

2014/15

ANNUAL REPORT

GREATER TZANEEN MUNICIPALITY



OFFICE OF THE MUNICIPAL MANAGER

Civic Centre

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Tzaneen

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education and Training
AFS	Annual Financial Statements
APR	Annual Performance Report
BDS	Blue Drop Status
CBO	Community Based Organisation
CCMA	Council for Conciliation, Mediation and Arbitration
CDW	Community Development Worker
CFO	Chief Financial Officer
COGHSTA	Department of Cooperative Governance, Housing, Settlements and Traditional Affairs
COIDA	Compensation for Injury Act
CPMD	Certificate Programme in Management Development
DEAT	Department of Environmental Affairs and Tourism

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DLTC	Driver License Testing Centre
DoC	Drop off Centre (waste)
DSAC	Department of Sports, Arts and Culture
EPWP	Expanded Public Works Programme
ESD	Engineering Services Department
EXCO	Executive Committee
GAMAP	Generally Accepted Municipal Account Principles
GTEDA	Greater Tzaneen Economic Development Agency
GTM	Greater Tzaneen Municipality
GRAP	Generally Recognised Accounting Principles
HDA	Housing Development Agency
HIV	Human Immunodeficiency Virus
IDP	Integrated Development Plan
KPI	Key Performance Indicator
LED	Local Economic Development
LTA	Local Tourism Association
MDM	Mopani District Municipality
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
NDPG	Neighbourhood Development Partnership Grant

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NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NMC	National Moderation Committee
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
PA	Personal Assistant
PMS	Performance Management System
PDP	Professional Drivers Permit
PTH	Personal to Holder
RDP	Reconstruction and Development Programme
SAIMSA	Southern African Inter Municipal Sport Association
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SANS	South African National Standards
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
VIP	Ventilated Improved Pit (toilet)
WACCA	Wage Curve Collective Agreement
WSA	Water Service Authority
WSP	Water Service Provider
YGD	Youth Gender and Disability (Programme/ office)

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

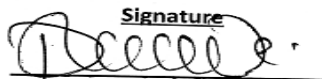
As local government, we are at the forefront of service delivery and we are the closest to our people giving us a clear picture of what our communities need. Through our Integrated Development Plan, we have put programmes in place to adequately respond to the developmental challenges that besiege our people especially our rural communities. Our integrated approach towards service delivery continues to yield significant results in the area of infrastructure development. Through the Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP) and the Neighbourhood Development Partnership Grant (NDPG) we have built new roads, sport facilities, public parks and provided electricity to thousands of households.

Our governmental approach is based on the premise of democracy, which is people-centric. It is in our view, imperative that the decisions that we take, and take on behalf of our residents find resonance in their voices. We place public consultation at the epicentre of our decision-making processes. All our activities are geared towards delivering a prosperous economy and societal integration through partnerships with all stakeholders. It is also our mission to deliver sustainable basic infrastructure and provide an atmosphere for rapid growth in order to create employment to the majority of our people. Incorporating our strong policies and programmes to the back to basic plan, we are surely on a path to delivering concrete solutions to most societal problems especially in relations to basic services.

Mayor

Her Worship,

Cllr. DJ Mmetle

Signature


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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

It is the vision of Greater Tzaneen Municipality *"To be the most prosperous economy in the country where communities are integrated and have access to sustainable basic services"*. During the 2014/15 financial year the institution worked hard towards achieving this vision in a challenging environment wherein revenue collection is under pressure due to external economic conditions, service delivery protests were increasing and changes took place in the political leadership.

GTM however managed to continue to deliver sustainable services to the local community in the form of un-interrupted solid waste collection in the urban areas and delivery of clean drinking water of Blue Drop quality. The Solid waste collection service is also being extended to the rural areas with funding and support from the EPWP programme. In spite of the nationwide electricity challenges GTM managed the ESKOM load shedding in a manner that affected major business areas minimally. In spite of maintenance budget limitations and theft of infrastructure, electricity outages are minimal in the GTM service area.

The construction of tar roads to improve the accessibility of rural areas continued to be one of the priorities of Council. During 2014/15 we completed the Thapane to Morutji, Mafarana to Sedan, Ramotshinyadi to Mokgwathi & Senakwe to Morapalala Tar roads (17.km tar roads) constructed as multi-year projects. In addition to these GTM also constructed a minor road at Politsi and a low level bridge at Mopye.

GTM further aspires to improve the lives of rural communities by improving the sports and community facilities in the various wards by constructing an Olympic size swimming pool in Tzaneen and upgrading the Lenyenye Stadium, while the planning started for five other sport fields. In addition to this, the excellent management of GTM libraries resulted in the

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Department of Sport, Arts & Culture constructing two new libraries in the area, at Mulati & Shiluvane villages.

The service delivery initiatives outlined above were all planned and executed taking the principles of good governance into consideration. Herein GTM, once again, received a Qualified audit opinion from the Auditor General for 2014/15, but with a major improvement in that this finding is based on a single qualification. On an organisational level GTM experienced a tough year since no vacancies could be filled due to labour disputes, however with the assistance of SALGA, a service provider has been appointed to assist the institution to clear the issues that are hampering progress in this regard.

Overall GTM did well in 2014/15 to continue to deliver services in spite of all the organisational challenges, a clear indication of the dedication and hard work of Councillors and Officials.

MUNICIPAL MANAGER

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Greater Tzaneen Municipality has functions bestowed upon it by the Constitution of the Republic of South Africa (Act no 108 of 1996). Our functions are amongst others as follows:

- As a water service provider, the authority being Mopani District Municipality, Greater Tzaneen Municipality provides water through tankers to villages and areas where there is a shortage. The Municipality also assists with the refurbishment of boreholes in order to provide water to communities.
- The Municipality also provides refuse removal services.
- Provision of electricity.
- Provision of sanitation, in partnership with Mopani District Municipality.
- Provision of road and storm water infrastructure.
- Considering building plans and town planning applications

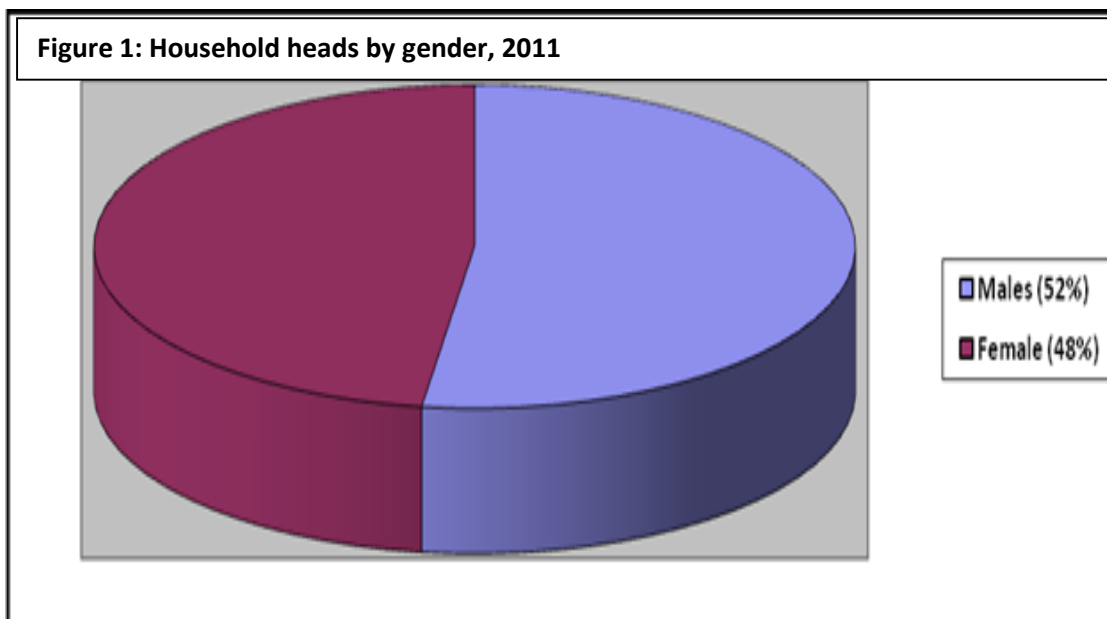
According to the Statistics South Africa (Census 2011), the Greater Tzaneen Municipality has increased its population from **375 588** to **390, 092** (an increase of 14 504) comprising of **181 558** males (Census 2001, **171 119**) and **208 536** females (Census 2001, **204 469**). Females still outnumber males as they comprise 53% of the population (54% during Census 2001). Young people between the ages of 14 – 35 constitute 40% (**156 900**) of the total population of the Municipality (See **Table 1**).

Age Group	2001			2011		
	Male	Female	% of Total	Male	Female	% of Total
Age 0-4	19086	19489	10.3%	24007	24002	13%
Age 5-9	23135	23624	12.4%	18877	18989	10%
Age 10-19	48442	49172	26.0%	40526	39299	21%
Age 20-29	29315	35811	17.3%	35280	37141	19%
Age 30-39	19388	28009	12.6%	20795	26950	13%
Age 40-49	13766	19780	8.9%	15236	22583	10%

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Table 1: GTM Population by gender and age						
	2001			2011		
Age Group	Male	Female	% of Total	Male	Female	% of Total
Age 50-59	9142	10854	5.3%	10241	14761	7%
Age 60-69	4892	8936	3.7%	6220	8763	4%
Age 70-79	3956	8784	3.4%	2856	6335	2.4%
Total	171122	204459	100%	174038	198823	100%

The graph below, **Figure 1**, represents the gender heads of households within the Municipality. According to the Statistics South Africa Census 2011, the Municipality comprises of 108 926 households (Stats Census 2001, 89,831), this represents an increase of 19 092. Males constitute 56 884 heads of households whereas females constituted 52 052. The above information shows a move in the of gender heads of households from females to males.



Source: Stats SA Census 2011

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Year	Housing backlog as proportion of current demand	Unemployment rate	% of Households with no income	% of Population in low-skilled employment	HIV/AIDS prevalence	Illiteracy rate for people older than 14
2008	14 101	20%	29%	Not known	13.00%	Not known
2009	14 145	20%	29%	Not known	28.50%	Not known
2010	13 688	20%	29%	Not known	Not known	Not known
2011	12 590	20%	29%	Not known	Not known	Not known
2012	12590	36%	13.37%	Not known	Not known	Not known

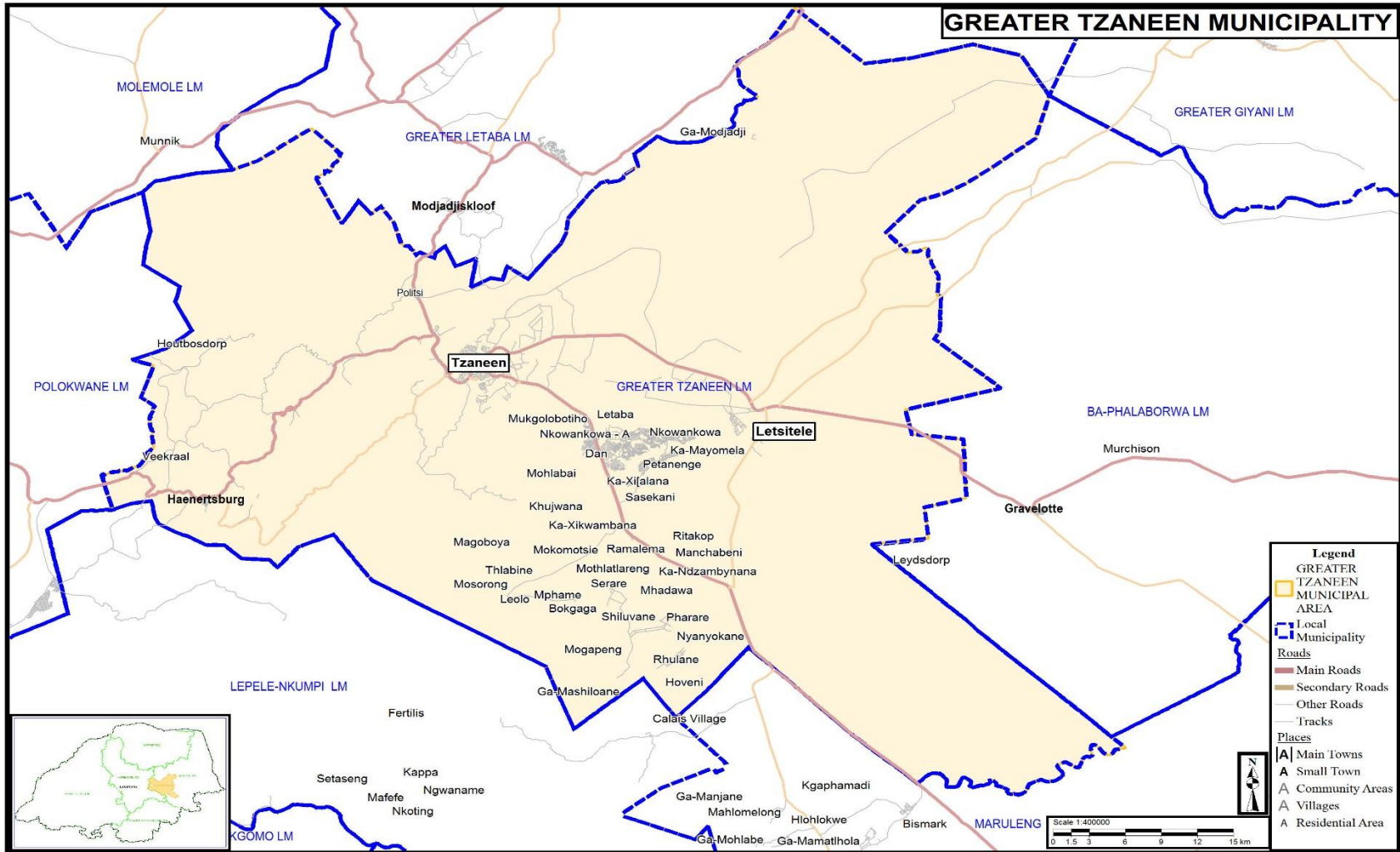
Settlement Type	Households	Population
Towns: (Tzaneen, Letsitele, Lenyenye, Nkowankowa & Haenertsburg)	16433	65734
Villages		
Total of 131 villages	63 468	317 344
Informal settlements	0	0
Total	79 901	383 078

A map of the Greater Tzaneen municipal area is presented in **Figure 2**.

Major Natural Resource	Relevance to the Community
Land	Agricultural development Mining and quarrying Property development Grazing land for domestic and wild animals
Rivers, waterfalls and dams	Water for agriculture Human consumption Tourism development/promotion
Forests	Manufacturing/sawmills Improve biodiversity and biosphere Soil conservation
Nature Reserves	Environmental management Improvement of the eco-system Preservation of indigenous species and animals Tourism

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Figure 2: Map of GTM Area



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1.3. SERVICE DELIVERY OVERVIEW

Greater Tzaneen Municipality has a responsibility to provide services to its people. During the 2014/2015 financial year, projects aimed at improving the lives of the local people were implemented in various wards and the Municipality; these are presented in **Table 5**.

Service	Activities
1. Water	<ul style="list-style-type: none">✓ An average of 94 villages supplied with water through tankers✓ More than 75% of the schools in rural areas supplied with water through tankers✓ 78 new water meters installed✓ All burst water pipes reported were attended to✓ 2000 stands in Dan Village received sewer distribution network although the project is not yet complete
2. Sanitation	<ul style="list-style-type: none">✓ All sewer blockages were attended to✓ 68 new sewer connections✓ 1300 households benefitted from VIP's
3. Electricity	<ul style="list-style-type: none">✓ 93% (101 004) of households have access to electricity✓ 761 households with pre-paid connections
4. Roads and Storm water	<ul style="list-style-type: none">✓ Thapane to Morutji Tar Road completed✓ Mafarana to Sedan Tar Road completed✓ Ramotshinyadi to Mokgwathi Tar Road completed✓ Senakwe to Morapalala Tar Road completed✓ Politsi Road completed✓ Mopye Low level bridge completed
5. Fleet Management	<ul style="list-style-type: none">✓ Purchase of the speakers Car✓ General repairs and maintenance of all council vehicles within allocated budget.
6. Waste Management	<ul style="list-style-type: none">✓ 8 537 urban households serviced weekly✓ 33600 rural households serviced ON-CALL
7. Building and Maintenance	<ul style="list-style-type: none">✓ Construction of a new carport at the museum.✓ Provision of additional parking at waste management offices.✓ Convert HCRW storeroom into offices.
8. Land, Property and Housing	<ul style="list-style-type: none">✓ Procurement of land at Politsi for residential development✓ Extension of Nkowankowa Cemetery
9. Library Services	<ul style="list-style-type: none">✓ 95, 000 users were assisted at GTM libraries✓ 75,347 books were circulated

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Table 5: Service delivery initiatives 2014/15		
Service	Activities	
	<ul style="list-style-type: none"> ✓ 67 School groups visited the libraries ✓ 513 assignment topics assisted with ✓ 14 Book related events ✓ 3 Holiday programmes hosted ✓ Construction of the Shiluvane & Mulati Libraries 	
10. Licensing Services	Service	Number/ Value
	Vehicle registration	13863
	Vehicle renewal	57246
	Traffic fine payment	R38 560 880
	Issuing of driving license	20097
	Issuing of learners license	10301
	Issuing of public driver's license	4125

A summary of access to basic services is presented in **Table 6**:

Table 6: Percentage of Households with access to basic services				
Financial Year	Service			
	Electricity	Water	Sanitation	Waste collection
2008/2009	70%	53%	13%	9%
2009/2010	81%	76.30%	32.90%	10.20%
2010/2011	82.80%	80%	40.20%	11%
2011/2012	85%	80%	42.02%	12%
2012/2013	89%	72%	44.6%	12%
2013/2014	91%	49%	26.22	8%
2014/2015	93%	49%	26.22	39%

Ensuring universal access to basic services is entrenched in the Vision of GTM however, budget constraints does not allow for these services to be extended as would be ideal. It is especially in the case of waste collection that the municipal budget is insufficient to fund waste removal services in large, sparsely populated rural areas, especially since cost recovery is not yet workable. Mopani District Municipality is the Water Service Authority (WSA) and therefore has authority over water and sanitation service expansion, while GTM is only the Water Service Provider in the 5 formal towns within the our area of jurisdiction. This limits our ability to address the water and sanitation backlogs which are a priority to our rural communities.

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1.4. FINANCIAL HEALTH OVERVIEW

Like many other municipalities in our country Greater Tzaneen Municipality also experiences challenges with the provision of service to our community. Sound financial management principals have however been adhered to, to ensure that services are provided economically, sustainably and equitably to all communities. To promote sustainable service delivery Council embarked on the implementation of a range of revenue collection strategies which also optimized the collection of outstanding debts. An amount of R92 million has been levied by way of property tax and R408 million was sourced from services charges. 95.2% of the total service charges were billed during the financial year of which 103.43% was collected.

Apart from revenue collection the Municipality also placed high emphases on the delivery of basic service and the maintaining of infrastructure. An amount R859 million has been spent on operating activities of which R32 million excluding labour was used to maintain Council's assets. Council ended the financial year with a cash book balance of R27.9 million, but conditional grant allocations to the amount of R60.4 million have not been spent during the financial year. It must however be mentioned that a loan (R30 million), budgeted for the financing capital projects, is in progress but has not been taken up yet and that all capital projects have been financed through own funds or grants

Details	Original budget	Adjustment budget	Actual
<i>Income</i>			
Grants	359 345	421 179	341 794
Taxes, Levies and tariffs	498 436	498 436	487 635
Other	68 831	100 741	58 034
Sub Total	926 612	1 020 355	887 463
<i>Less Expenditure</i>	844 540	856 449	861 201
Net Total*	82 073	163 907	26 262
*Note: surplus/deficit			

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It is evident from the figures contained in **Table 7** that there are variances between the budgeted and actual figures. The original budget and actual income differs with only 4.3%. With regard to the expenditure, it is confirmed that overspending on the Budget is mainly the result of the R9 million overspending on the provision for Bad Debts which is a non-cash item. The overspending on contracted Services and Grants and Subsidies paid are accommodated by a saving on general expenses. Employee related cost exceeded the budget by R35 million, due to the overspending on overtime payments and leave payments. The provision for bad debt was also overspent by R11 million. This overspending is accommodated by savings on repairs and maintenance, grants and subsidies paid and general expenses. The difference between total budget and total actual expenditure amounts to R10 million or 1.3%.

Table 8: Actual Operating Ratios (%)			
Detail	2012/2013	2013/2014	2014/2015
Employee Cost ¹	28.9%	33.7%	30.6%
Repairs and Maintenance	3.06%	2.61%	4.00%
Finance Charges and Depreciation	16.0%	12.6%	16.0%

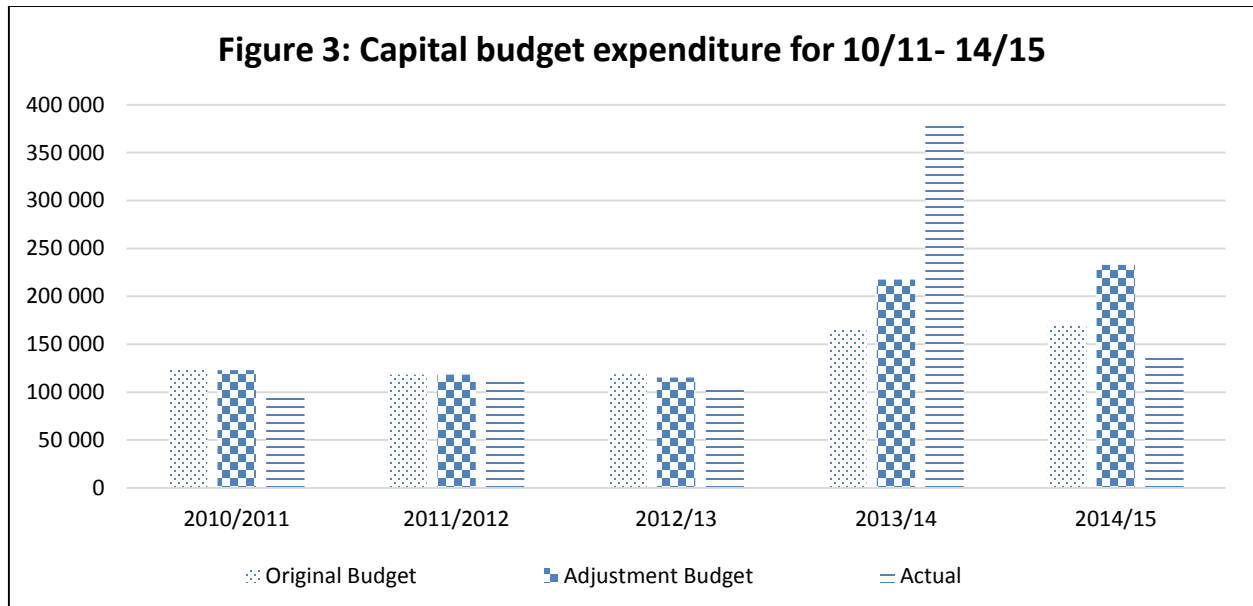
As presented in **Table 8**, employee cost represents 33.7% of the total Expenditure which is below the acceptable norm of 35%. Repairs and maintenance represent only 2.61% of the total expenditure, this is due to the fact that the employee cost allocated to operating activities has been taken out of repairs and maintenance cost. If the labour cost is included in the repairs and maintenance cost it represents 9.8% of the total actual expenditure. Finance charges and depreciation represent 12.6% of the total expenditure which is acceptable.

Table 9: Total Capital Expenditure (2009/10 - 2014/15) (R'000)					
Detail	2010/2011	2011/12	2012/13	2013/14	2014/15
Original Budget	124 553	118 376	118 655	165 630	170 904
Adjustment Budget	122 763	118 376	115 091	217 482	232 738
Actual	94 017	111 074	103 550	380 673	138 659

¹ Salaries as percentage of Total Revenue

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The 2014/2015 financial year ended with an actual capital expenditure of R138.6 million, compared to the budget of R170.9 million (also see **Figure 3**), due to the roll-over of projects and also the donated assets as per Gazette no 2372. National Treasury approved a request for roll-over of some of the capital projects (to the value of R14.6 million), which have not been finalized during the 2014/2015 financial year.



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The latest Organizational Design took place during the beginning of 2011 and the Organisational Structure was approved by Council to ensure that it is aligned to the powers and functions to be conducted by the Greater Tzaneen Municipality as well as for the smooth execution of the IDP. However, positions that were not initially part of 2011 Organisational Structure approval were submitted on an ad hoc approval by Council. As on 30 June 2015 a total of 1417 positions were approved of which 655 were filled with 762 vacancies. A comprehensive explanation of this matter can be found in **Chapter 4**. The organisational structure (attached as **Annexure A**) for 2014/2015 was not adopted by Council, as the Municipality is still addressing Salary Disparities dispute, however the proposed Organisational Structure has been finalised at Management level and consultation process was conducted

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per Department and with the Trade Unions (SAMWU and IMATU). In order for the Municipality to comply with Section 66 of the Municipal System Act (Act 32 of 2000), the Organisational Structure will be approved as soon as the Salary Disparities dispute has been resolved.

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1.6. AUDITOR GENERAL REPORT (2014/15)

The Council is responsible for the preparation of the Annual Financial Statement for each financial year which fairly presents the state of affairs of Council. The 2014/15 Annual Financial Statements of Council were prepared in accordance with Generally Recognised Accounting Practice (GRAP) prescribed in terms of section 126(1)/ 126(2) of the Municipal Finance Management Act (MFMA).

The Annual Financial Statement as well as the consolidated Annual Financial Statements (including GTEDA) for 2014/2015 Financial year have been audited by the Auditor General and their consolidated Audit report (attached as [Annexure E](#)) was issued to the Mayor and Municipal Manager of Council during December 2015. The GTM received a qualified opinion which is based on the following:

A. Traffic fines

- The Municipality did not recognise the full amount relating to traffic fines issued during the year in accordance with GRAP 1.
- The Auditor General was unable to obtain sufficient appropriate Audit evidence for traffic fines issued.
- There were no internal controls for the distribution of traffic fine books to officials.
- The Auditor General could not confirm whether all traffic fines had been recorded.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July

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Table 10: Annual reporting process		
No.	Activity	Timeframe
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter SDBIP Report for previous financial year	
4	Submit draft Annual Performance Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual performance reports to MM	
6	Audit/Performance Committee considers draft Annual Performance Report of Municipality and entities (where relevant)	
8	Mayor tables the unaudited Annual Performance Report	August
9	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	September - October
13	Mayor tables Audited Financial Statements to Council complete with the Auditor- General's Report	November
14	Audited Annual Report is tabled to Council by the Mayor made public	January
15	Annual Report is made public and inputs/comments are invited	
16	Municipal Public Accounts Committee (MPAC) assesses Annual Report	February
17	Council adopts Oversight report from MPAC	March
18	Oversight report is made public	
19	Oversight report is submitted to relevant provincial Council	

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CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Municipal Structures Act defines a Municipality amongst other as a structure with political office bearers and administration components; a geographic area; and the community of the Municipality. The Municipality consists of a municipal institution (political and administrative structures), and the people who live in the local area. The term can also be used to refer to a local area which falls within a municipal boundary.

Roles

The roles of these two components can briefly be defined by generally outlining key responsibilities mandated by various legislations thereto, without specifically dealing with the provisions of these pieces of law.

Rights and duties of municipal Councils (political component):

The Council of a Municipality has the right to govern, on its own initiative, the local government affairs of our local communities; and to exercise the Municipality's executive and legislative authority without interference. Councils must respect the rights of citizens in the way in which they exercise their powers. Council may finance the affairs of the Municipality by charging fees for services, imposing surcharges on fees or property rates, and (when allowed by national legislation) imposing surcharges on other taxes, levies and duties. Council has duties as well as rights that, amongst others, include the duties to:

- Exercise their powers and use their resources in the best interests of our communities;
- Provide, without favour or prejudice, democratic and accountable government
- Encourage the participation of the communities;
- Ensure that municipal services are provided to the communities in an equitable, and financially and environmentally sustainable manner;

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- Promote development in the Municipality;
- Promote gender equity;
- Promote a safe and healthy environment in the Municipality; and
- Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act obliges Council to consult the local community about municipal services. Communities should have a say in the way in which services are delivered; the level of services; the quality of services; and the range of services which are provided.

Duties of Municipal Administrations

The Municipal administration has a number of duties towards our communities, which could be summarised as follows:

- Being responsible for the general administration and accounting of the functionaries of the Municipality;
- Being responsive to the needs of the local community;
- Establishing clear channels of communication with all sectors of the society and governance;
- Informing the local communities about the services which they are entitled to receive; and
- Informing the local community how the Municipality is managed, what it spends its money on, and who is in charge.

The Municipal administration also has the duty to facilitate a culture of public service and accountability amongst staff, and taking measures to prevent corruption. It is therefore expected that the Municipality must fulfil these duties as far as possible, taking into account the budget and capacity they have available.

2.1 POLITICAL GOVERNANCE

The key functions of the political component in the administration of the Municipality are as briefly explained above and the functions of the main offices are provided below.

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Oversight Function.

Over and above other legislative requirements that provide for specific actions towards municipal oversight, a Municipal Council remains responsible for the specific oversight of the general administrative work of the Municipality. In as far as specific requirements are concerned, the Municipality did establish the following Committees to play an oversight role on various matters of Municipal work, particularly on fiscal matters:

1. Executive Committee
2. Finance Committee
3. Municipal Public Account Committee (MPAC)
4. Audit Committee



POLITICAL STRUCTURE

Function

MAYOR

Mrs.
Mmetle

DJ The Mayor provides political guidance, monitors and oversees the exercise of responsibilities assigned to the Municipal Manager (accounting officer) and the Chief Financial Officer without interfering in the exercise of those responsibilities. Take the reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.



SPEAKER

Mr. Cassius
Machimana

The Speaker presides over meetings of the Council, perform the duties and exercises the powers delegated in terms of Section 59 of the Municipal System Act. Ensures that the Council meets at least quarterly, maintains order during meetings. Ensures compliance in the Council and Council Committees with the Code of Conduct set out in Schedule 1 of the Municipal System Act, and ensures that Council meetings are conducted in accordance with the rules and orders of Council.

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CHIEF WHIP

Mr. Maripe
Mangena

The Chief Whip ensures that the strategic direction adopted by the Municipality is in line with the mandate and policy directives of the ruling party. Discusses with the Office of the Speaker the order of the Council. Arranges caucus for the EXCO and Council meetings. Receives and considers applications for leave of absence by Councillors for caucus meetings. Ensures that majority party Councillors submit their programmes to the office of the Speaker and of the Chief Whip for monitoring purposes. Provides political support for the Committee Chairs, to carry out Party political functions in Committees.

EXECUTIVE COMMITTEE

1. N Mboweni
2. R Selomo
3. L Ncha
4. E Ntimbane
5. M Makwala
6. L Hlangwane
7. B Sekgotodi
8. M Mahasha
9. R Pohl

The Executive Committee gives political direction to the executive management team. Provides recommendation to Council in respect of its executive and legislative powers. Works closely in a co-ordinated and co-operative relation with the Municipal Manager. The EXCO and Mayor, within the legislative framework provided by the Municipal Structures Act, the Municipal Systems Act, the Municipal Finance Management Act and subject to Council resolutions, direct and drive the transformation and development of the Municipality.

