the spray booth and in communication with the workshop etc., it must be protected by either 110mm brick or other approved fire rated material.
VENTILATION INLETS	The wall opposite the exhaust fans to be honeycombed with airbricks installed from 100mm above floor level to a height of not less than two (2) metres.
MINIMUM NO. OF AIRBRICKS 40 65 90 150	**SIZE OF ROOM** Up to but not exceeding 140 cubic metres. Up to but not exceeding 280 cubic metres. Up to but not exceeding 470 cubic metres. Up to but not exceeding 650 cubic metres.
ELECTRICAL WORK	All electrical work must be of flame-proof construction.
DANGER NOTICE	“DANGER – NO SMOKING” notices in 150mm high white letters on a red background to be provided above the doors outside the Spray Booth.

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/CS2**

CLOSE-OUT REPORT ON THE ST FRANCIS BAY SPIT, ROCK REVETMENTS

1. Introduction

The purpose of this report is to submit a Close-Out to the Council on the St Francis Bay Spit rock revetment.

2. Background

In 2016 the Department Economic Development, Environmental Affairs and Tourism (DEDEAT) authorized the St Francis Bay Beachfront for the maintenance and management of rock revetments reference EC08/C/LN1&3/M/21-2015. The municipality commenced with the activities in 2017 but due to non-availability of funds the project stopped, and the work was not completed.

In 2019 Kouga Municipality appointed PRDW Engineers for services required for the Spit due to the fact the engineering report and layout plans by PRDW engineer are the basis of Environmental Authorisation being granted. The appointment of PRDW to implement the proposed work was more practical and cost effective to the municipality as their plans formed the bases of the Environmental Authorisation.

The appointment of PRDW reduced the risk to Kouga Municipality, but, did not take the liability from Kouga Municipality. The spit repair was constructed in phases due to limited available funds and concerns regarding the dynamic nature of the estuary mouth. The limited extent resulted in wave attack on canal properties and the municipal pump house, requiring local shore protection in front of these structures. A possible solution was to extend the spit in order to limit the amount of wave energy reaching these structures. The aim was to contr=struct a Chainage 634 to provide sufficient protection, but as stated by PRDW (2020), a detailed study of potential sea-bed morphology and estuary currents on wave penetration was required to address the risk of waves reaching the pump house and northern canal properties and therefore, only 623 meters could be constructed.

A rock revetment with the length of 623 meters of which 67 meters is a breakwater has been constructed to protect the coastline. PDRW has prepared a Close-out report (**Annexure A**), the length of the breakwater is important for protecting canal properties and municipal infrastructure inside the canal.

3. Financial Implications

None.

4. Legal implications

No comments received.

5. Comments by Directorates:

5.1 Director: Community Services

Item supported.

5.2 Acting Director: Corporate & Digital Services

Item noted.

5.3 Acting Director: Infrastructure and Engineering

Item noted.

5.4 Director: Planning, Development and Tourism

Item noted.

5.5 Chief Financial Officer

Report is noted.

5.6 Municipal Manager

The report is noted with appreciation. A very serious risk has been mitigated with the completion of this rock revetment. However heavy winter storm surges will cause some damage to the revetments and will have to be maintained yearly.

6. Recommendations

6.1 That the St Francis Bay Spit Rock Revetment Close-Out report be noted and supported.

6.2 That the breakwater and revetment are temporary structures that would likely require future maintenance, unless a long-term solution is constructed in the next couple of years.

Item prepared by: Environmental Specialist 

Item approved by: Director Community Services 

Item Endorsed by: The Municipal Manager 

Item noted by: The Portfolio Chairperson 

Annexure: 1 ST Francis SPIT – CLOSE-OUT REPORT

PRDW
Consulting Port and Coastal Engineers

St Francis Bay Spit Protection Emergency Revetment

Spit Extension Close-Out Report

REV.0

17 October 2022



KOUGA MUNICIPALITY
Jeffreys Bay, South Africa

KOUGA
local municipality
Good Governance through Service Excellence

PRDW
Consulting Port and Coastal Engineers

St Francis Bay Spit Protection Emergency Revetment

Spit Extension Close-Out Report

Project Close-Out

S2095-RP-CE-004-R0

17 October 2022

REV.	TYPE	DATE	EXECUTED	CHECK	APPROVED	CLIENT	DESCRIPTION / COMMENTS
0	C	2022/10/17	GMH/AHH	AHH	AHH		For Approval

TYPE OF ISSUE: (A) Draft (B) To bid or proposal (C) For Approval (D) Approved (E) Void

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1. INTRODUCTION

PRDW was appointed by Kouga Municipality in May 2019 for the detailed design and construction of the St Francis Bay spit revetment as an EPCM contract. By December 2020 the spit revetment had been completed to Chainage 526, as indicated in Figure 1-1. The long-term erosion solution proposed by Advisian (2019) shows the protection extending to approximately Chainage 634.

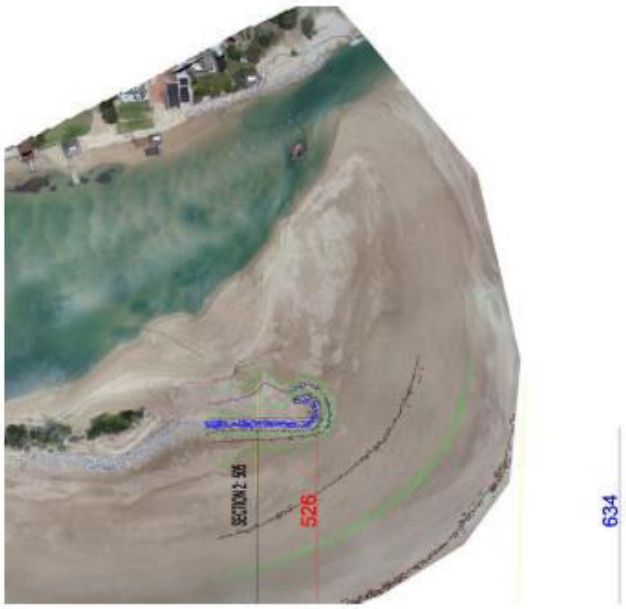

Figure 1-1: Extent of Spit.

The extent of the spit repair was limited due to available funds and concerns regarding the dynamic nature of the estuary mouth. The limited extent resulted in wave attack on canal properties and the municipal pump house, requiring local shore protection in front of these structures. A possible solution was to extend the spit in order to limit the amount of wave energy reaching these structures. Aiming for Chainage 634 could provide sufficient protection, but as stated by PRDW (2020), a detailed study of potential sea bed morphology and estuary currents on wave penetration is required to address the risk of waves reaching the pump house and northern canal properties.

After an investigation into an extension of the spit (PRDW, 2021), the Kouga Local Municipality decided to proceed with the work. Construction would be done as an extension to the existing EPCM contract and cost estimates from Abraham Coetzer were used to estimate the extension length that would be possible with the available funds. An extension to Chainage 593 (67 m in length) appeared to be possible.

Construction problems were experienced with the plant supplier who was appointed for delivery of rock from the quarry to the spit, which resulted in delays and additional costs. The history of construction is summarised in PRDW's letter of 8 June 2022 (Reference: S2095-3-LT-KM-011_R0). The additional costs required some compromises to the design section in order not to exceed available funds for the project. This report summarises the final as-built structure achieved, and provides an assessment of resultant risk. Some sections from PRDW (2021) have been repeated to address design and as-built risks.

2. ESTUARY AND BEACH VARIABILITY

Since the start of the emergency spit revetement repairs, the dynamic nature of the beach and area to the north of the spit revetment have been clearly illustrated by a number of aerial photographs indicated by PRDW (2021). It was concluded that the beach and estuary bathymetry will continue changing and present a risk to the spit revetment. This can only be mitigated with the more extensive Phase 2 structures and associated beach replenishment.

3. DESIGN BASIS

The design basis provided by PRDW (2021) indicated that Phase 2 construction is expected within a couple of years. The lifetime of the extension is therefore limited to approximately 3 years. The biggest uncertainty in terms of the design is potential changes in bathymetry and resulting wave attack. A survey of the mouth on 14 July 2021 is shown in Figure 3-1, indicating levels between -0.5 m MSL and -1.6 m MSL.



Figure 3-1: Mouth survey; by Abraham Coetzer on 14 July 2021.

A historic rock berm approximately 50 m seaward of the spit revetment was also surveyed to obtain an estimate of its average crest level, as indicated in Figure 3-2. It is likely that the average crest level of -1.3 m MSL will provide some level of protection against wave attack by inducing wave breaking.

Given the nature of the project, the basis for selecting a design toe level for the extension was not certain. Attempting to model estuary dynamics for various input conditions would have been disproportionately expensive compared to the cost of the structure and repairs, in the event that scour at the structure toe is more than anticipated. The design toe depth was therefore based on engineering judgement, which required the project to accept that this approach may lead to more scour than anticipated, with associated damage and maintenance to the structure.



Figure 3-2: Estimated average crest level of historic rock berm (Abraham Coetzer).

The design information from PRDW (2019) was also applied to the current design, and is provided in Table 3-1.

Table 3-1: Summary of design information (PRDW, 2019).

Parameter	Units	Value	Reference
Design life (approximate)	years	5 - 10	-
Probability of exceedance during lifetime	%	10	(AS4997, 2005)
Offshore wave height	m	5.8 - 6.2	(PRDW, 2015)
Foreshore slope	1:X	40	
Peak wave period	s	10 - 16	
Still water level (MHWS + 0.5 m storm surge)	m MSL	1.5	
Predicted erosion after 5 years	m	0.5	(PRDW, 2015)
Predicted erosion after 10 years	m	1.0	
Seasonal erosion variation	m	0.5	

Since revetment stability is sensitive to beach slope, this was increased to 1:30 to allow for higher variability within the estuary mouth. To some extent, the historic rock berm will limit the effective steepness of the

beach, but a 1:30 slope is considered appropriate for the design. Given the limited number of surveys in the estuary mouth, a maximum toe level of -2.5 m MSL was assumed, which allows for approximately 1 m of erosion, based on the available surveys.

4. DESIGN

The design makes use of Goda's irregular wave transformation and Van der Meer's formulae for rock stability. The extension was constructed as a breakwater, with pre-excavation to -1.5 m MSL at the seaward toe. The design makes provision for additional rock to accommodate erosion down to -2.5 m MSL. Two design scenarios have been covered:

- A single extreme storm event with a 3 hour duration.
- A more average storm lasting for a duration of 7 500 waves (the maximum storm duration in Van der Meer's equations after which no further damage occurs). This will occur as a number of storms at high tides.

The results of the two design scenarios are shown below for breakwater slopes of 1:1.5 and 1:2.

Table 4-1: Median rock mass required for a single extreme storm.

Parameter	Symbol	Units	Value						
Significant deep sea wave height	H_s	m	6	6	6	6	6	6	6
Design water level	L	m MSL	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Beach level	Y	m MSL	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5
Water depth	D	m	4	4	4	4	4	4	4
Seabed slope	cot(α)	1:X	30	30	30	30	30	30	30
Wave period	T_p	s	10	11	12	13	14	15	16
Significant shallow water wave height	H_s	m	3.1	3.2	3.3	3.3	3.3	3.4	3.4
Rayleigh Factor	R_f	-	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Mean wave period	T_m	s	8.3	9.2	10.0	10.8	11.7	12.5	13.3
Storm duration	T	h	6	6	6	6	6	6	6
Number of waves	N	No.	2592	2356	2160	1994	1851	1728	1620
Armour slope	**cot(α)**	**1:X**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**
Permeability	P	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Damage number	S_d	-	4	4	4	4	4	4	4
Rock density	ρ	t/m^3	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Rock mass (slope 1:1.5)	M	t	3.2	3.7	3.9	3.6	3.4	3.2	3.0
Armour slope	**cot(α)**	**1:X**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Damage number	S_d	-	5	5	5	5	5	5	5
Rock mass (slope 1:1.2)	M	t	1.8	2.1	2.4	2.8	2.7	2.6	2.4

Table 4-2: Median rock mass required for multiple average storms.

Parameter	Symbol	Units	Value						
Significant deep sea wave height	H_s	m	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Design water level	L	m MSL	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Beach level	Y	m MSL	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5
Water depth	D	m	4	4	4	4	4	4	4
Seabed slope	cot(α)	1:X	30	30	30	30	30	30	30
Wave period	T_p	s	10	11	12	13	14	15	16
Significant shallow water wave height	H_s	m	2.9	3.0	3.0	3.0	3.0	3.1	3.1
Rayleigh Factor	R_f	-	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Mean wave period	T_m	s	8.3	9.2	10.0	10.8	11.7	12.5	13.3
Storm duration	T	h	21	23	25	27	29	31	33
Number of waves	N	No.	7500	7500	7500	7500	7500	7500	7500
Armour slope	**cot(α)**	**1:X**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**
Permeability	P	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Damage number	S_d	-	4	4	4	4	4	4	4
Rock density	ρ	t/m^3	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Rock mass (slope 1:1.5)	M	t	3.7	4.5	4.2	3.9	3.7	3.4	3.3
Armour slope	**cot(α)**	**1:X**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Damage number	S_d	-	5	5	5	5	5	5	5
Rock mass (slope 1:1.2)	M	t	2.1	2.5	2.9	3.1	2.9	2.7	2.7

The largest available rock grading is believed to be 2 t to 4 t (median mass of 3 t). The median rock mass results in Table 4-1 and Table 4-2 indicated that a 1:2 seaward slope is required for the breakwater. Although this requires more rock than a 1:1.5 slope, a median mass of 3 t will not be stable on a 1:1.5 slope.

5. AS-BUILTS

5.1 Plan

A plan layout is indicated in Figure 5-1, showing a 67 m long breakwater extending from the previous spit revetment extension. The design crest level of the structure is +4.0 m MSL, which relates to a double layer on the crest. Due to the delays experienced with rock delivery, a single layer of rock was placed on the crest for the first 30 m of the structure.

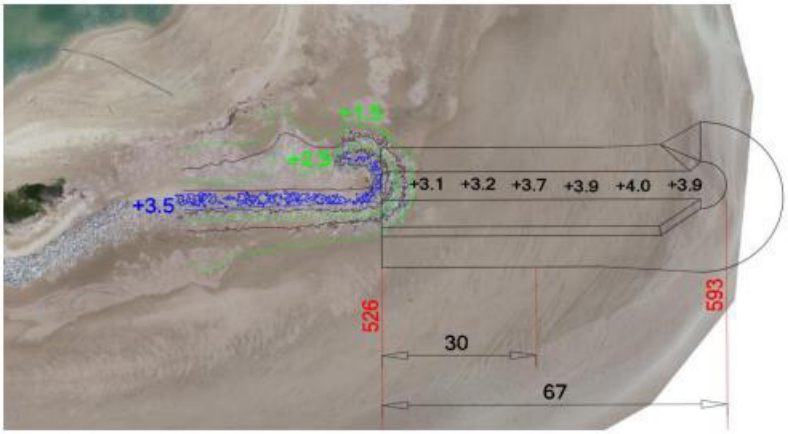

Figure 5-1: Revetment and breakwater plan layout and as-built crest levels (measurements in m, levels in m MSL).

5.2 Roundhead

The roundhead was constructed as per the design requirement, with a double layer on the crest and three layers of armour rock on the slope.

5.3 Trunk

Typical cross-sections of the trunk for the first 30 m and last 37 m of the breakwater are shown in Figure 5-2 and Figure 5-3. For both sections, the lee side of the breakwater consists of a single layer of rock. For the first 30 m, only a single layer of rock was used on the crest while a double layer was used on the crest of the last 37 m. The blue line shows the as-built profile.

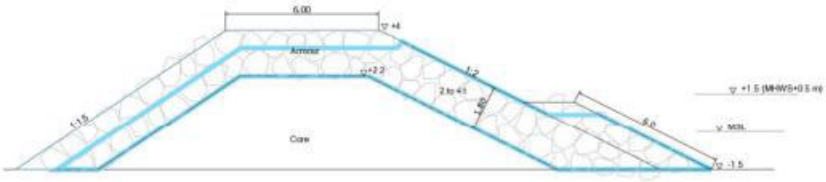

Figure 5-2: Breakwater cross section over the first 30 m (measurements in m, levels in m MSL).

the cost saving achieved by using free issue rock. It was noted that the size of core rock was larger than would typically be expected which results in a more robust structure.



Figure 5-5: Core construction with average estimated rock mass of 300 kg.

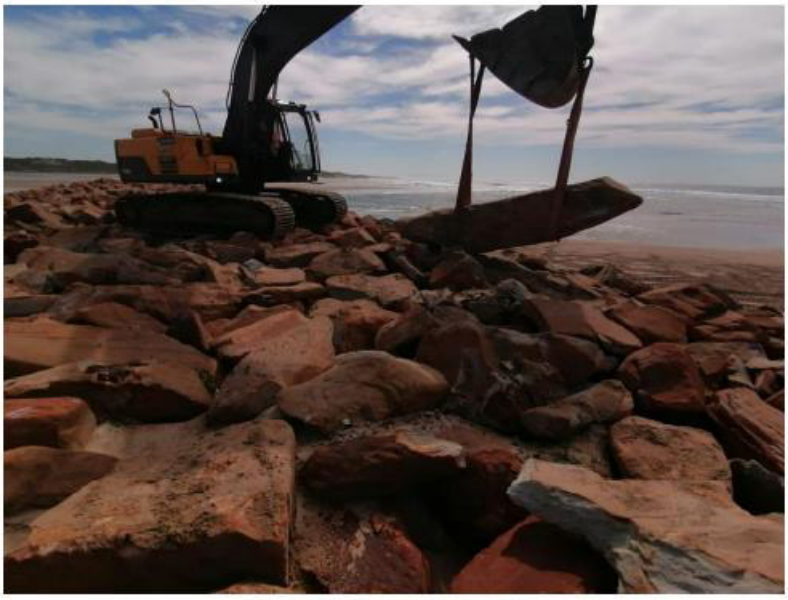

Figure 5-6: Construction of final crest layer.

the cost saving achieved by using free issue rock. It was noted that the size of core rock was larger than would typically be expected which results in a more robust structure.



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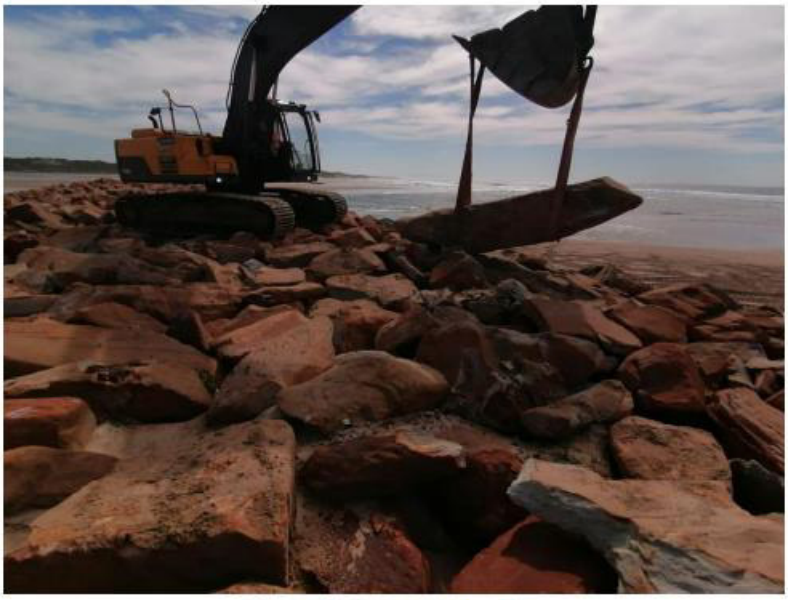

Figure 5-6: Construction of final crest layer.

6. RISK ASSESSMENT AND CONCLUSION

The breakwater roundhead has been correctly constructed as per the design intent. This part of the structure is likely to experience the most scour due to estuary flows at its toe. The seaward armour and additional scour protection has practically been completed according to the design intent over the full length of the structure. This is the main element of the design that has to withstand wave attack and toe scour as a result of possible future beach erosion. The risk of failure of the seaward armour has not been increased as a result of reducing rock on parts of the crest and lee slope.

Damage to the crest of the breakwater can only be caused by wave overtopping. This risk will only arise in the case of significant beach erosion (which will cause an increase in breaking wave attack). The risk of additional damage to the crest due to overtopping only exists over the first 30 m of the structure. Less erosion is expected over the first 30 m because it is further away from the estuary mouth. Where it meets the revetment section, similar erosion trends may be expected which means that the breakwater at this point is far less at risk than the revetment.

In the event that estuary dynamics cause erosion of the lee toe of the breakwater and resulting displacement of lee armour rock, the lee side of the core of the breakwater may become exposed. The core rock with a median mass of approximately 300 kg is considered sufficiently stable not to be damaged by flow velocities that can be expected within the estuary.

Considering the temporary nature of emergency work that has taken place on the St Francis spit, design compromises to the breakwater section are not considered to pose a significant risk to the functionality of the breakwater.

The length of the breakwater is important for protecting canal properties and municipal infrastructure inside the canal. An alternative to reducing some sections of armour layers would have been to construct the full design section and to reduce the length of the breakwater. The compromise of reducing some crest and lee armour layer thicknesses is considered a more efficient response to the problems experienced with rock delivery than reducing the length of the breakwater.

Both the breakwater and revetment are temporary structures that are likely to require maintenance unless a longer term solution is constructed within the next couple of years. Depending on the extent and longshore distribution of erosion it is not clear which of the two structures may first require maintenance. The important aspects of the breakwater design well represented in the as-built structure and the core material is larger than expected. While estuary dynamics are more complex and variable than beach levels, it is expected that the breakwater will last at least as long as the revetment.

7. REFERENCES

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KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

COMMUNITY SERVICES

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/CS3**

CLIMATE CHANGE STRATEGY: APPROVAL AND ADOPTION

1. Introduction

The purpose of this report is to submit to Council, the attached Kouga Municipality Climate Change Strategy for approval.

2. Discussion

Climate Change has become a measurable reality, and along with other developing countries, South Africa is extremely vulnerable and exposed to the impacts of climate change due to its socio-economic realities and environmental context. Climate variability including the increased frequency and intensity of extreme weather events will disproportionately affect the communities. In response to climate change impacts and vulnerabilities, the South African government developed the National Climate Change Response Policy (NCCRP White Paper 2011) for an effective climate change response and in the long-term, effect a transition to a climate-resilient and lower-carbon economy and society.

Responding to climate change involves two possible approaches: reducing and stabilizing the levels of heat-trapping greenhouse gases in the atmosphere ("mitigation") and adapting to the climate change already in the pipeline ("adaptation").

Mitigation – reducing climate change – involves reducing the flow of heat-trapping greenhouse gases into the atmosphere, either by reducing sources of these gases (for example, the burning of fossil fuels for electricity, heat, or transport) or enhancing the "sinks" that accumulate and store these gases (such as the oceans, forests, and soil). The goal of mitigation is to avoid significant human interference with Earth's climate, "stabilize greenhouse gas levels in a timeframe sufficient to allow ecosystems to adapt naturally to climate change, ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner" (from the 2014 report on Mitigation of Climate Change from the United Nations Intergovernmental Panel on Climate Change).

Adaptation – adapting to life in a changing climate – involves adjusting to actual or expected future climate. The goal is to reduce our risks from the harmful effects of climate change (like sea-level rise, more intense extreme weather events, or food insecurity). It also includes making the most of any

potential beneficial opportunities associated with climate change (for example, longer growing seasons or increased yields in some regions).

The attached strategy has been presented and workshopped with internal and external stakeholders.

The Strategy is aligned with the Sustainable Developmental Goals 2030 and the IDP. Priority areas has been identified and an implementation plan with resource allocation, costs and timeframes will be developed from the strategy.

3. Comments by Directorates:

3.1 Acting Director: Corporate & Digital Services

Item noted.

3.2 Acting Director: I & E:

Council must consider installing renewable energy on its own buildings as its contribution to decrease in carbon emission, a further benefit to this is the reduction on electricity charges on own use.

3.3 Director: PDT:

Noted

3.4 Director: Community Services

The item is supported.

3.5 Chief Financial Officer:

Item noted

3.6 Municipal Manager:

The item is noted and supported

4. Financial implications:

None

5. Legal implications:

The Council is, in terms of the Constitution of the Republic of South Africa, 1996 (Act No 108. of 1996), the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the National Health Act, 2003 (Act No. 61 of 2003) and the National Environmental Act 1998 (Act No. 107 of 1998); obligated to ensure that the health and well-being of the public is safeguarded. The

Council is responsible to ensure that the applicable legislation is implemented and enforced.

It is of vital importance that all the legislation applicable to Climate Change mitigation and adaptation be implemented and enforced with the aforementioned in mind and a strict approach has to be adopted.

6. Recommendation

6.1 That Kouga Municipality Council approves the Kouga Municipality Climate Change Strategy.

Item prepared by: Manager: Environmental Management

Item approved by: Director Community Services

Item Endorsed by: The Municipal Manager

Item noted by: The Portfolio Chairperson

Kouga Local Municipality

Climate Change Strategy

October 2022

Version 2

Prepared by

Nomvelo Siwela
Anna Hörlein

Version Control

Version	Date Submitted	Comments
1		Current Version

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1 Executive Summary

Climate Change has become a measurable reality, and along with other developing countries, South Africa is extremely vulnerable and exposed to the impacts of climate change due to its socio-economic realities and environmental context. Climate variability including the increased frequency and intensity of extreme weather events will disproportionately affect the communities. In response to climate change impacts and vulnerabilities, the South African government developed the National Climate Change Response Policy (NCCRP White Paper 2011) for an effective climate change response and in the long-term, effect a transition to a climate-resilient and lower-carbon economy and society.

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Adaptation – adapting to life in a changing climate – involves adjusting to actual or expected future climate. The goal is to reduce our risks from the harmful effects of climate change (like sea-level rise, more intense extreme weather events, or food insecurity). It also includes making the most of any potential beneficial opportunities associated with climate change (for example, longer growing seasons or increased yields in some regions).

Local government plays a crucial role in building climate resilience through planning human settlements and urban development; the provision of municipal infrastructure and services; water and energy demand management; and local disaster response, amongst others. The NCCRP addresses the municipality's vulnerabilities in areas like water quality, water security, flooding, infrastructure, land use, spatial planning, fires, etc. The plan also addresses how municipalities can adjust their operations to respond to climate change impacts as well as maximising on the opportunities presented, where applicable.

Kouga Municipality identified a working group to develop the Climate Change Strategy for the municipality, this strategy strengthens the resilience for society and the economy to mitigate against climate change impacts and should review, develop and implement policies, measures, mechanisms and infrastructure which protect the most vulnerable. The working group used the "Let's respond tool kit" and the "Greenbook" (an online planning support tool that provides quantitative scientific evidence on the likely impacts that climate change and urbanisation will have on South Africa's cities and towns, as well as presenting a number of adaptation actions that can be implemented by local government to support climate resilient development) to develop the strategy.

Both tools show the major hazards/risks Kouga Municipality is facing. KLM is already a water stressed municipality and faces future drying trends and weather variability with cycles of droughts

and sudden excessive rains leading to flooding. Kouga Municipality's coastline is threatened by coastal flooding, extreme erosion, storm surges, as well as sea-level rise. This also threatens municipal infrastructure, private property as well public open spaces and the municipality needs to find measures to adapt to changing coastal events. While population growth, wildfires and heat stress worsens the present stressors.

Climate change impacts are felt most directly at the local level, there is a great need for proactive efforts to build climate resilience and implement the Kouga Municipality Climate Change strategy into IDP and other framing documents. The Climate Change Strategy aims to bring about coordinated response to climate change and encourage collaboration between stakeholders within Kouga Municipality.

A summary of the key vulnerability indicators is provided in the list below:

- Increased impacts on environment due to land-use change
- Loss of Priority Wetlands and River ecosystems
- Impacts on Coastal Livelihoods
- Loss of land due to sea level rise
- Increased damage to property from sea level rise
- Increased impacts on strategic infrastructure
- Increased impacts on traditional and informal dwellings
- Increased migration to urban and peri-urban areas
- Decreased income from tourism
- Less water available for irrigation and drinking
- Increased impacts of flooding from litter blocking storm water and sewer systems

The mainstreaming of climate change into all municipal sectors will allow for alignment of the strategy with the IDP and the gradual implementation of climate change response measures within existing budgets balancing incremental costs with the economic, environmental and social values produced.

Based on the key indicators identified, the high level governance related response options include the following:

- Address procurement to ensure it supports efficient resource use and that tender specifications, particularly for large infrastructure projects, incorporate the wide range of future climatic conditions
- Consider best institutional location of climate change issues, and incorporate climate change within agendas of all structures, from Council to management and operations; and
- Budget allocations must ensure that spending supports development of new infrastructure development and maintenance of existing infrastructure.

Climate change response requires continuous monitoring and regular review to ensure efficacy. Successful implementation relies heavily on sustained and effective monitoring and evaluation (M&E) of its success. The monitoring and evaluation process must ensure that climate change impacts are monitored at appropriate spatial density and frequency, where feasible, of changes in

spatial distribution and incidence of climate sensitive diseases, ecosystems and the goods and services they supply, key species responses (including invasive alien species) wildfires and water resources, and agricultural and forestry production.

The strategic adaptations focus on the following areas: Integrating climate change adaptation into existing strategic planning mechanisms. Developing alternative financing options for the funding of adaptations. Developing an Information Management System to support ongoing climate change risk assessment and cost-benefit analysis. Maintaining and expanding stakeholder engagement. Effective implementation of these and other risk specific adaptations will require commitment at both the planning and resource level from a broad range of KLM departments and other stakeholders. More importantly, it will rely on effective communication and coordination among the different role-players.

This strategy also makes a start to the process of assessing the relative prioritisation of adaptations. This process will have to be developed further, both in terms of additional stakeholder engagement with senior management and in terms of identifying and collating the metrics necessary for determining baseline and future projected costs/benefits. However, it is noted that even with substantial future effort in collating relevant metrics there is likely to be numerous instances where there is insufficient information to allow for accurate cost-benefit analysis KLM Climate Change Adaptation Plan (as is typically the case for most municipalities). Therefore future prioritisation of risks and adaptations will also require the use of economic tools other than traditional cost-benefit analysis. The absence of specific damage cost estimates should not provide a basis for inaction.

2 Introduction

DEMOGRAPHIC PROFILE

Demographic

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.

Population

The population is referred to as the number of people who reside in a specific area. The Kouga Municipality had a population size of 98 606 people in 2016. The total population for the Sarah Baartman Municipality is estimated to increase to 111 881 by 2026, growing at an average annual rate of 0.3 %. The Kouga Municipality has a youthful population and is characterised by large differences in population density from one area to the next.

Partnership

In 2017 Kouga Local Municipality (KLM) joined the German Municipal Climate Partnership Program. Though this programme KLM partnered with Ilsfeld Municipality in Germany and developed a first joint programme of action providing initial planning for their cooperation in the field of climate change mitigation and adaptation under the following vision:

“Within the framework of the partnership between Kouga in South Africa and Ilsfeld in Germany, both municipalities are working together with the firm aim of protecting the climate and the environment at local level. In the case of measures to adapt to climate change and to secure (improve) the quality of life of the population, the objectives of the Paris Climate Convention are to be met with the help of a mutual exchange of knowledge, the realisation of projects and intercultural learning. The declared goal of both municipalities is to reduce locally influenceable CO^2 emissions by at least 50 % by 2025 and to cease using fossil-based energy by 2030. The use of natural resources (such as water) should be more efficient, more sustainable and thus more resource-friendly.”

Kouga LM experiences climate change as a threat to the environment, its residents, and to future development. The Municipality wants to build on first experiences with climate change projects and systematically integrate climate change issues into the work of the municipality. It was therefore decided to develop a Climate Change Strategy with the assistance of a partnership expert. The objectives of the Climate Change Strategy are the following:

- Provide directions for decision making related to climate change adaptation and mitigation projects to be prioritized
- Informing staff of KLM as well as the public and especially relevant stakeholders about the impact of Climate Change and possible responses at the municipal level
- Developing a basic Climate Change Risk and Vulnerability Assessment for Kouga that considers the local conditions in each town/ward
- Reviewing the policies addressing Climate Change

- Establishing a first Climate Change Strategy that can be integrated into the IDP and extended at a later stage
- Establishing a Climate Change Committee with clear responsibilities to further drive the implementation of the Strategy
- Implementing first CC mitigation and adaptation measure in KLM

In summary the present Climate Change Strategy outlines key climate change vulnerabilities that were identified through a Risk and Vulnerability Assessment and defines strategic adaptation responses.

2.1 Local Climate Change Impact

2.1.1 What is Climate Change

Climate change is a natural phenomenon when a variation in temperature and weather patterns can be observed over geological timeframes. In recent decades, however, a rapid global warming has been observed caused by the increased concentration of greenhouse gases in the atmosphere.

Climate change is a global phenomenon nevertheless there can be great differences among local climate change impacts and various reports have addressed regional climate change impacts in Kouga at different scales.

2.1.2 Causes of Climate Change

There are natural and human factors that cause climate change. During the burning of fossil fuels, like coal and gasoline and the transformation of natural lands through deforestation and conversion to agriculture, carbon is released back into the earth's atmosphere as carbon dioxide (CO_2). This process is happening too rapidly for the earth's natural climate protection systems, which are not able to cope, and this is causing global warming. These greenhouse gas emissions and heat from global warming are mostly stored within the world's oceans. This is causing changes in the acidity of seawater (which affects all marine life), changes in ocean current circulation patterns (affecting weather patterns globally) and the melting of the polar ice caps (contributing to sea level rise). Climate change is generally experienced as an increase in extreme weather events and a change in the reliability of seasonal weather patterns, causing serious flooding, drought and extreme heat spells (among other impacts).

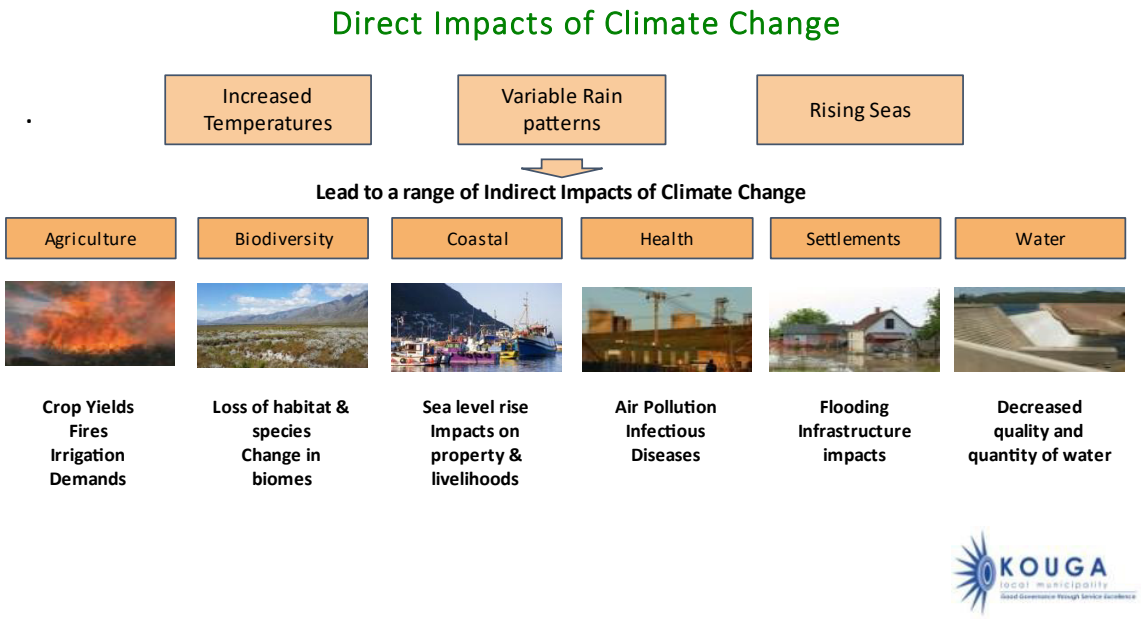
The 2010 Eastern Cape Climate Change Response Strategy (Coastal & Environmental Services 2011) expects annual mean temperatures to increase by at least 1.5 degrees Celsius and at most 2.5 degree Celsius and the duration of droughts to (Coastal & Environmental Services 2011). Furthermore, the key climate change issues of the Eastern Cape Province are summarized in the Sarah Baartman District Municipality Climate Change Response Plan (SBDM, 2018).

In the Long-Term Adaptation Scenarios Flagship Research Programme (LTAS) for South Africa (Department of Environmental Affairs, 2013) projections on rainfall have been made for the six hydrological zones of South Africa which reflect water management areas as well as common climatic and hydrological characteristics. There KLM falls completely in the Mzimvubu-Tsitsikama Hydrological Zone and the following four climate change scenarios have been described:

- Warmer wetter scenario - Increased rain in all seasons
- Hotter wetter scenario - Strongly increased rain in all seasons

- Hotter drier scenario - Decreased rain in all seasons & strongly decreased in summer & autumn
- Warmer drier scenario - Decreased rain in all seasons & strongly decreased in summer & autumn

The Green Book (CSIR, 2019) projects climatic changes for the period 2021–2050, relative to the baseline period (1961–1990) at a 8 x 8 km grid. For Kouga LM an increase in annual average temperature, a slight increase in very hot days, a slight variation in annual mean precipitation totals as well as a variation in average number of annual extreme rainfall days are projected.



2.2 Climate Change Policy Background

International treaties and agreement such as the United Nations Framework Convention on Climate Change (UNFCCC) or the Paris Agreement as well as the National Climate Change Response Policy (NCCRP) of 2011 and the Nationally Determined Contributions and the National Climate Change Adaptation Strategy (NCCAS) of 2020 set the general scope for the climate change mitigation and adaptation efforts in South Africa.

There, emissions reductions by a range between 398 and 614 million metric tons of carbon equivalent by 2025 and 2030 and a climate resilient development to a lower-carbon economy and society are promoted.

Furthermore, the importance of local governments in the effectively building climate resilience and adapting to climate change impacts is emphasised (NCCRP, 2011). Section 10.2.6 states the following:

"Local government plays a crucial role in building climate resilience through planning human settlements and urban development; the provision of municipal infrastructure and services; water and energy demand management; and local disaster response, amongst others. Climate change considerations and constraints will be integrated into municipal development planning tools such as Integrated Development Plans, and municipal service delivery programmes.

At the same time the mandate for local government to take on various specific climate change-related issues is not always clear, and it may be useful to assign specific powers for mitigation and adaptation actions such as coastal management, infrastructure management and natural resource stewardship, some of which fall within the jurisdictions of other spheres of government. A critical review of the policy and legislation relating to local government functions and powers with respect to climate change is required. The Department of Cooperative Governance and Traditional Affairs will lead such a process.

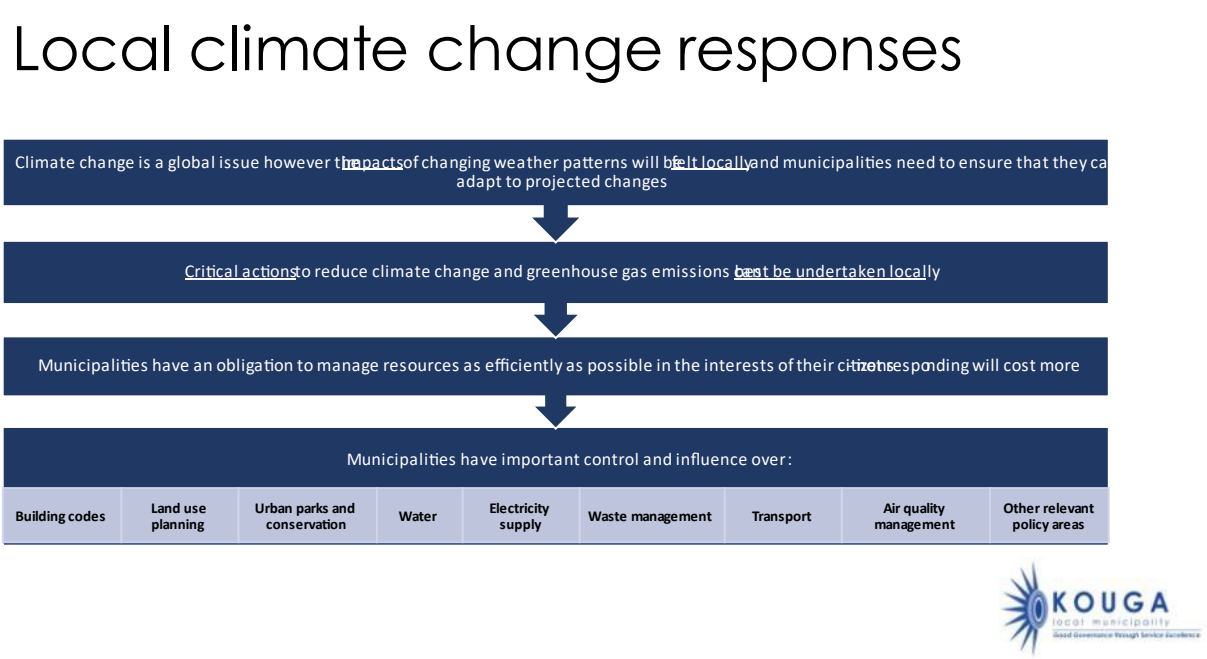
The fiscal mechanisms to support local government capital and operating expenditures currently do not incentivise municipalities to mainstream effective climate change responses into local government activities. National Treasury will lead a process to re-examine the current fiscal measures and the appropriate incentives for adaptation and mitigation measures by local government. Programmes to build capacity for local and provincial governments' climate response strategies will be prioritised, and a climate change toolkit will be prepared for provincial and local government practitioners.

There is a critical need for best-practice knowledge-sharing across provinces and municipalities to take advantage of innovative models in climate change adaptation and mitigation. This will be coordinated by the DEA and Department of Cooperative Governance and Traditional Affairs. In terms of inter-governmental coordination, the Ministerial political forum (MINMEC) and Outcome 10 Delivery Forum (MINTECH) set up through the Intergovernmental Relations Act facilitate a high level of policy and strategy coherence among the three spheres of government and will be used to guide climate change work across the three spheres. The South African Local Government Association, as a body mandated to support, represent and advise local government action, will continue to actively participate in the inter-governmental system, and ensure the integration of climate adaptation and mitigation actions into local government plans and programmes, and lobby for the necessary regulatory measures and resources to support local government in this regard."

Kouga LM acknowledges that is at the forefront of combating climate change while already feeling climate change impacts and the need to adapt to them.

Climate change is partially considered in the 2022-2027 IDP and concerning climate change mitigation the executive Mayor, Horatio Hendricks states: *"Three additional wind farms will also be constructed, as well as a hybrid energy factory through foreign development. In line with this programme, Kouga Municipality intends to unlock about 30 000 jobs over the next 5 years while combating the effects of climate change and positioning ourselves to becoming the renewable energy hub of SA."*

Furthermore, the IDP is aligned to the Sustainable Development Goals (SDGs) with Goal 13 standing for urgent climate change action and to the Disaster Management Plan that recognizes Flooding and Droughts as climate change enhance risks which need a sound understanding of climate change impact. Even though in the IDP´s SWOT analysis of each department only Community Services mentions climate change threat, climate change is put into context in three of the 10 priority areas of Kouga namely: Sustainable Water Security, Electricity Independence, and Investment for Growth.



3 Methodology

This Climate Change Strategy was drafted in 2022 through a combination of desk work such as the review of scientific literature and legislative documents, workshops, and stakeholder engagement activities.

The whole process was based on a slight modification of the framework methodology developed by the Local Government Climate Change Support (LGCCS) program that can be accessed at http://www.letsrespondtoolkit.org/.

The Environmental Specialist and the partnership expert championed the development of the Climate Change Strategy and conducted the following relevant activities.

3.1 Definition of scope of Climate Change Strategy with Mayoral Committee & Establishment of Working Group

After a first review of the framework methodology and relevant documents the process for the development of the Climate Change Strategy was presented to the Mayoral Committee on 4 April 2022. Based on time constraints of directors in KLM it was decided to establish a working group that would assist in the development of the draft climate change strategy. This draft was to contain results of a risk and vulnerability assessment and strategic adaptation responses that should set the framework for the stakeholder consultation.

A kick-off meeting with the working group was held on 22 June , 2022. The group consisted of the following officials who regularly attended and closely collaborated in the development of the present strategy:

Community Services: Nomvelo Siwela, Marco Engelbrecht, Cornelius Rudolph, Christa Venter

Infrastructure & Engineering: Various Interns

Planning: Pheeha Molelo

IDP: Elvis Olivier, Asanda Tebekanda

Disaster Manager: Timothy Nxumalo

Tourism: Lisa Thole

3.2 Review of status quo of various relevant topics (scientific and legal)

There are various uncoordinated climate change activities going on in almost all departments of KLM and lead by various stakeholders. In order to gain a sound understanding of the background the following documents were reviewed:

- SDBM Climate Change Response Plan
- Kouga Local Municipality IDP 2022-2027
- KLM´s Spatial Development Framework
- Disaster Management Plan
- Local Economic Development Plan
- Environmental Management Program for Dune Stabilisation

3.3 Municipal Risk and Vulnerability Assessments & Strategic Adaptive Response Planning

In order to develop appropriate strategic climate change responses at the local municipal level the following workshops were conducted:

Date	Objective	Participating Stakeholders
22/03/22	Risk and Vulnerability Assessment	Superintendents
28/07/22	Risk and Vulnerability Assessment	Working Group
11/08/22	Strategic Adaptive Response Planning	Working Group

Firstly, the Climate Change Vulnerabilities for Kouga Local Municipality were identified. These indicators demonstrate areas that maybe at high risk of climate change impacts. In the latter workshop potential responses were developed that can be implemented by the municipality.

The LGCCS Toolkit (www.letsresponde.co.za) was applied to the Kouga Local Municipality to assist with the development of its Climate Change Strategy. The indicators are a range of potential impacts which have been developed using the Long Term Adaptation Scenario (LTAS) reports (Department of Environmental Affairs 2013g). Indicators are grouped into the following themes:

- Agriculture
- Biodiversity and Environment
- Coastal and Marine
- Human Health
- Disaster Management, Infrastructure and Human Settlements

- Water

Four steps were followed when conducting a vulnerability assessment:

- Step 1: Identify indicators of potential impacts.
- Step 2: Assess whether the impact will take place (exposure).
- Step 3: Assess how important the risk is (sensitivity).
- Step 4: Assess if you can respond to the risk (adaptive capacity).

Exposure and sensitivity increase one's vulnerability to climate change, while adaptive capacity decreases vulnerability. The above-mentioned components allow for more detailed characterizations of climate change vulnerability. Priority indicators are perceived to be the ones the municipality is most vulnerable to. A strategic response plan was then developed to address climate change vulnerabilities.

Figure 1 below illustrates how the components of a Climate Change Vulnerability Assessment link to each other.

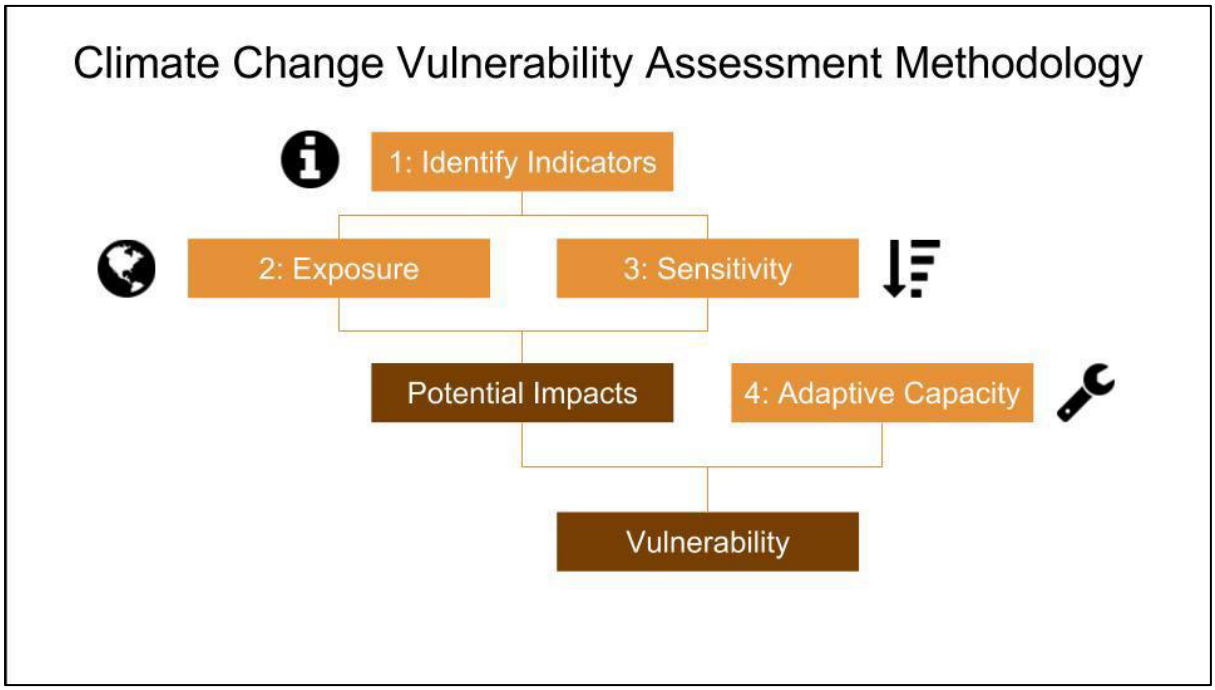


Figure 1: Vulnerability Assessment Methodology

3.4 Stakeholder Consultation & Engagement Activities

After a first draft of the Climate Change Strategy had been developed based on the Vulnerability Assessment and the identified responses these findings were presented to various stakeholders for their feedback. In order to address all stakeholders within the municipality properly the first consultation was done in line with the IDP sessions. These workshops aimed to provide the necessary tools, build capacity and provide support to stakeholders to develop and review existing Climate Change Vulnerability in their specific ward and provide potential response as well as other concerns.

Due to the tight schedule and the fact that the present Climate Change Strategy will constantly be reviewed and adapted external stakeholders were requested via email for their comments. This

included neighbouring municipalities, governing bodies (SBDM, Environmental Affairs, Gamtoos Irrigation Board,…) as well as the broader environment (e.g. Drakenstein, Ilsfeld, GIZ)

3.5 Consolidation of Climate Change Strategy through Council

4 Sector Profiles of Kouga Local Municipality

This section provides an overview of each of the KLM sectors used in the Vulnerability Assessment. Please note that a detailed summary of the general situation in Kouga can be accessed in the recent IDP and is therefore not duplicated in this strategy. Furthermore, since there was no participation from the Health Sector this is left out and should be done at a later stage.

4.1 Agriculture Sector Summary

The Sarah Baartman District Municipal Area is dominated by commercial agriculture. The predominant land use types in the catchment of the Kouga municipality is agriculture (i.e. cultivation and dairy). In areas that are closer to the coast such as Humansdorp cattle farming for beef and dairy dominates. Whereas, in areas more inland such as Patensie citrus is more dominant. Along the coastal parts of the District Municipal Area commercial agriculture is intensive (i.e. using relatively high levels of capital, labour and fertiliser compared to land size). Additionally, commercial forestry occurs mainly in the Tsitsikamma (southwest) and Grahamstown areas. The commercial forests consisting of Pinus and Eucalyptus species occur in the southwest and Acacia species in the east of the Sarah Baartman District Municipal Area. Being so varied and large, the agricultural sector in the Sarah Baartman District Municipal Area is an important source of employment. The agricultural sector accounts for an estimated 41% of formal employment in the District Municipal Area. In terms of households that are involved in agricultural activities the South African National Census of 2011 estimated that 14.17% of households in the District Municipal Area are involved in agricultural activities. The Sarah Baartman District Municipality in their 2017/2018 IDP estimated that the agriculture sector accounts for 28% of the District Municipal Area's total Gross Value Added.

Food security

Food security is a complex concept that involves the supply, availability, access and affordability of enough food to sustain the human body. In this respect it includes home grown vegetables, roadside fast food, as well as the myriad of manufactured and processed foodstuffs. Most of the supply of food raw materials for the KLM emanates from outside the KLM. The processing sector is generally concerned with the availability, affordability and shelf-life of the products, while the domestic consumer is concerned with access, availability and affordability. The impact of climate change on regions from which food supplies originate cannot be adequately addressed without an in-depth study of projected rainfall and temperature changes in those areas, but it is noted that, with respect to climate change, agriculture is arguably the most sensitive of all the major economic sectors. It can also be safely assumed that any increase in costs in the agriculture source regions will lead to increased prices in the KLM. There has been mention of agricultural projects food gardens (mostly poultry and vegetables) and it is here that the impacts of climate change may be most apparent. Climate change is likely to impact, in both positive and negative ways, on the potential for urban agriculture within the KLM.

4.2 Biodiversity Sector Summary

The Kouga Local Municipality (KLM) consists of 4 different biomes (i.e. Albany ticket biome, azonal biome, forests and fynbos biome), with the fynbos biome being the most dominant in the area. The

Fynbos Biome is made up of fynbos, renosterveld, Eastern inland shale band vegetation, Kouga grassy sandstone fynbos, Tsitsikamma sandstone fynbos, Loerie conglomerate fynbos, Garden route shale fynbos and Southern Cape dune fynbos and includes an extremely high number of species. The Albany Thicket Biome is mostly made up of shrubs and succulents that are dense, thorny and woody, with an average height of two to three metres. The Forest Biome consists of Southern afrotemperate, forests that are characterised by small, fragmented patches of trees that overlap to form canopies. The Azonal Biome consist of Albany alluvial vegetation, Cape estuarine salt marshes, Cape seashore vegetation, Cape lowland freshwater wetlands, Algoa dune strandveld, Cape inland salt pans, Lowveld riverine forest, swamp forest and mangrove forest. The Long Term Adaptation Scenarios Report on biodiversity highlights the following biomes as the most vulnerable and "in need of strong protection, restoration and/or research. High priority for action: Fynbos and Forest."

Within the Biomes found in Kouga, there are 5 main threatened ecosystem types. The most widespread ecosystem type in Kouga is the "Humansdorp Shale Renosterveld ecosystem". Both the Humansdorp Shale Renosterveld and the Albany Alluvial Vegetation is categorised as endangered. Furthermore, the Garden Route Shale Vegetation, Eastern Coastal Shale Band Vegetation and the Algoa Sandstone Fynbos are all categorised as vulnerable.

There are 15 protected areas that fall within Kouga. A 'protected area' can be defined as areas of land (e.g. a national park) or ocean (e.g. a marine protected area) that is legally protected and managed for the conservation of biodiversity, as per the National Environmental Management: Protected Areas Act (No. 57 of 2003).

In the Eastern Cape province, most wetlands are classified as 'heavily to critically modified' (less than 25% of the wetland land cover is natural). In Kouga there are several wetlands distributed throughout the local municipality. Wetlands provide essential habitats for species, but also provide multiple ecosystem services. These ecosystem services are water purification by removing nutrients, screening sediments, regulation of water flow, buffer zones during flood events and storage of water during droughts services. Wetlands provide not only these ecosystem services, but numerous species rely on wetlands habitats for breeding purposes as well as for completing life-cycles and foraging services.

The FEPA project identified important areas for threatened fish, the protection of which is of the utmost importance for their survival. These identified areas can be divided into two categories namely fish sanctuaries (where the condition of the river is good) and fish support areas (where the condition of the system is degraded). In Kouga Local Municipality there are 3 fish support areas and 1 fish sanctuary.

The KLM has several significant dune fields which plays a crucial role in sediment transportation. There are three headland bypass dunefields in the Cape St Francis area (i.e. Oyster Bay, Thysbaai and Santareme dunefields) that supplie sand from west to east. The local longshore drift system plays a critical role in replenishing beach sand deflated by the wind. Artificial stabilization of the dunefields with the development of Oyster Bay and St Francis Bay blocked dune movement and sand supply to St Francis Bay. The sand supply from downwind beaches to the dunefields has also been blocked. The headland-bypass dunefields at Cape St Francis are the only remaining large active dunefields of this type, and should therefore be protected. The dunefields are unique on a local, regional and global scale.

4.3 Coastal and Marine Sector Summary

The Eastern Cape has the longest stretch of coastline in the whole of South Africa, measuring approximately 800km in length. The coastal habitat acts as a major ecological corridor and is of great importance for climate change adaptation as it is the first line of defence for landward areas from impacts of sea-level rise and storm surges. The ecological components of the coastline include beach habitat (such as sandy beaches and rocky shores), active (shifting) dunes systems, fore dunes and vegetated dune ecosystems.

4.4 Human Settlements, Infrastructure and Disaster Management Sector Summary

The SPATIAL VISION AND CONCEPT AS PER KOUGA SPATIAL DEVELOPMENT FRAMEWORK (SDF) is the following: “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

CURRENT SITUATION OF HUMAN SETTLEMENT

High demand for lower income residential opportunities and land for settlement.

- Hankey drainage patterns and associated flood line restrict residential integration and areas for expansion.
- The topography of Kabeljous is problematic for effective stormwater management.
- Flooding occurs in pockets during heavy rainfall.
- Hankey- Areas in the settlements are subject to flooding.
- In Oyster Bay the area surrounding Umzamawethu is low lying and is subject to inundation and flooding.
- Dune movement obstructs the flow of the Slang River which leads to flooding.
- There is the need for the preparation of the stormwater master plan which can accompany the preparation of the LSDF for the local area.
- Presence of informal settlements
- Limited greenfield land available for the human settlement development.
- Due to the drought the Irrigation Board quota has been reduced and water shedding has been implemented since 2018.
- There is no water capacity to accommodate any additional dwellings.

CURRENT SITUATION ON INFRASTRUCTURE

The municipality does not have integrated an infrastructure maintenance plan and it is not aligned with the SDF. An integrated infrastructure investment plan was prepared but needs to be reviewed and aligned with the SDF.

The biggest challenges is the lack of bulk infrastructure and planning thereof.

CURRENT SITUATION ON DISASTER MANAGEMENT

The Disaster Management Plan was not supplied during the review of the SDF and as a result it was not aligned with the SDF.

Especially the following issues were identified:

- Climate change is not adequately considered in the SDF
- Inadequate environmental management and environmental support strategic plans
- Lack of environmental by-laws and environmental management strategies

4.5 Water, Health, Energy, Transport and Waste Sector Summary

Water

The objective of the water department is to comply to regulatory requirements and supply all consumers with potable water complying to SANS-241 standards. Unfortunately, the department is currently understaffed, and all vacancies need to be filled to achieve its objective with a clear distinction between the water service authority and the water service provider.

Kouga Local Municipality is obtaining water from several separate sources with a major part of the water coming from the Churchill pipeline system as treated water and boreholes and fountains water that is treated by the municipalities own water works only playing a minor role on the overall water provision. It is the intension of KLM to change the percentages to i.e., 70% of demand from own boreholes and 30% from Churchill pipeline.

As of October 2022 Jeffreys Bay still receives treated water from the Churchill pipeline system while approximately 70% of its water balance are obtained from boreholes and treated in the local Water Treatment Works.

St. Francis and Humansdorp are in a similar situation, and it is currently intended to concentrate more on borehole water instead of water from Churchill. In order to achieve this, available borehole water needs to be treated to remove iron and manganese.

Water treatment plants are being constructed for Jeffreys Bay, Humansdorp, St. Francis Bay and Hankey to remove iron and manganese from borehole water.

Other existing users that are directly provided water from the Churchill pipeline (Gamtoos river resorts, farmers etc) will continue utilising water from Churchill pipeline. Gamtoos river valley towns (Hankey, Patensie, Loerie and Thornhill) are being primarily provided with water from the GIB canal system together with limited borehole water in Hankey and Patensie. The quality of the borehole water in Hankey is not suitable for human consumption and the above-mentioned treatment work is therefore being constructed.

In general, present water supply is provided mainly from surface water sources whereas, it is targeted to become reliant on borehole water in future. As a result of this, it is intended to fit all productive boreholes with the required equipment in order to manage and monitor water levels and water quality in underground aquifers.

Health

Health issues are closely linked with poverty and economic development in developing countries. As with education, it is both a prerequisite for and an outcome of sustainable, equitable economic growth and poverty alleviation. Invariably it is the poorest (i.e. the informal settlement residents within the KLM) that are most exposed to the greatest health risks, including those related to climate change such as extreme weather events - flooding, heatwaves - and disease. Most of these health risks affecting the vulnerable can only be addressed through a multi-faceted approach targeting improved access to economic opportunities, improved primary health care delivery and improved access to basic infrastructure (in particular, stormwater, water supply and sanitation). The KLM Environmental Health section is responsible for the following key functional areas: environmental health and management support. The elderly and very young typically have the most complex health needs within a community Climate change may create a more favourable environment for various disease vectors (such as mosquitoes) and which may in turn lead to increasing incidences of related diseases; Increased rainfall and floods may lead to an increase in sewage contamination of surface waters resulting in outbreaks of cholera, dysentery and other diseases; The potential for more flooding and fires may put additional strain on emergency services and the health sector as a whole

Energy

Households affected by unemployment and poverty rely on less convenient and often unhealthy fuels, which also have a negative effect on the environment. The Department of Mineral and Energy is examining pricing liquid fuels to promote the use of liquefied petroleum gas (LPG) over illuminating paraffin (IP). Coal use in urban areas results in indoor air pollution and adds to South Africa's net contribution to carbon dioxide (CO^2) emissions, and therefore to climate change. The restructuring of the electricity distribution industry into regional electricity distributors is expected to promote efficiency and harmonise tariffs nationally. Most decisions on the choice of household energy carriers are made by women. Eskom has done extensive research on domestic load for its NRS 034 report, which gives SA's first in-depth view on the effects of gender on domestic-load growth.