Greater Tzaneen Municipality has 68 Councillors, 34 Ward Councillors who are directly elected and 34 proportional representation Councillors. The ANC has 59 seats, the DA 5 seats; Cope 2, ACDP and APC each have a seat. The ANC is in charge of 32 of the 34 wards and the rest is led by the DA. The Executive Committee consists of 10 members, which is chaired by the Mayor. 8 members of the Committee chair a Portfolio Committee made up of other Councillors and officials. The Mayor, Speaker, Chief Whip, MPAC Chairperson and four other Councillors, who are also part of EXCO, are fulltime Councillors. The Members of the MPAC are as follows:

Cllr. T K Nukeri (Chairperson)

Cllr. S Mbhalati

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Cllr. TS Manyama

Cllr. J Mokgoloboto

Cllr. S Mahori

Cllr. A van Vuuren

Cllr. G Ghondzweni

Cllr. H Zandamela

Cllr. N Nkwashu

Cllr. D Maake

Cllr. L Mohale

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager of a municipality is the Accounting Officer of the Municipality for the purposes of the MFMA and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the Municipality and any entity under the sole or shared control of the Municipality. GTM had 8 directorates during 2014/15 being:

- Office of the Municipal Manager
- Office of the Budget and Treasury
- Corporate Services
- Community Services
- Electrical Engineering
- Engineering Services
- Planning and Economic Development
- Office of the Mayor

The top administrative structure is presented below:

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TOP ADMINISTRATIVE STRUCTURE

TIER 1

MUNICIPAL MANAGER

Mr. ME Mankabidi



Function

Accounting Officer, Also managing, Integrated Development Planning, Performance Management, Disaster Management, Internal Audit and Risk Management.

TIERS 2 AND 3

CHIEF FINANCIAL OFFICER

Mrs. N Lion



Manages Revenue, Expenditure, Supply Chain and Financial Services, Assets Management and Reporting, Budgeting

DIRECTOR: COMMUNITY SERVICES

Mr OZ Mkhombo



Manages Environmental Health, Cleaning services, waste removal, licensing and testing, law enforcement, parks, cemeteries, recreational facilities, libraries and sports, art and culture

DIRECTOR: ELECTRICAL ENGINEERING

Mr. P van den Heever



Manages Electricity service provision and infrastructure maintenance in service area

DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT

VACANT

Vacant

Manages Town Planning, Housing, Land development, Local Economic Development and tourism

DIRECTOR: CORPORATE SERVICES

Mr. EL Mugari



Manages Legal services, Human Resource, Public Participation, Communication, Administration and Record Management, Marketing, IT and Special Programmes

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DIRECTOR: ENGINEERING SERVICES
Ms. D Malatji

Manages Water, Sanitation, Roads and storm water service provision and maintenance, fleet and municipal buildings.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

The MSA Section 3 (Act 32 of 2000) requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41. The Municipality, through various representatives from administration and the political wing, attends District and Provincial intergovernmental forums. These forums play an important role in enhancing cooperative governance and intergovernmental relations within the three spheres of government.

2.3 INTERGOVERNMENTAL RELATIONS

The enactment of the Intergovernmental Relations Act, Act no. 13 of 2005, has ushered in the era of cooperative governance in our country. It is in light of this that the Greater Tzaneen Municipality participated and/or was represented in the forums at different levels, i.e. National, Provincial, District and Locally. The forums such as the National SALGA Membership Assembly, the National Municipal Managers' forum were attended in order to share and keep abreast of strategic information regarding local government. Greater Tzaneen Municipality also participated in the provincial intergovernmental structures such as the Premier's IGF, Provincial Municipal Managers' forums, CFO's forums, Planning and Economic Development forum. The Municipality, further participated in district forums such as the District Intergovernmental Forums, District Mayor's Forum, District Municipal Managers Forum, District Speaker's Forums and the District Development Planning Forum. Through these forums, the Municipality was able to benefit by learning from other municipalities in terms of best practice and also to guide the district in terms of service delivery priorities and priority areas in Greater Tzaneen Municipality.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

The Greater Tzaneen Municipality has developed a system of community participation and communication in order to achieve its objective of public accountability and transparency. Critical service delivery units were established in order to realize this task namely, Council Support, Public Participation, Communication and IDP. The following are public participation and communication avenues that are available;

- Quarterly Community report back meetings by Ward Councillors
- IDP/Budget Representative Forum
- Ward Committee monthly assessment meetings
- Annual Mayoral Address
- Half year Progress Report by the Mayor

Key to our public communications and participatory initiatives, we have established the following interactive mediums:

- Face book Page – Greater Tzaneen Municipality
- GTM Website – www.greatertzaneen.gov.za, updated weekly
- Complaints and Compliments Box – at the foyer of the Municipal offices
- Report from Presidential and Premier’s Hotlines

These mediums placed GTM in direct, daily contact with our communities and stakeholders, hence receiving information when it matters most, where it matters most. The participatory system of Greater Tzaneen has further changed because ward Committees were established from community stake holders. In this instance the stakeholder forum cluster forums which are responsible to draft ward Committee programmes, interrogate monthly ward reports and also monitor the issues from ward Committees to the community. The clusters are managed by political heads, who are full time Councillors, managing issues from community directly.

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Greater Tzaneen Municipality has also established a Representative Forum consisting of Councillors, representatives from Ward Committees, NGO's, CBO's, Sector Departments. According to the IDP/Budget and PMS process plan (which is reviewed annually) this forum must meet at least once per quarter to consider the IDP, service delivery progress reports and make inputs into these three processes. During 2014/15 this forum only convened 2 times due to human resource constraints in the IDP office. It must however be mentioned that, in order to strengthen the participatory process two other participatory processes are embarked on, on an annual basis:

- Ward needs analysis conducted on a ward level during the Analysis phase of the IDP
- Ward based budget contact sessions where the draft budget is presented to the wards with an opportunity for community members to make inputs into the budget prior to finalisation.
- MPAC Public Hearings on the Annual Report

It must further be noted that the IDP, Budget, SDBIP and Annual Report of Council is placed on the GTM website for the public to view. Hard copies of these documents are also made available at Thusong Centres, Libraries and Traditional Authority offices.

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Table 11: Public meetings held during 2014/15					
Nature & purpose of meeting	Date	Number of Councillors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
Mayoral Public Participation					
Lekgwareng	2 November 2014	17 councillors attended inclusive EXCO members	07 officials	500 community members	Quarterly community meetings and Kgoro meetings
Hoveni	22 November 2014	25 councillors attended inclusive Exco members	12 officials	570 community members	Quarterly community meetings and Kgoro meetings
Nkowankowa A	14 March 2015	18 councillors attended the meetings	10 officials attended	620 community attended the meeting	Quarterly meetings and interested stakeholders meetings
Mariebatema	17 March 2015	13 councillors attended including PMT and Exco	07 officials attended	510 community members attended	Quarterly meetings and Kgoro meetings
Nkowankowa B Bombeleni	22 April 2015	8 councillors attended and few EXCO members	5 officials attended	570 community members	Quarterly meetings and stakeholder meeting.
Mavele	18 April 2015	30 councillors attended including EXCO	10 Official attended	500 community members	Quarterly and Kgoro meeting
Babmencisi	23 May 2015	20 councillors attended and inclusive of EXCO Members	11 officials attended	670 members attended	Quarterly meetings and stakeholders meetings

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Table 11: Public meetings held during 2014/15					
Nature & purpose of meeting	Date	Number of Councillors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
Sasekani sports ground	11 June 2015	32 councillors attended including EXCO members	07 officials attended	550 members attended	Quarterly meetings and Kgoro meetings
Politsi	27 June 2015	13 councillors attended the meeting inclusive of EXCO	10 officials attended	520 members attended	Quarterly meeting and stakeholder meeting
Bokgaga Traditional Authority	11 July 2015	33 councillors attended the meeting	10 officials attended	600 members of community attended	Quarterly meetings and stakeholder
Talana hostel	10 September 2015	18 councillors attended	11 officials attended	580 community members attended	Quarterly meetings and stakeholder
Rikhotso	19 November 2015	27 councillors attended	10 officials attended	700 community members attended	Quarterly meetings and stakeholders including Kgoro meetings
Sedan	27 November 2015	18 councillors attended	06 officials attended	520 community members	Quarterly and Kgoro meetings
IDP/Budget Consultative Meetings (to secure inputs into the draft IDP and Budget for 15/16)					
Ward 1 – Draft budget & IDP	25/04/2015	2	2	66	IDP Rep Forum 19 May '15
Ward 2 – Draft budget & IDP	26/04/2015	2	2	90	IDP Rep Forum 19 May '15
Ward 3 – Draft budget & IDP	26/04/2015	2	2	133	IDP Rep Forum 19 May '15
Ward 4 – Draft budget & IDP	12/04/2015	2	2	99	IDP Rep Forum 19 May '15
Ward 5 – Draft budget & IDP	19/04/2015	2	2	168	IDP Rep Forum 19 May '15
Ward 6 – Draft budget & IDP	03/05/2015	2	2	59	IDP Rep Forum 19 May '15
Ward 7 – Draft budget & IDP	23/04/2015	2	2	226	IDP Rep Forum 19 May '15

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Nature & purpose of meeting	Date	Number of Councillors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
Ward 8 – Draft budget & IDP	19/04/2015	2	2	7	IDP Rep Forum 19 May '15
Ward 9 – Draft budget & IDP	27/04/2015	2	2	72	IDP Rep Forum 19 May '15
Ward 10– Draft budget & IDP	19/04/2015	2	2	71	IDP Rep Forum 19 May '15
Ward 11– Draft budget & IDP	19/04/2015	2	2	62	IDP Rep Forum 19 May '15
Ward 12 – Draft budget & IDP	26/04/2015	2	2	31	IDP Rep Forum 19 May '15
Ward 13 – Draft budget & IDP	19/04/2015	2	2	268	IDP Rep Forum 19 May '15
Ward 14 – Draft budget & IDP	23/04/2015	2	2	89	IDP Rep Forum 19 May '15
Ward 15 – Draft budget & IDP	23/04/2015	2	2	2	IDP Rep Forum 19 May '15
Ward 16 in Florah Park and Haenertsburg – Draft budget & IDP	16/04/2015 24/04/2015	2	2	39	IDP Rep Forum 19 May '15
Ward 17 – Draft budget & IDP	20/04/2015	Meeting did not take place			IDP Rep Forum 19 May '15
Ward 18 – Draft budget & IDP	26/04/2015	2	2	63	IDP Rep Forum 19 May '15
Ward 19 – Draft budget & IDP	16/04/2015	2	2	102	IDP Rep Forum 19 May '15
Ward 20 – Draft budget & IDP	03/05/2015	2	2	80	IDP Rep Forum 19 May '15
Ward 21 – Draft budget & IDP	21/04/2015	2	2	56	IDP Rep Forum 19 May '15
Ward 22 – Draft budget & IDP	22/04/2015	2	2	47	IDP Rep Forum 19 May '15
Ward 23 – Draft budget & IDP	25/04/2015	2	1	57	IDP Rep Forum 19 May '15
Ward 24 – Draft budget & IDP	25/04/2015	1	2	56	IDP Rep Forum 19 May '15
Ward 25 – Draft budget & IDP	26/04/2015	2	2	104	IDP Rep Forum 19 May '15
Ward 26 – Draft budget & IDP	01/05/2015	2	2	53	IDP Rep Forum 19 May '15
Ward 27 – Draft budget & IDP	27/04/2015	2	2	187	IDP Rep Forum 19 May '15
Ward 28 – Draft budget & IDP	24/04/2015	2	2	91	IDP Rep Forum 19 May '15
Ward 29 – Draft budget & IDP	25/04/2015	2	2	58	IDP Rep Forum 19 May '15

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Table 11: Public meetings held during 2014/15					
Nature & purpose of meeting	Date	Number of Councillors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
Ward 30 – Draft budget & IDP	25/04/2015	2	2	173	IDP Rep Forum 19 May '15
Ward 31 – Draft budget & IDP	26/04/2015	2	2	79	IDP Rep Forum 19 May '15
Ward 32 – Draft budget & IDP	25/04/2015	2	2	107	IDP Rep Forum 19 May '15
Ward 33 – Draft budget & IDP	25/04/2015	2	2	38	IDP Rep Forum 19 May '15
Ward 34 – Draft budget & IDP	01/05/2015	2	2	74	IDP Rep Forum 19 May '15
IDP Representative Forum					
To serve as a platform for stakeholders to input and comment on matters of development planning and resource allocation	23/03/2015	34	16	43	23/03/2015 Presentation on the 2015/16 IDP/BUDGET Draft to the Representative Forum at Letaba showground
	19/05/2015	21	18	45	19/05/2015 Presentation on the 2015/16 IDP/BUDGET Final to the Representative Forum at Nkowankowa Community Hall.
COMMUNITY OUTREACH PROGRAMME					
None	n/a	n/a	n/a	n/a	n/a

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The four clusters of GTM being Lesedi, Bulamahlo, Runnymede and Relela have each established a cluster forum which will deal specifically with communities in and around the clusters with regard to the service rendered by the Municipality. These clusters also play an oversight role while strengthening the participation of these communities in service delivery. Service delivery priorities as identified through participatory processes are presented in **Table 12** below:

Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2014/15
1	Electricity at Pelana and new stands	Prioritized and budgeted for.
2	Provision of water at Legwareng and extension of pipes at Mbambamecisi and all villages	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
3	Apollo lights at Radoo crossing (Mashabela), Ga-Wally and Madabeni brickyard.	Prioritized and budgeted for.
4	Electricity of extensions at Rhobeni (Xihoko)	Prioritize and budget for the 2015/16
5	Provision of water at Mugwazeni	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
6	Repair and maintenance and extension of water pipelines	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
7	Water distribution plan and pipeline from Morwasetlha borehole	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
8	No public participation took place due to community not signing the roll call	
9	No public participation took place due to community not signing the roll call	
10	Water	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
11	Provision of water and maintenance of boreholes and Thapane water scheme.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.

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Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2014/15
12	Provision of water and control of water tankers.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
13	Mandlakazi to Deerpark road upgrade to tar Provision of water through household taps	Intervention is being made through Mopani District and Department of Public Works, Roads and Infrastructure.
14	Provision of water and sanitation.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
15	No public participation took place.	
16	Storm Water drainage in Petunia street at Florah Park and traffic cycles at Haenertsburg food zone	Prioritized and budgeted for.
17	No public participation took place.	
18	Provision of water and boreholes	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
19	Shortage of water in section A and B	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
20	Provision of water	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
21	Provision of water.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
22	Water reticulation and borehole	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
23	Provision of water and purification of furrow water system.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
24	Provision of water.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
25	Electrification of Bonn village	Prioritized and budgeted for.
26	Water provision in Julesburg, Bordeaux, Hweetse and Masoma	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.

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Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2014/15
27	Overhead bridge at Makhubidung and maintenance of boreholes and reservoirs and increase of bulk water supply.	Prioritized and budgeted for in the outer years.
28	Regular maintenance of taxi roads and roads to schools.	Streets grading is done through municipal priority programme.
29	Water shortage at Mothadareng, Sunnyside and Tickline	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
30	Water provision at Ramalema/Tickline, New Rita, Matshelapata, Nabane and Marumofase	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
31	Supply of water during the day and maintenance of boreholes.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
32	Supply of water from Ramodike dam to Moime village.	Water remains a challenge in many communities. The municipality is delivering water through water tankers to alleviate the problem.
33	Maintenance and grading of internal streets	Streets grading is done through municipal priority programme.
34	Electrification of Khopo civic	Prioritized and budgeted for in the 2015/16 IDP.

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2.5 IDP PARTICIPATION AND ALIGNMENT

Criteria	Yes/no
Does the Municipality have impact, outcome, input and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	No
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIS align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within the stipulated timeframes?	No

The IDP process took place amidst human resource constraints in the Office of the Municipal Manager. The suspension of the MM along with the resignation by the IDP officer resulted in the IDP process plan not being followed. The alignment of the Budget to the IDP suffered as a consequence of this. The AG, during the 14/15 audit, also raised concerns regarding the measurability and verifiability of the Key Performance Indicators which were also as a consequence of not aligning the targets to the available resources.

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COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance encourages a trustworthy, moral, as well as ethical & transparent environment which guarantees strong and balanced economic development. This also ensures that the interests of all stakeholders are safeguarded and that all stakeholders fully exercise their rights since, the organization fully recognizes these rights.

2.6 RISK MANAGEMENT

Risk management is an essential component of good governance which every institution should have and manage. Section 62(1) (c) (1) of the MFMA (Act 56 OF 2003) requires that the accounting officer must maintain effective, efficient and transparent system of financial and risk management and internal control and therefore a Risk Management Division was established. The strategic risks identified for 2014/15 are presented in **Table 13** below:

	Risks	Root Cause	Mitigation/Required Action	Department Responsible
1	Insufficient maintenance of roads and storm water infrastructure	Shortage of staff	Filling of budgeted vacant positions.	Corporate Services, Engineering Services
2	Inadequate maintenance of ageing infrastructure for Electrical network	Budget constraints	Implementation of infrastructure maintenance plans	Electrical Services & CFO's Office
3	Lack of Electrical & Engineering Services Master Plans	Budget constraints	Electrical Master Plan: Development of electrical master plan which is budgeted for in 2015/2016 FY amounting to R1,7m.	Electrical and Engineering Services

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Table 13: Strategic Risks for 2014/15

	Risks	Root Cause	Mitigation/Required Action	Department Responsible
			Engineering Master Plan: MISA will assist with budget and development of master plan.	
4	Failure to recover systems data	Lack of Disaster Recovery facilities / equipment and Business Continuity Plans.	Purchase of DRP equipment and development of BCP.	MM and Corporate Services
5	Lack financial resources to acquire privately owned land.	Privately owned land over-priced	Upgrade existing settlements, Request financial assistance from Housing Development Agency (HDA)	Planning & Economic Development (PED)
6	Excessive amounts of overtime paid monthly	Shortage of staff, non-adherence to overtime policy	Adherence to approved overtime policy, treasury circular	Corporate Services
7	Poor management of service provider contracts	Failure to adhere to policies and regulations	Contracts to be reviewed and properly followed to avoid litigations. Regular engagements with user departments.	All Departments
8	Non-compliance to legal prescripts, policies and procedures	High legal fees and costs	Adherence to legal prescripts and procedures to avoid litigations.	Corporate Services
9	Fraud and Corruption	Inadequate control measures for fraud	Establish anti-corruption structure.	MM's Office

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Table 13: Strategic Risks for 2014/15

	Risks	Root Cause	Mitigation/Required Action	Department Responsible
		and corruption. Lack of a system to detect fraud and corruption	Develop Incident Management Register. Develop Whistle blowing policy.	
10	Poor monitoring of fuel usage	Lack of personnel to monitor fleet management.	Appointment of fleet management officer.	Corporate Services & CFO's Office

Quarterly progress reports, based on the strategic and operational risk registers were submitted to the Risk Committee and Council.

2.7 ANTI-CORRUPTION AND FRAUD

The Municipality has a fraud and anti-corruption policy, which was approved in June 2013 and although the Anti-Corruption committee was established in November 2013, it was not effective during 2014/15. The Municipality also has an established internal audit unit and a shared Audit Committee with the Mopani District Municipality, of which the members are non-municipal employees or Councillors. The Audit Committee was however not fully functional during 14/15 as their contract with the District Municipality expired in December 2015. GTM appointed a new Audit Committee in May 2015. Recommendations of audit Committee are contained in [ADDENDUM G](#).

The Table presents the cases of fraud and corruption addressed during the 2014/15 financial year:

Table 14: Cases of fraud and corruption for 2014/15

Type of offence	Date reported	Investigation conducted (yes/no)	Intervention / Sanction	Financial loss incurred by Council	Repeated offence (yes/no)
Fraud-Revenue	08 August 2014	YES	Suspension without pay for	YES	NO

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Table 14: Cases of fraud and corruption for 2014/15

Type of offence	Date reported	Investigation conducted (yes/no)	Intervention / Sanction	Financial loss incurred by Council	Repeated offence (yes/no)
			10 days and final written warning		

2.8 SUPPLY CHAIN MANAGEMENT

The Constitution, MFMA Chapter 11, SCM Regulations 2011, PPPFA as incorporated by BBBBEEA 2011 and relevant Treasury practice notes and circulars as set out are used by the institution to comply with the prescripts. They all contribute to the successful procurement of goods and services, and minimize the opportunities for fraud and corruption. In the financial year 2014/2015 the Council has approved the SCM Policy (May of 2015) as required by prescripts, and will annually review and implement the Policy. It should also be noted that the Policy covers all aspects required by prescripts relevant to the same. The Policy covers all elements that should form part of the policy, these include:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management and
- Performance Management

It should further be noted that in terms of corporate governance the unit is compliant and that during 2014/15 the policy was subjected to a review.

Other Financial Matters

- The Unit is currently outsourcing a database system, which will contribute to full compliance with the set prescripts and ensure that the unit is well functioning. This, in itself, will have a financial impact.

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- The function of requesting for quotations has been centralised within the SCM Unit to avoid abuse of the system
- The training of bid Committees and SCM officials were implemented during 2014/15 and during 2015/16 Municipality will train both SCM official and committee members to capacitate the members and officials in the daily running of the SCM processes.

2.9 BY-LAWS

During the 2014/2015 Financial Year the By-Laws mentioned below were reviewed and the Public Participation Process is under way.

Table 15: By-laws introduced during 2014/15

By-law	Revised or Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Advertisement By Law	Revised	No	In process	No	Pending
Aerodrome By Laws	Revised	No	In process	No	Pending
Cemetery By Laws	Revised	Yes	June – September 2015	No	Pending
Fire Brigade By Laws	Mopani District	N/A	N/A	No	Pending
Liquor Trading Days and Hours By-Law -	Developed	No	In process	No	Pending
Environmental By-Law	Developed	No	In process	No	Pending
Nuisance By-Law 20 December 2013	Development	Yes	June-September 2015	No	Pending

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Table 15: By-laws introduced during 2014/15

By-law	Revised or Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Outdoor Advertising Signage By law	Revised	No	In process	No	Pending
Public Transport By-laws	Development	No	In process	No	Pending
Credit and Debt Collection By-Law	Revised	No	In process	No	Pending
Dog Licence By laws Draft 1	Revised	Yes	June-September 2015	No	Pending
Drainage By Laws	Revised	No	In process	No	Pending
Electricity By Laws	Revised	Yes	June-September 2015	No	Pending
SPLUMA Land Use Management By Laws	Developed	No	In process	No	Pending
Flammable Liquids Draft 1	Revised	No	In process	No	Pending
Health for Pre-Schools By-laws 07 January 2014	Revised	Yes	June-September 2015	No	Pending
Keeping of Animals By-laws Draft 1	Revised	Yes	June-September 2015	No	Pending
Library By Law	Revised	No	In process	No	Pending
Public Amenities By Law Draft 1	Revised	No	In process	No	Pending
Refuse By Laws	Revised	No	In process	No	Pending
Rules of Order v3	Revised	No	In process	No	Pending

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Table 15: By-laws introduced during 2014/15

By-law	Revised or Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Street Trading By Law	Revised	Yes	June-September 2015	No	Pending
Tariff By Laws	Revised	No	In process	No	Pending
Parking By Law	Developed	No	In process	No	Pending
Property Rates By Law	Revised	No	In process	No	Pending

2.10 WEBSITES

The website was revamped following the guidelines of the MFMA (Section 75). Documents and pages are updated regularly. Compliance with the MFMA is ensured by continuously liaising with all divisions which are responsible for posting information in the website as reflected in **Table 16**.

Table 16: Municipal Website: Content and Currency of Material

Documents published on GTM website	Yes/No	Publishing date
Current and annual adjustment budget related documents	Yes	2015/04/27
All current budget related documents	Yes	2015/04/27
2013/14 Annual Report	Yes	2015/02/04
2013/14 performance agreements and plans for Section 57 Managers	Yes	2014/08/11
All service delivery agreements for 2014/15	No	n/a
All long-term borrowing contracts for 2014/15	Yes	2014/08/11
All Supply Chain Management contracts above a prescribed value (given value) for 2014/15	Yes	2014/08/11

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Table 16: Municipal Website: Content and Currency of Material		
Documents published on GTM website	Yes/No	Publishing date
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during 2014/15	Yes	2014/08/11
Contracts agreed on in 2014/15 to which subsection (1) of Section 33 apply, subject to Subsection (3) of that Section	Yes	2014/08/09
Public-private partnership agreements referred to in Section 120 made in 2014/15	No	n/a
All quarterly reports tabled in Council in terms of Section 52(d) during 2014/15	Yes	2014/07/15 2014/08/11 2015/01/15 2015/04/11

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No customer satisfaction survey was conducted during 2014/15 due to financial and human resource constraints; therefore the level of public satisfaction is not certain.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter contains service delivery results for 2014/15 relating to the various functions performed by GTM. For a summary of service delivery achievements refer to the Executive summary of the Municipal Manager.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; housing services; and a summary of free basic services.

3.1. WATER PROVISION

Greater Tzaneen Municipality (GTM) signed a Water Services Provider contract with Mopani District Municipality (MDM) on the 9th of June 2011. MDM is the Water Services Authority (WSA) and according to this contract MDM will provide bulk water services to GTM while GTM will provide water services to the consumers and collect revenue. Approximately 70% of the GTM area consists of rural villages where water provision is not yet on the acceptable level. It should be noted that, since all water assets have been transferred to MDM, a detailed report regarding the expenditure on water will be contained in their Annual Report. This section will only reflect on those aspects managed by GTM, on behalf of the WSA.

Job level	2013/14			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	0	100%
Level 4-6	27	7	74%	27	7	74%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	252	61	76%	252	61	76%
Level 16-17	0	0	0%	0	0	0%
Total	280	68	76%	280	68	76%

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Table 18 presents water service delivery output for 2014/15.

Table 18: Water provided during 2014/15						
No	Water Works	Water Quota in m³	Abstracted in m³	Pumped in m³	Plant loss in %	R/ m³
1	Georges Valley	2,370,000	3,321,835	3,212,736	3.28	R 0,20
2	Tzaneen Dam	1,230,000	1,823,841	1,744,831	4.33	R 0,11
3	Letsitele	418 269,96	101464	338,225	19.13	R2
	Total	4 918 269	5 247 140	5 345 792	26.74	

There are eleven Water Treatment Works within the jurisdiction of Greater Tzaneen Municipality. These are managed and operated as follows: Three (3) waterworks operated by GTM, three (3) water works operated by Lepelle Northern Water and five (5) operated by MDM. These waterworks as well as boreholes are unable to provide basic water to 108 926 households evenly in GTM. The majority of the households are in rural areas (126 villages) where water is to be supplied through boreholes and waterworks which are either dry or not receiving regular maintenance or not maintained at all. Some waterworks were designed for a small community and now, with the current growth rate, the works cannot cope with the demands. Dysfunctional boreholes and waterworks compelled GTM to provide water, especially in villages, through water tankers. This arrangement was made as a temporary measure but eventually extended as various boreholes in villages, clinics and schools were found to be dry.

GTM has been allocated 3,600,000 m³ of water from Tzaneen and Ebernezer dams. Letsitele Water works has an allocation of 418 290 m³ per annum. The growth rate from 2007 has seen the allocation being insufficient. Application for an increase to 6,000,000 m³ from both

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Ebernezer and Tzaneen dams was not successful since the both dams are said to be over allocated. The capacity of the waterworks is also at its maximum.

Financial Year	Agriculture	Forestry	Industrial	Domestic	Water Losses
2008/2009	Not known	Not known	384653	7055971	12%
2009/2010	Not known	Not known	356720	7459927	7%
2010/2011	Not known	Not known	293122	143964	11%
2011/2012	Not known	Not known	511932	6812885	9%
2012/2013	Not known	Not known	1029166	7600712	16.3
2013/2014	Not known	Not known	1430675	4809142	11.2
2014/2015	Not known	Not known	Not available	Not available	Not available

Level of access	2012/2013		2013/14		2014/15	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Piped water inside house	17292	15.9	17374	16	17452	16.02
Piped water inside yard	21168	19.4	21148	19	21148	19.42
Public standpipe within 200m	15315	14.1	15305	14	15305	14.05
Public standpipe further than 200m	23264	21.4	23248	21	23248	21.34
Other (Below minimum level)	31631	29	31601	29	31631	29.03
No water supply	256	0.2	254	0	245	0.2
Total Households	108926	100	108926	100	109029	100
Nr of Households receiving Free Basic water	1 743		1 743		1 743	
Budget allocation for water supply	R 2 750 000		R 2 750 000 ²		R 2 710 000	

² MDM allocation to GTM

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Table 21: Targets for providing access to water

Year	Water Access Target (HH)	Cost
2014/15	300	R 3, 500,000
2015/16	1200	R 14, 000,000
2016/17	2000	R 35, 000,000
2017/18	1300	R 25,025,000

Figure 4: Household Access to water 12/13 - 14/15

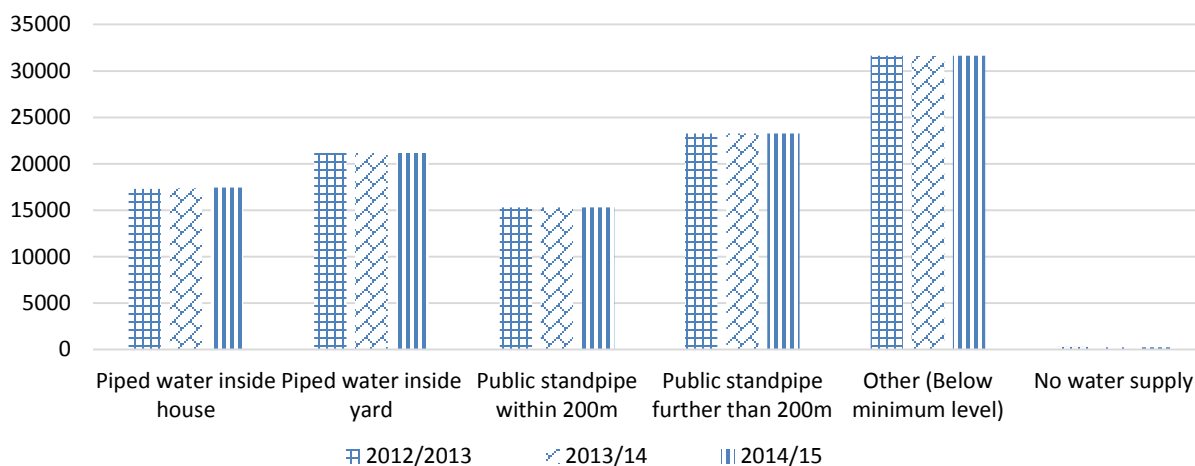
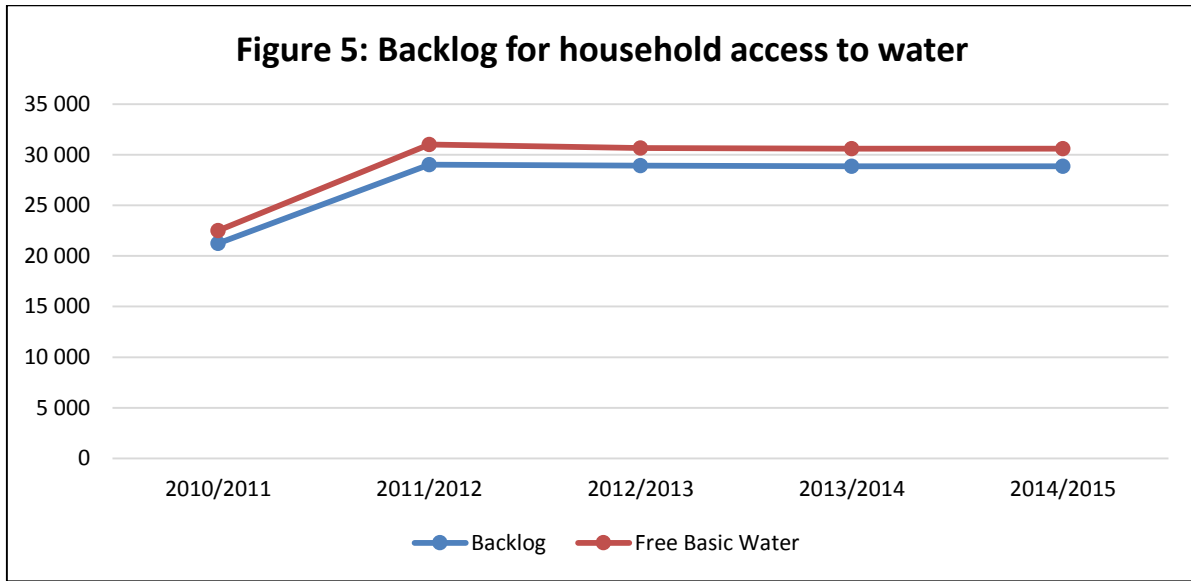


Table 22: Households receiving Free Basic Water,

Year	Total Households	Receiving Water	Backlog	Free Basic Water
2010/11	89 831	68 589	21 242	1 254
2011/12	99 117	70 092	29 025	2 003
2012/13	99 117	70 187	28 930	1 743
2013/14	108 926	80 078	28 848	1 743
2014/2015	108 926	80 078	28 848	1 743

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Greater Tzaneen Municipality has retained its Blue Drop (Drinking Water Quality) status for the third year running. The awards indicate GTM’s high level of professionalism, performance and compliance. They will also boost GTM’s tourism prospects and investment. The Blue Drop Status (BDS) is recognized globally and has a potential to allay tourist fears of contracting Water Borne Diseases when drinking or using water. High water quality is also essential for the production of food and beverages, hence ensuring GTM’s commitment in ascertaining a quality of human life.

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Table 23: Averaged water sample outcome - Tzaneen Central Laboratory 2014/15

Determinants	Tzaneen	Nkowankowa	Letsitele	Haenertsburg	Recommended-Class1
Ph (-logH)	8,56	7,8	7,45	7,43	5.0-9.5
Turbidity (NTU)	0,92	0,3	0,19	1,09	<1
Colour (as Pt)	14,42	<5	<5	20,67	<20
Conductivity (mS/m)	7,03	9	38,64	5,5	<150
Temperature °C	23,77	24,2	22,82	20,43	
Total Dissolved Solids (mg/l)	34,02	43,43	195,34	28,4	<1000
Total Alkalinity (mg/l)	25	38	212,25	20	
Total Hardness (mg/l)	53	60	275,5	50	
Calcium Hardness as CaCO ₃ (mg/l)	50,13	57,2	256,63	47,13	
Calcium as Ca (mg/l)	20,07	22,9	102,76	18,87	<150
Magnesium Hardness as CaCO ₃ (mg/l)	2,88	2,8	0,87	2,88	
Magnesium as Mg (mg/l)	0,7	0,7	0,21	0,7	<70
Sodium as (Na) (mg/l)	2,68	4,5	23,83	3,21	<200
Potassium as K (mg/l)	1,2	1,4	1,54	1,1	<50
Chloride as Cl (mg/l)	4,38	4,4	21,95	5,45	<200
Fluoride as F (mg/l)	0,4	0,1	0,27	0,29	<1
Sulphate as SO ₄ (mg/l)	0,13	1	19,75	0,5	<400
Nitrate as N (mg/l)	0,35	0,7	1,23	0,9	<10
Iron as Fe (mg/l)	0,12	0,1	0,08	0,13	<0.2
Manganese as Mn (mg/l)	0,02	0	0,02	0,01	<0.1
Ammonia as N (mg/l)	0,06	0,3	0,06	0,03	<1.0
Aluminium as Al (mg/l)	0,08	0	0,02	0,04	<300
Zinc as Zn (mg/l)	0,03	0,1	0,2	0,12	<5.0
Langelier Sat. Index	-0,46	-0,8	0,12	-1,39	
Ryznar Index	9,31	9,4	7,26	10,3	
Corrosivity Ratio	0,27	0,2	0,24	0,41	
CaCO ₃ Precipitation potential (mg/l)					
Free Res. Chlorine (mg/l)	0,4	0,77	0,27	0,65	
E.Coli (count/100ml)	0	0	0	0	0
Total Coliform Bacteria(count/100ml)	0	0	0	0	10

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3.2 WASTE WATER (SANITATION) PROVISION

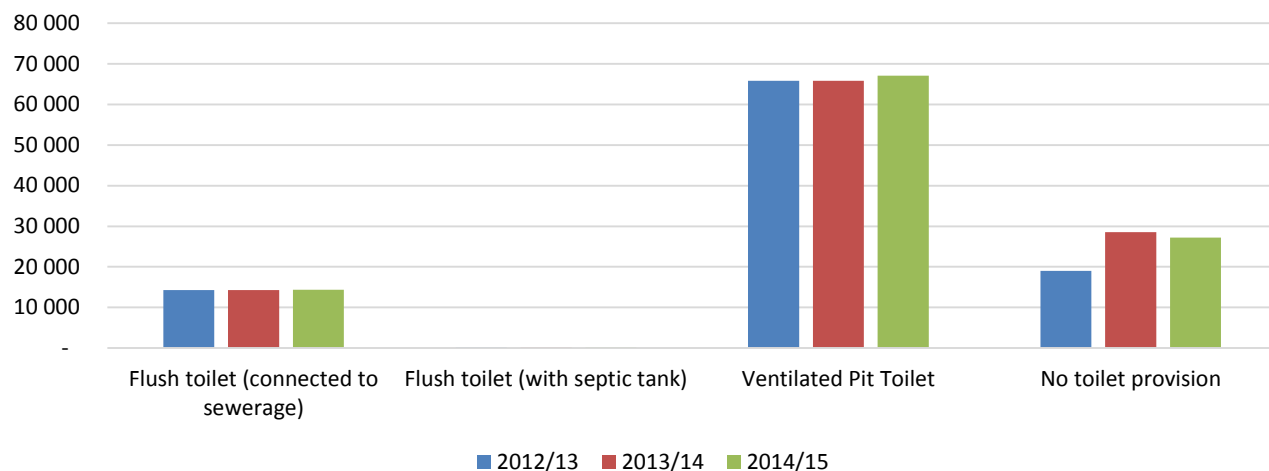
Greater Tzaneen Municipality is a Water Services Provider, whereas Mopani District Municipality is a Water Services Authority. Mopani allocates a certain amount of VIPs (sanitation) to GTM annually, based on the backlog. GTM's function is to monitor the building of the VIPs.

Table 24: Household access to sanitation 2012/13 - 2014/15						
Level of access	2012/13		2013/14		2014/15	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Flush toilet (connected to sewerage)	14 276	14.4	14276	13.11	14 344	13.1
Flush toilet (with septic tank)	284	0.3	284	0.26	284	0.3
Chemical Toilet	0	0	0	0	0	0
Ventilated Pit Toilet	65 804	66.4	65804	60.41	67 104	61.60
Other Toilet below minimum level	0	0	0	0	0	0
No toilet provision	19 037	19.2	28562	26.22	27 231	25
Total Households	99 117	100	108 926	100	108 926	100
No of Households receiving Free Basic sanitation	1 743		1 743		1 743	
Budget allocation for sanitation services	R8 229 848		R 8 229 848		R 9 052 633	

Irradicating the backlog in terms of household access to sanitation has been a challenge as can be seen in **Figure 5** below.

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Figure 6: Household access to sanitation 12/13-14/15



Job level	2013/14			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0%	0	0	0%
Level 4-6	1	1	0%	1	1	0%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	24	6	75%	24	6	75%
Level 16-17	0	0	0%	0	0	0
Total	25	7	72%	25	7	72%

3.3 ELECTRICITY

The top service delivery issues in terms of the provision of electricity are *firstly*, continuity of supply to consumers and the safe performance of our network, all of which is being seriously jeopardised by the *second* issue which is the increasing dilapidated state of our distribution system, *lastly* and most importantly, demands for new connections. Phase 3 of the Capacity project has been completed which includes the laying of the ring cable from the Church Substation to the Old SAR substation and refurbishment of the substation which will stabilise power supply to Tzaneen Town.

GTM is also in the process of developing a complete prepaid system in the Greater Tzaneen Municipal license area (formal town areas only at the moment). As a result, we adopted the ACTOM meter system and monitoring software together with the Contour vending system. We are currently the first in the country with this new technology and have proudly hosted other Municipalities on a 'show and tell' demonstration. This resulted in our original license for 1000 meters on the complete monitoring system being extended to 5000 meters without any cost as a reward for "show and tell". We also developed the Contour vending system to integrate with the ACTOM monitoring system and the Financial Promis system. The vending system was adapted to include conventional ACTOM meters, which also could be monitored remotely. The aim is to move to an automated meter reading system in the town areas within a few years.

As at 30 June 2015 we had only about 350 standard CBI prepaid meter customers left in the system. We are planning to convert all these meters to the new split meter system in phases over a period as the workload permits. Currently we have 410 ACTOM split prepaid meters of which 161 are installed in a village environment in lockable pole top boxes. An accumulative figure of 249 Prepaid meters were converted from conventional to prepaid in Tzaneen town, consisting of 25 Indigent customers with 20Amp and 224 customers on 60 Amp. The

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monitoring system currently consists of 90 data concentrators and a server hosting the monitoring system. The new ACTOM split prepaid meters held a 0% tampering rate for the last 5 years since the first meters were installed, which is remarkable compared to the old metering system with a tampering rate of 75%.

Council approved a prepaid policy allowing prepaid connections only for domestic customers in Tzaneen town, which will be extended in future to the towns of Haenertsburg, Letsitele and Gravelotte. All indigent customers in these towns, once approved by Council, will automatically be converted to a 20 Amp prepaid connection. This will assist in restricting bad debt. When in arrears with their rates and taxes, a hold will be placed on the vending system stopping a 60 Amp prepaid customer from buying electricity until an arrangement is made to pay the arrears. This Policy will be reviewed from time to time as the Department and system develop to ultimately include all domestic customers. We started with an integration process of the systems in the 2013/14 financial year. The first phase, integration between the Vending and Financial system, will be completed in the 2016/17 financial year. This will enable the Finance Department to automatically block 60 Amp Prepaid customers from buying prepaid electricity when their accounts are in arrears with more than R500.

This is an automated process, resulting in zero prepaid customers with arrears of more than R500-00. Phase 2 will involve integration between all three, Financial, Vending and Monitoring systems, resulting in automatic reading and billing of conventional customers inside our Town areas, starting with Tzaneen. GTM has an electrification priority list that is regularly updated to ensure the full scope of needs is known. The IDP is a major tool in identifying poor communities and the appropriate allocation of funds to alleviate their plight. Service Providers are the Municipality and Eskom, each in their respective licensed areas.

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Table 26: Household access to electricity 2012/13 - 2014/15						
Level of access	2012/2013		2013/2014		2014/2015	
	Nr of Households	Nr of Households	Nr of Households	% of Total	Nr of Households	% of Total
Electricity connection (at least minimum level)	97095	89%	99541	91%	101 004	93%
Electricity connection - prepaid	650	0,66%	662	0,71%	761	
Electricity below minimum level	0	0	0	0	0	0
No access to electricity	11831	11%	9385	9%	7922	7%
Total Households	109 576		108926		109687	
Nr of Households receiving Free Basic Electricity	22988	23.68%	28 354	28.49%	31 129	28.38%
Budget allocation for Electricity services	R13 000 000		R10 000 000		R6 000 000	

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Table 27: Service Delivery Targets for Electricity as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2013/14)	Actual Achieved (30 June 2015)	Reason for deviation
Electricity Infrastructure	% of households with access to electricity	94% (102377 of 108926)	93.0%	Physical construction completed project not yet energised
Electricity Infrastructure Development	Electrification of villages through ESKOM	Monitor the electrification of households in villages and report progress to Council monthly	Seven Projects completed and energized. One project still at construction phase.	Late implementation of Electrification projects of Thako/ Kgwekgwa/ Moleketla
Electricity Infrastructure Development	Electrification of Runnymede/ Pjapjamela/ Masekwane ext	Project completed 135 units energised	Physical Construction for electrification project of Runnymede completed (95%). PCS file captured. ENS Updated and submitted to ESKOM for approval. Final inspection done busy with snag list.	Marula tree under the infrastructure
Electricity Infrastructure Development	Electrification of Mohlaba Cross Phase 2	Project completed 400 units energised	Physical Construction for electrification project of Mohlaba Cross phase 2 completed (95%). PCS file captured. ENS Updated and submitted to ESKOM for approval. Awaiting closing span and energization.	Additional 26 households
Electricity Infrastructure Development	Installation of new streetlights (12)	Installation concluded.	Streetlights Partly installed 33 Poles, R176 900 spent	Appointment of contractor was never finalised by SCMU. Used the line building contractor to plant the poles against his approved contract. All material was procured and GTM will complete project self.
Electricity network upgrade and maintenance	R-value electricity maintenance	R 39,374,313	R 43,227,293	Labour costs to the value of R32,430,151 included in Expenditure

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Table 27: Service Delivery Targets for Electricity as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2013/14)	Actual Achieved (30 June 2015)	Reason for deviation
Electricity network upgrade and maintenance	Km of overhead lines rebuilt	12	18	None
Electricity network upgrade and maintenance	11kv Cable from Church substation via old SAR to Power station	Appointment of Service Provider and 90% of budget spent	Service Provider appointed. Site handover done. Contractor claim for material on site, 2 950 374.49 (98%) spent	None
Electricity network upgrade and maintenance	Substation tripping batteries	Installation of battery banks completed by 30 March	Tripping batteries purchased and installed at Tarentaalrand T-Off.	None
Electricity network upgrade and maintenance	Replacement of airconditioners in Municipal Buildings	Installation of airconditioners completed	Airconditioners were replaced	None
Electricity network upgrade and maintenance	Master Plan Review (Electricity)	Appointment of Service Provider	Service provider not yet appointed	Delay in the procurement process
Electricity network upgrade and maintenance	Miniature substations (NERSA Audit)	Replacing of mini-substations completed	Replacing of 2 mini-substations completed	None
Electricity network upgrade and maintenance	Provision of Capital Tools (Urban)	Procurement of capital tools as and when required	Procurement of capital tools as and when required, this capital combined with Rural, 6 Links Sticks, Drills, 8 Ladders, 4 Radios, 2 digital clamp meters, 3 crimping tools, 3 magnetic GTM signs and 1 ACER laptop was procured	None
Electricity network upgrade and maintenance	Rebuilding of Lines-Eureka - De neck (6 km)	Instruction to contractor and implementation. 6 km completed	Rebuilding of 6 km line Eureka - De Neck completed.	None
Electricity network upgrade and maintenance	Rebuilding of Lines-Mapietskop - Mtzelaar (6km)	Instruction to contractor and implementation	Rebuilding of 6 km line Mapietskop - Mtzelaar completed	None

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Table 27: Service Delivery Targets for Electricity as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2013/14)	Actual Achieved (30 June 2015)	Reason for deviation
Electricity network upgrade and maintenance	Rebuilding of Lines-Politsi valley - Dap Naude (5 km)	Instruction to contractor and implementation. 5 km completed	Rebuilding of 6 km line Politsi Valley - Dap Naude completed	None
Electricity network upgrade and maintenance	Renewal, Repairs and Maintenance on pre-paid meters (Tzaneen, Letsitele & Politsi)	Install 20 Data Concentrators to enable new areas for prepaid conversions.	20 Data Concentrators and 100 Din rail meters delivered. Vending unit replace at finance. Upgrading of infrastructure at Tarrentaalrand. Replacing of old technology meters on hold due to personnel shortage.	Procurement of SIM cards for data concentrators delayed by service providers
Electricity network upgrade and maintenance	Service Contribution	Ensure that service contribution funds received are allocated to projects.	No projects Identified, funds used for new connections	Income used for new connections only

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The ability of the Electricity Department to maintain the network was severely affected by the high number of vacancies on a technical level (see **Table 28**).

Table 28: Employees - Electricity Services						
Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	4	3	25%	4	4	0%
Level 4-6	32	18	43.75%	32	16	50%
Level 7-9	30	11	63.33	30	10	67%
Level 10-15	120	74	38.33	120	73	39%
Level 16-17	0	0	0%	0	0	0%
Total	186	106	43%	186	103	45%

Table 29: Financial Performance 2014/15: Electricity Services (R'000)					
Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	360 086	360 086	415 774	417 939	395 460
Expenditure:					
Employees	36 312	36 312	39 017	39 017	37 024
Repairs & Maintenance	8 418	8 418	11 574	6 072	10 835
Other	303 454	303 454	324 003	330 073	331 005
Total Operational Expenditure	348 184	348 184	374 594	375 162	378 865
Net Operational (Service) Expenditure	11 902	11 902	41 180	42 777	16 596

Table 30: Capital Expenditure 2014/15: Electricity Services					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Apollo light at Burgersdorp	R 520 000	R 0	R 0	R 520 000	R 520 000
Apollo lights at Khopo	R 520 000	R 0	R 0	R 520 000	R 520 000

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Table 30: Capital Expenditure 2014/15: Electricity Services

Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Apollo lights at Mawa Block 8 and 9	R 520 000	R 0	R 0	R 520 000	R 3 490 000
Apollo lights at Moloko and Pelana village	R 520 000	R 0	R 0	R 520 000	R 520 000
Installation of new streetlights (12)	R 150 000	R 150 000	R 176 000	R -26 000	R 426 000
Traffic lights (Letaba Cross & R71 turn off Deerpark)	R 600 000	R 0	R 0	R 600 000	R 1 140 000
11kv Cable from Church substation via old SAR to Power station	R 8 000 000	R 3 000 000	R 269 044	R 7 730 956	R 75 000 000
Energy efficiency and demand	R 4 000 000	R 0	R 0	R 4 000 000	R 15 000 000
Protection relays (66kv & 132 kv subs)	R 650 000	R 0	R 0	R 650 000	R 1 600 000
Substation tripping batteries	R 200 000	R 180 000	R 94 612	R 105 388	R 1 500 000
Replacement of airconditioners in Municipal Buildings	R 50 000	R 150 000	R 9 261	R 40 739	R 330 000
Miniature substations (NERSA Audit)	R 1 000 000	R 900 000	R 753 356	R 246 644	R 4 900 000
Provision of Capital Tools (Urban)	R 150 000	R 50 000	R 70 156	R 79 844	R 900 000
Rebuilding of Lines-Eureka - De neck (9 km)	R 700 000	R 630 000	R 695 274	R 4 726	R 700 000
Rebuilding of Lines-Mapietskop - Mtzelaar (7km)	R 700 000	R 630 000	R 680 539	R 19 461	R 700 000
Rebuilding of Lines-Politsi valley - Dap Naude (15 km)	R 1 000 000	R 900 000	R 684 211	R 315 789	R 1 000 000
Renewal, Repairs and Maintenance on pre-paid meters (Tzaneen, Letsitele & Politsi)	R 556 460	R 556 460	R 389 402	R 167 058	R 1 500 000

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Table 30: Capital Expenditure 2014/15: Electricity Services					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Telephone Network Management System (Control Room)	R 300 000	R 0	R 0	R 300 000	R 300 000
Service Contribution	R 15 000 000	R 13 200 000	R 1 570 964	R 13 429 036	15000000
Split meters (Mbekwana) –	R 0	R 4 098 006	R 2 445 529	R -2 445 529	4500000
Energy efficiency and demand	R 0	R 6 164 740	R 5 886 659	R -5 886 659	15000000
Total	R 35 136 460	R 30 609 206	R 13 725 007	R 21 411 453	R 110 046 000

* Including past and future expenditure as planned for the next 3 years

On the issue of available capacity, the completion of the ring around town remains a priority before the capacity issue can be declared sorted. Along with a sudden and pronounced increase in demand due to surging development, the Electrical Engineering Department has recently experienced increased power outages and customer complaints due to various reasons regarding continuous power supply and the quality of that supply. This due to the fact that the system has deteriorated to unacceptable levels which will ultimately cause the total and imminent collapse of some parts of the network, unless drastic and immediate intervention is undertaken. There are also increased incidences of lines falling to the ground during storms because of old and rotten poles. The implications of these problems are the following:

- Potential negative impact on development.
- Loss of revenue due to unnecessary power outages.
- Possible sanctions by the NERSA for non-compliance.
- Dissatisfied customers.
- Increased power losses in the system.
- Increased maintenance costs and overheads
- De-motivated and overworked employees due to recurring breakdowns and overtimes.

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- Increased wages caused by unplanned overtime due to recurring breakdowns.
- Unsafe conditions for electricians as well as both public and private property (fires, electrocution, etc.)

The following salient factors also need to be highlighted:

- Some parts of the network (+- 50%) exceed the end of their projected lifespan.
- The length of steel line in the system is estimated at +- 30% of the total length in the 11 kV network. These steel lines needs to be replaced by 0.05” ACSR (aluminium conductor steel reinforced) conductors.
- A high percentage of existing auto reclosers (+- 40%) are not in good working condition.
- More than 70% of the rural personnel’s man hours are used for breakdowns. Concerted efforts should be made to reverse the situation so that more than 70% is used for planned maintenance and less than 30% for breakdowns.
- Some of the distribution transformers have exceeded their life span and loading capacity and must be replaced by new transformers.

3.4 SOLID WASTE MANAGEMENT

The management of solid waste is governed by both International and National prescripts. International guidelines / prescriptions for waste management are as follows:

- The Rio declaration
- The Agenda 21 principles
- Kyoto protocol
- Copenhagen agreement
- 19 other International agreements

The South African legislative framework includes the following:

- National Environmental Waste Management Act (Act 59 of 2008)
- Environmental Management Act (Act 107 of 1998)
- Environmental Conservation Act (Act 73 of 1989)
- Greater Tzaneen Municipality Solid Waste By-Law, Notice no 12 of 1990

Solid Waste Collection Services”

The jurisdiction of GTM is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region. Residential kerbside waste collection service was provided to 8,537 Urban Households and 562 businesses were serviced in the following formal towns:

- Nkowankowa
- Lenyenye
- Letsitele
- Haenertsburg
- Tzaneen

Services in the rural areas are limited to ± 33,600 households in 28 Waste Service Areas which have access to a Basic Removal Service (less frequently than once a week), representing 31 % of the 108,687 households. Another (estimated) 66,550 rural households are using a

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communal dump or their own refuse dump (Estimated figures by map count, the figure is not verified due to un-formalized rural).

GTM constructed 97 Drop off Centres to service rural areas so far only 28 have been activated due to budget limitations.

Litterpicking services is rendered in all Urban streets, main roads & urban taxi / bus ranks are cleaned on a regular basis from all debris and solid waste, where 29,021 m³ are collected annually. Roads and streets in rural areas are however not yet not being attended to.

Greater Tzaneen Municipality has an 11 hectare licensed landfill site where the following volumes of waste were processed during 2014/15:

- General Waste = 71,929 m³ (21,579 t/a)
- Health Care Waste = 165 m³
- Garden Waste = 18,178 m³
- Recycling = 13,888 m³

The Solid Waste Division is also responsible for the management of public toilets. The following public toilets are maintained:

- 6 blocks at Tzaneen
- 1 block at Nkowankowa
- 1 block at Letsitele
- 1 block at Haenertsburg
- 1 block at Lenyenye

Challenges relating to Solid Waste Collection:

The solid waste collection service is mainly affected by budget limitations but also the following factors:

- Solid Waste Law Enforcement is not effective due to the fact that dedicated officials have not been appointed.

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- Limited maintenance of access roads
- Limited lifespan of the landfill site. Mopani District Municipality should establish a regional landfill site (in accordance with the National Waste Sector Plan)
- The fleet needs to be renewed as regular breakdowns affect the collection and transportation of waste

Level of access	2012/2013		2013/2014		2014/2015	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Solid waste removal once a week	10775	10%	8,766	8%	8,537	8%
Removal less frequently than once a week	0	0%	3,219	3%	33,600	31%
Using communal dump + own refuse dump	98,151	90%	100,196	89%	66,550	61%
Using own refuse dump	above	Above	Above	Above	N/A	N/A
Other disposal	0	0%	0	0%	N/A	N/A
No waste disposal	0	0%	0	0%	0	0
Total Households	108,926	100%	108,926	100%	108,687	100%
Nr of Households receiving Free Basic Waste services	13377		13377			
Budget allocation for Solid waste collection services	R 47,200,000		R 53,900,000		R 55,137,406	

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Table 32: Service Delivery targets for Waste as set out in SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2013/14)	Actual Achieved (30 June 2015)	Reason for deviation
Waste Management	R-value spent on waste management (collection & transportation, street cleansing, public toilets)	R 54,000,000	R 52,334,053	Delays in the procurement of Protective Clothing
Waste Management	# of service areas (rural waste) serviced (EPWP)	7	7	None
Waste Management	% Households with access to basic level of solid waste management services	10%	8%	Census 2011 results indicated a higher number of households in municipal area If EPWP rural service is taken into account this increases to 38%
Waste management	Bulk Container at Tzaneen Sanlam Taxi rank	Procurement of bulk container	Bulk container not yet procured	Engineering Services to include in the bid for the extension of the public toilets, ESD did however not proceed with the bid as negotiations are underway with developer to include the public toilet in the planned extensions
Waste management	Bulk-recycling bins	Procurement of bulk container	Bulk container not yet received.	Project delayed due the reduced budget (adjusted in January), the BAC recommended a re-advertisement as a Formal Written Quotation
Waste management	Kerbside Removals: Purchasing Bulk-bins	Procurement of bulk container	Bulk container not yet received.	Project delayed due the reduced budget (adjusted in January), the BAC New project recommended a re-advertisement as a Formal Written Quotation

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Table 32: Service Delivery targets for Waste as set out in SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2013/14)	Actual Achieved (30 June 2015)	Reason for deviation
Waste management	Purchase 1 x High Pressure Cleaner	Procurement of a high pressure cleaner	High Pressure cleaner was successfully procured	None
Waste management	Purchase of 1 x Log-splitter	Procurement of bulk container	Service provider not yet appointed	Not bids were received upon the closing of the advertisement.
Waste management	Purchase of 2 x Chain- saws	Procurement of bulk container	The chainsaw was successfully procured	None

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	3	3	0%	3	3	0%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	136	103	24.2	136	133	2%
Level 16-17	0	0	0%	0	0	0%
Total	141	108	23.4	141	138	2%

Detail	2013/2014		2014/2015		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	23 746	34 526	34 526	28 170	6 356
Expenditure:					
Employees	13 360	12 096	12 096	12 874	(778)
Repairs & Maintenance	4 122	3 831	3 831	2 541	1 290
Other	17 167	17 222	17 222	16 551	671
Total Operational Expenditure	34 649	33 149	33 149	31 966	1 183
Net Operational (Service) Expenditure	(10 903)	1 377	1 377	(3 796)	5 173

Table 35 below presents the progress made with the implementation of capital projects allocated for the Solid Waste Collection during 2014/15.

Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Bulk Container at Tzaneen Sanlam Taxi rank	R 75 000	R 75 000	R 0	R 75 000	R 75 000

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Table 35: Capital Expenditure 2014/15: Solid Waste Services (R'000)					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Bulk-recycling bins	R 180 000	R 160 000	R 0	R 180 000	R 160 000
Kerbside Removals: Purchasing Bulk-bins	R 50 000	R 50 000	R 0	R 50 000	R 50 000
Purchase 1 x High Pressure Cleaner	R 10 000	R 10 000	R 9 500	R 500	R 10 000
Purchase of 1 x Log-splitter	R 200 000	R 200 000	R 0	R 200 000	R 200 000
Purchase of 2 x Chain-saws	R 10 000	R 10 000	5701	R 4 299	R 10 000
Total	R 525 000	R 505 000	R 15 201	R 509 799	R 505 000

* Including past and future expenditure as planned for the next 3 years

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3.5 HOUSING & BUILDING CONTROL

3.5.1 HOUSING

All projects are developed in terms of the approved Integrated Residential Development Programme. Rural projects are implemented in terms of the Rural Housing Subsidy Programme. The Greater Tzaneen Municipality prioritise the development areas for wards with least low cost housing subsidy/RDP houses. The following Villages were prioritized for 2014/15: Mbekwana (**64**), Fofeza (**36**), Mphatasediba (**16**), Ramphelo (**9**), Semarela (**18**), Relela (**27**), Sethone (**24**), JB Mohlaba cross (**50**), Khujwana (**50**), Shikwambana (**35**), Nyanyukani (**50**), Rhulani (**50**), Hoveni (**50**), Hweetjie (**50**), Solani (**50**) Wally (**9**), Radoo/Nyakelani (**40**) Ramotshinyadi (**30**), Dan (**4**), Mogapeng (**6**), Shoromong (**8**), Ezekhaya (**3**). The total allocation was **700** units for 2014/15 financial year, no emergency units was allocated. See **Table 36** for the progress with regard to the implementation of RDP houses.