Waste and Pollution

Although emissions from the waste sector are small, there is potential to contribute to the reduction of GHG emissions on a large scale through the prevention, reuse and recycling of waste. In terms of air pollution, one of the greatest challenges is ensuring that climate change mitigation efforts do not increase air pollution at a local level. KLM’s goals are to have effective air, water, solid waste and waste water management systems in which resources are focused on reduction, reuse and recycling strategies that effectively reduce GHG emissions in all economic sectors, divert waste from landfills, and create employment opportunities. Waste infrastructure is also designed appropriately to adapt to the impacts of climate change and GHG emissions from waste and pollution generated in KLM are minimised

Transport

The transport sector generates a small share of the CO_2 emissions in KLM. Despite the fact that only 36% of residents have access to a private motorcar, most residents rely on public transport and make many trips on foot. Modal shifts towards more public and non-motorised transport can substantially reduce transport emissions and contribute to a cleaner environment.

5 Vulnerability Assessment Results

The following section provides a summary of the Vulnerability Assessment conducted based on the literature review (mostly the Greenbook) as well as the results of the various Risk and Vulnerability WS in KLM.

5.1 Climate Change Hazards in KLM

Before looking at Climate Change hazards in KLM the general development projections must also be taken into consideration, where there is a moderate to extreme population growth to be expected in all KLM towns. This is based on migration to the region and will pose additional pressure on the adaptive capacity in KLM for all identified hazards which namely are:

- Population Growth
- Drought
- Flooding
- Coastal Flooding
- Wildfires
- Heat stress

Unfortunately, the current drought map of the Greenbook is clipped short off the SE coast, but there is an increased drought tendency in the Kouga area and it is projected (on average) to increase into the future. The risk to settlements is extreme by 2050.

The picture around drought becomes clearer when one considers water availability. Reduced precipitation, decreased runoff, increased evaporation (especially over autumn and winter), together with increased population result in high vulnerability and ultimately a situation where demand outstrips supply. There are negative future impacts to groundwater and surface water.

It must be noted that the risk profile does not specifically include adaptation capacity. However, under the future water supply component, planned regional urban water supply is considered in the analysis. That is an initial estimate of the potential for adaptive capacity as the future water availability for each municipality was increased by the total volume of water supply augmentation options identified in the “All Towns” study (by DWS) and the overall water demand was reduced by the potential savings from reduction of unaccounted water.

5.2 Vulnerability Assessment Summary

The lists below summarize the high and medium priority climate change indicators for the municipality. At this stage other indicators are not included in the Climate Change Strategy.

5.2.1 High Priority Climate Change Indicators

Based on the above vulnerability assessment the following indicators were identified as high priority climate change vulnerabilities for the municipality. These were in summary shortlisted by answering “yes” to exposure, “high” to sensitivity and “low” to adaptive capacity.

- Increased impacts on environment due to land-use change
- Loss of Priority Wetlands and River ecosystems
- Impacts on Coastal Livelihoods
- Loss of land due to sea level rise
- Increased damage to property from sea level rise

- Increased impacts on strategic infrastructure
- Increased impacts on traditional and informal dwellings
- Increased migration to urban and peri-urban areas
- Decreased income from tourism
- Less water available for irrigation and drinking
- Change in fruit production
- Increased risks to livestock
- Increased impacts of flooding from litter blocking storm water and sewer systems

5.2.2Medium Priority Climate Change Indicators

Based on the above vulnerability assessment the following indicators were identified as medium priority climate change vulnerabilities for the municipality. These were in summary shortlisted by answering “yes” to exposure, “medium” or “high” to sensitivity and “low” or “medium” to adaptive capacity.

- Change in other crop production (e.g. nuts, vegetables, etc.)
- Increased exposure to pests such as eldana, chilo and codling moth
- Loss of High Priority Biomes
- Increased impacts on threatened ecosystems
- Impacts on Marine and Benthic Ecosystems
- Impacts on estuary ecosystems
- Loss of industrial and labour productivity
- Increased isolation of rural communities
- Increased risk of wildfires
- Decreased quality of drinking water
- Decreased water quality in ecosystem due to floods and droughts
- Increased fish mortality

Results & Strategic findings

During the Strategic Adaptive Planning Sessions it became clear that climate change is a cross cutting issue that will put further stress on various issues that already need to be high on the municipal agenda. With many climate change vulnerabilities identified it is utterly important to address those.

The identified strategic adaptive responses therefore focus equally on the governing legal framework as well as on specific programs and actions. For all of them roles and responsibilities as well as communication means need to be clearly defined and monitoring and evaluation for the review of the short, medium and longer-term effect needs be in place.

5.3 Setting up the framework for Climate Change at KLM

First of all it should be considered to install a permanent climate change team that not only guarantees that Climate Change is incorporated into all relevant policies but also addresses climate change as cross-cutting issue that needs inter-departmental coordination to be properly addressed. Several departments should be presented and potentially also addressing climate change funding. While it must be noted that there is no allocated funding currently available at KLM.

It must be noted that knowledge concerning Climate Change varies significantly among various stakeholders within the municipality. Therefore, a need focused awareness-raising also among municipal staff and in wards should be considered. Furthermore, following the “Leave None behind”-principle some vulnerable wards should specifically be addressed so that all wards are equally represented which also was not always given during the IDP sessions.

While climate change has already been integrated into some guiding documents of the KLM such as the IDP and there has been a vision derived for the climate change partnership this needs to be further extended. A clear definition of effective delivery of climate change adaptation and possibly mitigation needs to be integrated into KLM´s legal governing documents such as strategies, policies and respective by-laws. Robust and integrated plans and programs need to be developed where climate change is conceptualized.

So far Climate Change is only briefly mentioned in the Spatial Development Framework and the Local Economic Development Plan and it is intended to be considered in the Biodiversity Plan.

At this stage based on the input received from internal and external stakeholders the present Climate Change Strategy Focuses mostly on Climate Change Adaptation. It must be noted that the municipality is aware that Climate Change Mitigation is equally important. Therefore, KLM is looking at energy efficiency and renewable energy issues and trying to further extend this issue. Therefore, in line with the vision of the climate change partnership and the IDP a clear vision should be developed concerning Kouga´s future energy mix. Ideally aiming at net-zero emission. In order to achieve this a clear understanding of KLM´s carbon footprint needs to be developed and a Municipal Energy Management System should be established.

It is to be noted that even though Drought and Flood are identified as mayor threats, there is no Water Services Development Plan in place.

To properly address climate change within the municipality it must be mainstreamed into guiding documents. Based on the various consultative sessions held and the review done consideration of climate change as cross-cutting issue is especially needed in the review or development of the following documents:

- Environmental Management Framework

- Spatial Development Framework
- Water Services Development Plan
- Water and Sewerage Masterplan
- Stormwater Management Plan
- Integrated infrastructure maintenance plan
- Transport Plan
- Tourism Plan
- Environmental and Water by-laws

Furthermore, if the following plans and programs are developed climate change should also be mainstreamed:

- Integrated Waste Management Plan
- District Air Quality Management Plan
- Coastal Management Program
- Disaster Management Plan
- Rural Development

5.4 Adaptation programs to priority vulnerabilities

Through the risk and vulnerability assessment high and medium priority vulnerabilities were identified. Through grouping these vulnerabilities and putting special focus on the priority vulnerabilities the following needed adaptation programs were identified that go beyond the mere integration and mainstreaming of Climate Change into the earlier mentioned policies.

5.4.1 Climate responsive planning through an Integrated Environmental and Ecosystem Management Plan

The aim is to ensure that the SDF and Precinct Plans are climate responsive and support the long-term development of inclusive, climate-resilient precincts under consideration of the environmental and ecosystem issues. To achieve this the Development of an Integrated Environmental and Ecosystem Management Plan, which protects and rehabilitates key as well as threatened ecosystems and reserves within KLM is needed before the next review of SDF in 2025. The SDF and precinct plans would then provide high-level policy guidance to direct decision making on nature, form, scale and location of urban development, land use change, infrastructure development, disaster mitigation and environmental resources protection.
This will have an impact on the following vulnerabilities: Increased impacts on environment due to land-use change, Loss of Priority Wetlands and River ecosystems, Impacts on Coastal Livelihoods, Loss of land due to sea level rise, Increased damage to property from sea level rise.

Responsibilities: Town Planning and Environmental Management

5.4.2 Promote and support integrated human settlement development that is climate responsive

The Human Settlement Department must support priority programmes for upgrading informal settlements and enable opportunities to enhance healthy and safe formal and informal building practices, and upgrades towards formality.

Ensure that municipal strategic land promote urban sustainability projects that are net-zero carbon and minimize the cost of occupancy with energy efficiency. Promote climate-friendly building and

raise awareness among citizens. Furthermore, share information of Master Plans and consider densification in the planning.

This should have an impact on the following vulnerabilities: Increased impacts on traditional and informal dwellings, Increased migration to urban and peri-urban areas

Responsibilities: Human Settlement, Electrical and Water

5.4.3 Guaranteeing functioning critical infrastructure for service delivery

As mentioned, there is no integrated planning of critical infrastructure currently in place in KLM (e.g. no Service Delivery Plan, no updated Master Plans). Nevertheless, there are many approaches that can be conducted to assist planning while guaranteeing the service delivery of the municipality is functioning.

One crucial issue is prioritizing maintenance issues and raising awareness among all officials about the significance of thus which also includes using resources sparingly. For this, also adequate by-laws need to be in place.

Furthermore, engaging with researchers in the identification of sustainable resources, vulnerable infrastructure, and suitable suits for future bulk infrastructures.

This will contribute to the following vulnerabilities: Less water available for irrigation and drinking, Increased impacts of flooding from litter blocking storm water and sewer systems

Responsibilities: Infrastructure and Engineering, Town Planning

Sector specific adaptive actions

Besides that the two economic sectors relevant in KLM namely agricultural (dominantly citrus and dairy) as well as tourism need specific adaptive actions that need to be coordinated with the municipal planning as well as other sectors and the public through awareness raising. Also pilot projects for sustainable tourism could be considered as well as incentives for climate-friendly tourism.

This will have an impact on the following vulnerabilities: Decreased income from tourism, Less water available for irrigation and drinking, Change in fruit production, Increased risks to livestock

Responsibilities: Local Economic Development, Town Planning, Water, Sewage

5.5Short-term actions for climate change management

While developing this climate change strategy several short-term measures where identified that can readily be implemented. These either aim at mainstreaming climate change, establishing the needed human resources with climate change affinity, assisting in multidisciplinary planning with clear roles and responsibilities or protecting and maintaining already existing municipal systems and infrastructure.

- Organization of a GIS round table
- Training of Climate Change Expert/Champion in each department
- Include Climate Change into already existing forums (e.g. Business Forum,…)

- Installation of Jojos (water tanks) at RDP houses (as suggested by SBDM Climate Response Plan) and all council buildings
- Definition of Sustainability for KLM which includes Planning Department, Infrastructure and Engineering and Community Services
- Protection of Green Areas (No Selling of Public Open Space by KLM)
- Consideration of Carbon Footprint (e.g. Lawn Mowing Teams)
- Creation of Climate Change Forums for Citizens and Stakeholders
- Awareness Raising
- Composting Sites
- Creating Local Content (e.g. Sand Bag Building)
- Training of Ward Committee (Environmental representative)
- Do Coastal setback line
- IDP (Plan for Alien Invasion, Plan for Biodiversity, Rebate for Private Owners (Wind Break, Indigenous Plants, Fire Breaks),
- Environmental Management Forum

Financial mechanisms

Acting now on climate change can minimise negative impacts and costs in the long term. In the context of an uncertain future, finance and investment should focus on low-regret options that promote sustainable natural resource management and socio-economic development. Unfortunately, public finance for interventions, and for climate adaptation as a whole, is less than the amount required. It is thus necessary to learn how to tap into non-traditional sources of finance, including community contributions, and to draw lessons from international projects that have been financially supported through innovative national budgeting processes and public– private partnerships. Added to this, municipalities should prioritise project packaging and marketing when seeking project finance, whether internally or externally. This will require projects to be designed using cross-sectoral teams that can highlight the multiple benefits, particularly socio-economic benefits, that are possible.

In summary the following programs and sub-projects/activities should be prioritized in order to address various indicators of the Vulnerability Assessment:

Program	Outputs	Activities
Establish and capacitate Climate Change Committee with clear Roles & Responsibilities	Output 1.1: Climate Change Committee with a formal mandate from the Council and with representatives from all key departments established	Activity 1.1.1: Conduct WS with Green Cape concerning Climate Change Activity 1.1.2: Responsibilities included within the municipal organogram
	Output 1.2: Climate Change Strategy Integrated into IDP	Activity 1.2.1: Climate Change Committee included in IDP sessions Activity 1.2.1: M&E established
	Output 1.3: Continues training and capacity development	Activity 1.3.1: Various staff training conducted

Legal framework for Climate change adaptation and mitigation at KLM	Output 2.1: Environmental Management Framework developed before 2025 linked to Sustainable Goals 2030	Activity 2.1.1: Procurement of professional services for Environmental Management Framework Activity 2.1.2: Engaging with professional services during their appointment (e.g. site assessment) Activity 2.1.3: Council adoption of Environmental Management Framework (EMF)
	Output 2.2: Environmental Management Framework in considered in update of SDF in 2025	Activity 2.2.1: Workshopping of EMF with Planning Department Activity 2.2.2: Council adoption of SDF
	Output 2.3: Energy policy with clear action plan be adopted by the Council by 2024	Activity 2.3.1: Energy policy with clear action developed and presented to Council for adoption Activity 2.3.2: Energy management reviewed annually and active support from senior management guaranteed
	Output 2.4: Identify KLM Climate Change mitigation and adaptation footprint	Activity 2.4.1: Identify all activities triggering climate change, including day to day operations (harmful materials, GHG, CO_2 emissions Activity 2.4.2: Identify projects to reduce emissions and GHG's (waste minimisation, green energy)
Natural Resource Management, Conservation, Protection and Demand Management	Output 3.1: Infrastructure maintenance plan has been developed through inter-departmental team	Activity 3.1.1: Map all infrastructure Activity 3.1.2: Job clarification and reskilling
	Output 3.2: Diversification of Water Resources and Water Service Development Plan in place and coordinated with stakeholders	Activity 3.2.1: Use water recycling and leak detection Activity 3.2.2: Promote rainwater harvesting among stakeholders Activity 3.2.3: Procurement of professional services for Water Services Development Plan
	Output 3.3: Rehabilitation of ecosystems	Activity 3.3.1: Alien clearing Activity 3.2.2: Buffer zones around wetlands Activity 3.2.3: Tree planting
Financial implication	Output 4.1: Low hanging fruit and long term planning	Activity 4.1: Identify projects with resource identification, timeframes and cost implication Activity 4.1.2: Roadmap for investment

Conclusion

Despite a number of demonstrably successful cases, current practice still focuses on planning and implementing 'grey' infrastructure solutions. It is critical that municipalities explore the multiple opportunities that exist for mainstreaming and implementation of EbA. This will not only improve coastal cities' ability to adapt to climate change impacts but will also increase the resilience of coastal communities.

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REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT1**

FINAL APPROVAL FOR ALIENATION OF UNREGISTERED ERF 4593, KRUISFONTEIN: JABES CHURCH

1. Introduction

The purpose of this item is to request Council's final approval for alienation of unregistered Erf 4593, Kruisfontein to Jabes Church .

A Council resolution to dispose of a portion of Erf 2, Kruisfontein for church purposes (13/05/FAME22) was taken by Council on 30 May 2013 which reads as follows: -

13/05/FAME22 **INTENTION TO DISPOSE OF A PORTION OF ERF 2, KRUISFONTEIN**

Resolved: (30 May 2013)

i) That the intention to dispose of a portion of Erf 2, Kruisfontein, be noted and approved.

ii) That in terms of Section 14 of the Municipal Finance Management Act, the portion of Erf 2, Kruisfontein is not required for basic level of municipal services.

iii) That after advertisement of the Council's intention, comments and objections from the public be taken into consideration.

iv) That all the cost which consists of cost for the Land Surveyor, Valuer, Administration cost, etc. be included in the selling price.

v) That all legislative requirements be adhered to.

However, this process was never be finalized, hence the process of Section 14 comments was requested from departments, in compliance with Municipal Finance Management Act, 2003 (Act 56 of 2003) – Sections 14, 90 and 33 (MFMA).

The below advertisement (Notice 44/2018) calling for comments/input on the intended alienation of the portion or Erf 2, Kruisfontein was placed 29 March 2018 and no objections were received.

KOUGA MUNICIPALITY (EC108)

NOTICE NO. 44/2018

PUBLIC INVITATION FOR COMMENTS/INPUTS TO THE INTENDED ALIENATION / LEASE OF MUNICIPAL LAND FOR CHURCHES/RESIDENTIAL/BUSINESINESSES

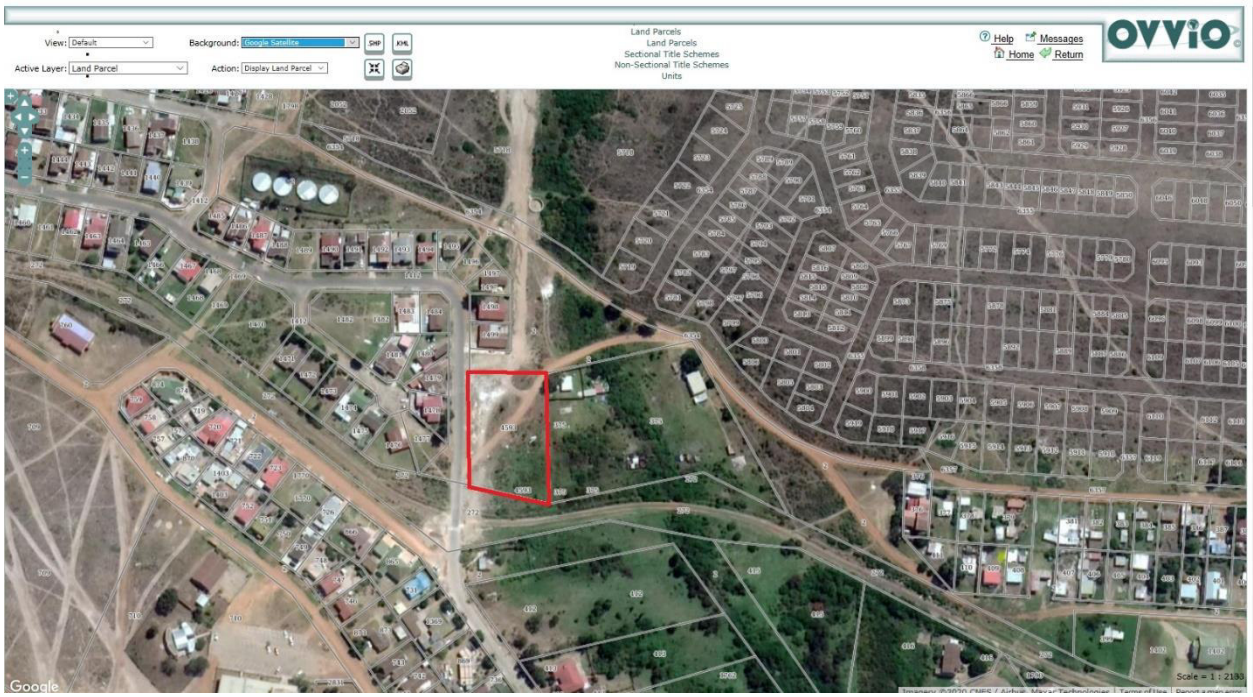
Notice is hereby given that at a Council Meeting held on 7 March 2018 (RESOLUTION 18/03/F2) the Council resolved to call for public input for objections on the lease/rental and alienation of immoveable assets for Churches and disposing of land for business of the below-mentioned erven at fair market related rental as indicated in the Municipal Finance Management Act:

Land earmarked for church sites
ERF 7263 – Ocean View
ERF 7517 - Ocean View
ERF 7355 – Ocean View
ERF 7263 – Ocean View
ERF 6857 – Ocean View
ERF 1245 - Pellsrus
ERF 1714 - Pellsrus
ERF 854 – Pellsrus
ERF 2675 – Sea Vista
ERF 3481 – Sea Vista
ERF 2734 – Sea Vista
ERF 3493 – Sea Vista
ERF 3147 - Kruisfontein
ERF 4897 – Kruisfontein
ERF 1522 – Kruisfontein
ERF 1853 – Kruisfontein

ERF 2307 – Kruisfontein
ERF 3065 – Kruisfontein
ERF 4593, Portion ERF 2 – Kruisfontein
ERF 849 – Thornhill
ERF 891 – Thornhill
ERF 2252 – Hankey
ERF 3316 – Hankey

ERF 835 - Patensie

Council also resolved in March 2014 to subdivide and rezone a portion of Erf 2, Kruisfontein for church purposes.



14/03/IPD14 ***<u>APPLICATION FOR THE SUBDIVISION AND REZONING OF A PORTION OF ERF 2, KRUISFONTEIN, HUMANSDORP (JABES CHURCH)</u>***

Resolved: (27 March 2014)

i) That the application for the subdivision of a portion of Erf 2, Kruisfontein, Humansdorp, into 2 portions in terms of Section 24 of the Land Use Planning Ordinance be approved in terms of Section 25 of the Land Use Planning Ordinance, Ordinance 15 of 1985.

ii) That the application for the rezoning of Portion A of the subdivided portions in terms of Section 17 from "Undetermined" to "Institutional II" in terms of Section 16 of the Land Use Planning Ordinance, Ordinance 15 of 1985 be approved.

iii) That the applications as mentioned in paragraphs (i) to(ii) above be approved subject to the following Section 42 conditions:

a. *That the subdivision be in accordance with diagram S109SP dated January 2014 as prepared by Maarschalk & Partners.*

b. *That the Section 8 Zoning Regulations be applicable.*

c. *That all engineering services comply with the requirements of the Council.*

d. *That the owner be responsible for the installation of electrical services according to the standard guidelines for electrification of townships as approved by the Council.*

e. *That the owner provides proper storm water drainage to comply with the requirements of the Council.*

f. *That the owner be responsible for all cost (that may escalate) in respect of services, services connections and augmentation / services contribution fees as determined by the Council.*

g. *That the subdivided erven be serviced by separate sewerage, water and electricity connections for the account of the owner prior to transfer of existing and newly created portions.*

h. *That in the event of the Council requiring an electrical or any other services servitudes, the developer will accede to the registration of such servitude without compensation.*

i. *That vehicular access be provided to the newly created portion.*

j. *That the development complies with the requirements of the National Environmental Management Act.*

k. *That, where the owner has failed to comply with the provisions of Section 27(1) of the Land Use Planning*

Ordinance 15 of 1985, in relation to a subdivision or a part thereof, the granting of the application under Section 25 shall lapse.

l. *That the developer/owner adheres to all formal legal procedures and conditions as stipulated in any National, Provincial or Local legislation and / or by-laws.*

m. *That the rezoning shall lapse if the land concerned is not, within a period of two years after the date on which the application for rezoning was granted, utilized as permitted in terms of the zoning granted by the said rezoning.*

n. *That, if the Surveyor-General has approved a General Plan or Diagram as contemplated by Section 26 of Ordinance 15 of 1985, the Owner concerned shall, within a period of five years after the application has been granted under Section 25, furnish the Registrar of Deeds with such documents and information as he may require, provide services in accordance with the conditions imposed under Section 42(1) in respect of the subdivision and obtain the registration of at least one land unit.*

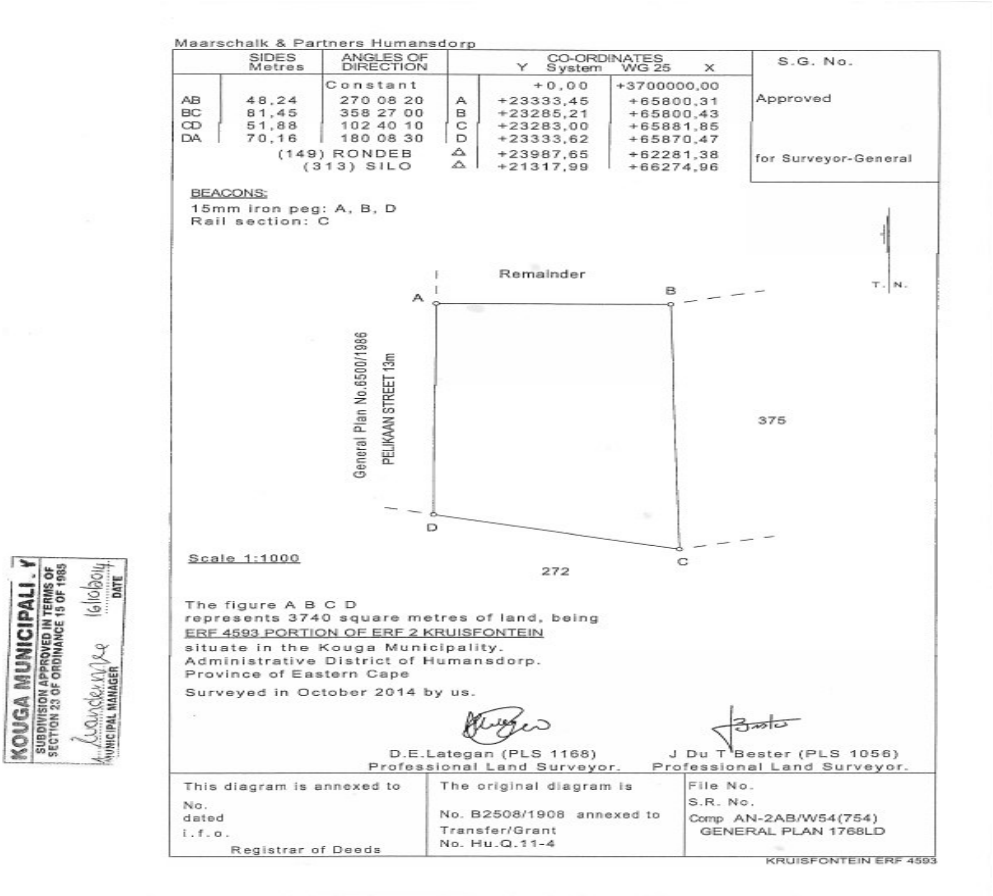
o. *That, where the Owner has failed to comply with the provisions of Section 27(1) of the Land Use Planning Ordinance 15 of 1985, in relation to a subdivision or a part thereof, the granting of the application under Section 25 shall lapse.*

Upon receipt of the Council resolution, the applicant in the meantime went ahead to try and expedite the process by appointing a land surveyor who subdivided and registered the subdivided portion in the Office of the Surveyor General at own cost. See diagram below

However, since 2014 the finalization of disposal was not dealt with despite the continuous follow ups by Jabes Church. As a result, the church had been struggling to find temporary accommodation from where to conduct their activities. Recently, discussions took place between the Municipality and the church to find an amicable solution for this long outstanding matter.

It must also be stated that the town planning approvals for the subdivision and rezoning of the land has lapsed in the meantime, as subdivision approvals was only valid for a period of five (5) years and rezonings for 2 years in terms of the Land Use Planning Ordinance of 1985 which was the relevant legislation at that stage.

Subsequently, subdivision and rezoning applications needs to be brought again for approval in order to reinstate such rights.



Maarschalk & Partners Humansdorp

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y System WG 25 X		S.G. No.
		Constant		+0,00	+3700000,00	
AB	48,24	270 08 20	A	+23333,45	+65800,31	Approved
BC	81,45	358 27 00	B	+23285,21	+65800,43	
CD	51,88	102 40 10	C	+23283,00	+65881,85	
DA	70,16	180 08 30	D	+23333,62	+65870,47	
		(149) RONDEB	△	+23987,65	+62281,38	for Surveyor-General
		(313) SILO	△	+21317,99	+66274,96	

BEACONS:
15mm iron peg: A, B, D
Rail section: C

Remainder

General Plan No.6500/1986
PELIKAAN STREET 13m

A B C D

375

272

T. N.

Scale 1:1000

The figure A B C D
represents 3740 square metres of land, being
ERF 4593 PORTION OF ERF 2 KRUISFONTEIN
situate in the Kouga Municipality.
Administrative District of Humansdorp.
Province of Eastern Cape
Surveyed in October 2014 by us.

D.E.Lategan (PLS 1168) Professional Land Surveyor.
J Du T Bester (PLS 1056) Professional Land Surveyor.

This diagram is annexed to	The original diagram is	File No.
No. dated i.f.o. Registrar of Deeds	No. B2508/1908 annexed to Transfer/Grant No. Hu.Q.11-4	S.R. No. Comp AN-2AB/W54(754) GENERAL PLAN 1768LD

KRUISFONTEIN ERF 4593

KOUGA MUNICIPALITY
SUBDIVISION APPROVED IN TERMS OF SECTION 25 OF ORDINANCE 15 OF 1985
MUNICIPAL MANAGER
DATE 16/10/2014

2. Applicable Legislation

In terms of the approved Council policy on the disposal of municipal immovable assets, and in particular Section 13 makes provision for alienation out-of-hand to social care users:

13. **SOCIAL CARE USES**

13.1 Social care shall mean services provided by registered welfare, charitable, non-profit, cultural and religious organisations and includes, but is not limited to places of worship, child care facilities, rehabilitation centres, centres for the homeless, elderly and destitute persons and animal care facilities: Provided that they are registered as PBO's or are capable of being so registered should they apply for registration.

13.2 Immovable property owned by the Municipality may be alienated or let to social care users. Unless otherwise directed by Council, the purchase price payable shall be 25% of market value subject to a suitable reversionary clause being registered against the title deed of the property. Rentals shall be determined in terms of the tariff rentals as approved by Council from time to time.

13.3 Immovable property may be alienated or let out-of-hand to social care users in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community or plight of the poor provided comments or representations on the proposed transfer or granting right to use, control of a municipal capital asset be invited from the local community and other interested persons in terms of Section 7(i) of the Asset Transfer Regulations.

Subsequent to the above, we have considered regulation 13(2) of the MATR as depicted below:

(c) **whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.**

In compliance with section 113 of the MFMA read together with regulation 37 of the Municipal Supply Chain Management Regulations.

3. Comments by the Directorates (Sect. 14)

ERF	AREA	LAND USE SCHEME	BUILDING CONTROL	MANAGEMENT
Unregistered Erf 4593	Kruisfontein	Supported. Developer must submit a site development plan for approval prior to any construction. Title deed conditions must be adhered to. In absence of title deed, developer must submit conveyancer certificate in respect of compliance with title deed	Building Plans to be submitted after land use authorization	AS: Supported TS: That relocation of services be done at the applicant's cost is all good and well and accepted. However, we do not want public road traversing an erf – that just creates unnecessary problems. A subdivision and rezoning are required to create the necessary road reserve to accommodate the proposal. TS: There are no sewer services on the erf,

				therefore you may continue with the application. CS: No objection HS: No objection

4. Comments by Directorates:

4.1 Municipal Manager

The item and recommendation is supported

4.2 Deputy Municipal Manager

Item noted.

4.3 Chief Financial Officer

Report is noted

4.4 Acting Director: Corporate & Digital Services

Item is noted

4.5 Director: Community Services

Item Noted

4.6 Director: Planning, Development & Tourism

Item noted.

4.7 Acting Director: Infrastructure & Engineering

Item noted

5. Financial implications

There will be financial implications.

i) Land surveyor cost (subdivision, consolidation, surveyor diagrams and registration fees)

ii) Professional valuator cost (valuation certificate) – Market Valuation below (25% of the Market Valuation – in line with applicable Policy of Council)

6. Legal implications

Failing to give effect to a council resolution taken places the municipality at risk as a legal expectation was created by such resolution. A Council resolution has to be given effect to unless same has been rescinded or set aside by way of a judicial review.

Council already resolved to dispose the property and await Section 14 comments from the departments. There would be no financial implication to Council.

7. Recommendation

7.1 That Council grants final approval for the alienation of unregistered Erf 4593, Kruisfontein to Jabes Church, at a purchase price of R37500 (thirty thousand and five hundred rands only) calculated as 25% of the fair market value (R150 000,00).

7.2 That 7.1 subject to the registration of the subdivided portion of Erf 2 (now erf 4593),Kruisfontein. be in line with the Council approved policy.

7.3 That Council confirms that the land is not needed to provide the minimum level of basic municipal services.

7.4 That rezoning and subdivision processes be finalised for the property contemplated herein.

7.5 That Council authorizes the Accounting Officer to enter into a Deed of Sale for the purposes of transferring the said property.

Item prepared by Acting Manager Land: 

Item approved by the Director PDT: 

Item endorsed by the Municipal Manager 

Item noted by the Portfolio Chairperson: 

ANNEXURE A

EVERGREEN VALUERS Pty Ltd

Year Round Meticulous

PROPERTY DESCRIPTION:

ERF 4593 KRUISFONTEIN, EASTERN CAPE (Vacant land) 3740m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by **Sadrick Grootboom.**



DEFINITION OF MARKET VALUE:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 150 000.00

(One Hundred & Fifty Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 08 October 2022

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

EVERGREEN VALUERS Pty Ltd ©
Le-Shaun Ferreira: 0833546797
info@evergreenvaluers.co.za
www.evergreenvaluers.co.za

KOUGA MUNICIPALITY (EC108)
NOTICE NO. 44/2018
PUBLIC INVITATION FOR COMMENTS/INPUTS TO THE INTENDED ALIENATION/LEASE OF MUNICIPAL LAND FOR CHURCHES/RESIDENTIALS/ BUSINESSES

Notice is hereby given that at a Council Meeting held on 7 March 2018 (RESOLUTION 18/03/F2) the Council resolved to call for public input for objections on the lease/ rental and alienation of immoveable assets for Churches and disposing of land for business of the below-mentioned erven at fair market related rental as indicated in the Municipal Finance Management Act:

Land ear marked for church sites
ERF 7263 - Ocean View
ERF 7517 - Ocean View
ERF 7355 - Ocean View
ERF 7263 - Ocean View
ERF 6857 - Ocean View

ERF 1245 - Pellsrus
ERF 1714 - Pellsrus
ERF [illegible]54 - Pellsrus
ERF [illegible]675 - Sea Vista
ERF 3481 - Sea Vista
ERF 2734 - Sea Vista
ERF 3493 - Sea Vista

ERF 3147 - Kruisfontein
ERF 4897 - Kruisfontein
ERF 1522 - Kruisfontein
ERF 1853 - Kruisfontein
ERF 2307 - Kruisfontein
ERF 3065 - Kruisfontein
ERF 4593. Portion ERF 2 - Kruisfontein

ERF 849 - Thornhill
ERF 892 - Thornhill
ERF 2252 - Hankey
ERF 3316 - Hankey

ERF 835 - Patensie

Council Land earmark for Lease/Rental
ERF 8782 - Ocean View
ERF 300 - Patensie (Farming - Agriculture)
ERF 275 - Humansdorp

ERF 184 Portion 29 - Humansdorp RD (Farming - Agriculture)
ERF 199 - Humansdorp (Portion of Erf to Place Container)

Residential Land earmark for sale
ERF 2337 - Sea Vista
ERF 2789 - Kruisfontein
ERF [illegible]25 - Pellsrus
ERF 3049 - Humansdorp
ERF 2330 - Humansdorp

ERF 898 - Patensie
ERF 908 - Patensie
ERF 940 - Patensie
ERF 898 - Patensie
ERF 1074 - Patensie
ERF 952 - Patensie
ERF 703 - Patensie
ERF 701 - Patensie
ERF 702 - Patensie
ERF 930 - Patensie
ERF 929 - Patensie
ERF 936 - Patensie
ERF 938 - Patensie
ERF 900 - Patensie
ERF 871 - Patensie
ERF 939 - Patensie

Land Earmark for Business
ERF 7292 - Ocean View
ERF 600 - Pellsrus
ERF 275 - Humansdorp
ERF 891 - Thornhill
ERF 32 - Loerie
ERF 1826 - Hankey
ERF 349 - Patensie
ERF 7294 - Ocean View

Members of the public or interested parties are hereby invited to submit comments/inputs to the intention of the municipality to lease municipal land to the Municipal Manager, 33 Da Gama Road, Jeffreys Bay on or before Friday, 20 April 2018.

C. DU PLESSIS
MUNCIPAL MANAGER

P O Box 21
JEFFREYS BAY
6330

NOTICE TO GARDEN ROUTE NATIONAL PARK STAKEHOLDERS

Please be informed that South African National Parks intends to review the **Garden Route National Park** management plan during the 2018/19 financial year.

The process will run over a full year and involve a series of workshops designed to obtain input from stakeholders, specialist groups and the broader public. In line with the organisation's mission of 'connecting society', the process ensures participative development of a plan to manage and conserve our natural and cultural resources.

The first set of workshops will **review the "Desired State" of the Garden Route National Park**. To this workshop, organizations that represent all sectors of society will be invited. This will be a visioning exercise that sets out the future strategic direction for the park and develops high level objectives to attain the vision. Should you wish to ensure that your organization is invited, please send relevant contact details by e mail to GardenRoute.NationalPark@sanparks.org or nandi.mgwadlamba@sanparks.org or call on 044 302 5618

The participation process will include several, open, public meetings held at a later stage and announcements and progress will be reported on in the local media. In the meantime, members of the public, organizations, stakeholders and interested parties are encouraged to register at https://www.sanparks.org/conservation/park_man/forms/reg_form.php. This will assist the project team to keep in touch with all the registered stakeholders regarding future meetings, announcements and feedback.

KOUGA MUNICIPALITY (EC 108)
NOTICE NO: 45/2018
VACANCY
RE-ADVERTISEMENT

Kouga Municipality, an equal opportunity employer which subscribes to the principle of affirmative action, awaits applications for the appointment in the following vacancy:

SUPERVISOR: CALL CENTRE

REQUIREMENTS: Relevant NQF 6 qualification;
Advanced computer literacy: MS Office
Fluency in at least two of the official languages (English, Afrikaans & Xhosa)
At least 3 years' proven experience as a Call centre supervisor in a Corporate Environment.
SALARY: R195 552.00 – R253 800.00 per annum
DUTIES: Manage all aspects and staff of the call centre;
Provide a customer complaint service;
Analyze and interpret from the complaints management system;
Provide reports on the switchboard and complaints management;
Prepare reports on the performance of the call centre.

ARTISAN AUTO-ELECTRICAL

REQUIREMENTS: Qualified Auto-Electrician with N3 certificate or equivalent and/or 3 years relevant experience
1 year supervisory experience
Valid code 10 driver's licence;
Required to work in all weather conditions;
Required to work outside normal working hours during emergencies and planned overtime;
Subject to Medical Fitness;
Must be able to speak two of the official languages (Afrikaans, English, and Xhosa).
SALARY: R173 688.00 – R225 420.00 per annum
DUTIES: Investigate, diagnose and perform trade related maintenance and repairs to equipment and machinery according to the maintenance requirements;
Perform inspections in accordance with the Health & Safety Act regulations;
Report all defects and breakdowns on equipment and machinery to the Superintendent Fleet;
Identify spares requirements for machinery and equipment and order according to departmental procedure;
Completion of maintenance job cards;
Maintain a good relationship with operational personnel;
Assign corrective measures and follow-up on

PROVINC
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REMOVAL OF

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2016: KOUGA MUNICI

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2016: KOUGA MUNICI

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2016: KOUGA MUNICI

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contained in Certificate of
69 of the Spatial Planning
Municipality

C. DU PLESSIS
MUNICIPAL MANAGER

KOUGA
NO
MISCELLANE

The Council has received th

APPLICATION FOR DEPA
MARINA MARTINIQUE

The Departure for building
and Land Use Managemen
932, Marina Martinique.

APPLICATION FOR DEPA
MARINA MARTINIQUE

The Departure for building
and Land Use Managemen
1435, Marina Martinique.

APPLICATION FOR REZO
JEFFREYS BAY

The Rezoning of Erf 6712,
Business" in terms of Se
Management By-Law, 2016

APPLICATION FOR REZO
PLATJIESDRIFT

The Rezoning of Portion 15
Zone 1" to "Special Zone"
Land Use Management By-

APPLICATION FOR REZO
(ROOIKLOOF STREET), P

The Rezoning of Erf 1058,
Zone II" in terms of Section
10 metre to 1 metre in terms
Management By-Law, 2016

APPLICATION FOR DEP
SCHEME REGULATIONS
ON ERF 3847 (JAKARAND

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT2**

KOUGA SUMMER FESTIVAL BEACHFRONT EVENTS AND TOWNSHIP FESTIVE ROADSHOW

1. Purpose

The purpose of this item is to inform Council of the Kouga Summer Festival beachfront events and Township Festive Roadshow from 10 December – 31 December 2022.

2. Legislative Requirements

None.

3. Background

There 2022 Kouga Summer Festival is the annual summer festival programme hosted by the municipality offering fun and exciting summer activities, and live concert stages. Most of the events are staged at Dolphin Beach in Jeffreys Bay, with the main festival days on the 10th, 23rd and 31st of December 2022.

This year the programme will include an outdoor picnic & Christmas Carols at Supertubes Park, a colour run, our very first Beach sports tournament and Township Festive Roadshow through Gamtoos Valley, Humansdorp and Sea Vista. This year's festive is two-fold with two programmes running concurrently from 9 December 2022 to 1 January 2023.

Beachfront events & Township Festive Roadshow	**Festival at Mentorskraal**
Free events	Paid events
Lead department – LED & Tourism	Lead department – Mayor's Office
Facilitated and implemented in partnership with Kouga Local Tourism Organisation.	Facilitated and implemented in partnership by Mentors Kraal.
Events organized by the municipality in partnership with external event organisers.	Events organized by the Mayor's office in partnership with Mentorskraal and Coca-Cola

The following events were identified when external organisers expressed an interest to submit event applications to host events over the festive season.

As these events were already on the proposed Kouga Summer Festival programme supporting and including them in the festival was beneficial to the municipality due to the limited budget.

- **The Kouga Kids' Fest:** Victory Gap Year Students
- **The Kouga Beach Sports Tournament:** Coastal Touchies, Blue Abyss Aquatics, etc.
- **The Kouga Colour Run:** J-Bay Athletics Club
- **Outdoor Picnic & Christmas Carols:** Victory Church

For reference of the above item please see attached **Annexure A** as follows:

Annexure A

The Kouga Summer Festival Programme – Beachfront events and Township Roadshow.

4. Comments by Directorates:

4.1 Municipal Manager

The item is noted and supported.

4.2 Deputy Municipal Manager

Item noted.

4.3 Chief Financial Officer

Report is noted

4.4 Acting Director: Corporate & Digital Services

Item is noted

4.5 Director: Community Services

Item noted

4.6 Director: Planning, Development & Tourism

Item noted.

4.7 Acting Director: Infrastructure & Engineering

Item supported

5. Financial Implications

R500 000-00 (Five hundred thousand only)

For reference to the estimated budget please see **Annexure B** herewith attached.

6. Legal Implications

None.

7. Recommendations

7.1 That the 2022 Kouga Summer Festival – Beachfront Events and Township Festive Roadshow programme be noted.

7.2 That the funding available be paid over to Kouga Local Tourism Organisation and a fully audited statement and report be submitted.

7.3 That Council authorizes the Accounting Officer to conclude a Funding/Sponsorship Agreement with Kouga Local Tourism Organisation in respect of the facilitation and implementation of the Kouga Summer Festival Beachfront events as stated in the above.

Item prepared by Events Co-ordinator: 

Item approved by the Director PDT: 

Item endorsed by the Municipal Manager 

Item noted by the Portfolio Chairperson: 

ANNEXURE A


KOUGA
local municipality
Good Governance through Service Excellence
KOUGA SUMMER FESTIVAL
KOUGA TOURISM
Eastern Cape
TIME
VENUE
10 December 2022
OPENING OF THE SEASON
09:00 - 13:00 Kids Fest
14:00 - 16:00 Street Float Parade
16:00 - 21:00 Live Summer Stage
Dolphin Beach Jeffreys Bay
12, 14, 19, 21, 23, 28 & 30 December 2022
07:00 - 08:00 MORNING WORKOUT SESSION
Dolphin Beach Jeffreys Bay
16 - 18 December 2022
09:00 - 17:00 BEACH SPORTS TOURNAMENT
Dolphin Beach Jeffreys Bay
17 December 2022
07:00 - 08:30 COLOUR RUN
Da Gama Road Jeffreys Bay
19 - 22 December 2022
09:00 - 13:00 TOWNSHIP FESTIVE ROADSHOW
Hankey, Patensie, Loerie, Thornhill, Humansdorp & St Francis Bay
Route will be published closer to time
23 December 2022
15:00 - 20:00 OUTDOOR PICNIC CHRISTMAS CAROLS
Supertubes Park Jeffreys Bay
31 December 2022
NEW YEAR'S EVE CELEBRATION
09:00 - 13:00 Kids Fest
17:00 - 00:00 Live Summer Stage
Dolphin Beach Jeffreys Bay
Jeffreys Bay TOURISM
St Francis Tourism
GAMTOOS TOURISM

ANNEXURE B

Budget			
	Event	**Item**	**Cost**
Opening of the Season	**Kids Beach Games**	Giveaways	R10,000.00
	Street Float Parade Prizes 3 Categories	Winners Prize	R9,000.00
		Runners Up	R6,000.00
		Sound, Lights & stage	R40,000.00
		Local Artists	R25,000.00
		National Artists & MC	R45,000.00
		Stage Giveaways	R13,000.00
		EMS	R8,000.00
		Security	R20,000.00
		Catering	R20,000.00
Sports Weekend	**Paddle Board Event**	Operational Cost	R10,000.00
		EMS	R8,000.00
	Colour Run	T-Shirts	R30,000.00
Township Festive Roadshow	/	Giveaways	R30,000.00
Outdoor Picnic & Christmas Carols	/	Sound, Lights & stage	R25,000.00
		Artists	R15,000.00
		Catering	R5,000.00
New Year's Eve	**Kids Beach Games**	Giveaways	R10,000.00
	Live Entertainment	Sound, Lights & stage	R40,000.00
		Local Artists	R25,000.00
		National Artists & MC	R45,000.00
		Stage Giveaways	R13,000.00
		EMS	R8,000.00
		Security	R20,000.00
		Catering	R20,000.00
Total			R500,000.00

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT3**

ALIENATION OF ERF 1787, HANKEY (HENRY MASETI)

1. Introduction

The purpose of this item is to inform Council of the request received from Mr. Henry Maseti for the transfer of Erf 1787 situated in Tshume Street, Extension 4, Hankey.

2. Background

On 21 October 1996, the former employer of Mr. Maseti purchased the property from the then Hankey Municipality, but it was never transferred. However, the leading department could not find any records of the council resolution for alienation of erf 1787 Hankey.

Furthermore, it is also not clear if the full purchase amount was ever paid as reference are only made of two amount R400.00 & R461.82 amounting to R861.82 whilst the purchase amount appears to have been R4000.00 as per signed memorandum from the then Hankey Municipality. **(See Annexure A) In this regard it would be advised that in the absence of suchproof that the full purchase has been paid, the purchaser be require to settle the outstanding balance before transfer can be finalized.

Mr. Maseti has never occupied the property and said property is is currently a vacant stand.Mr Masetu has not benefitted from any other Government housing subsidies.

Below is land parcel information of erf 1787 Hankey and an aerial image indicating the location of the particular property.

3. Comments by the Directorates (Sect. 14)

Section 14 has been completed and there were no objections against the alienation of this particular municipal property.

ERF	AREA	LAND USE SCHEME	BUILDING CONTROL	MANAGEMENT
Erf 1787	Hankey	Residential use supported.	Applicant to verify if Building plans was approved and OC issued	AS: Supported TS: No Objection CS: No objection HS: No objection

4. Comments by Directorates:

4.1 Municipal Manager

Item is note and supported

4.2 Deputy Municipal Manager

Item noted.

4.3 Chief Financial Officer

Report is noted

4.4 Acting Director: Corporate & Digital Services

Item is noted

4.5 Director: Community Services

Item noted

4.6 Director: Planning, Development & Tourism

Item noted.

4.7 Acting Director: Infrastructure & Engineering

Report noted

5. Financial implications

There will be no financial implications.

6. Legal implications

Municipally owned immovable assets cannot be transferred in the absence of a council resolution authorizing same, and within the applicable legislative framework. As no relevant supporting documentation is available, Council will have to deviate from the applicable Policy in that the property herein be sold out of hand, taking into consideration the historical background and merits.
In line with the applicable policy and to give effect to the provisions that the transfer of ownership of immovable property must be fair, equitable, transparent, and competitive, it would be prudent to advertise for public comment, the intention to alienate the immovable property herein.

7. Recommendations

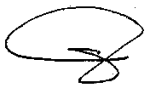
7.1 That Council grant final approval for the out-of-hand alienation of Erf 1787, Hankey.

7.2 That Council confirms that the land is not needed to provide the minimum level of basic municipal services.

7.3 That transfer of the immovable property be effected on confirmation of payment of the full purchase price.

7.4 That based on the information from the transferring conveyancers, the purchaser settles any outstanding balance, if any, before the transfer of the property.

7.5 That Council authorizes the Accounting Officer to enter into a Deed of Sale for the purposes of transferring the said property.

Item prepared by Acting Manager Land: 

Item approved by the Director PDT: 

Item endorsed by the Municipal Manager: 

Item noted by the Portfolio Chairperson: 

MUNISIPALITEIT HANKEY MUNICIPALITY

Posbus/P.O. Box 3
Hankey
6350
Tel. 302

TO/AAN .....

DATE/DATUM MUNISIPALITEIT HANKEY .....

FROM/VAN .....

MEMO

Erf 1787. Harry Masetti

Bogenoemde erf is aan Mnr. H Masètt toegeken. Koopprys R14000-00

C W MALAN
PROKUREURS
Gestig 1906

Ons verw: EWA/ae/M566
U verw:

7 November 2000

MNR H MASETT
POSBUS 227
HANKEY
6350

TRUST 006216 16/10/2000

SPAARLAND C W MALAN PROKUREURS (HDP)

TJEK

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VIER HONDERD EEN EN SESTIG RAND EN TWEE EN TASTIG SENTE.

OP REKENING Sonder benadeling van regte / Without prejudice
MNR H MASETT
TPT: HANKEY OGR / H & J MASETT

461.62

C W MALAN
PROKUREURS
Gestig 1906

Ons verw: EWA/ae/M566
U verw:

7 November 2000

MNR H MASETT
POSBUS 227
HANKEY
6350

OORDRAG : HANKEY MUNISIPALITEI / USELF

Bogemelde aangeleentheid en u telefoniese navraag verwys en heg ons hierby aan die volgende kwitansies :

Nr 6215	R400,00	16/10/2000
Nr 6216	R461,82	16/10/2000

Die uwe
C W MALAN PROKUREURS

Per:

TRUST 006215 16/10/2000

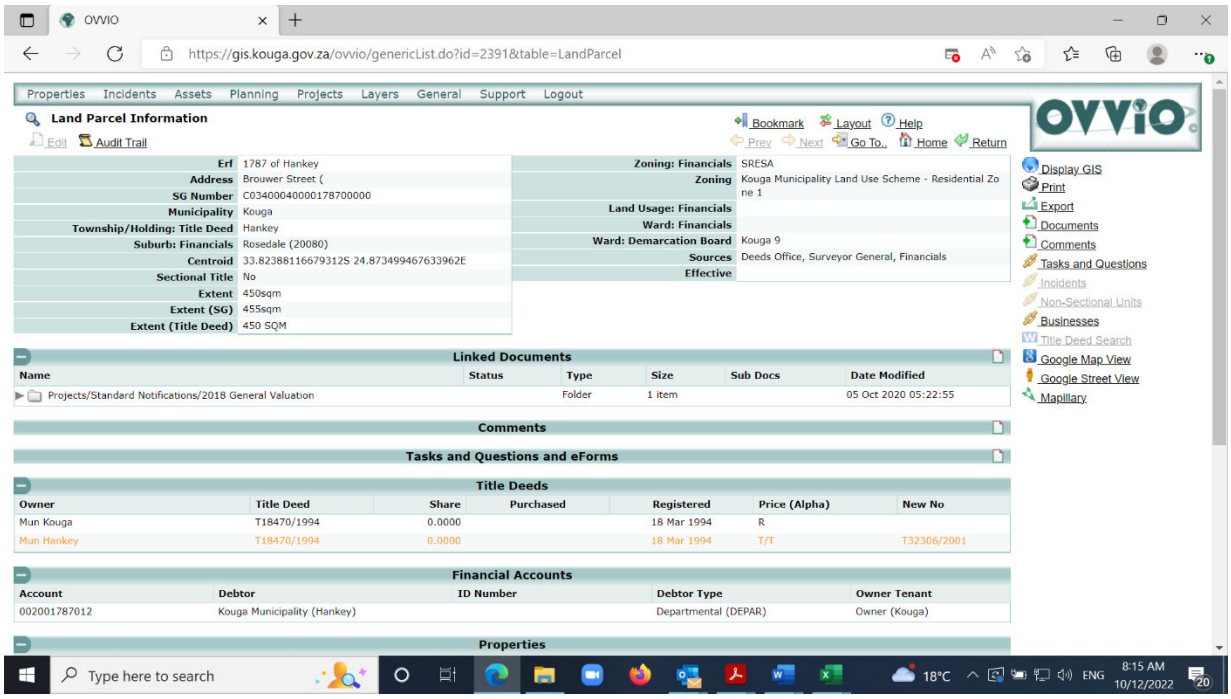
SPAARLAND C W MALAN PROKUREURS (HDP)

M00566 - A1 TJEK

VIER HONDERD RAND

OP REKENING Sonder benadeling van regte / Without prejudice
MNR H MASETT
TPT: HANKEY OGR / H & J MASETT

400.00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Erf 1787 of Hankey
Address Brouwer Street (
SG Number C03400040000178700000
Municipality Kouga
Township/Holding: Title Deed Hankey
Suburb: Financials Rosedale (20080)
Centroid 33.82388116679312S 24.873499467633962E
Sectional Title No
Extent 450sqm
Extent (SG) 455sqm
Extent (Title Deed) 450 SQM
Zoning: Financials SRESA
Zoning Kouga Municipality Land Use Scheme - Residential Zone 1
Land Usage: Financials
Ward: Financials
Ward: Demarcation Board Kouga 9
Sources Deeds Office, Surveyor General, Financials
Effective
Display GIS
Print
Export
Documents
Comments
Tasks and Questions
Incidents
Non-Sectional Units
Businesses
Title Deed Search
Google Map View
Google Street View
Mapillary
Linked Documents
Name Status Type Size Sub Docs Date Modified
Projects/Standard Notifications/2018 General Valuation Folder 1 item 05 Oct 2020 05:22:55
Comments
Tasks and Questions and eForms
Title Deeds
Owner Title Deed Share Purchased Registered Price (Alpha) New No
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Mun Hankey T18470/1994 0.0000 18 Mar 1994 T/T T32306/2001
Financial Accounts
Account Debtor ID Number Debtor Type Owner Tenant
002001787012 Kouga Municipality (Hankey) Departmental (DEPAR) Owner (Kouga)
Properties
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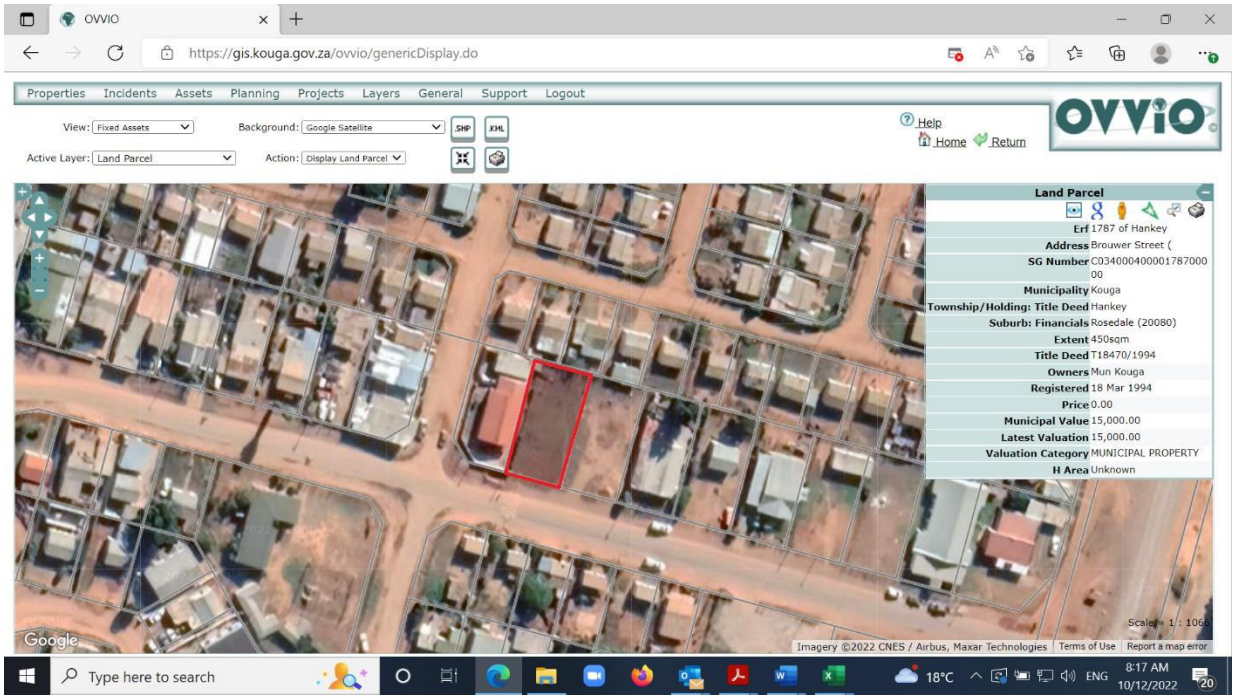
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Action: Display Land Parcel
Help
Home Return
Land Parcel
Erf 1787 of Hankey
Address Brouwer Street (
SG Number C03400040000178700000
Municipality Kouga
Township/Holding: Title Deed Hankey
Suburb: Financials Rosedale (20080)
Extent 450sqm
Title Deed T18470/1994
Owners Mun Kouga
Registered 18 Mar 1994
Price 0.00
Municipal Value 15,000.00
Latest Valuation 15,000.00
Valuation Category MUNICIPAL PROPERTY
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KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT4**

TOWN PLANNING PROGRESS REPORT: PREPARATION OF ST FRANCIS BAY CBD & HANKEY CBD PRECINCT PLAN: 1 JULY 2022 TO 30 SEPTEMBER 2022

1. Introduction

The purpose of the item is to present Council with a progress report of activities undertaken by the service provider for the development of precinct plans for St Francis Bay CBD and Hankey CBD for the period of 1 July 2022 to 30 September 2022.

2. Background

Urban Dynamics EC were appointment of service provider for the development of precinct plans for St Francis Bay CBD and Hankey CBD. The main purpose of the precinct plan is to set a vision for the future development of the area and Urban Regeneration Strategy.

3. Project Implementation Plan (Project Phases, Action, Deliverables & Timeframes):

The service provider was given a period of **9 months** to complete the project. The project is divided into 5 Phases. **Annexure 1**

Phase 1: Inception- this phase is 100% complete. The Project Inception Meeting was held virtually on 26 May 2022, Project Inception Report was presented to the Working Group/ Project Technical Steering Committee.

Annexure 2. A Notice was published in the Newspaper indicating the intention to develop Precinct Plans for Both Hankey and St Francis Bay CBD's and calling for registration of I & AP. Notified the MEC.

Phase 2: Status Quo Analysis- This phase is 80% complete. Status Quo Report for both Hankey CBD and St Francis Bay CBD was presented to the Project Technical Steering Committee on 5 September 2022 all comments and inputs were considered. An updated and consolidated draft Status Quo report was shared with the Project Technical Steering Committee.

The Service Provider finalizing the Spatial Vision for both the Precinct Plans and to be shared and discussed with the Technical Steering Committee on the 17 October 2022. Interested & Affected Parties SWOT Meeting is scheduled for Mid-October 2022- A Status Quo Analysis Report and Spatial Vision will be presented.

Phase 3: First Draft CBD Precinct Plan- targeted date is November

Phase 4: Public Participation- target date January 2023

Phase 5: Final Submission & Approval of the CBD Precinct Plan-target date February 2023

4. Comments by Directorates:

4.1 Municipal Manager

The item is noted and the recommendations supported

4.2 Deputy Municipal Manager

Item noted.

4.3 Chief Financial Officer

Report is noted

4.4 Acting Director: Corporate & Digital Services

Item is noted

4.5 Director: Community Services

Item noted

4.6 Director: Planning, Development & Tourism

Item noted.

4.7 Acting Director: Infrastructure & Engineering

Item supported.

5. Recommendation

5.1 That the content in the Town Planning progress report on the preparation of St Francis Bay CBD & Hankey CBD Precinct plan be noted.

5.2 That Council supports that the Service Provider to embark on a Public / Stakeholder engagement Process as outlined in the Project Implementation Plan (Phase 2).

Item prepared by Manager: Planning & Development: 

Item approved by the Director PDT: 

Item endorsed by the Municipal Manager 

Item noted by the Portfolio Chairperson: 

ANNEXURE 1

Hankey CBD Precinct Plan : Methodology, Project Phases, Actions, Deliverables & Timeframes (Revised June 2022)

Project Phases	Objectives	Actions	Deliverable	Stakeholder Participation	Target Date
Phase 1 : Inception	*To prepare and confirm the project methodology and Project Inception Report*	1. Project Inception Meeting 2. Confirmation of project outcomes & detailed deliverables 3. Confirm public participation structures 4. Obtain all baseline information from Kouga Municipality 5. Confirm study area 6. Public & SPLUMA notices 7. Establish administrative arrangements	**Project Inception Report**	• WG Meeting • Press / www notice • ID I & AP's • MEC Notice	Jun 2022
Phase 2 : Status Quo Analysis	*To conduct a detailed status quo of the study area and immediate surroundings with emphasis on spatial analysis, traffic and transportation movement, existing infrastructure, land use, ownership and economic base*	1. Spatial & environmental assessment 2. Economic, social & demographic assessment 3. Infrastructure & transportation assessment 4. Heritage assessment 5. Urban form, development footprint & facades 6. Stakeholder engagement	**Status Quo Report & SWOT Analysis**	• WG Meeting • 1x Stakeholder Consultation (I & AP SWOT Meeting)	Aug 2022
Phase 3 : First Draft CBD Precinct Plan	*To compile a First Draft draft Precinct Plan for the study area as identified, including detailed proposed land uses, development rights, urban form vision, urban design and architectural guidelines and project proposals and intervention areas*	1. Agree on spatial vision for CBD 2. Incorporate existing projects, programmes & development shortfalls as identified 3. First draft development proposals, based on situation analysis outcome 4. Land use & development parameter guidelines 5. Conservation & preservation guidelines 6. Infrastructure demand & strategies 7. Transportation & pedestrian movement strategies 8. Draft concept & precinct plan proposals 9. Architectural Guidelines	**Initial Concept & Precinct Plan Proposals** **1st Draft CBD Precinct Plan**	• WG Meeting • 1x Stakeholder Consultation	Nov 2022
Phase 4 : Public Participation	*To finalise the Precinct Plan and to submit to Council for approval. This Phase includes proposals, graphic representations on urban design proposals including 3D renders and fly-through as per the terms of reference*	1. Submit 1st Draft CBD Precinct Plan to Kouga Municipality 2. Obtain input & feedback 3. Final Precinct Plan, Urban Design Guidelines, Transportation Proposals & Land Use Management Guidelines 4. Prepare 3D renders & fly-through 5. SPLUMA and Press notices	**Updated Draft CBD Precinct Plan** **Final Precinct Plan**	• 1x Stakeholder Consultation • WG Meeting • Press / www notice	Jan 2023
Phase 5 : Final Submission & Approval of CBD Precinct Plan	*To submit Final Precinct Plan to Kouga Municipality*	1. Prepare final document and close out report 2. Submission to Council 3. Approval 4. Gazette Notice	**Approval of Precinct Plan**	• Council Meeting	Feb 2023

ANNEXURE 2

KOUGA LOCAL MUNICIPALITY

HANKEY CBD PRECINCT PLAN &
ST FRANCIS BAY CBD PRECINCT PLAN

AGENDA

Inception Meeting

DATE : 26 May 2022 (Thursday)
TIME : 13h30
VENUE : Virtual

1. **Opening & Welcome AND**
2. **Introductions & Apologies**

   Kobus Marais (Kouga Municipality) welcomed all delegates present and requested Urban Dynamics EC (UDEC) to proceed with items 3 and 4 on the agenda.

   Councillor Bomman indicated that he will join the meeting a bit later.

3. **Purpose of the Meeting**

   UDEC (PSP) confirmed that the purpose of the meeting is to kick start the St Francis Bay and Hankey CBD Local Spatial Development Framework (LSDF) projects. The outcome of this meeting will be a Project Implementation Plan (PIP), confirming :

   - Study area
   - Project objectives
   - Project methodology
   - Project phases and deliverables
   - Public participation strategy

4. **Inception Report**

   Councillor Bomman joined the meeting and provided a brief introduction and welcomed the delegates present.

   The PSP presented the following :

   - PSP team
   - Project objectives
   - Key deliverables
   - Study area
   - SPLUMA by-law requirements
   - Public participation structures
   - Proposed press notices
   - Proposed COGTA MEC notification
   - Methodology, including project phases, objectives, actions, deliverables, stakeholder participation and target date

5. Discussions & Questions

The following issues were raised :

- Project methodology and PIP should include timeframes and project target dates
- PIP to include public participation approach and proposed stakeholder interaction
- Projects for inclusion in the LSDFs should indicate where feasibility studies are required
- Proposed LSDF projects and programmes to indicate start and end dates with budgets to ensure LSDF monitoring and review
- DBSA currently in process to assist the Municipality with Master Plans and LSDF should be aligned to the DBSA intervention process

6. Wrap Up & Way Forward

Kobus Marais confirmed that the draft PIP, as submitted by the PSP, to be refined with detail as per the Steering Committee input. It is further noted that the projects should be aligned but run as 2 separate processes, given the unique nature of the study areas and expected outcomes.

7. Closing Remarks

Councillor Bornman thanked all delegates for their attendance and welcomed the implementation of these projects.

KOUGA LOCAL MUNICIPALITY

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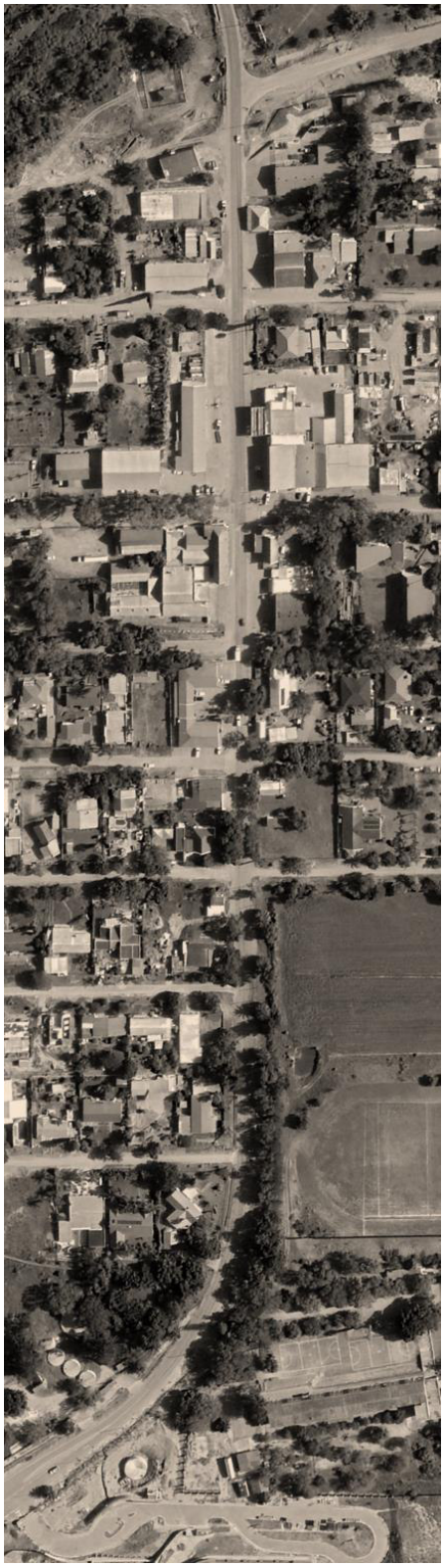

Hankey Central Business District (CBD) Local Spatial Development Framework (LSDF)

Prepared in terms of the Spatial Planning & Land Use Management Act, 2013 (Act 16 of 2013)

Status Quo & SWOT Analysis
(Phase 2 Deliverable)

(Draft for Discussion Purposes only)

Report 1798E/02

August 2022

Report Title :	Hankey Central Business District (CBD) Local Spatial Development Framework (LSDF)
Report Number :	1798E/02
Report Date :	08.2022
Report Status :	Final
Project Number	1798E
Prepared By :	Johan van der Westhuysen (Pr. Plan A/923/1996)
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Abbreviations

AO	Authorised Official
CB	Central Business
CBD	Central Business District
CBP	Community Based Planning
CMPr	Coastal Management Programme
DM	District Municipality
EAS	Engineering Advice and Services
ECSDF	Eastern Cape Spatial Development Framework
FLISP	Finance Linked Individual Subsidy Programme
ICMA	Integrated Coastal Management Act
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
ILUS	Integrated Land Use Scheme
KFC	Kentucky Fried Chicken
KLM	Kouga Local Municipality
KPA	Key Performance Area
LED	Local Economic Development
LM	Local Municipality
LOS	Level of Services
LSDF	Local Spatial Development Framework
MPT	Municipal Planning Tribunal
MSDF	Municipal Spatial Development Framework
NDP	National Development Plan
NEM	National Environmental Management
NMBM	Nelson Mandela Bay Municipality
NSDF	National Spatial Development Framework
NSDP	National Spatial District Municipality
PCS	Project Steering Committee
PGDP	Provincial Growth and Development Plan
PSDF	Provincial Spatial Development Framework
RCAM	Road Classification and Access Management
SANRAL	South African National Roads Agency Limited
SBDM	Sarah Baartman District Municipality
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprise
SPLUM	Spatial Planning and Land Use Management
SPLUMA	Spatial Planning and Land Use Management Act
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1 Chapter 1 : Background & Context

1.0 Background to the Hankey Precinct Plan (Local Spatial Development Framework)

This document represents the Local Spatial Development Framework (LSDF) for the Hankey Central Business District (CBD) Precinct in the Kouga Local Municipality (KLM).

A Local Spatial Development Framework (LSDF) is an important Municipal Policy instrument provided for in legislation. Spatial development planning is a process to co-ordinate and optimise human activities, which require physical space or have an impact on physical space. Physical planning is therefore a public sector function that aims to promote public investment and regulatory frameworks within which private sector and public sector decision making and investment can take place.

The LSDF further aims to formulate spatially based policy guidelines whereby changes, needs and growth in the region can be managed to the benefit of the community. The LSDF should further guide and inform all decisions of the Municipality relating to use, development and planning of land, within a balanced assessment of need and to provide adequately for social and economic demands within a growing economy and population.

2.0 Objective of the CBD LSDF

The broad objectives of the CBD LSDF are outlined in the various policy mechanisms and guiding legislation, specifically the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) and the Kouga Spatial Planning and Land Use Management (SPLUM) By-laws.

Section 10 of the Kouga SPLUM By-laws confirms the objective of the LSDF :

(1) The Municipality may adopt a local spatial development framework for a specific geographical area of a portion of the municipal area.

(2) The purpose of a local spatial development framework is to:

- *(a) provide detailed spatial planning guidelines or further plans for a specific geographic area or parts of specific geographical areas and may include precinct plans;*
- *(b) provide more detail in respect of a proposal provided for in the municipal spatial development framework or where considered necessary to give effect to the municipal spatial development framework and or its integrated development plan and other relevant sector plans;*
- *(c) address specific land use planning needs of a specified geographic area;*
- *(d) provide detailed policy and development parameters for land use planning;*
- *(e) provide detailed priorities in relation to land use planning and, in so far as they are linked to land use planning, biodiversity and environmental issues; or*
- *(f) guide decision making on applications;*
- (g) *comply with any other relevant provision that will give effect to its duty to manage municipal planning in the context of its constitutional obligations.*

3.0 Legal Status of the Precinct Plan

3.1 Legislation

LSDF's are statutory plans, which by their very nature reflect the agreed spatial values, principles and proposals according to the future development visions and policies of the communities residing within each municipality. This spatial reflection of the IDP represents an important social compact that should be paramount in assessing where development should be permitted, or not permitted, in any area of the municipality.

- **Spatial Planning & Land Use Management Act (SPLUMA)**

  Section 22(1) and (2) of SPLUMA confirms the status of Municipal Spatial Development Frameworks and procedures for decision making and requires

  "a Municipal Planning Tribunal or any other Authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development may not make a decision which is inconsistent with the Municipal Spatial Development Framework".

3.2 Superseded Strategic Plans

The Hankey CBD LSDF supersedes the following strategic plans and policies applicable to the area (insofar as they affect the study area) :

- Kouga Spatial Development Framework (2021)

3.3 Land Use Rights, Conflicts & Decision Making

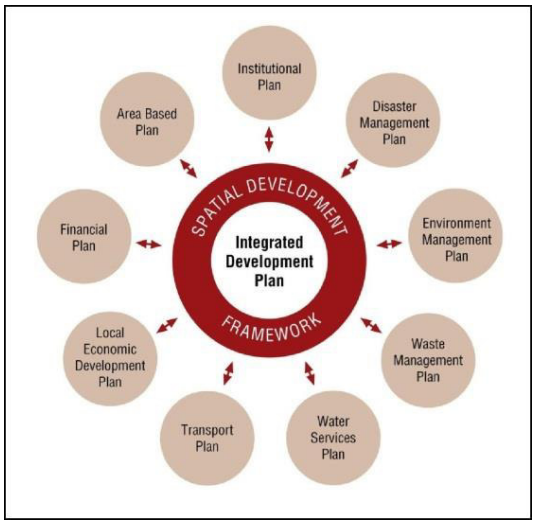
- The Hankey CBD LSDF has the same status as the IDP and should be implemented in the same manner.
- The LSDF is an extension of the Municipal Spatial Development Framework (MSDF).
- The LSDF will not infringe upon existing land use rights.
- No guideline containing in this LSDF or any proposal regarding land use that may arise from it creates any rights or exempts it from the obligation under any other law.
- Specific reference is made to the procedure for a change in land use, Rezonings, Subdivision, Departure and/or Council's Consent for land development.
- The normal procedure with respect to Land Use Management as outlined in the relevant land use management legislation still applies, including the requirements of the National Environmental Management Act, 1997 (Act 107 of 1997) and others.
- The status of the Local Spatial Development Framework (LSDF) is confirmed in Section 22 (1) of SPLUMA, and it clearly notes that a Municipal Planning Tribunal may not make a decision that is inconsistent with the LSDF.
- Section 22 (2) of SPLUMA further notes that the Municipal Planning Tribunal may depart from the provisions of a Municipal SDF only if site-specific circumstances justify a departure from the provision of the LSDF.

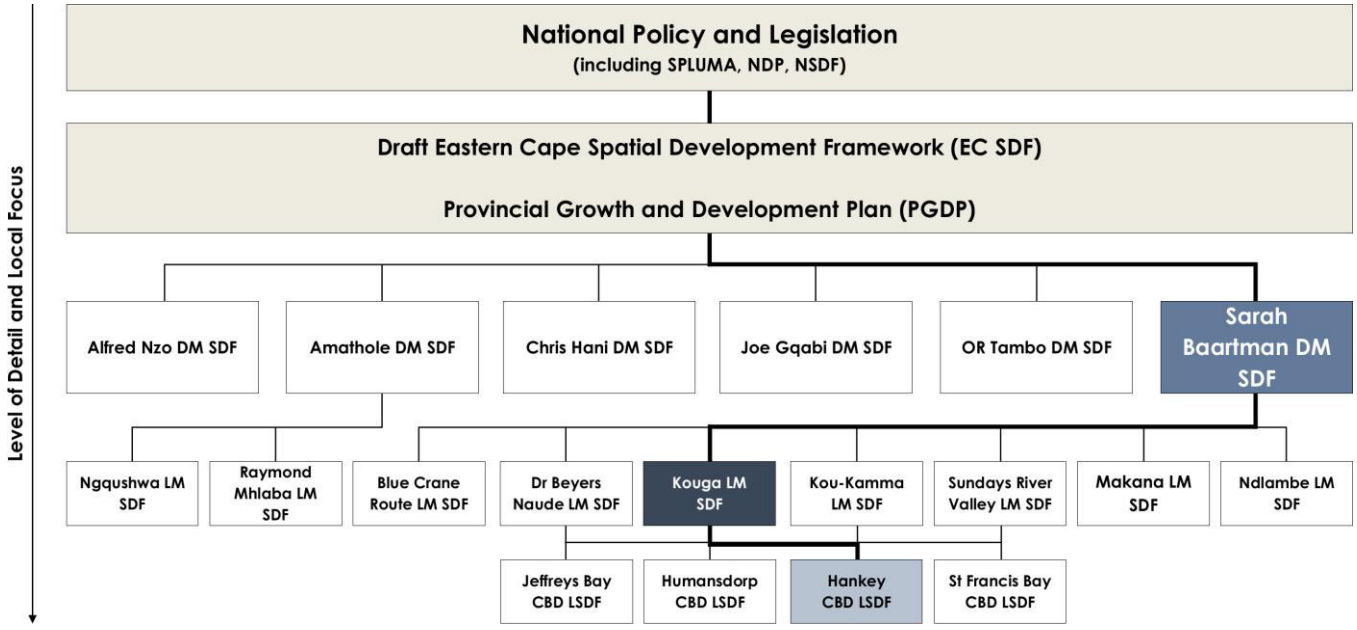
- Section 42 (1) of SPLUMA and Section 53 of the KLM Spatial Planning and Land Use Management By-laws further provide guidelines for decision making.
- Section 13 of the KLM By-laws provides guidelines for departure from the LSDF. These can be implemented subject to Section 13(1)(a) of the By-laws.
- The overall spatial vision, principles and development objectives of the LSDF should be consulted as part of a holistic approach to decision making and ensuring applications are consistent with the LSDF and MSDF Objectives.

3.4 Spatial Plan Alignment

The alignment of the LSDF and SDF to the Draft National Spatial Development Framework (NSDF) and the Draft Provincial Spatial Development Framework (PSDF) is essential to create alignment with National, Provincial and Local programmes and projects and the initiatives of parastatals, entities and agencies.

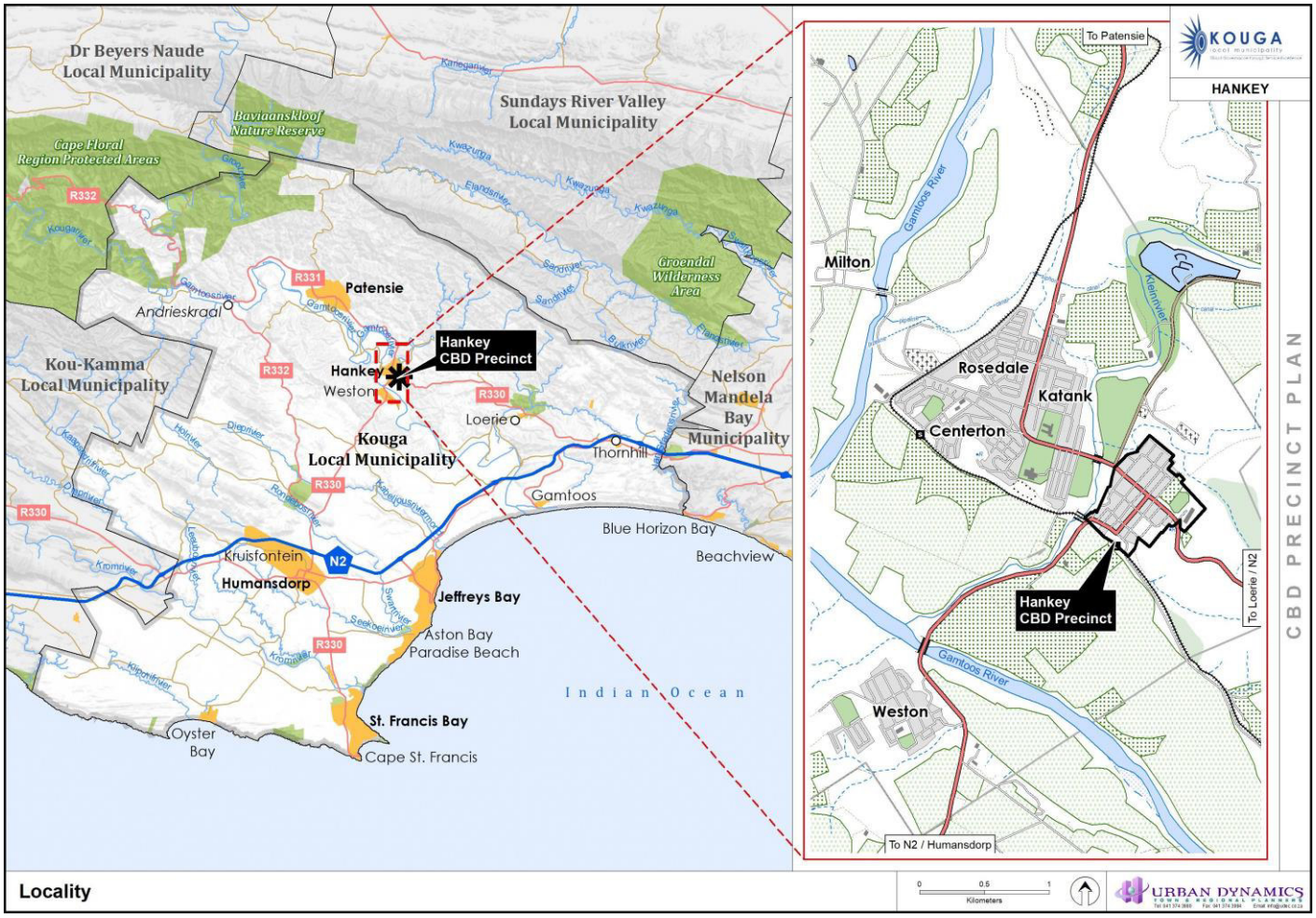
The District SDF needs to be of a strategic and regional co-ordinating nature referring to local SDFs, which are more detailed and reflect the situation on the ground according to community needs, community development codes, livelihood zones and development requirements.





4.0 Study Area Overview

The KLM is situated in the Eastern Province and is one of 9 Local Municipalities located within the Sarah Baartman District Municipal area. It is approximately 80 km west of Port Elizabeth and includes the coastal zone between the Van Stadens River in the east and the Tsitsikamma River in the west and inland stretches towards the Baviaanskloof Mountains and Gamtoos Valley in the north. The Municipality is characterised by 3 topographical regions, i.e. the coastal region (including the towns of Jeffreys Bay, St Francis, Cape St Francis and Oyster Bay), the Gamtoos River Valley (including the towns of Hankey, Patensie, Loerie and Thornhill) and Humansdorp and surrounding commercial farming area.



Plan 1 : Locality

Hankey is a small town located in the Kouga Municipality. The town is situated approximately 105km southwest of Gqeberha (Port Elizabeth). According to 2011 census, the population of Hankey was estimated at 11 000. The CBD of Hankey is well defined and situated along the R330. It is however separated from the residential components of Weston and Centerton. The CBD has a strong administrative function. The area has limited commercial and industrial component and largely depends on the bigger towns like Humansdorp and Jeffreys Bay for this purpose.

Due to population growth, there has been pressure to expand the CBD of Hankey to accommodate a mix of land uses and further address challenges related to :

- Stagnant economic activity
- High levels of unemployment
- Basic infrastructure that is not maintained properly
- Lack of space for community facilities
- Road layout and transport linkages that predispose the town to act as conduit for goods and services rather than as regional service point only.

The area is bounded by the railway line (south), the Kleinrivier drainage area (west), north end of Main and Philip Streets and the Sarah Baartman Memorial (east). Large residential areas of Centerton, Rosedale and Katank to the west of the study area along the R331, towards Patensie.



Plan 2 : Study Area (Aerial View)

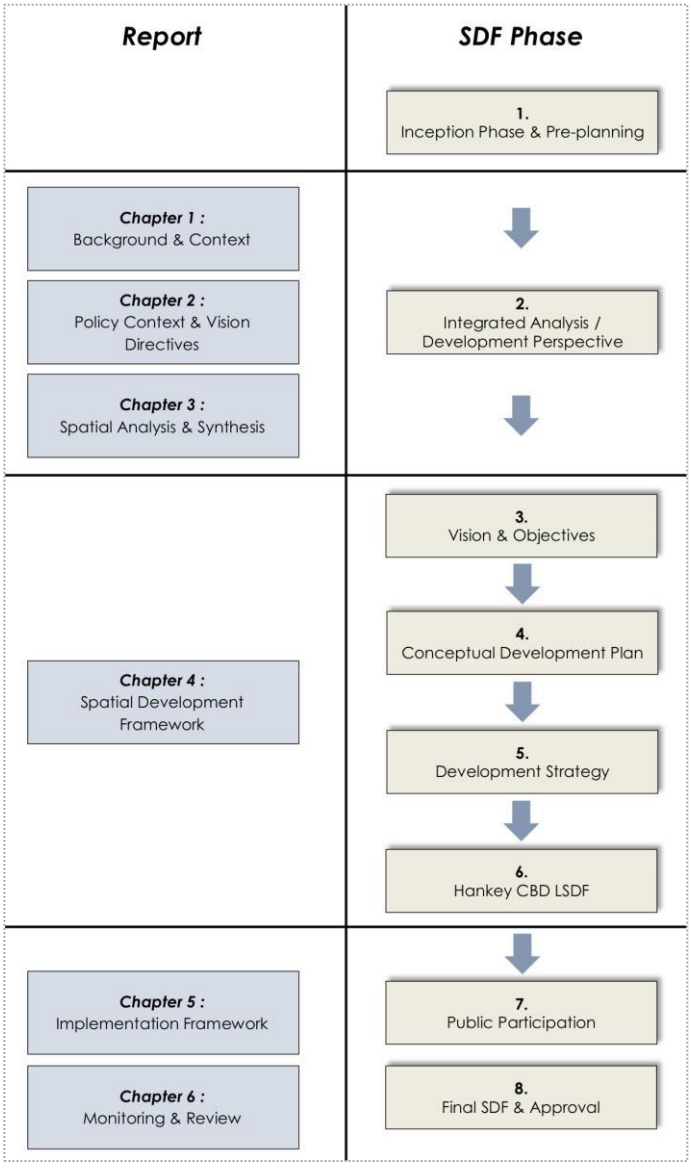
4.1 LSDF Objectives

The main objective in developing a Precinct Plan for the Hankey CBD is :

- *To develop a spatial vision for the Hankey CBD.*
- *To leverage private and community/ public investment within Hankey.*
- *To enhance the collateral value of properties within the CBD.*
- *To create conditions for broadening of capital formation and business development.*
- *To achieve efficiency in the movement of goods and people by restructuring the spatial form of the CBD by introducing proper land use zones and supporting the introduction of activity nodes and movement corridors.*
- *To create vibrant public and economic spaces.*
- *To build institutional and development capacity that will contribute to social and economic cohesion.*

5.0 Precinct Plan Components & Report Structure

The LSDF methodology is based on an incremental approach and is strongly guided and directed through the National Guidelines for the Development of Local Spatial Development Framework (2021).



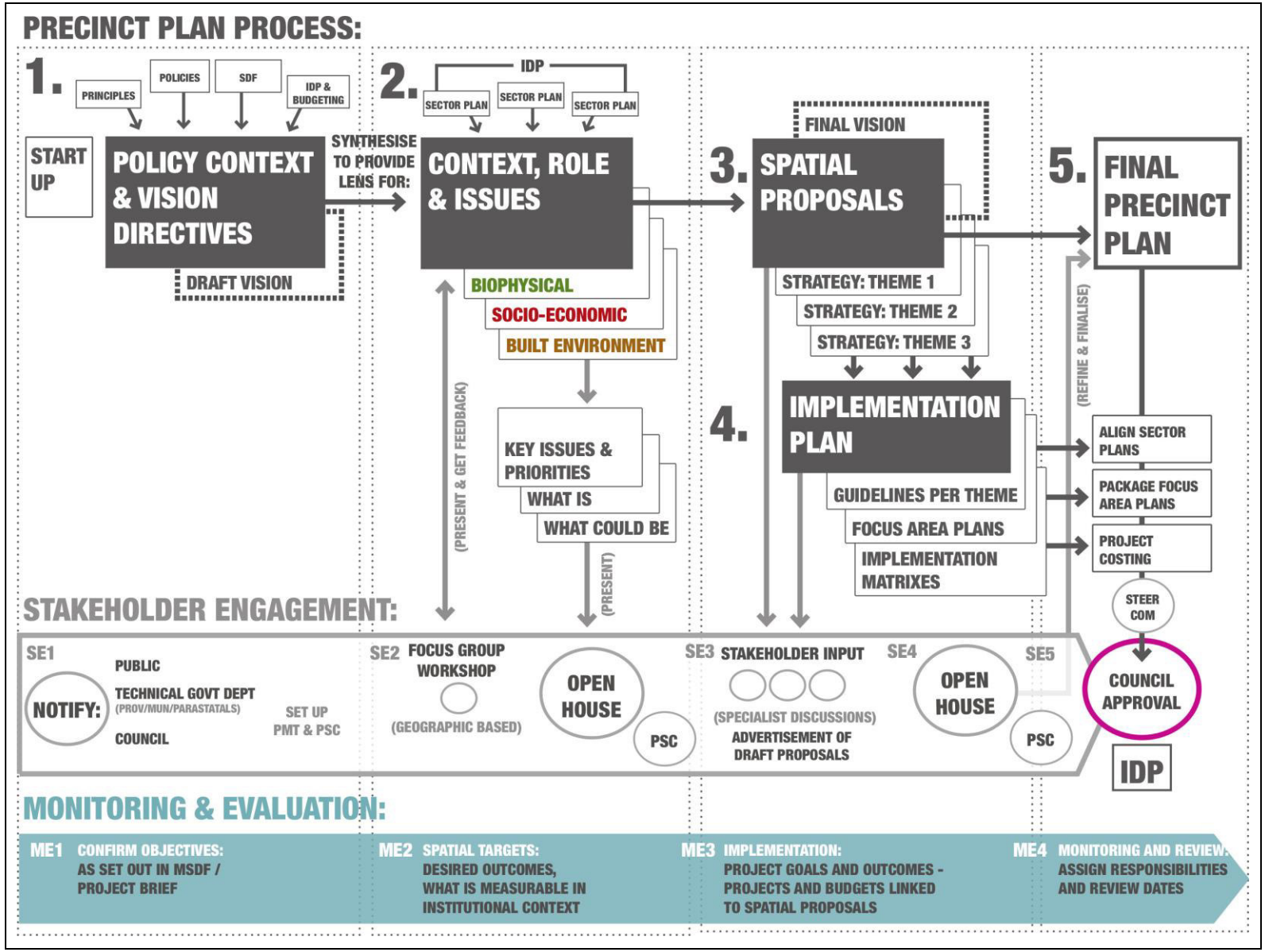
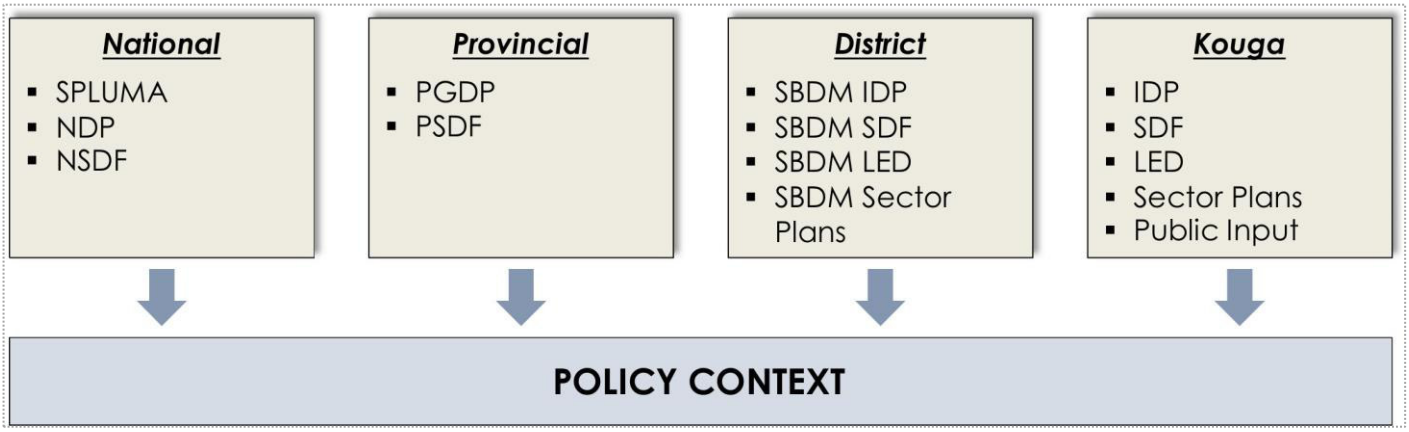


Figure 1 : DRDLR Spatial Development Guidelines Final Draft as a Guiding Document

2 Chapter 2 : Policy Context & Vision Directives

The spatial vision, principles and goals are guided by and should be aligned with various National, Provincial and Local informants. Specific reference is made to national guidelines and legislation for spatial development, i.e. Spatial Planning and Land Use Management Act (SPLUMA), National Development Plan (NDP), National Spatial Development Framework (NSDF), Provincial Growth and Development Plan (PGDP), Provincial Spatial Development Framework (PSDF), Kouga Integrated Development Plan (IDP), Kouga Spatial Development Framework (SDF), Kouga Local Economic Development (LED) Strategy and various sector plans.



The principles for strategic planning and urban restructuring are captured and well-documented in a range of National, Provincial and Local Policies and legislative directives. Although it is not the objective of the Hankey CBD LSDF to unpack these in detail, the key issues are emphasised to provide planning and strategic decision making direction.

1.0 National, Provincial & District Policy Directives

The following are key principles to consider.

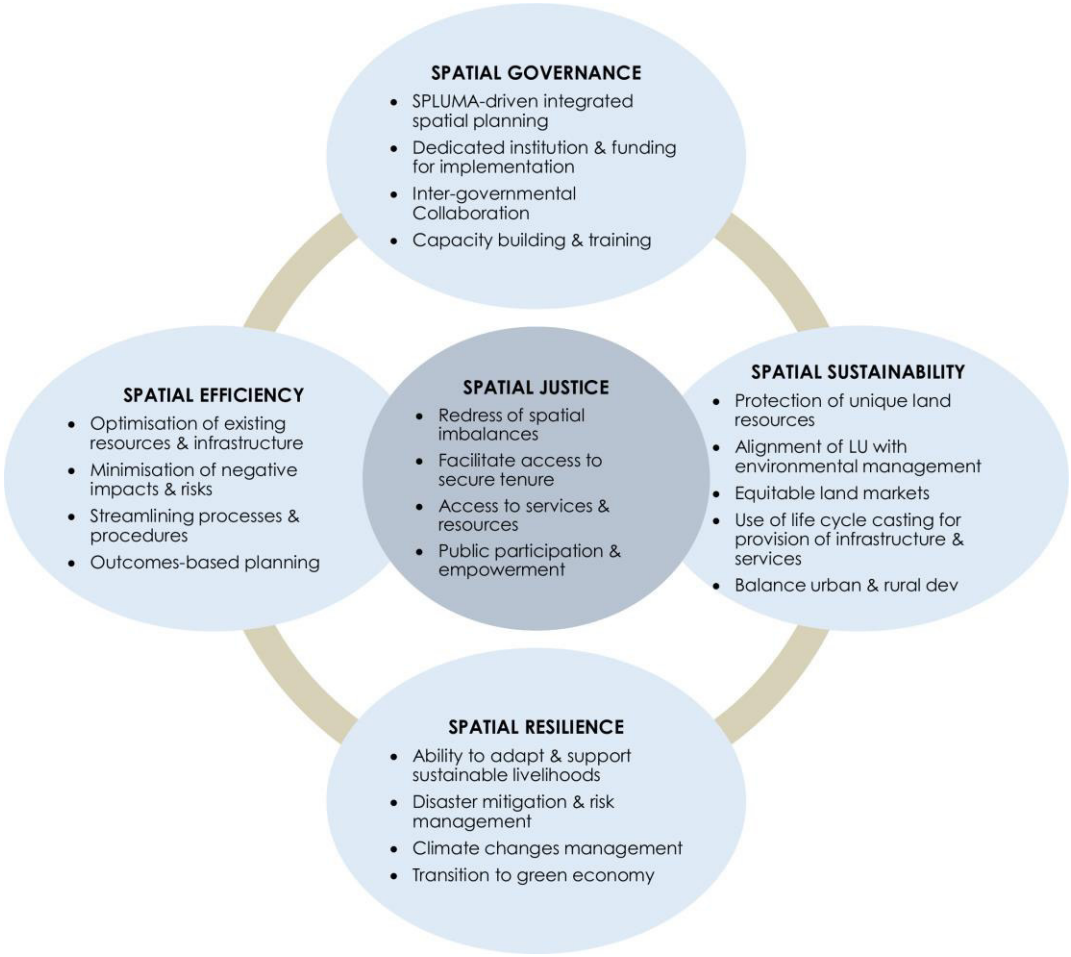
1.1 Spatial Planning & Land Use Management Act (SPLUMA)

SPLUMA provides an important set of overarching guidelines through the development principles contained in Chapter 2 of the Act.

The objectives of SPLUMA :

- Provide for a uniform, effective and comprehensive system of spatial planning.
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion.
- Provide for development principles and norms and standards.
- Provide for the sustainable and efficient use of land.
- Provide for cooperative government and intergovernment relations.
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

Development Principles of SPLUMA :



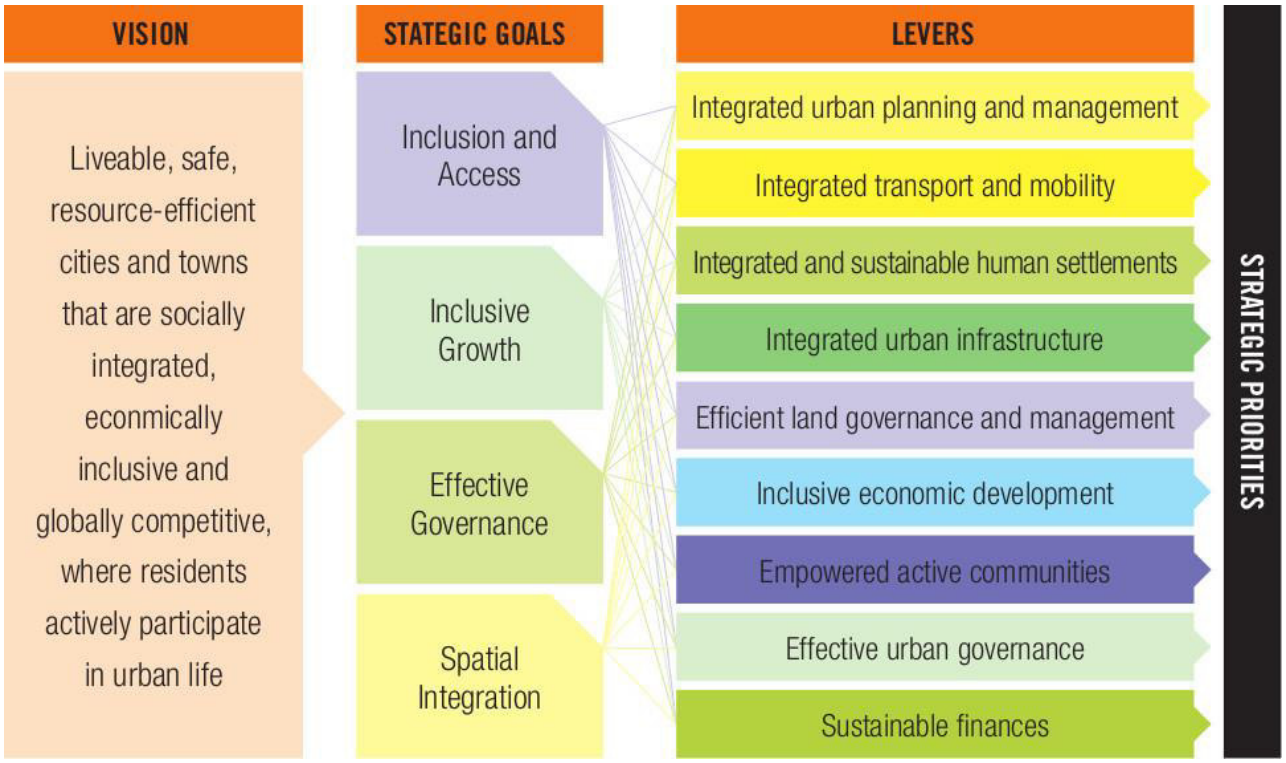
1.2 Integrated Urban Development Framework (IUDF)

The National Development Plan (NPD) indicated that by 2030 South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. To attain this goal, the Department of Cooperative Governance developed the IUDF to transform and restructure South Africa's urban spaces.

The IUDF seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions by addressing current urban inefficiencies as outlined in the NDP. The IUDF responds to, and also builds on various chapters of the NDP, particularly chapter 8 'Transforming human settlements and the national space economy'.

It provides a framework for reorganising the urban system so that cities and towns can become more inclusive, safe, productive and resource efficient, thus becoming good places to work and live in.

▣ **IUDF Vision**



⇨ *Lever 1 – Objective*

To create cities and towns that are well planned and efficient, and so capture the benefit of productivity and growth, invest in integrated social and economic development, and reduce pollution and carbon emissions, resulting in a sustainable quality of life for all citizens.

⇨ *Lever 2 – Objective*

To create cities and towns where goods and services are transported efficiently, and people can walk, cycle and use different transport modes to access economic opportunities, education institutions, health facilities and places of recreation.

⇨ *Lever 3 – Objective*

To create cities and towns that are liveable, integrated and multi-functional, in which all settlements are well connected to essential and social services, as well as to areas of work opportunities.

⇨ *Lever 4 – Objective*

To create cities and towns that have transitioned from traditional approaches to resource-efficient infrastructure systems, which provide for both universal access and more inclusive economic growth.

⇨ *Lever 5 – Objective*

To create cities and towns that grow through investments in land and property, providing income for municipalities, which allows further investments in infrastructure and services, resulting in inclusive, multi-functional urban spaces.

⇨ *Lever 6 – Objective*

To create cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable inclusive economic growth, and generate the tax base needed to sustain and expand public services and amenities.

⇨ *Lever 7 – Objective*

To create cities and towns that are stable, safe, just and tolerant, and respect and embrace diversity, equality of opportunity and participation of all people, including disadvantaged and vulnerable groups and persons.

⇨ *Lever 8 – Objective*

To create cities and towns that have the necessary institutional, fiscal and planning capabilities to manage multiple urban stakeholders and intergovernmental relations, in order to build inclusive, resilient and liveable urban spaces.

⇨ *Lever 9 – Objective*

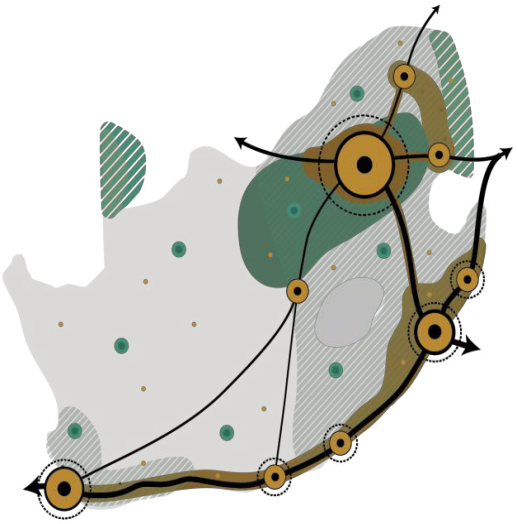
To create cities and towns that are supported by a fiscal framework that acknowledges the development potential and pressures of urban spaces manage their finances effectively and efficiently, and are able to access the necessary resources and partnerships for inclusive urban growth.

1.3 National Spatial Development Framework (NSDF)

The National Spatial Development Framework further provides spatial vision guidance for future planning and development.

The NSDF is further founded on 6 National spatial development concepts.





URBAN AREAS AND REGIONS AS ENGINES OF NATIONAL TRANSFORMATION, INNOVATION AND INCLUSIVE ECONOMIC GROWTH

NATIONAL SPATIAL DEVELOPMENT CORRIDORS AS INCUBATORS AND DRIVERS OF NEW ECONOMIES AND QUALITY HUMAN SETTLEMENTS

PRODUCTIVE RURAL REGIONS AS DRIVERS OF NATIONAL RURAL TRANSITIONS AND CORNERSTONES OF OUR NATIONAL RESOURCE FOUNDATION

A NATIONAL SPATIAL SOCIAL SERVICE PROVISIONING MODEL TO ENSURE EFFECTIVE, AFFORDABLE AND EQUITABLE SOCIAL SERVICE DELIVERY

A NATIONAL ECOLOGICAL INFRASTRUCTURE SYSTEM TO ENSURE A SHARED, RESILIENT AND SUSTAINABLE NATIONAL NATURAL RESOURCE FOUNDATION

A NATIONAL TRANSPORT, COMMUNICATIONS AND ENERGY INFRASTRUCTURE NETWORKS TO ENSURE A SHARED, INCLUSIVE AND SUSTAINABLE ECONOMY

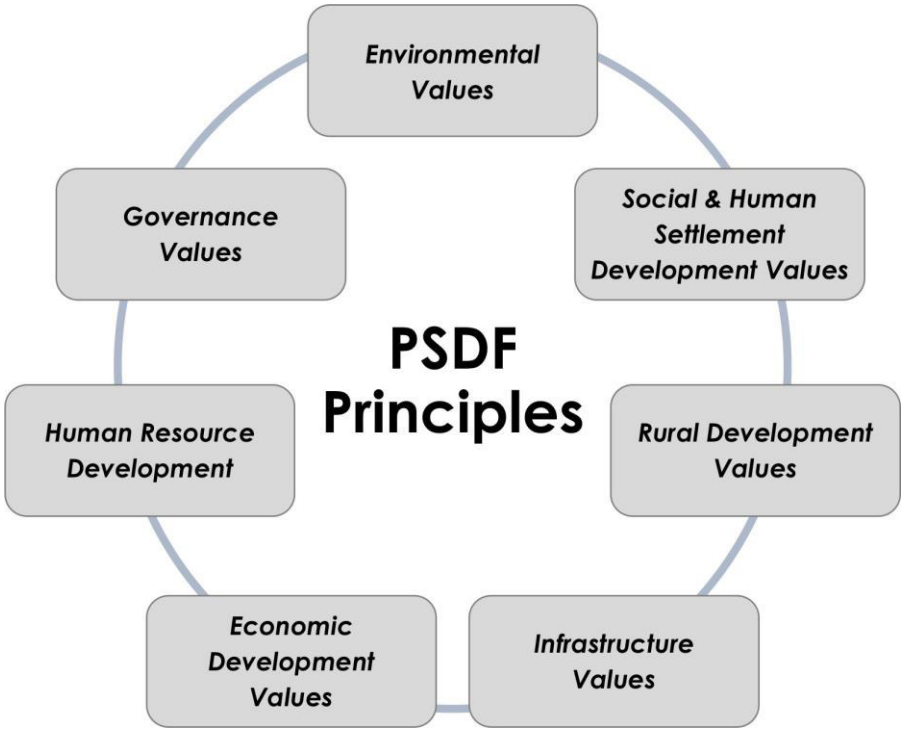
1.4 Provincial Spatial Development Framework (PSDF) (Draft 2019)

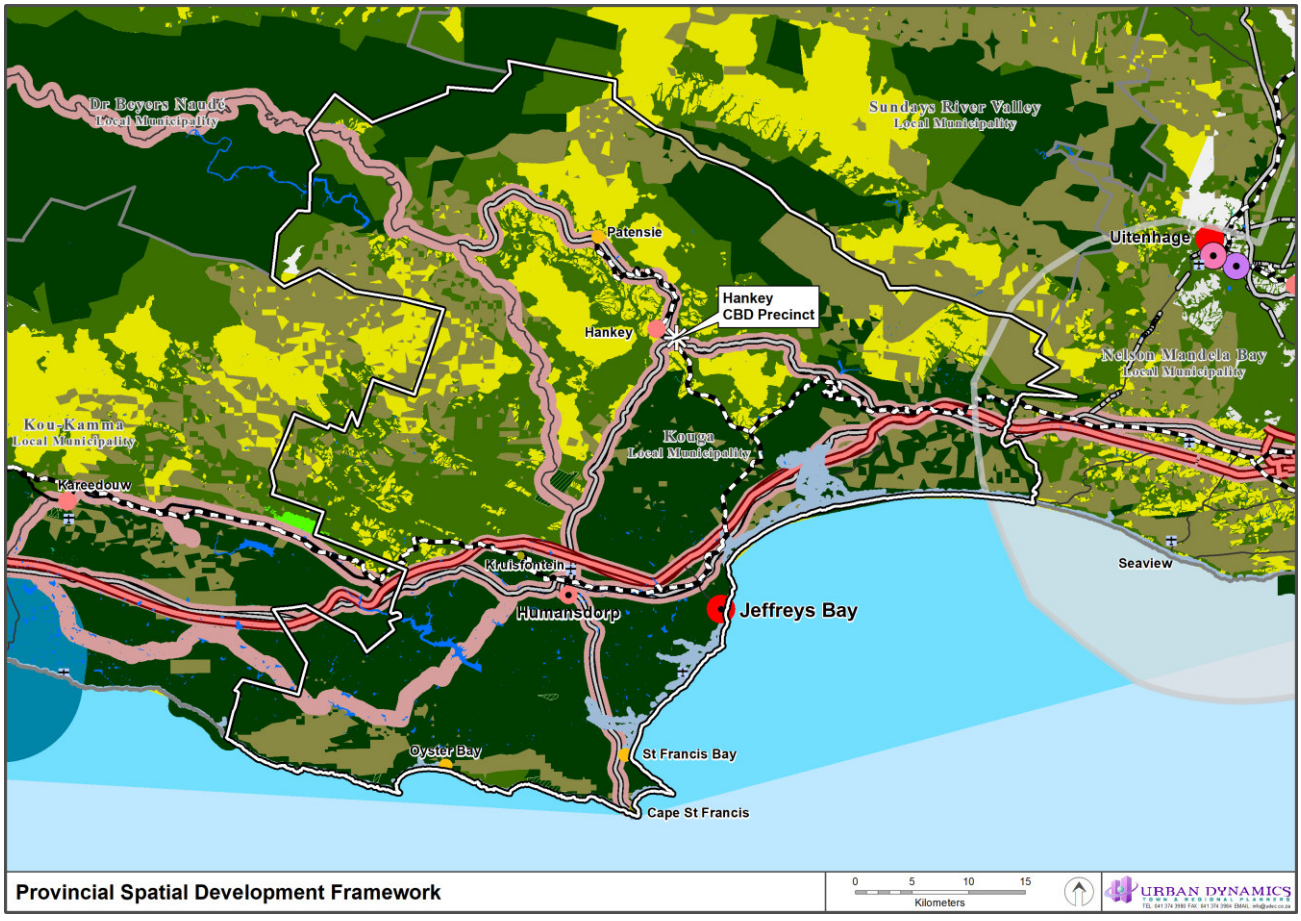
The Eastern Cape Province recently embarked on the revision of the Provincial Spatial Development Framework in terms of SPLUMA. The philosophy and approach of the Draft PSDF, for the purposes of the Hankey Precinct Plan, is adopted.

The PSDF provides a spatial development vision for the Province :

> The future spatial perspective of the province over the next 15 to 20 years could be conceptualised in the context of the Provincial Growth and Development Plan vision of a "*poverty free Eastern Cape*". Understanding that such a vision would be founded upon a concept of a "*modern, ecologically sustainable economy based in agriculture, tourism and industry*", it is believed the future spatial perspective would comprise a *spatial development framework of managed urban and rural human settlements clustered in urban (settlement) regions and corridors, alongside productive agricultural precincts, managed ecological natural resource areas and connected to a network of strategic transportation corridors, open to the global, national and provincial economy*.

The PSDF is founded on 7 principles or spatial framework values.





Plan 3 : Provincial Spatial Development Framework

1.5 District Spatial Policy Directives

The following documents and strategies are specifically relevant and have been reviewed :

- Sarah Baartman District SDF (2013)
- Eastern Cape Biodiversity Plan
- Kouga IDP (2022/2027)
- Kouga SDF (2021)
- Kouga Land Use Scheme (2021)
- Kouga Spatial Planning and Land Use Management By-laws (2016)

1.6 Kouga IDP (2022/2027)

▣ Municipal Vision

Good Governance through Service Excellence

▣ Municipal Mission

- To create a government that addresses the needs and respects the values of Ubuntu in our communities.
- To create a better life for all through delivering inclusive and affordable services to residents.
- To create a safe environment with diverse opportunities for economic growth and development.
- To create a responsive, accountable and caring government for all its people.
- To create an efficient, well-managed, corruption free and legally compliant municipality.
- To create and maintain an effectively governed administration that is committed to financial sustainability.

▣ Strategic Narratives



▣ Development Priorities

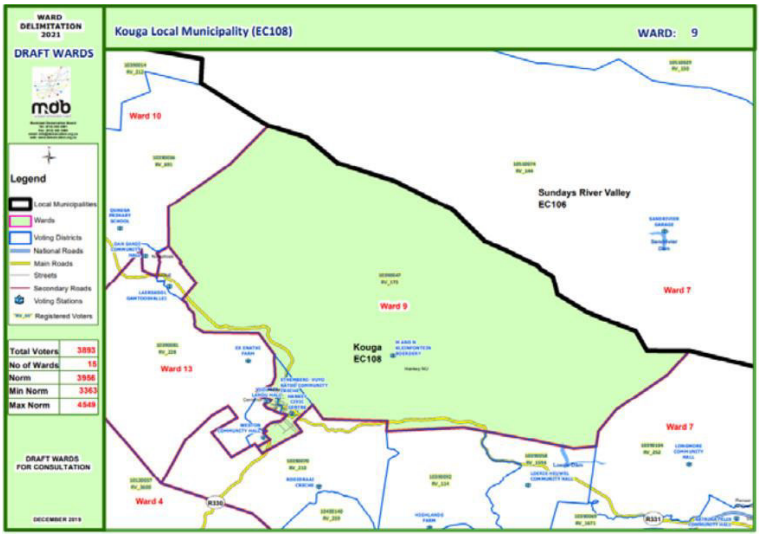
In support of the Municipal vision, the Municipality identified the following key focus areas.

KPA	Strategic Objective
1. Basic Services & Infrastructure	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs
2. Local Economic Development	To manage and provide town planning services and ensure the economic upliftment and development in the municipal area
3. Municipal Financial Viability & Transformation	To manage and provide financial services to ensure financial viability, compliance and reporting
4. Good Governance & Public Participation	To render integrated community services to enhance community development in general and promote a clean and safe environment
5. Institutional Transformation	To transform the institution into a high-performance organization with a skilled and diverse work force
6. Spatial Planning	To manage and provide town planning services and ensure the economic upliftment and development in the municipal area

▣ Ward 9 Priorities

The study area falls within Ward 9 and the IDP process identified the following broad priorities for the Ward.

- Streetlights
- Skills entrepreneurial
- Youth development
- Storm water drainage
- Water security
- Upgrading of gravel roads (paving or tarr)
- Impounding of animals
- Land for stock farming



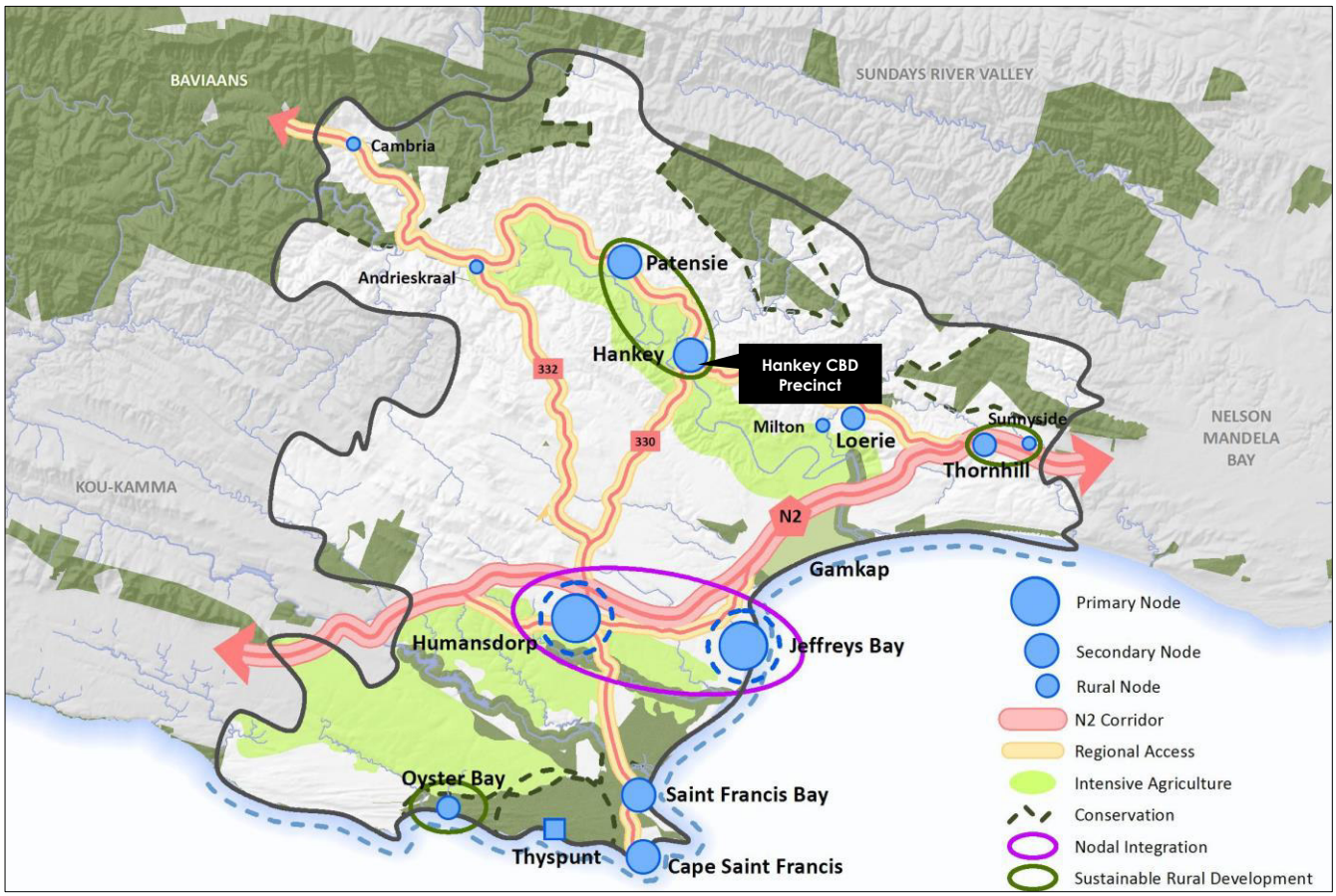
1.7 Kouga SDF (2021)

Spatial Vision :

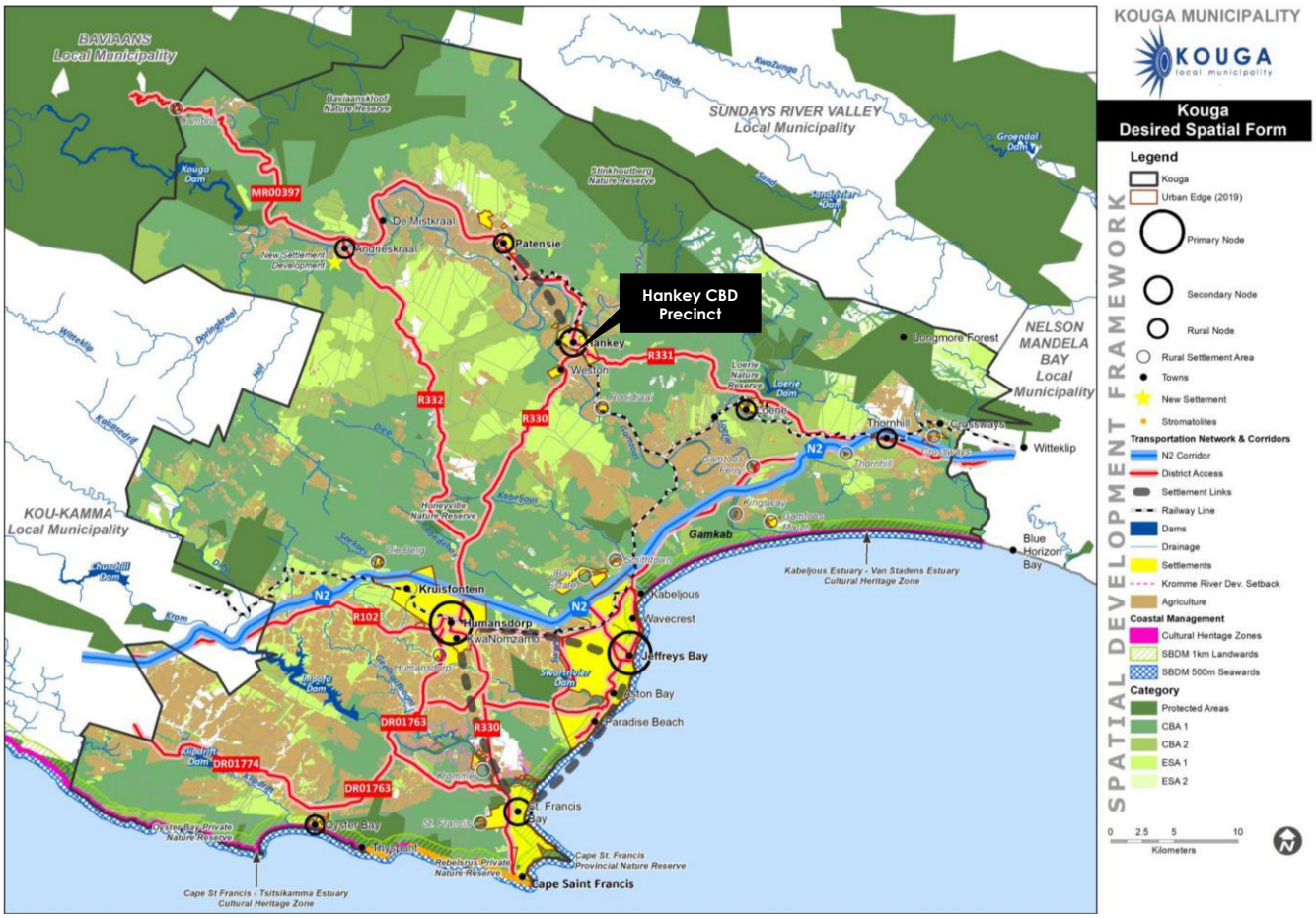
> "*Kouga is a municipal area where well protected natural resources provide economic opportunities and a framework within which a network of well-connected SMART settlements, with a small town feel, provides social and economic opportunities for all residents*."