Year	Total Households	Households in informal houses**	% of HH in formal settlements
2010/2011	89 844	20 000	22%
2011/2012*	108 926*	7 729	7.01%
2012/2013	108 926*	7 729	7.01%
2013/2014	108 926	7 729**	7.01%
2014/2015	108 926	7 729**	7.01%

*Number of Households as established through Census 2011 (Stats SA, 2011)

**GTM is a predominantly rural municipality, the definition of informal houses in a rural context has not been clarified and therefore figure represents the Stats SA definition which only includes houses with an informal structure (not referring to the town planning context thereof)

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Table 37: Housing Service Delivery targets for 2014/15 as set out in the SDBIP				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
None	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

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Table 38: RDP Housing projects 2014/15

Village (Location)	Commencement date	Nr of Unit allocated	Number completed	Challenges/Achievements
Fofoza	15 January 2015	36	15 wall plate	Contractors where appointed late in the Financial year
Mphatasediba	15 January 2015	16	0	Contractors where appointed late in the Financial year
Dan Village	15 January 2015	1	0	Contractors where appointed late in the Financial year
Dan Ext 2	15 January 2015	3	0	Contractors where appointed late in the Financial year
Ramphelo	15 January 2015	9	0	Contractors where appointed late in the Financial year
Mogapeng	15 January 2015	6	0	Contractors where appointed late in the Financial year
Shoromong	15 January 2015	8	6 wall plate	Contractors where appointed late in the Financial year
Ezekhaya	15 January 2015	3	2 wall plate	Contractors where appointed late in the Financial year
Semarela	15 January 2015	18	0	Contractors where appointed late in the Financial year
Mbekwana	12 January 2015	64	64 wall plate	Contractors where appointed late in the Financial year
Relela	12 January 2015	27	19 wall plate	Contractors where appointed late in the Financial year
Ramotshinyadi	12 January 2015	30	30 wall plate	Contractors where appointed late in the Financial year
Radoo/ Nyakelani	12 January 2015	40	12 completed	Contractors where appointed late in the Financial year
Wally	12 January 2015	30	19 wall plate	Contractors where appointed late in the Financial year
Hweetjie	12 January 2015	50	27 completed	Contractors where appointed late in the Financial year
Solani	12 January 2015	30	8 completed	Contractors where appointed late in the Financial year
Shikwambana	12 January 2015	29	2 completed	Contractors where appointed late in the Financial year

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Table 38: RDP Housing projects 2014/15				
Village (Location)	Commencement date	Nr of Unit allocated	Number completed	Challenges/Achievements
Rhulani	19 January 2015	50	43 completed	Contractors were appointed late in the Financial year
Hoveni	19 January 2015	50	44 wall plate	Contractors were appointed late in the Financial year
Solani	19 January 2015	20	18 wall plate	Contractors were appointed late in the Financial year
Nyanyukani	19 January 2015	50	28 completed	Contractors were appointed late in the Financial year
Mohlaba Cross	19 January 2015	50	7 wall plate	Contractors were appointed late in the Financial year
Khujwane	19 January 2015	50	40 wall plate	Contractors were appointed late in the Financial year
Sethoni	19 January 2015	24	12 foundation	Contractors were appointed late in the Financial year
Shikwambana	19 January 2015	6	0	Contractors were appointed late in the Financial year

Table 38 presents the list of RDP housing projects allocated to the GTM area by the Department of Cooperative Governance, Human Settlements and Traditional Affairs during 14/15. From the table it is clear that most projects have not yet been completed and this is mainly due to the fact that CoGHSTA appointed the contractors very late in the financial year and these projects will therefore roll-over to the 15/16 financial year.

Challenges Experienced on RDP Housing:

- Allocation of houses from CoGHSTA does not meet the demands of the community
- No delegated powers for the Municipality on the provision of housing
- Backlog figures are not reflected in terms of income levels and special needs.
- Waiting lists are not in accordance to the National Criteria, no Housing Subsidy System (HSS)
- Not all stakeholders involved in the identification of beneficiaries are familiar with the National requirements to qualify for a housing subsidy.

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- The public complains about identified beneficiaries but do not submit comments or objections during publication of lists.
- The unauthorised selling and demolishing of RDP units.
- Emergency lists submitted are scattered and this has a negative cost implication.
- Minimal participation of beneficiaries/ownership of projects.
- Greater Tzaneen Municipality is predominantly rural and this poses problems in balancing backlogs vs. spatial growth patterns through the provision of low cost housing.
- The non-availability of land for development in the townships and some villages.
- An integrated approach in addressing the needs of communities is still lacking
- Stand numbers in some villages are not easily detected.

Housing Consumer Education

- Housing Consumer Education was conducted to all wards which benefited for 2012/13 financial year and 2013/14 financial year though the project was rolled over to 2014/15 financial year. The total number of beneficiaries targeted was 933.
- Two officials from National Department of Human Settlement visited the province and Municipal officials conducted the workshop.
- Workshops were conducted at Mamtwa Tribal hall and the target number of beneficiaries was 100, at Khujwana Nduna Magwaza for 100 beneficiaries and the last one was held at ward 26 from the 19th to 22nd of August 2014 and 306 beneficiaries were trained.

Housing Backlog

- The Municipal housing backlog is 12,590 but pending the review of beneficiaries for 2013 to 2015.
- The middle income backlog is 17,46.

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3.5.2 BUILDING CONTROL

Building control services is provided in line with the National Building Regulations act of (1977) as amended. The Building and Maintenance Division also maintains all Council owned buildings to ensure that they comply with the Occupational Health and Safety Act (Reg. 1039 of 2005) as amended. GTM approves building plans and receives ± 30 building plans per month and half of them are returned for corrections. The Municipality is approving ± 15 building plans per month, which are being approved within the 30 day period, as stipulated in the building regulations.

Table 39: Square meters and value of building plans approved 2012/13 - 2014/15						
	2012/13		2013/14		2014/15	
	Area (m²)	Value (R)	Area (m²)	Value (R)	Area (m²)	Value (R)
New houses approved	15 190	65 139 000	18 836	84 762 000	22 972	126 346 000
Additions to existing houses approved	4505	19 135 000	3 733	16 798 500	3 904	21 472 000
New shops approved	490	2 205 000	0	0	484	2 662 500
Additions to existing shops approved	0	0	1445	6 502 500	0	0
Additions to existing industrial approved	6752	30 384 000	5521	24 844500	2463	13 546 500
New churches approved	782	3 519 000	0	0	2242	12 331 000
New townhouses approved	1233	4 932 000	0	0	300	1 650 000

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Table 39: Square meters and value of building plans approved 2012/13 - 2014/15

	2012/13		2013/14		2014/15	
	Area (m ²)	Value (R)	Area (m ²)	Value (R)	Area (m ²)	Value (R)
New other (cell phone towers) approved	896	4 032 000	0	0	0	0

The staff compliment of the building and maintenance division is presented below in **Table 40** below:

Table 40: Employees – Building and Maintenance (2012/13)

Job level	2013/14					
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	13	10	23%	13	11	15%
Level 7-9	3	3	0%	3	3	0%
Level 10-15	28	18	35%	28	16	43%
Level 16-17	0	0	0%	0	0	0%
Total	45	32	58%	45	31	31%

The Capital allocation for Building and Maintenance is presented in **Table 41** below.

Table 41: Capital Project Expenditure 2014/15: Building and Maintenance (R'000)

Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Replacement of roof in the civic Centre in Tzaneen	R500,000	R 500,000	R 143,147	R 356,853	R500 000

The financial performance of the Building and Maintenance Division is presented in **Table 42**.

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Table 42: Financial Performance 2014/15: Building and Maintenance (R'000)					
Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	1 495	1 061	1 061	1 665	(604)
Expenditure:					
Employees	9 726	8 978	8 978	8 647	331
Repairs & Maintenance	845	2 052	2 032	497	1 535
Other	942	3 664	3 664	1 270	2 394
Total Operational Expenditure	11 513	14 694	14 674	10 415	4 259
Net Operational (Service) Expenditure	(10 018)	(13 633)	(13 613)	(8 750)	(4 863)

The cause of variance evident in Table 42, in spending of operational budget, is due to vacancies that were not filled. The other issue is on slow SCMU process in finalising bids and quotations.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipal Council gives priority to the basic needs of the community, promotes the social and economic development of the community and ensures that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services, in terms of Section 152 (1) (b) and 153 (b) of the Constitution. Basic services are generally regarded as to be access to electricity, clean water within reasonable distance, basic sanitation, solid waste removal and access to and availability of roads.

The key purpose of an Indigent Subsidy Policy, adopted by Council, is to ensure that households with no or a low income are not denied a reasonable service, while the municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the Indigent Subsidy Policy should remain intact. To

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achieve this, a threshold income level of a maximum of the approved pension amount for old age i.e. R1 260 per individual or R2 520 per household applies. The consumer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Greater Tzaneen Municipality.

Service	2013/2014	2014/15			
	Actual Expenditure	Budget	Adjustment Budget	Actual Exp	Variance to budget
Electricity	3 594	3 500	3 500	2 849	651
Waste Collection	1 034	1 575	1 575	1 181	394
Total	4 628	5 075	5 075	4 030	1 045

Provision is also made on our Credit Control and Debt Collection Policy for indigent debtors in line with our rates and tariffs and any national policies on indigents. The Equitable Share Grant and the free basic electrical grant assist in financing the benefits that the registered indigents are to receive, in the form of discounted tariffs for services consumed. The cost incurred by GTM to provide free basic services are presented in **Table 43**.

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Table 44: Free Basic Services provision to Low Income Households*

Year	Registered Indigents	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Waste Removal	
	Total HH	HH Receiving	% of indigents[1]	HH Receiving	% of indigents	HH Receiving	% of indigents	HH Receiving	% of indigents
2008/2009	32 009	2 090	MDM	2 090	MDM	5 862	18%	5 862	18%
2009/2010	30 000	905	MDM	905	MDM	7 173	24%	7 173	24%
2010/2011	23 089	919	MDM	919	MDM	9 700	42%	9 700	42%
2011/2012	11 161	1 560	MDM	1 367	MDM	7 350	66%	1 385	12%
2012/2013	22 998	1 549	MDM	1 357	MDM	7 231	31%	1 377	6%
2013/2014	31 129	1 666	MDM	861	MDM	5 565	18%	917	3%
2014/2015	31 129	2 733	MDM	2 733	MDM	31 129	100%	933	3%

Table 45: Free Basic Service Delivery targets as contained in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Free Basic Services	% of households earning less than R1100 (indigent) served with <u>free basic</u> electricity	100% (27000)	100% (31129)	None
Free Basic Services	% households earning less than R1100 with access to free basic waste removal (registered as indigents)	15%	3%	Information only available for 5 formal towns. Rural

It should be noted that GTM is not a Water Service Authority and therefore not providing water and sanitation in the entire municipal area, making it impossible to provide figures on the provision of free basic services in this regard.

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Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
				households do not receive bills
Free Basic Services	Total number of registered indigent households who received free basic water and sanitation (5 formal towns)	2654	2733	None

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COMPONENT B: ROADS & STORMWATER

3.7 ROADS & STORMWATER

Greater Tzaneen Municipality owns and manages ± 2300 km of municipal road network. This network comprises of district / connector and municipal / access roads in terms of road classification. The Municipality is tasked with the planning, design, maintenance, construction and usage of these roads. It is also required to prevent the deterioration of surfaced roads by conducting preventative maintenance, control of storm water and provision of drainage structures and to surface priority roads. Roads and stormwater cannot be separated because when there is no proper stormwater drainage system on a road, the life span of the road cannot be guaranteed.

Maintenance of tar roads are done through cleaning of catch pits, patching of potholes and road marking to prevent deterioration. Maintenance of gravel roads is through grading and construction of small bridges and stone pitching. Due to insufficient resources to get all the roads in good condition, priority is given to roads to schools, clinics, grave yards, business areas and roads which are used by public transport. In terms of Roads and Stormwater the following challenges are experienced:

- There are insufficient funds for regravelling and tarring of municipal roads.
- Many of the roads need stormwater management control.
- Most of the municipal roads and internal streets are gravel and need more machines than what is available to be maintained regularly.
- MISA is assisting the municipality with the development of a Roads Master Plan and currently they are in the process of appointing a service provider.
- There are not enough labourers to construct stone pitching, wing walls and other maintenance related tasks which can be done in-house.

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Year	Gravel				Tar/Asphalted			
	Total km	Newly constructed	Upgraded to tar	Maintained	Total km	Newly constructed	Re-sheeted	Maintained
2008/2009	1610	13.14	0	1779	690	0	0	0
2009/2010	1610	14.73	0	1610	690	0	0	0
2010/2011	1610	0	0	1478	690	0	0	0
2011/2012	1610	0	0	1824	690	0	0	56 727 m ²
2012/2013	1610	0	0	2355	690	0	0	7594 m ²
2013/2014	1595	0	15	67.7	705	15	0	14 051 m ²
2014/2015	1577.5	0	17.5	2909	722.5	17.5	0	14 890 m ²

Year	Gravel				Tar/ Asphalt			
	Maintained (Km)	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)	Maintained (m ²)	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)
2010/2011	1478	12 116 463	0	0	42 488	12 812 238	0	0
2011/2012	1824	15 222 895	0	0	56 727	12 895 697	0	0
2012/2013	2355	5 388 907	0	0	7 594	5 013 946	0	0
2013/2014	67.7	6 517 059	0	0	14 051	4 248 879	2.55km	13 394 036
2014/2015	2909	9 175 441	0	0	14 890	8 501 942	17.5	8 103 335

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Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Roads and Storm water Infrastructure Development	Km of roads tarred	11	17.5 km	None
	Haenertsburg DoC entrance road	Stabilisation and re-gravelling of access road to the Drop Off Centre at Haenertsburg by December	Tender closed on 10 June 2015 waiting for evaluation	Capital budget allocation was adjusted to accommodate the Sasekani Road
	Nkowankowa DoC entrance road	Stabilisation and re-gravelling of access road to the Drop Off Centre at Nkowankowa by December	Tender closed on 10 June 2015 waiting for evaluation	Capital budget allocation was adjusted to accommodate the Sasekani Road
	Agatha Cemetery low level bridge	Advertisement for and appointment of Contractor	Advertisement not yet done	Consultant still to finalise the designs
	Mopye low level bridge	Roll-over from 13/14, Bridge to be completed	Mopye low level bridge completed	None
	Mokonyane low level bridge	Construction	Tender advertised	Project delayed by the EIA process
	Moruji to Matswi, Kheshokolwe Tar Road	Construction commenced	Design and tender documents completed.	Awaiting approval by MIG to proceed with project delayed the project
	Pedestrian Bridge at Marumofase	Pedestrian bridge completed	Designs not yet approved.	Delay by the Consultant to produce the final designs.
	Rikhotso low level bridge	Construction	Tender advertised	Project delayed by the EIA process
	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	Construction commenced	Design and tender documents completed.	Project delayed by permission from MIG to tar a RAL road
	Thapane to Moruji Tar	Road completed, 11km	Road complete.	None
	Senakwe to Morapalala	Construction, physical progress at 90%	Road on practical completion.	None

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Table 48: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
	Sasekani to Nkowankowa	Construction commenced, physical progress at 86%	New contractor on site and progressing well. 4.5km of the road has been primed. (Physical progress is at 45% of the new scope of work)	Project was under litigation
	Ramotshinyadi to Mokgwathi Tar Road	Project completed in 13/14 minor expense occurred in July '15	Ramotshinyadi to Mokgwathi Tar Road completed	None
	Claude Wheatley Road (Taxi rank canopies)	Installation of Taxi rank canopies completed	Installation of Taxi Rank Canopies completed.	None
	Lenyenye cemetery road	Road rehabilitation completed	Road rehabilitation completed	None
	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	Construction commenced	Design and tender documents completed. Contractor not yet appointed	Late approval by sector department and delays in the appointment of contractor by SCM.
Roads & Storm water upgrading and maintenance	R-value spent on road and storm water maintenance	R 15,792,074	R 20,381,042	Total budget R22,792,074 since an additional R7 million was requested with adjustment due to high demand for road maintenance. Target not adjusted in SDBIP
	Purchase generators	Procurement of generator completed by March	Specifications are finalized, not yet procured	Deviation requested from the CFO to procure diesel bowser, approval and sourcing of quotations delayed procurement
	Purchase welding machines	Welding machines procured by December	Specifications are finalized, not yet procured	Deviation requested from the CFO to procure chain saw and pruners, approval and sourcing of quotations delayed procurement
	Roads masterplan Development	Liaise with MISA on the drafting of a Road Master Plan. Report Progress	Roads master plan not yet started by MISA	Waiting for budget allocation by MSA

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	10	3	70%	10	3	70%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	182	38	79.12%	182	35	81%
Level 16-17	0	0	0%	0	0	0%
Total	193	42	78.23%	193	39	80%

Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	155 300	150	150	-	150
Expenditure:					
Employees	13 920	13 784	13 784	12 349	1 435
Repairs & Maintenance	22 160	22 628	30 180	26 885	3 295
Other	11 883	60 922	60 922	2 845	58 077
Total Operational Expenditure	47 963	97 334	104 886	42 079	62 807
Net Operational (Service) Expenditure	107 337	(97 184)	(104 736)	(42 079)	(62 657)

The expenditure on capital in terms of roads and stormwater is presented in **Table 51**. The bulk of the capital expenditure incurred was on projects that rolled over from the 2013/14 financial year and therefore included in the 14/15 adjusted budget.

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Table 51: Capital Expenditure 2014/15: Roads and storm water Services (R'000)					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Haenertsburg DoC entrance road	R 500 000	R 400 000	R 0	R 500 000	R 239 242
Nkowankowa DoC entrance road	R 500 000	R 400 000	R 0	R 500 000	R 458 535
Agatha Cemetery low level bridge	R 500 000	R 100 000	R 0	R 500 000	R 3 021 286
Khubu to Lwandlamuni Low Level bridge	R 500 000	R 0	R 0	R 500 000	R 3 267 556
Mokonyane low level bridge	R 500 000	R 400 000	R 46 847	R 453 153	R 1 240 000
Moruji to Matswi, Kheshokolwe Tar Road	R 14 571 797	R 14 571 797	R 5 137 666	R 9 434 131	R 127 904 235
Pedestrian Bridge at Marumofase	R 6 120 155	R 6 120 155	R 0	R 6 120 155	R 6 120 155
Rikhotso low level bridge	R 1 000 000	R 600 000	R 0	R 1 000 000	R 1 900 000
Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	R 14 571 797	R 11 571 797	R 3 180 744	R 11 391 053	R 90 945 014
Thapane to Moruji Tar	R 36 551 029	R 40 992 125	R 36 919 825	R -368 796	R 48 583 595
Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	R 14 571 979	R 11 571 797	R 6 584 981	R 7 986 998	R 93 736 499
Sasekani to Nkowankowa	R 0	R 24 000 000	R 9 118 471	R -9 118 471	R 24 000 000
Mafarana to Sedan Tar Road	R 0	R 6 154 051	R 5 753 491	R -5 753 491	R 27 228 000
Ramotshinyadi to Mokgwathi Tar Road	R 0	R 0	R 44 502	R -44 502	R 56 497 380
Rehabilitation of Int Claude Wheatley	R 0	R 1 900 000	R 1 887 886	R -1 887 886	R 10 904 973
Senakwe to Morapalala Tar road	R 0	R 9 000 000	R 10 817 580	R -10 817 580	R 47 676 883
Construction of Politsi Road (Bridge)	R 0	R 0	R 85 119	R -85 119	R 1 777 268
Mopye Low Level Bridge	R 0	R 461 017	R 796 958	R -796 958	R 1 529 342
Total	R 89 886 757	R 128 242 739	R 80 374 070	R 9 512 687	R 547 029 963

* Including past and future expenditure as planned for the next 3 years

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Table 52: 2015/16 Planned Targets for road infrastructure development

Project name	MIG Fund	Counter Fund	Total
1. Rita to Mariveni: Upgrading of Road from Gravel to Tar: Phase 2 of 4	R22,948,600	R2,832,438	R25,781,038
2. Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 2 of 4	R26,934,496	R4,430,771	R31,365,267
3. Tickyline to Mafarana: Upgrading of Road from Gravel to Tar: Phase 2 of 4	R20,031,933	R2,844,105	R22,876,038
4. Relela Community Hall: Phase 2 of 2	R9,165,496	R0	R9,165,496
5. Upgrading of Runnymade Cluster Sports Facility: Phase 1 of 2	R7,550,926	R0	R7,550,926
PMU Management	R4,559,550	R0	R4,559,550
TOTAL	R91,191,001	R10,107,314	R101,298,315

Table 53: 2016/17 Planned Targets for road infrastructure development

Project name	MIG Fund	Counter Fund	Total
1. Rita to Mariveni: Upgrading of Road from Gravel to Tar: Phase 3 of 4	R22,584,189	R5,146,280	R27,730,469
2. Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 3 of 4	R29,818,741	R6,744,614	R36,563,355
3. Tickyline to Mafarana: Upgrading of Road from Gravel to Tar: Phase 3 of 4	R21,117,084	R4,943,336	R26,060,420
4. Upgrading of Runnymade Cluster Sports Facility: Phase 2 of 2	R15,972,000	R0	R15,972,000
5. Upgrading of Burgersdorp Sports Ground: Phase 1 of 3	R 673,436	R0	R 673, 436
PMU Management	R4,745,550	R0	R4,745,550
TOTAL	R94,911,000	R16,834,230	R111,745,230

Table 54: 2017/18 Planned Targets for road infrastructure development

Project name	MIG Fund	Counter Fund	Total
1. Rita to Mariveni: Upgrading of Road from Gravel to Tar: Phase 4 of 4	R23,520,412	R5,146,280	R28,666,693
2. Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 4 of 4	R38,754,965	R6,744,614	R45,499,579

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Project name	MIG Fund	Counter Fund	Total
3. Tickyline to Mafarana: Upgrading of Road from Gravel to Tar: Phase 4 of 4	R27,904,575	R5,372,558	R33,277,133
4. Upgrading of Burgersdorp Sports Ground: Phase 2 of 3	R 4,681,193	R0	R4,681,193
5. Upgrading of Nkowankowa Stadium: Phase 1 of 2	R 600,555	R0	R 600,555
PMU Management	R5,024,300	R0	R5,024,300
TOTAL	R100,486,000	R17,263,452	R117,749,452

In **Tables 52-54** above the three year plan - the priority list on roads is presented. Prioritisation was done by Council after needs of communities were received. Capital expenditure for 2014/2015 is very low because of the following factors:

- Supply chain processes
- Court interdict delayed construction
- Consultants appointed were very slow to produce documentation

We do not foresee variation outside the budgets because of the ten percent contingency amounts in the existing budgets.

3.8 LICENSING

Clients are assisted at Tzaneen and Nkowankowa DLTC with the issuing of learners and drivers licenses and also the renewal of drivers' licenses. The Registration Authority at the main building assists with all vehicle licenses and registration issues. Challenges faced are:

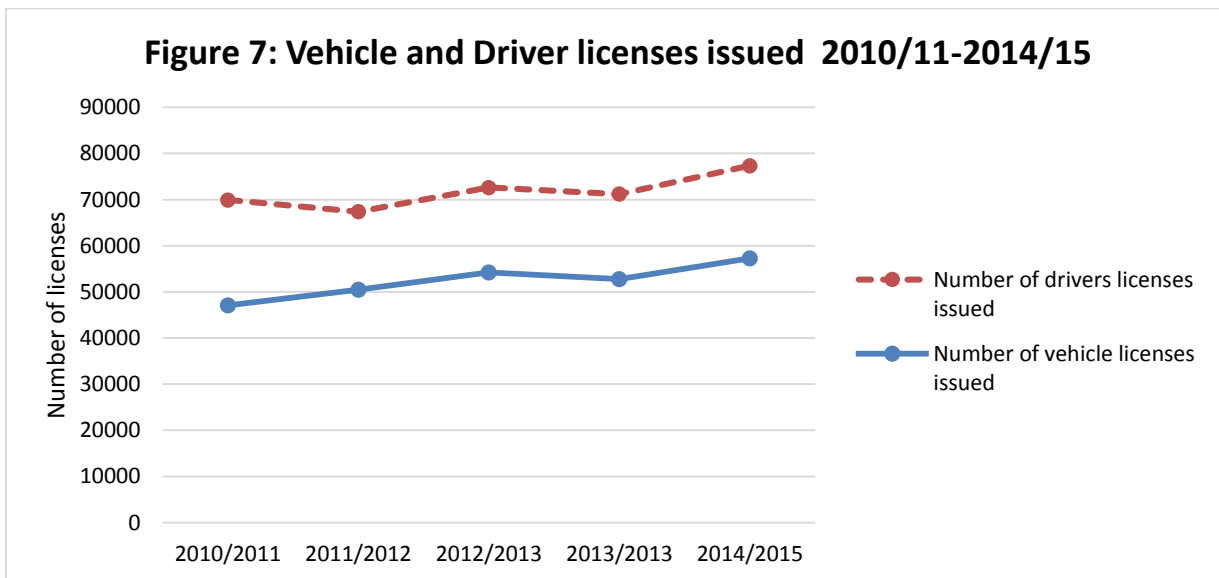
- Applicants that are flocking to the 2 testing stations to get assistance for learners and drivers licenses from other areas
- Corruption at the testing stations and the overcrowding of driving schools at the testing stations

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The top 3 service deliveries priorities are vehicle renewal, registration and licensing of vehicles and the issuing of learners and drivers licenses. All licenses issued must be issued in terms of the National Road Traffic Act, procedures and K53 manuals. Initiatives introduced to improve service delivery:

- All offices are open during lunch hours and we also assist bigger companies from neighbouring Municipalities in registration and licensing issues.
- Licensing and testing services offices are also open on Saturdays
- Electronic booking system and the electronic learner's license system in Tzaneen DLTC only.
- Mopani District Licensing Forum

Year	Number of vehicle licenses issued	Number of drivers licenses issued	Number of professional driving permits	Revenue collected (R)
2010/2011	47109	22810	3089	R 24 419 793
2011/2012	50488	16914	3453	R12 45 816
2012/2013	54202	18415	3618	R 20,463,353
2013/2013	52768	18441	3569	R32,303,810
2014/2015	57246	20097	4125	R28 185 551



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Table 56: Number of new vehicles registered

Year	Number
2010/11	12364
2011/12	12827
2012/13	12287
2013/14	12333
2014/15	12726

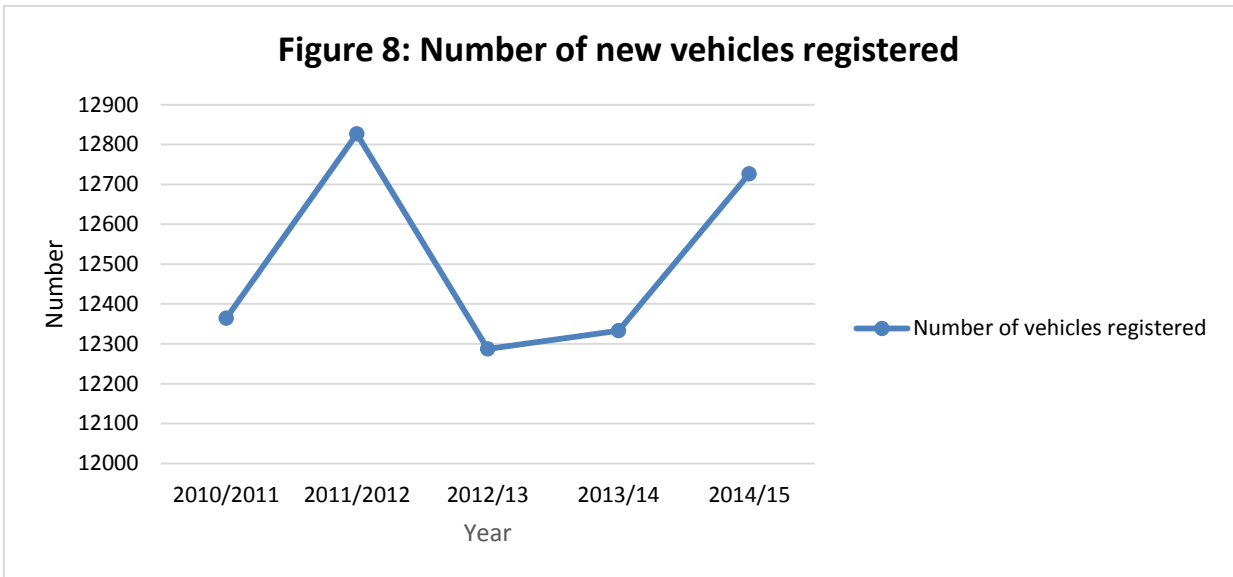


Figure 8 presents the number of new vehicles registered from 2010/11 to 2014/15, showing a marked increase from 2013/14 to 2014/15.

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Table 57: Licensing Service Delivery targets for 2014/15 as contained in the SDBIP				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
None	n/a	n/a	n/a	n/a

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	23	10	56%	23	10	56%
Level 7-9	25	12	52%	25	13	48%
Level 10-15	11	3	72.7%	11	4	64%
Level 16-17	0	0	0%	0	0	0%
Total	60	26	56.6%	60	27	55%

Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	13 843	43 015	43 015	14 581	28 434
Expenditure:					
Employees	15 046	14 113	14 113	14 926	(813)
Repairs & Maintenance	5	47	47	2	45
Other	393	23 089	23 089	297	22 793
Total Operational Expenditure	15 444	37 249	37 249	15 224	22 025
Net Operational (Service) Expenditure	-1 601	5 766	5 766	(643)	6 410

GTM provides a vehicle and drivers licensing service on behalf of the Provincial Department of Transport. 80% of the income generated must be paid to the province.

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COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: Land Management, Town Planning and Local Economic Development issues.

3.9 LAND MANAGEMENT

Land Use and Land Claims

Approximately 66% of the total land area of GTM is privately owned while 33% is owned by the state, mainly in Traditional Authority areas (Tribal land). A negligible extent is municipal commonage. Tribal land is not under controlled by the municipality. Currently there are almost 45 claims that have been lodged with the Land Claims Commission within Greater Tzaneen Municipality. The number of these claims provides an indication of the extent and potential impact these claims may have on the SDF planning proposals. The Land & Human Settlement Division has an approved organogram of ten positions, of which eight have been filled.

JOB LEVEL	2013/2014			2014/2015			
	No of posts	Positions filled	Vacancy rate	No of posts	Positions filled	Vacancy rate	
Level 0-3	1	1	0%	1	1	0%	
Level 4-6	2	2	0%	2	2	0%	
Level 7-9	5	3	40%	5	3	40%	
Level 10-15	2	2	0%	2	2	0%	
Level 16-17	0	0	0%	0	0	0%	
Total	10	8	20%	10	8	20%	

Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	16 352	-	-	-	-
Expenditure:					

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Table 61: Financial Performance 2014/15: Land and Human Settlements (R'000)					
Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Employees	4 612	5 577	5 577	4 512	1 064
Repairs & Maintenance	-	115	35	-	35
Other	204	567	567	2 536	(1 969)
Total Operational Expenditure	4 816	6 259	6 179	7 049	(870)
Net Operational (Service) Expenditure	11 536	(6 259)	(6 179)	(7 049)	870

Challenges on Land Management

- Illegal occupation of state own land held in trust of traditional Councils
- No serviced stands to meet the demand.

Land Management Activities for 2014/15:

In terms of Land Management the PED Department continued to lead negotiations with land owners, concluding the signing of deeds of sale, appointment of conveyancers and managed the Transfer and registration of the property in the name of Greater Tzaneen Municipality on 6 October 2014. Other major activities were:

- Talana Hostel:** Township Establishment was budgeted for R400 000, but the project could not be concluded since the budget was revoked with the adjustment.
- Land identification for social housing:** Portion 6 of the Farm Pusela 555-LT was identified the Township Establishment completed and the property is enrolled on the Provincial pipeline for funding by COGHSTA. **Portion 292 and 293 were also identified for social housing and the property is enrolled on the Provincial pipeline for funding by COGHSTA.**
- Regional Cemeteries:** Three farm portions were identified for regional cemeteries, namely the Remainder Portion of Mohlaba's Location 557-LT and the Farm

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Dusseldorp 23-KT. Letter of request to release the land was submitted to the Department of Rural Development & Land Reform.

Progress with the development of identified areas are presented below in **Table 62**.