This Vision is built on the following components :

- A hierarchy of settlements
- Networks – Mobility and Logistics
- Protect natural resources/Integrated Environmental Management
- Promoting Agriculture and Rural Development
- Efficient functioning of settlements / Resilient, Inclusive, Smart and Sustainable Settlements



Plan 4 : Consolidated Spatial Concept



Plan 5 : Municipal Spatial Plan

▣ Hankey Nodal Framework

Nodal Status : Secondary Node	
Description	**Priorities**
Context	• Hankey has a strong administrative and commercial central place function. These commercial and administrative functions are complimented by a residential component and strong surrounding farming community. Industries and warehousing are more limited than in Patensie but the services sector is strongly defined. The central business district is well defined and situated along the main road in Hankey town, this is however separated from the residential components of Phillipsville and Centerton. • The residential area of Weston is situated approximately 3km west of Hankey on the Humansdorp road. • Hankey is surrounded by high potential agricultural land which is intensively developed and farmed.
Opportunities	• Strong administrative and commercial function with opportunities for future expansion and intensification of the Central Business District. • Redevelopment of the Sarah Baartman Heritage Site and other tourist attractions (Dr Phillips Grave, tunnel, etc.). • Opportunities for residential expansion west of Rosedale, north of Hankey Town and around Weston.
Constraints	• Difficult terrain characteristics limit future large scale expansion. • High demand for subsidised housing for lower income groups, drainage patterns and associated flood line restrict residential integration and areas for expansion. • Limited services availability to accommodate the human settlement demand. • Limited greenfields land available for the human settlement development.

Nodal Status : Secondary Node	
Description	**Priorities**
Urban Edge	• Alignment of urban edge to include the Sarah Baartman strategic land and approximately 100ha for future expansion north of the Hankey town CBD and west of Rosedale and Centerton. • Urban edge to take cognisance of high potential agriculture land, critical biodiversity areas and undevelopable steep slopes. • Further expansion of Milton to be limited to existing surveyed footprint. • The urban edge for Weston to include future rectification and expansion of Weston on municipal owned land to the west.
Nodes, Corridors & Access	• R331 access through Hankey and Rosedale remain primary rural access. • Expand mixed use opportunities in the greater Hankey town to existing surveyed footprint, to enable investment and local economic development. • Strengthen existing commercial nodes along R331 to provide services to the residential areas of Phillipsville, Rosedale and Centerton. • Mixed use nodes in Weston along main access road to ensure service delivery and sustainability.
Infill & Densification	• Permit expansion of Hankey town CBD to ensure intensified land uses and economic development. • Upgrade informal areas in old Hankey area with urban densification along the R331, west of the existing sports field. • Promote future integration and expansion of the Hankey town area north towards Yellow Woods Nature Reserve, east of the golf course. • Expansion of Centerton Cemetery and infill development west of Centerton and Rosedale.
Human Settlement	• Human Settlement :Land Demand by 2030 – 99ha • Human Settlement :Land Demand by 2050 – 214ha • SDF 2019 Provision – 68ha • 19.48 hectares identified for Densification
Conservation	• Retain drainage and open space systems along the golf course, including Yellow Woods Nature Reserve and area west of Yellow Woods Nature Reserve, north of Phillipsville. • Conserve high potential agricultural land and critical biodiversity through enforcement of the urban edge.

▣ Kouga SDF : Hankey Actions (Strategies)

The spatial planning actions required to achieve the Framework are reflected below :

1	Prepare a densification policy for the Hankey
2	Upgrade the Water Supply Capacity in Hankey
3	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
4	Connect the newly constructed Weston WWTW to eradicate the 'bucket system' – Dept Human Settlements
5	Prepare a storm water management plan for Hankey – Particularly to address flooding around Vukani High School
6	Upgrade the Hankey to Loerie (R400) route
7	Upgrade the gravel roads
8	Prepare the Hankey and Western LSDF – (Focused on the identification of additional land for human settlement)
9	Prepare the Hankey and Weston Main Road Corridor Precinct Plan
10	Prepare a Hankey Commonage Management Plan



Plan 6 : Hankey Framework Plan



Plan 7 : Hankey CBD Framework Plan

1.8 Kouga SDF Land Use Management Guidelines

▣ Central Business Focus Area

Background	Policy Statement
The designation of a CB Focus Area boundary enables the creation of tailored development proposals that meet the specific needs of the core of each settlement.	• These areas would be characterised by mixed uses, including higher density residential as well as the conversion of low intensity old housing stock to more intensive and efficient uses. • The Hankey CBD specifically has the potential to take advantage of the tourism sector to create an attractive and high intensity beachfront, which still maintains a 'small-town' feel. • The specific development proposals and parameters will be set out in precinct plans and LSDF's for each area and settlement. • CBD Development should take account of the following: - The existing environment should be enhanced rather than eliminated. - Incorporate 'good' existing natural features into the proposals to ensure legibility and ensure that the current open space network is respected and integrated. - Existing structures should be repurposed where possible and appropriate. - Ensure walkability and access to public transport (Create high quality commuter facilities and infrastructure. - Public transport promoted as key mode of mobility and commuters should be designed for. - Incorporate mixed use development principles. - Higher residential need to be promoted (Refer to Residential Densification guidelines) and a broad spectrum of income groups and ownership patterns need to be included. - Support both the formal and the informal sector, and enhancing existing areas of activity.

▣ Settlement Upgrading

Background	Policy Statement
The provision of adequate housing facilities for the population of the study area is one of the key principles and priorities embedded in the constitution. The development of residential areas and creation of liveable environments is of critical importance for social sustainability and upliftment of the people residing within the study area.	• The focus is to upgrade and formalise existing informal areas. • Strive to eradicate informal housing and/or shacks. • Residential densities and non-residential land uses to be guided by detailed planning and accommodation of existing structures on-site. • Detailed planning to include feasibility, no-go areas and development options. • Residential densities up to 50 units per ha and above are encouraged. • Settlement upgrading should only be undertaken where the site is suitable for the intended settlement development and the residents can be effectively integrated into the existing urban fabric.
Settlement Projects	• Approved housing projects indicate sites where housing projects are in the planning phase or implementation phase. • Proposed future housing projects indicate sites that have been identified as potential sites for housing development.

▣ Mixed-Use

Background	Policy Statement
To create a specific urban environment of mixed use through the redevelopment, infill and expansion or conversion of existing buildings or vacant land. *Mixed use is focussed on combining compatible land uses in a manner which will enable higher intensity and diverse development.*	• The intention of the Mixed Use categorisation is to increase development intensity within the demarcated mixed use area. Permit multiple uses to support commercial, high density residential, office, entertainment and support facilities without negatively impacting on the surrounding development. • Departures from the ILUS development parameters can be considered in specific cases to improve development, density and footprint. • Manufacturing and light industrial activities not permitted. • Residential densities in excess of 50 units per ha to be promoted. • Site development plans for all developments to be submitted for consideration prior to submission of a land use or building plan application.

▣ Settlements : Business

Background	Policy Statement
Business districts, secondary business nodes and informal business activity are one of the most important formative agents within the urban structure given the past segregated planning policies. The placing, development and expansion of future business areas can play a major role in assisting the restructuring of the urban form. *This component refers to the current and proposed sites for Business / Commercial use and include any land uses where enterprise for commercial and/or professional services and/or retail uses are to take place.*	• Business/commercial related land use should be confined to the core urban areas (central business district) and secondary/lower order nodes. • The infiltration of business/commercial uses into a residential area or the periphery of the CBD should not be permitted (this excludes small house/spaza shops). • Spaza/House shops are encouraged along main roads in all informal or previously disadvantaged areas. This must be aligned with the policy of informal trading. • House shops should not be encouraged on Single Residential zoning except on properties that are currently zoned informal (It must be limited to all government low income housing schemes). • In order to attract investment, the provision of land for business purposes with the associated infrastructure should be provided on a pro-active basis. • The development of SMME should be encouraged in selected locations in or near business nodes and the CBD. • House enterprises and house shops should be permitted in residential areas. • The central business district should be demarcated. • Close linkages between business development and the local economic development plan and strategies should be implemented and co-ordinated on a sub-regional and district level. • Business proposals within residential neighbourhoods may be considered if the adjoining property is zoned for business. This is provided also that access is obtained from the same street. The proposed business must be compatible with the existing business and character of the area.

3 Chapter 3 : Analysis & Synthesis

1.0 Introduction

The analysis of the study area represents an overall spatial picture of the Hankey CBD, the current situation, patterns and trends within the area and quantify specific needs and capacities. The information is focussed on key developmental sectors and based on the key issues identified.

2.0 Biophysical Environment

The bio-physical status quo for the CBD is outlined in the following sections, including :

- Climate and Climate Change
- Topography and Drainage
- Environment Management

2.1 Climate & Climate Change

The climate within Kouga differs between the 3 main geographical features, i.e. Coastal Region, Humansdorp and the Gamtoos River Valley. The area is classified as subtropical and is situated in an intermediate zone between the summer and winter rainfall zones of the country, with annual precipitation between 400 and 650mm along the coast and in the Humansdorp area with slightly lower rainfalls in the Gamtoos River Valley.

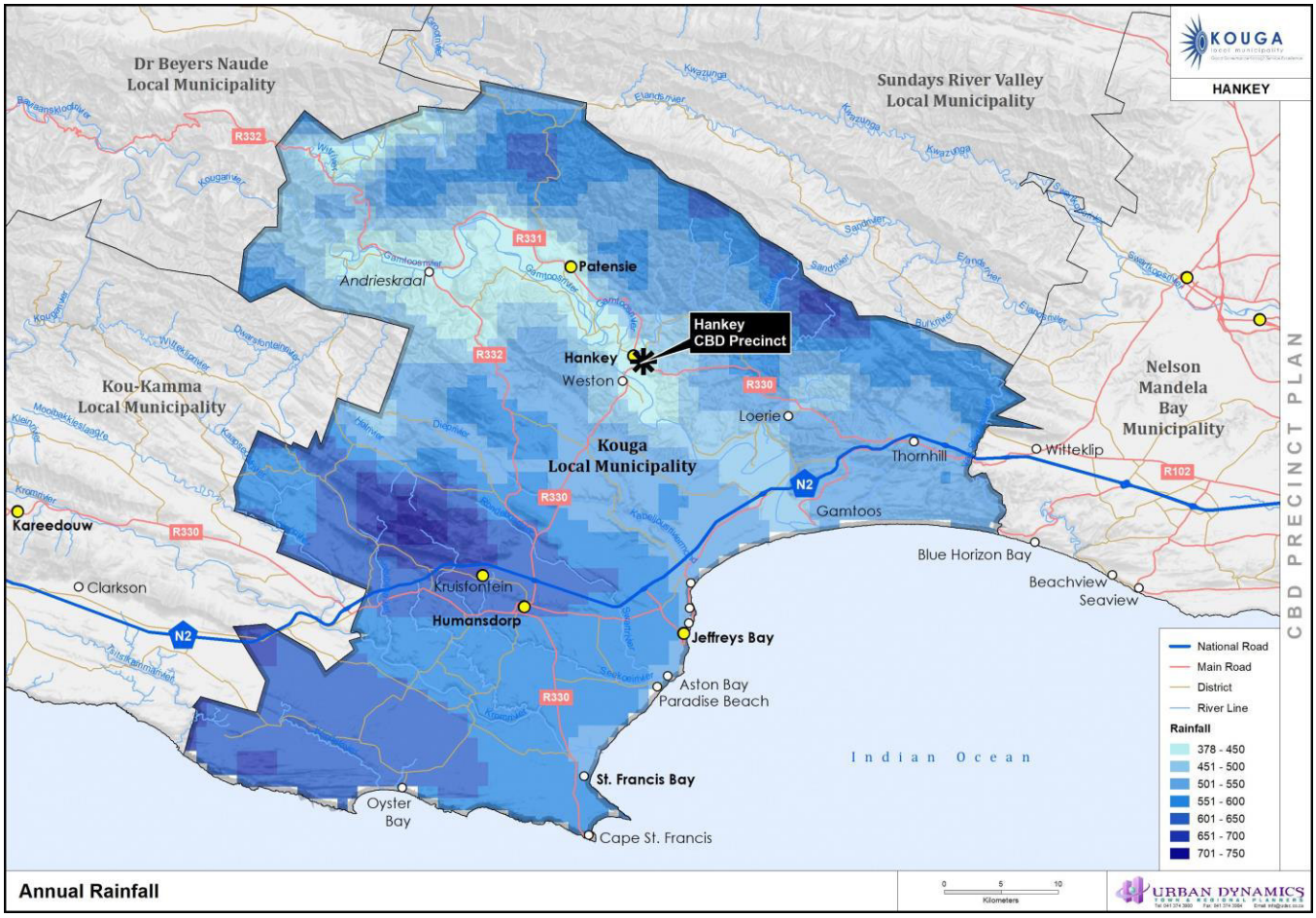
The prevailing wind direction is generally westerly to south-westerly with equally dominantly easterly winds during the summer month.

The impact of Climate Change on the Local Authority and its management of land use and scarce resources can be significant. These are :

- Change in rainfall patterns and average rainfall.
- Change in level of fluctuation of general climate patterns and tendencies.
- Increase in flood severity and draught occurrence.
- Change in ecosystems and desertification.
- Impact on bulk water supply resources and agricultural industry

Although the LSDF cannot directly mitigate against these issues, sector planning and general strategy formulation can indirectly mitigate against the impact of Climate Change. This includes strategies relating to Renewable Energy, Green Management Practices, Coastal Management and Environmental Sustainability.

In the Eastern Cape, predictions suggest higher temperatures, increased unpredictability of rainfall regimes, more intense rainfall (flooding), longer dry spells (drought periods), increased storm events and sea-level rise.



Plan 8 : Annual Rainfall

2.2 Geology & Soils

The geology and soil types within the study provide a basic indication of soil stability and possible construction constraints.

The geology in the Hankey CBD is described as :

- Conglomerate, subordinate lenticular sandstones and claystones
- Variegated (reddish-brown and greenish) silty mudstone and sandstone, subordinate grey shale and sandstone

Of greater importance is the soil classes.

Soil Class		Favourable Properties	Limitations
2	***Freely drained, structureless soils***	*Favourable physical properties*	May have restricted soil depth, excessive drainage, high erodibility, low natural fertility
8	***Imperfectly drained soils, often shallow and often with a plinthis horizon***	*Relative wetness favourable in dry areas*	May be seasonally wet

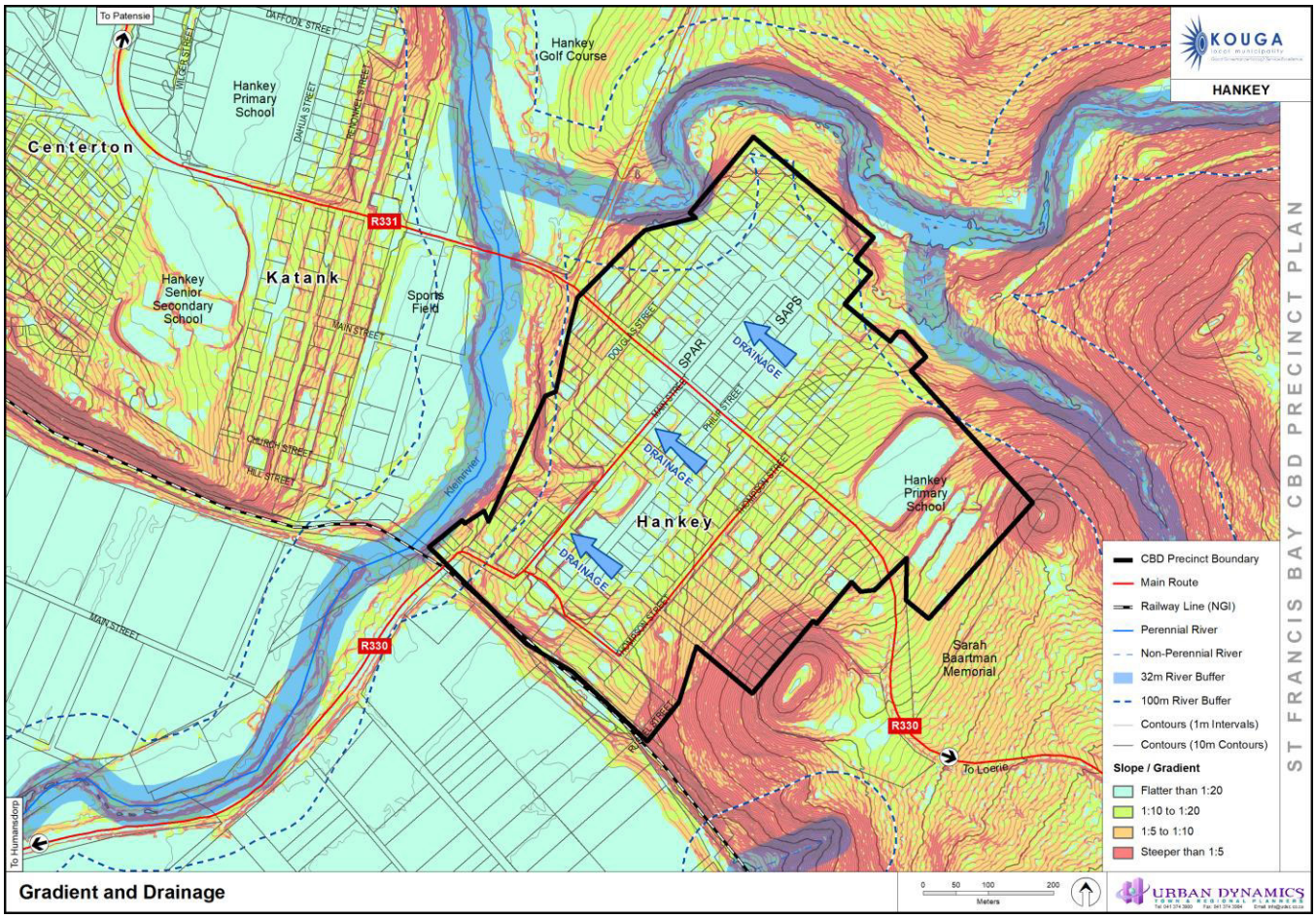
2.3 Drainage & Gradient

▣ Drainage

The greater Hankey generally drains towards the Kleinrivier, between Katank, Centerton and Hankey CBD. The Kleinrivier forms a major drainage channel in the district and drainage in the CBD through the installed storm water management system drains in an east-west direction, along existing open channels towards the Kleinrivier.

▣ Gradient

Gradients are generally flat with steeper areas along the eastern entrance to the CBD with steeper gradients along the east bank of the Kleinrivier. Future expansion of the CBD is generally restricted through surrounding drainage and gradient restrictions.



Plan 9 : Gradient & Drainage

2.4 Environmental & Biodiversity

Environmental management must be implemented as a key element of the Hankey LSDF land use management strategy. The following legislative guidelines should be consulted and implemented for all development proposals and activities :

- National Environmental Management Act and Listing Activities
- Eastern Cape Biodiversity Conservation Plan

2.4.1 National Environmental Management Act (NEMA)

The National Environmental Management Act (NEMA) was passed in November 1998 and came into effect in January 1999. It is a framework Act underpinned by the concept of sustainable development, and covers the 3 primary areas of environmental concern – i.e. resource conservation and exploitation, pollution control and waste management, and land-use planning and development.

▣ **Purpose & Objectives**

In essence, NEMA does the following :

- translates environmental rights identified in the Constitution into a more tangible form
- promotes co-operative governance in environmental management
- provides a framework for developing environmental norms and standards
- provides a basis for alternate dispute resolution procedures
- emphasizes public interest in the environment

A number of mechanisms are provided to achieve these ideals, however the foundation of the Act is a set of environmental management principles which are based on the concept of sustainable development.

▣ **Integrated Environmental Management & the Environmental Assessment Process**

Chapter 5 of NEMA deals with environmental assessment (EA) and describes how the integrated environmental management (IEM) philosophy should be applied in the EA process with the intention of promoting the application of appropriate environmental management tools to ensure the integrated environmental management of activities. Section 23 of NEMA sets out the general objectives of EA, and Section 24 the procedures for the investigation, assessment and communication of the potential consequences or impacts of activities on the environment.

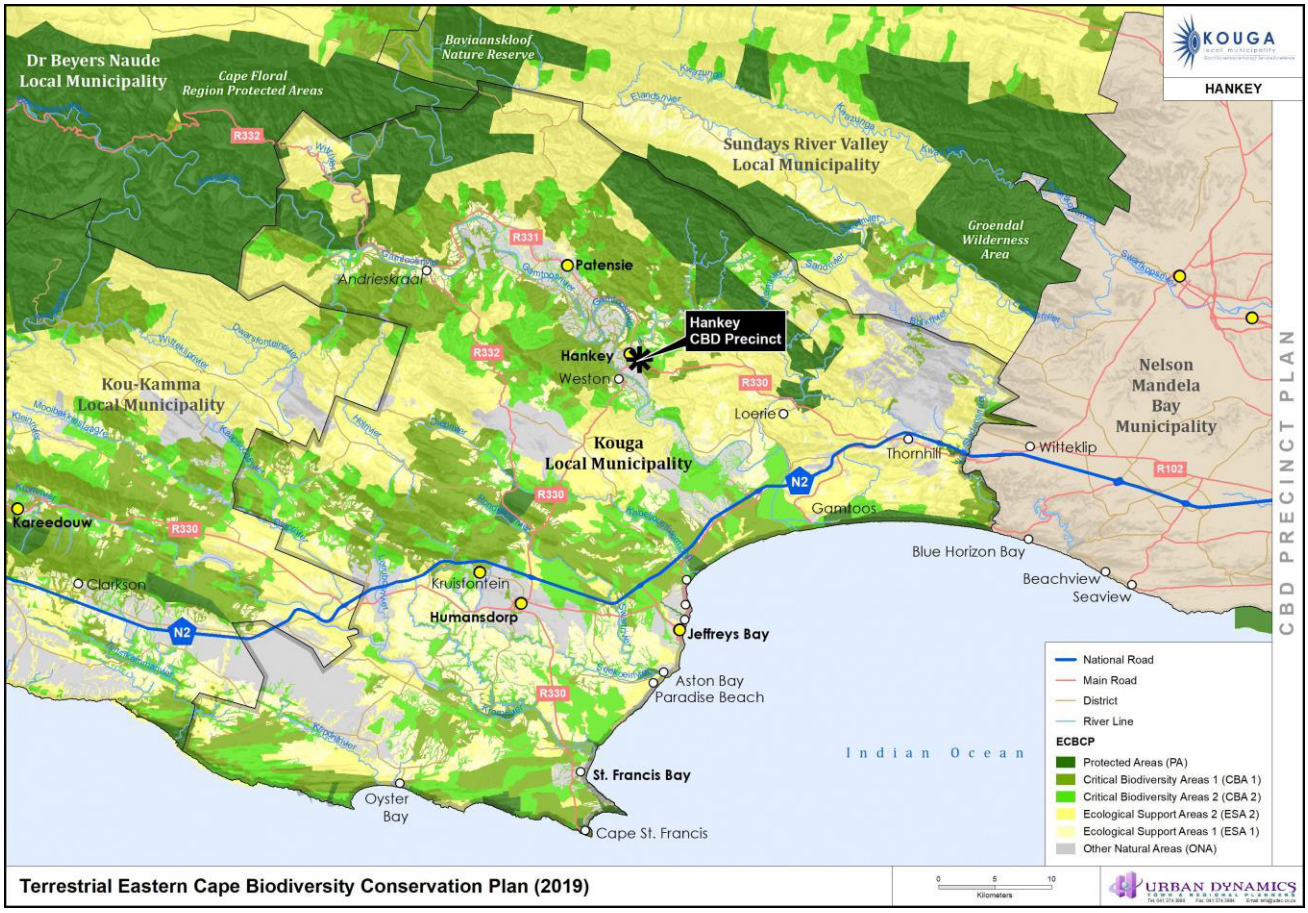
There are a number of tools that can be applied depending on the activity, including Strategic Environmental Assessments, Environmental Impact Assessments, Environmental Management Plans, Environmental Management Systems, Environmental Auditing etc.

There are 3 Listing Notices that identify different types of activities on a threshold-basis in different areas that would need authorisation prior to commencement (and would therefore need an environmental impact assessment) from the relevant competent authority.

2.4.2 Eastern Cape Biodiversity Conservation Plan (ECBCP)

The objectives of a BCP are to :

- Identify the minimum spatial requirements needed to maintain a living landscape that continues to support all aspects of biodiversity, and retain/maintain essential ecological infrastructure. This is achieved through the selection of areas, based on achieving targets which represent important biodiversity pattern AND ecological processes.
- Serve as the primary source of biodiversity information for land use planning and decision making.
- Inform conservation and restoration action in key biodiversity areas.



Plan 10 : Terrestrial Eastern Cape Biodiversity Conservation Plan

3.0 Built Environment

3.1 Renewal in Context

Rural town renewal (like urban renewal) is a process of change to towns and especially their centres.

Typically, the levels of desirability or degradation of space, infrastructure and structures in town centres are not static but vary across a town's life cycle. Historical centres are often outgrown, become technologically outdated and are no longer centrally located as a town naturally expands.

Typically, with the historical town centre, as described above, new development centres are then proposed and developed that better cater to contemporary conditions on more available and opportune land. This can be seen in the form of a distinct second centre.

The next period of the cycle can see the moving of several key activities and tenants to the more dispersed development centres and the possible regeneration and upgrading of the historical centre. This can be in the format of smaller businesses, socialising, tourism and niche retail activities.

A best-case scenario in this respect is that the new development centres are recognised within the context of a larger development plan for the town that allows these new centres and the historical town centre to develop.

3.2 Historic Background

Hankey was established in 1826 and is the Gamtoos Valley's oldest town. It was named after the Rev. William Alers Hankey, an ex-banker and the secretary of the London Missionary Society (LMS).

The purpose of the establishment of the village was to grow mielies and corn for the LMS main station at Bethelsdorp and also to carry out evangelistic work. The first property was "Wagondrift" owned by the Damant Bros. And although the town was planned for 250 families it started with 25 families.

The first irrigation scheme on the Klein Rivier was started by James Wait in 1827 and completed in 1830. It extended for 3.5 miles and he was awarded 50 cattle and the use of 50 workers.

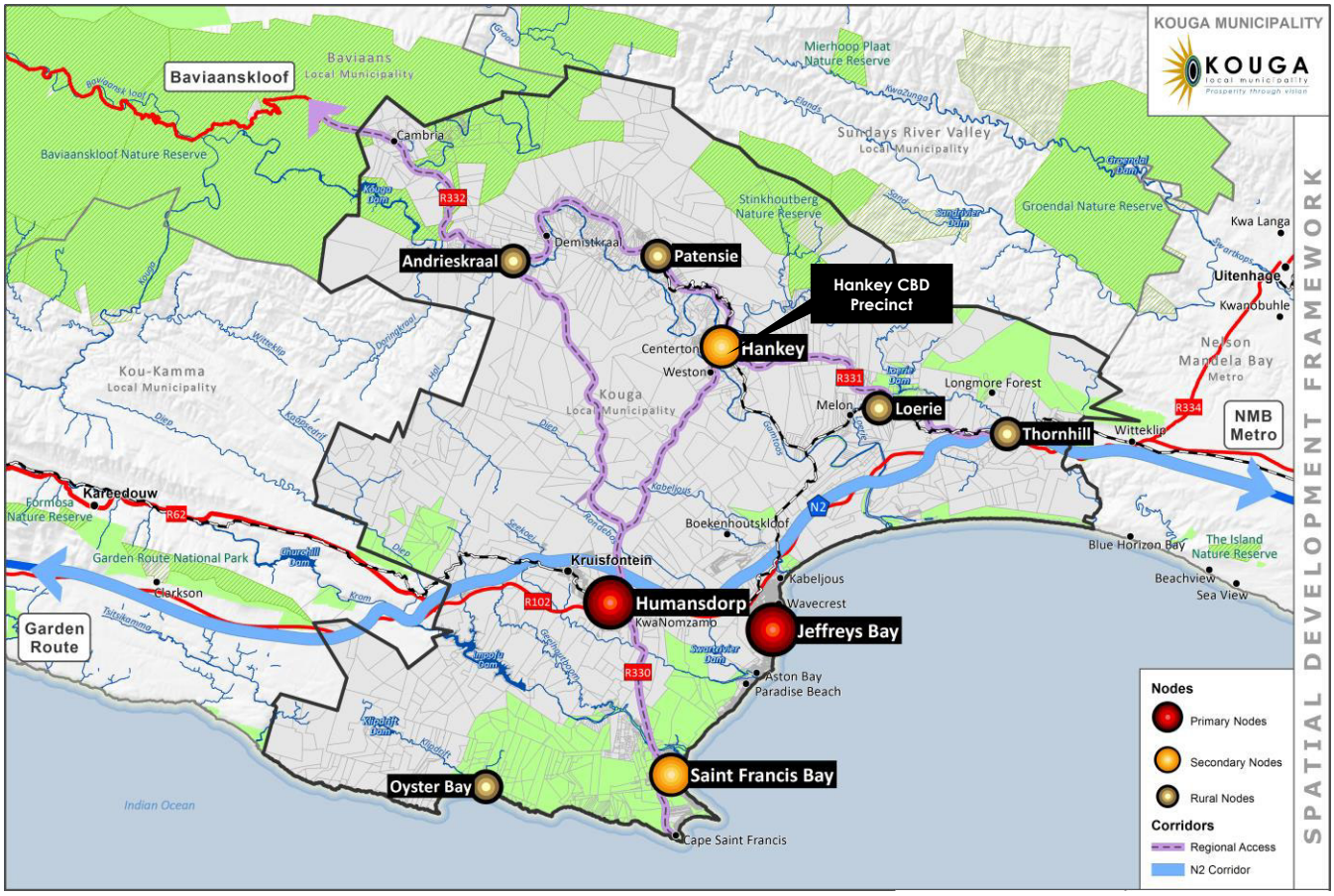
The second irrigation scheme on the Gamtoos River, a provincial heritage site in Hankey today, was carried out by William Enowy Philip. His inspiration was the window in the hill between Backhousehoek and Vensterhoek and was dug using pick and shovel and wheelbarrows. The length of the tunnel is 228 meters. It was started in April 1843 and completed in August 1844. This was the first ever tunnel scheme in South Africa.

William Enowy Philip was the son of Dr. John Philip. John Philip came to South Africa in 1818 as a Missionary and was instrumental in lobbying for equal civil rights for indigenous and coloured people in the Cape. Much to his doing an ordinance was passed in 1828 granting all free coloured people at the Cape every right to which any other British subjects were entitled. He retired in Hankey and both father and son's grave are behind the old "Philip Manse" beside the railway line.

On 19 August 2002, the remains of Saartjie Baartman were laid to rest on Vergaderingskop, a hill on the edge of town.

As is the case with most South African towns, there are residential areas previously reserved for non-white residents set up on the outskirts of the town. In the case of Hankey these are Centerton on the western edge of the town (on the opposite bank of the Klein River) and Weston, located about 1.5 kilometres to the south-west (on the opposite bank of the Gamtoos River).

3.3 Macro Context & Linkages



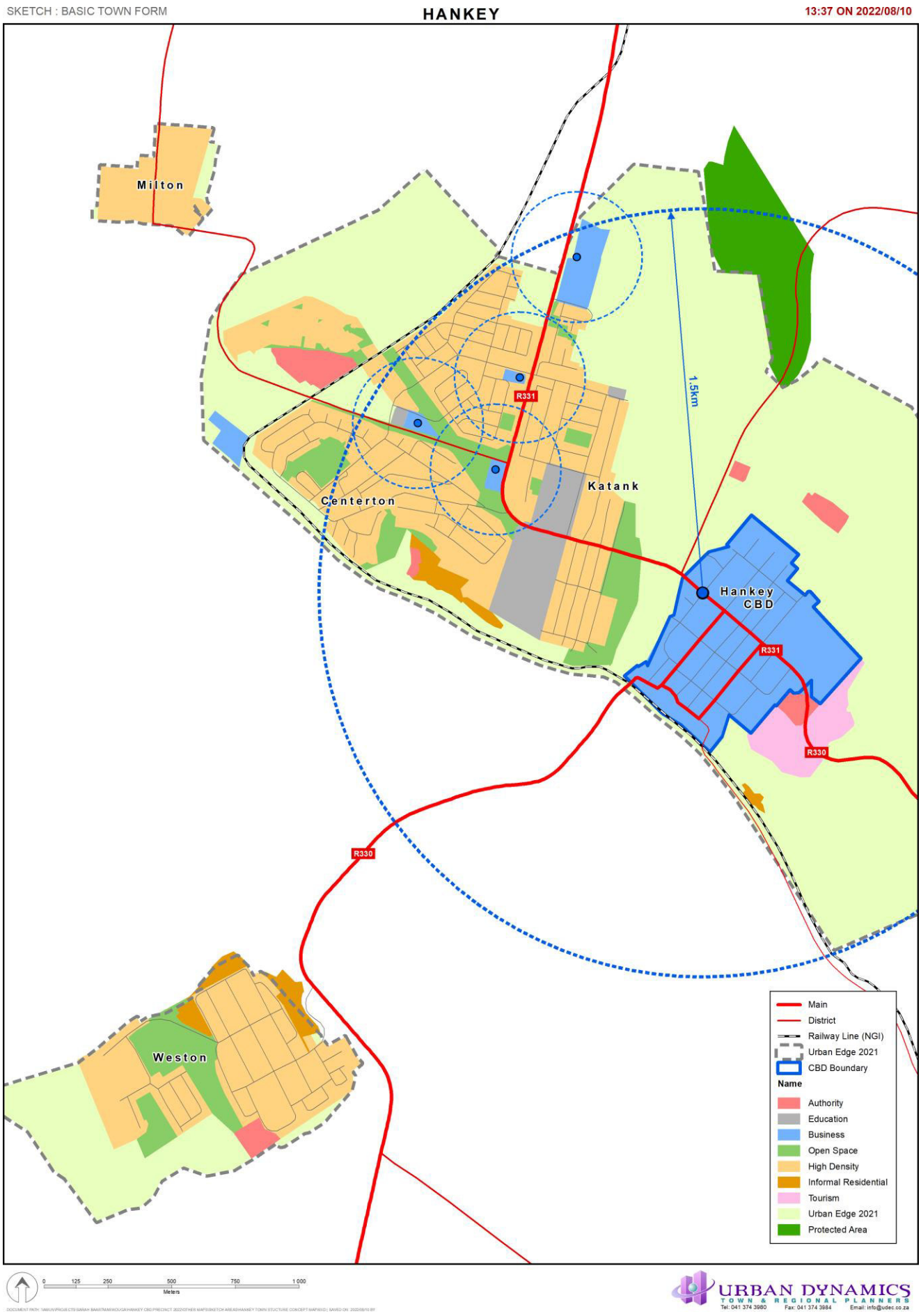
In order to understand the spatial connotation and role of the study area within the broader development context, the following key issues with respect to macro context of the Hankey CBD are noted.

- The town of Hankey is situated in the Gamtoos Valley and classified as a secondary node in the greater Kouga region.
- Hankey fulfils a strong administrative and business support function, especially in the dominant agriculture and services trade sectors.
- The town is administratively supported by smaller settlements, i.e. Loerie and Patensie, with major access through the R331, servicing the greater Gamtoos Valley.
- The Hankey CBD area fulfils a strong central place function in the greater Hankey town, including residential areas of Centerton, Katank, Rosedale and Weston.
- The town is situated as an eastern gateway to the valley and significant tourist attractions, i.e. Baviaans.
- As indicated, access to the Hankey CBD is generally limited to the R330 (east-west corridor) and the R330 western access.

- The CBD area comprises of the historic and traditional town of Hankey and is generally limited by drainage patterns and undevelopable gradients to the east.
- The current development of the Sarah Baartman Memorial as a major Gamtoos Valley gateway node, significantly supports the tourism industry and activities in the town and area.
- Overall land uses typically reflect small town service centres, with limited industrial, fitment, manufacturing and smaller business activity along Main Street, with the Spar as the key anchor.
- Residential areas in the CBD have changed character in recent years with the introduction of non-residential activity and conversion of existing houses in service related trades and industries.
- Tourism accommodation within the CBD area is relatively limited and a number of streets are experiencing urban decay and dilapidated buildings.
- Previous efforts to identify and demarcate the CBD area (in terms of the Kouga SDF) for mixed use purposes have attracted some investment.
- Support business activities on the smaller scale is situated along main access roads in Centerton and Rosedale.
- Social facilities in the CBD are limited to the school, SAPS, municipal offices and limited Government support facilities.
- The majority of residents reside in the Rosedale / Centerton / Weston residential areas which are physically segregated from the CBD.
- The Kleinrivier drainage provides a physical barrier between existing residential areas and the CBD.
- The town is surrounded by high potential irrigation and agricultural land, steep gradients and drainage features, which limits future CBD expansion.
- Limited expansion potential for Centerton / Rosedale / Weston residential areas to accommodate population growth demand.



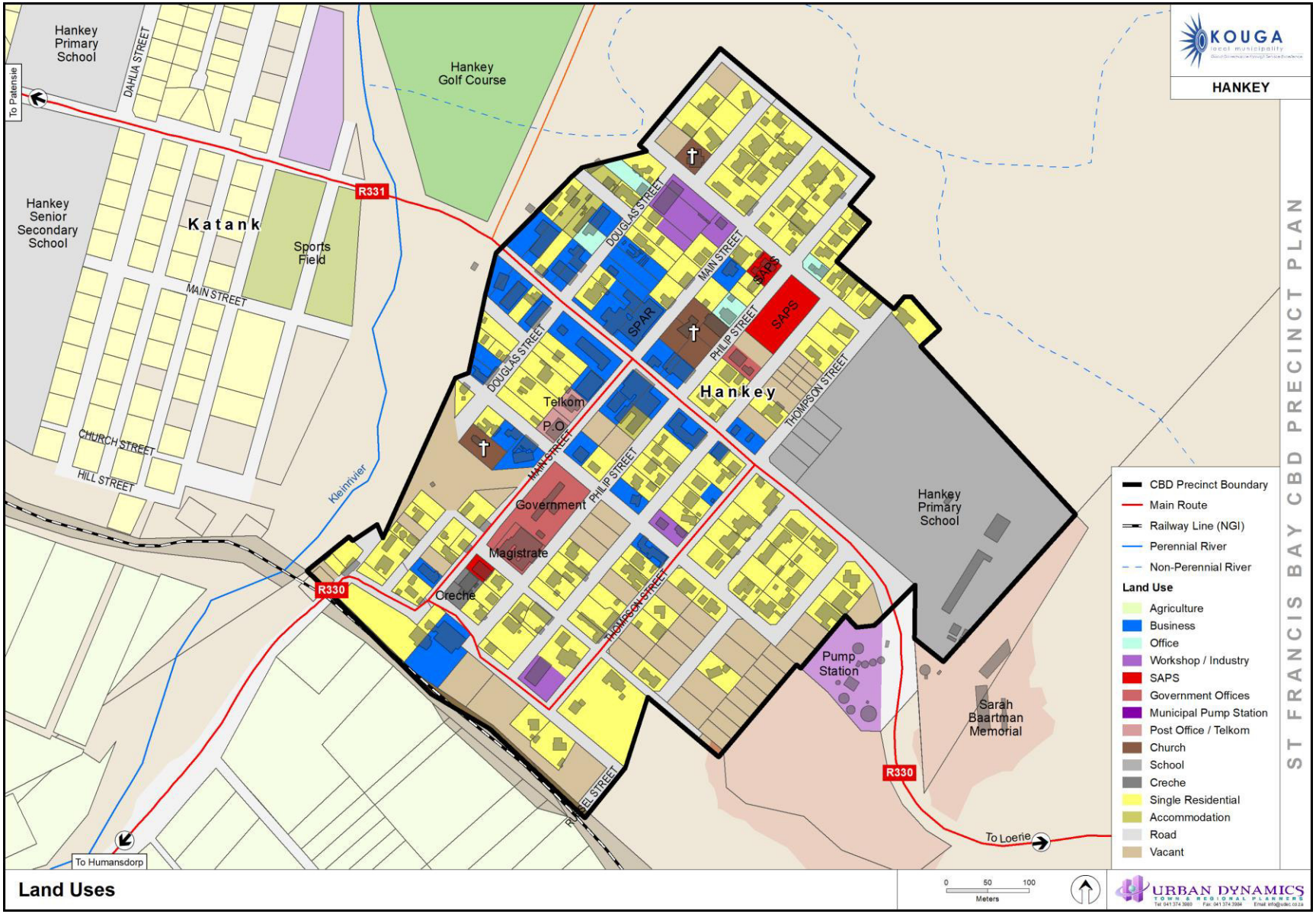



SKETCH : BASIC TOWN FORM
HANKEY
13:37 ON 2022/08/10
Milton
Centerton
Katank
Hankey CBD
Weston
R331
R330
1.5km
Main
District
Railway Line (NGI)
Urban Edge 2021
CBD Boundary
Name
Authority
Education
Business
Open Space
High Density
Informal Residential
Tourism
Urban Edge 2021
Protected Area
0 125 250 500 750 1 000
Meters
URBAN DYNAMICS
TOWN & REGIONAL PLANNERS

3.4 Spatial Structure & Land Use

The land use profile of the Hankey CBD is indicated in the table and diagram below. The current spatial structure is indicative structuring element reflecting demand for specific land uses and growth options.

Land Use	No. of Units	Area (ha)
Accommodation	4	0.35
Business	38	3.82
Church	6	0.62
Crèche	2	0.12
Government Offices	3	0.84
Monument	2	0.02
Municipal Pump Station	1	0.002
Office	4	0.35
Post Office / Telkom	2	0.18
Railway	2	0.24
Road	4	10.02
SAPS	3	0.55
School	5	7.16
Single Residential	127	12.92
Vacant	51	5.30
Workshop / Industry	6	0.77



Plan 11 : Land Uses













The layout of Hankey CBD is according to a grid structure of blocks measuring 50m by 130m. This creates a very walkable environment in terms of distances. Not all streets are tarred and stormwater creates problems on rainy days especially on the gravel roads. Most streets function as "shared streets" accommodating cars and pedestrians in the same space. This system works well since the car movements are limited in these streets. The town is defined by low density, mostly freestanding single storey and older buildings on large plots. There are lots of trees and gardens which soften the urban environment. The main road (R300) runs through the centre of Hankey and is both an important mobility route as well as a "High Street" accommodating most business and retail functions. The street is however currently unattractive, edges are not well defined and there a no pedestrian sidewalks.

Most of the public (regional) facilities are located in a strip along Main Street and Philips Street which runs perpendicular to the R300. This includes the Magistrates Court, Municipal Offices and the newly constructed SAPS building. The town does not have a central square or civic public space.

The edges of the Hankey CBD are defined by the old Apple Express Railway line in the west, de Klein Rivier valley and golf course separating the town area from the rest of Hankey and steep slopes on the eastern side. The river valley with adjacent sports fields currently acts as a barrier between the two parts of the town but this area has the opportunity to be developed as a recreation area linking both sides of the town.

The Sarah Baartman Memorial Museum, currently under construction on the hill when entering the town, will create a new gateway into the town and potentially can have a significant effect on both the economy as well as the spatial form of the town. The facility which includes exhibition areas, restaurant, lecture rooms and accommodation has the potential to attract visitors and create a tourism market for Hankey and the greater valley. Once the Museum is open and is attracting tourists, it can become the catalyst for tourism development in Hankey in terms of shops, restaurants, accommodation and linkages to points of interest in Hankey including the legacy of farther and son Philips.

An interesting local feature in various part of the town is the use of the locally found "spoelklip" for stormwater dishes, retaining walls and other features. This creates the opportunity to further use the material to create and strengthen a local identity and spatial language.



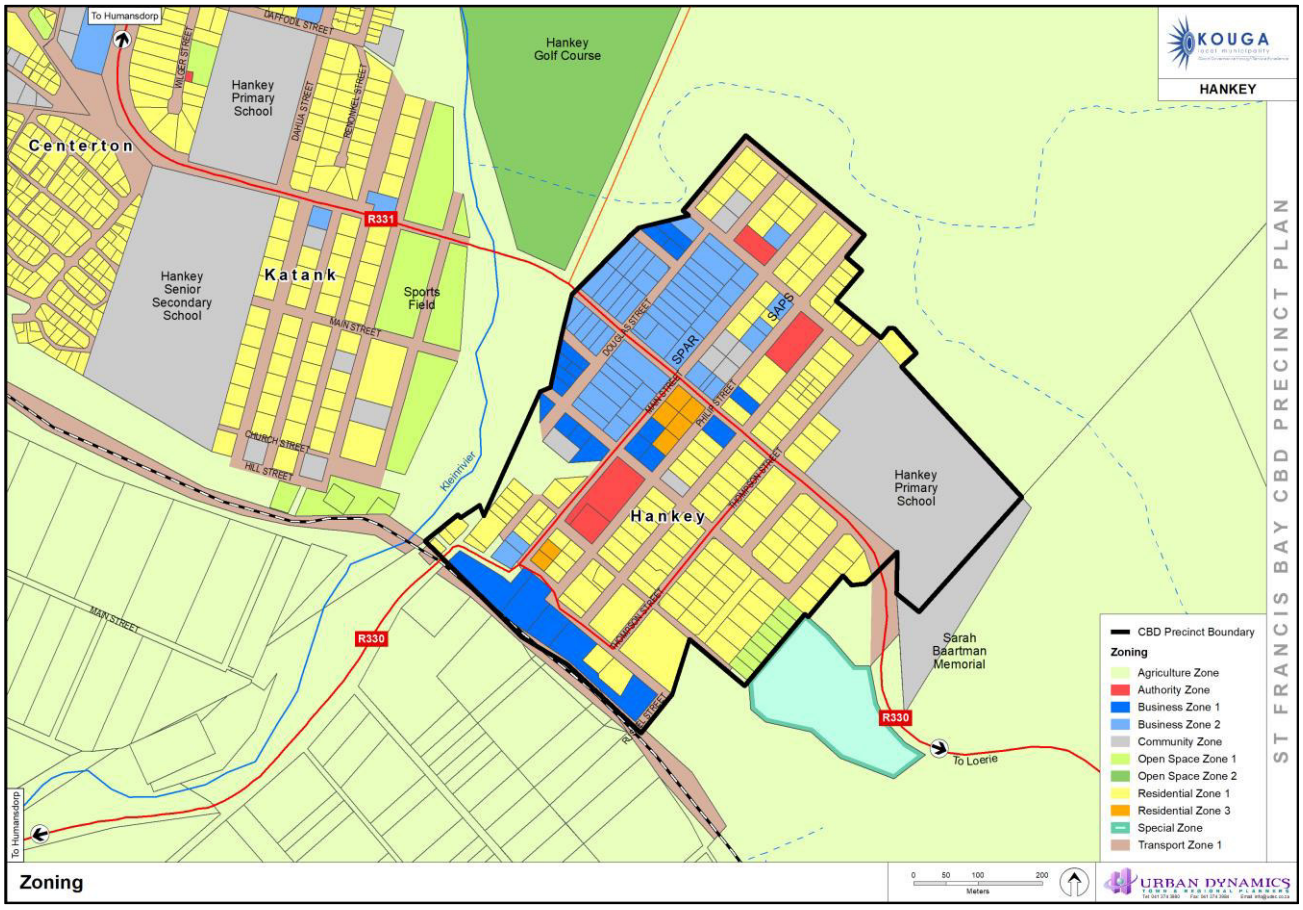




3.5 Land Use Rights & Land Use Management

Land use rights and zoning within the study area are controlled and managed by Kouga Land Use Scheme (2021). The Kouga Land Use Scheme applies to the CBD and study area and manages land use rights throughout the Kouga municipal area.

3.5.1 Zoning



Plan 12 : Zoning

Zoning	Primary Use	No. of Units	Area (ha)
Agriculture Zone	• Agriculture • Agriculture Worker Accommodation	6	1.3
Authority Zone	• Authority Use	4	1.3
Business Zone 1	• Shop • Office • Shopping Centre	21	3.1
Business Zone 2	• Business & Mixed Uses • General Residential Building	53	5.3
Community Zone	• Place of Worship • Place of Assembly • Place of Instruction	9	7.6
Open Space Zone 1	• Public Open Space	8	0.5

Zoning	Primary Use	No. of Units	Area (ha)
Residential Zone 1	• Dwelling Unit	146	13.9
Residential Zone 3	• General Residential Building	7	0.6
Special Zone	• Special use	1	0.00002
Transport Zone 1	• Public Streets & Parking • Transport Use	5	9.7

A large percentage of the properties are zoned for Residential and Business purposes. Several opportunities exist for conversation of single residential rights to higher intensity uses. This needs to be understood with consideration for other important aspects of the precinct such as issues of character and heritage, as well as infrastructure availability and traffic and transportation.

3.5.2 Land Use Management System

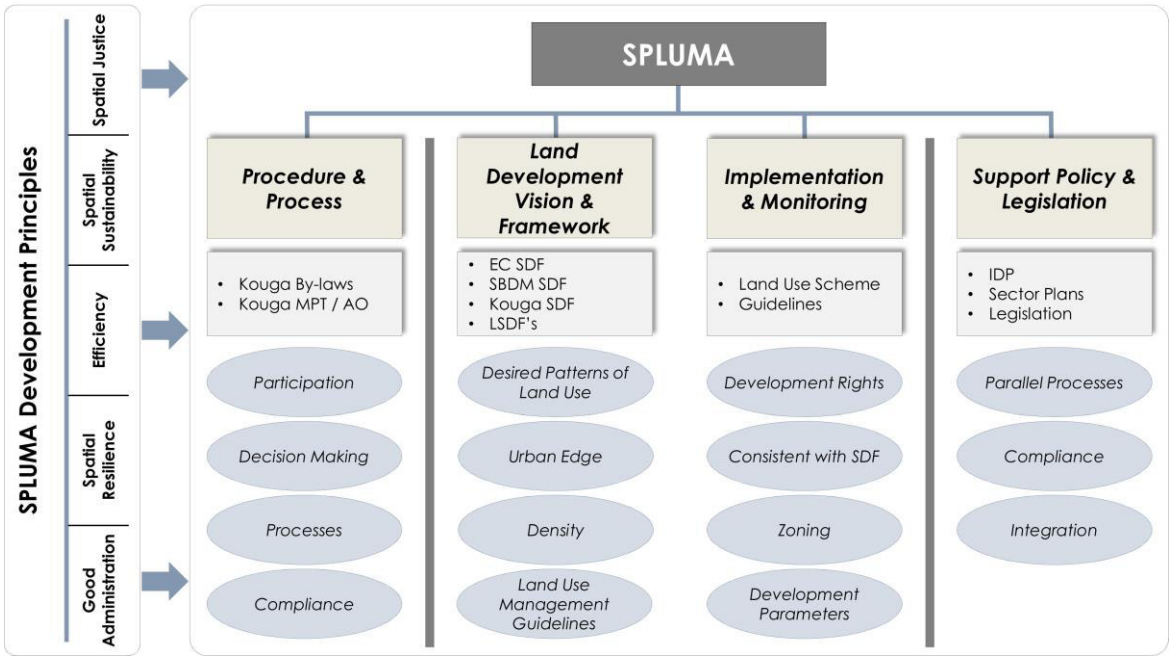
The Implementation Framework for the Hankey Precinct Plan provides the vehicle for Precinct Plan implementation through projects, budgets, priorities and institutional arrangements to ensure implementation, monitoring and review.

Land use management as contemplated in SPLUMA comprises of various components and ideally should represent a hierarchy of plans and regulatory mechanisms within the Municipal Land Use Management System.

The Spatial Development Framework and Land Use Scheme should function as a unit and form the key pillars of the Municipal Land Use Management System.

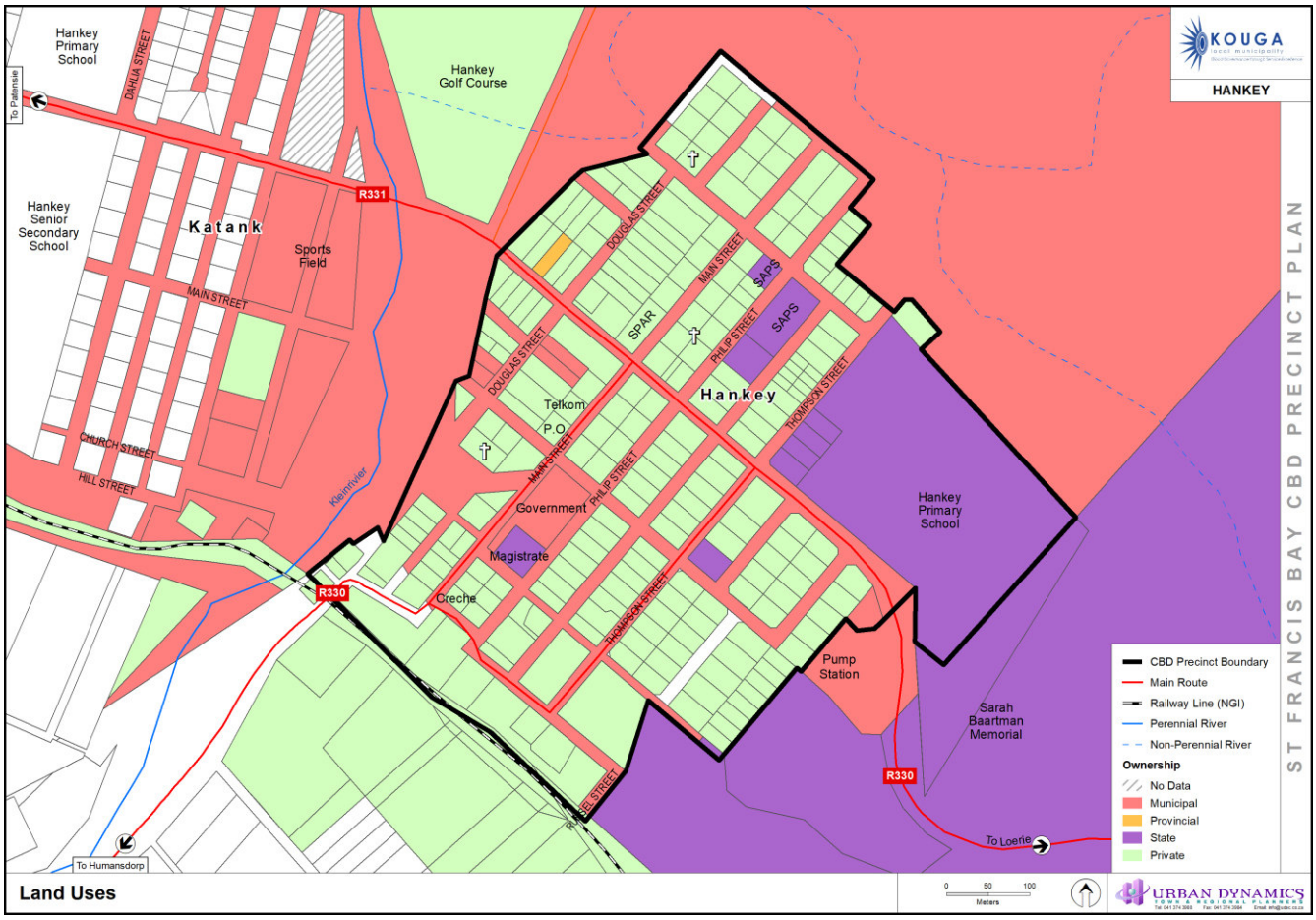
The graphic illustrates the package of plans and the land use management system for Kouga that is entrenched through the Municipal Spatial Development Framework.

Land Use Management System & Alignment



3.6 Ownership

Individual erven in the study area are privately owned. A number of properties are Municipal and State owned, i.e. SAPS, Primary School and Municipal Services.



Plan 13 : Ownership

3.7 Heritage

The heritage resource of the municipality is significant and contributes to the economy of the municipality and needs to be conserved in terms of the provisions of the National Heritage Resources Act, 1999 (Act 25 of 1999) (NHRA).

The NHRA introduced an integrated system for the identification, protection and management of heritage resources nationally, provincially and at municipal level.

The NHRA prescribes that land use planning and management to give attention to, and respond to, heritage considerations both at site and landscape levels.

Of particular significance is the obligation placed on the municipality to undertake the preparation of a comprehensive heritage inventory in terms of Section 30(5) of the NHRA.

The Kouga Municipality has not prepared such an inventory.

It is also important to note that the heritage resource of the municipality does not only comprise of conservation worthy buildings and urban precincts, but also includes physical and cultural landscapes.

The following sections from the NHRA are of specific importance for heritage management:

- **Section 30 (5)**
  - Applies to the compilation of an inventory of heritage resources, including heritage objects and the submission of such an inventory to the relevant heritage authority.

- **Section 32 (7)**
  - Authorises SAHRA to the maintenance and management of a register of heritage objects, which have been declared heritage objects under the relevant sections of the NHRA.

- **Section 34 (1)**
  - "*No person may alter or demolish any structure or part thereof which is older than 60 years without a permit issued by the relevant Provincial Heritage Resource Authority*".

- **Section 38**
  - Spatial planning actions which will result in development listed in Section 38 need to be considered by the Heritage Resource Authority.

- **Section 47**
  - Requires that the Heritage Resource Authority adopts a plan for the management of heritage resources and that all actions of authorities must be consistent with general policies.

4.0 Infrastructure

A high-level desktop study, based on the available GIS data, has been conducted to determine the availability of Water, Sewer and Stormwater services within the study area of the Hankey Local Spatial Development Framework (LSDF).

4.1 Water Services

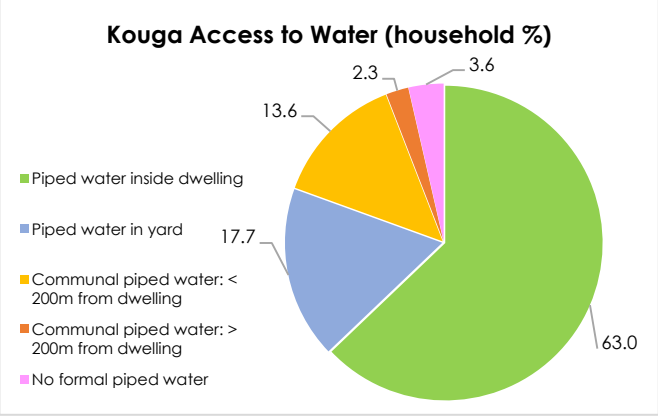


Figure 2 : Kouga Access to Water

The town of Hankey receives is allocated a quota of water from the Kouga dam and canal system by the Gamtoos Irrigation Board. The below points were extracted from the Kouga SDF, and highlight the key points within the Hankey water supply system, as well as the constraints.

- Gamtoos Irrigation board quota.
- Water is pump from a connection on the irrigation canal to the water purification plant, where the water is treated
- Treated water is also distributed by means of a pump network to the 1.5Ml concrete reservoir located above Centerton and a 0.5Ml concrete reservoir in Weston
- Due to the drought the Irrigation Board quota has been reduced and water shedding has been implemented since 2018
- The open irrigation canal to the north of Hankey is a safety hazard – particularly as the settlement growth is in that direction
- Boreholes have been drilled to address the quota reduction component. Water from these boreholes have high salinity and requires treatment – This upgrade project is on the IDP
- Three additional boreholes are situated on private land – The costs and processes required to bring these on stream need to be added to the IDP
- There is no water capacity to accommodate any additional dwellings.

▣ Existing Infrastructure

Based on the data which is available, the Hankey study area is serviced by a water reticulation network, as depicted in the plan below. Based on the information available, the pipe sizes within the study area range from 30mm Ø to 150 mm Ø, with a large number of unknown pipe sizes.



Existing Water Reticulation Network (Hankey)

▣ Firefighting Requirements

The Red Book stipulates various firefighting requirements, dependent on the land use, as illustrated below in the table.

Risk classification	Total fire flow (L/s)	Minimum flow at one hydrant (L/s)	Minimum pressure at fire node (m)	Minimum pressure at rest of system (m)
High risk: CBD and high-risk industrial	100	25	15	5
Moderate risk 1: Industrial, business, high-rise flats ≥ four storeys	50	25	15	5
Moderate risk 2: Cluster & low-income housing, high rise flats ≤ three storeys	25	25	10	5
Low risk: Single residential housing	15	15	10	5

Design Criteria for the Provision of Fire Flow (Red Book 2019)

Based on the figures in the table above, and dependent on the proposed land use, the required pressure and flow rate will vary. Should a site have insufficient capacity for firefighting, a booster pump system will be required.

▣ Existing & Proposed Water Related Projects

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any future potable water projects within Hankey. Where available, the project number as per the IDP has been provided. The following projects were identified:

- Upgrade and expand water treatment plant to treat saline borehole water and increase treatment capacity – Project Number IE_30;
- Groundwater Development (it is assumed this includes the sinking of three boreholes mentioned in the IDP)

The above projects are expected to improve the water security of Hankey as a whole, and therefore the CBD area will benefit from them.

4.2 Sanitation

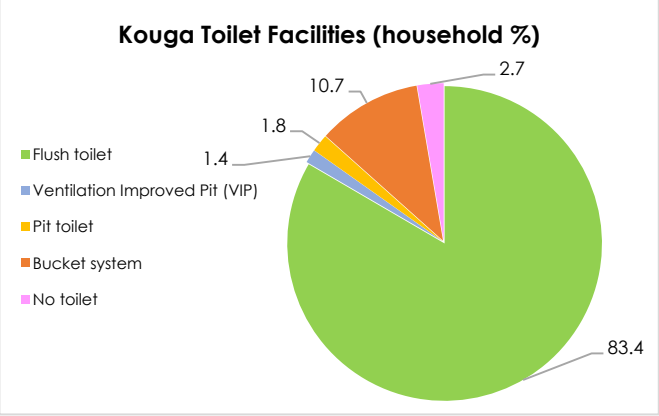


Figure 3 : Kouga Toilet Facilities

- The Hankey Waste Water Treatment Works has a design capacity of 1000 Kl/day (A conventional activated sludge process with maturation ponds)
- The Hankey WWTW also receives effluent from Patensie, which is transported to the plant by road
- Most of Hankey is serviced by water borne sewer reticulation, with the exception of "Old Hankey" and the CBD/town areas – This is a current MIG project
- A component of Weston is serviced by 'buckets'and conservancy tanks. The Department of Human Settlements have not provided the necessary funding to connect the newly constructed Weston Treatment Works

▣ Existing Infrastructure

Based on the data which is available, the Hankey study area is serviced by a sewer reticulation network, as depicted in the plan below. The pipe sizes within the study area, based on the information available, are unknown, and therefore updated information will be required. The Kouga SDF states that "Old Hankey" and the CBD areas are serviced by conservancy tanks. The upgrading of these areas to waterborne sewer system is due to be completed in the 2022/2023 financial year, and is currently underway.

The plan below currently shows no infrastructure within the study area, however, as stated above the area is serviced by conservancy tanks and currently the installation of a waterborne system is underway.



Existing Sewer Reticulation Network (Hankey)

▣ **Existing & Proposed Sewer Related Projects**

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any future sewer/sanitation projects within Hankey. Where available, the project number as per the IDP has been provided. The following projects were identified:

- 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;
- Connect the newly constructed Weston WWTW to eradicate the 'bucket system';
- Hankey Wastewater Pump Station Phase 3;
- Hankey Wastewater Treatment Works Phase 2;
- Completion of Weston WWTW in Hankey – Project Number IE_76;
- Construction of Weston Sewer Reticulation Network – Project Number IE_77;
- Upgrade Centerton sewer pump station;
- Upgrade Hankey waste water treatment works.

Based on the above, the upgrading of the conservancy tank within the CBD / town areas will directly benefit any proposed development within the area. Furthermore, the upgrading of the waste water treatment works will likely increase the capacity of the system.

4.3 Stormwater

▣ **Existing Infrastructure**

No GIS stormwater data is available for the Hankey area. However, based on Google Earth Street view, it is evident that an existing stormwater piped system is present, as depicted in the image. Runoff is conveyed by roadside channels to grid inlets or catchpits, and then via a subterranean pipe network, to an outfall.



It must be noted that based on the information available, a large portion of Hankey consist of unsurfaced roads and therefore it is unlikely that a formal piped stormwater system exists in those areas. The image depicts Main Street, which appears to make use of road side channels to convey the stormwater runoff.



Runoff flows with the surface channels / road, is conveyed to a low point at which runoff is discharged into the adjacent open land, as depicted in the image.



- **Existing & Proposed Stormwater Related Projects**

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any future stormwater projects within Hankey. Where available, the project number as per the IDP has been provided. The following projects were identified:

- Prepare a storm water management plan for Hankey – Particularly to address flooding around Vukani High School.

4.4 Solid Waste

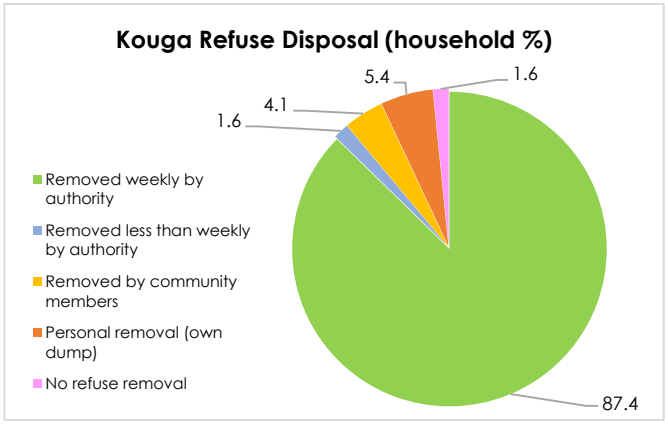


Figure 4 : Kouga Refuse Disposal

- There is a registered solid waste site in Hankey. This serves the other surrounding nodes

4.5 Electricity

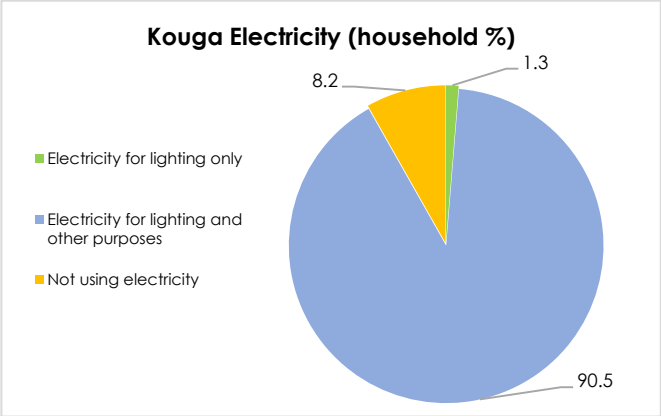


Figure 5 : Kouga Electricity

- ESKOM supply
- The maintenance of streetlights is problematic and cumbersome

5.0 Transport & Movement

An assessment based on available GIS data, traffic and road condition assessments conducted as part of the Road Asset Management System for the Sarah Baartman District Municipality, has been conducted to determine the traffic and transportation situation within the study area of the Hankey CBD.

5.1 Road Networks

5.1.1 Existing Road Network

The existing road network in the precinct comprises of 4.339km municipal and 1.881km provincial roads. The main roads in the precinct are described in further detail below. The posted speed limit along all roads is 60km/h.

Their functional classification perspective in terms of TRH26: South African Road Classification and Access Management Manual (RCAM) are indicated on the plan below.

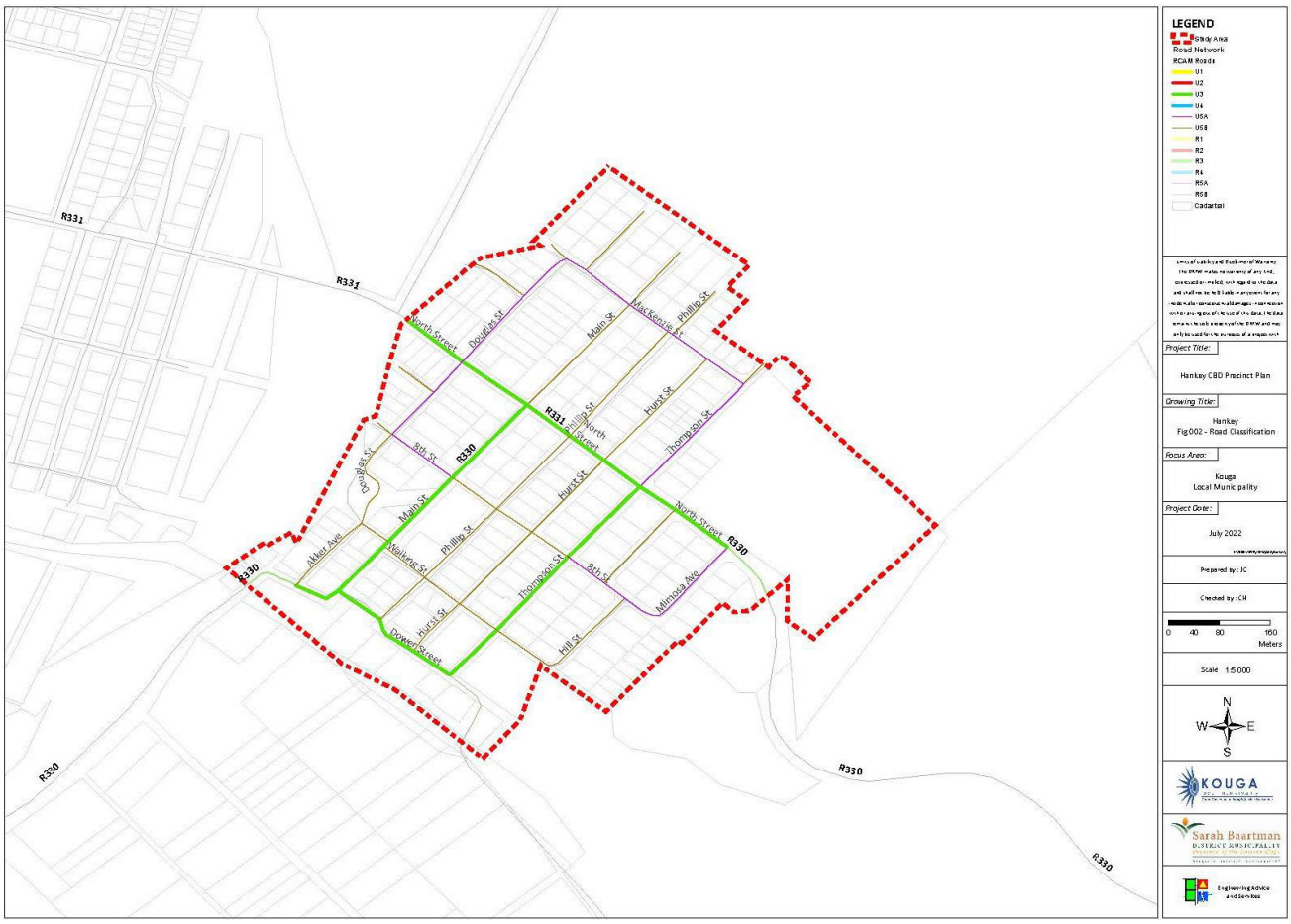
- **North Street (R330)** is a Class R3 Provincial distributor road that provides access to towns and communities in the Gamtoos River Valley from the N2 in the east. The road is 8m wide, with some kerbing, wide verges and is in a fair condition. The road edges in the CBD area are poorly defined given that most of the verges are surfaced.
- **Main Street (R331)** is a Class R3 Provincial distributor road linking Hankey with Humansdorp and the N2 to the south. The road is 7.4m wide and is not kerbed. The road is in a fair to poor condition.


North Street

- **Thompson Street (MR398)** is a Class U3 Provincial distributor road serving residential properties. The road is 7.4m wide and is not kerbed. The road is in a poor condition.
- **Dower Street (MR398)** is a Class U3 Provincial distributor road serving residential properties and linking The R330 to the R331. The road is 7.4m wide and is not kerbed. Sections of the road are in good, fair and poor condition.
- **Thompson Street** is a Class U5b residential street serving residential properties. The road is 7.4m wide and is not kerbed. The road is in a very poor condition.
- **Mimosa Avenue** is a Class U5b residential street serving residential properties
- **Hill Street** is a Class U5b residential street serving residential properties. The road is unsurfaced.
- **Hurst Street** is a Class U5b residential street serving residential properties. Sections of the road are in good, fair and poor condition.


Mimosa Avenue

- **8th Street** is a Class U5b residential street serving residential properties. Sections of the road are in good, fair and poor condition.
- **Philip Street** is a Class U5b residential street serving residential properties. The road is generally in a good condition.
- **Walking Street** is a Class U5b residential street serving residential properties. The road is in a good condition.
- **Douglas Street** is a Class U5b residential street serving residential properties. Sections of the road are in good and fair condition.
- **Mackenzie Street** is a Class U5b residential street serving residential properties. The road is in a good condition.
- **Akker Street** is a Class U5b residential street serving residential properties. The road is in a fair condition.



Plan 14 : Road Layout & RCAM

5.1.2 Road Condition

Road surface and conditions in the precinct area were assessed as part of the Road Asset Management System prepared by Engineering Advice and Services on behalf of the Sarah Baartman District Municipality. The table below indicates the road conditions for all surfaced and unsurfaced municipal and provincial roads in the precinct area.

Condition	Municipal		Provincial	
	Length (km)	Percentage (%)	Length (km)	Percentage (%)
Very Good	0.404	9.32%	0.000	0.00%
Good	2.055	47.36%	0.070	3.73%
Fair	0.466	10.74%	0.865	45.96%
Poor	0.127	2.92%	0.745	39.62%
Very Poor	1.287	29.66%	0.201	10.69%
Totals	*4.339*	*100.00%*	*1.881*	*100.00%*

Table 1 : Condition Index – CBD Precinct Area – Provincial & Municipal Roads

Condition	Unsurfaced		Surfaced	
	Length (km)	Percentage (%)	Length (km)	Percentage (%)
Very Good	0.000	0.00%	0.404	13.82%
Good	0.000	0.00%	2.055	70.25%
Fair	0.000	0.00%	0.466	15.93%
Poor	0.127	8.95%	0.000	0.00%
Very Poor	1.287	91.05%	0.000	0.00%
Totals	*1.414*	*100.00%*	*2.925*	*100.00%*

Table 2 : Condition Index – CBD Precinct Area –Municipal Surfaced & Unsurfaced Roads

67.5% of the municipal roads are surfaced.

The condition of the surfaced municipal roads in the precinct area ranges from Fair (almost 16%) to Very Good (Almost 14%). Thus all surfaced municipal roads are in "Fair" or better condition). The condition of unsurfaced municipal roads ranges from Very poor (91%) to Poor (9%).

It is a heartening that the municipal roads are exhibiting a range of conditions. It is however important that preventative maintenance is undertaken (particularly the unsurfaced roads) in order to ensure that roads do not deteriorate further which would lead to the need for rehabilitation and in some cases reconstruction.

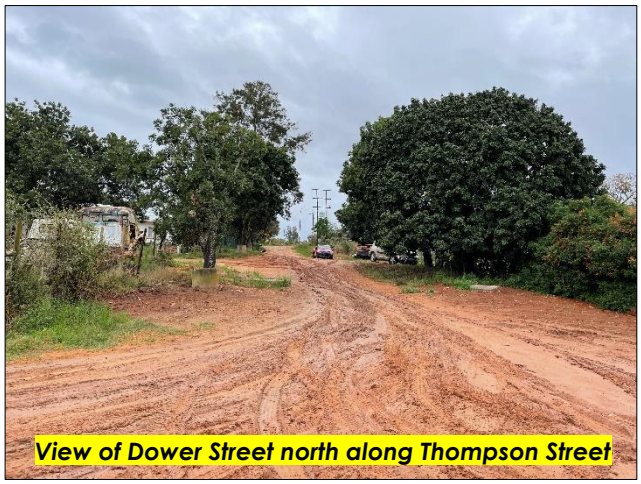
The provincial roads are classified as being in Very Poor (10.69%), Poor (39.62%), and Fair (45.96%) condition. Thompson Street would be categorised as Poor and very poor given that it is unsurfaced. This is of concern as the provincial roads, are the main access roads into and through the precinct and as such carry higher traffic volumes.

The bulk of through traffic in the precinct is along Main Street (R331) and North Street (R330) which are the provincial roads.

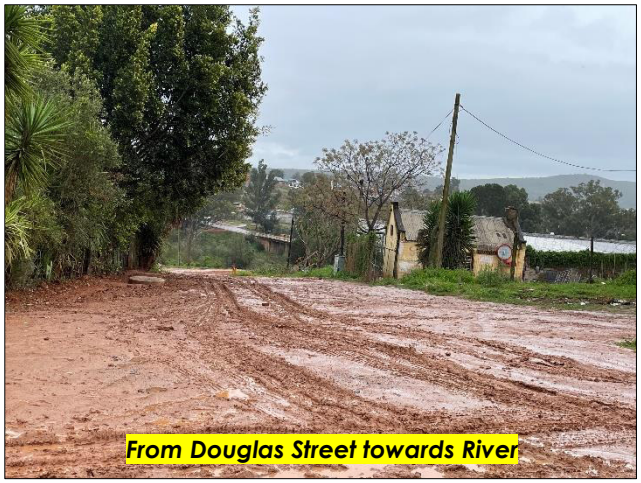
Although overland stormwater flow is provided for in the form of stone lined box channels – particularly along the north-south oriented streets – a lack of maintenance contributes to these being partly silted up. Gravel from unsurfaced roads on the eastern edge of the precinct is flushed down the streets into these channels.



Stone pitched channel



View of Dower Street north along Thompson Street

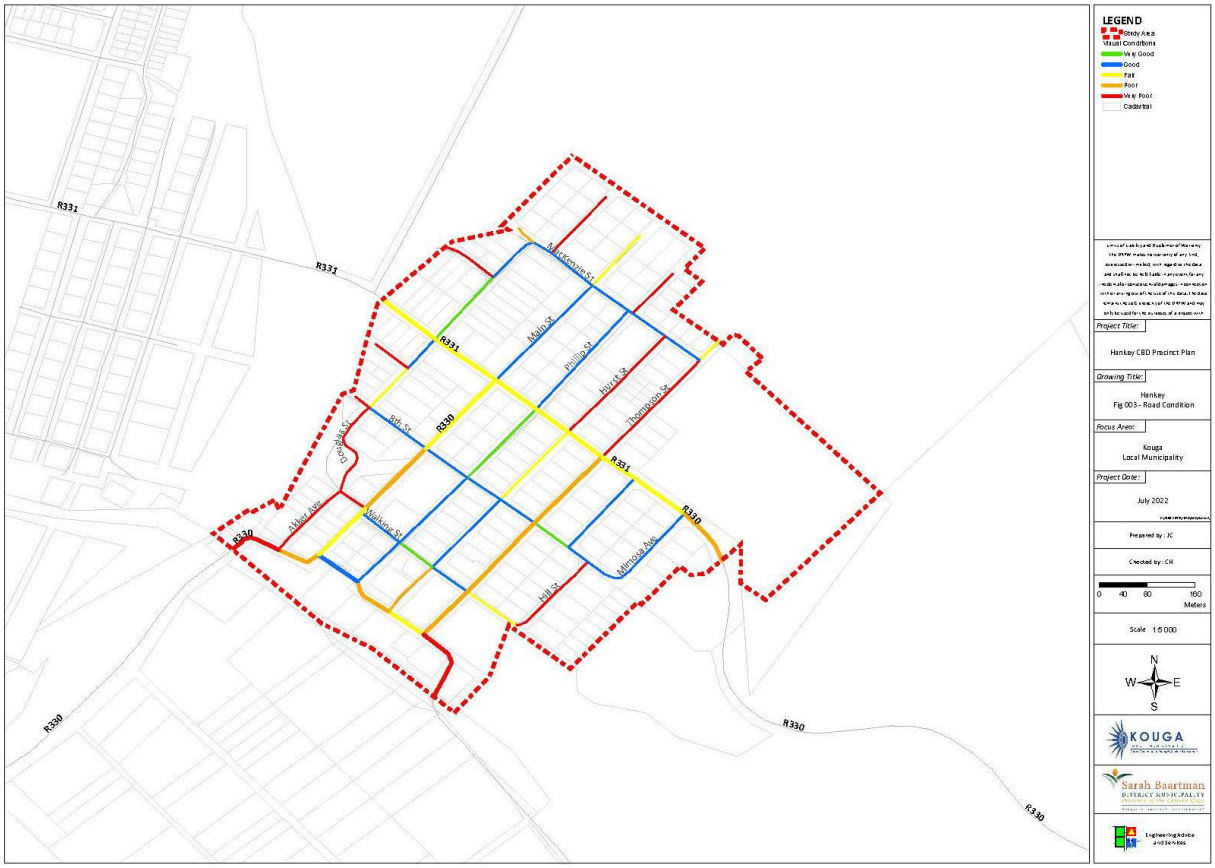


From Douglas Street towards River

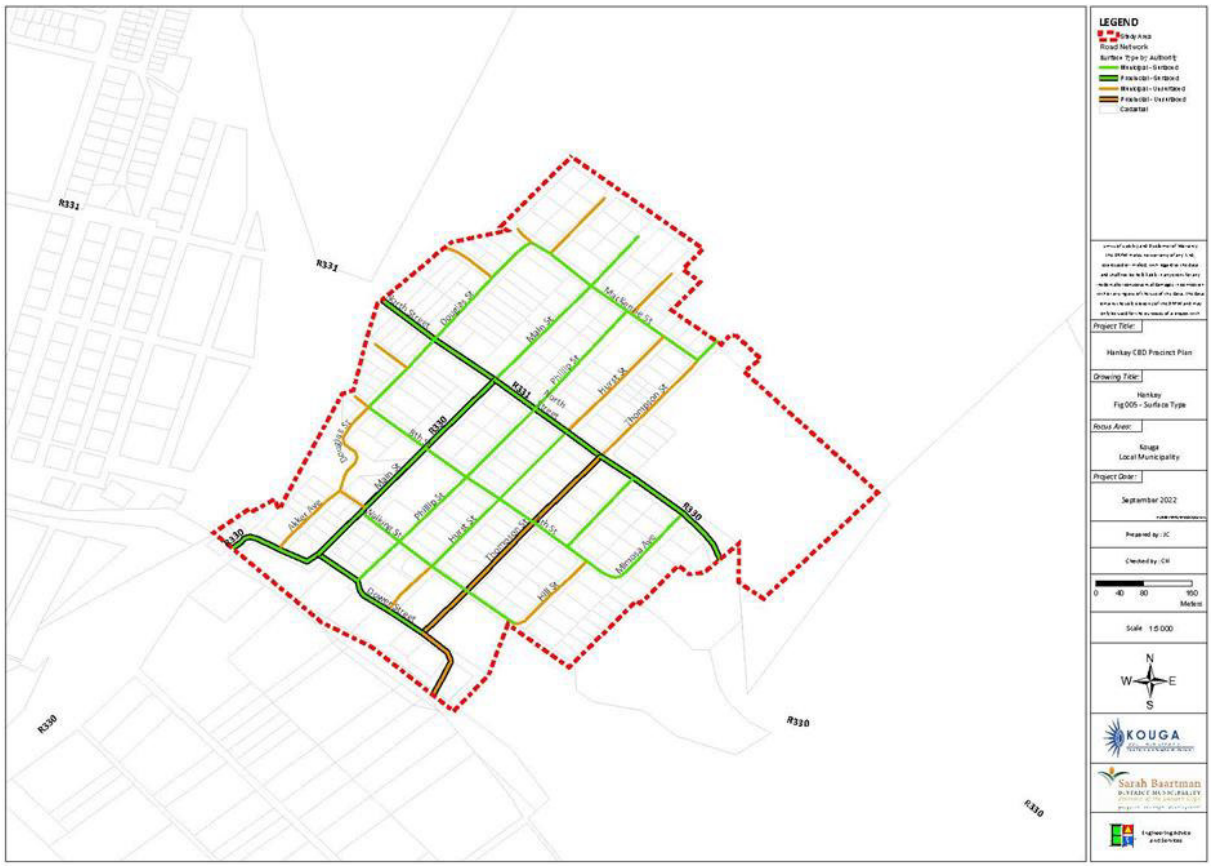


Akker Avenue to north

The road conditions and surface types are indicated on the plans below, respectively.



Plan 15 : Road Condition



Plan 16 : Road Surface Type

5.2 Existing Traffic Flow & Movement

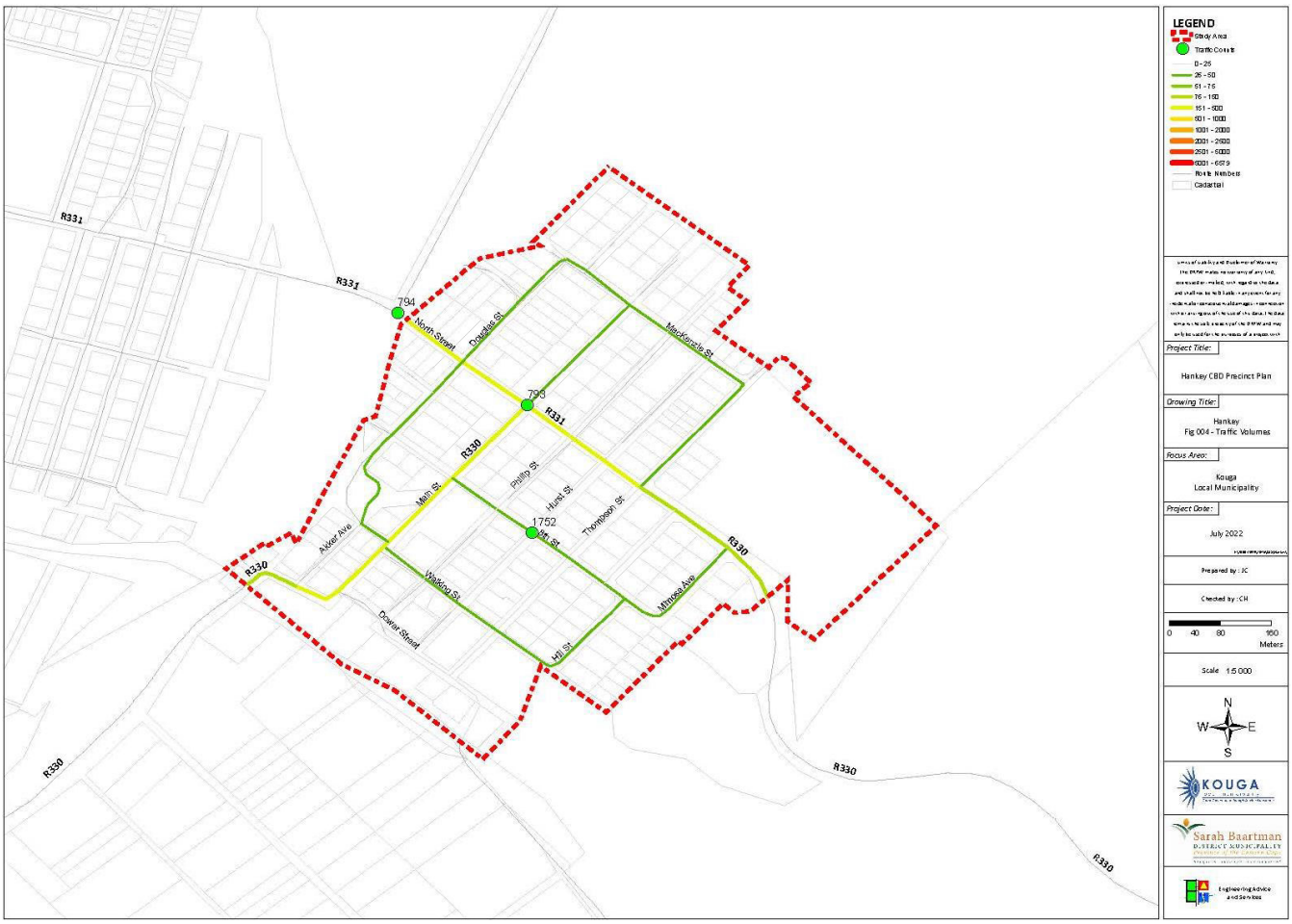
Since Hankey is part of the Gamtoos Valley Citrus producing area, traffic volumes fluctuate substantially throughout the year. During peak picking season traffic volumes can increase with additional heavy vehicle traffic.

Given the proximity of the CBD to the residential areas as well as low-income households, high pedestrian volumes are also evident in the CBD area given the retail opportunities thus adding to the overall congestion of the CBD. Given the lack of facilities for pedestrians, particularly at junctions along Main Road, safety can be a concern.

5.3 Traffic Flow

Traffic volumes at strategic intersections in and adjacent to (that would impact on) the CBD area were recorded over 12-hr periods from 06:00 to 18:00 during May 2019 and June 2021 as part of the RAMS currently being prepared by EAS on behalf of the SBDM. The locations of the traffic counts and the recorded link volumes are indicated on the plan below.

Constant traffic volumes are experienced throughout the day given the location of the CBD precinct along the regional route in the Gamtoos Valley as well as flows between the precinct and the surrounding residential areas throughout the day.



Plan 17 : Traffic Count Locations & Link Volumes

5.4 Traffic Composition & Distribution

The traffic count data indicates the approximate ranges of traffic volumes on the roads in the Precinct Plan area as a guide. Note that it is not possible to accurately determine volumes on all links without conducting extensive junction and link surveys.

Current traffic volumes consist of light, medium and heavy private vehicles as well as minibus-taxi vehicles. The results of the surveys indicate that approximately 89.8% of traffic recorded in the precinct area are light vehicles and 10.2% is heavy vehicle traffic. The high heavy vehicle volumes are a reflection of the agricultural nature of the area surrounding the town.

8.4% and 0.95% of recorded vehicles are minibus-taxis and buses respectively.

Heavy vehicle traffic impacts on the condition of the road network, particularly if the condition is already poor. It is then a matter of time before a road would need to be completely reconstructed. These impacts are evident on the road surface from Main Street towards the river.

5.5 Traffic Flow Variation

Capacity analysis of the junctions at which traffic volumes have been surveyed has also been conducted to indicate the level of service at these junctions.

Operations during normal periods are in the order of LOS A.

In order to assess the impact of operation of affected junctions during abnormal periods, it is necessary to either source peak season volumes or apply an expansion factor to escalate normal traffic to peak or abnormal (e.g. picking) season volumes.

Normal traffic is traffic that occurs on a typical weekday during a school term, while peak season traffic is traffic that occurs during the peak holiday periods – normally Easter, June/July and Christmas/New Year

5.6 Conclusion

The content above is based on available information sourced through other studies, traffic impact assessments and the RAMS programme conducted in the precinct area.

In summary, the road network is in a fair condition. Traffic volumes are relatively low which ensures that congestion at junctions along the main routes through the precinct are not a concern.
The definition of North Street through the precinct is not conducive to orderly and safe traffic movement for through traffic and pedestrians.

6.0 Socio Economic Profile

The socio economic profile of Greater Kouga and especially Hankey provides an indicator of population estimates, growth and broader economic indicators.

6.1 Kouga Socio Economic Indicators

- The 2016 Community Survey estimated the population size of the Kouga at 112 941.
- 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 (An average of 3,22% per annum between 2001 -2011 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.
- The largest percentage of the population resides in the towns of Humansdorp and Jeffreys Bay.
- The large rural population gives a clear indication of the importance of rural development and the impact of rural development on socio economic growth and upliftment.
- 10.4% of persons reside in Hankey (11 761).

- 13% of the total Kouga population does not have any schooling.
- A total of 69 100 individuals in Kouga Municipality were considered functionally literate in 2016, while 14 100 people were considered literate.
- It was estimated that in 2016, 14.42% of all the households in the Kouga Municipality, were living on R 30 000 or less per annum.
- The per capita income in Kouga Municipality in 2016 is R55 000 which is higher than the Sarah Baartman District Municipality of R49 700.
- Dependency ratio is 53,2 (2011).
- 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.
- 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 community services sector of 23.9%, followed by the finance sector of 15.3%.
- Kouga municipality's environmentally active people 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.

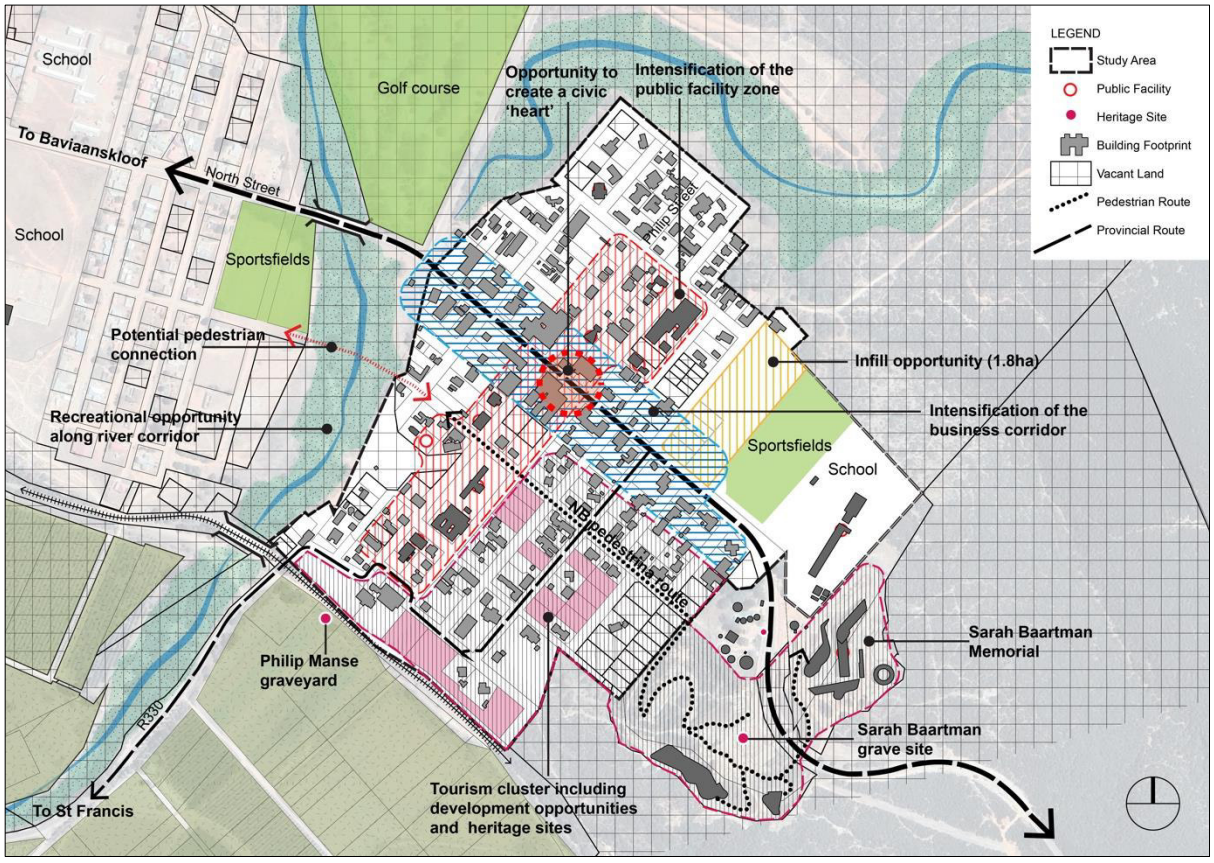
7.0 Synthesis and Key Development Issues

Based on the status quo analysis of the study area, the following strengths / opportunities and weaknesses / threats have been identified.

SWOT Analysis

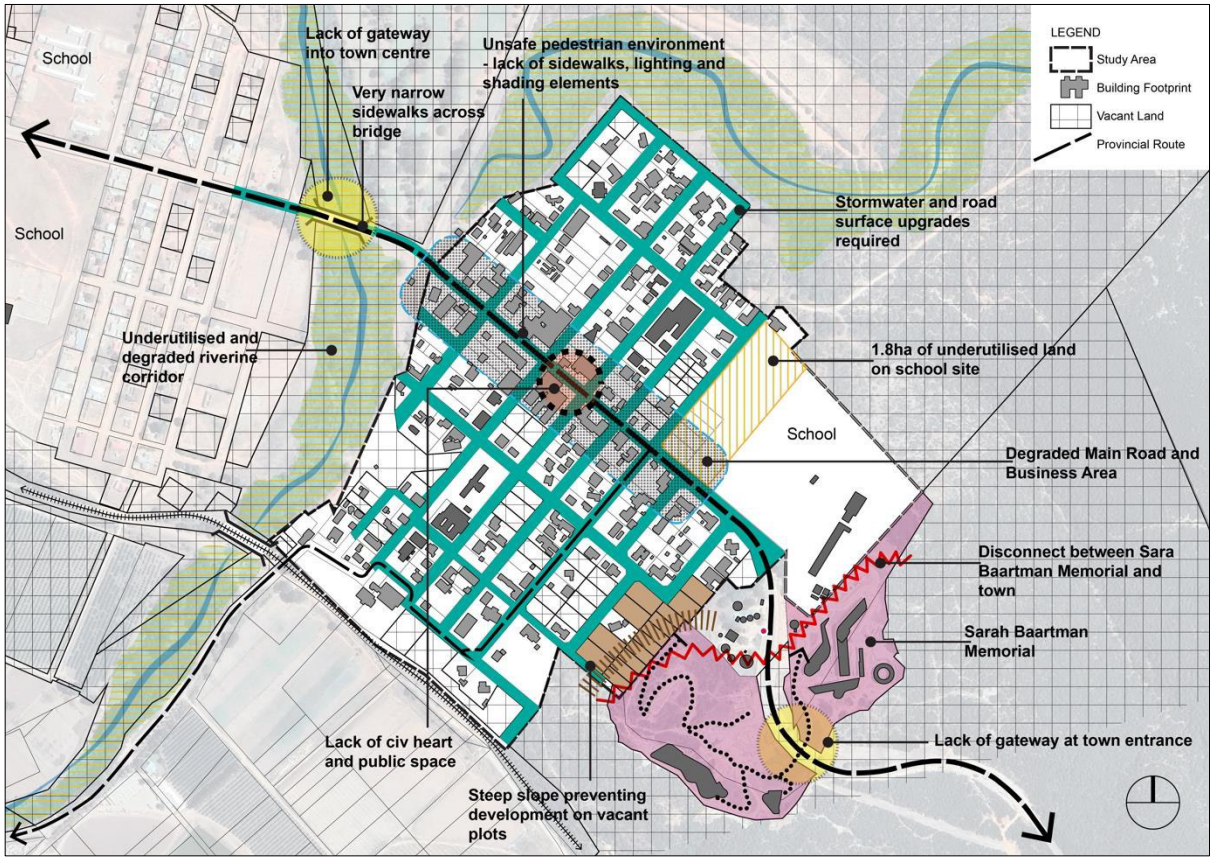
Strengths / Opportunities

- Strong administrative, business and commercial function in the Gamtoos Valley
- Support to the agriculture industry through service trades
- Opportunity for mixed use development
- Changing character to accommodate business activity
- Highly accessible gateway to the Gamtoos Valley
- Availability of internal services
- Sarah Baartman Memorial development opportunities
- Vacant land for development to strengthen the residential function as well as catering for tourism
- Creation of an attractive "High Street" along the R300
- Development of the river area as public space and recreation area, linking the different parts of Hankey
- Strengthening sense of place with the use of local materials and heritage elements



Weaknesses / Threats	

- Limited area for CBD expansion
- Deteriorating infrastructure and urban decay
- Business conversion of residential properties for business purposes
- Poor enforcement of land use management guidelines and Land Use Scheme
- Physically removed from large residential precincts
- Lack of tourist support facilities
- Inadequate stormwater provision
- Unappealing streetscape along North Street
- Poor condition of unsurfaced roads
- Eroded urban space on the edges of Main Road (R300)
- Lack of safe and comfortable pedestrian linkages between Centerton (in the west) and the CBD as well as the Hankey Primary School and the Sarah Baartman Memorial in the east
- Absence of central civic space or heart in Hankey



KOUGA LOCAL MUNICIPALITY

KOUGA
local municipality
Good Governance through Service Excellence



St Francis Bay Central Business District (CBD) Local Spatial Development Framework (LSDF)

Prepared in terms of the Spatial Planning & Land Use Management Act, 2013 (Act 16 of 2013)

Status Quo & SWOT Analysis
(Phase 2 Deliverable)

(Draft for Discussion Purposes only)

Report 1799E/02

August 2022

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Note : *The data and content contained in this report, annexures and maps are based on information as received and interpreted by Urban Dynamics Eastern Cape from secondary sources, including the Client, Land Owner and Specialist Studies. Although Urban Dynamics Eastern Cape attempts, at all times, to present accurate and reliable information, we make no warranty of any kind, expressed or implied, to the accuracy and reliability of information sourced and obtained from secondary sources.*

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Assisted by :

URBAN DYNAMICS
TOWN & REGIONAL PLANNERS
EASTERN CAPE

ENGINEERING ADVICE & SERVICES

Urban Design
HEDWIG CROOIJMANS-LEMMER

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Abbreviations

AO	Authorised Official
CB	Central Business
CBD	Central Business District
CBP	Community Based Planning
CMPr	Coastal Management Programme
DM	District Municipality
EAS	Engineering Advice and Services
ECSDF	Eastern Cape Spatial Development Framework
FLISP	Finance Linked Individual Subsidy Programme
ICMA	Integrated Coastal Management Act
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
ILUS	Integrated Land Use Scheme
KFC	Kentucky Fried Chicken
KLM	Kouga Local Municipality
KPA	Key Performance Area
LED	Local Economic Development
LM	Local Municipality
LOS	Level of Services
LSDF	Local Spatial Development Framework
MPT	Municipal Planning Tribunal
MSDF	Municipal Spatial Development Framework
NDP	National Development Plan
NEM	National Environmental Management
NMBM	Nelson Mandela Bay Municipality
NSDF	National Spatial Development Framework
NSDP	National Spatial District Municipality
PCS	Project Steering Committee
PGDP	Provincial Growth and Development Plan
PSDF	Provincial Spatial Development Framework
RCAM	Road Classification and Access Management
SANRAL	South African National Roads Agency Limited
SBDM	Sarah Baartman District Municipality
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprise
SPLUM	Spatial Planning and Land Use Management
SPLUMA	Spatial Planning and Land Use Management Act
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1 Chapter 1 : Background & Context

1.0 Background to the St Francis Bay Precinct Plan (Local Spatial Development Framework)

This document represents the Local Spatial Development Framework (LSDF) for the St Francis Bay Central Business District (CBD) Precinct in the Kouga Local Municipality (KLM).

A Local Spatial Development Framework (LSDF) is an important Municipal Policy instrument provided for in legislation. Spatial development planning is a process to co-ordinate and optimise human activities, which require physical space or have an impact on physical space. Physical planning is therefore a public sector function that aims to promote public investment and regulatory frameworks within which private sector and public sector decision making and investment can take place.

The LSDF further aims to formulate spatially based policy guidelines whereby changes, needs and growth in the region can be managed to the benefit of the community. The LSDF should further guide and inform all decisions of the Municipality relating to use, development and planning of land, within a balanced assessment of need and to provide adequately for social and economic demands within a growing economy and population.

2.0 Objective of the CBD LSDF

The broad objectives of the CBD LSDF are outlined in the various policy mechanisms and guiding legislation, specifically the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) and the Kouga Spatial Planning and Land Use Management (SPLUM) By-laws.

Section 10 of the Kouga SPLUM By-laws confirms the objective of the LSDF :

(1) The Municipality may adopt a local spatial development framework for a specific geographical area of a portion of the municipal area.

(2) The purpose of a local spatial development framework is to:

- *(a) provide detailed spatial planning guidelines or further plans for a specific geographic area or parts of specific geographical areas and may include precinct plans;*
- *(b) provide more detail in respect of a proposal provided for in the municipal spatial development framework or where considered necessary to give effect to the municipal spatial development framework and or its integrated development plan and other relevant sector plans;*
- *(c) address specific land use planning needs of a specified geographic area;*
- *(d) provide detailed policy and development parameters for land use planning;*
- *(e) provide detailed priorities in relation to land use planning and, in so far as they are linked to land use planning, biodiversity and environmental issues; or*
- *(f) guide decision making on applications;*
- (g) *comply with any other relevant provision that will give effect to its duty to manage municipal planning in the context of its constitutional obligations.*

3.0 Legal Status of the Precinct Plan

3.1 Legislation

LSDF's are statutory plans, which by their very nature reflect the agreed spatial values, principles and proposals according to the future development visions and policies of the communities residing within each municipality. This spatial reflection of the IDP represents an important social compact that should be paramount in assessing where development should be permitted, or not permitted, in any area of the municipality.

- **Spatial Planning & Land Use Management Act (SPLUMA)**

  Section 22(1) and (2) of SPLUMA confirms the status of Municipal Spatial Development Frameworks and procedures for decision making and requires

  "a Municipal Planning Tribunal or any other Authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development may not make a decision which is inconsistent with the Municipal Spatial Development Framework".

3.2 Superseded Strategic Plans

The St Francis Bay CBD LSDF supersedes the following strategic plans and policies applicable to the area (insofar as they affect the study area) :

- Kouga Spatial Development Framework (2021)

3.3 Land Use Rights, Conflicts & Decision Making

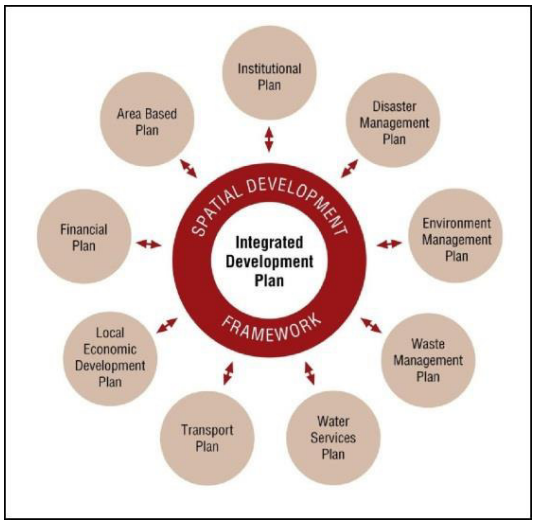
- The St Francis Bay CBD LSDF has the same status as the IDP and should be implemented in the same manner.
- The LSDF is an extension of the Municipal Spatial Development Framework (MSDF).
- The LSDF will not infringe upon existing land use rights.
- No guideline containing in this LSDF or any proposal regarding land use that may arise from it creates any rights or exempts it from the obligation under any other law.
- Specific reference is made to the procedure for a change in land use, Rezonings, Subdivision, Departure and/or Council's Consent for land development.
- The normal procedure with respect to Land Use Management as outlined in the relevant land use management legislation still applies, including the requirements of the National Environmental Management Act, 1997 (Act 107 of 1997) and others.
- The status of the Local Spatial Development Framework (LSDF) is confirmed in Section 22 (1) of SPLUMA, and it clearly notes that a Municipal Planning Tribunal may not make a decision that is inconsistent with the LSDF.
- Section 22 (2) of SPLUMA further notes that the Municipal Planning Tribunal may depart from the provisions of a Municipal SDF only if site-specific circumstances justify a departure from the provision of the LSDF.

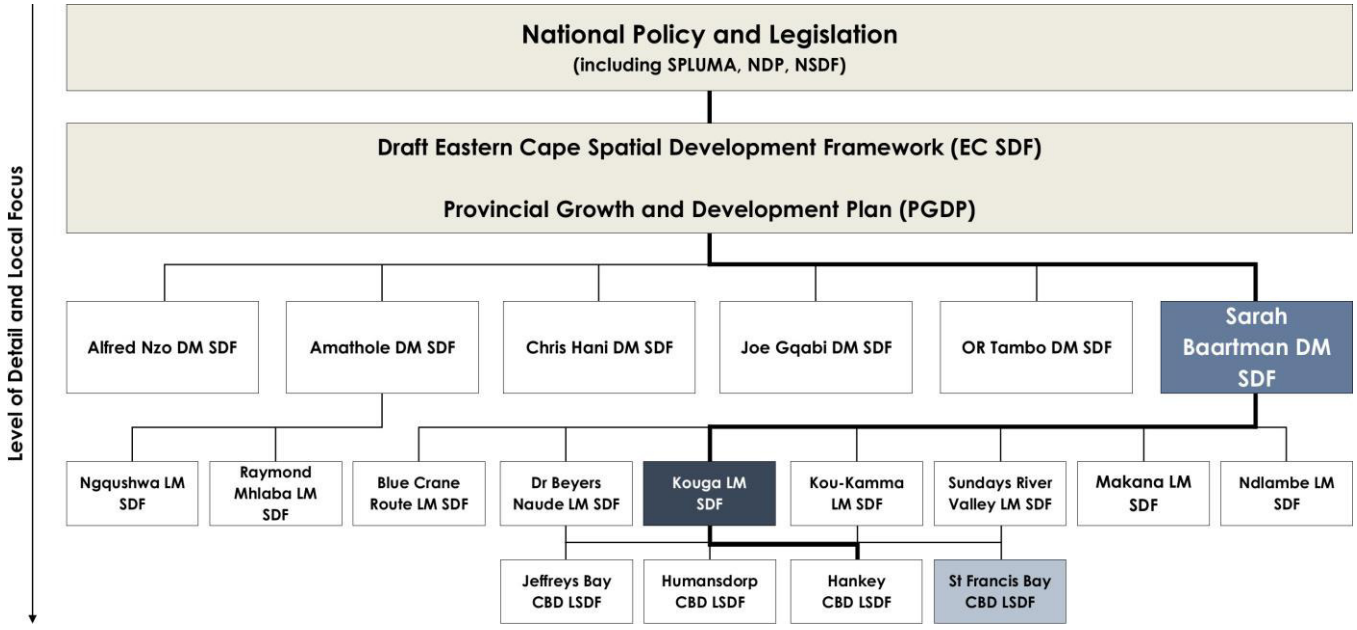
- Section 42 (1) of SPLUMA and Section 53 of the KLM Spatial Planning and Land Use Management By-laws further provide guidelines for decision making.
- Section 13 of the KLM By-laws provides guidelines for departure from the LSDF. These can be implemented subject to Section 13(1)(a) of the By-laws.
- The overall spatial vision, principles and development objectives of the LSDF should be consulted as part of a holistic approach to decision making and ensuring applications are consistent with the LSDF and MSDF Objectives.

3.4 Spatial Plan Alignment

The alignment of the LSDF and SDF to the Draft National Spatial Development Framework (NSDF) and the Draft Provincial Spatial Development Framework (PSDF) is essential to create alignment with National, Provincial and Local programmes and projects and the initiatives of parastatals, entities and agencies.

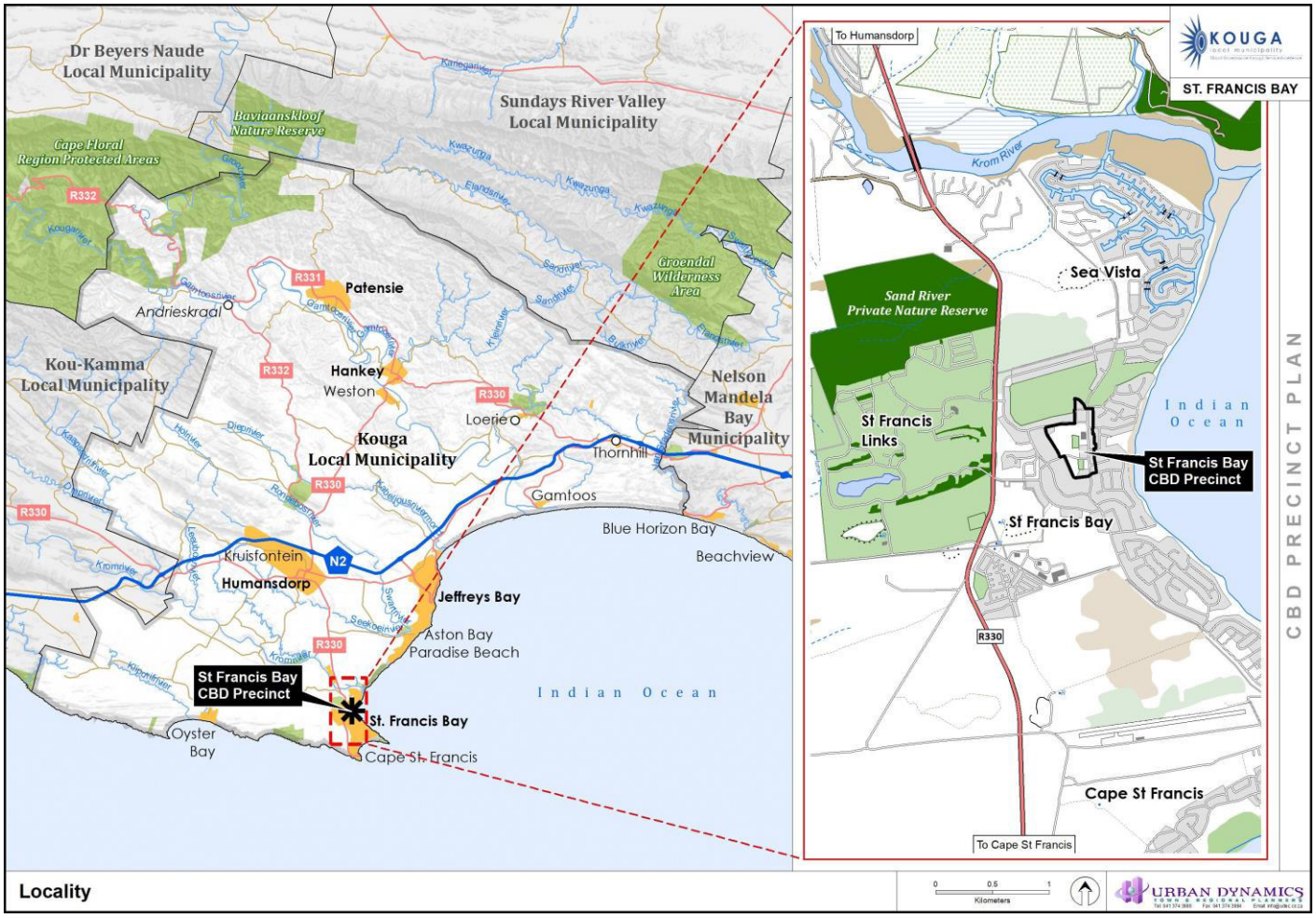
The District SDF needs to be of a strategic and regional co-ordinating nature referring to local SDFs, which are more detailed and reflect the situation on the ground according to community needs, community development codes, livelihood zones and development requirements.





4.0 Study Area Overview

The KLM is situated in the Eastern Province and is one of 9 Local Municipalities located within the Sarah Baartman District Municipal area. It is approximately 80 km west of Port Elizabeth and includes the coastal zone between the Van Stadens River in the east and the Tsitsikamma River in the west and inland stretches towards the Baviaanskloof Mountains and Gamtoos Valley in the north. The Municipality is characterised by 3 topographical regions, i.e. the coastal region (including the towns of Jeffreys Bay, St Francis, Cape St Francis and Oyster Bay), the Gamtoos River Valley (including the towns of Hankey, Patensie, Loerie and Thornhill) and Humansdorp and surrounding commercial farming area.



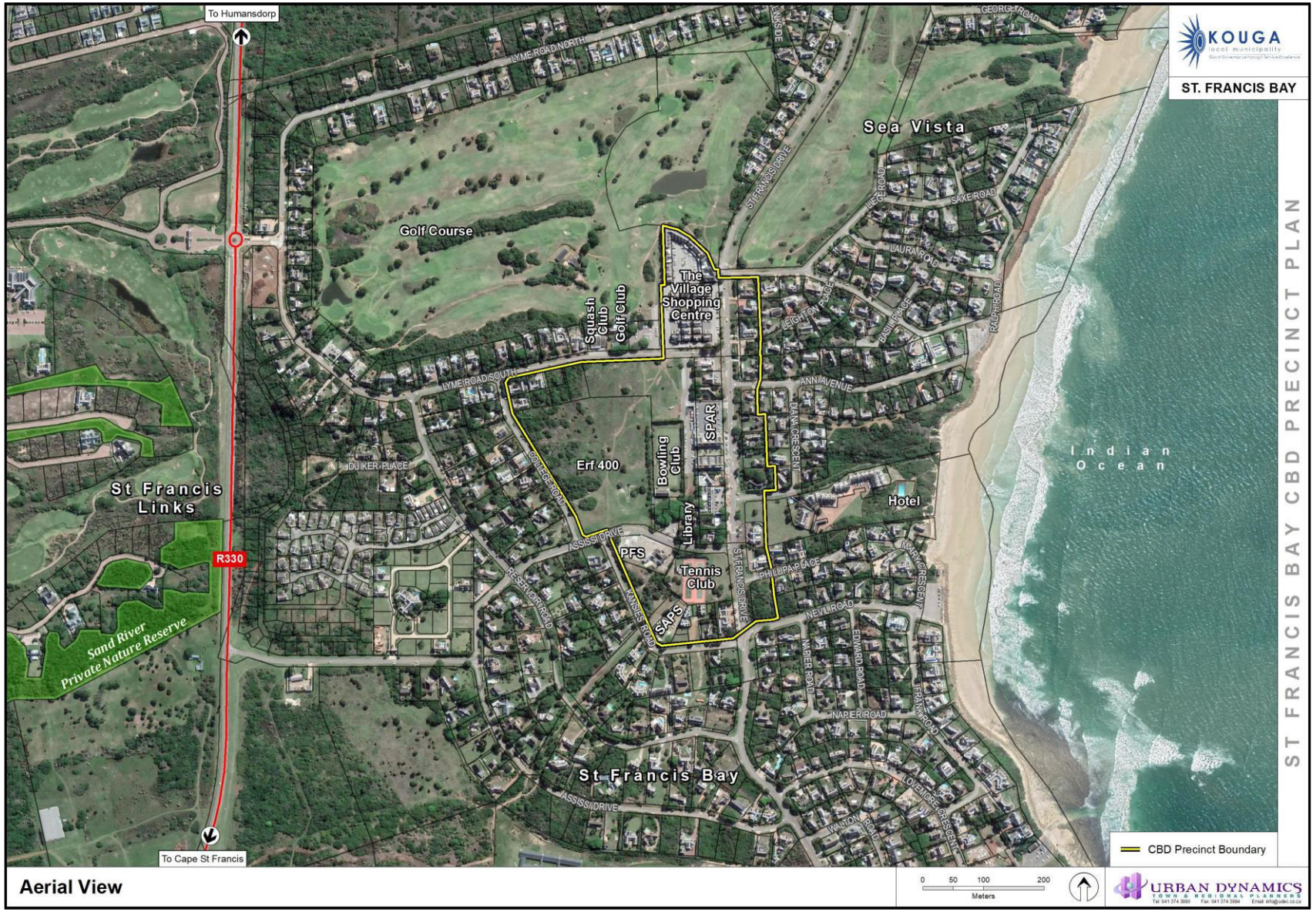
Plan 1 : Locality

ST Francis Bay is a coastal town located in the Kouga Municipality, Eastern Cape province of South Africa. The town is situated about 25km from Humansdorp. According to 2011 Census, the population of St Francis Bay is estimated to be at approximately 5 000. The town is characterised by low density, upmarket residential developments with strict architectural and aesthetic control. It has a small commercial and industrial component and largely depends on the bigger towns like Humansdorp and Jeffreys Bay for this purpose. The higher density, low income residential area of Sea Vista is experiencing high population growth and influx with a need for additional and future land.