Town	Developer	Year appointed	Progress (Activities completed)	Challenges
Dan Extension 1	Dewcon	2006	<ul style="list-style-type: none"> - Water and Sewer reticulation was installed and completed in 2011 100% - Outstanding: <ul style="list-style-type: none"> o Eviction of brickyard o Stormwater & internal streets o Electricity 	<ul style="list-style-type: none"> - Delay on approval of connection point and provision of cost by Eskom. - Lack of integration by Municipality Departments in implementing of Council Resolutions. - Delay in eviction of the Brickyard.
Tzaneen Extension 60	Solidarity	2006	<ul style="list-style-type: none"> - Service level agreement was only signed in 2013 - Environmental impact assessment was completed in 2015. - Contractor is on site clearing the street and pegging the site. - Municipality only provided connection points in December 2015. - Planning to install water & sewer reticulation beginning of February 2016. Water & sewer designs approved in 2014. - Roads & storm water designs approved in 2014. 	<ul style="list-style-type: none"> - Delay on signing of land availability agreement and service level agreement both agreements were signed in 2013. - Lack of integration by Municipal Departments in implementing Council Resolutions. - Delay in providing water & sewer connection points by GTM.

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Table 62: Land Developments 2014/15				
Town	Developer	Year appointed	Progress (Activities completed)	Challenges
			<ul style="list-style-type: none"> - Electricity designs not yet approved. 	
Tzaneen Extension 78	Ngoma Trading	2006	<ul style="list-style-type: none"> - Water & sewer reticulation was completed in 2013. - Roads & storm water designs was only approved in 2015. - Electricity designs not yet approved. - The contractor is on site clearing roads in preparation for construction of internal streets and storm water control. 	<ul style="list-style-type: none"> - Transfer of site to Ngoma Trading CC without consultation with the user Departments. - Delay in approval of designs - Insufficient water to proceed with the project as water allocation of Tzaneen Ext 78 diverted to new private development. - Lack of integration by Municipal Departments in implementation of Council Resolutions.
Tzaneen Extension 53	Phadima	2006	<ul style="list-style-type: none"> - The Development of Tzaneen Extension 53 is sitting with the Court. 	<ul style="list-style-type: none"> - Project is under litigation
Tzaneen Extension 13	Phethego	2006	<ul style="list-style-type: none"> - Water & sewer completed 100% - Electricity completed 100% - Street lights installed but there are few challenges which resulted into takeover by Internal Electricity Service Department. - Roads 75% completed 	<ul style="list-style-type: none"> - Roads not completed - Street lights not done in accordance with the standard of GTM. - Generally the project is completed, however there is lack of integration by Municipality Departments in implementing Council Resolutions. - Extension of SLA without the involvement of the user Department.

The Housing Development Agency (HDA) appointed a Service Provider (a Town Planner) for Urban appraisal of all projects with possibility of funding Community Residential Units (CRU) and Social Housing Projects.

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Table 63: Applications for Land use Development 2012/13 - 2014/15

	Formalisation of Townships			Rezoning			Built Environment		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Planning application received	1	1	1	15	19	19	628	640	524
Determination made in year of receipt	2	1	0	6	8	2	628	640	524
Determination made in following year	0	1	1	6	8	16	0	0	0
Applications withdrawn	0	0	0	1	1	1	0	0	0
Applications outstanding at year end	2	2	0		2	16	0	0	0

Table 64 presents all the key deliverables for Land Management and Town planning as was included in the 2014/15 IDP.

Table 64: Service Delivery targets for Land Management & Town Planning as contained in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Integrated Development Planning	Vision 2030 Strategy	Adoption of 2030 Strategy by Council	Not done	Development of Vision 2030 (Growth & Development Strategy) requires the PED Director, the position remains vacant
Land Acquisition	Acquisition of land at Politsi (residential)	Report progress on the Housing Development Agency (HDA) feasibility study.	The Housing Development Agency conducted a pre-feasibility study on the state of readiness of the farm for development. The project is enrolled in the Provincial Project pipeline for planning.	None

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Table 64: Service Delivery targets for Land Management & Town Planning as contained in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Land Acquisition	Transfer of state land to GTM (Regional Cemetery)	Appointment of consultant for feasibility study. Appointment of the Conveyancer	The Service Provider was appointed to conduct feasibility study, and the conveyancer was appointed to do the draft survey report and submit the locality map, valuation report. All reports were submitted to Department of Rural Development for further considerations.	None
Integrated Development Planning	Spatial Development Framework review	Public participation on SDF and Rural Development Strategy finalised. SDF & Rural Development strategy adopted by Council	Service provider not yet appointed	Bid was re-advertised due to the incorrect point of allocation by Supply Chain Unit
Integrated Development Planning	Socio - Economic survey	Monitor the roll-out of the Socio-Economic Survey as per the Council Resolution. Report progress	Roll-out in Ward 1 finalized. There is now an Exco Item circulating to report back to Council on the roll-out in Ward 1 and the next roll-out to take place in Ward 2 and 3.	None
Integrated Spatial Development	Policy for Development of Rural nodes approved by 30 June	30-June	Not done	Dependent on SDF review, not yet revised due to delays in appointment of a service provider
Integrated Spatial development	Land identification for social housing	Integration and engagement of COGHSTA and HDA	CoGHSTA and HDA were engaged, they are only considering purchasing Portion 9 and 39 of the Farm Hamawasha 557-LT (Brickyard) and transfer of Portion 37 Hamawasha 557-LT. Rural Development and Land Reform were engaged with the transfer of Dusseldorp negotiations are at an advanced stage.	None

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Table 65: Employees - Town Planning services						
Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	6	3	50%	6	3	50%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	8	4	50%	8	4	50%

The financial performance of the Town Planning Service is presented in **Table 66** below:

Table 66: Financial Performance 2014/15 Town Planning Services (R'000)					
Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	108	100	100	152	(52)
Expenditure:					
Employees	4062	3 790	3 790	3 882	(91)
Repairs & Maintenance	-	-	-	-	-
Other	488	1 347	1 058	218	840
Total Operational Expenditure	4550	5 138	4 848	4 099	749
Net Operational (Service) Expenditure	(4442)	(5 038)	(4 748)	(3 947)	(801)

The capital expenditure for Town Planning Services is presented in **Table 67** below;

Table 67: Capital Expenditure 2014/15: Land Management & Town Planning (R'000)					
Capital Projects	2014/15				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Talana Hostel programme	R 350 000	R 0	R 0	R 350 000	R3 000 000
Acquisition of land at Nkowankowa (Cemetery)	R 800 000	R 0	R 0	R 800 000	R1 000 000

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Capital Projects	2014/15				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Acquisition of land at Politsi (residential)	R 3 000 000	R 3 000 000	R 3 348 000	R -348 000	R3 348 000
Transfer of state land to GTM (Regional Cemetery) HASIVONA 561LT	R 350 000	R 250 000	R 0	R 350 000	R5 000 000
Total	R 4 500 000	R 3 250 000	R 3 348 000	R 1 152 000	R 12 348 000

* Including past and future expenditure as planned

A service provider has not yet been appointed to review the Spatial Development Framework as the procurement process has been delaying since 2014. Other programmes such as formulation of townships include Rezoning, Built environment and Permission to Occupy applications are carried out through the Operational Budget.

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3.10 LOCAL ECONOMIC DEVELOPMENT

Tourism and Marketing:

Tourism in Greater Tzaneen Municipality remains the major economic driver, with the area being a popular tourist destination. A Local Tourism Association (LTA) was established to drive and facilitate tourism, in partnership with the Municipality, through the following key areas:

- Product development
- Skills development
- Marketing and
- Events Management

Limpopo Tourism and Parks Agency serves as the marketing agency for tourism in the province, while the LTA and the municipality support the role.

Events	Publications
Marula Festival Indaba Trade Show Letaba Expo Getaway show Muhlaba Day Nwamitwa Day Flea markets and Arrive Alive campaigns	Brochures DVD's Magazines Local newspapers

The Tourism Officer as seconded by the Municipality remains the link between the Municipality and other government privately owned institutions e.g. LEDET, TEP, LTPA, Tzaneen Info. The database for the Tourism Product Owners is reviewed and updated annually. There is however still a gap in terms of the following:

- Central coordination of events
- Identifying and developing a Tourism Landmark
- Information on Tourism beds and coordinated tourism visitations

Agriculture:

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The Greater Tzaneen Municipal area is largely dominated by Agriculture, which should be the major economic driver, this however remains a dream due to the failure of the Land Reform Programmes. The Municipality continued to coordinate the quarterly Land Reform Forums with the affected beneficiaries in support of the Department of Agriculture and the Department of Rural Development and Land Reform initiated these programmes. Greater Tzaneen hosted a very successful Agri Expo in September of 2014, where after Council resolved to host the event annually to enhance and maximise exposure and new trends for the farming communities within the Municipal area. Some of the challenges which government has to seriously intervene and work on are:

- Protracted restitution process
- Marketing and Value addition programmes
- Skills Development and programmes to empower the emerging farmers

Business:

Business within Greater Tzaneen area continues to grow significantly through retail and trade. The relationship between the Municipality and the Tzaneen Business Chamber needs to be maintained whilst planning together for the development of the area. The supply of bulk services to support business development however remains a challenge. Also, SMME's still need more support in terms of supply of services and goods. The Small Enterprise Development Agency (SEDA) should support the municipality in this sector.

The informal sector continues to significantly contribute to the growth and development of the area, making an impact in job creation and poverty reduction. LEDET has assisted in the construction of the market stalls to improve their working conditions within town and a system of tariffs has also been introduced which will assist the Municipality in maintaining and developing the sector. There is a plan to involve SEDA and other potential investors to further develop the sector by rolling the programme out to the small towns. Aspects that need intervention are:

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- Development of policies which guides development in the area such as a Growth & Development Strategy
- SMME consolidated database

The 2012 LED Strategy aims to create 12,500 new jobs over the next five year planning period. Tracking the number of jobs created does however prove to be a challenge since information can only be secured from a few companies who update their employment database, while others do not cooperate due to confidentiality issues. The overall implementation process of the 2012 LED strategy also remains a challenge and the following programmes were identified and found to have potential in job creation and poverty alleviation:

- Systematic Agricultural Scheme Support
- Revitalization of the Tours Scheme
- Establish Agri-Business SMME Regional Centre
- Greater Tzaneen Export Centre/Council
- Nkowankowa Industrial Site
- Development of Retail Nodes
- Tourism Landmark Project

The table below is a representation of employment and unemployment statistics within Greater Tzaneen Municipality in proportion to gender:

Table 69: Employment and Unemployment statistics by Gender (2014/2015)			
	Male	Female	Grand Total
Employed	39 855	33 627	73 482
Unemployed	17 572	24 965	42 537
Discouraged work-seeker	5 147	8 274	13 421
Other not economically active	49 253	64 903	114 156
Grand Total	111 827	131 769	243 596

Source: Quantec Regional Economic Database: 2014

Communities living in abject poverty

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The Community Works Programme, as a means of poverty reduction, has been implemented in 8 wards, and created ± 1800 jobs since its inception in 2009. Also, GTM piloted a Poverty Research Programme with the University of Venda in Ward 1 where after a report was submitted to Council and the roll-out to other Wards was approved. The purpose of this programme is to assist the Municipality to identify the poverty pocket areas for proper planning and basic services provision. Thereafter the relevant state agencies and departments will be engaged to initiate programmes focusing on poverty reduction and improving the standard of living.

Sector	2011	2012	2013	% (2013)
Agric, forestry and fishing	520	557	555	5%
Mining and quarrying	218	215	202	2%
Manufacturing	416	492	478	5%
Electricity, gas and water	523	604	664	7%
Construction	318	340	363	4%
Wholesale and retail trade, catering and accommodation	1 443	1553	1 667	16%
Transport, storage and communication	944	977	1 011	10%
Finance, insurance, real estate and business service	2 097	2 258	2 425	24%
Community, social and personal service	578	620	653	6%
General government	1 778	1 896	2 087	21%
Total	8 880	9 512	10 105	100%

The LED Division has facilitated various projects; the table below presents the job creation.

Project	Short term	Medium term	Long term
Improved Municipal Service Delivery	<ul style="list-style-type: none"> • Prioritization of vacancies • Customer satisfaction survey • Coordination in the Public Sector • Eradication of service delivery backlogs 	<ul style="list-style-type: none"> • Source funding • Implementation 	Monitoring and evaluation

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Project	Short term	Medium term	Long term
Nodal Development	<p>Urban Nodes</p> <ul style="list-style-type: none"> Establish nodal development team Prepare Nodal Development Framework <p>Rural Nodes</p> <ul style="list-style-type: none"> Prepare a recommendation on the approval of rural nodes Prepare local area plans 	<ul style="list-style-type: none"> Source funding Implementation 	Monitoring and Evaluation

Expanded Public Works Programme

The 2014/2015 EPWP Incentive Grant allocation was R 2 060 000. **Table 72** below, depicts job creation achievements.

Year	Work opportunities	FTE,s	Performance by Municipality	Percentage performance per financial year
2010/2011	594	203	228	38%
2011/2012	714	246	378	53%
2012/2013	960	331	566	59%
2013/2014	1 291	445	588	45%
2014/2015	803	282	629	78.3%

EPWP jobs were created in the Infrastructure sector and also the Environmental and Culture sector.

Community Works Programme:

The CWP was initiated as a National Presidential programme with a view to address the challenges of unemployment and poverty. The focus is on women and they work for 3 days in a week at a rate of R65/day. The programme is currently implemented in the wards presented in **Table 73 & 74**:

Wards participating	Number of cooperatives	Number of jobs	Output (work done)
Ward 16		400	

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Wards participating	Number of cooperatives	Number of jobs	Output (work done)
Ward 18		100	<ul style="list-style-type: none"> • School support programme • HIV/AIDS • Crime prevention • Construction • Cemetery cleaning • Agriculture • Road maintenance • Early childhood development
Ward 22		100	
Ward 29		100	
Ward 30		100	
Ward 32		334	
Ward 33		98	
Ward 34	2	673	
Total no of Participants			
Total no of Coordinators		80	
Total no of site staff		8	
Total no of CWP members		1993	

The Main objectives of the Community Works Programme are:

- To create jobs to address the unemployment rate
- To promote safe and healthy living environment
- To promote healthy eating amongst poor people and those infected or affected by diseases

The villages which took part in the CWP programme during 14/15 is presented in **Table 74**.

Ward	Village	Ward Councillor
16	Mahlogwe, Leseke, Bvumeni, Lephepane A and Khujwana A	Cllr. R Rikhotso
18	Khujwana, Muhlaba cross and Bridgeway	Cllr. P Nghonyama
22	Rita, Lefara, Khopo, Mankweng and Mafarana	Cllr. C Makwala
29	Sunnyside, Myakayaka and Burgersdorp	Cllr. NA Masila
30	Tickyline, Marumofase and Matshelapata	Cllr. L Pudikabekwa
33	Leolo Bokgaga, Serare	Cllr. D Maake
32	Moime, Mokokotsi and Mhlaba	Cllr. S Raganya
34	Topanama, Khopo, Rasebalane, Longvalley and Lephepane B	Cllr. M Letsoalo

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The CWP programme undertook the following activities (during 2014/15):

- Awareness campaign about the risk factors of alcohol, teenage pregnancy, high rate of crime and rape.
- Established food gardens at Public buildings (schools, churches and clinics)
- Cleaning and paving public area (clinics, schools, churches) and removing unwanted grass, weeds, shrubs etc.
- Landscaping/ Vegetation control
- Sewing
- Regravelling main roads and streets
- Pavement at schools and churches using bricks and sand.

Village	Number of Jobs
Mahlogwe, Leseka, Bvumeni and Lephepane	400
Khujwana, Muhlaba cross and Bridgeway	100
Rita, Lefara, Khopo, Mankweng and Mafarana	100
Sunnyside, Myakayaka and Burgersdorp	100
Tickyline, Marumofase and Matshelapata	100
Leolo, Bokgaga, Serare	334
Moime, Mokokotsi and Mhlaba	98
Topanama, Khopo, Rasebalane, Longvalley, Lephepane and Mahloge	673

Population Section	Number of Jobs
Female youth	915
Male youth	424
Female adult	281
Male adult	285
Coordinators	80
Site Staff	8
Total	1993

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Partnerships:

Greater Tzaneen Municipality has in the past years established and maintained the following relationships in order to pursue service delivery objectives:

- SEDA – for SMME development during workshops and events
- LDA RD– for agricultural development and other related events
- Tzaneen Chamber – for events and marketing the area
- University of Venda – implementation of the socio economic survey and agriculture events
- LEDET – construction of Informal Trader facility
- Moshate Media – hosting the 2014 Agri Expo
- Agri Letaba – Letaba show and Agri Expo

The following relationships were also established in preparation of the 2015 Agri Expo

- SALGA
- Mopani District Municipality
- University of Limpopo
- Tompi Seleka Agricultural College
- Department of Education

Greater Tzaneen Economic Development Agency (GTEDA)

The 2014/15 Annual Report for the Greater Tzaneen Economic Development Agency is herewith attached as **Annexure B**. The 2014/15 Audit Report for GTEDA is also herewith attached as **Annexure E**

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Table 77: Targets for LED as contained in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Expanded Public Works	# of work opportunities created through EPWP projects	896	911	None
Expanded Public Works	# of EPWP work opportunities created through CSD projects	420	423	None
Expanded Public Works	# of EPWP work opportunities created through EED projects	45	25	Budget re-allocated to other departments during budget adjustments.
Expanded Public Works	# of EPWP work opportunities created through ESD projects	431	476	None
Agriculture	# of jobs created through agricultural value chain	250	300	None
Agriculture	Livestock improvement - Leather making	Monitor and evaluate project implementation in line with the Business operational plan. Compile monthly and quarterly reports. Assist with resource mobilization in line with the Implementation Plan	Leather Making -Facilitated application of non-financial support (capacity building, branding and marketing) from Department of Trade and Industry's co-operative incentive scheme (awaiting response). Facilitated request of procurement of additional machines by Department of Rural Development in order to set up a production line to enable optimal production	Leather making - lack of commitment from members. Insufficient operational budget to cover rent and electricity costs.

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Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
			<p>(awaiting response).</p> <p>Tannery project-Facilitated on-site hide treatment training offered by Bosveld tannery to capacitate members with skills of treating hides for commercial use.</p> <p>Facilitated off take agreement between the co-operative and Bosveld tannery.</p> <p>Facilitated a strategic planning session where GTM LED and Department of Social Development were invited to participate.</p> <p>Monthly and quarterly reports compiled.</p>	<p>Tannery project-lack of infrastructure affects production on site.</p>
Agriculture	Support to restituted farms (Sapekoe, Batlabine, Tours and Mamahlola farms)	Monitor support to Sapekoe, Batlabine, Tours and Mamahlola farms and report progress in line with the Project implementation plan on a monthly basis	<p>Sapekoe-Facilitated a meeting with a consultant representing two prospective Chinese companies who are interested in growing tea at the estate, outcome of the engagements will be known in due course.</p> <p>Batlabine-Facilitated signing of an investment agreement between owners of the farm and Maresteth trading enterprises to operate Leeways farm.</p> <p>Tours and Mamahlola-GTEDA's involvement on these farms were put on hold due to ongoing disputes.</p> <p>Monthly and quarterly reports compiled.</p>	<p>Lack of role clarification between GTEDA and Department of Agriculture.</p> <p>Negotiations took longer than initially planned.</p> <p>Disputes affected negotiation processes with potential investors.</p>
Community Works Programme	Nr of cooperatives established and still functional in wards where the CWP is implemented	4	4	None

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Table 77: Targets for LED as contained in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Community Works Programme	Number of job opportunities created through the CWP	2045	2045	None
Marketing and Investor Targeting	# of jobs created through municipal LED initiatives including Capital Projects	600	620	None
Tourism	# of Tourism SMMEs exposed to the market	30	45	None
Tourism	Tourism Development (Tours & Tzaneen Dam)	Monitor resource mobilisation to implement Tours Dam initiatives. Monitor Stakeholders engagements for resource mobilisation for Tzaneen Dam. Report progress on a monthly basis	Tours dam -No progress, project on hold. Tzaneen dam -Facilitated a progress update meeting with Department of Water and Sanitation. Planned site visit to Tlokwe Municipality in July 2014) Monthly and quarterly reports compiled.	Tours dam experienced community disputes Tzaneen Dam Plans put on hold until the Resource management plan by Engineerex (company appointed by Department of Water and Sanitation) has been concluded
Enterprise Development (SMME support)	# of SMMEs capacitated through GTEDA (1 Per cluster)	4	12	None
Enterprise Development	New Shopping Centre Development	Facilitate the establishment of new shopping centres report progress made on Nwamitwa, Morutji, Mokgwathi, Dan &	N'wamitwa - As previously reported, the project was put on hold by the Valoyi Tribal Authority and no progress has been registered. Morutji -Facilitated a meeting between GTM Mayor and	Project has been suspended indefinitely by the Valoyi Tribal Authority.

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Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
		Lifestyle malls, in line with the Project Implementation Plan	<p>Morutji development committee to discuss a way forward regarding this project, a delegation will be sent to Modjadji Royal Authority to negotiate final approval.</p> <p>Mokgwathi-Facilitated a meeting between GTM Mayor and Mokgwathi development committee to discuss a way forward regarding this project, a delegation will be sent to Modjadji Royal Authority to negotiate final approval.</p> <p>Dan/Bindzulani-No progress registered this quarter due to stakeholders' failure to meet.</p> <p>Lifestyle Mall-No progress registered as project has been suspended indefinitely.</p> <p>Monthly and quarterly reports compiled.</p>	
Enterprise Development	SMME support (Business Development)	Facilitate support to SMMEs. Report progress with resources mobilised and support provided for the Village Bank and Internet Cafe (Lenyenye)	<p>Supported over 20 SMMEs by offering business advisory services. Greater Tzaneen Financial Services Co-operative.-Facilitated applications for an office and non-financial support from Department of Public works and Limpopo Economic Development Agency (awaiting response). Facilitated acquiring of interns from Bank SETA who will provide HR, Admin and Finance services to ensure smooth operations. Facilitated a site visit to Kuvhanganyani in Venda to learn best practices. Monthly and quarterly reports compiled.Internet cafes (Runnymede)-Reviewed concept plan for Runnymede internet to ensure operation is effective and beneficial to the community.Internet cafe (Lenyenye)-no progress registered this quarter as operations have been halted due to lack of power. Monthly and quarterly reports compiled.</p>	Lack of offices and systems to effect full operation.Lack of funds to cover operational costs. Lack of funds to cover Eskom outstanding bill.

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Table 77: Targets for LED as contained in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Enterprise Development	Community Radio Station	Monitor and evaluate implementation of Sustainability Strategy and Business Operational Plan. Compile monthly and quarterly reports.	Facilitated payment of rent and salaries with funding from GTM. Provided administrative support. Monthly and quarterly reports compiled.	Outstanding rent and salaries. Inactive board for oversight provision.
Enterprise Development	Ideas Hub	Report on progress with implementation on a monthly basis	Stage one of the upgrading of the blog process has been concluded/completed. Monthly and quarterly reports compiled.	None
Marketing and Investor Targeting	# of jobs created by GTEDA	200	54	Target not reached as key projects had disputes and no investments took place.

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Table 78: Employees - Local Economic Development services						
Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	3	2	33.3%	3	2	33.3%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	5	3	40%	5	3	40%
Level 16-17	0	0	0%	0	0	0%
Total	10	7	30%	10	7	30%

Table 79: Financial Performance 2014/15: Local Economic Development Services (R'000)					
Detail	2013/2014		2014/15		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	231	414	414	-	414
Expenditure:					
Employees	4 047	4 011	4 011	3 850	161
Repairs & Maintenance	-	121	121	-	121
Other	3 024	3 484	3 394	3 842	(448)
Total Operational Expenditure	7 071	7 616	7 526	7 692	(166)
Net Operational (Service) Expenditure	-6 840	(7 202)	(7 112)	(7 692)	580

Table 80: Capital Expenditure 2014/15: Local Economic Development Services (R'000)					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
None	0	0	0	0	0
Total	0	0	0	0	0

LED had no Capital allocation for 2014/15

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Aged Care

Although Aged Care is not a function of the Municipality, GTM has 37 bachelor housing units (Pioneer Old Aged units) that are being rented out to those aged that are dependent on social grants. There is a waiting list which is updated on a daily basis, as and when requests are received. Allocations are being managed by the Planning and Economic Development Department and maintenance on the facilities are done by the Engineering Services Department.

3.10 LIBRARIES; MUSEUM; COMMUNITY FACILITIES

Parks and Community Facilities

GTM has 3 formal parks in Tzaneen Town, 3 in Nkowankowa, 1 in Lenyenye, 1 in Letsitele and 1 in Haenertsburg. Parks in rural areas however remain limited and although the plan is to provide at least one park per Ward, funding would still be required. The Ward Committees have been tasked to identify areas for parks development in their respective Wards and no development has taken place yet. The grass cutting is done in 2 006 647m² and grass slashing is done in an area of 1 188 29 m². The gardens and parks in Tzaneen, Nkowankowa and Letsitele will be maintained through contracted service providers for the coming three years.

Name of facility and location	Characteristics
Nkowankowa stadium and Club House 2932 B Corner Bankuna Road and Stadium Street Nkowankowa Letaba 0870	Extent: Pavilion, Conference hall, Clubhouse, tuck shop, ticket rooms, store-rooms, and toilets Capacity: 12000 (Seated) Use: The stadium is used to host Sport and Recreation events, Arts and Culture events, Political Rally's, church services and conferences, festivals and all other community gatherings. Clubhouse Seating capacity: 150 (Seating) Personnel: There are 2 Security personnel who works day and night There are 5 General workers on rotational basis.

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Table 81: PARKS AND RECREATION FACILITIES 2014/15	
Name of facility and location	Characteristics
<p>Lenyenye stadium 2117 Stadium Street Lenyenye (Lesedi Cluster)</p>	<p>Extent: Pavilion, Conference hall, tuck shop, ticket rooms, store-rooms, and toilets) Capacity: 3 000 (Seated) Use: Hosting Sport and Recreation events, Arts and Culture events, Political Rally's, church services and conferences, festivals and all other community gatherings. In the mornings and evening, the community uses it for exercises and matches. Personnel: There are 2 security personnel who works day and night There 2 General Assistance who do maintenance in the surroundings. Future Developments: To undergo renovations through MIG funds in 2014/2015 & 2015/16 financial year, R16 675 030.00.</p>
<p>Burgersdop Stadium Near Timangeni Primary School Burgersdorp</p>	<p>Extent: Clubhouse, tuck shop, garage, and toilets Capacity: 1 000 (Seated) Use: Artificial turf and mainly meant for Soccer. Hosting small community gatherings such as meetings for 50 people in the clubhouse hall. Mopani SAFA Offices Personnel: There two security guards for day and night. Two General workers needed to maintain the surroundings and the Clubhouse, also deal with booking of the facility.</p>
<p>Julesberg Stadium and is situated Near Julesburg Clinic and AFM Church</p>	<p>Extent: Conference hall, tuck shop, security room, store-rooms, and toilets both flushing and long drop, tennis court, sand volleyball court and sand netball) Capacity: 5 000 (seated) Use: Hosting Sport and Recreation events, Arts and Culture events, Political Rally's, church services and conferences and all other community gatherings. Personnel: Is comprised of 5 i.e. 2 General workers from Parks Division to maintain the surroundings. 2 Security to guards to work day and night from a private Company and 1 cleanser from the Environmental Health Division.</p>
<p>Mhlaba 2 Hall 1627 A Nkowankowa Letaba 0870</p>	<p>Extent: Hall, Projector room, store-rooms, Kitchen, toilets Capacity: 250 (Seated) Use: The Community hall is used to Arts and Culture events, Political Rally's, church services, funerals, meetings, conferences and all other community gatherings.</p>
<p>New Sport Centre (Indoor and Outdoor) 345 C Nkowankowa Letaba 0870</p>	<p>Facilities: Artificial outdoor facilities in the form of 3 netball courts and 4 mini soccer courts & Indoor Sport Centre with a multipurpose court is still under construction Use: School Sport and Community games as well as the community needs it for meetings, funerals etc. Personnel: Four General Workers will be appointed to maintain the facility 2 Security are appointed to guard the facility. 1 cleaner to clean the Indoor sport Centre</p>
<p>Olympic swimming pool</p>	<p>Renovations completed in 2014/2015 through MIG at the amount of R17 247 060.00</p>

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Table 81: PARKS AND RECREATION FACILITIES 2014/15	
Name of facility and location	Characteristics
Thiem Street and Crown Drive	<p>Use: Swimming gala's will be hosted. It will also be used for individual or family use.</p> <p>Personnel: 2 General workers maintain the surrounding but they rotate from Area to area. 2 Life Guard's will be employed during season</p>
Thusong Centres	<p>Rhelela Thusong Centre (about to be renovated) Runnymede Thusong Centre Bulamahlo Thusong Centre Lesedi Thusong Centre</p> <p>Maintenance: Maintenance needs are sent to Maintenance Division for their consideration.</p>

GTM has three Community Halls i.e at Nkowankowa, Lenyenye, Julesburg Stadium Hall then also Mini-Tzanie Park Hall, Rhelela; Runnymede and Lesedi. These halls are booked to control access and for recording purposes and to collect some funds for sustainability. Only the three community halls are rented out, the usage of the others are free of charge. The halls surroundings are kept clean for maximum usage, to attract users and to promote safe and healthy environment. Communities living in poverty are currently utilising the halls at Rhelela, Bulamahlo, Lesedi and Julesburg for free, even though this is not sustainable, as these facilities need to be maintained. As it is, the maintenance of community halls is not done as it should be, due to budget constraints.

The Museum is operational and objects are explained to visitors. The building is very small and needs to be extended. Application of funds to construct a multi purpose museum is made to MIG . The Museum is currently operated by a Private Curator with his artefacts and the GTM seeks to have its own collection and manage the facility, due to misunderstandings between the Private Curator and the GTM.

Libraries:

Library Services is the joint responsibility of Municipal authorities and the Department of Sports, Arts & Culture (DSAC). The GTM has entered into a Service Level Agreement with the Limpopo Provincial Library Services, DSAC (Libraries and Archives) and is providing library

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services in the following towns: Tzaneen (Main library); Haenertsburg; Letsitele; Shiluvane and Mulati.

In terms of the SLA agreement the Municipality is responsible for infrastructure, staff and operational costs. The Provincial Library Services is responsible for supplying furniture, equipment and reading material. The top Library Service priorities are access to balanced book collections and lending services; information services, with the emphasis on school project help and user education; free internet and Wi-Fi; educational holiday programmes and book-related arts and craft events, including an annual library competition.

During 2014/2015, 108,284 people used the GTM libraries; 64, 631 books were lent out; 88 school groups visited the libraries; 30 schools were visited by library personnel, 863 assignment topics were assisted with; 12 major and 37 smaller book related events were hosted; 3 holiday programmes were held and 41 learners from 14 schools were awarded prizes in the annual library competition.

The GTM libraries are in the process of computerizing the lending system according to the SLIMS system, sponsored by the DSAC.

Two new rural libraries in the GTM area opened in 2014/2015. The Shiluvane Library opened on 17 October 2014 and the Mulati Library opened on 14 April 2015. Both libraries were built by the DSAC, are functioning well and are well utilized, especially by school children. The library buildings were funded by the National Conditional Library Grant, administered by the DSAC and built by the Department of Public Works. Challenges are experienced at the new libraries due to faulty infrastructure.

To establish libraries in all clusters, the GTM requested the DSAC to build the next library in Runnymede, followed by Lesedi and Nkowankowa/Lenyenye. The DSAC has already committed to start the planning and site preparation of the Runnymede Library in 2016/17.

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Table 82: Library Service Delivery Targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Library Services	Library management	Ensure that Libraries are well managed. Report on the number of books circulating and number of users	108284 users (Target 94,500) 64631 Books circulated (Target 80,000)	Two new libraries (Shiluvane and Mulati) are not yet configured by the DSAC to issue books. Free internet at 4 of the GTM libraries is replacing the use of books for information. Many readers are now using e-books and Kindles instead of borrowing books.

Table 83: Parks service delivery targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Parks and Open space Management	m ² of Parks and open spaces maintained	2,006,647	5,713,166	None
Maintenance and upgrade of parks and open spaces	Parks & open space policy development	Ensure that Parks, Cemeteries and Open spaces are maintained in accordance to the approved Policy and maintenance plan. Report on progress with implementation	Parks Management Policy not yet approved by Council 5,713,166m ² square meters of parks and open spaces maintained	Comments not received from stakeholders
Sport and recreation facilities	Renovation of Tzaneen Swimming pool	Renovation of Tzaneen Swimming pool completed	Project is on 98% physical progress	Delays in the appointment of the contractor.

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Table 83: Parks service delivery targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Sport and recreation	Construction of a new community hall at Relela Cluster	Design and tender documents completed. Contractor appointed.	Design complete and draft tender document awaiting Bid Specification Committee approval. Contractor not yet appointed	Delays in getting community approval for the designs

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The figures in **Table 84** represent the number of posts for all GTM libraries.

Table 84: Employees – Libraries (2014/15)						
Job level	2013/2014			2014/15		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	0	0	0%	0	0	0%
Level 7-9	28	12	64.2%	28	12	64.2%
Level 10-15	2	2	0%	2	2	0%
Level 16-17	0	0	0%	0	0	0%
Total	31	14	54.83%	31	14	54.83%

Table 85 represents the number of posts for Parks & Community Facility management.

Table 85: Employees – Parks & Community Facilities (2014/15)						
Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	4	2	50%	4	2	50%
Level 7-9	3	3	0%	3	3	0%
Level 10-15	89	77	13.48	89	67	25%
Level 16-17	0	0	0%	0	0	0%
Total	97	80	17.5%	97	73	25%

Table 86: Financial Performance 2014/15: Libraries (R'000)					
Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	69	119	119	71	49
Expenditure:					
Employees	6 061	7 037	7 037	6 384	653
Repairs & Maintenance	-	13	13	-	13
Other	204	566	516	221	296
Total Operational Expenditure	6 265	7 616	7 566	6 604	962
Net Operational (Service) Expenditure	-6 196	(7 497)	(7 447)	(6 533)	(913)

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Table 87: Financial Performance 2014/15: Parks, Museums, Community Facilities (R'000)					
Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)³	40	513	513	53	460
Expenditure:					
Employees	15 814	15 870	15 870	15 941	(71)
Repairs & Maintenance	1 735	1 195	1 195	986	209
Other	2 947	6 291	5 491	2 928	2 563
Total Operational Expenditure	20 496	23 357	22 556	19 855	2 701
Net Operational (Service) Expenditure	(20 456)	(22 844)	(22 043)	(19 802)	(2 241)

The parks division makes use of service providers for garden maintenance and clearing of open spaces, the delays in the appointment of service providers for 14/15 resulted in more than R2 million not being spent (see **Table 87**).

Table 88: Capital Expenditure 2014/15: Parks & Community Facilities (R'000)					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Tzaneen Swimming Pool	R 13 299 485	R 13 299 485	R 11 886 745	R 1 412 740	R12 293 096
Upgrading of Lenyenye Stadium	R 10 675 030	R 10 675 030	R 6 511 339	R 4 163 691	R16 675 030
Runnymede Sports Complex	R -	R -	R 3 244 218	R 3 244 218	R27 972 000
Julesburg Sports Field	R -	R -	R 773 130	R 773 130	R13 640 613
Burgersdorp Sports Ground	R -	R -	R 763 067	R 763 067	R13 593 764

³Payments made are deposited into a general account and not ring-fenced for parks and community facilities

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Table 88: Capital Expenditure 2014/15: Parks & Community Facilities (R'000)					
Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Nkowankowa Stadium	R -	R -	R 529 825	R 529 825	R11 278 400
Total	R 23 974 515	R 23 974 515	R 23 708 324	R 10 886 671	R 95 452 903

Funding is limited and therefore GTM is unable to accommodate all community requests for parks in rural areas, which require capital funding.

3.11 CEMETERIES

GTM has 136 cemeteries and only 6 are maintained monthly and the rest of the cemeteries are in rural areas. There is a great need for cemetery extensions, fencing, construction of ablution facilities and cemetery maintenance in the rest of GTM cemeteries. Securing funding for such developments are however a challenge. Currently there are volunteers who are cleaning cemeteries in various wards with no stipend. The status of the cemeteries is as follows:

- Lenyenye Community received land (2500m²) from Nkuna Tribal Authority for a new cemetery, which was developed and is being utilised. This land was further extended to 19 hectares. An Environmental Impact Assessment Study still needs to be conducted.
- Nkowankowa cemetery received 19 hectares of land from Nkuna Tribal Authority. An Environmental Impact Assessment Study still needs to be conducted.
- Agatha cemetery in Tzaneen is undergoing Environmental Impact Assessment and the study has already shown positive signs towards cemetery extension. A low level bridge, to access the areas will be constructed in the 2015/2016 financial year.

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Table 89: Cemetery service delivery targets as set out in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
None				

The responsibility to manage Cemeteries and Parks reside in the same division and the personnel fulfil both functions with the operating budget also covering both functions. For the number of employees allocated to parks (cemetery) refer to **Table 85** and for financial performance to **Table 87**.

Table 90 : Capital Expenditure 2014/15: Cemetery services (R'000)

Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
None	0	0	0	0	0
Total	0	0	0	0	0

There was no capital allocation for the development of cemeteries during 2014/15.

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3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Youth Gender & Disability Programme is part of the Mayor's Special Programmes. Its main functions include: Co-ordination, Mainstreaming, Advocacy, Development & Empowerment of focal or designated groups. Its objective is to encourage public participation and inclusive project planning, implementation and monitoring. It is a function done for internal and external stakeholders. The strategic objective is good governance. The following are the key priorities achieved for Youth, Gender and Disability programmes during the year under review.

Calendar Events

- **Youth Month celebrations**

The Youth Gender and Disability section is responsible for the coordination of the Provincial, District and Local youth month celebrations to commemorate and celebrate the June 16, 1976 Youth Uprising. The Provincial celebration was held at University of Venda, Thulamela Municipality, we sent delegates by bus to the event. The local youth month celebration was hosted by the Mayor in partnership with SEDA at Tzaneen showground on the 19th of June 2015. Other events included the hosting in partnership with the Deputy Minister of Defence and Military Veterans at Nkowankowa community hall on the 11th of June 2015. The Department of Military veterans presented on careers available in the army, infantry, airforce and navy. They also made a half day exhibitions on the careers. On the 18th of June 2015 we conducted a career exhibition at N'wamitwa Tribal offices hall in partnership with Department of Labour. Young people were sent to the legislature for the youth parliament on the 13th of June 2015 and on the 27th of June 2015 we partnered with Tlhandlukani Youth organisation at Dan pay point. The GTM employees observed the youth month celebrations by wearing their high school uniform on the 15th of June 2015.

- **Women's Month celebrations**

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August is marked nationally as Women's Month in South Africa while internationally it is in March. In support of the National Celebrations GTM hosted events such as the Annual GTM Women Empowerment Seminar, youth women entrepreneurship seminar, celebrating women's month with female orphans under the theme: Self development and job creation – hosted in the Lesedi Cluster.

- **16 Days of Activism on No Violence Against Women and Children**

The 16 Days of activism on no violence against women and children started in November 25 and ends 10 December annually. As part of this campaign, Mopani District Municipality hosted the Provincial event at Ba Phalaborwa Municipality. GTM supported this event by procuring two more buses to transport participants to the event.

- **Annual Men's Indaba**

The Annual Men's Indaba did not take place during 2014/15 due to financial constraints.

- **National and International Disability month celebrations.**

The YGD is responsible for the coordination of the provincial, district and local disability month celebrations to commemorate and celebrate the November National and 3 December International Day of Disabled Persons (IDDP). The provincial International Day of Disabled Persons was held on the 3rd of December 2014. The municipality transported 12 delegates to Makhado multi purpose. The occasion was addressed by MEC Ndalane on behalf of the premier. The local disability month celebration was commemorated in the form of indaba which was held at Tzaneen travel lodge.

Provision of Administrative support to Community Based Councils.

Various activities were done to offer support to Community Based Councils. There is a Local Youth Council and the Local Disability Council.

- **Local Youth Council:**

The Local Youth Council is the local branch of the South African Youth Council (SAYC). Its jurisdiction is the same as that of the local Municipality. Its main role is to co-

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ordinate, organize, mainstream and lobby and advocate on issues affecting youth in the Municipality in partnership with the Municipality. It is responsible and recognised as a mouth piece and representative body of civil society structures dealing with youth development. The Annual Youth Assembly was held on the 9th of April 2015 in Tzaneen Travel Lodge. The assembly elected leadership, discussed reports and took resolutions on the programme of action. During this period, The Local Youth Council held four plenaries according to the municipal SDBIP and its constitution. The plenaries are held quarterly to receive reports and discuss the programme of action. One youth unit meeting was held. The youth unit is composed of the Councillors responsible for Special Programmes, the Youth Officer and the Local Youth Council Executive Committee.

- **Disability Council:**

The Disability Council is held annually to elect a Committee, receive reports and take resolutions affecting disabled people. The Disability Council was held on the 29th of June 2015 at Ivory Tusk Lodge. There is still a challenge of capacity in the disability council and programmes to capacitate the committee will be rolled out.

Mainstreaming & Advocacy

Mainstreaming is being done by conducting workshops with employees and giving inputs through day to day reports and correspondences. Mainstreaming is also done by conducting and monitoring employment equity trends, analysing policies and recommendation for an inclusive Municipality. Quarterly reports are collected from service departments to analyse job creation per focal person, they are analysed and submitted to SALGA and Department of Local Government, Housing and Traditional Affairs.

National Youth Development Agency

The GTM has signed a Memorandum of Agreement (MOA) with NYDA in 2010. In this agreement, the Municipality supports the NYDA by providing of administrative support through the Youth Office. This includes handling of walk-ins, development and management of the JOBS programme and Business Support Opportunity services to young people. A youth

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officer serves as the liaison between the youth and the NYDA. All youth activities are done in conjunction with the NYDA. Pamphlets and forms are distributed through the Youth office.

ETDP INTERNSHIP

The GTM in partnership with the Office of the Premier and ETDP SETA hosted two interns with disabilities during the 2014/15 financial year. Dylan Mashele and Thabia Malatji were assisting in the youth and disability office. The ETDP SETA paid their stipends and training while the Office of the Premier was doing coordination. The municipality was responsible for mentoring and transporting the interns to their training venue in Seshego.

Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0%	0	0	0%
Level 4-6	4	2	50%	4	2	50%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	4	2	50%	4	2	50%

Detail	2013/14		2014/15		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-
Other	116	250	250	194	56
Total Operational Expenditure	116	250	250	194	56
Net Operational (Service) Expenditure	(116)	(250)	(250)	(194)	(56)

Expenditure for YGD programmes are integrated into the budget for the Office of the Mayor. No capital projects were implemented for Youth, Gender and Disability programmes during 2014/15.

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Table 93: Youth, Gender & Disability programmes targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Special Programmes	Special Programmes Management	Ensure that GTM coordinates Calendar days for special programmes and are mainstreamed	<p>The Annual Youth Assembly was held on 09 April 2015 in Tzaneen travel Lodge</p> <p>*The Youth Month was commemorated on 11 June in Nkowankowa hall where the Deputy Minister of Defence & Military Veterans graced the occasion, the Provincial celebration was done on 16 June in University of Venda and the local youth month celebrations were held on the 19th of June at Tzaneen showground.</p> <p>*The Annual Disability Council was held on the 29th of June 2015 at Hotel@Tzaneen.</p>	None

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COMPONENT E: ENVIRONMENTAL HEALTH SERVICES

This section will reflect on the state of Environmental Health Service in Greater Tzaneen Municipality. This service includes the identification, evaluation, monitoring and control of environmental health hazards and risks regarding but not limited to the following:

- Water Quality monitoring;
- Food control
- Occupational hygiene
- Vector control
- Environmental management; and
- Facility cleaning services.

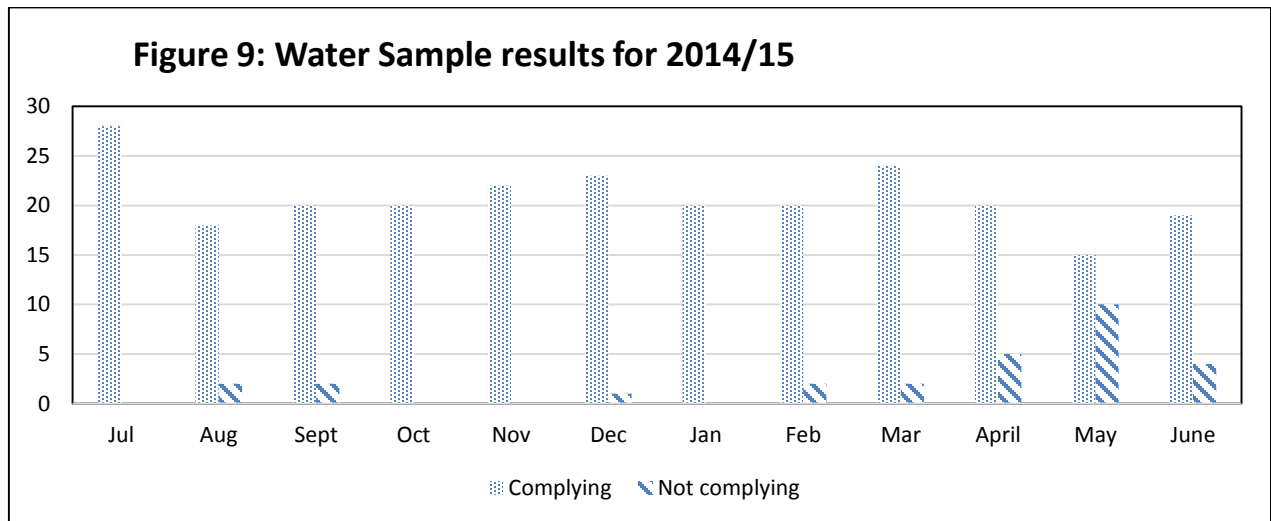
3.13 ENVIRONMENTAL HEALTH SERVICES

Water Quality Monitoring

The Constitution of South Africa in section 27(1)(b) states that: "everyone has a right to have access to water". To this end we have a responsibility to monitor quality and access to safe drinking-water. We have during the period under review, implemented a water quality monitoring system; and collected water samples at predetermined sampling points. Water samples results are analysed and corrective measures implemented to ensure that water for domestic, industrial and food production is safe in respect of its microbiological, chemical and physical quality. A total of 275 water samples were taken during the period July 2014 to June 2015 with 91% complying and only 9% non-complying. There is a slight drop in the number of samples collected in 2014/15 from 284 to 275. This is due to water shortages experienced during the period under review. There is continual improvement in the quality of water from 14.52% to 9% which was not complying. The strict adherence to the sampling schedule and protocol has yielded positive results in that it provides assurance that we supply potable water

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which complies with minimum requirements. Results of Water Quality Monitoring for 2014/15 are illustrated in **Figure 9**.



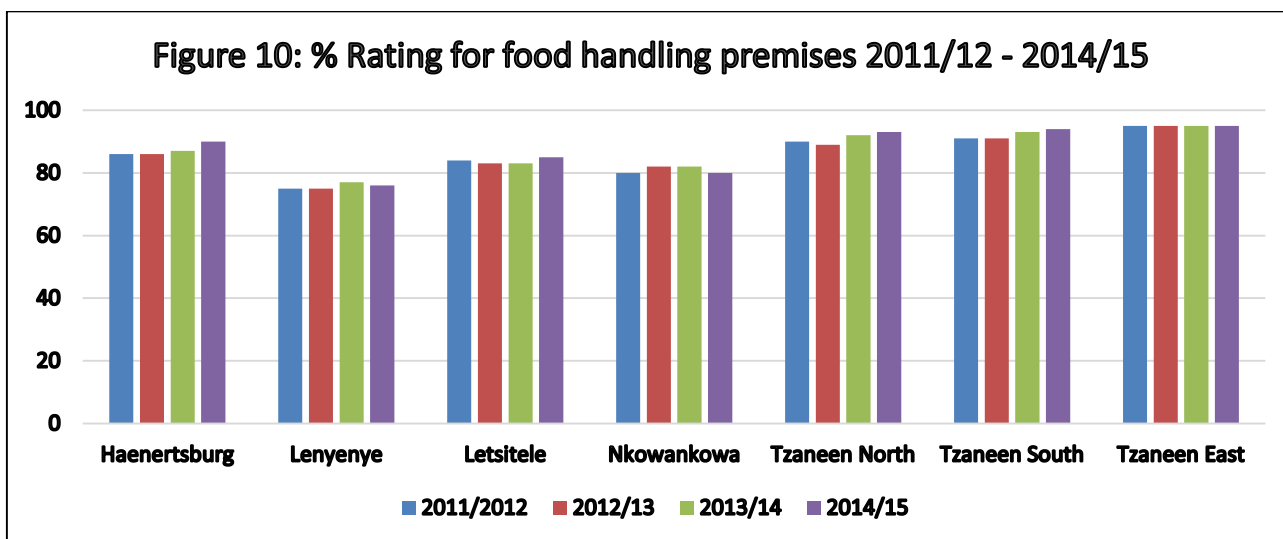
Food control

Food control entails conducting inspections, health education and the issuing of contravention notices where warranted, in both formal and informal food handling premises. We participate in food sample runs which are part of the National Food control strategy. The highlight for the period under review is the issuing of 38 Certificates of Competence to food storage facilities within our area of jurisdiction and the certification food premises which export food products. We have noticed a decline in the amount of food that was declared unfit for human consumption, a total of 11850 kg was seized and destroyed compared to 20450 kg in 2013/14 financial year. We participated in Operation Fiela with SAPS, SARS and Home Affairs in formal food handling premises; with non-complying premises fined up to R2500. An average of 184 formal food handling premises and 18 accommodation facilities were inspected quarterly (see **Table 94**); the average annual rating for these premises is 87.71% (88%). There is a slight improvement of 87.1%, as illustrated in **Figure 10**.

	2011/12	2012/13	2013/14	2014/15
Haenertsburg	86	86	87	90
Lenyenye	75.4	75	77	76.4
Letsitele	84	83	83.4	85

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	2011/12	2012/13	2013/14	2014/15
Nkowankowa	80	82.12	82.4	80
Tzaneen North	90	89.37	92	93,3
Tzaneen South	91	91.37	93	94.2
Tzaneen East	95	95	95.4	95,1



Occupational hygiene

In our quest to deliver on the Constitutional mandate of a safe and healthy environment, we conduct inspections in industrial premises including workshops. This is done for compliance monitoring in order to prevent and where it occurs minimize occupational health hazards, land, water and air pollution. A total of 98 industrial premises were inspected to ensure that industries comply with requirements of relevant legislation. The average rating for the industries in 2012/13 was 75%, for 2013/14 is 78% for 2014/15 is 78.4.

Management of human remains

We are charged with a responsibility to control the establishment and operation of mortuaries and funeral undertakers. We ensured that the protocol for the conveyancing, storage and burial of the human remains of people who died in Nigeria was followed to the latter. We have supervised the exhumation and reburial of six (6) corpses.

Vector control

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Vector control includes the identification of vectors, their habitats and breeding places and instituting an integrated vector control programme. During the third quarter we experienced an increase in the number of complaints regarding vector due to the wet weather. We spray municipal work stations on a six weekly basis. Environmental control is done on mosquito larvae in identified habitats. During the period under review, we have introduced an Integrated Vector Control system to warehouses and bakeries.

Environmental management

Preserving the environment for future generations requires that we pay attention to and create a balance between development and sustainable use of natural resources. Compliance monitoring and enforcement remain one of the critical tools to ensure that we promote sustainable development. To increase our capacity in terms of compliance monitoring, further training as Environmental Management Inspectors was done. Environmental crimes are now reported to the national DEA portal with successful implementation of directives to stop unlawful developments. In line with the Durban Climate Change Adaptation Charter, we have started a vulnerability assessment in Dan extension 2 so that we can develop a response strategy. We serve in various Committees which seek to address Environment and Environmental Health Issues. We have also reviewed 12 Basic Assessment Reports for developments in our area. There is sustained interest in the Cleanest School Competition. We continue to coordinate the municipality's participation in the Greenest Municipality Competition, we are the 2014/15 GMC Provincial winners.

Facility cleaning services

Facility cleansing entails the provision of cleaning services to maintain municipal facilities in a clean, neat and hygienic condition, to ensure that municipal employees work in an environment that is conducive for productivity. The staff complement of 20 is insufficient and creates a challenge providing a sustainable service. Two libraries have opened and are without cleaning personnel. The Relela and Runnymede Thusong centres have been without cleaners for almost a year. Means to cover these areas are being done, but result in fatigued employees since one person has to cover two work stations, attending to these on alternate days.

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Result	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Complying	28	18	20	20	22	23	20	20	24	20	15	19
Not complying	0	2	2	0	0	1	0	2	2	5	10	4
Total	28	20	22	20	22	24	20	22	26	25	25	23

* Incidental contamination of water due to motor and locomotive accidents.

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Environmental Health management	# of contravention notices issued to improve level compliance to Environmental Management legislation (5 formal towns)	75	99	None
	% compliance to the environmental legislation checklist	80%	81%	None
	% of water samples that comply with SANS 0241	80%	83.4%	None
	Environmental Health Services	Ensure that Environmental Health law enforcement is implemented in urban areas.	268 Informal food handling premises were inspected, processed 55 permit renewals. 134 formal food handling premises inspected, 43 notices issued with follow up inspections; 34 Applications received and processed for Certificates of Acceptability. 33 Industrial premises were inspected and 10 contravention notices were issued and follow up inspections conducted. 2 Certificates of Competence were issued to funeral undertakers.	More applications for certificate of Acceptability due to demand from service providers of the School Nutrition programme.
	Hawkers esplanades in rural areas	Hawkers esplanades completed	Project not implemented due to insufficient budget allocation	User Department not involved ESD during the budget processes to advise on the actual budget require

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Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	6	3	50%	6	3	50%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	32	19	40.6%	32	16	50%
Level 16-17	0	0	0%	0	0	0%
Total	39	23	41%	39	20	49%

Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	32	25	25	34	(9)
Expenditure:					
Employees	6 378	6 358	6 358	6 500	(141)
Repairs & Maintenance	-	26	26	-	26
Other	292	870	870	345	525
Total Operational Expenditure	6 670	7 254	7 254	6 845	410
Net Operational (Service) Expenditure	(6 638)	(7 229)	(7 229)	(6 810)	(419)

Capital Projects	2014/2015				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
None	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a

There was no capital allocation for Environmental Health services during 14/15.

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COMPONENT G: SECURITY AND SAFETY

GTM is responsible for the provision of safety and security as mandated in section 152 of the Constitution. This section contains issues such as Traffic Law Enforcement as well as the Internal Safety on Council premises. The Safety and Security Section is responsible for safety and security of employees and Council premises and serves as liaison between communities and the SAPS in social crime prevention initiatives. The division also assists with the Victim Empowerment Programme together with the Justice and Crime Prevention Cluster departments. The Community Safety Forum (CSF) has been established and is functioning well to champion the reduction of crime at the community level and through this afforded the municipality to be regarded amongst the three municipalities in the province for best community safety initiatives. Council approved the establishment of the Street / Village Committees with view to address local crime in a particular Street or Village. The process for the establishment is envisaged to be finalised soon and a Local Crime Prevention Strategy will be developed. Crime Prevention Campaigns have been conducted with the relevant stakeholders in the communities to help fight crime.

GTM experienced various instances of theft of infrastructure, these are presented in Table 90 below:

Table 100 : Infrastructure theft cases for 2014/15					
Infrastructure theft	Date	Claim reference	Estimated R-value	Case reported to SAPD Case number	Successful prosecutions (yes/no)
Water infrastructure					
Grinder theft from vehicle	09/04/2015	31/2015	5 000	cas71/07/2014	No
Copper pipe theft at Haenertsburg waterworks	24/07/2014	68/2014	5 000	cas185/03/2015	No
Electricity Infrastructure					

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Table 100 : Infrastructure theft cases for 2014/15

Infrastructure theft	Date	Claim reference	Estimated R-value	Case reported to SAPD Case number	Successful prosecutions (yes/no)
Stepladder stolen from LDV	10/11/2014	88/2014	5 000	OB587/11/2014	No
Western Substation cable theft	11/03/2015	25/2015	255 270	cas 29/3/2015	No
Letsitele Substation cable theft	02/06/2015	42/2015	155 288	cas16/6/2015	No

3.14 TRAFFIC LAW ENFORCEMENT

The top 3 service delivery priorities, are Roadblocks, Speed checks, Point duties. Throughout the year the three have had great successes, with reduction in accident statistics. Measures taken to improve performance include spreading the service to rural areas throughout the years, including point duties at school points and accident scenes around our rural juristic areas.

Table 101: Traffic Law Enforcement service data (2011/12- 2014/15)

	2011/2012	2012/2013	2013/2014	2014/2015
	Actual no.	Actual No	Actual No	Actual no
Number of road traffic accidents	102	79	69	111
Number of by-law infringements attended	68	100	182	225
Number of traffic officers on duty on an average day	16	13	12	14
R-value revenue from traffic fines	R1 439 910	R5 559 480	R19 565 630	R38 560 880

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Table 102: Law Enforcement targets as set out in the SDBIP for 2014/2015

Programme	Project/ KPI	Annual Target (2014/2015)	Actual Achieved (30 June 2015)	Reason for deviation
Traffic Services	Traffic fine collection rate [(Rand value received for fines/ R value of fines issued as (%)]	70%	40%	Offenders only reacts to roadblocks. Delay in issuing of Section 54 Notices by the court
	# of planned road blocks with SAPS	4	5	None
	Traffic Law Enforcement	Ensure that Traffic Law Enforcement is implemented in 5 formal towns in the GTM area as per the programme. Report on output of road safety interventions to Council on a monthly basis	Patrols, speed checks, foot patrols, escort and point duties. Programme implemented. 26610 Traffic summons, 14 JOC meeting with SAPS, Scholar patrols at 3 schools, 4 Rural safety meetings	None
	Traffic Law Enforcement Integrated Operational Plan	Draft Traffic Law Enforcement Integrated Operational Plan submitted to Council for approval by 30 May '14	Operational plan developed and approved by Council on 30 May 2014. Roadblocks held as planned	None

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Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	5	2	60%	5	1	80%
Level 7-9	30	15	50%	30	13	57%
Level 10-15	5	2	60%	5	1	80%
Level 16-17	0	0	0	0	0	0%
Total	41	20	51.2%	41	16	61%

The traffic officers are divided into the two shifts. The three supervisors assist in planning and supervision of their colleagues on a daily basis. Officers also perform standby duties, especially with occurrence of emergencies like accidents, etc. On average, officers work a total of 32 hours per month due to the fact that the division is short staffed, considering the vast size of our policing area.

Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	3 215	3 001	3 001	7 814	(4 813)
Expenditure:					
Employees	15 182	11 751	11 751	13 200	(1 449)
Repairs & Maintenance	30	51	51	13	38
Other (Security Services)	11 751	12 322	12 322	12 287	36
Total Operational Expenditure	26 963	24 125	24 125	25 500	(1 375)
Net Operational (Service) Expenditure	(23 748)	(21 124)	(21 124)	(17 686)	(3 438)

Table 104 reflects the financial performance of the Traffic Law Enforcement Division with the over expenditure incurred due to overtime payments, as result of staff shortages.

No capital was available to fund projects for the Law Enforcement division. However, the top 3 service delivery priorities are:-

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Law Enforcement:

- *Roadblocks*: where vehicles are stopped and examined for roadworthiness and drivers are examined for their capability and Drunken driving cases also attended to.
- *Patrols*: where officers drive around or walk, identify law breaks and acts accordingly.
- *Point duties*: officers assist in control of traffic situations, accident scenes etc. and eases traffic congestions
- *Escorts* of dignitaries visiting the area, funerals, etc. for safety sake.
- *Speed checks*: an effective way of enforcement for compliance by motorists to avoid accidents.
- *Warrants of arrest*: Follow ups on unpaid written notices result in offenders being taken to court to answer for their offences.

Scholar patrols

On school days officers are tasked and deployed to selected schools, especially those adjacent to busy roads, and the work is done at specific schools including all schools with the risk of scholars crossing the roads, to and from schools. We also serve our needy and poor communities of Motupa, Tickyline/Burgersdorp, Sasekani and Khopo and Letsitele.

Road safety campaigns

- Schools are visited to conduct road safety (on how to observe rules/signs on the road).
- Kids are educated on road safety.
- Communities are sensitized on issues of road safety e.g. robots, pedestrian crossings.
- Officers have been deployed to service the school points and also to patrol our policing areas including rural areas.
- Vehicles scrapings have been extended to deep rural areas and farms
- Speed law enforcement has always been done across our policing area, including Letsitele, Lenyenye, Nkowankowa and Tzaneen.

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- Replacing of damaged road traffic signs and painting of scholar patrol points, especially near schools closer to main roads and checking for new places where there are needs.

3.15 DISASTER MANAGEMENT

Disaster Management is a continuous and integrated multi-sectoral and disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation. (Disaster Management Act no. 57 of 2002). For disaster Management to be effective, it is important that all concerned parties be made aware of its provision and that every official, role player, departments and personnel be prepared to carry out the assigned functions and responsibilities before, arrangements in the Greater Tzaneen Municipality. Disaster Management's approach is to effectively prevent disasters from occurring and to lessen the impact of those hazards that can be avoided. Emergencies are defined as situations or threats of impending situation abnormally affecting the lives and property of societies. By the nature, or magnitudes these require a co-ordinated response by a number of role-players, both government and private, under the direction of the appropriate elected officials.