Due to population growth, there has been pressure to expand the St Francis Bay CBD to accommodate a mix of land uses and further address challenges related to :

- Stagnant economic activity
- High levels of unemployment
- Underutilised buildings
- Basic infrastructure that is not maintained properly
- Lack of space for community facilities
- Road layout and transport linkages

The study area is bounded by Lyme Road South in the north, College Road and Kansies Drive in the west and the mid block east of St Francis Drive. The study area is situated centrally within the greater St Francis residential area, providing support commercial and social facilities.



Plan 2 : Study Area (Aerial View)

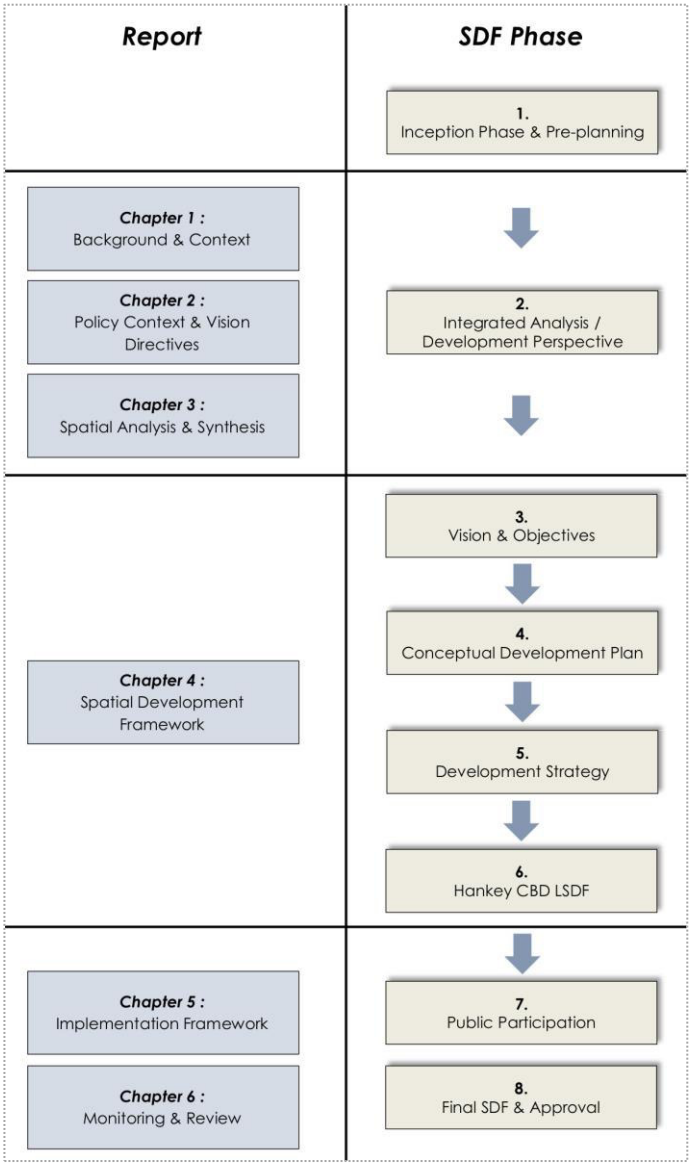
4.1 LSDF Objectives

The main objective in developing a Precinct Plan for the St Francis Bay CBD is :

- *To develop a spatial vision for the St Francis Bay CBD.*
- *To leverage private and community/ public investment within St Francis Bay.*
- *To enhance the collateral value of properties within the CBD.*
- *To create conditions for broadening of capital formation and business development.*
- *To achieve efficiency in the movement of goods and people by restructuring the spatial form of the CBD by introducing proper land use zones and supporting the introduction of activity nodes and movement corridors.*
- *To create vibrant public and economic spaces.*
- *To build institutional and development capacity that will contribute to social and economic cohesion.*

5.0 Precinct Plan Components & Report Structure

The LSDF methodology is based on an incremental approach and is strongly guided and directed through the National Guidelines for the Development of Local Spatial Development Framework (2021).



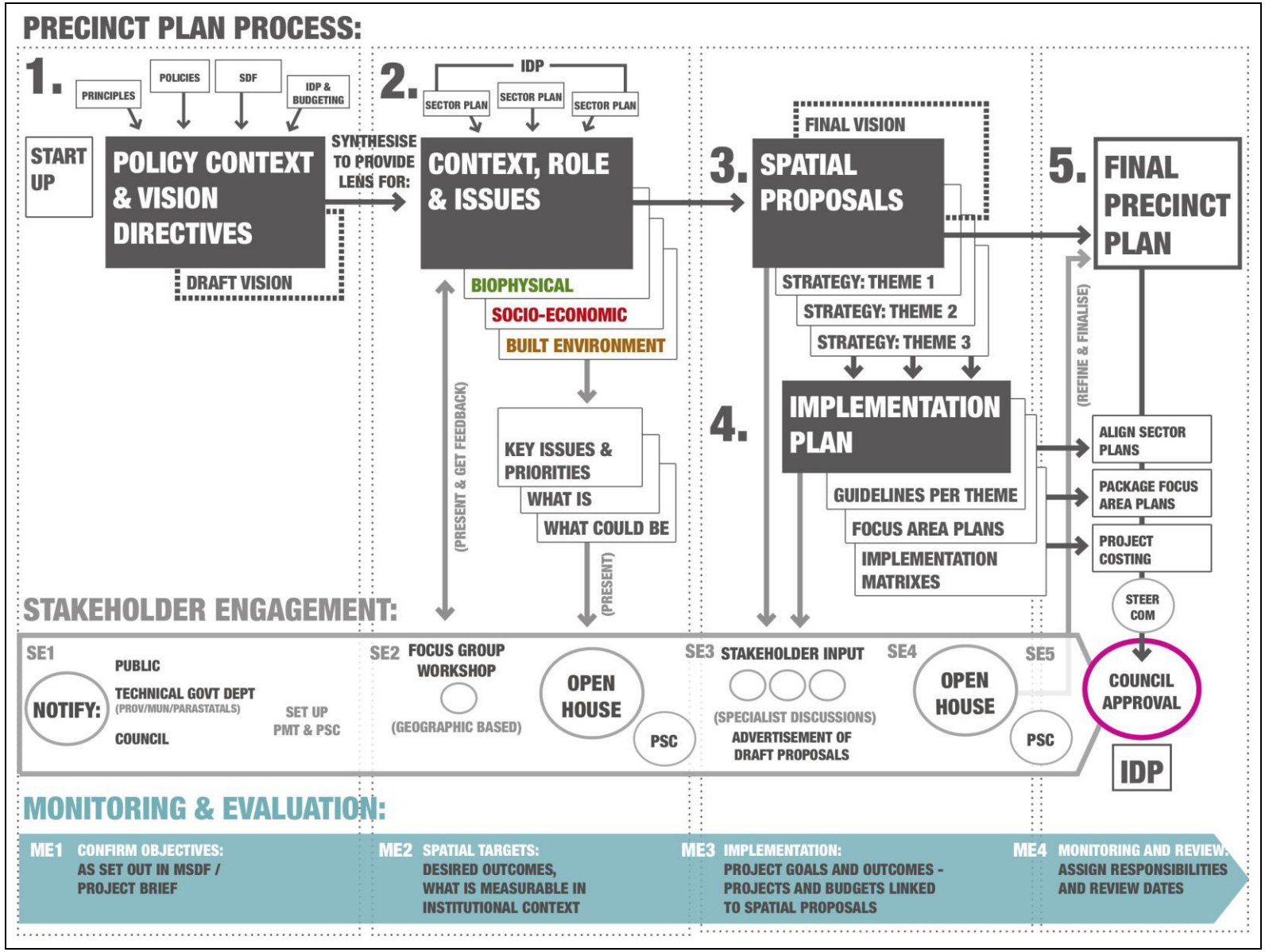
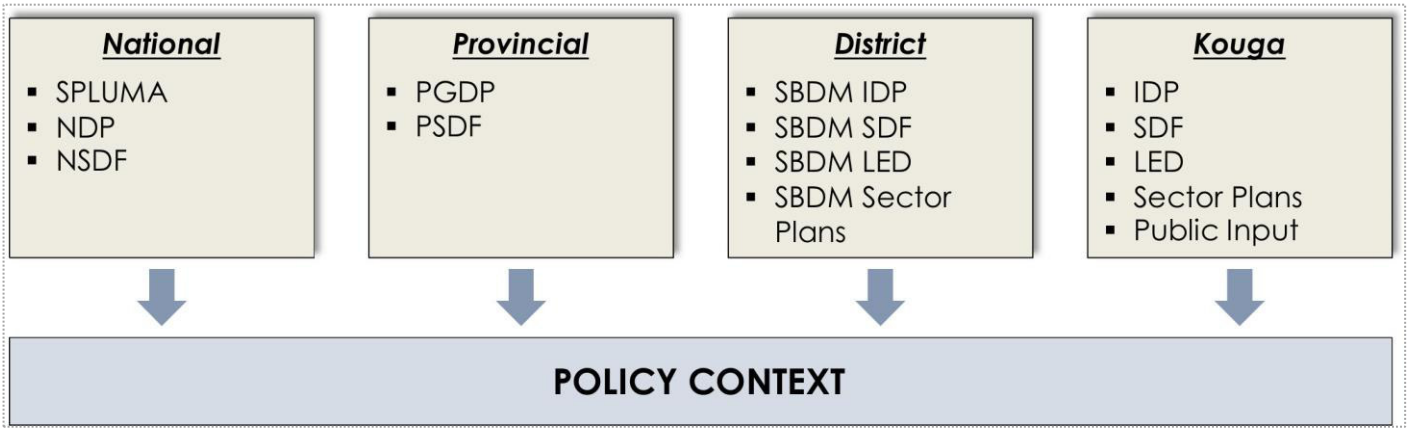


Figure 1 : DRDLR Spatial Development Guidelines Final Draft as a Guiding Document

2 Chapter 2 : Policy Context & Vision Directives

The spatial vision, principles and goals are guided by and should be aligned with various National, Provincial and Local informants. Specific reference is made to national guidelines and legislation for spatial development, i.e. Spatial Planning and Land Use Management Act (SPLUMA), National Development Plan (NDP), National Spatial Development Framework (NSDF), Provincial Growth and Development Plan (PGDP), Provincial Spatial Development Framework (PSDF), Kouga Integrated Development Plan (IDP), Kouga Spatial Development Framework (SDF), Kouga Local Economic Development (LED) Strategy and various sector plans.



The principles for strategic planning and urban restructuring are captured and well-documented in a range of National, Provincial and Local Policies and legislative directives. Although it is not the objective of the St Francis Bay CBD LSDF to unpack these in detail, the key issues are emphasised to provide planning and strategic decision making direction.

1.0 National, Provincial & District Policy Directives

The following are key principles to consider.

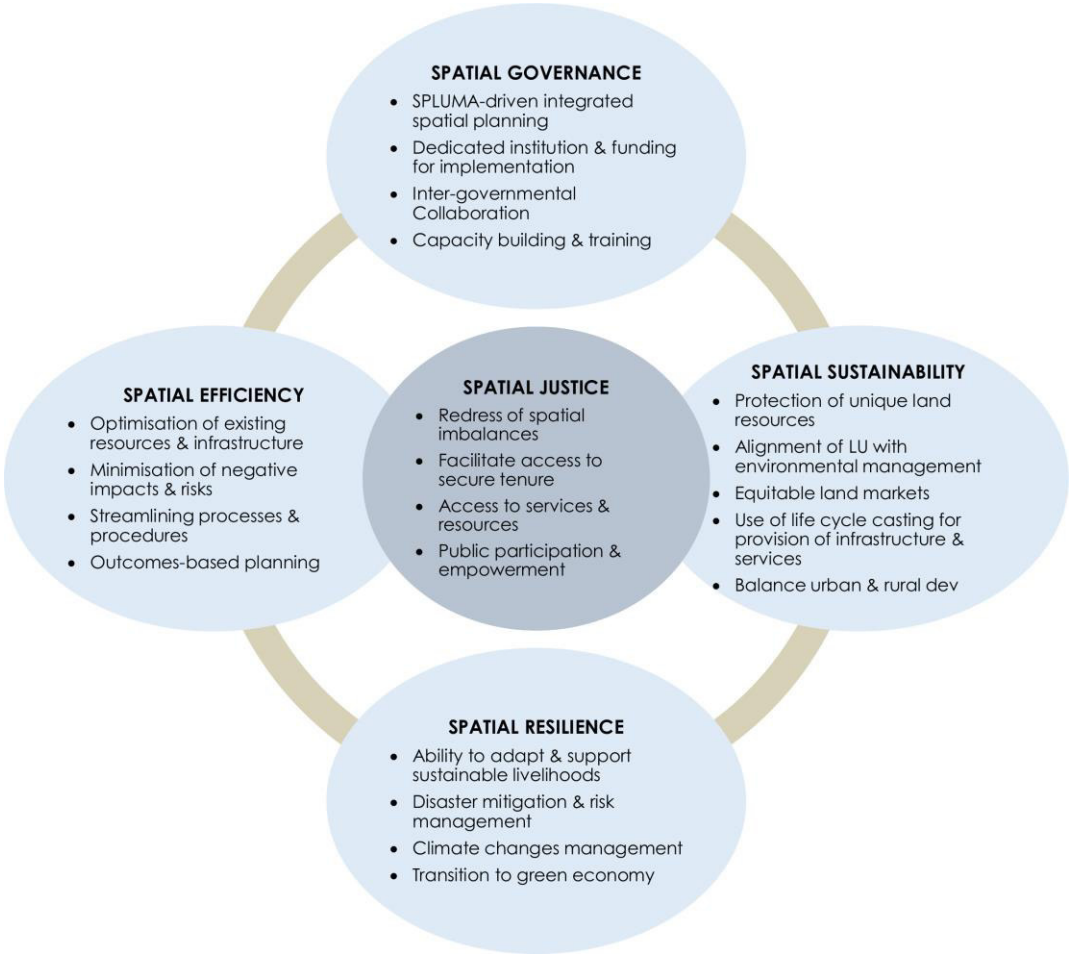
1.1 Spatial Planning & Land Use Management Act (SPLUMA)

SPLUMA provides an important set of overarching guidelines through the development principles contained in Chapter 2 of the Act.

The objectives of SPLUMA :

- Provide for a uniform, effective and comprehensive system of spatial planning.
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion.
- Provide for development principles and norms and standards.
- Provide for the sustainable and efficient use of land.
- Provide for cooperative government and intergovernment relations.
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

Development Principles of SPLUMA :



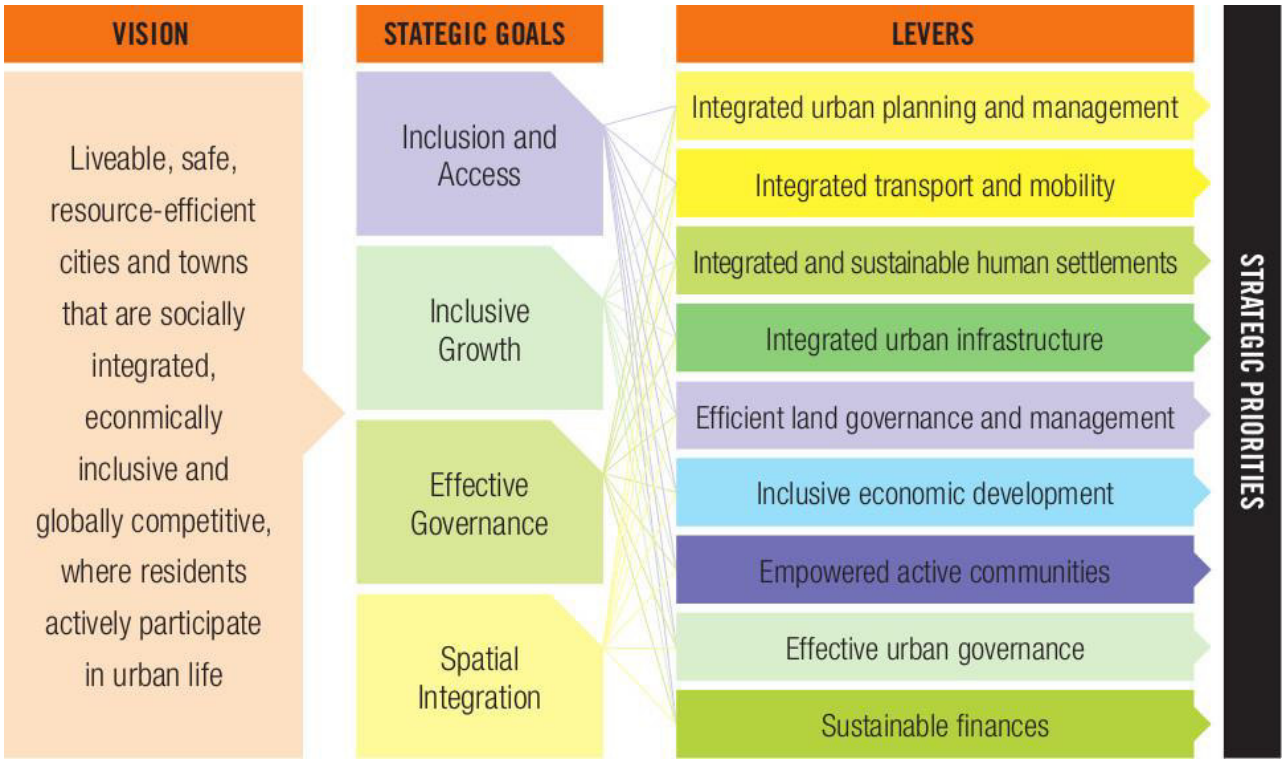
1.2 Integrated Urban Development Framework (IUDF)

The National Development Plan (NPD) indicated that by 2030 South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. To attain this goal, the Department of Cooperative Governance developed the IUDF to transform and restructure South Africa's urban spaces.

The IUDF seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions by addressing current urban inefficiencies as outlined in the NDP. The IUDF responds to, and also builds on various chapters of the NDP, particularly chapter 8 'Transforming human settlements and the national space economy'.

It provides a framework for reorganising the urban system so that cities and towns can become more inclusive, safe, productive and resource efficient, thus becoming good places to work and live in.

▣ **IUDF Vision**



⇨ *Lever 1 – Objective*

To create cities and towns that are well planned and efficient, and so capture the benefit of productivity and growth, invest in integrated social and economic development, and reduce pollution and carbon emissions, resulting in a sustainable quality of life for all citizens.

⇨ *Lever 2 – Objective*

To create cities and towns where goods and services are transported efficiently, and people can walk, cycle and use different transport modes to access economic opportunities, education institutions, health facilities and places of recreation.

⇨ *Lever 3 – Objective*

To create cities and towns that are liveable, integrated and multi-functional, in which all settlements are well connected to essential and social services, as well as to areas of work opportunities.

⇨ *Lever 4 – Objective*

To create cities and towns that have transitioned from traditional approaches to resource-efficient infrastructure systems, which provide for both universal access and more inclusive economic growth.

⇨ *Lever 5 – Objective*

To create cities and towns that grow through investments in land and property, providing income for municipalities, which allows further investments in infrastructure and services, resulting in inclusive, multi-functional urban spaces.

⇨ *Lever 6 – Objective*

To create cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable inclusive economic growth, and generate the tax base needed to sustain and expand public services and amenities.

⇨ *Lever 7 – Objective*

To create cities and towns that are stable, safe, just and tolerant, and respect and embrace diversity, equality of opportunity and participation of all people, including disadvantaged and vulnerable groups and persons.

⇨ *Lever 8 – Objective*

To create cities and towns that have the necessary institutional, fiscal and planning capabilities to manage multiple urban stakeholders and intergovernmental relations, in order to build inclusive, resilient and liveable urban spaces.

⇨ *Lever 9 – Objective*

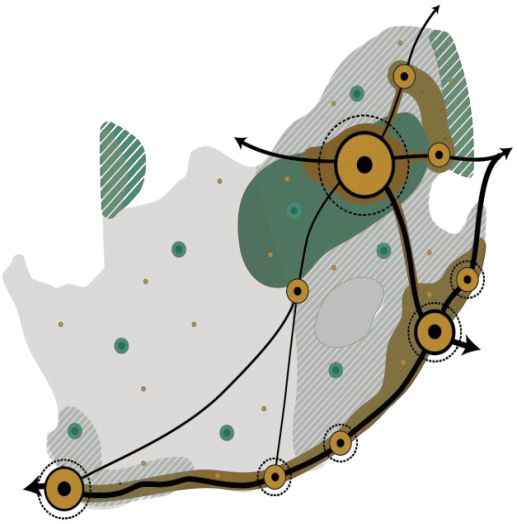
To create cities and towns that are supported by a fiscal framework that acknowledges the development potential and pressures of urban spaces manage their finances effectively and efficiently, and are able to access the necessary resources and partnerships for inclusive urban growth.

1.3 National Spatial Development Framework (NSDF)

The National Spatial Development Framework further provides spatial vision guidance for future planning and development.

The NSDF is further founded on 6 National spatial development concepts.





URBAN AREAS AND REGIONS AS ENGINES OF NATIONAL TRANSFORMATION, INNOVATION AND INCLUSIVE ECONOMIC GROWTH

NATIONAL SPATIAL DEVELOPMENT CORRIDORS AS INCUBATORS AND DRIVERS OF NEW ECONOMIES AND QUALITY HUMAN SETTLEMENTS

PRODUCTIVE RURAL REGIONS AS DRIVERS OF NATIONAL RURAL TRANSITIONS AND CORNERSTONES OF OUR NATIONAL RESOURCE FOUNDATION

A NATIONAL SPATIAL SOCIAL SERVICE PROVISIONING MODEL TO ENSURE EFFECTIVE, AFFORDABLE AND EQUITABLE SOCIAL SERVICE DELIVERY

A NATIONAL ECOLOGICAL INFRASTRUCTURE SYSTEM TO ENSURE A SHARED, RESILIENT AND SUSTAINABLE NATIONAL NATURAL RESOURCE FOUNDATION

A NATIONAL TRANSPORT, COMMUNICATIONS AND ENERGY INFRASTRUCTURE NETWORKS TO ENSURE A SHARED, INCLUSIVE AND SUSTAINABLE ECONOMY

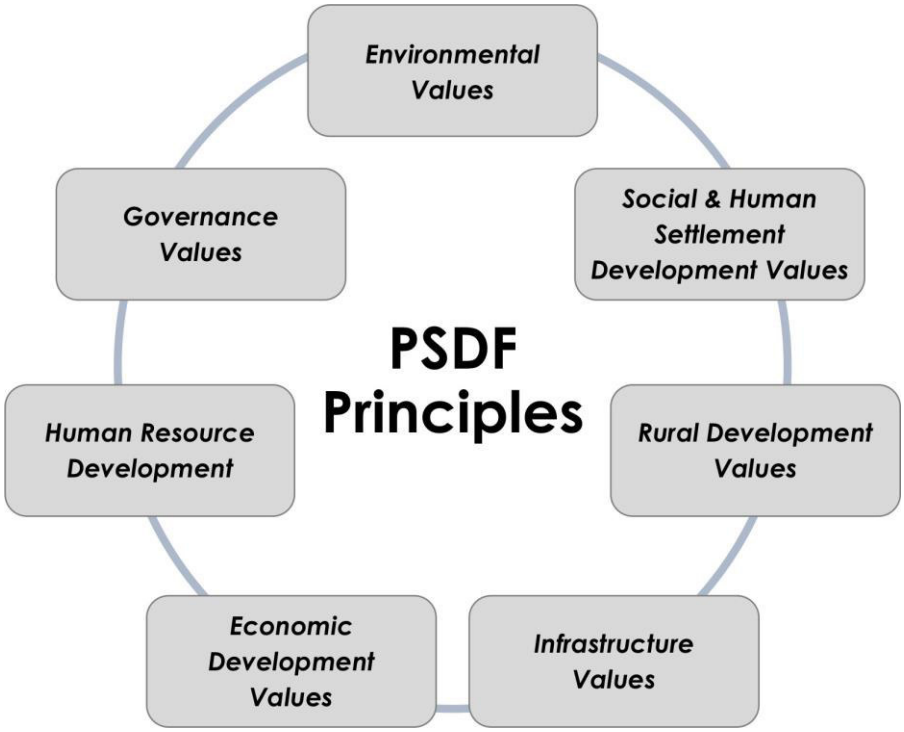
1.4 Provincial Spatial Development Framework (PSDF) (Draft 2019)

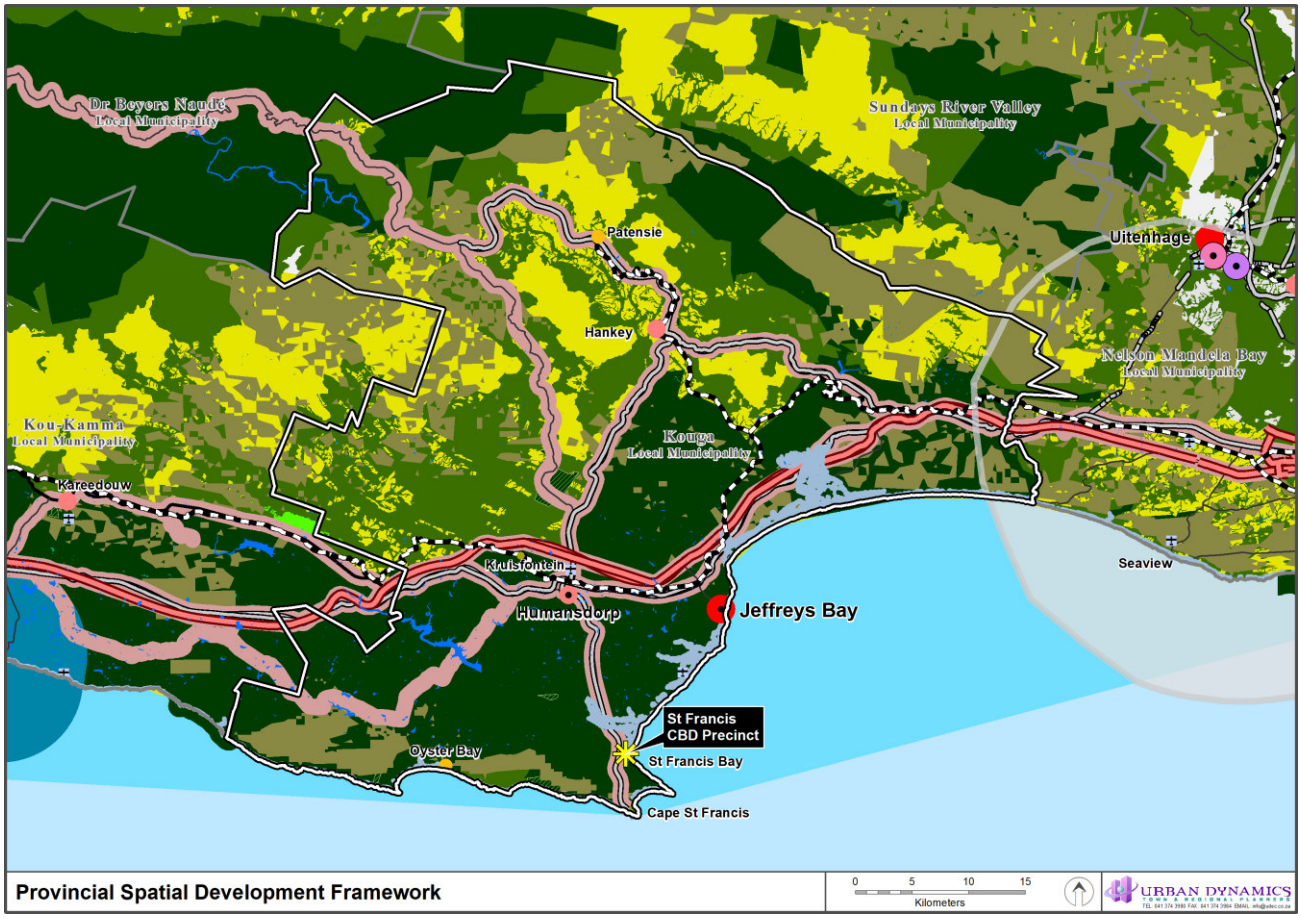
The Eastern Cape Province recently embarked on the revision of the Provincial Spatial Development Framework in terms of SPLUMA. The philosophy and approach of the Draft PSDF, for the purposes of the St Francis Bay Precinct Plan, is adopted.

The PSDF provides a spatial development vision for the Province :

> The future spatial perspective of the province over the next 15 to 20 years could be conceptualised in the context of the Provincial Growth and Development Plan vision of a "*poverty free Eastern Cape*". Understanding that such a vision would be founded upon a concept of a "*modern, ecologically sustainable economy based in agriculture, tourism and industry*", it is believed the future spatial perspective would comprise a *spatial development framework of managed urban and rural human settlements clustered in urban (settlement) regions and corridors, alongside productive agricultural precincts, managed ecological natural resource areas and connected to a network of strategic transportation corridors, open to the global, national and provincial economy*.

The PSDF is founded on 7 principles or spatial framework values.





Plan 3 : Provincial Spatial Development Framework

1.5 District Spatial Policy Directives

The following documents and strategies are specifically relevant and have been reviewed :

- Sarah Baartman District SDF (2013)
- Eastern Cape Biodiversity Plan
- Kouga IDP (2022/2027)
- Kouga SDF (2021)
- Kouga Land Use Scheme (2021)
- Kouga Spatial Planning and Land Use Management By-laws (2016)

1.6 Kouga IDP (2022/2027)

▣ Municipal Vision

Good Governance through Service Excellence

▣ Municipal Mission

- To create a government that addresses the needs and respects the values of Ubuntu in our communities.
- To create a better life for all through delivering inclusive and affordable services to residents.
- To create a safe environment with diverse opportunities for economic growth and development.
- To create a responsive, accountable and caring government for all its people.
- To create an efficient, well-managed, corruption free and legally compliant municipality.
- To create and maintain an effectively governed administration that is committed to financial sustainability.

▣ Strategic Narratives



▣ Development Priorities

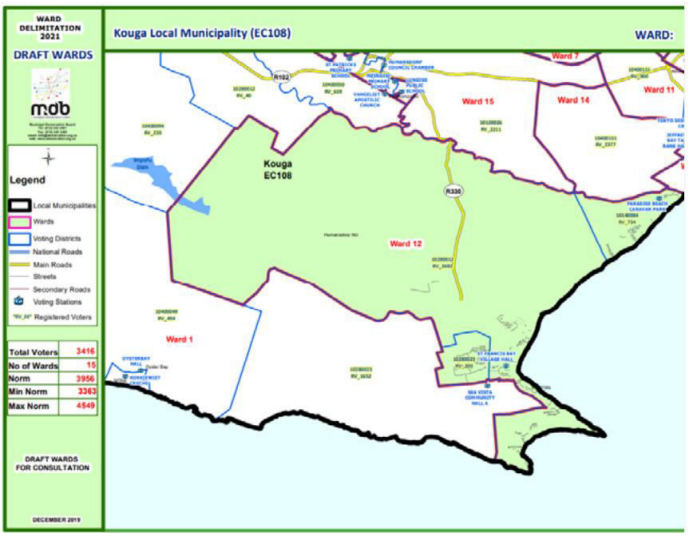
In support of the Municipal vision, the Municipality identified the following key focus areas.

KPA	Strategic Objective
1. Basic Services & Infrastructure	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs
2. Local Economic Development	To manage and provide town planning services and ensure the economic upliftment and development in the municipal area
3. Municipal Financial Viability & Transformation	To manage and provide financial services to ensure financial viability, compliance and reporting
4. Good Governance & Public Participation	To render integrated community services to enhance community development in general and promote a clean and safe environment
5. Institutional Transformation	To transform the institution into a high-performance organization with a skilled and diverse work force
6. Spatial Planning	To manage and provide town planning services and ensure the economic upliftment and development in the municipal area

▣ Ward 12 Priorities

The study area falls within Ward 12 and the IDP process identified the following broad priorities for the Ward.

- Illegal shacks in Sea Vista
- Law enforcement –Stray animals, bylaws crime
- Roads – Resealing of roads St Francis Drive, Grand Camore
- Roads – Potholes
- Gravel Roads –grading of gravel roads Cape St Francis Bay
- Beach –spit and dune- rock reventment
- Waterbourne sewerage
- Service improvement on sewerage trucks- 2day turnaround
- Water
- Stormwater maintenance and upgrade
- Water line upgrade – Canal Road – ongoing project
- Replacement all other old water pipes
- Canal bridges upgrade –on going project
- V drains –Lyme Road south and north
- Fire hazard –fire breaks and bush clearing incl plot clearing
- Erf 554- ongoing project
- Street Names
- Waste -water pump upgrade – ongoing project



- Upgrade of road to boat launching site at Kromme River Bridge – last bit of project
- Illegal signs
- Maintenance of Beach facilities – ongoing project

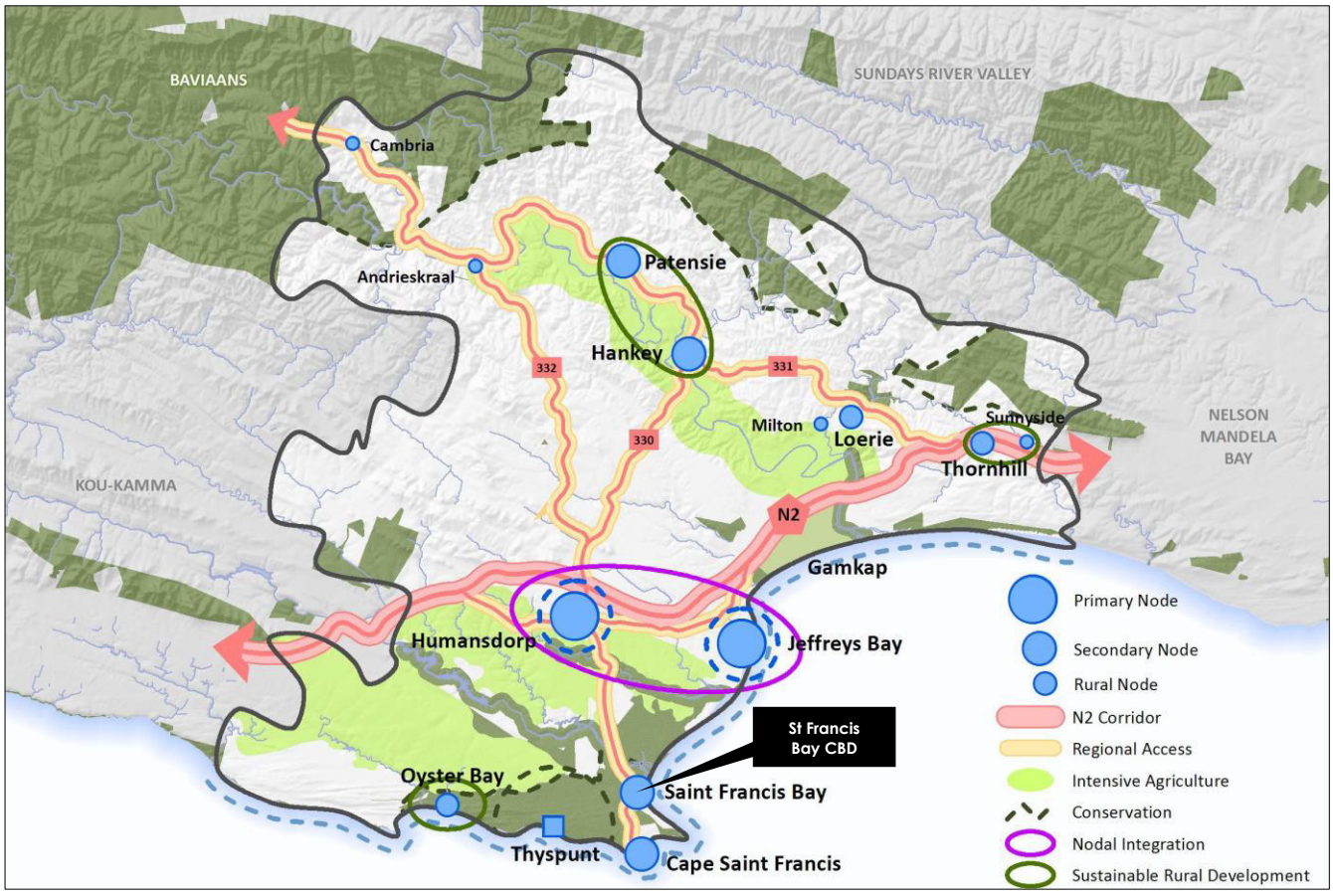
1.7 Kouga SDF (2021)

Spatial Vision :

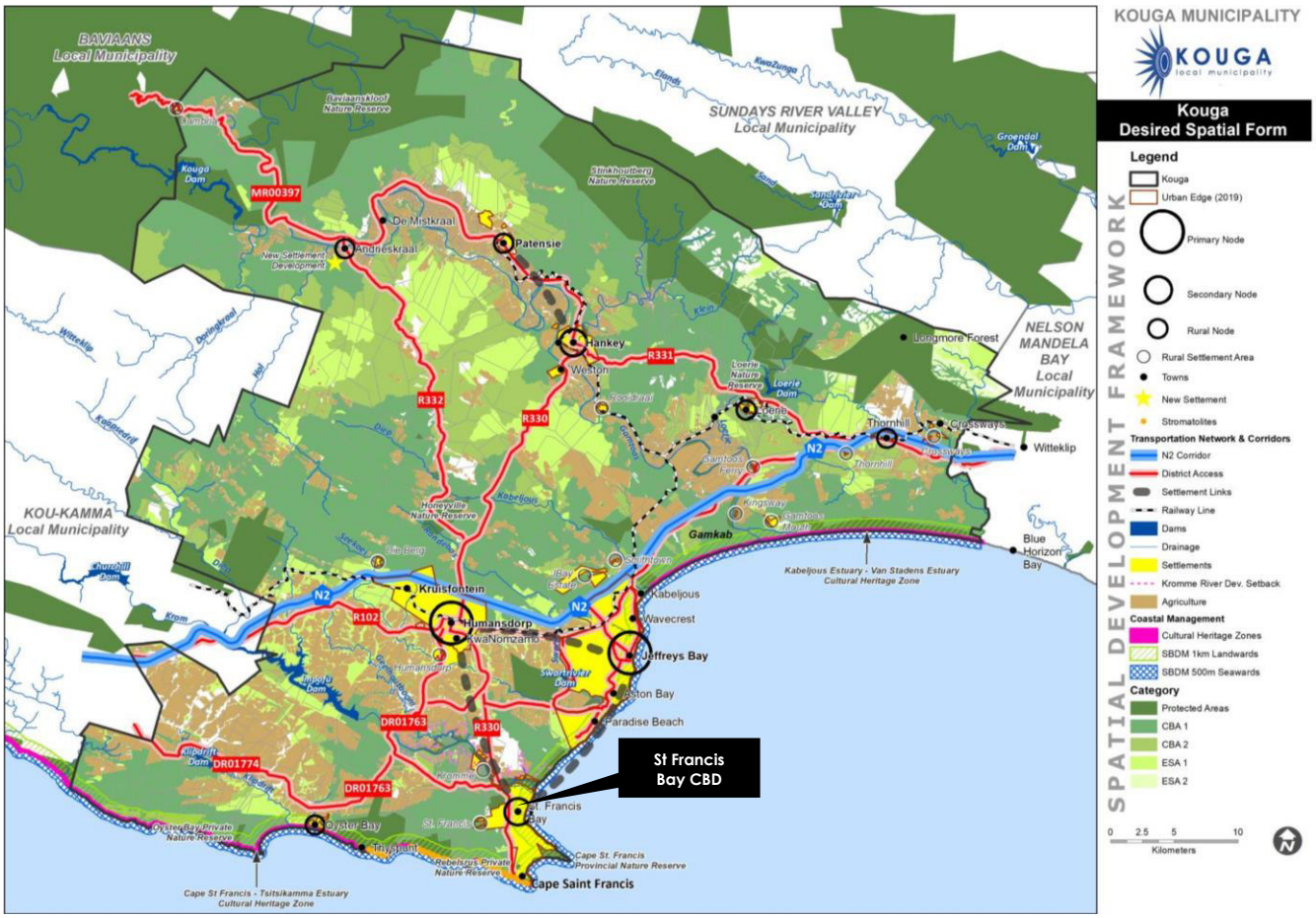
> "*Kouga is a municipal area where well protected natural resources provide economic opportunities and a framework within which a network of well-connected SMART settlements, with a small town feel, provides social and economic opportunities for all residents*."

This Vision is built on the following components :

- A hierarchy of settlements
- Networks – Mobility and Logistics
- Protect natural resources/Integrated Environmental Management
- Promoting Agriculture and Rural Development
- Efficient functioning of settlements / Resilient, Inclusive, Smart and Sustainable Settlements



Plan 4 : Consolidated Spatial Concept



Plan 5 : Municipal Spatial Plan

▣ St Francis Bay Nodal Framework

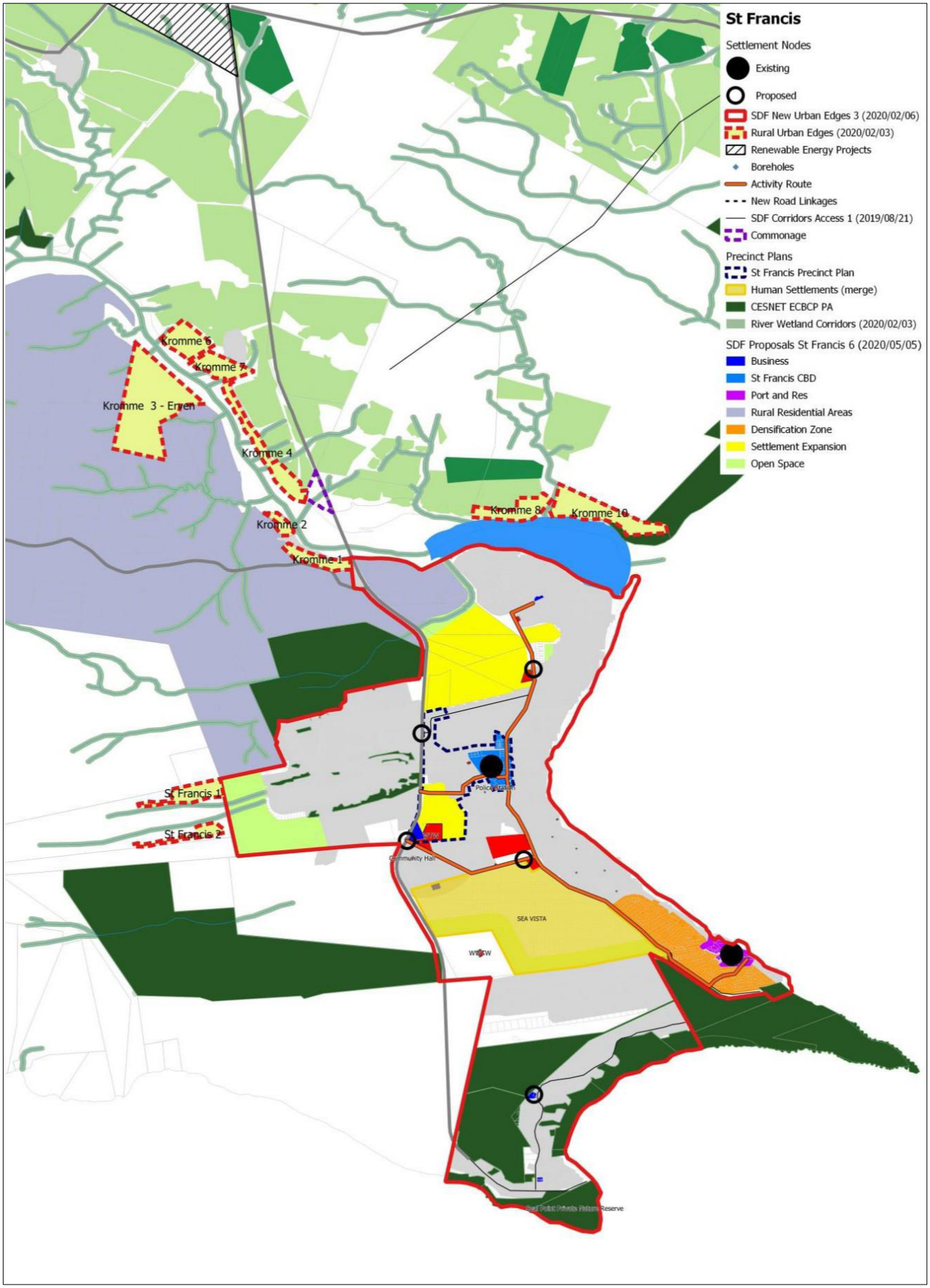
Nodal Status : Secondary Node	
Description	**Priorities**
Context	• The St Francis Bay / Cape St Francis coastal towns are characterised by low density, upmarket residential developments with strict architectural and aesthetic control. The area has a small and limited commercial and industrial component and largely depends on the bigger sentra like Humansdorp and Jeffreys Bay for this purpose. The higher density, low income residential area of Sea Vista is experiencing high population growth rates and influx with a need for additional and future land.
Opportunities	• Opportunities for expansion and urban growth east of the R330. • High tourist and recreational potential with opportunities for expansion of the leisure industry. • Specific architectural guidelines and identity with niche development, i.e. canals, harbour and St Francis Links Golf Estate. • Large number of vacant stands provide opportunity for redevelopment and densification.
Constraints	• Future development and expansion west of the R330 and in specific locations are restricted through environmental constraints and biodiversity. • High demand for lower income residential opportunities and land for settlement. • Relatively small commercial component with opportunities for expansion and sustainability. • Engineering services constraints. • Unmanaged and illegal land development along Kromme River.

Nodal Status : Secondary Node	
Description	**Priorities**
Urban Edge	• Limit further expansion of the urban edge to enable environmental conservation and protection. • Promote protection and acknowledge various conservation and conservancy areas, inside and outside the urban edge. • Limit further settlement expansion west of the R330. • Urban structure should take cognisance of the demand for lower income residential typologies, within the greater St Francis Bay area
Nodes, Corridors & Access	• Future high intensity business should be contained to the identified areas, with specific reference to the St Francis Bay CBD area as demarcated. • Support mixed use development at Sea Vista entrance. • Future expansion of Sea Vista residential area to include commercial land allocation. • Prevent intrusion of commercial activity within existing residential area. • Main access corridors to be maintained and incrementally upgraded as part of a medium to long term infrastructure strategy.
Infill & Densification	• The demand for low income and subsidised housing in the greater St Francis is acknowledged through possible expansion of Sea Vista south towards the waste water treatment works. • Further development of this land should be based on an environmental assessment and land suitability assessment. • Infill and densification areas north of Sea Vista and west of the canals should be based on sound environmental principles and subject to land suitability. • Future expansion of Cape St Francis, outside existing residential footprint is not proposed as a medium strategy. • Densification within existing residential areas should be based on densification guidelines. • The low intensity of existing development particularly in Satareme provides an opportunity for the intensification and densification.
Human Settlement	• Human Settlement :Land Demand by 2030 – 65ha • Human Settlement :Land Demand by 2050 – 129ha • SDF 2019 Provision – 115ha • 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.
Conservation	• All future development and densification should be based on environmental guidelines, proposed coastal setbacks, coastal conservation guidelines and general conservation principles. • The integrity of the existing and proposed open space and conservation system should be maintained. • Placement of rock revetment, nourishment of spit and beach in St Francis Bay
Community Facilities	• Sports Facilities - Facilitate negotiations for the transfer of Erf 400 from the Department of Public Works to Kouga Municipality – Concluded • Facilitate a development plan for Erf 554 - Rezoning of Erf 554 (St Francis Bay) for sporting facilities • Upgrade Cape St Francis ablution facilities

▣ Kouga SDF : St Francis Bay Actions (Strategies)

The spatial planning actions required to achieve the Framework are reflected below :

1	Precinct Plan Sea Vista Entrance (Tarragona Road) Mixed Use
2	St Francis and Cape St Francis Densification Policy and Identification of densifications areas
3	Santareme Densification area
4	Transfer of Erf 400 from the Department of Public Works to Kouga Municipality
5	Development plan for Erf 554 - Rezoning of Erf 554 (St Francis Bay) for sporting facilities
6	Upgrade Cape St Francis ablution facilities
7	Upgrade the water supply suspension bridge to a more robust and sustainable arrangement
8	Prepare a Water
9	Upgrade WWTW
10	Prepare a sewer master plan and action plan.
11	Upgrade main gravity
12	Prepare a stormwater management plan which will address amongst other matters the stormwater runoff from behind Santareme.
13	General road maintenance
14	Identify Waste Drop-off Sites
15	Upgrade sections of the St Francis Bay electrical reticulation
16	Upgrade electrical reticulation in Sea Vista to avoid losses
17	Increase electrical capacity (Increase ESKOM's notified demand)
18	Prepare the St Francis and Sea Vista LSDF
19	St Francis CBD Precinct Planning
20	Homestead Rd and Sea Vista Planning



Plan 6 : St Francis Bay Framework Plan



Plan 7 : St Francis Bay CBD Framework Plan

1.8 Kouga SDF Land Use Management Guidelines

▣ Central Business Focus Area

Background	Policy Statement
The designation of a CB Focus Area boundary enables the creation of tailored development proposals that meet the specific needs of the core of each settlement.	• These areas would be characterised by mixed uses, including higher density residential as well as the conversion of low intensity old housing stock to more intensive and efficient uses. • The St Francis Bay CBD specifically has the potential to take advantage of the tourism sector to create an attractive and high intensity beachfront, which still maintains a 'small-town' feel. • The specific development proposals and parameters will be set out in precinct plans and LSDF's for each area and settlement. • CBD Development should take account of the following: - The existing environment should be enhanced rather than eliminated. - Incorporate 'good' existing natural features into the proposals to ensure legibility and ensure that the current open space network is respected and integrated. - Existing structures should be repurposed where possible and appropriate. - Ensure walkability and access to public transport (Create high quality commuter facilities and infrastructure. - Public transport promoted as key mode of mobility and commuters should be designed for. - Incorporate mixed use development principles. - Higher residential need to be promoted (Refer to Residential Densification guidelines) and a broad spectrum of income groups and ownership patterns need to be included. - Support both the formal and the informal sector, and enhancing existing areas of activity.

▣ Settlement Upgrading

Background	Policy Statement
The provision of adequate housing facilities for the population of the study area is one of the key principles and priorities embedded in the constitution. The development of residential areas and creation of liveable environments is of critical importance for social sustainability and upliftment of the people residing within the study area.	• The focus is to upgrade and formalise existing informal areas. • Strive to eradicate informal housing and/or shacks. • Residential densities and non-residential land uses to be guided by detailed planning and accommodation of existing structures on-site. • Detailed planning to include feasibility, no-go areas and development options. • Residential densities up to 50 units per ha and above are encouraged. • Settlement upgrading should only be undertaken where the site is suitable for the intended settlement development and the residents can be effectively integrated into the existing urban fabric.
Settlement Projects	• Approved housing projects indicate sites where housing projects are in the planning phase or implementation phase. • Proposed future housing projects indicate sites that have been identified as potential sites for housing development.

▣ Mixed-Use

Background	Policy Statement
To create a specific urban environment of mixed use through the redevelopment, infill and expansion or conversion of existing buildings or vacant land. *Mixed use is focussed on combining compatible land uses in a manner which will enable higher intensity and diverse development.*	• The intention of the Mixed Use categorisation is to increase development intensity within the demarcated mixed use area. Permit multiple uses to support commercial, high density residential, office, entertainment and support facilities without negatively impacting on the surrounding development. • Departures from the ILUS development parameters can be considered in specific cases to improve development, density and footprint. • Manufacturing and light industrial activities not permitted. • Residential densities in excess of 50 units per ha to be promoted. • Site development plans for all developments to be submitted for consideration prior to submission of a land use or building plan application.

▣ Settlements : Business

Background	Policy Statement
Business districts, secondary business nodes and informal business activity are one of the most important formative agents within the urban structure given the past segregated planning policies. The placing, development and expansion of future business areas can play a major role in assisting the restructuring of the urban form. *This component refers to the current and proposed sites for Business / Commercial use and include any land uses where enterprise for commercial and/or professional services and/or retail uses are to take place.*	• Business/commercial related land use should be confined to the core urban areas (central business district) and secondary/lower order nodes. • The infiltration of business/commercial uses into a residential area or the periphery of the CBD should not be permitted (this excludes small house/spaza shops). • Spaza/House shops are encouraged along main roads in all informal or previously disadvantaged areas. This must be aligned with the policy of informal trading. • House shops should not be encouraged on Single Residential zoning except on properties that are currently zoned informal (It must be limited to all government low income housing schemes). • In order to attract investment, the provision of land for business purposes with the associated infrastructure should be provided on a pro-active basis. • The development of SMME should be encouraged in selected locations in or near business nodes and the CBD. • House enterprises and house shops should be permitted in residential areas. • The central business district should be demarcated. • Close linkages between business development and the local economic development plan and strategies should be implemented and co-ordinated on a sub-regional and district level. • Business proposals within residential neighbourhoods may be considered if the adjoining property is zoned for business. This is provided also that access is obtained from the same street. The proposed business must be compatible with the existing business and character of the area.

3 Chapter 3 : Analysis & Synthesis

1.0 Introduction

The analysis of the study area represents an overall spatial picture of the St Francis Bay CBD, the current situation, patterns and trends within the area and quantify specific needs and capacities. The information is focussed on key developmental sectors and based on the key issues identified.

2.0 Biophysical Environment

The bio-physical status quo for the CBD is outlined in the following sections, including :

- Climate and Climate Change
- Topography and Drainage
- Environment Management

2.1 Climate & Climate Change

The climate within Kouga differs between the 3 main geographical features, i.e. Coastal Region, Humansdorp and the Gamtoos River Valley. The area is classified as subtropical and is situated in an intermediate zone between the summer and winter rainfall zones of the country, with annual precipitation between 400 and 650mm along the coast and in the Humansdorp area with slightly lower rainfalls in the Gamtoos River Valley.

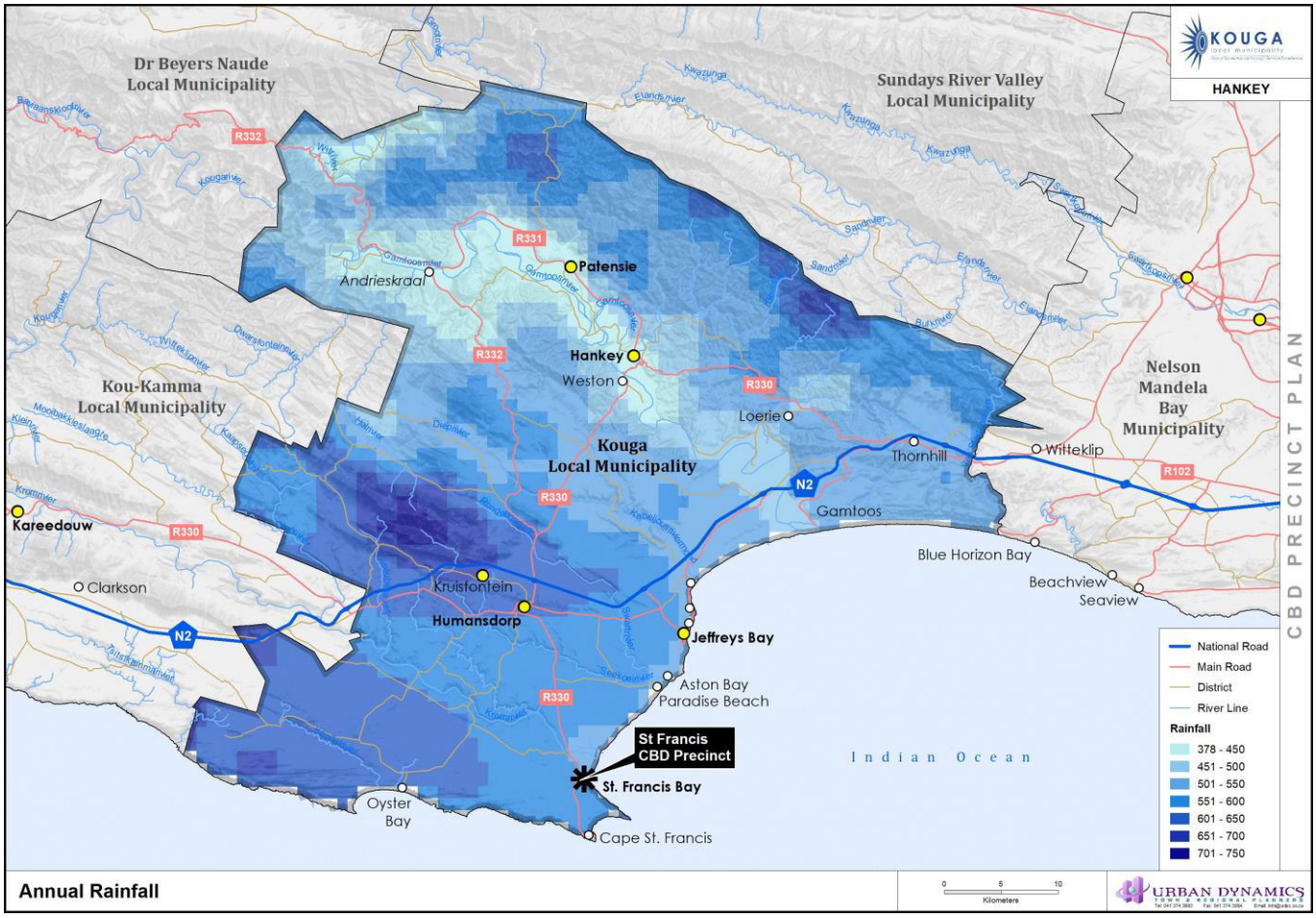
The prevailing wind direction is generally westerly to south-westerly with equally dominantly easterly winds during the summer month.

The impact of Climate Change on the Local Authority and its management of land use and scarce resources can be significant. These are :

- Change in rainfall patterns and average rainfall.
- Change in level of fluctuation of general climate patterns and tendencies.
- Increase in flood severity and draught occurrence.
- Change in ecosystems and desertification.
- Impact on bulk water supply resources and agricultural industry

Although the LSDF cannot directly mitigate against these issues, sector planning and general strategy formulation can indirectly mitigate against the impact of Climate Change. This includes strategies relating to Renewable Energy, Green Management Practices, Coastal Management and Environmental Sustainability.

In the Eastern Cape, predictions suggest higher temperatures, increased unpredictability of rainfall regimes, more intense rainfall (flooding), longer dry spells (drought periods), increased storm events and sea-level rise.



Plan 8 : Annual Rainfall

2.2 Geology & Soils

The geology and soil types within the study provide a basic indication of soil stability and possible construction constraints.

The geology in the St Francis Bay CBD is described as :

- Unconsolidated calcareous sand (coasted dunes), minor palaeosols
- Calcareous sandstone, clastic limestone, conglomerate, coquinite

Of greater importance is the soil class.

Soil Class		Favourable Properties	Limitations
4	***Imperfectly drained sandy soils***	*Favourable water-holding properties*	May be highly erodible

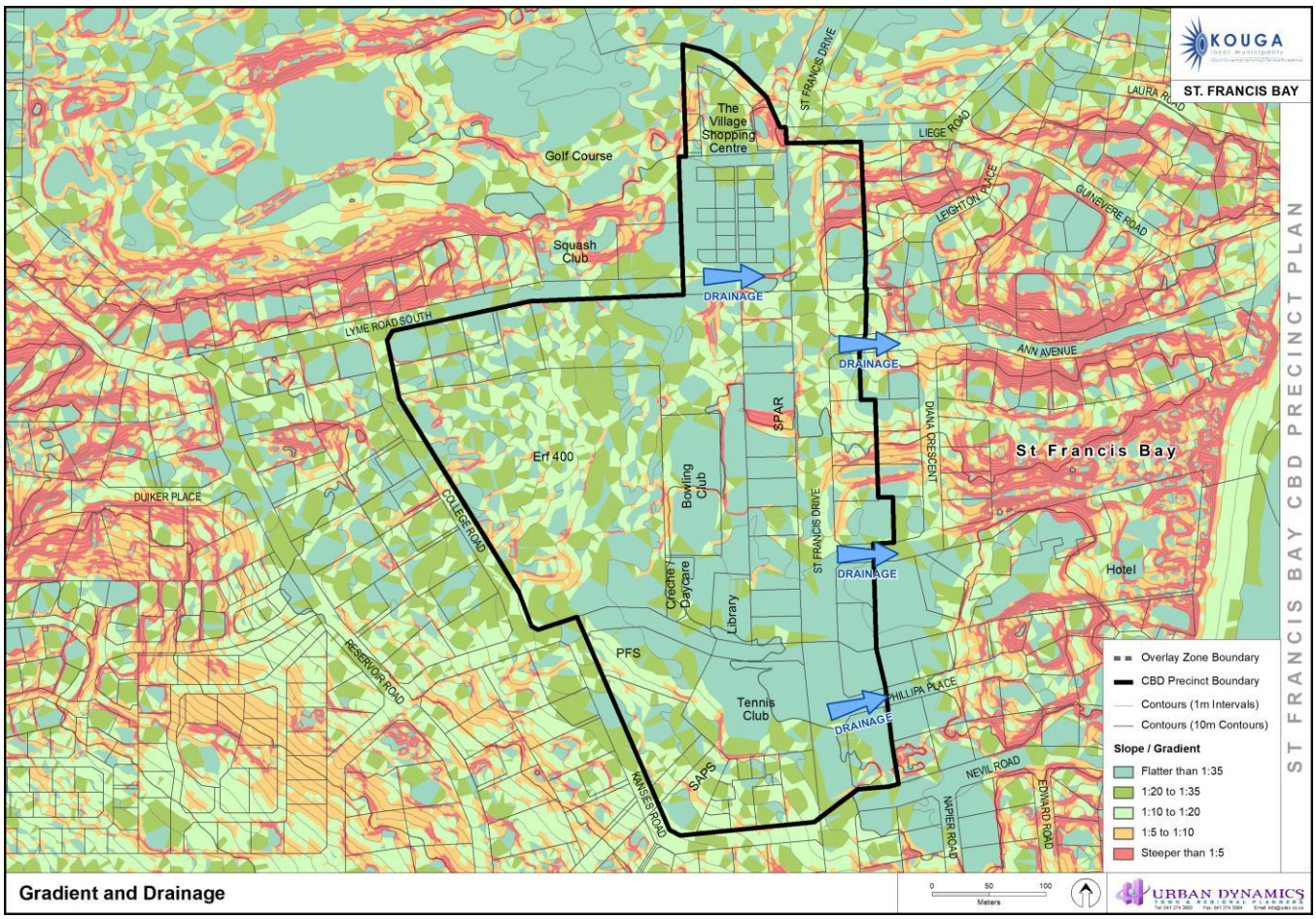
2.3 Drainage & Gradient

▣ Drainage

Although the St Francis CBD area does not have a formal natural drainage corridor (rivers, streams), surface run-off is channelled through a storm water drainage system along the road network in a west-east direction.