Most peace-time natural or man-made disasters/emergencies that occur in the geological areas of responsibility of the Greater Tzaneen Municipality are as follows:

- Fires (Structural and Unstructural)
- Storms (Hail, Wind and Thunder)
- Floods
- Transportation Accidents
- Air/rail crashes
- Building or structural collapse
- Explosions
- Breakdown of essential services, supplies or any combination thereof

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Disaster management preventative/mitigation measures

Awareness campaigns on fire, floods and communicable diseases were conducted as follows:

- **Fire awareness campaigns**
 - ✓ Communities/Wards: Mariveni Village (ward 23), Moime Village (Ward 32), Ntsako Village (ward 25), Khujwana Village (Ward 16), Maribathema Village (Ward 14), Nyakelani Village (ward 3) & Mapitlula village (Ward 11).
- **Floods and communicable diseases:**
 - ✓ Communities/Wards: Runnymede village (ward 6), Mookgo Village (ward 04), Botludi Village (ward 7), Lephephane Village (Ward 16), Senopelwa Village (Ward 01), Serare village (ward 33), Yickeyline village (ward 30) & Leolo village (ward 33)

A workshop disaster management response was conducted to ward committee members on the 12th September 2014.

Special Events:

Eighteen events were held and managed according to disaster measures. Emergency plans were prepared for 16 of these events.

Projects attended:

Identification and erection of assembly points poles were done in municipal buildings (main and satellite offices).

Disaster Relief

± 196 households were assessed and assisted with 221 blankets, 161 mattresses and 15 tents and food parcels provided by SASSA.

Challenges

- Delays in the reporting of incidents by Councillors and,
- Communities building houses within flood lines and drowning during heavy rainfall

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Table 105: Disaster management targets as set out in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Disaster management	# of disaster awareness campaigns conducted (schools)	15	15	None
	Annual Disaster Management report submitted to MDM	10-Aug	3-Sep	Delay in Council approval
	Annual Disaster Management report submitted to Council within legislated timeframes	31-Jul	28-Aug	Scheduling of Council sitting was the delayed
	% disaster incidences responded to (relieved) within 72-hours	100%	100%	None
	# of Event Disaster Risk and Contingency Plans developed for stakeholders	12	12	None
	Integrated Corporate Disaster Management and Emergency Planning	Integrated Corporate Disaster Management Plan approved by Council by 30 June	It was approved by management on the 20th May 2015	None
	Disaster response and recovery	Train departments on the implementation of the Response and recovery plan	Departments not yet trained in the implementation of the Response & Recovery plan	Capacity constraints in the Disaster office
	Disaster Risk assessment	Consolidated risk assessment report finalised and submit to Council for approval by 30 May	Risk assessment report not submitted to Council	Disaster risk ward committees were not established in all wards

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0%	0	0	0%
Level 4-6	4	1	75%	4	1	75%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	5	2	60%	5	2	60%

Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	1 316	1 666	1 666	1 368	298
Repairs & Maintenance	-	1	1	-	1
Other	440	481	481	804	(323)
Total Operational Expenditure	1 756	2 149	2 149	2 172	(24)
Net Operational (Service) Expenditure	1 756	(2 149)	(2 149)	(2 172)	24

Municipalities may not budget for uncertain activities such as a Disaster that may not occur. There is however a Council resolution which determines that 2% of the budget can be utilised in case of Disasters. All legislative requirements must also be complied with.

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COMPONENT H: SPORT AND RECREATION

The role of the Sports, Arts and Culture office in GTM is to facilitate, coordinate and manage sport activities. There is a Sport and Recreation Council in GTM that assists with coordinating all sport related matters in GTM communities. There is a Service Level Agreement signed between the Department of Sport Arts and Culture and the Greater Tzaneen Municipality that assists in making sure that sport development takes place in GTM from grass root levels.

3.16 SPORT, RECREATION, ARTS AND CULTURE

Sports

GTM hosts most sports event in Mopani because it's in the centre of the district with facilities and active Sport Officers and Sport Confederation. We further busy with sport developmental games which currently cover male and female soccer, athletic and net ball. GTM received rugby jerseys from the DSAC for 2 teams in Lesedi Cluster.

GTM annually hosts the Mayor's cup which was held during December of 2014 featuring soccer, ladies soccer and netball and volleyball. Participants came from various companies, hospitals, Checkers, Letaba Estate and Greater Tzaneen Municipality. The Bulamahlo, Lesedi, Relela and Runnymede cluster soccer teams also participated in the Mayor's cup. GTM also organised and hosted cluster Indigenous games in April 2015, Local Indigenous games in May 2015 and the District Indigenous games in June 2015.

GTM employees are encouraged to participate in sports, in collaboration with the GTM Wellness programme. Employees and Councillors partake in soccer, netball, golf, fishing, table tennis, pool, darts and volley ball. GTM teams participated in the Southern African Inter Municipal Sports Association (SAIMSA) games which were hosted by Namibia in Buffalo City during September 2014.

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Arts and culture,

GTM has an annual Arts and Culture Programme which includes activities such as the Cultural Music Competition in June 2015. GTM also distributes information on possible sponsors to arts & culture groups. The highlights for GTM in terms of sports, art and culture are as follows:

- The Mayors Cup 2015 was hosted at Nkowankowa stadium on the 29th of November 2015,
- GTM's internal sport teams participated in the Provincial and National SAIMSA games,
- The Greater Tzaneen Marathon took place at Nkowankowa Stadium,
- Hosting District Development games
- Hosting of rugby games at the Nkowankowa stadium, following the donation of rugby poles by the Blue Bulls

Challenges

The main challenges experienced are:

- The grading of sports grounds are not sustainable, financial constraints does however limit the ability of the municipality to construct proper sport grounds,
- The Runnymede cluster does not have formal sport facility,
- Rhelela stadium at Lerejeni Village was abandoned by the Mopani District Municipality and needs to be completed by GTM,
- Julesburg and Burgersdorp Stadiums still awaiting upgrading shortly through MIG.
- The access road to the Burgersdorp stadium needs to be upgraded to improve accessibility during the rainy season.

The Arts and Culture Council has been established but is not fully functional. The main challenge is the absence of funding. Most members are not employed and therefore do not have their own resources to attend meetings and coordinate activities.

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Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0%	0	0	0%
Level 4-6	0	0	0%	0	0	0%
Level 7-9	3	3	0%	3	3	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	3	3	0%	3	3	0%

The budget for the Sport, Arts and Culture section forms part of the budget for Parks and Recreation (See **Table 87**).

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Table 109: Sports and recreation targets as set out in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Sport and recreation	Construction of a new community hall at Relela Cluster	Design and tender documents completed. Contractor appointed.	Design complete and draft tender document awaiting Bid Specification Committee approval. Contractor not yet appointed	Delays in getting community approval for the designs
	Runnymede Sports Complex	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	None
	Upgrading of Julesburg Sports Ground	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	None
	Upgrading Burgersdorp Sports Ground	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	None
	Upgrading of Nkowankowa Stadium	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	None
	Indoor sports Centre & outdoor sports facilities(NDPG)	Construction of Indoor and outdoor facilities completed	Indoor Sport facility is at 98%. External facility, has a snag list that must be done and is at 95%.	None

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COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.17 EXECUTIVE AND COUNCIL

The role of Council is set out in Section 3 of the *Local Government Structures Act (Act 117 of 1998)*. The principal roles are to:

- Act as representative, informed and responsible decision makers in the interests of their communities;
- Provide and coordinate various public services and facilities and to develop their communities and resources in a socially just and ecologically sustainable manner;
- Encourage and develop initiatives within their communities for improving the quality of life within them;
- Represent the interests of their communities to the wider community; and
- Exercise, perform and discharge the powers, functions and duties of Local Government in relation to their areas.

The purpose of the Executive Committee is to take responsibility within the Executive on the basis of individual and/or collective responsibility for a delegated portfolio of services or functions of the Council

Key Duties and Responsibilities of Exco members:

- To participate in the Executive and to implement agreed policies by taking responsibility individually and/or collectively for any portfolio allocated by the Leader of the Council, including providing a lead on and proposing new policy, strategy, programming, budget and service standards.
- To exercise delegated powers in accordance with the Council's constitution
- To consult and communicate with members of all party groups, Council officers and key partners as appropriate to ensure decisions are well formed and that Council policies are widely understood and positively promoted.

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- To ensure that the party group is briefed at the appropriate time on significant issues within the respective portfolio – i.e. those which have financial or other major resource implications will result in a change in established policy, or which are contentious or politically sensitive.
- To have the responsibility for liaison with Chief Officers and other senior officers responsible for the services within the portfolio
- To answer and account to the Council and the community for matters within the portfolio
- To respond within agreed timescales to the recommendations of relevant overview and scrutiny panels
- To seek to involve and consult non-Executive members in the area of work for which they have responsibility, particularly members of the relevant overview and scrutiny panel
- To represent the Council and the political administration in the community and elsewhere as required by the Leader

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Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Council Support	# of GTM Council resolutions implemented vs # passed	100%	100%	None
	MPAC oversight report on Annual Report submitted to Council by 31 March	31-Mar	31-Mar	None
	# of Council meetings held (formal)	4	21	Special Council sittings arranged on adhoc basis
	# of Exco meetings held	26	26	None
	# of Cluster meetings held	108	81	Scheduled meetings not held due to non-submission of items for discussion.

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	5	4	20%	5	4	20%
Level 4-6	19	9	56.63%	19	8	59%
Level 7-9	10	4	60%	10	4	60%
Level 10-15	1	1	0%	1	1	0%
Level 16-17	0	0	0%	0	0	0%
Total	35	18	48.57%	35	17	51%

Detail	2013/2014	2014/2015			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	-	1	1	-	1
Expenditure:					
Employees	8 321	9 359	9 359	4 536	4 823
Repairs & Maintenance	652	656	656	308	348
Other	23 354	24 145	24 145	24 541	(396)
Total Operational Expenditure	32 327	34 160	34 160	29 385	4 775
Net Operational (Service) Expenditure	-3 2327	(34 159)	(34 162)	(29 385)	(4 776)

3.18 FINANCIAL SERVICES

The three main priorities of Financial Services are the following:

- a) *Procurement*: The implementation of SCM policies and regulations has improved in terms of compliance which resulted in that no SCM activity has been qualified by the Auditor General. The vacancies at senior management level however contributed to further delays as the Adjudication Committee found it difficult to quorate. Delays in

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the appointment of service providers impacted on the implementation of capital and operational projects.

- b) *Debt recovery:* To recover debt owed to the Municipality by residents but also by other Government institution. During 14/15 Provincial Government accounts were successfully addressed. The appointment of debt collectors will take place in 2015/16 which we believe will contribute to the improvement on Debt recovery.
- c) *Expenditure Management:* Greater Tzaneen Municipality experienced excessive expenditure on overtime and Legal/fees during 13/14. The expenditure on legal fees increased during 14/15 which is a matter of concern. Actions have been taken to determine the route course of the high expenditure after which the concern will be addressed.

With regard to overtime expenditure it is confirmed that a system through which pre-approval must be obtained has been put in place to curb this concern. Payments of Service providers were made within 30 days with the exception of Eskom due to financial constraints. It is also confirmed that no Audit finding, with regards to any expenditure activity, has resulted in Audit Qualification.

Details of the types of account raised and recovered	2013/2014			2014/2015		
	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year
Property Rates	66912	51420	76.85	74071	65004	87.75%
Electricity Consumption	335804	372480	110.92	396898	410014	103.30%
Refuse	24088	20240	84.02	25998	27407	105.42%
Other	13302	10187	76.58	13052	15001	114.93%

Electricity Service

The proposed revisions to the tariffs have been formulated in accordance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator

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of South Africa (NERSA). Guidelines for the Municipal Electricity tariff increases in July are normally published by NERSA in the previous December. National Treasury has indicated that Municipalities must prepare their budgets using Eskom bulk increases of 8.06 % on the previous year's bulk purchases and advised municipalities to structure their 2014/1015 electricity tariffs based on the 7.39 % guideline indicated in National Treasury Budget Circular no. 70 for the 2014/2015 MTREF.

Refuse Removal Service

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a Municipality must ensure a safe and healthy environment for its residents. Greater Tzaneen Municipality is therefore responsible to adequately maintain its refuse removal service. We must also maintain our refuse sites and solid waste disposal efforts. The top priority of revenue collection in all three service areas is to improve payment rate through the approved revenue enhancement strategy.

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Table 114: Financial Services targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Asset Management	Annual Asset verification report concluded by 30 June	30-June	30-June	Verifications have been completed, investigations still underway to finalise report
	Financial statement Management Working papers submitted to Budget and Treasury by 31 July	31-Jul	31-Aug	There were an imbalance between General Ledger and asset register due to other non-assets related transactions and prior year issues
	List of disposal of assets compiled by 30 June	30-Jun	Not yet done	Completion of the List of disposal dependent on the finalisation of the AFS
	% GRAP compliance on Asset Register	95%	100%	None
Budget management	% of capital spent on projects as prioritised in IDP for specific year	100%	54%	Capital spent on roll-over projects included in the IDP of previous years
	% of municipal budget spent	100%	101%	None
	% MIG funding spent	100%	56%	Late appointment of contractors by SCM, delays in getting approval from RAL and litigations on 2 MIG projects
	% Capital expenditure	100%	54%	Delays in the appointment of service providers, litigation and delays in getting approval for MIG projects
	Annual Budget tabled by 31 May annually	31-May	28-May	None
	Cost coverage	1.2	0.6	Outstanding debtors increasing, increases in fixed labour cost, capital projects budgeted from loans funded from own sources, Claude Wheatly Road expenditure more than budgeted amount
	Debt coverage	17.5	21.01	None
Expenditure Management	% creditors paid within 30 days	100%	98%	Eskom not always paid within the required timeframe due to cashflow constraints, other invoices required investigations prior to payment being done
Expenditure Management	% Personnel costs / Operating expenses (excl Salaries of councilors)	35%	35%	None
Financial reporting	Timeous submission of annual financial statements to AG and PT & NT	31-Aug-14	31-Aug-14	None

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Table 114: Financial Services targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Financial reporting	% of AG queries responded to within 3 working days	100%	60%	100% were submitted within 5 days as agreed with the AG
Revenue Management	# of Households billed	21,800	22,782	None
Revenue Management	Average % Payment rate for municipal area	92%	92%	None
Revenue Management	Outstanding service debtors to revenue	45%	38%	None
Supply chain management	# of Tenders awarded that deviated from the adjudication committee recommendations	0	1	Acting MM appointed as per BEC report
Supply chain management	% of Bids awarded within 2 weeks after adjudication committee resolution	100%	20%	MM position vacant, workload of acting MM resulted in a build-up of documentation to be finalised
Supply chain management	% of bids approved by MM within 90 days after close of tender	100%	20%	Lack of Quorum of the BAC due to vacancies on Senior Management level

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Job level	2013/2014			2014/2015		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	6	6	0%	6	6	0%
Level 4-6	20	12	40%	20	13	35%
Level 7-9	46	32	30.43%	46	33	28%
Level 10-15	3	2	33.33%	3	3	33%
Level 16-17	0	0	0	0	0	0%
Total	75	52	30.66%	75	55	27%

Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	314 354	318 879	350 789	352 089	(1 301)
Expenditure:					
Employees	28 238	32 820	32 820	27 428	5 392
Repairs & Maintenance	90	250	250	15	235
Other	48 437	38 139	39 139	47 734	(8 595)
Total Operational Expenditure	76 764	71 209	72 209	75 177	(2 968)
Net Operational (Service) Expenditure	237 589	247 670	278 579	276 912	1 667

The actual operational revenue amounts to R352 million, whilst the actual operating expenditure amounts to R75 million (see Table 116). This represents a surplus of R277 million. It must however be mentioned that the actual income represents 100% of the budgeted amount and the actual expenditure represents 104% of the budgeted amount. The actual income includes grant allocations of R238 million and the overspending on actual total operating expenditure is mainly due to the overspending on provision for Bad Debts and loss on disposal of property, plant and equipment.

3.19 HUMAN RESOURCE SERVICES

The Human Resources Division which reports to the Corporate Services Directorate's mission is to provide quality Human Resource services to attract, develop, motivate and retain a diverse workforce within a supportive work environment both internally and externally by performing the following functions:

- a) Personnel Provisioning and Employment Equity
- b) Personnel Administration
- c) Training, Education and Development
- d) Labour Relations
- e) Organizational Development
- f) Occupational Health and Safety & Employee Wellness

The top three service delivery priorities for 2014/2015 were to:

- Ensure that Job descriptions of all staff are renewed and adopted in preparation of the Job Evaluations using the Task Evaluation System.
- Review and re-align the Organisational Structure of the Greater Tzaneen Municipality in line with the reviewed job descriptions to be able to implement IDP projects
- Review of the Human Resources Policies to be in line with the amendments of the regulations to ensure compliance.

The impact the HR Division has made on the above three key service delivery issues were that:

- All municipal employees were consulted in order to review the organisational structure of Council in accordance with the Municipal System Act of 2000. However, Management and labour Unions agreed to suspend the approval of the structure through council and appoint Deloitte as the sole services provider of Job Evaluation system, to assist in aligning the Job Descriptions with Job Requirements.
- Assisted the District Job Evaluation Unit to evaluate the positions attached to the structure of Council in order to identify salary disparities within Council.

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- An ever-changing environment and legislative amendments have to be accounted for in policies, procedures and practises. Therefore, policies, procedures, practises and systems have to be aligned from time to time to keep abreast of such changes. The division embarked on a policy workshop process to ensure proper consultation and ownership. The impact of such amendments can be observed in the implementation of the policies. Compliance to legislation and agreements is, and still remains, an important focus area for the Municipality.

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Table 117: Human Resource Management targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Labour Relations	# of Local Labour Forum (LLF) meetings	12	9	Postponements due to poor attendance
Human Resource Management	# of budgeted level 0-6 positions filled	154	138	Memorandum of understanding on appointments due to Salary disparities to avoid disputes
	# of people from employment equity target groups employed in the 3 highest levels of management in compliance with EE plan	27	20	The resignation of Director - Corporate; Managers - Water services & PMU and the settlement of Municipal Manager position. Appointment of Managers subject to resolving salary disparity issues
	Number of Section 57 posts vacant for more than three months	0	1	The Director - Planning and Economic Development has been vacant since September 2013
	% Staff turnover	6.6%	7.3%	No control over exits
	% Employees that are female	35%	37.1% (243)	None
	% Employees that are youth	35.0%	23.9% (157 of 655)	MOU on appointments of lower level positions having a negative impact. Current employees exceeding age bracket of youth
	% Employees that are disabled	2.2%	2.3% (15 of 655)	None
	# of critical posts filled (MM, CFO, Engineer, Town Planner, Communications, CORP)	6		MM, CORP & Communications vacant

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Table 118: Employees - Human Resource Services for 2014/15						
Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	7	7	0%	7	7	0%
Level 7-9	4	2	50%	4	2	50%
Level 10-15	3	2	33.33%	3	2	33.33%
Level 16-17	0	0	0%	0	0	0%
Total	15	12	20%	15	12	20%

Table 119: Financial Performance 2014/15: Human Resource Services (R'000)					
Detail	2013/2014		2014/15		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	-	-	-	-	20
Expenditure:					
Employees	14 238	14 238	7 528	7 528	18 986
Repairs & Maintenance	-	-	5	5	-
Other	1 960	1 960	1 943	1 943	1 472
Total Operational Expenditure	16 198	16 198	9 477	9 477	20 459
Net Operational (Service) Expenditure	-16 198	-16 198	(9 477)	(9 477)	(20 439)

Despite the fact that in the HR Division only eight of the 15 positions were filled (20% vacancy), Human Resources offered excellent services because of the competent staff. For the first time HR managed to conduct workshops for staff to create awareness on issues such as labour relations, leave, OHS and EAP. An audit of all personnel files was done and a control register was developed to track all personnel files to avoid loss of data.

The function of Personnel Provisioning and the Employment Equity Project is receiving the necessary attention and progress is being made in terms of demographic representation as

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well as gender and disability representation. However it must be noted that the moratorium posed on new appointments affected the implementation of the Employment Equity and personnel provisioning standards. It is necessary to report that the Municipality has reached its target in employing people with disabilities with 2.0% as against the target of 2% (for all government sectors in Limpopo) with a number of 13 disabled employees employed. GTM facilities do not accommodate disabled employees or external disabled clients.

The Annual Report to the Department of Labour, was reported in time. Also, the project for Employment Equity monitoring is functioning. The Employment Equity Consultative Forum meets quarterly as per regulation, consulting on issues, which conflict with the Employment Equity Act such as the discrimination and unfair labour practice in the Municipality. However, the implementation of recommendations remains a challenge.

As far as the Education, Training and Development Section was concerned, the legislative requirements in terms of the submission of the WSP 2014/2015 and ATR 2014/2015 were complied with and monetary grants were received for the efforts. The ABET programme is ongoing for 39 employees and they have signed the agreement to complete the task. The overall execution of all the needs identified in the WSP was however hampered due to cash flow considerations and the MFMP programme as regulated by National Treasury. Due to the MFMP programme the bulk of the training vote allocation was directed to senior management and finance employees. As from 1 January 2013 all finance staff will have to comply with the Guidelines for Municipal Competency Levels of 1 July 2007 issued in terms of the Local Government Municipal Finance Management Act, 2003.

The Labour Relations Workshops were conducted wherein supervisors and employees were trained on issues relating to discipline in an effort to improve discipline and also avoid mitigations. The common misconduct within council is fraud with medical certificates and necessary disciplinary procedures were conducted to mitigate.

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Training for first aiders and OHS Representatives were conducted during the financial year and certificates were issued for compliance to the competent staff. The OHS and EAP are functioning extremely well however cash flow constraints make it extremely difficult to finalise projects. The Municipality has paid over R 1 159 893 to the Compensation Fund and it was caused by the number of incidents and accidents reported. The only solution to reduce such expenses is for GTM to comply with the Occupational Health and Safety Act (Act 85 of 1993). Council must priorities all legislation matters to avoid fines from Department of Labour for non-compliance.

3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

It is the responsibility of the Information Technology Division under the Corporate Services Department to ensure that policies, procedures and standards regarding computer-related items are defined and adhered to. The Information Technology Division offers the following services:

- IT End Users Support (Hardware and Software).
- End User Training (Formal-classroom situation).
- End User Support Training (informal-telephonic or individual).
- Liaise with outsourced service providers i.e. SITA, SALGA, Provincial and National Local Government department regarding all escalated problems.
- Backup services.
- Disaster recovery planning
- Procurement of all IT equipment and Computer rollout
- Audit of computer equipment.
- Computer Consumables such as Mouse, Printer, Ink and cartridges,
- Data Security.
- Advisory capacity on effective business processes
- Maintenance and control of telephonic communication systems

SERVICE DELIVERY PRIORITIES

- *Rural Broadband Project* – provided network connectivity to all the satellite offices that were covered during the phase of its implementation. The Information Technology Office continuously monitored and maintained the broadband infrastructure to ensure high availability of ICT network resources. The implementation of the phase 2 of the Rural Broadband project was not implemented due to budgetary constraints.
- *Paperless Council Meeting Project* – the implementation of the Paperless Council Meetings Project was found to be cost effective, saved time, and provided easy access to meetings invitations, agendas, minutes, notifications and reminders by means of an electronic gadget (tablet/laptop) in comparison with the traditional process of printing all Council meeting documents. 48 out of 75 Council members were provided with basic computer literacy to ensure that Councillors and Traditional Authority representatives are capacitated to enable them to use both tablets and laptop for word processing.
- *Community Development Facilitators*- The CDFs were each allocated laptops as tools of trade to enable them to work with ease, to service the community of the Greater Tzaneen Municipality.
- *Website publications*: The website was refurbished to meet the standards required by the Department of Government Communication and Information System (GCIS) and all the prescribed documents were published.
- *ICT Continuity*: Council approved the Disaster Recovery Plan (DRP) that outlines the process to recover ICT Systems, should a disaster event occur. Disaster Recovery equipment were not procured due to budgetary constraints.
- *ICT Policies*: Council approved the following ICT policies
 - a. Antivirus Policy;
 - b. Change Management Policy;
 - c. Email Acceptable Use Policy;
 - d. Firewall Policy;
 - e. ICT Assets Allocation Policy;

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- f. ICT Security Policy;
 - g. Incident Management Policy;
 - h. Internet Acceptable Use Policy;
 - i. Mobile Device Access Policy
 - j. Password Policy;
 - k. Patch Management Policy;
 - l. User Account Management Policy;
-
- *Procurement of ICT equipment:* 51 Laptops were procured towards the implementation of the Paperless Council Meetings Project and provision of tools of trade to the Council officials. 60 tablets were procured towards the implementation of the Paperless Council Meeting Project. An Environmental Monitoring Tool was procured for the server room and installed to monitor the environmental conditions in the server room by sensing problems and then delivering alerts of notifications to relevant events stakeholders (IT staff and Systems Administrators) so that preventative measures can be effected.

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Table 120: Information Technology targets as set out in the SDBIP for 2014/15

Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Information management	# IT Help desk incidents attended to	400	972	Challenges experienced with the IT systems (mail server, Promis, H-drive)
Information management	# ICT awareness campaign	2	0	Postponed due to ICT Audit by the AGSA
Information management	IT policy approved by Council by 30 Sept	30-Sep	31-Mar	Approval was delayed due to the postponement of consultation sessions
Information management	IT Disaster Recovery Plan approved by Council by 30 Sept	30-Sep	31-Mar	Approval was delayed due to the postponement of consultation sessions
Information management	% Antivirus Patches and Windows Updates	100%	80%	Configuration of a new Symantec Endpoint Protection Manager Server, since it was unable to communicate with Clients (Computes, laptops and server).
Information management	% Broadband Availability in Satellite offices	100%	100%	None
Information management	Fireproofing (Environmental monitoring system)	Installation completed	Server room environmental monitoring system has been received and installed	None
Information management	IT equipment	Monitor the allocation of IT equipment	Laptops were delivered	None

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Job level	2013/2014			2014/15		
	Positions Filled	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1		0%	1	1	0%
Level 4-6	2		0%	2	2	0%
Level 7-9	3		0%	3	3	0%
Level 10-15	0		0%	0	0	0%
Level 16-17	0		0%	0	0	0%
Total	6	6	0%	6	6	0%

Detail	2013/2014	2014/15			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	2 804	3 328	3 328	3 547	(220)
Repairs & Maintenance	571	521	521	474	47
Other	3 765	5 459	4 759	4 106	653
Total Operational Expenditure	7 140	9 308	8 608	8 128	480
Net Operational (Service) Expenditure	(7 140)	(9 308)	(8 608)	(8 128)	(480)

3.21 LEGAL SERVICES

The Legal Services Division renders legal services to Council by Conducting Investigations, research on case law and statutes and advising Council accordingly. The division also ensures that Council complies with its statutory functions, law and standards. The division must also develop and maintain effective working relationship with government departments, courts and other relevant bodies. Furthermore, monitoring ongoing litigation by and/or against Council, co-ordinate the interaction between the Council and external Legal Practitioners and

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ensuring legislative compliance, Good Governance and that Council takes informed decisions.

The Legal Division is further also responsible for:

- a) Assisting with the development of Policies and By-Laws, by conducting workshops for Councillors and officials on the policies and By-Laws and facilitate the annual review of policies.
- b) Performing Contract Management functions by Drafting contracts or Service Level Agreements on behalf of the Council, studying contracts and advising Council accordingly. Facilitate appointment of Service Providers during Bid Committee Meetings.
- c) Prioritising and recommending legal firms to be appointed. Receive referrals and legal queries from stake holders and attend to them. Providing legal opinions to Council.

Type of legal case	Name of Case	Date Registered	Status at 30 June '15	Total Cost to Council to date
Civil	Andre Le Grange // GTM	05 / 07 / 2014	Completed	±R3 000 000
Civil	Bravospan 252 CC // GTM	09 / 01 / 2015	Pending High Court	±R600 000
Civil	Bedrock Mining Support // GTM	09 / 10 / 2014	Pending High Court	±R60 000
Civil	Expectra 338 // GTM	29 / 05 / 2015	Pending High Court	±R200 000
Eviction	GTM // Mr. David Mokgalaka	05 / 09 / 2015	Pending Magistrate Court	R0.00
Arbitration	MACP Construction // GTM	26 / 05 / 2015	Completed	±R7 000 000
Interdict	SAMWU // GTM	26 / 08 / 2015	Completed	±R300 000

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Nr of Service Providers appointed	Nr of Contracts concluded	Nr of Contracts extended	Nr of Contracts Withdrawn by Service Providers
29	19	1	2

There was an increase in the number of service delivery related community protests in the GTM area during 2014/15. As can be seen from **Table 125**, the majority of the protests were relating to the provision of water, which is the function of the District Municipality.

Date	Stakeholder/Ward	Reason for protest	Office Protested against	Approved / Not Approved
February 2015	Ward 10	Water	Municipality	Not Approved
April 2015	Ward 03	Electricity & Water	Municipality	Not Approved
May 2015	Ward 17	Water & Electricity	municipality	Not Approved
May 2015	Ward 24	Water & Roads	Municipality	Approved

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Table 126: Legal support targets as set out in the SDBIP for 2014/15				
Programme	Project/ KPI	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation
Legal support	% SLAs signed within 10 days of receiving acceptance	100%	100% (14)	None
Legal support	% of SLA's concluded within 5 days after information provided	100%	100% (14)	None

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Table 127: Employees – Legal Services (2014/15)						
Job level	2013/2014			2014/15		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	1	1	0%	1	1	0%
Level 7-9	1	0	100%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	3	2	33.3%	3	3	0%

Table 128: Financial Performance 2014/15: Legal Services (R'000)					
Detail	2013/2014		2014/15		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	4 850	1 667	1 667	1 319	348
Repairs & Maintenance	-	-	-	-	-
Other	12 149	3 549	8 538	22 408	(13 870)
Total Operational Expenditure	16 999	5 216	10 205	23 727	(13 522)
Net Operational (Service) Expenditure	(16 999)	(5 216)	(10 205)	(23 727)	13 522

No capital projects were planned or implemented for Legal Services during the 2014/15 financial year

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COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

The full Annual Performance Report for 2014/15 is included as [Annexure C](#).

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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

A comparison between the 2013/2014 and 2014/2015 financial years (as reflected in **Table 129**) shows that the number of officials actually employed has increased from 660 to 690. This increase has mainly been for core functions which has a positive impact on service delivery. The organisational structure however needs to be revised to be in line with the available budget and a prescribed vacancy rate of not more than 10%, this due to the fact that out of the 1415 approved positions, a total of 725 positions were vacant as on 30 June 2014 with 35% of the budget already spent on employee related costs.

Department (functions)	2013/2014	2014/15			
	No of Employees	Approved positions	No of Employees	No of Vacancies	% Vacant
Engineering Services (Roads& Stormwater, Water & Sanitation, PMU, Building & Fleet Maintenance)	172	592	158	434	73
Electrical Services	104	186	101	85	46
Community Services (Waste management, Libraries, Parks & Cemeteries, Sports & Recreation, Environmental Health & HIV/AIDS, Licensing, Traffic)	273	431	258	173	40
Planning & Economic Development (LED, Town Planning, Housing, Youth, Gender & Disability)	19	30	19	11	37
Chief Financial Officer (Expenditure, Revenue, Financial Services and budgeting, Supply Chain Management)	56	75	53	22	29

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Department (functions)	2013/2014	2014/15			
	No of Employees	Approved positions	No of Employees	No of Vacancies	% Vacant
Corporate Services (Legal, Communication, Archives & Records, HR, Public Participation & IT, Council Admin Support)	51	69	52	17	67
Municipal Manager (Disaster Management, Internal Audit, IDP, Performance Management)	10	24	10	14	58
Office of the Mayor (Administration and Special Programs)	5	11	5	6	54
Total	690	1408	656	761	404

Designation	Total Approved posts	Vacancies	Variances (as % of total posts in each category)
Municipal Manager	1	1	0%
CFO	1	1	0%
Other Section 57 Posts	5	1	20%
Middle Management: Financial (Level 3 & 4)	11	4	36%
Middle Management: non-Financial (Level 3 & 4)	35	11	31%
Highly skilled supervision: Financial (Level 5-6)	14	2	14%
Highly skilled supervision: Non-Financial (Level 4-6)	31	14	45%
Total	199	68	34%

In the financial year 2014/15 there was no movement with regard to personnel. The only employee turnover within the municipality was due to resignation, death and pension. Moratorium on the personnel provisioning caused negative impact on the cash overflow of the municipality with regard to overtime spent.