▣ Gradient

The area east of Reservoir Road, south of Lyme Road and along St Francis Drive is relatively flat with gradients flatter than 1:10. The gradient is favourable for future development, especially on Erf 400 Sea Vista.



Plan 9 : Gradient & Drainage

2.4 Environmental & Biodiversity

Environmental management must be implemented as a key element of the St Francis Bay LSDF land use management strategy. The following legislative guidelines should be consulted and implemented for all development proposals and activities :

- National Environmental Management Act and Listing Activities
- Eastern Cape Biodiversity Conservation Plan
- Garden Route Biodiversity Sector Plan

2.4.1 National Environmental Management Act (NEMA)

The National Environmental Management Act (NEMA) was passed in November 1998 and came into effect in January 1999. It is a framework Act underpinned by the concept of sustainable development, and covers the 3 primary areas of environmental concern – i.e. resource conservation and exploitation, pollution control and waste management, and land-use planning and development.

▣ **Purpose & Objectives**
In essence, NEMA does the following :

- translates environmental rights identified in the Constitution into a more tangible form
- promotes co-operative governance in environmental management
- provides a framework for developing environmental norms and standards
- provides a basis for alternate dispute resolution procedures
- emphasizes public interest in the environment

A number of mechanisms are provided to achieve these ideals, however the foundation of the Act is a set of environmental management principles which are based on the concept of sustainable development.

▣ **Integrated Environmental Management & the Environmental Assessment Process**

Chapter 5 of NEMA deals with environmental assessment (EA) and describes how the integrated environmental management (IEM) philosophy should be applied in the EA process with the intention of promoting the application of appropriate environmental management tools to ensure the integrated environmental management of activities. Section 23 of NEMA sets out the general objectives of EA, and Section 24 the procedures for the investigation, assessment and communication of the potential consequences or impacts of activities on the environment.

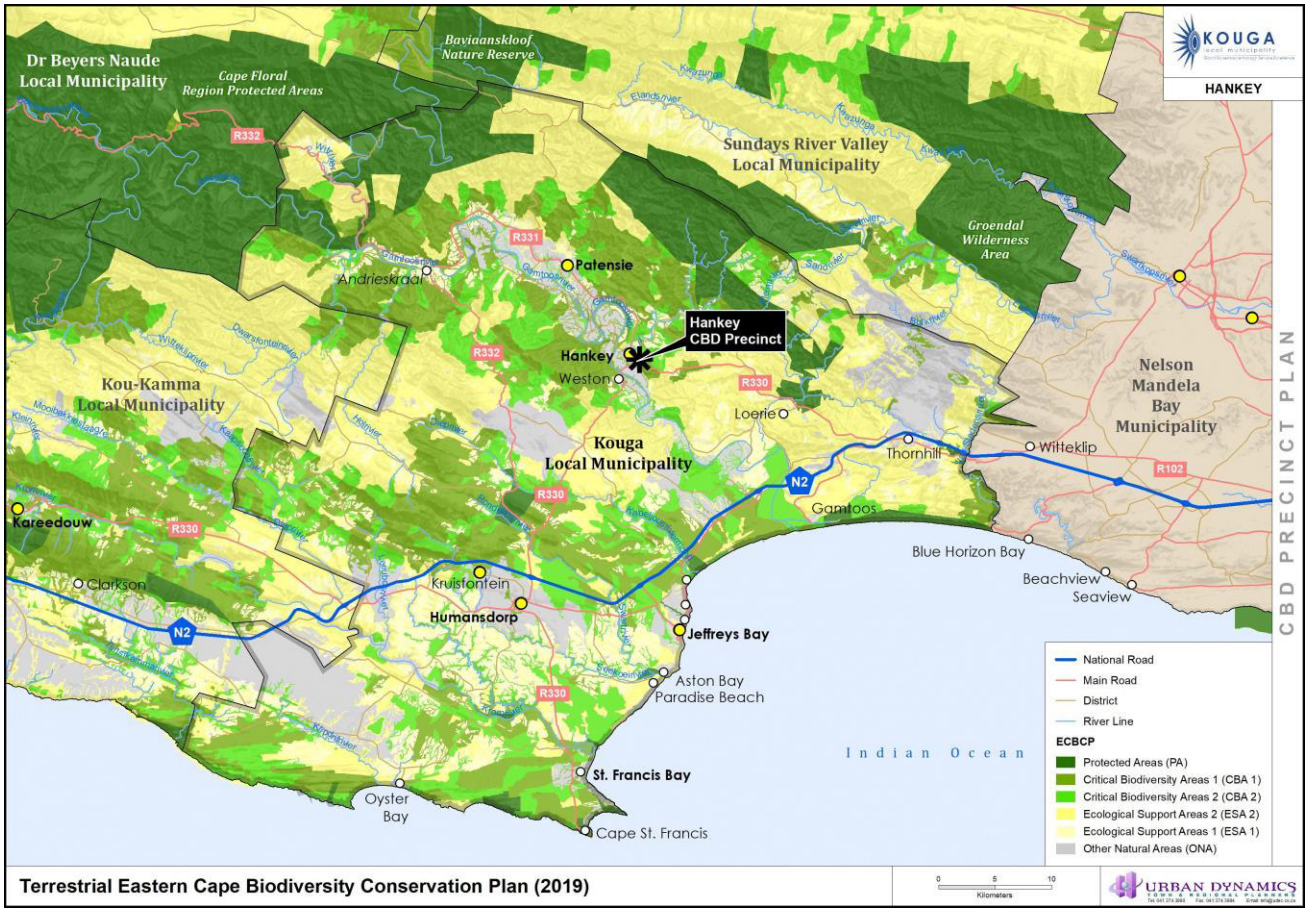
There are a number of tools that can be applied depending on the activity, including Strategic Environmental Assessments, Environmental Impact Assessments, Environmental Management Plans, Environmental Management Systems, Environmental Auditing etc.

There are 3 Listing Notices that identify different types of activities on a threshold-basis in different areas that would need authorisation prior to commencement (and would therefore need an environmental impact assessment) from the relevant competent authority.

2.4.2 Eastern Cape Biodiversity Conservation Plan (ECBCP)

The objectives of a BCP are to :

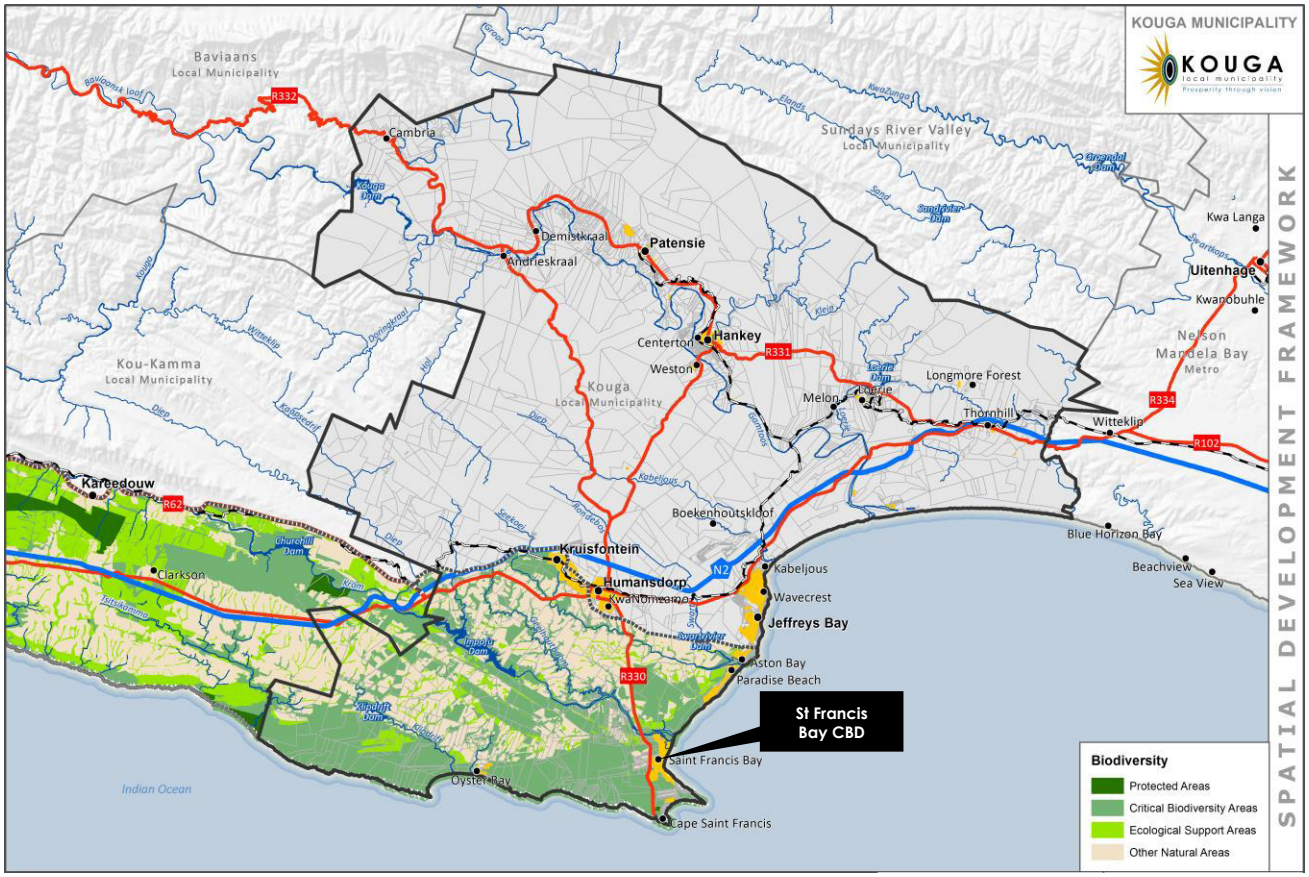
- Identify the minimum spatial requirements needed to maintain a living landscape that continues to support all aspects of biodiversity, and retain/maintain essential ecological infrastructure. This is achieved through the selection of areas, based on achieving targets which represent important biodiversity pattern AND ecological processes.
- Serve as the primary source of biodiversity information for land use planning and decision making.
- Inform conservation and restoration action in key biodiversity areas.



Plan 10 : Terrestrial Eastern Cape Biodiversity Conservation Plan

2.4.3 Garden Route Biodiversity Conservation Plan

The Garden Route Biodiversity Sector Plan prepared in 2010 identifies protected areas, critical biodiversity areas and ecological support areas within the study area, including the southern portion of the KLM area, generally south of Aston Bay and Humansdorp. The Garden Route Biodiversity Sector Plan includes detailed land use guidelines for various land use activities.



Plan 11 : Garden Route Biodiversity Conservation Plan

3.0 Built Environment

3.1 Renewal in Context

Rural town renewal (like urban renewal) is a process of change to towns and especially their centres.

Typically, the levels of desirability or degradation of space, infrastructure and structures in town centres are not static but vary across a town's life cycle. Historical centres are often outgrown, become technologically outdated and are no longer centrally located as a town naturally expands.

Typically, with the historical town centre, as described above, new development centres are then proposed and developed that better cater to contemporary conditions on more available and opportune land. This can be seen in the form of a distinct second centre.

The next period of the cycle can see the moving of several key activities and tenants to the more dispersed development centres and the possible regeneration and upgrading of the historical centre. This can be in the format of smaller businesses, socialising, tourism and niche retail activities.

A best-case scenario in this respect is that the new development centres are recognised within the context of a larger development plan for the town that allows these new centres and the historical town centre to develop.

3.2 Historic Background

During the last quarter of the 18th century, the number of travellers visiting the Eastern Cape increased and many of them followed the course of the Kromme River down from the Langkloof.

It was during the first British occupation of the Cape that Sir John Barrow, private secretary to Military Governor Earl Macartney, journeyed to the Eastern Cape. On the map that appeared with his account of his travels is marked the Kromme Rivers Bay.

At the time the British took over control of the Cape, a number of families were struggling to make a living in the bush-covered dunes, south of the Kromme.

After the building of the lighthouse, goods were delivered to the keeper by ox-wagon. Because of the dunes and the difficulty of reaching the lighthouse, it was considered to be one of the most remote on the South African coast.

A road led from Humansdorp to the banks of the Kromme. At low tide, a wagon could cross the river at a spot just to the west of the existing bridge, but travellers with no wagons had to find other means.

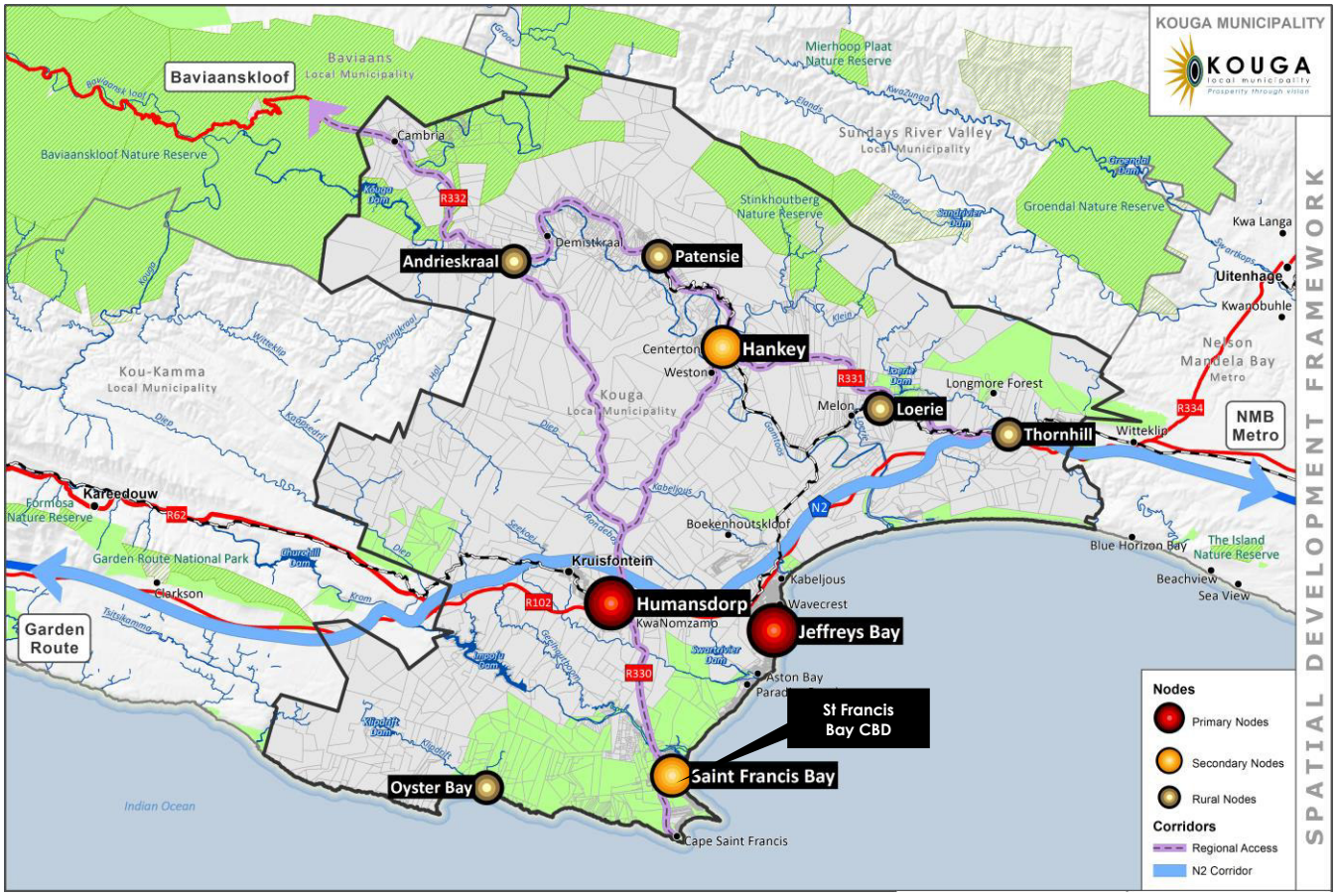
Beachcombing and fishing were popular activities and for many years were the sole prerogative of local families, the keepers of the light and occasional visitors from the farms on the Humansdorp side of the Kromme.

In 1954 Leighton and Ann Hulett purchased the Farm Goedgeloof. In 1956 a small township of 51 plots was laid out and, to tame the dunes of the Sand River. Leighton began to lay down branches of Rooikrans and Port Jackson Willow, the same method used by Joseph Storr Lister to arrest the spread of the dunes on the Cape Flats near Cape Town.

The first homes were built by Leighton and from the start he insisted on a certain conformity of style which resulted in the unique character of the town.

Hulett acquired a further 179 morgen of land beside the Kromme. Leighton built his first dredger and work began in 1968 on a system of canals, unique in South Africa at the time. This new development was named Marina Glades. By 1976 the initial canal system was complete with eastern and western outlets to the river.

3.3 Macro Context & Linkages



In order to understand the spatial connotation and role of the study area within the broader development context, the following key issues with respect to macro context of the St Francis Bay CBD are noted.

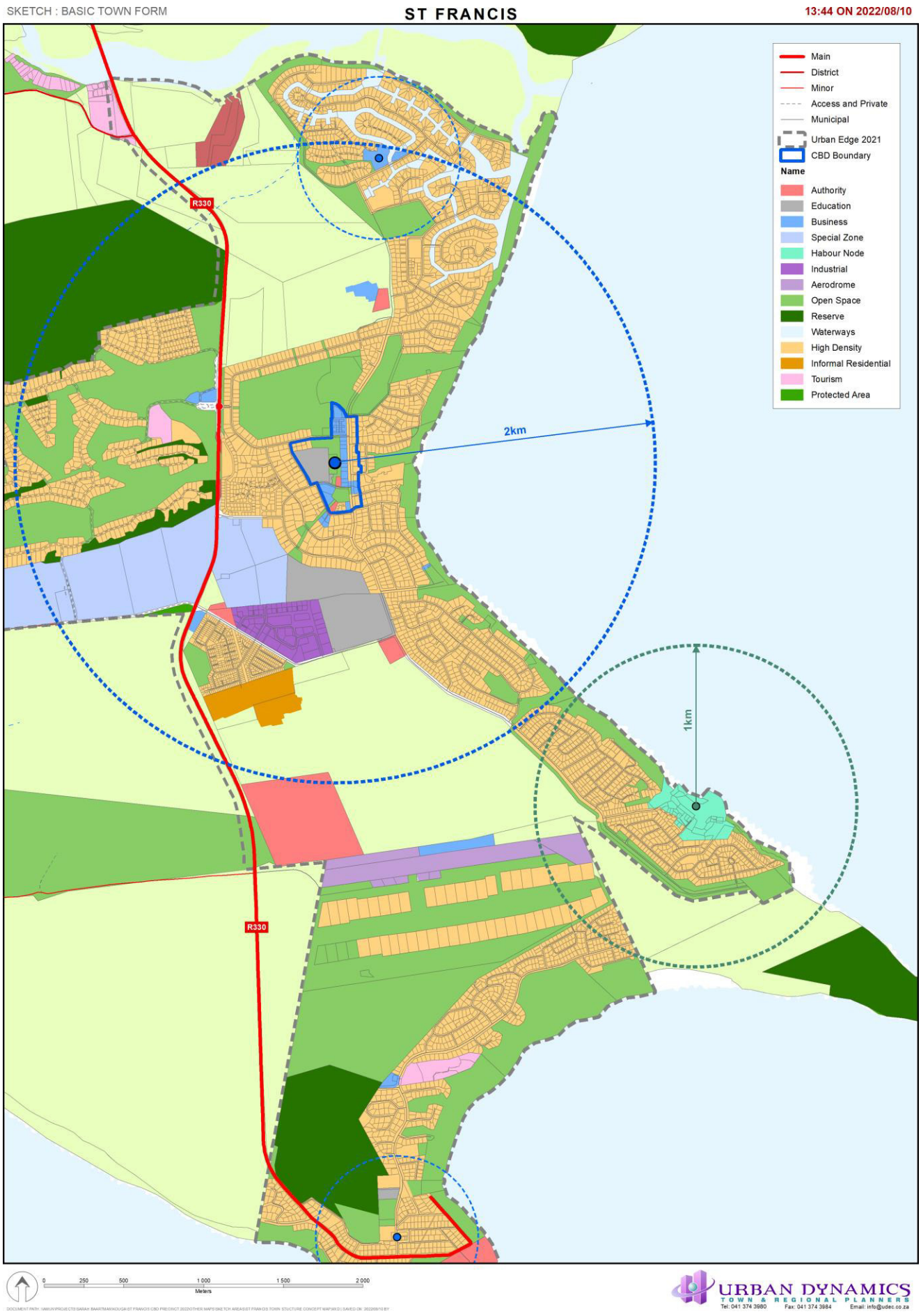
- St Francis Bay, including Santareme, Cape St Francis and The Links are situated south of the Kromme River, along the R330 and is classified as a secondary node in the greater Kouga region.
- St Francis Bay fulfils a strong accommodation and tourism function, especially based on the rich tourism-related resources in the area.
- The town supports a relatively small administrative function with larger sectors in the area dominating the support, i.e. Humansdorp and Jeffreys Bay.
- Smaller commercial nodes in the vicinity include Port St Francis, the St Francis Industrial Area and limited commercial activity in Cape St Francis.
- Access to the St Francis CBD is obtained via the R330, St Francis Drive and Lyme Road South.

- The CBD is centrally situated within the greater St Francis and well linked to Santareme and the surrounding residential areas.
- The CBD is relatively small with a clearly demarcated CBD edge, protected in terms of the approved Kouga SDF.
- St Francis Drive, Lyme Road South, Assissi Drive and Kansies Road provide main internal access.
- Commercial activity is generally situated on the western edge of St Francis Drive in a linear pattern, north of the Tennis Club.
- The precinct comprises of various non-commercial and non-residential activity, i.e. Bowling Club, Library, Crèche, Tennis Club and SAPS.
- Historically, business activity has been limited to the urban edge with the recent inclusion of the residential properties east of St Francis Drive.
- Through a proactive land use management system, the Kouga Municipality has enforced the CBD edge in St Francis, to protect the residential character of the area.
- Smaller neighbourhood related business nodes are very limited and restricted to individual guest houses, accommodation facilities and restaurants, scattered throughout the area.





- Residential activity within the CBD is restricted with a small number of residential.
- The proposed redevelopment of Erf 400 can have a significant impact on the overall function of the CBD, to service the surrounding growing residential areas.
- The urban design character of the CBD, generally reflects the St Francis architectural style, with specific reference to The Village area.


SKETCH : BASIC TOWN FORM
ST FRANCIS
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Main
District
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CBD Boundary
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Special Zone
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Aerodrome
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Waterways
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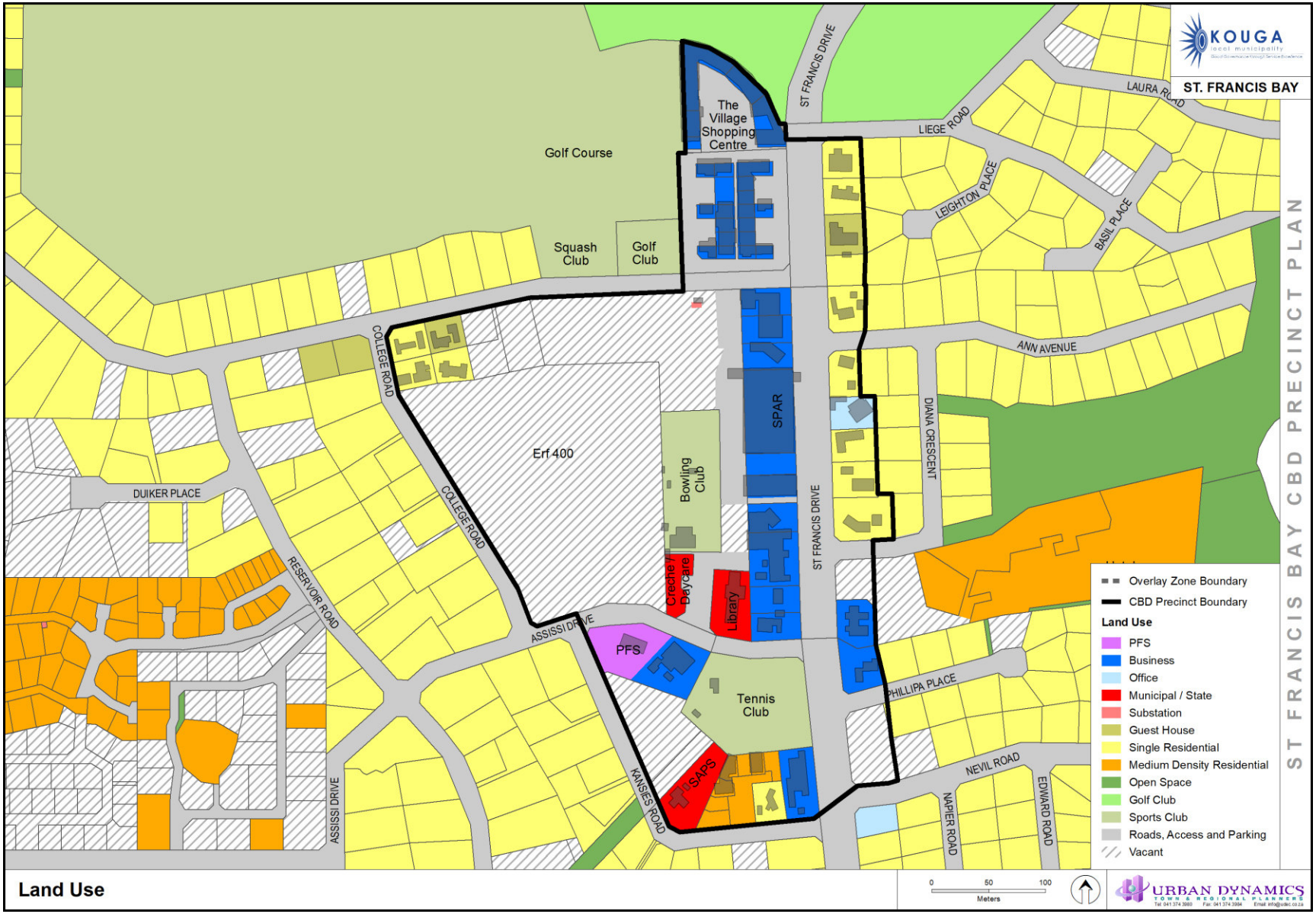
URBAN DYNAMICS
TOWN & REGIONAL PLANNERS

3.4 Spatial Structure & Land Use

The land use profile of the St Francis Bay CBD is indicated in the table and diagram below. The current spatial structure is indicative structuring element reflecting demand for specific land uses and growth options.

Land Use	No. of Units	Area (ha)
Accommodation	2	0.2
Business	37	2.7
Golf Club	1	0.001
Medium Density Residential	8	0.3
Municipal	2	0.3
Office	1	0.1
PFS	1	0.2
Roads, Access and Parking	11	4.1
Single Residential	19	1.4
Sports Club	4	1.4
State	1	0.2
Substation	1	0.004
Vacant	11	6.3
Unknown	1	0.003



Plan 12 : Land Uses













The CBD area of St Francis Bay is located as a long strip along St Francis Drive. The area gradually developed over time but the construction of the double storey SPAR complex on an open plot added a substantial amount of bulk to the urban form.

A result of the "strip-development" is that east west connections are limited and the area turns its back to surrounding green environments. This is especially the case with the large open space west of the CBD, which has enormous potential to be turned into a "Village Green".

Coupled with the business area being a barrier, the public space is overwhelmingly dominated by cars and car parking. Many areas are laid out in an inefficient manner, eating up every bit of open space. Pedestrian areas are limited and not connected and there is very limited space for businesses and restaurants to spill out in the public domain.

Currently the expansion of businesses is taking place through the re-purposing of former residential properties to business and retail along the southern and eastern edge of St Francis Drive. Space for cars and individually organised haphazard parking solutions have resulted in erosion of space on the edges of the road and are deteriorating the pedestrian environment. This has also resulted in the deterioration of the green structure along the road.

There are strict architectural guidelines for St Francis Bay which are controlled through an Aesthetics Committee and are to be read with the Kouga Land Use Scheme 2021. The architectural character for St Francis is white walls and high double-pitched black roofs. It requires low predominantly horizontal building forms with the first storey located within the roof space. Roofs must form the dominant form feature and must be a characteristic element.

The built form in the CBD is mostly in keeping with the architectural guidelines however certain elements in the CBD area like car ramps and parking decks are difficult to conform with guidelines predominantly developed for single residential buildings. The guidelines have been instrumental in creating a sense of uniformity in terms of character in the business area which is also relatively in keeping with the built form in St Francis Bay.









3.5 Land Use Rights & Land Use Management

Land use rights and zoning within the study area are controlled and managed by Kouga Land Use Scheme (2021). The Kouga Land Use Scheme applies to the CBD and study area and manages land use rights throughout the Kouga municipal area.

3.5.1 Zoning



Plan 13 : Zoning

Zoning	Primary Use	No. of Units	Area (ha)
Authority Zone	• Authority Use	2	0.4
Business Zone 2	• Business & Mixed Uses • General Residential Building	36	3.1
Community Zone	• Place of Worship • Place of Assembly • Place of Instruction	2	3.9
Open Space Zone 1	• Public Open Space	6	2.9
Open Space Zone 2	• Private Open Space	4	0.6
Residential Zone 1	• Dwelling Unit	29	2.6
Residential Zone 2	• Town Housing	8	0.3
Residential Zone 3	• General Residential Building	1	0.1
Transport Zone 1	• Public Streets & Parking • Transport Use	8	3.4

A large percentage of the properties are zoned for Business and Support Facilities purposes. Several opportunities exist for conversation of single residential rights to higher intensity uses. This needs to be understood with consideration for other important aspects of the precinct such as issues of character and heritage, as well as infrastructure availability and traffic and transportation.

3.5.2 Land Use Management System

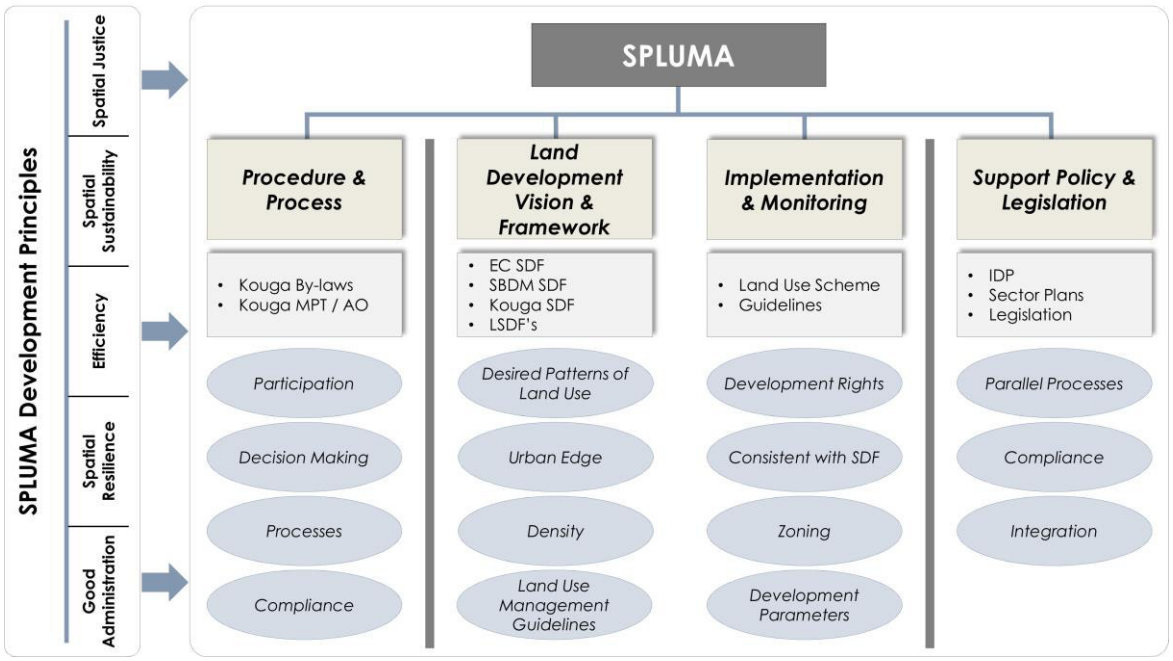
The Implementation Framework for the St Francis Bay Precinct Plan provides the vehicle for Precinct Plan implementation through projects, budgets, priorities and institutional arrangements to ensure implementation, monitoring and review.

Land use management as contemplated in SPLUMA comprises of various components and ideally should represent a hierarchy of plans and regulatory mechanisms within the Municipal Land Use Management System.

The Spatial Development Framework and Land Use Scheme should function as a unit and form the key pillars of the Municipal Land Use Management System.

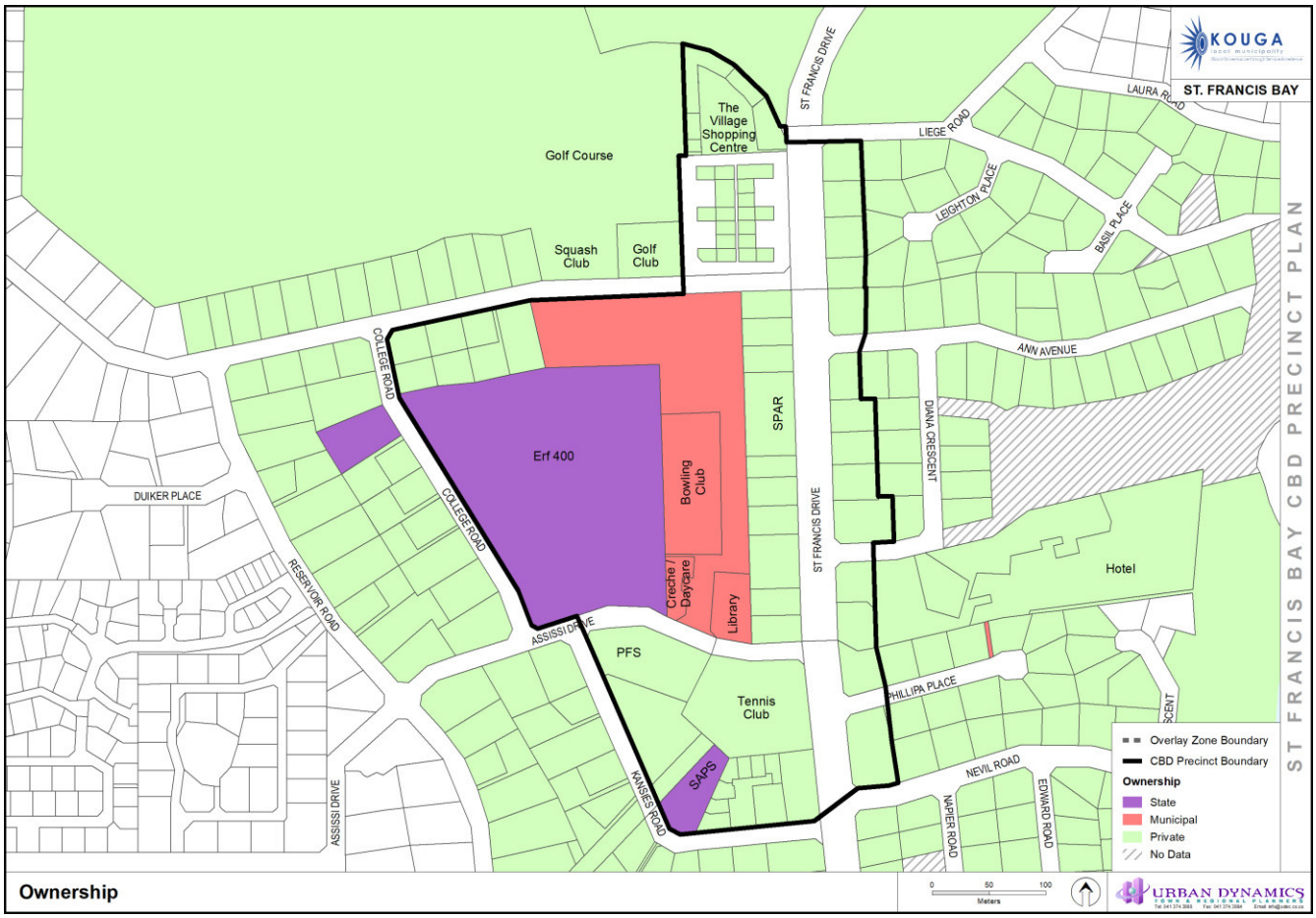
The graphic illustrates the package of plans and the land use management system for Kouga that is entrenched through the Municipal Spatial Development Framework.

Land Use Management System & Alignment



3.6 Ownership

Land ownership along St Francis Drive, i.e. business (to the west bank) and residential (east bank) are privately owned and operated. Erf 400, Erf 554 and SAPS are municipal and government owned, respectively.



Plan 14 : Ownership

3.7 Heritage

The heritage resource of the municipality is significant and contributes to the economy of the municipality and needs to be conserved in terms of the provisions of the National Heritage Resources Act, 1999 (Act 25 of 1999) (NHRA).

The NHRA introduced an integrated system for the identification, protection and management of heritage resources nationally, provincially and at municipal level.

The NHRA prescribes that land use planning and management to give attention to, and respond to, heritage considerations both at site and landscape levels.

Of particular significance is the obligation placed on the municipality to undertake the preparation of a comprehensive heritage inventory in terms of Section 30(5) of the NHRA.

The Kouga Municipality has not prepared such an inventory.

It is also important to note that the heritage resource of the municipality does not only comprise of conservation worthy buildings and urban precincts, but also includes physical and cultural landscapes.

The following sections from the NHRA are of specific importance for heritage management:

- **Section 30 (5)**
  - Applies to the compilation of an inventory of heritage resources, including heritage objects and the submission of such an inventory to the relevant heritage authority.

- **Section 32 (7)**
  - Authorises SAHRA to the maintenance and management of a register of heritage objects, which have been declared heritage objects under the relevant sections of the NHRA.

- **Section 34 (1)**
  - "*No person may alter or demolish any structure or part thereof which is older than 60 years without a permit issued by the relevant Provincial Heritage Resource Authority*".

- **Section 38**
  - Spatial planning actions which will result in development listed in Section 38 need to be considered by the Heritage Resource Authority.

- **Section 47**
  - Requires that the Heritage Resource Authority adopts a plan for the management of heritage resources and that all actions of authorities must be consistent with general policies.

4.0 Infrastructure

A high-level desktop study, based on the available GIS data and Google Earth, has been conducted to determine the availability of Water, Sewer and Stormwater services within the study area of the St Francis Bay Local Spatial Development Framework (LSDF).

4.1 Water Services

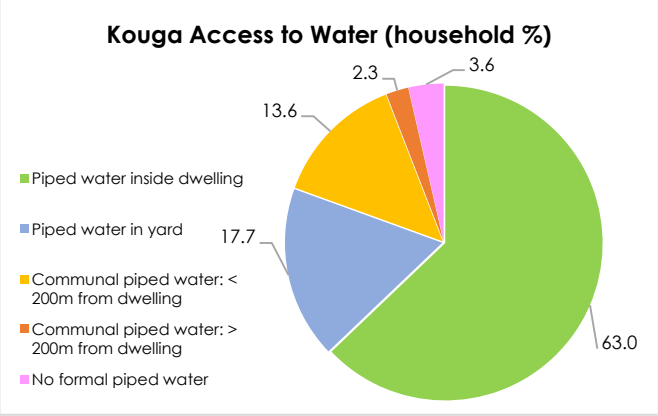


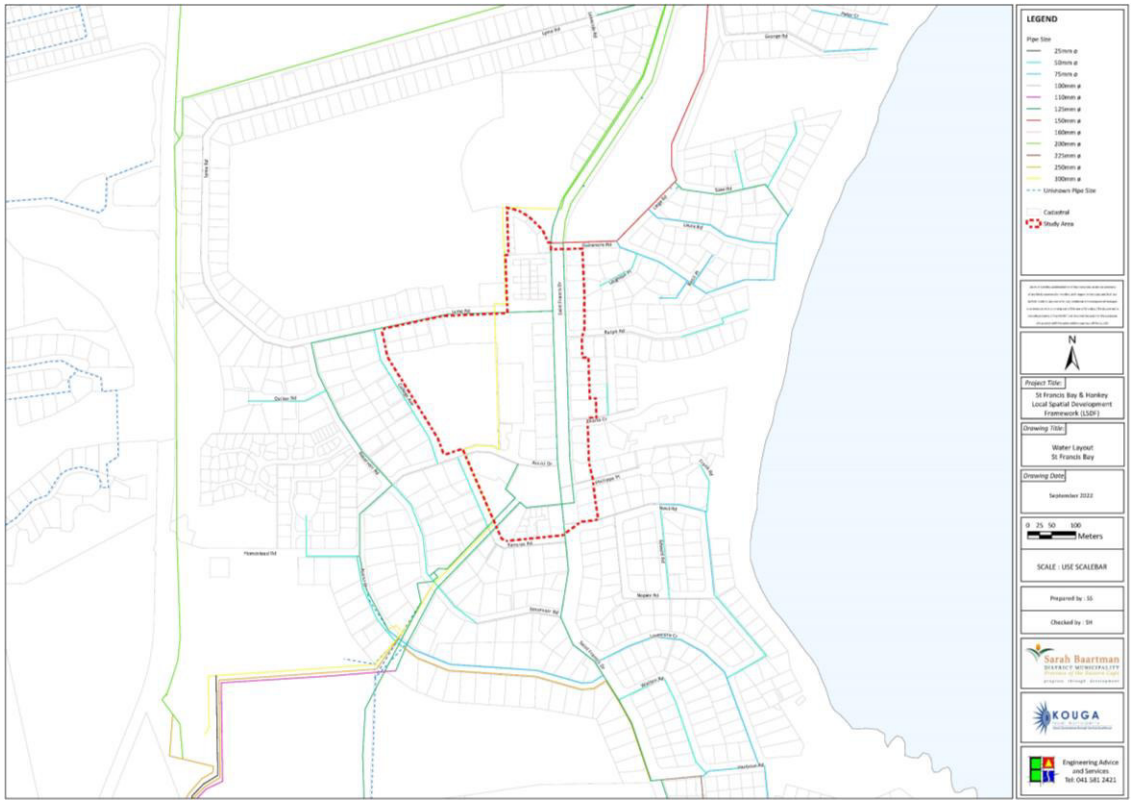
Figure 2 : Kouga Access to Water

The town of St Francis Bay receives the bulk of it's potable water supply from the Nelson Mandela Bay Metro via a connection to the Churchill main supply pipeline. The below points were extracted from the Kouga SDF, and highlight the key points within the St Francis Bay water supply system, as well as the constraints.

- St Francis Bay/ Cape St Francis obtain potable water from the Nelson Mandela Metro's Churchill pipeline as well as a number of boreholes.
- The problematic pipeline alignment and use of the suspension bridge result in problemative maintenance as well an insecure water supply.
- These boreholes were developed during the late 1980's and early 90's and is able to supply an average of 1800Kl/day. These boreholes have high contaminants (Iron and manganese content) and are situated within the Seavista settlement.
- Two reservoirs with a combined capacity of 8 Ml service St Francis Bay/Cape St Francis, together with a 100Kl elevated steel tower to Sea Vista.
- Water is also supplied from the Link's boreholes – This will continue unti the Links development requires the supply for their own usage.
- Based on a desktop assessment there is capacity to accommodate 1500 erven– inclusive of vacant erven. (A Water Master Planning project will commence during 2020 and will confirm this figure)

▣ Existing Infrastructure

Based on the data which is available, the St Francis study area is serviced by a water reticulation network, as depicted in the plan below. Based on the information available, the pipe sizes within the study area range from 25 mm Ø to 300 mm Ø.



Existing Water Reticulation Network (St Francis Bay)

▣ Firefighting Requirements

The Red Book stipulates various firefighting requirements, dependent on the land use, as illustrated below in the table.

Risk classification	Total fire flow (L/s)	Minimum flow at one hydrant (L/s)	Minimum pressure at fire node (m)	Minimum pressure at rest of system (m)
High risk: CBD and high-risk industrial	100	25	15	5
Moderate risk 1: Industrial, business, high-rise flats ≥ four storeys	50	25	15	5
Moderate risk 2: Cluster & low-income housing, high rise flats ≤ three storeys	25	25	10	5
Low risk: Single residential housing	15	15	10	5

Design Criteria for the Provision of Fire Flow (Red Book 2019)

Based on the figures in the table, and dependent on the proposed land use, the required pressure and flow rate will vary. Should a site have insufficient capacity for firefighting, a booster pump system will be required. Overall, the available capacity in terms of water supply, both flow rate and pressure, will need to be confirmed with the local Municipal officials.

▣ Existing & Proposed Water Related Projects

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any future potable water projects within St Francis Bay. Where available, the project number as per the IDP has been provided. The following projects were identified:

- St Francis Bay/Links expand existing RO plant at links to increase capacity to treat boreholes – Project Number IE_029;
- Upgrade the water supply suspension bridge to a more robust and sustainable arrangement;
- Prepare a Water Master Plan.

The above projects are expected to improve the water security of St Francis Bay as a whole, and therefore the CBD area will benefit from them.

4.2 Sanitation

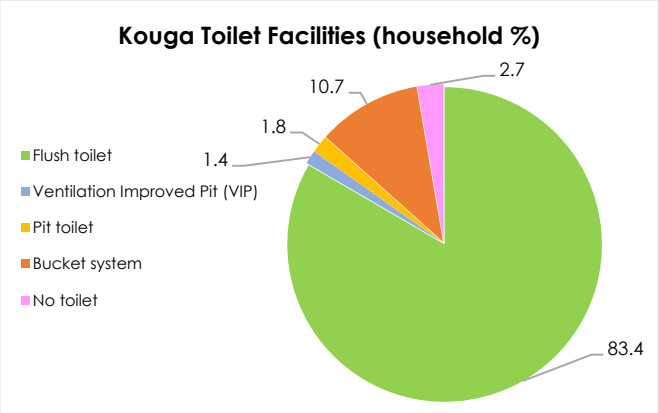


Figure 3 : Kouga Toilet Facilities

- The existing waste water treatment plant consists of a modular package plant with a treatment capacity of 750Kl/day. The average daily recorded inflow is approximately 600Kl/day, but during festive holiday seasons the inflow increase dramatically in excess of 1400Kl/day. This plant is currently being upgraded.
- St Francis Bay is only partially reticulated and a large part of town still makes use of conservancy tanks. No waterborne sewer reticulation is available in Cape St Francis. The portion of St Francis Bay where waterborne sewer reticulation is available is served by numerous sewer pump stations. These pump stations discharges into a 200mm main sewer gravity line close to the south western part of town, from where effluent is conveyed by the gravity main to the WWTW. Under normal conditions this gravity line is operating at full capacity and due to the corrosive nature of the effluent, the line is in a poor condition and requires replacement.

▣ Existing Infrastructure

Based on the data which is available, the St Francis Bay study area is serviced by a waterborne sewer reticulation network, as depicted in the plan. The pipe sizes within the study area, based on the available data, are unknown, and therefore updated information will be required.

Furthermore, the capacity of the local treatment works will need to be confirmed.



Existing Sewer Reticulation Network (St Francis Bay)

▣ **Existing & Proposed Sewer Related Projects**

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any sewer related projects within St Francis Bay. Where available, the project number as per the IDP has been provided. The following projects were identified:

- Prepare a sewer master plan and action plan;
- Upgrade main gravity sewer;
- Upgrade sewer pump stations St Francis Bay – Project Number IE_022;
- Cape St Francis - Install waterborne sewer reticulation, sewer pump station and rising to Wastewater Treatment Works – Project Number IE_002.
- St Francis Bay – Install waterborne sewer reticulation – Project Number IE_003

Based on the above, the upgrading of the main gravity sewer, pump stations will benefit the CBD. These upgrades are also likely to increase the capacity of the system.

4.3 Stormwater

▣ **Existing Infrastructure**

No GIS stormwater data is available for the study area. However, based on a recent site visit, it is evident that an existing stormwater piped system is present, as depicted in the image, though it may be limited in extent. Runoff is conveyed by roadside channels to grid inlets or catchpits, and then via a subterranean pipe network, to an outfall. It appears that the majority of stormwater is conveyed via the road surface and discharged onto adjacent land.



▣ **Existing & Proposed Stormwater Related Projects**

The Kouga Integrated Development Plan 2022/27 and the Kouga Spatial Development Framework were consulted to identify any Stormwater projects within St Francis Bay. Where available, the project number as per the IDP has been provided. The following projects were identified:

- Prepare a stormwater management plan which will address amongst other matters the stormwater runoff from behind Santareme;
- Provision of stormwater infrastructure St Francis Bay and Cape St Francis – Project Number IE_82.

4.4 Solid Waste

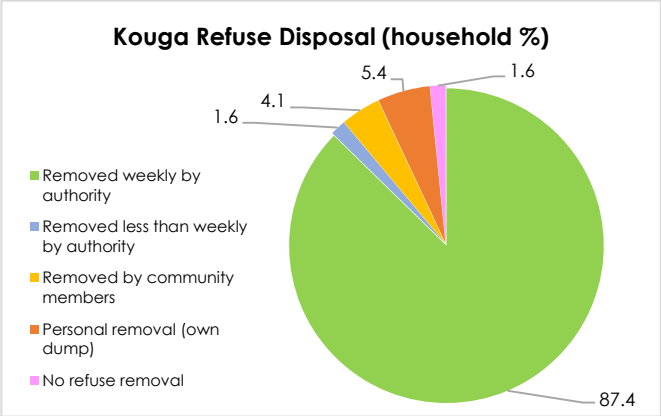


Figure 4 : Kouga Refuse Disposal

- Waste minimisation and recycling projects, including drop-off sites in St Francis Bay

4.5 Electricity

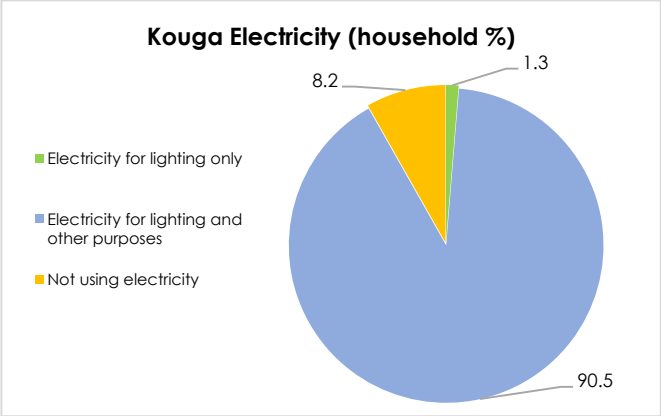


Figure 5 : Kouga Electricity

- There are small sections of electrical distribution networks in St Francis Bay that requires remedial work and upgrading
- St Francis Bay: Notified demand is 5MVA, while actual demand is 6.195MVA. (No surplus is available)
- Cape St Francis: Notified demand is 0.9MVA, while actual demand is 1.611MVA. (No surplus is available)
- The reticulation in Sea Vista needs to be upgraded to avoid losses.
- There is a need to apply for increased capacity.

5.0 Transport & Movement

An assessment, based on available GIS data, traffic and road condition assessments conducted as part of the Road Asset Management System for the Sarah Baartman District Municipality, has been conducted to determine the traffic and transportation situation within the study area of the St Francis Bay CBB.

5.1 Road Networks

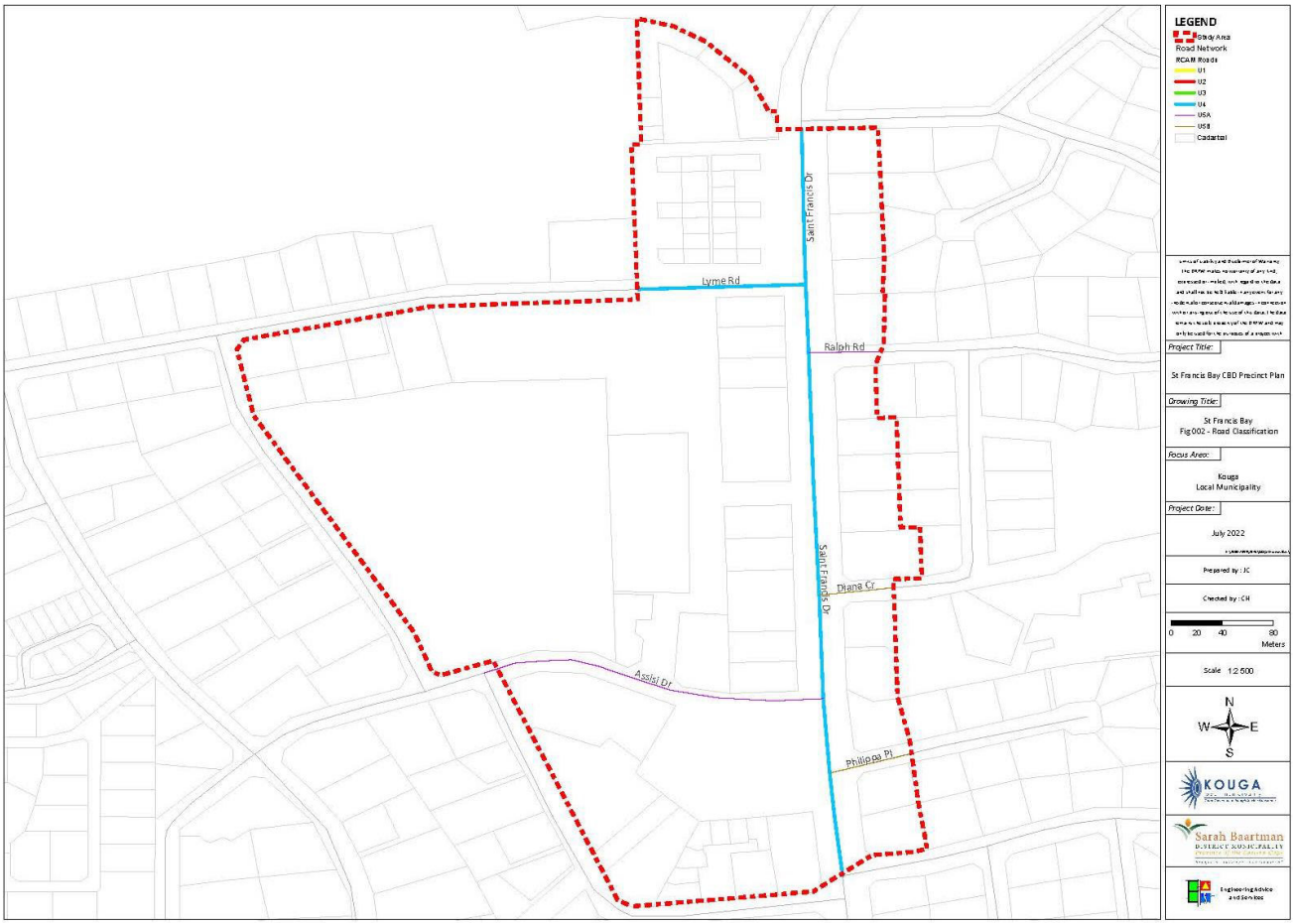
5.1.1 Existing Road Network

The existing road network in the precinct comprises of 1.357km municipal roads. The main roads in the precinct are described in further detail below. The posted speed limit along all roads is 60km/h.

Their functional classification perspective in terms of TRH26: South African Road Classification and Access Management Manual (RCAM) are indicated in the plan below.

- **St Francis Drive** is a Class 4b municipal surfaced residential collector / distributor road that provides access to residential and commercial properties along its length. The road is 7.4m wide, with no kerbing and is in a good condition given that it has recently been resurfaced. The road is the main north-south collector in St Francis Bay.
- **Lyme Road South** is a Class 4b residential collector / distributor road serving residential properties along its length. The road is 7.4m wide and is not kerbed. The road is in a good condition given that it has recently been resurfaced. This road provides a link between the R330 and St Francis Bay.
- **Assisi Drive** is a Class 5b residential street serving residential properties. The road is 7.4m wide and is not kerbed. The road is in a fair condition.
- **Kansies Road** is a Class 5b residential street serving residential properties. The road is 7.4m wide and is not kerbed. The road is in a fair condition.
- **College Road** is a Class 5b residential street serving residential properties. The road is 7.4m wide and is not kerbed. The road is in a fair condition.
- **Phillipa Place** is a Class 5b residential cul-de-sac serving residential properties
- **Nevil Road** is a Class 5b residential street serving residential properties
- **Ann Avenue** is a Class 5b residential street serving residential properties

- **Diana Crescent** is a Class 5b residential street serving residential properties
- **Liege Road** is a 7m wide surfaced class 5b residential street that provides access to residential properties. The road is in a fair condition



Plan 15 : Road Layout & RCAM

5.1.2 Road Condition

Road conditions in the precinct area were assessed as part of the Road Asset Management System currently being prepared by Engineering Advice and Services on behalf of the Sarah Baartman District Municipality. The table below indicates the road conditions in the precinct area at that time. It is noted that all roads in the precinct area are surfaced.

Condition	Municipal	
	Length (km)	Percentage (%)
Very Good	0.047	3.44%
Good	0.610	44.93%
Fair	0.701	51.63%
Poor	0.000	0.00%
Very Poor	0.000	0.00%
Totals	*1.357*	*100.00%*

Table 1 : Condition Index – CBD Precinct Area - Surfaced Roads

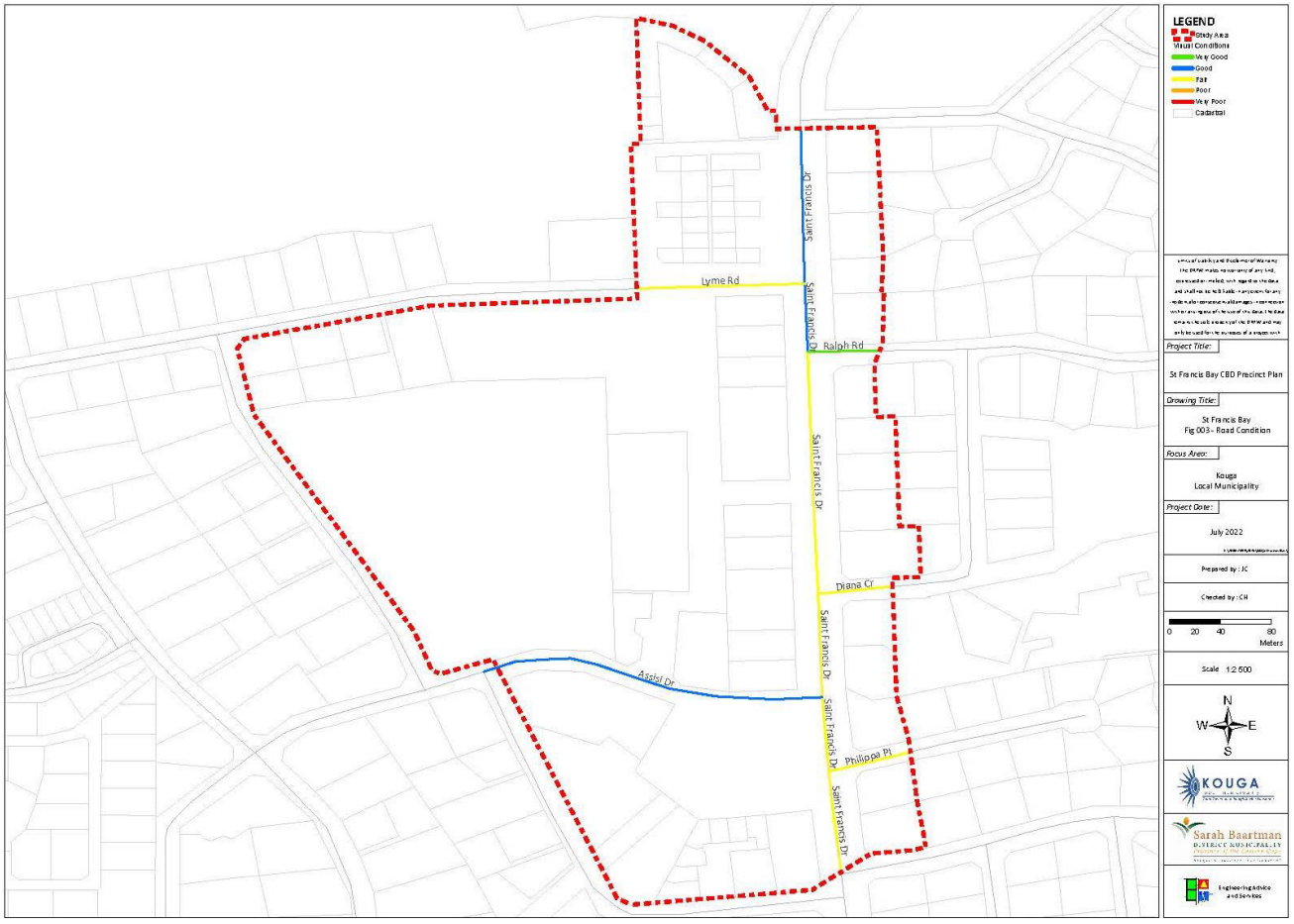
96.5% of the roads in the precinct area are all in "Fair" or "Good" condition. It is noted that since these assessments were conducted, St Francis Drive, and Lyme Road have been resurfaced thus increasing the proportion of roads in the Very Good category to approximately 48% and reducing the proportion of roads in "Fair" condition to approximately 7%.

It is heartening to see that all the municipal roads are rated fair or better.

The road conditions are indicated on the plan below.



Very Good Road Surface – St Francis Drive



Plan 16 : Road Condition

5.2 Existing Traffic Flow & Movement

Since St Francis Bay is a popular tourist destination, traffic volumes fluctuate substantially throughout the year. During peak holiday periods traffic volumes can increase by approximately 100%, with in particular the collector roads in the CBD precinct (St Francis Drive and Lyme Road) experiencing very high traffic volumes. During these periods, localised traffic congestion does occur at intersections, but is generally temporary in nature.

During holiday periods, high pedestrian volumes are also evident, especially in the CBD area given the retail and leisure opportunities in the CBD precinct, but also between beach areas and residences and the CBD precinct thus adding to the overall congestion of the CBD. Given the lack of facilities for pedestrians, particularly at some junctions, safety can be a concern.

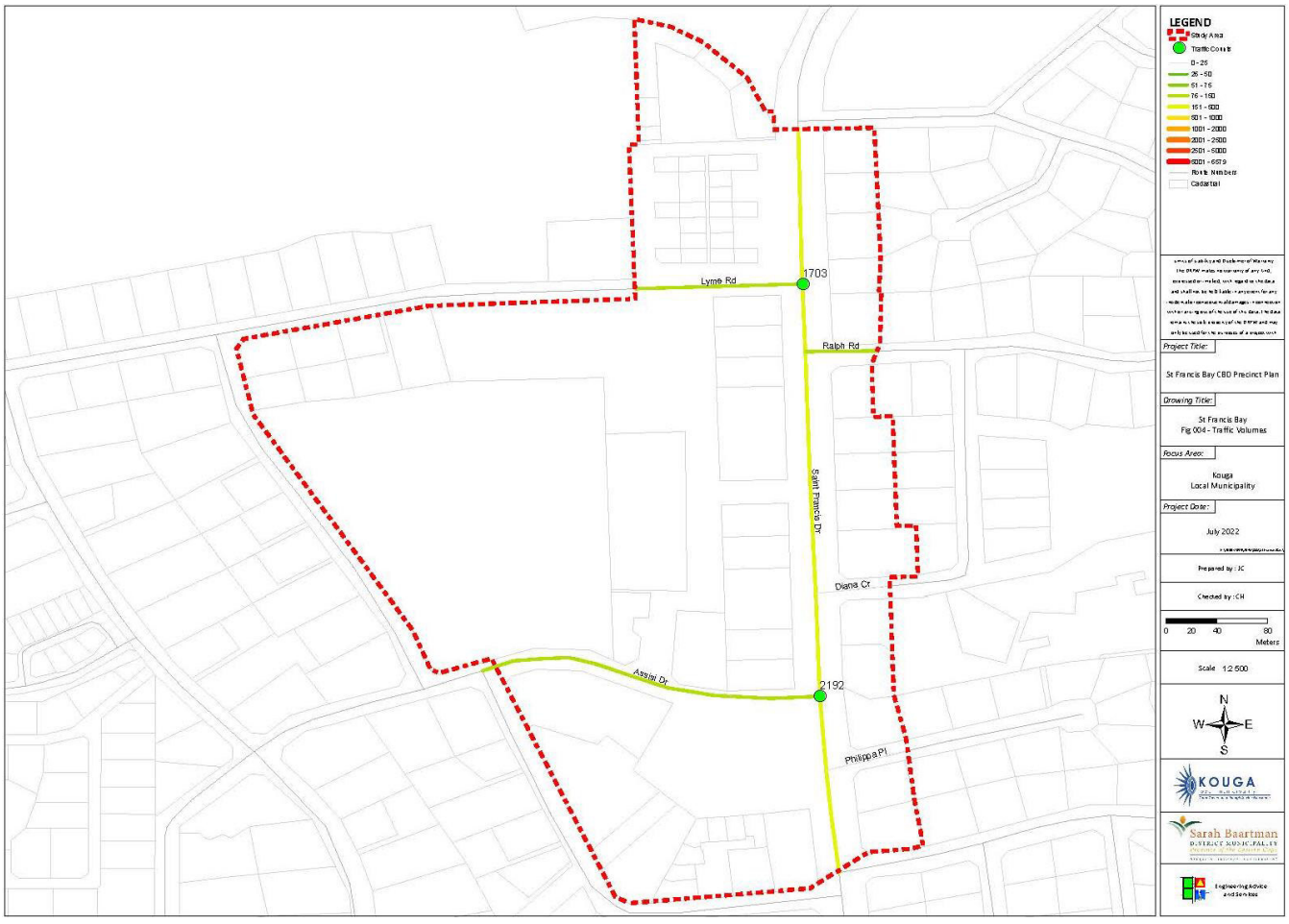
Outside of holiday periods the traffic volumes and pedestrian movements in the CBD are considered to be relatively low, mostly related to retail customers.

5.3 Traffic Flow

Traffic volumes at strategic intersections in and adjacent to (that would impact on) the CBD area were recorded over 12-hr periods from 06:00 to 18:00 during May 2019 and June 2021 as part of the RAMS currently being prepared by EAS on behalf of the SBDM. Peak hour surveys conducted as part of traffic impact assessment prepared for developments adjacent the precinct were also sourced. The locations of the traffic counts are indicated on the plan below.

Constant traffic volumes are experienced throughout the day given the location of the CBD precinct along the main Collector roads in St Francis Bay giving rise to passing traffic as well as flows between the precinct and the surrounding residential areas throughout the day.

The total surveyed volumes passing through the count stations in the precinct are summarized in the graph below. The graph indicates the distribution of traffic flow throughout the day.



Plan 17 : Traffic Count Locations & Link Volumes

5.4 Traffic Composition & Distribution

The traffic count data indicates the approximate ranges of traffic volumes on the roads in the Precinct Plan area as a guide. Note that it is not possible to accurately determine volumes on all links without conducting extensive junction and link surveys.

Current traffic volumes consist of light, medium and heavy private vehicles as well as minibus-taxi vehicles. The results of the surveys indicate that approximately 91.9% of traffic recorded in the precinct area are light vehicles and 8.1% is heavy vehicle traffic. These volumes are within expected ranges.

4.7% and 0.7% of recorded vehicles are minibus-taxis and buses respectively.

Heavy vehicle traffic impacts on the condition of the road network, particularly if the condition is already poor. It is then a matter of time before a road would need to be completely reconstructed.

5.5 Traffic Flow Variation

Capacity analysis of the junctions at which traffic volumes have been surveyed has also been conducted to indicate the level of service at these junctions, both during normal and peak season periods.

Operations during the out of peak season periods are generally in the order of LOS A to LOS B.

In order to assess the impact of operation of affected junctions during peak holiday season, it is necessary to either source peak season volumes or apply an expansion factor to escalate normal traffic to peak season volumes.

Normal traffic is traffic that occurs on a typical weekday during a school term, while peak season traffic is traffic that occurs during the peak holiday periods – normally Easter, June/July and Christmas/New Year.

Unfortunately, peak season traffic turning movement surveys for St Francis Bay were not available for use in this study.

In the interests of speedily addressing the requirements at the affected junctions as soon as possible however, it is necessary to investigate methods to determine traffic growth for future demand during peak holiday periods. The approach taken was to use a Modification Factor to expand surveyed peak hour traffic volume to a required peak season peak hour making use of variations in traffic flow at a permanent count station.

A paper entitled Quantification of the Natural Variation in Traffic Flow on Selected National Roads in South Africa (4) presented at the SA Transport Conference, indicates how a Modification Factor can be used to expand surveyed peak hour traffic volume to a required peak season peak hour making use of variations in traffic flow at a nearby permanent count station.

Traffic data was sourced from the permanent SANRAL count station on the N2 west of the Humansdorp Interchange (Station 729). The relationship between the data at this station on the same day as the peak hour traffic counts conducted in St Francis Bay (30 March) and peak season December data (generally the highest peak seasonal period) was used to modify the surveyed peak hour traffic to represent peak season traffic volumes at the St Francis Bay junctions.

5.6 Conclusion

The content above is based on available information sourced through other studies, traffic impact assessments and the RAMS programme conducted in the precinct area.

The major shortcoming in the precinct is the provision of parking in a disjointed manner along St Francis Drive. While the demand for parking is high it is clear that supply on or immediately adjacent to properties is unable to meet this demand, particularly during peak season periods.

Upgrade proposals must therefore seek to improve the efficiency of the current informal parking situation by reconfiguring affected areas holistically, both in terms of parking numbers and circulation as well as identifying areas that can be used for overflow parking during peak season periods.

6.0 Socio Economic Profile

The socio economic profile of Greater Kouga and especially St Francis Bay provides an indicator of population estimates, growth and broader economic indicators.

6.1 Kouga Socio Economic Indicators

- The 2016 Community Survey estimated the population size of the Kouga at 112 941.
- 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 (An average of 3,22% per annum between 2001 -2011 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.
- The largest percentage of the population resides in the towns of Humansdorp and Jeffreys Bay.
- The large rural population gives a clear indication of the importance of rural development and the impact of rural development on socio economic growth and upliftment.
- 4.4% of persons reside in St Francis Bay (4 933).
- 13% of the total Kouga population does not have any schooling.
- A total of 69 100 individuals in Kouga Municipality were considered functionally literate in 2016, while 14 100 people were considered literate.
- It was estimated that in 2016, 14.42% of all the households in the Kouga Municipality, were living on R 30 000 or less per annum.
- The per capita income in Kouga Municipality in 2016 is R55 000 which is higher than the Sarah Baartman District Municipality of R49 700.
- Dependency ratio is 53,2 (2011).
- 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.
- 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 community services sector of 23.9%, followed by the finance sector of 15.3%.
- Kouga municipality's environmentally active people 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.

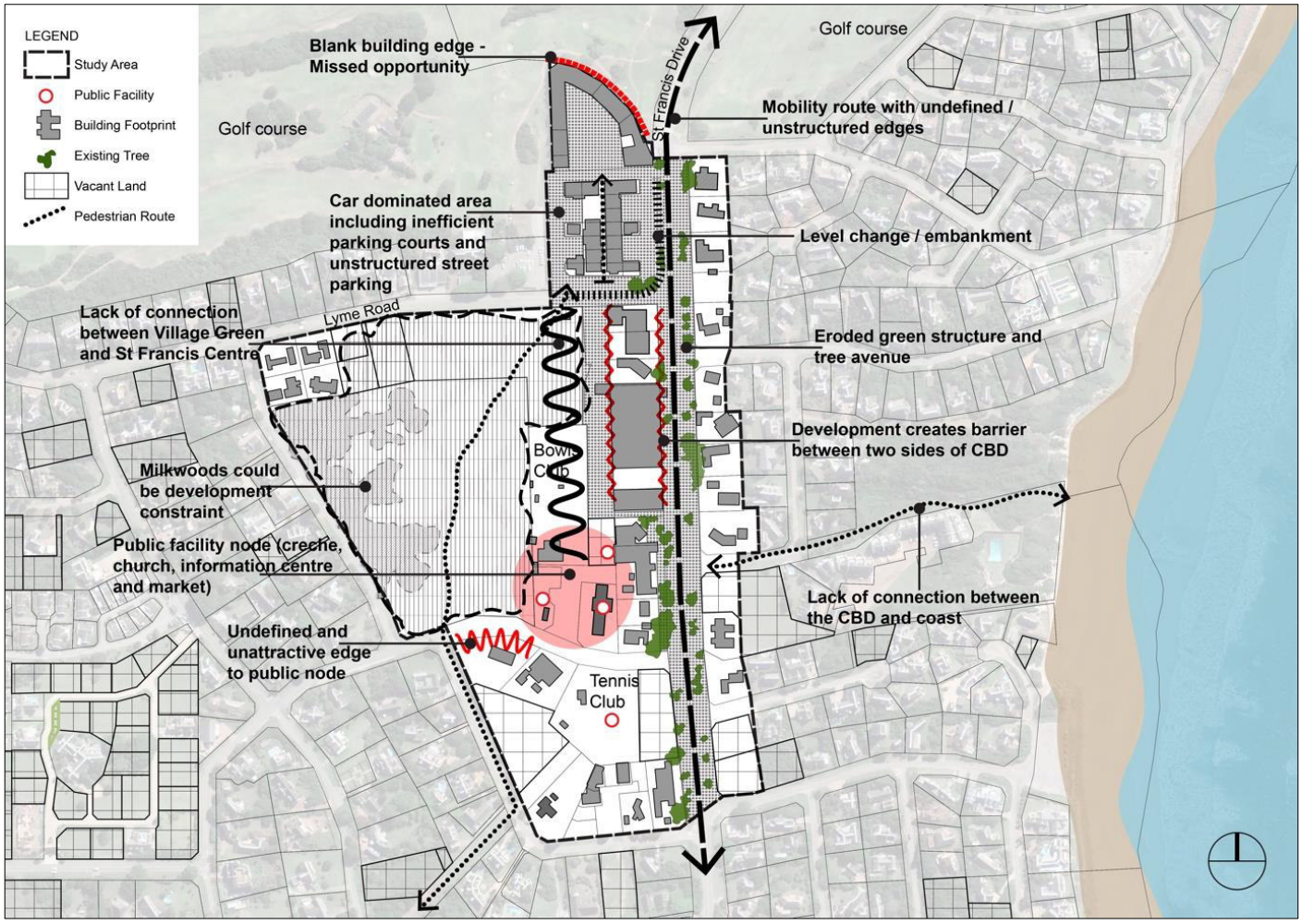
7.0 Synthesis and Key Development Issues

Based on the status quo analysis of the study area, the following strengths / opportunities and weaknesses / threats have been identified.

SWOT Analysis	
Strengths / Opportunities	• Well defined CBD edge • Institutional and Municipal support facilities • Strong business and retail component • Expansion opportunities on Erf 400 and east of St Francis Drive • Centrally located with good accessibility through Lyme Road South and St Francis Drive • Tourism hub and tourism support facilities • Service centre function for the greater St Francis and Cape St Francis internal services availability • Reconfigure St Francis Drive verge to maximise parking provision • Can reconfigure St Francis Village parking area to improve pedestrian experience • Create a better pedestrian environment with connected pedestrian routes and places to meet/connect/rest/socialise • Create opportunity for businesses to spill out in the public domain • Improve the character and functioning of the edges & verges of St Francis Drive • Integrate and activate the green space on Erf 400 • Connect the CBD to the beach • Improve the connection of the CBD to Sea Vista



Weaknesses / Threats	
	• Limited area for future expansion and growth • Lack of bulk infrastructure to accommodate large scale expansion • Possible negative impact on surrounding residential character • The need to upgrade road infrastructure and surfaces • Poor access management impacts on mobility function along St Francis Drive • Environment is car dominant with non-motorised users not adequately catered for • Inefficient use of parking space • Car dominating the public environment • Seasonal pressure of traffic • Deterioration of road edges and green structure • Lack of pedestrian linkages


LEGEND
Study Area
Public Facility
Building Footprint
Existing Tree
Vacant Land
Pedestrian Route
Blank building edge - Missed opportunity
Golf course
Golf course
St Francis Drive
Mobility route with undefined / unstructured edges
Car dominated area including inefficient parking courts and unstructured street parking
Level change / embankment
Lack of connection between Village Green and St Francis Centre
Lyme Road
Eroded green structure and tree avenue
Development creates barrier between two sides of CBD
Bowls Club
Milkwoods could be development constraint
Public facility node (creche, church, information centre and market)
Lack of connection between the CBD and coast
Undefined and unattractive edge to public node
Tennis Club

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT5**

SPONSORSHIP REQUEST OF R150 000 TO SUPPORT TOWNSHIP TOURISM EVENT -2022 JBAY 1ST ANNUAL PICNIC

1. Purpose

The purpose of this item is to seek Council's approval by funding and supporting the 2022 Jbay 1st Annual picnic in Kouga Local Municipality, ward 2. This event will be hosted by Bhejula Investment.

2. Background

KLM has received a request for sponsorship of an event Bhejula Investment is an entertainment/events PDI owned company. It's a small company designed to meet the ever changing demands of the entertainment industry in Jeffreys Bay and with well-versed experience in holding big events.

Bhejula Investment offers an opportunity to a national artist to perform at Jeffreys Bay as an entertainment destination for travellers who will be on the Festive Week mood. JBay 1st Annual Picnic Event will bring enhanced experience to the Summer festivity as a whole with variety of music from national and local artists.

3. Motivation

LED is an approach that supports local collaborations, thereby achieving sustainable economic growth and development. The role of Local Government is to create an enabling environment for local economic development to thrive.

This event is directed to benefit the community of Jeffreys bay and surroundings through events, tourism, accommodation and indirect economic generation for other tourism supporting industries for the area.

Kouga Local municipality is in a process of transformation the tourism industry and the development of township tourism/economy through tourism/events, product development, and support.

Funding support of R150 000 is requested by the organizers of the 1st Jbay annual picnic for the 2022/2023 financial year as seen on **Annexure A**. This funding will cater for the following items:

- Catering
- Event marketing
- Stipend for volunteers
- Appointment of security
- Assistance in marketing of local products (market stalls)

4. Comments by Directorates:

4.1 Municipal Manager

The item and recommendations are supported

4.2 Deputy Municipal Manager

Item noted.

4.3 Chief Financial Officer

Report is noted

4.4 Acting Director: Corporate & Digital Services

Item is noted

4.5 Director: Community Services

Item noted

4.6 Director: Planning, Development & Tourism

Item noted.

4.7 Acting Director: Infrastructure & Engineering

Noted

5. Financial Implications

- R150 000.00 (Hundred and Fifty Thousand rand)as per funding proposal
- Approved budget of R200 000.00 has been allocated for township tourism events in 2022/23 Budget Ukey 20220707986884

6. Legal Implications

Section 67 of the MFMA reads as follows:

Funds transferred to organisations and bodies outside government
67. (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—

(a) has the capacity and has agreed—

(i) to comply with any agreement with the municipality;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;
(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement;
and
(c) has in respect of previous similar transfers complied with all the requirements
of this section.
(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided
that—
(a) subsection (1)(a) and (b) is complied with; and
(b) the relevant provincial treasury has approved the transfer.
(3) The accounting officer must through contractual and other appropriate mechanisms
enforce compliance with subsection (1).
(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or
used by government as an agency to serve the poor, provided—
(a) that the transfer does not exceed a prescribed limit; and
(b) that the accounting officer—
(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

7. Recommendations

7.1 That Council approves the funding amount of R150 000.00 (Hundred and Fifty

Thousand rand) including VAT. towards the 2022 1st Jbay Annual Picnic hosted in the Kouga Local Municipality area.

7.4 That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with Bhejula Investment in respect of sponsorship stated in (7.1) above and that the Municipality is at liberty to request any further and/or additional information in respect of the expenditure report and company to comply with all reporting, financial management and auditing requirements as stipulated in this Agreement.

Item prepared by Tourism, Information and Marketing Officer: 

Item approved by the Director PDT: 

Item endorsed by the Municipal Manager : 

Item noted by the Portfolio Chairperson: 

ANNEXURE A



7 Magnolia Crescent
Fountain Estate
Jeffreys Bay
6330
chumamakasi 69@gmail.com
073 458 6115

Ms L Thole

Planning and Tourism

Dear Ms Thole

Please accept this letter and accompanying information as our request for sponsorship of our application for the Jbay annual picnic.

This application concerns:

1.Catering R36 000

2.Marketing R50 000

3.Payment of volunteers R6 000

4.Security R30 000

5. Community upliftment through social market R28 000

5.Total = R150 000.00

Conditions: Identification of local business

Jbay Annual Picnic will assist small businesses at kouga by setting up stations where, they will be selling their craft and products at the event. 20 Vendors will be allocated stalls and transport as part of our CSI contribution of giving back to the community as a whole.

We would like to thank you in taking time to review our application. We anticipate it supports ministry goals for uplifting community and we anticipate your letter of sponsorship in the near future.

Thank you and kind regards.

Chuma Kondile

INVITATION PROPOSAL TO KLM FOR PROPOSAL & PROMOTION OF THE EVENT

BHEJULA INVESTMENT

BHEJULA INVESTMENT

PRESENTS A PROPOSAL FOR JBAY 1ST ANNUAL PICNIC EVENT

TABLE OF CONTENT

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2. Purpose of JBay 1st Annual Picnic.....page 13-15

3. Budget Breakdown.....page 15-18

4. Estimated stats for attendance .....page 18-20

BHEJULA INVESTMENT ALL ABOUT US

Bhejula Investment is an entertainment/events company, the project started in 2014 and the company was founded in 2018 by Chuma Kondile (CEO).

It's a small company designed to meet the ever changing demands of the entertainment industry in Jeffreys Bay and with well versed experience in holding big events.

And, with the dedicated small staff to meet the demands of the region and help our clients achieve their expectations at best.

OUR MISSION

To provide turn key solutions to entrainment events that are beyond conventional.

To offer unique and breath taking experience to our clients and region as a whole.

To handle all creative, technical and logistical elements using the top service providers and entertainers.

We are dedicated to salient details for entertainment event with highest quality and help create memorable moments through creative and proper planning.

We provide worry-free, budget conscious and sound logistical planning to our clients and the public in general. To promote diversity and cultural inclusivity

OUR VISION

To ensure client satisfaction and loyalty as we deliver personal and unique experiences that are beyond expectation and create long term loyal relationships by consistently providing outstanding service that creates an overall extraordinary event experience.

1. Event Details

- **Event Name**: JBAY 1ST Annual Picnic
- **Date**: 23rd December 2022
- **Venue**: Tokyo Sexwale Stadium
- **Time**:12h00 – 02h00 am
- **Concept**: Bhejula Investment offers an opportunity to a national artist to perform at the Bay as an entertainment destination for revellers who will be on the Festive Week mood. JBay 1st Annual Picnic Event will bring enhanced experience to the Summer festivity as a whole with variety of music from national and local artists.

1.1. The Project Plan -Performing Artists

- National Artists: JAZIEL BROTHERS, AFRO TRACTION, ZONKE, AKA, SAMTHING SOWETO,AMI FAKU, MDU, YANGA AND PROFFESOR

- Local Artists: Chrisbeats,The Waves,Dj Scelo

1.2. Benefits to the community

- Support local businesses.
- Local Artist's awareness campaign.
- Crime Reduction campaign.
- Recreation and fun.

Brand engagement

Hennessy COGNAC

SAB The South African Breweries Limited

Rémy Martin Fine Champagne Cognac

Tanqueray

LET'S MEAT

Brand engagement

- Distell – will be having their branding in the VIP area and pay for two national artists. Distell will give complimentary stock at the VIP area and promoting the products during the event
- Edward Snell will promoting the products and branding on the day of the event and pay for one national artist

Brand engagement

- Red Bull will be branding and giving away free red bull for the VIP area.
- Bay TV will cover snippets of the event and interviewing the crowd and artists

1.3 **Benefits to Sponsors/Partners/Promoters**

The core purpose of the event is to feature and promote the entertained community. Throughout the Summer event, our partners/sponsors/promoter will have branding on all
materials and marketing campaigns related to the event. These benefits will include the following:

Printed Material: Flyers, Posters & Banners

Digital Material: Social Media Pages , Ads &Photos

Radio & TV: Radio & TV ad spots and broadcasting

On-Site Sponsorship Opportunities:

- Featuring partners, promoters & sponsor's products.
- Distributed materials provided by our partners

Channel Opportunities



1.4 Purpose of the JBay 1st Annual Picnic

- Offers students, youth and elders an opportunity to socialize casually and collectively in an exciting and safe environment, while providing management with successful events to showcase the amenities, foster new resident outreach.
- Seek community renewal and revitalize the

sense of togetherness and citizenry amongst people.

1.5 Targeted Groups and Demographics:

- Gender: Males & Females
- Age: 18-24=62%, 25-34=%32 Other=6%
- Education/Work: 36% college or graduate school, 43% young professional, 21% other.

1.5 Marketing Strategy:

- Our marketing strategy is to simply blend in with our target markets daily routine, by strategically associating with lifestyle programs of our partners/sponsors/promoters and supporters
- Our "ace up sleeves" is the catchment crowd during the Festive Season… let the attendees know early in order to arrange logistically.

1.7 Look and Feel:

- Promote artists, brand awareness & brand loyalty.
- Exclusive Partnership to the event.
- Chance to invite Guests, VIP's and stakeholders.

BHEJULA INVESTMENT

1.8 Invitation Proposal for Partnership

- Bhejula Investment invites KLM as partner/sponsor/promoter in hosting of the event.
- To bring extensive marketing spectrum for Bhejula Investment (Pty) Ltd.
  - We would like KLM to be one of our partners and be associated with the brand and event for the (**Next Three Years).**

1.9 Contact Details

Mr. Chuma Kondile

Cell no: 073 458 6115

E-mail: chumamakasi69@gmail.com

2.1. Budget Breakdown Artists

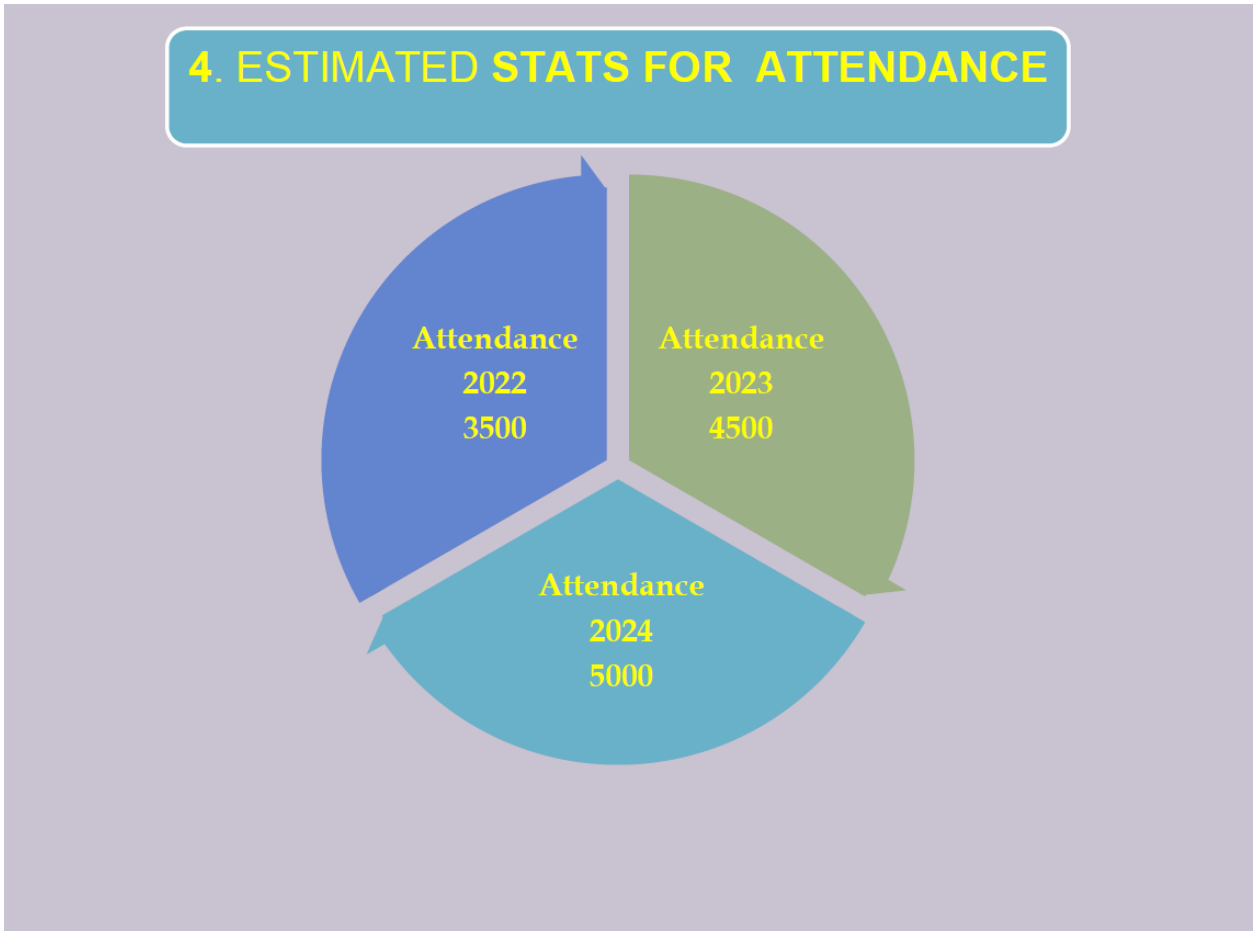
Artists/DJs	Fee	Travel (23-24 December 17)	Hotel:(R950 per night	Per Diem (R 300 pp)
JAZIEL BRO	R100 000	1	1	1
ZONKE	R200 000	2	2	2
AKA	R100 000	2	2	2
Mdu Masilela	R50 000	4	4	4
AFRO TRAC	R 50 000	3	3	3
YANGA	R 40 000	2	2	2
AMI FAKU	R 35 000	2	2	2
SAMTHING	R 60 000	1	1	1
Fohloza&Luv	R 5 000 x 2	0	0	0
Dark Oakes	R5 000	0	0	0
Sabelo & Cute	R5 000 x 2	0	0	0
Subtotal DJ's	R650 000	R 30 000	R15 200	R4800

2.2. Budget Breakdown for Service Providers

tem	Fee	Description
Security	R30 000	Personnel and tags
Medical Team	R5 300	Staff and ambulance
Liquor License	R3 500	Permission to sell liquor
Public Liability	R7 200	Insurance
Marquee	R65 000	Floor and furniture
Catering	R36 000	R 180 pp x 200
Volunteers	R6 000	Personnel
Marketing	R50 000	Posters & flyers
Stage equipment	R150 000	Truck and tables
Subtotal Services Prov.	R 1,003,000	

2.3. Budget Breakdown For Logistics

Item	Fee	Description
Production	R 150 0000	Videos by Isozama
Bouncers	R 12 000	8
Cosmetics & refreshers	R 1800	30 towels @R60
Toilets	Cost on booking	30 public toilets
VIP Tags	R 10 000	220
MC	R 12 000	TBC
Subtotal	R 185 800	
Subtotal Artists/DJ'S	R 1,003,000	
Subtotal Service Prov.	R 268 100	
Total	R 710 440	
VAT	R 224 322	
Grand Total	R 1 944 122	Estimated budget for Picnic


4. ESTIMATED STATS FOR ATTENDANCE
Attendance
2022
3500
Attendance
2023
4500
Attendance
2024
5000

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING, DEVELOPMENT & TOURISM

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/PDT6**

GRANT IN AID

1. Purpose

The purpose of the item is to report to the Kouga Municipal Council on the recommendations by the Grant in Aid Committee for the 2021/22 Calendar Year.

2. Background

The Kouga Municipal Council approved the Grant in Aid policy in 31 May 2017 this was amended after 2017 to address the numerous request it receives from the public organizations for funding on an annual basis. Section 152 of the Constitution (Act 108 of 1996) accords the Kouga Municipal Council to allocate and distribute grants.

Grant in Aid notice no. 118/2022 was advertised in the Kouga Express on the 18th of August 2022 and submission closed on 15 September 2022. Fifteen applications were received for the 2022/23 Financial Year.

The grant in aid committee, in its meetings held on 29 September and 26 October considered the qualifying applications in terms of advertised categories and policy requirements and made recommendations for approving 5 qualifying organisations namely:

- Humansdorp Museum Association
- Sakhe Singamadoda Youth Programs
- Salvation South Africa Kouga Kruisfontein Future Farmers
- On Eagles Wings Multi-Purpose Centre
- Lifesaving Nelson Mandela Bay

The amounts were allocated according to the available budget as specified in the recommendations below.

3. Legislative Context

The following enabling legislation has been considered in the Grant-in aid allocations process:
MFMA s67:

(1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—
(a) has the capacity and has agreed—
(i) to comply with any agreement with the municipality;
(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;
(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
(c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that—
(a) subsection (1)(a) and (b) is complied with; and
(b) the relevant provincial treasury has approved the transfer.

(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided—
(a) that the transfer does not exceed a prescribed limit; and
(b) that the accounting officer—
(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

Kouga Grant-in-aid policy:

In terms of the Grant in Aid Policy, only organization contemplated in Section 67 of the MFMA, which is either registered in terms of Section 13 on the Non-Profit Organization Act, 1997 or a company incorporated as a non-profit company in terms of the Companies Act, 2008, or an organ of state or properly

constituted community, a welfare or voluntary organization which has a constitution, provable active membership and an annual general meeting held within the previous 12 months.

4. Legal Implications

Legal implications: failing to effect payment in line with the provisions of the Policy and the MFMA may result in any such payment being considered to be irregular expenditure ad defined in the Municipal Finance Management Act

5. Financial Implications

Financial Implications are as follows:

Planning, Development & Tourism: Tourism – 2022/23 Financial Year

Annexure A – Grant in Aid Budget Verification

Community Services – 2022/23

Annexure B – Sports & Recreation Grant Budget Verification

6. Comments by Directorates:

6.1 Director: Planning, Development and Tourism

The item and recommendations are supported.

6.2 Acting Director: Corporate & Digital Services

Item noted.

6.3 Director: Community Services

Item noted

6.4 Acting Director: Infrastructure & Engineering

Item noted.

6.5 CFO

Recommendations are supported.

6.6 Municipal Manager

The report is noted and the recommendations are supported.

7. Recommendation

7.1 That Council **approves** the recommendations of the Grant- in- aid Committee to allocate funds as follows:

ORGANISATION	**GRANT ALLOCATION**	**DIRECTORATE**
Humansdorp Museum Association	R200 000.00	Planning, Development & Tourism
Sakhe Singamadoda Youth Programs	R33 750.00	Planning, Development & Tourism
Salvation South Africa Kouga Kruisfontein Future Farmers	R100 000.00	Planning, Development & Tourism
On Eagles Wings Multi-Purpose Centre	R50 000.00	Planning, Development & Tourism
Lifesaving Nelson Mandela Bay	R75 000.00	Community Services

Item prepared by the Director PDT: _____

Item endorsed by the Municipal Manager: _____

Item noted by the Portfolio Chairperson: _____

ANNEXURE 1: APPLICATION SCHEDULE

NAME OF ORGANIZATION	*MAIN PURPOSE OF THE BUSINESS*	*TYPE OF REGISTRATION CERTIFICATE*	*DETAILED BUDGET WITH MOTIVATION*	*AMOUNT REQUESTED*	*BUSINESS IMPLEMANTATION PLAN*	*SIGNED AUDITED FINANCIALS*	*AREA FOR WHICH FUNDING IS REQUESTED*	*OUTCOME*
1. HUMANSDORP MUSEUM ASSOCIATION	The main purpose of the organization is to promote the conservation of cultural heritage through educational programs and communication with the public in general and target groups as identified for this purpose to initiate, facilitate and support research projects aimed at the preservation of the area's cultural heritage.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Heritage and Museums	Approved – R200 000 for renovations and operations
2. SAHKE SINGAMADODA YOUTH PROGRAMS	Sakhe Family Care main purpose is Economic Development and Independence, Education and Family relationship areas around Kouga, as these factors are key catalysts in the alleviation of poverty promotion of youth development and building sustainable and safe family systems that can function at their optimal level.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Approved - R33 750.00 for sewing machines
3. SALVATION SOUTH AFRICA KOUGA KRUISFONTEIN FUTURE FARMERS	Future Farmers - the funds are received the needed implements and materials will be bought for making of compost, the housing for the boilers, seed / seedlings and materials for the construction of a small greenhouse.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R 200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Agriculture – Farming	Approved for R100 000
4. ON EAGLES WINGS MULTI-PURPOSE CENTRE	On Eagles Wings exists for the purpose of contributing toward the elimination of all forms of violence against individuals, especially women and children. The aim is to upskills woman and unemployed individuals in sewing, mosaic, handcrafts, flower arrangements ect.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R 171 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Approved for R50 000 (Mosaic project)

	Funds are requested for: • 15 Sewing Machines • Sewing Material • Mosaic Material • Handcraft Material • Cooking & Baking Utensils • Cooking & Baking Ingredients • Flowers in Bulk • Basic Entrepreneurship Skills Course							
5. LIFESAVING NELSON MANDELA BAY	Lifesaving Eastern Cape's main purpose is to manage it affiliate districts to be able to produce high performance lifeguards and athletes across the Eastern Cape according to Lifesaving South Africa standards. The role is to ensure lifeguard training and testing are done to the highest standard. <u>Eastern Cape Champs Financial Needs Layout</u> • Prize Giving (Medals and Trophies) • Event Safety (Water Safety Craft Transport & Fuel, Medics Incl. Ambulance & Security) • Event Infrastructure (Stretch Tent)	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R 75 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Recreation & Sport	Approved for R75000.00
6. JEFFREYS BAY RECYCLING PROJECT	Empowering children through education, connection, awareness and responsibility. To enable children to trade collected recyclable material for basic necessities. This enables them to remain in school and develop into a fully rounded individuals with dignity. The funds are required to purchase: • The necessary stock for which the children may trade	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R299 800,00	Business Implementation Plan Submitted	Audited Financials Submitted	Tourism	Not Approved – No previous reports submitted and the requested amount is above the advertised amount.

	their collected recycling • To be able to pay the casual labor to weigh and sort recycling, • Maintain and make necessary repairs to working environment, • Replace digital platform scale and laptop computer as and when necessary, • Purchase personal protective equipment, to pay stipend to the Project Co-Ordinator.							
7. OASIS RADIO TATION	The main purpose of the organization is Community Development through Radio Broadcasting and Community Outreach. The aim is to buy: • Power Inverter System • Solar Panels • Deep Cell / Lythium Battery Pack • Diesel Generator • System Installation Cost • Ancillary Equipment	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Not Approved – Not Align With Focus Areas As Per Notice 118/2022
8. Timion	Their aim is to dedicate support to marginalized children with physical disalibilities and their families. 85 % of the children have Celebral Palsy. The grant funding will allow Timion to expand the training and development of local previously unskilled individuals who reside in Kouga.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R193 000, 00	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Not Approved, Only Requested Operational Costs
9. THE WAGNER FOUNDATION	The Wagner Foundation seeks to establish a sustainable Youth and Resource Centre in Andrieskraal, Eastern	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R 200 000.00	Business Implementation Plan Submitted	Not submitted	Local Economic Development	Not Approved, Due to non-submission of Audited Financial

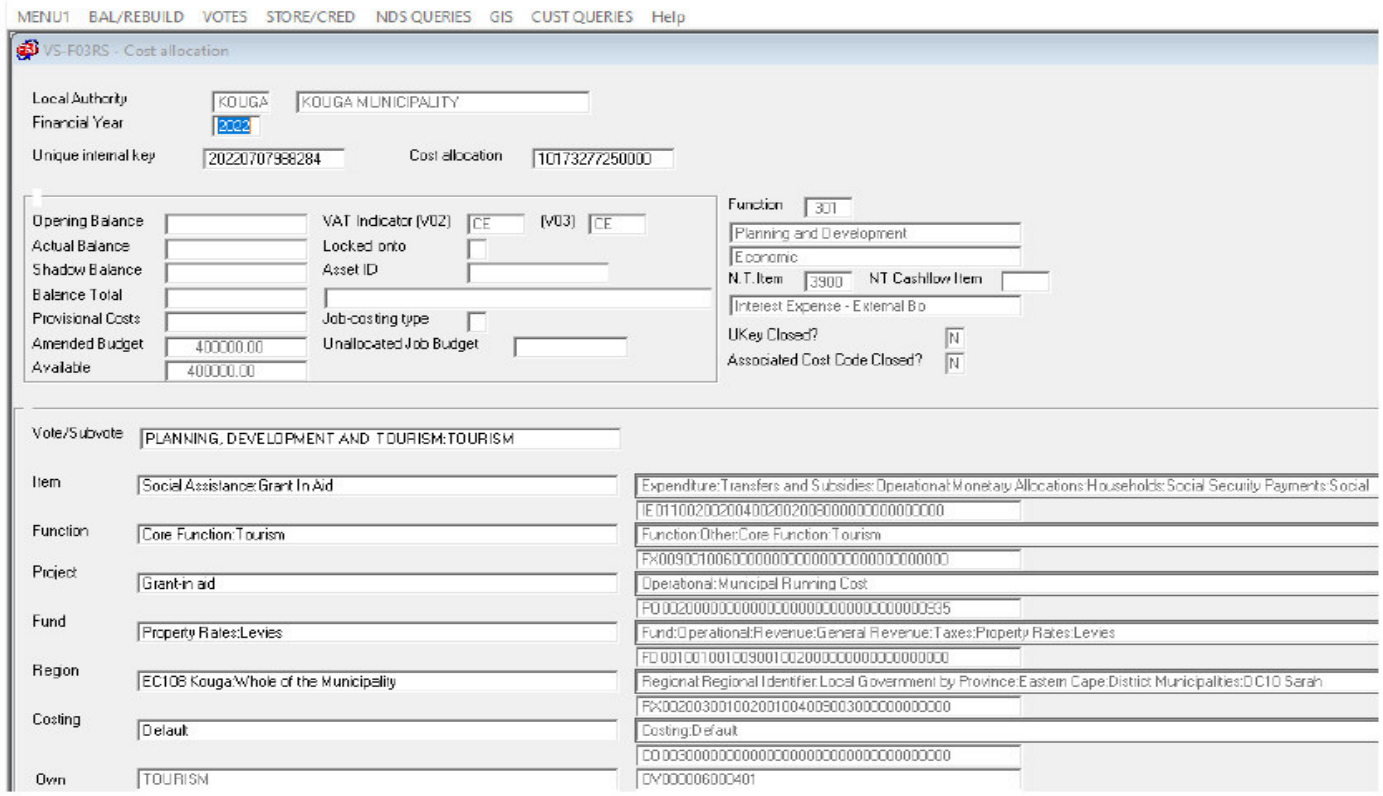
	Cape, South Africa will be known as: The Wagner Foundation Youth Resource Centre of Andries Kraal.							Statements.
10. LUKHANYO MEMORIAL TRUST	The mission of Lukhanyo Trust is to create a youth sport program in the Kouga area increasing both sport participation rates and healthy development of the area's youth through soccer and help decrease the number of road accidents and death.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R70 000.00	No Business Implementation Plan Submitted	Not submitted	Local Economic Development	Not approved, Due To Financial Statements And Business Plans Not Submitted As Requested
11. NICOLE'S FITNESS FURY (PTY) LTD	Nicole's Fitness Fury is an online fitness company, established in 2021. The clients of the company participate in the fitness programs by making use of exercising material helps the clients to reach amazing goals. Funding will be utilized to buy gym gear to invest in the physical needs of its clients, to create job opportunities and economic growth in Kouga.	Registration Certificate Submitted	Detailed Budget Motivation Submitted	R 135 367,43	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Not Approved Non-Compliant Policy Does Not Make Provision For Pty's
12. CHILD WALFARE SOUTH AFRICA HUMANSDORP	The aim is promote, protect and enhance the safety, well-being and health development of children and families. The organization offer social work services, statutory services, soup kitchen, feeding scheme, aftercare and back to school programmes.	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R 200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Social Services	Not approved, Does Not Align With The Focus Areas As Per Notice 118/2022
13. MASIKHATHALE LANENI NPC	The main purpose of the Organization is to assist communities in Disaster Management, Food Nutrition, Food Garden and Awareness Programmes.	NPC Certificate Submitted	Detailed Budget Motivation Submitted	R 200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Disaster Management & Food Nutrition	Not Approved, Does Not Align With Focus Areas Per Notice 118/2022
14. FRESHPRIDE	The purpose of FreshPride is to sustain the small scale as well as commercial farmers by closing the gap that presents itself between the market of their produce	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R175 000,00	Business Implementation Plan Submitted	No Audited Financials Submitted	Local Economic Development	Not Approved, No Organizations Constitution, Articles Of Association Or Trust

								Deed & No Audited Financials Submitted
15. SOUTH AFRICAN COLLEGE FOR MATHEMATICS, SCIENCE AND TECHNLOGY	The Organization render services under the prescribed skills development from the services: • Implement and Project Manage Skills Programmes; Learnerships; Apprenticeships and other learning interventions. • Mentoring and Coaching • Skills Audits • Advise, facilitate and develop Workplace Skills Plans and Training Reports • Facilitate and assist with Work Integrated Learning (WIL)	NPO Certificate Submitted	Detailed Budget Motivation Submitted	R200 000.00	Business Implementation Plan Submitted	Audited Financials Submitted	Local Economic Development	Not Approved, Entity Out Of The Kouga Area

ANNEXURE A

Planning, Development and Tourism – Grant In Aid – Budget Verification

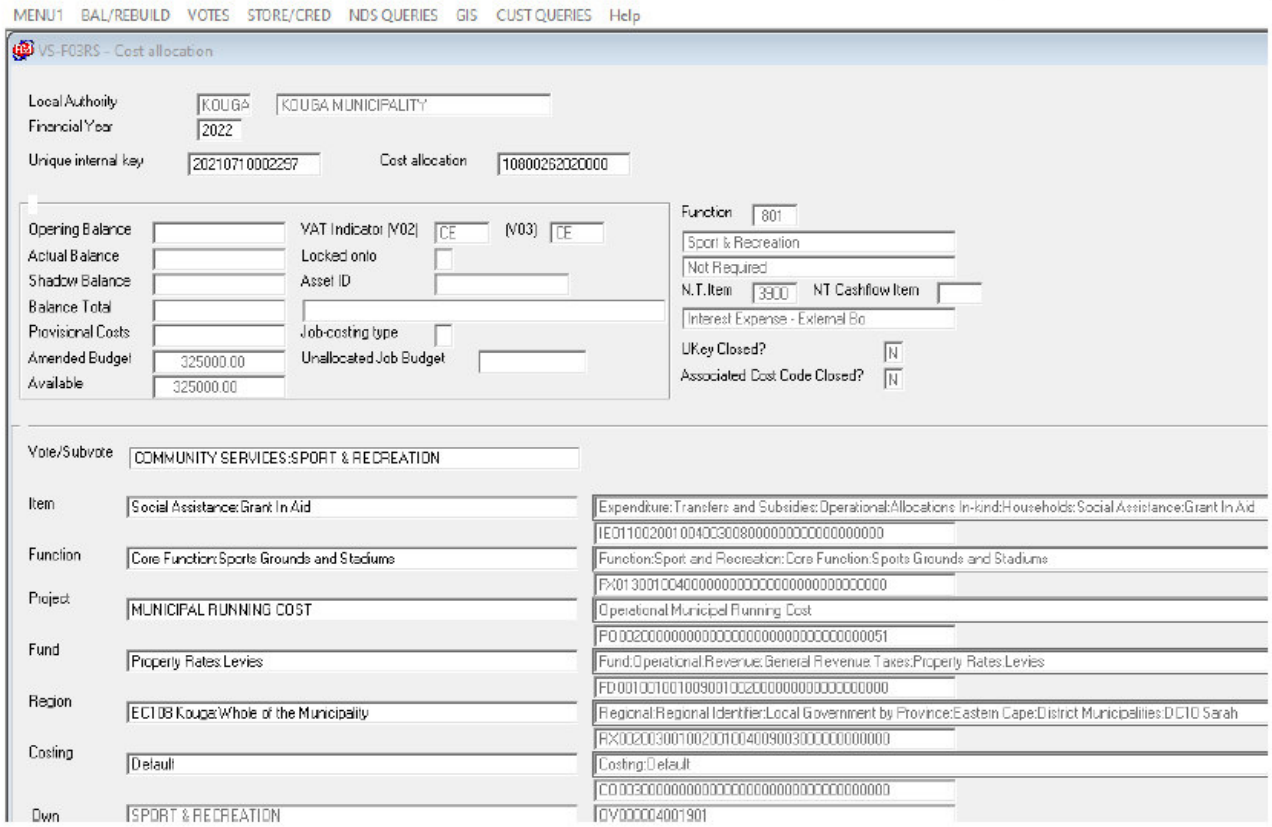
KOUGA MUNICIPALITY
2022-10-26
BUDGET &TREASURY



ANNEXURE B

Community Services : Sports & Recreation Budget Verification

KOUGA MUNICIPALITY
2022-10-26
BUDGET &TREASURY



KOUGA
local municipality
Good Governance through Service Excellence

KOUGA LOCAL MUNICIPALITY (EC 108)

ATTENDANCE REGISTER

MEETING: GIA Meeting

DATE: 26/10/2022 **VENUE:** Room 40

NAME & SURNAME	ORGANIZATION	CONTACT DETAILS	E-MAIL ADDRESS	SIGNATURE
Nomvula Machelesi	Klm	073 086 4574		
HRISTA Venter	CS	0670540402	cventer@kouga.gov.za	
Leeann Opperman	Legal Services	0818176187	lopperman@kouga.gov	
Fezeka Mabuda	PDT	0765758013	f	

KOUGA
local municipality
Good Governance through Service Excellence

KOUGA LOCAL MUNICIPALITY (EC 108)

ATTENDANCE REGISTER

MEETING: GIA Meeting

DATE: 26/10/2022 **VENUE:** Room 40

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Nomvula Machelesi	Klm	073 086 4574		
THRISTA Venter	CS	0670540402	cventer@kouga.gov.za	
Leeann Opperman	Legal Services	0818176187	lopperman@kouga.gov	
Fezeka Mabuda	PDT	0765758013	f	

REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE & DIGITAL SERVICES

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

CORPORATE & DIGITAL SERVICES

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/CDS1**

COUNCIL RECESS: DELEGATED AUTHORITY: EXECUTIVE MAYOR

1. Introduction

The coming Summer Holiday Season 2022/2023 includes a formal recess of the Council from 12 December 2022 to 13 January 2023.

During the recess, it is proposed to grant all Councillors a respite from the routine cycle of meetings whilst making provision that urgent matters be dealt with by the Executive Mayor in terms of the guidelines of the System of Delegation of the Local Government Municipal Systems Act, Act No. 32 of 2000.

2. Comment

Section 59(1) of the Systems Act stipulates that a Municipal Council should develop a system of delegation to maximize administrative and operational efficiency whilst simultaneously providing for checks and balances in respect of the person exercising the delegated authority. It is proposed that the Executive Mayor be granted authority to deal with all council matters except for:

a) The passing of by-laws;

b) The approval of the budget;

c) The imposition of rates and other taxes, levies and duties;

d) The raising of loans;

e) The amendment of tariffs;

f) The approval or amendment of the IDP.

The matters dealt with by the Executive Mayor during the recess of Council will be submitted to Council for information or review, if necessary, when Council reconvenes after 13 January 2023.

3. Comments by relevant Directorates:

3.1. *Municipal Manager:*

The item and recommendations are supported.

4. Financial implications:

None

5. Legal implications

Any decisions taken without the necessary delegated authority by Council could result in such decisions being *ultra vires* and poses a legal risk for the municipality.

5. Recommendation

5.1 That it be noted that the Council will be in recess for the period 12 December 2022 to 13 January 2023.

5.2 That the Executive Mayor be granted delegated authority to deal with all Council affairs during the recess from 12 December 2022 to 13 January 2023, subject to the following undermentioned conditions:

a) The Exercise of delegated authority shall exclude the passing of a by-law; approval of the budget; the imposition of rates and other taxes levies and duties; the raising of loans, the amendment of tariffs, the approval or amendment of the IDP;

b) That the parameters of the Procurement Policy be complied with.

5.3 That all matters dealt with by the Executive Mayor, which would conventionally have required a resolution of the Council be submitted to Council in report format for information or review at the first Ordinary Council Meeting for 2023.

Item prepared by: The Acting Director: Corporate & Digital Services

Item approved by: Municipal Manager

KOUGA MUNICIPALITY

ORDINARY COUNCIL MEETING

CORPORATE & DIGITAL SERVICES

DATE: 9 DECEMBER 2022 **ITEM NO: 22/12/CDS2**

APPROVAL TO COMMENCE WITH RECRUITMENT AND SELECTION PROCESS TO FILL THE VACANT DIRECTOR: CORPORATE & DIGITAL SERVICES POSITION

1. Introduction

The purpose of this item is to seek Council's approval to commence with the legislated recruitment and selection process to fill the vacant Director: Corporate & Digital Services position, and for the position to be advertised as a permanent position.

2. Background

On 14 October 2022, Council resolved (refer to attached Resolution 22/10/CMM1) to launch an application to set aside the Council Resolution under item 22/09/CMM1.

SPECIAL COUNCIL MEETING HELD ON 14 OCTOBER 2022: CONFIDENTIAL RESOLUTIONS

22/10/CMM1 **REQUEST FOR APPROVAL TO SET ASIDE COUNCIL RESOLUTION / DECISION**

Resolved (14 October 2022)

1. That Council authorises the Municipal Manager to launch an application to set aside the Council Resolution under item 22/09/CMM1 in line with the applicable legislative procedures.
2. That the Municipal Manager conclude a month-to-month employment contract with Mrs. Krishen Moodley pending a written legal opinion on whether an external appointment can be made without a lawful selection and recruitment process.
3. If found that Council is unable to extend an offer of month-to-month to Mrs. Krishen Moodley, the Municipal Manager must identify an internal Manager to continue as acting Director until an appointment is made.

Proposed: H Hendricks Seconded: H Bornman

On 17 November 2022, in the Labour Court of South Africa, Gqeberha, the court ordered that (refer to Annexure A):

1. *The application is heard in terms of Rule 8 and the applicant's failure to comply with the Rules is condoned.*
2. *The applicant Municipal Council's decision of 5 September 2022, in terms of which the first respondent is appointed as the applicant's Director Corporate and Digital Services, is reviewed and set aside.*
3. *The applicant shall commence with a new recruitment and selection process to fill this position within 14 days.*

In order for Council to make an informed decision, Council must consider Section 56 of the Local Government: Municipal Systems Act 32 of 2000, as amended under section 3 of the Local Government: Municipal Systems Amendment Act 3 of 2022 and promulgated on the 1st of November 2022, and which reads as follows:

"**Appointment of managers directly accountable to municipal managers**

56. (1) *(a)* A municipal council, after consultation with the municipal manager, must appoint—

(i) a manager directly accountable to the municipal manager; or

(ii) an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.

(b) A person appointed in terms of paragraph *(a)*(i) or (ii) must at least have the skills, expertise, competencies and qualifications as prescribed.

(c) A person appointed in terms of paragraph *(a)*(ii) may not be appointed to act for a period that exceeds three months: Provided that a municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph *(a)*, for a further period that does not exceed three months.

(2) A decision to appoint a person referred to in subsection (1)*(a)*(i) or (ii), and any contract concluded between the municipal council and that person in consequence of the decision, is null and void if—

(a) the person appointed does not have the prescribed skills, expertise, competencies or qualifications; or

(b) the appointment was otherwise made in contravention of this Act, unless the Minister, in terms of subsection (6), has waived any of the requirements listed in subsection (1)*(b)*.

(3) If a post referred to in subsection (1)*(a)*(i) becomes vacant, the municipal council must—

(a) advertise the post nationally to attract a pool of candidates nationwide; and

(b) select from the pool of candidates a suitable person who complies with the prescribed requirements for appointment to the post.

(4) The municipal council must re-advertise the post if there is no suitable candidate who complies with the prescribed requirements.

(5) *(a)* The municipal council must, within 14 days of the date of appointment, inform the MEC for local government of the appointment process and outcome, as may be prescribed.

(b) The MEC for local government must, within 14 days of receipt of the information referred to in paragraph *(a)*, submit a copy thereof to the Minister.

(6) If a person is appointed to a post referred to in subsection (1)*(a)* in contravention of this Act, the MEC for local government must, within 14 days of becoming aware of such appointment, take appropriate steps to enforce compliance by the municipal council with this Act, which steps may include an application to a court for a declaratory order on the validity of the appointment or any other legal action against the municipal council.

(7) A municipal council may, in special circumstances and on good cause shown, apply in writing to the Minister to waive any of the requirements listed in subsection (1)*(b)* if it is unable to attract suitable candidates.

(8) A person appointed in a permanent capacity as a manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section.

(9) A person appointed as an acting manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section only for the period of the acting appointment.

(10) Any pending legal or disciplinary action in connection with an appointment made before this section took effect, will not be affected by this section after it took effect."

3. Comments by relevant Directorates:

3.1. *Municipal Manager:*

The immediate filling of the position Director Corporate and Digital Services need to commence. The recommendations are supported.

4. Financial implications:

The process has been budgeted for.

5. Legal implications

Failure to fill the position in line with the provisions of the Local Government: Municipal Systems Act, as amended, may result in such an appointment being declared invalid and same poses a legal risk for the municipality.

6. Recommendation

6.1. That Council note the court order as stipulated in Annexure A, relating to setting aside of the Council Resolution under item 22/09/CMM1.

6.2 That Council authorizes the commencement of the legislated recruitment and selection process for the filling of the vacant Director: Corporate & Digital Services position, by advertising the said vacancy inviting applications from suitable candidates, and as a permanent position.

6.3 That the required advertisement be advertised nationally, as per Section 56 (3) of the Local Government: Municipal Systems Act 32 of 2000, as amended, within 14 days from date of the Council resolution.

6.4 That a selection panel be established and that it be noted that the selection panel for the appointment of a manager directly accountable to a Municipal Manager must consist of at least three and not more than five members constituted as follows:

6.4.1 the Municipal Manager, who will be the chairperson;

6.4.2 a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio and

6.4.3 at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.

Item prepared by Acting Director: Corporate & Digital Services: 

Item approved by the Municipal Manager: 

IN THE LABOUR COURT OF SOUTH AFRICA, GQEBERHA

CASE NO: PR 246/22

Honourable Justice Lallie **ORDERED on the 17 November 2022.**

In the matter between:

KOUGA LOCAL MUNICIPALITY **Applicant**

and

KRISHENTHRIE S MOODLEY **First Respondent**

MARLENE S BOYCE **Second Respondent**

ORDER

Having heard Mr. M Grobler, Counsel for the applicant and having considered the matter:

IT IS ORDERED THAT:

1. The application is heard in terms of Rule 8 and the applicant's failure to comply with the Rules is condoned.

2. The applicant Municipal Council's decision of 5 September 2022, in terms of which the first respondent is appointed as the applicant's Director Corporate and Digital Services, is reviewed and set aside.

REGISTRAR OF THE LABOUR COURT OF SOUTH AFRICA, PORT ELIZABETH
Private Bag X6004, Port Elizabeth 6000
2022 -11- 17
LC-PE-002
REGISTRAR OF THE LABOUR COURT OF SOUTH AFRICA, PORT ELIZABETH
LABOUR COURT

3. The applicant shall commence with a new recruitment and selection process to fill this position within 14 days.

By order of the Court

REGISTRAR

S GERBER / V V

REGISTRAR OF THE LABOUR COURT OF SOUTH AFRICA, PORT ELIZABETH
Private Bag X6004, Port Elizabeth 6000
2022 -11- 17
LC-PE-002
REGISTRAR OF THE LABOUR COURT OF SOUTH AFRICA, PORT ELIZABETH

LABOUR COURT