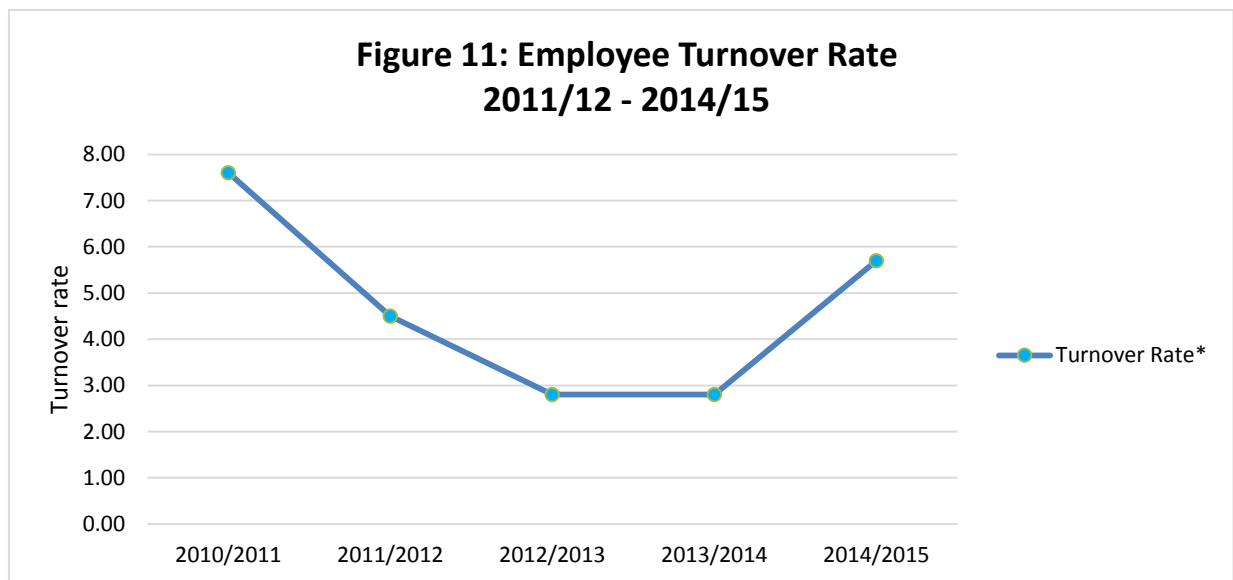
Year	Total No of posts filled at the beginning of the financial year	Terminations during the financial year	Turnover Rate*
2010/2011	630	48	7.6
2011/2012	619	28	4.5

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Year	Total No of posts filled at the beginning of the financial year	Terminations during the financial year	Turnover Rate*
2012/2013	660	19	2.8
2013/2014	681	19	2.8
2014/2015	687	41	5.7

From the data above, it can be seen that the turnover rate of the Greater Tzaneen Municipality is in the region of 5.7 %. This rate is acceptable bearing in mind that about 68% of this rate can be attributed to deaths and retirements over which the Municipality has no control. The turnover rate is also affected by the filling of vacancies, therefore the increase from 13/14 may be attributed to the none-filling of vacancies due to the labour disputes.

As far as senior management positions are concerned, four director positions were filled as on 30 June 2015, except the Municipal Manager, Director Corporate Services and Director Planning and Economic Development Services.



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COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Introduction

Employees in Council need some form of leadership from Corporate Services perspective. The behaviour and actions of employees have to be channelled and directed towards the achievement of the organisation's objectives, contained in the IDP. In order to achieve the above; the appointment of Directors (Section 57 Managers) was imperative. 5 directors lead the municipality in the financial period 2014/2015, who possess suitable skills and competencies as per minimum competency level requirements and Municipal Systems Act guidelines. The Director (Corporate Services) resigned in June 2014 due to better offer in the province. One of the responsibilities of Corporate Services is to retain scarce skills, educate and develop career path for employees. Therefore for the past year, Council complied with Section 2 of the Skills Development Act (97 of 1998) by doing the following:

- Developing the skills of employees
- Conduct workshops on the policies and procedures for knowledge to avoid misconducts.
- Increasing the levels of investment in education and training in the labour market and to improve the return on investment. For example (MFMP)
- Using the workplace as an active learning environment, by providing employees with opportunities to acquire new skills through bursaries in all job levels.

4.2 POLICIES

As per legislative requirements Section 67 of Municipal Systems Act, 2000 the process to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration continued. Where necessary, policies were reviewed to accommodate changing circumstances. The human resources related policies are standardising to a uniform standard and there is easy reference.

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Table 132: Corporate Services Policies and Plans (2014/15)			
	Name of Policy	% Completed	Date adopted by Council (or comment on failure to adopt)
1	Affirmative Action	100%	24/06/1996, current review
2	Career Management and Retention	100%	A45 of 29/05/2012
3	Code of Conduct for Employees	100%	As per Schedule to System Act
4	Delegations, Authorisation and Responsibility	100%	30 April 2014 (A 24 of 2014)
5	Disciplinary Code and Procedures	100%	As per SALGBC Agreement (B40 of 24 August 2010)
6	Essential Services	40%	Agreement under review due to new organogram
7	Employee Assistance/Wellness	100%	A29, 2013 June 28
8	Employment Equity	100%	A29, 2013 June 28
9	Exit management	0%	No policy
10	Grievance Procedures	100%	As per SALGBC Agreement
11	HIV/AIDS for Employees	100%	HR competency (B126 of 26/11/2002)
12	Human Resources Development	100%	B77 of 26/8/2008
13	Information Technology	50%	Drafts ready for consultations
14	Job Evaluation	100%	Approved by National Executive committee of SALGA, 2012
15	Leave	100%	A21, 1 April 2015
16	Occupational Health and Safety	100%	A29, 1 July 2013
17	Official Housing	100%	B158 of 31/8/2004
18	Official Journeys	100%	B172 of 31/8/2004
19	Official transport to attend funerals	100%	Bereavement Guidelines
20	Official Working Hours and overtime	100%	A21, 1 April 2015
21	Organisational Rights	100%	As per ORA in Main Agreement
22	Payroll deductions	0%	No Policy
23	Performance Management and Development	100%	A29, 28 June 2013
24	Personnel Provisioning	100%	A29, 1 July 2013

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Table 132: Corporate Services Policies and Plans (2014/15)			
	Name of Policy	% Completed	Date adopted by Council (or comment on failure to adopt)
25	Remuneration Scales and Allowances	100%	B240 of 30/11/2004
26	Sexual Harassment	100%	A21, 1 April 2015
27	Training and Development	100%	A21, 1 April 2015
28	Smoking	100%	A21, 1 April 2015
29	Special skills	0%	Not developed
30	Work organisation	0%	Not developed
31	Uniforms and Protective Clothing	100%	A29, 2013 June 28
32	Policy on Granting of Bursaries to Employees	100%	A21, 1 April 2015
33	Policy on Temporary Employment of Students	100%	A21, 1 April 2015
34	Anti-Corruption Policy	100%	A30 of 18 June 2013
35	Policy for Labour Relations	100%	A21, 1 April 2015
36	Language Policy	0%	No Policy
37	Risk Management Policy	100%	A30 of 18 June 2013
38	COIDA	100%	A44 of 28/08/2012 (New Policy)

4.3 INJURIES, SICKNESS AND SUSPENSIONS

The Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993, is the governing Act that deals with occupational injuries and diseases. The aim of the COIDA is to provide for Compensation in the case of disablement caused by occupational injuries or diseases, sustained or contracted by employees in the course of their employment, or death resulting from such injuries or disease; and to provide for matters connected therewith. An accident must be reported when an employee meets with an accident arising out of and in the course of employment resulting in a personal injury for which medical treatment is required. The number of injuries on duty during 2014/15 is presented in **Table 133**.

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Type of Injury	Days Injury leave taken	No of employees	% of Employees using sick leave	Average injury leave per employee ⁴
Required basic medical attention only	67	28	4.3	2.3 days
Temporary total disablement	81	2	0.3	40.5 days
Permanent Disablement	0	0	0	0
Fatal	0	0	0	0
Total	148	30	4.6	42.8

From **Table 133** above it will be observed that a total of 148 days sick leave occurred due to injury-on-duty cases which are lower than the 166 days of last year. This constitutes 4.6% of employees who were involved in such incidences. The OHS and EWP Section are continuously busy with awareness creation regarding safe working conditions and the role that each and every individual can play in limiting incidences of injury-on-duty. The three OHS Committees are also used as a platform to propagate a safe working environment within the OHS System which is in place. Inspections of workplaces are being done throughout the year and where necessary, follow-ups are being done to monitor compliance. The internal newsletter is also being used to place articles relating to OHS matters and to conscientise workmen/women. During the induction program of new entrants, time is being spent on OHS and EWP matters.

Designation	Total sick leave (days)	% of sick leave without medical certification	Employees using sick leave*	Estimated cost@ basic salary
Unskilled and defined decision making (level 16-15)	1875	12.64%	184	R 885 476
Semi skilled - discretionary decision making (level 10-14)	578	8.82%	58	R 375 049
Skilled, technical and academically qualified workers (7-9)	1076	14.86%	103	R1 244 386

⁴ Not determinable

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Designation	Total sick leave (days)	% of sick leave without medical certification	Employees using sick leave*	Estimated cost@ basic salary
Professionally qualified and experienced specialists (middle management) level 4-6	562	17.97%	76	R 883 341
Management (level 3)	188	10.63%	19	R 538 998
Senior Management (level 0-2)	54	3.7%	4	R 208 350
Total	4333		444	R 4 135 600

The average sick leave taken per employee is 10.24 days which is higher than in 2013/14 (8.6 days). Over the last three years the average increased by about 2 days per employee.

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
OHS Officer	Fraudulent Medical Certificate	09 to 22 July 2014	Formal disciplinary hearing held on 05 June 2015. Employee suspended without pay as a sanction after the hearing	05 June 2015
General Worker	Fraudulent Medical Certificate	18 to 29 August 2014	Formal disciplinary hearing held on 05 June 2015. Employee suspended without pay as a sanction after the hearing	14 July 2015
General Worker	Absenteeism	08 to 12 December 2014	Formal disciplinary Hearing held on the 05 September 2014. Employee suspended without pay as a sanction after the hearing	05 September 2014
Revenue Clerk	Fraud on rates and taxes account	08 to 22 December 2014	Pre-suspension Hearing held on the 14 th of August 2015. The official was suspended as a precautionary measure on the 15 th of August 2015	06 November 2014

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4.4 PERFORMANCE REWARDS

The Performance Management System of GTM has been cascaded to include only levels 1-3 employees. Due to human resource limitations further cascading is dependent on the appointment of additional personnel to manage the system. The scoring system is based on Regulation 805 of 2006 and is applied uniformly to all employees. During the 2014/15 financial year no performance assessments were conducted. This was due to the following factors:

- a) The suspension of the Municipal Manager: Various Directors were acting as Municipal Manager during the 2014/15 resulting in challenges in setting up the assessment panel,
- b) Management instability: The absence of a municipal manager and the exchange of Acting Municipal Managers resulted in tension between senior Managers who should form part of the assessment panel (GTM policy requires a pier and a subordinate to form part of the panel).
- c) Non-functionality of the Audit Committee (AC): GTM had a shared Audit Committee appointed by the Mopani District Municipality. The contract for the Audit Committee ended in December 2014 this, along with the absence of a Municipal Manager resulted in no Audit Committee meetings taking place. The AC chairperson is a legislated member of the assessment panel.

Due to the above reasons Council resolved to cancel the Annual Assessment for 13/14 as well as those for 14/15.

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COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Greater Tzaneen Municipality accepted legislative requirements of the Skill Development Act 97, 1998 to develop and improve the Skills of the South African workforce in capacitating municipal workforce in performing their functions and exercise their powers in an economic, effective and accountable way. To enhance the workforce in adult education training and learnership programmes that lead to recognized occupational qualifications. For the financial year 2014/2015 an amount of R684 725 was allocated for the implementation of the training needs projected and approved.

The WSP for 2014/2015 was submitted to LGSeta by the 30th April 2014. The bulk of the training funds were spent on the (MFMA) for compliance with the National Treasury Competency level as directed. It must further be indicated that twenty three (23) officials, the majority of which are from finance, have been enrolled on the MFMA training facilitated by North-West University. The training started in April 2013 and it will be concluded in December 2014, we are waiting for results from North West University. The cost of the training for the 23 delegates is amounting to R1.8 Million, which had to be covered through the training vote, leaving little to implement the WSP. Other training initiatives were therefore limited to:

- Employees projected to be trained was 136
- Actual training 72
- % of WSP implemented 53%

A summary of the beneficiaries trained during the financial year, per occupational category, is presented in **Table 136**:

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Snr officials and managers	20	0	0	29	0	0	0	0	48

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Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	2	0	0	2	0	0	0	5	9
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	3	0	0	0	10	0	0	1	14
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total Permanent	0	0	0	0	0	0	0	0	0
Non-permanent employees	0	0	0	0	0	0	0	0	0
Total	25	0	0	31	10	0	0	6	72

Training Interventions for 2014/15

- a) *Adult Education and Training (AET)*: A funding for the AET programme was sourced from the LGSETA for Council employees. The programme started around March/April 2014 with a round of 41 employees who enrolled for the programme. The AET programme comprised of all levels, level 1 to 4 in English and Numeracy. The initial total number of employees who showed interest and submitted their names was 55, however only 41 employees were enrolled for the Programme.
- b) *Experiential training*: As per approved temporary employment of student policy, the objectives outlined are to afford students a chance to get practical exposure in those directions which may have application value for them and to optimise their services to the benefit of Council and the student. Eight learners were appointed in four departments to gain experience for the final year to acquire their

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qualifications. The students are reimbursed at 30% of the salary of a job level 12. The following (see **Table 137**) is comprehensive data of learners who were assisted through the experiential programme in the Municipality to acquire their qualifications for the 2014/2015 financial year:

No	Surname & initials	Stream/qualification	Department	Period
1	Moloto MF	N4 Office Administration	Corporate Services	2013/02/01-2014/12/31
2	Makumbila AI	Grade 12	Office of the MM	2012/06/01-2014/12/31
3	Mathye M	Diploma in IT	Corporate Services	2014/02/01-2014/12/31
4	Phokongwane F	Diploma in Local Government Finance	Budget and Treasury	2013/02/01-2014/09/30
5	Nkwashu H	National Diploma in Town and Regional Planning	Planning & Economic Development	2014/01/01-2014/11/30
6	Usiba M	National Diploma in Town and Regional Planning	Planning & Economic Development	2014/03/01-2015/01/31
7	Mailula NC	N5 Marketing Management	Corporate Services	2012/06/01-2014/12/31
8	Raseokga I	Grade 12	Corporate Services	2012/06/01-2014/06/30

Challenges occurred during 2014/15 financial year for implementation:

- Unavailability of funds for implementation of WSP training needs.
- Approval of training interventions which were not approved in the WSP.
- Non-implementation of learnership programme due to stakeholders not availing funds for the programs.

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4.5 SKILLS DEVELOPMENT AND TRAINING

The GTM Skills Matrix is presented in **Table 138**.

Table 138: Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2015	Number of skilled employees required and actual as at 30 June 2015											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual 30 June 2014	Actual 30 June 2015	Target 15/16	Actual 30 June 2014	Actual 30 June 2015	Target 15/16	Actual 30 June 2014	Actual 30 June 2015	Target 15/16	Actual 30 June 2014	Actual 30 June 2015
MM and S57	Female	2	0	0	0	2	2	0	0	0	0	2	2	0
	Male	2	0	0	0	2	2	1	0	0	0	2	2	1
Councillors, senior officials and managers	Female	40	0	0	0	5	5	10	0	0	1	5	5	11
	Male	90	0	0	0	8	8	19	0	0	0	8	8	19
Technicians and associate professionals	Female	9	0	0	0	18	18	18	1	1	0	18	18	18
	Male	38	0	0	0	6	6	24	0	0	0	7	7	24
Professionals	Female	27	0	0	0	6	6	0	0	0	19	6	6	19
	Male	51	0	0	0	6	6	1	0	0	6	6	6	7
Sub total	Female	78	0	0	0	31	31	28	0	0	20	31	31	48
	Male	181	0	0	0	22	22	45	0	0	6	22	22	51
Total		259	0	0	0	53	53	73	1	1	26	54	54	99

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Description	A. Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
<i>Accounting officer</i>	1	1	1	1
<i>Chief financial officer</i>	1	1	1	1
<i>Senior managers</i>	3	2	0	2
<i>Any other financial officials</i>	50	1	0	1
Supply Chain Management Officials				
<i>Heads of supply chain management units</i>	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0
TOTAL	56	6	2	6

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Table 140: Skills Development Expenditure (R'000) for 2014/15										
Management level	Gender	Employee s as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/2015							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
Top management (level 0-2)	Female	3	0	0	R 45 000	R 44 348	0	0	R 45 000	R 44 348
	Male	4	0	0	R 50 000	R 49 674	0	0	R 50 000	R 49 674
Senior Management (level 3)	Female	6	0	0	R 10 000	R 9 550	0	0	R 10 000	R 9 550
	Male	16	0	0	R 20 800	R 20 700	0	0	R 20 800	R 20 700
Professionally qualified and experienced specialists (middle management) level 4-6	Female	25	0	0	R 120 000	R 110 870	0	0	R 120 000	R 110 870
	Male	87	0	0	R 58 000	R 57 097	0	0	R 58 000	R 57 097
Skilled, technical and academically qualified workers (7-10)	Female	66	0	0	R 242 921	R 245 942	0	0	R 242 921	R 245 942
	Male	72	0	0	R 55 000	R 54 148	0	0	R 55 000	R 54 148
Semi skilled - discretionary decision making (level 10-15)	Female	29	0	0	R 29 000	R 28 809	0	0	R 29 000	R 28 809
	Male	131	0	0	R 30 000	R 21 603	0	0	R 30 000	R 21 603
Unskilled and defined decision making (level 16-17)	Female	67	0	0	R 12 002	R 12 002	0	0	R 12 002	R 12 002
	Male	167	0	0	R 12 002	R 12 002	0	0	R 12 002	R 12 002
Sub total	Female	196	0	0	R 458 923	R 451 520	0	0	R 458 923	R 451 520
	Male	475	0	0	R 225 802	R 215 224	0	0	R 225 802	R 215 224
Total		671	0	0	R684 725.	R 666 744	0	0	R684 725.	R 666 744
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									0.03%	R684 725.

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As part of National Treasury's Regulation on Minimum Competency Level, 23 officials, the majority of which are from the Finance Department, have been enrolled to attend the MFMA training presented by University of North West. The costs of this year long training intervention are approximately R1.8 million, which is mostly being funded through the training vote. Evidently, it will be observed that not a lot of funds are available to conduct any other form of training for officials in the other job categories. Presently only 0.03% of the personnel budget is being allocated for training and it is the intention to increase it to at least 1% of the personnel budget as per the SALGA guideline. The MFMA training will be concluded at the end of December 2014.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Introduction

Vacant positions are not being filled for the sake of filling them. An assessment is firstly made to determine whether the filling of a position is necessary, essential, critical and also budgeted for. In some instances all the criteria is present, but then cash flow considerations can lead thereto that position(s) are not being filled. In determining the increase in the cost of the personnel budget, the National Treasury guideline is always followed of the % increase being allowed. The need to fill positions will always exceeds the available budget provisioning as the latter guideline and the matter of cash flow has a direct bearing on it.

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4.6 EMPLOYEE EXPENDITURE

Employee cost is presented in **Table 141** and **Figure 12**.

Year	Total No of Employees	Total Workforce Expenditure	% of total budget
2010/2011	630	147 951 040	27.01%
2011/2012	619	151 838 715	20.01%
2012/2013	660	198 337 670	26.30%
2013/2014	681	247 063 144	30.42%
2014/2015	671	244 723 266	28.65%

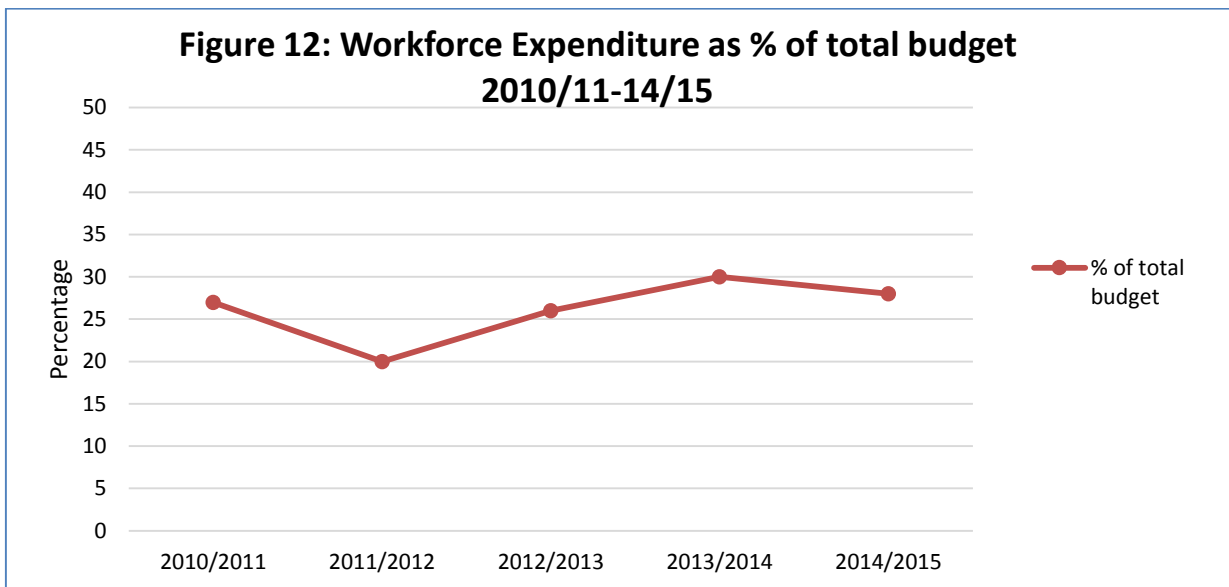


Table 141 presents the expenditure incurred on employees during the 2014/15 financial year with a reduction from 30.4% of total budget in 13/14 to 28.65%. GTM did not fill any vacancies during the 2014/15 financial year due to labour disputes, which contributed to the reduction in workforce expenditure.

Beneficiaries	Gender	Total
Senior management (level 0-2)	Female	0
	Male	0
Management (level 3)	Female	0

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Beneficiaries	Gender	Total
	Male	0
Professionally qualified and experienced specialists (middle management) level 4-6	Female	0
	Male	0
Skilled, technical and academically qualified workers (7-10)	Female	0
	Male	0
Semi skilled - discretionary decision making (level 10-15)	Female	0
	Male	0
Unskilled and defined decision making (level 16-17)	Female	0
	Male	0
Total		0

There was no salary increase of employees due to their positions being upgraded during 2014/15 as there was no Job Evaluation conducted. Municipalities were still waiting for SALGA to enter into an agreement with Deloitte to drive Job Evaluation process.

There are also 391 employees whose salary levels exceed the grade determined by job evaluation due to the fact that the posts were previously graded on the Van der Merwe Grading system, which is higher than the current Task system.

SALARY BENCHMARK

The last Salary Benchmark was implemented in July 2012. There was no Salary Benchmark process conducted during 2014/2015 financial year.

Disclosures of financial interests

All staff and Councillors are annually requested during June of the preceding year to disclose financial interests. The obligation to disclose rests on the individual and failure to do so may result in steps being taken against such individual, in terms of the Codes of Good Conduct. The following disclosures were made by officials and Councillors for the 2014/2015 financial year (see **Table 143**):

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Table 143 : Financial Interests declared 2014/15			
	Position	Name	Description of Financial Interest
1	Manager Expenditure	Mokgadi Ethel Sono	<ul style="list-style-type: none"> Pension /Provident fund outside the Employer/Employee relationship.
2	Chief Financial Officer	Nora Mokgadi Lion	<ul style="list-style-type: none"> Membership /Securities in Nana Consulting and Projects. Directorship Nana Consulting and Projects Interest property 9 Mill street Olifantsfontein; 663 Centorion; 8981 Ivory Park.
3	Director Electrical Engineering	Pierre Van den Heever	<ul style="list-style-type: none"> Interest Property Nr 3 Pikkie Kemp Tzaneen
4	Executive Secretary	Malligay Arjoon	<ul style="list-style-type: none"> Interest Property Eco Ekhay Nr.4 Kew Street
5	Performance Management Officer	Frieda Marie Human	<ul style="list-style-type: none"> Interest Property 3136/4 Mahaju Crecent 4; Lushof 197 Pension / Provident outside Employer/Employee relationship; PPS Annuity.
6	Manager Human Resources	Ntebatse Maggy Hellen Maake	<ul style="list-style-type: none"> Close Corporation membership in Walking tall Trading Property Interest Boabab promotions wife of the owner MEO - IEC
7	Clerk Human Resources	Christelle Van der Merwe	<ul style="list-style-type: none"> Husband having business Vd Merwe Engineering doing business with Council on Quotation basis.
8	Electrical Engineering Assistant	Phillipus Jacobus Wilhelmus Schutte	<ul style="list-style-type: none"> Interest Arnon Trust closed down 30/05/2014. Directorship of Tzaneen Laundry. Financial Interest Tzaneen Laundry. Employment and Remuneration of the 2 Domestic Employees at Tzaneen Laundry. Property Interest – Plot Ventersdorp (Owner) Home Owner of another house in Tzaneen. Pension/Provident fund outside the Employer/Employee relationship – Liberty Life Annuity. Member Community Forum – Tzaneen
9	Executive Secretary	Makati Trucy Dinga	<ul style="list-style-type: none"> Lekwadu Trading Close Corporation Partnership Lewadu Trading CC
10	Senior Clerk	Lizl Le Grange	<ul style="list-style-type: none"> Property Interest – Owner Lushof 22 Plant equipment for Hire of Property.
11	Youth Officer	Joe Headman Cross Mkhari	<ul style="list-style-type: none"> Membership Close Corporation in the following: Telkom (SA) LTD Shares and Securities. Mkhari JHC Accountants. Mpfumo Holding PTY LTD MGM Legal Aid Administrator Member Fi
Councillors			
1	Mayor	Dikeledi Josephine Mmetle	<ul style="list-style-type: none"> Employment and remuneration Pension Fund / Provident Funds
2	Councillor	Colbert Baloyi	<ul style="list-style-type: none"> Directorship Manager of Family Buisness; Hiring Tents, Music, decor & Toilets. Employment and remuneration GTM
3	Councillor	Mthakathi Stanley Mboweni	<ul style="list-style-type: none"> Shares and securities in Multichoice, MTN, Vodacom, Sasol Membership close Corporation, Khakhi Construction.cc, Komsta Properties

Chapter 4

Table 143 : Financial Interests declared 2014/15

	Position	Name	Description of Financial Interest
			<ul style="list-style-type: none"> Interest in Property ;2269B Nkowankowa2; 200A, 188A, 3141/17 Tzaneen Pension and Provident Fund, Old Mutual, Sanlam.
4	PR Councillor	Matladi Clara Mamogale	<ul style="list-style-type: none"> Pension and Provident Fund, Department of Education.
5	Exo Member Councillor	Mfichana Richard Shingange	<ul style="list-style-type: none"> Shares and Securities Hilmark Trading PTY (LTD) Directorship Hilmark Trading Pension and Provident Funds ; MCPF
6	Councillor	Cassius Machimana	<ul style="list-style-type: none"> Pension and Provident Funds ; MCPF
7	PR Councillor	Margue Rite-Rose	<ul style="list-style-type: none"> Pension and Provident Funds ; Old age Pension Fund
8	Councillor	Basie Marie Mashava	<ul style="list-style-type: none"> Shares and securities of R4000 Business Ventures Tavern ± R2000 per month.
9	Councillor	Mmatshuma Rebecca Makhudu	<ul style="list-style-type: none"> Employment and remuneration
10	Councillor	Gabulani Humphrey Stranger Mbhalati	<ul style="list-style-type: none"> 100% Shares and Securities in Company Membership Close Corporations; Singihluli Trading and Projects which is Government. Employment as Councillor Interest in Property; Owing Site RDP House; Two cars+ Furniture. Pension and Provident Fund; MCPF; Military Pension Fund.
11	Councillor	Rene Edna Pohl	<ul style="list-style-type: none"> Shares and Securities in Old Mutual Employment and Remuneration GTM Interest in Property; 11 Royal Tzangeni, Voortrekker Road, fully paid.
12	Councillor	Thazana Shiluvana Mushwana	<ul style="list-style-type: none"> Pension: Dpt Education
13	Councillor	Nkweni Daniel Ndlovu	<ul style="list-style-type: none"> Employment GTM Pension and provident funds
14	PR Councillor	Mothoka Hildah Magoro	<ul style="list-style-type: none"> Shares and Securities Tlou Nare Co-operative Employment and remuneration Mamatho la Farms (Banareng)
15	Councillor	Masoki Margaret Letsoalo	<ul style="list-style-type: none"> Shares and Securities Tlounare Co-operative Employment and remuneration Golang-kulani ELC (Non profit Organisation) NFO
16	Councillor	Telakufa Lydia Mhlongo	<ul style="list-style-type: none"> Employment and Remuneration Pension and Provident Funds
17	Councillor	Mahlalele Donald Hlangwini	<ul style="list-style-type: none"> Shares and Securities Spoorlinge Trading Enterprise Directorship Hlangwini Mahlalele Donald Pension and Provident Fund; MCPF

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CHAPTER 5 – FINANCIAL PERFORMANCE

Introduction

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Inflationary pressures will be curbed through expenditure management and with the increase in payment levels care will be taken to ensure that expenditure is kept within the actual income received and not the budget income

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to financial statements

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality. The Statements of Revenue Collection Performance by vote and by source are included in **Addendum K**.

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5.1 FINANCIAL SUMMARY

Table 144: Financial Summary 2014/15 (R'000)

Description	2013/14	Current year 2014/2015			2014/15 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	71 116	68 500	68 500	79 466	14%	14%
Service charges	362 004	429 177	429 177	406 981	-5%	-5%
Investment revenue	2 164	2 001	2 001	2 381	16%	16%
Transfers recognised - operational	240 362	250 601	250 601	255 848	2%	2%
Other own revenue	64 625	67 590	99 499	56 842	-19%	-75%
Total Revenue (excluding Capital transfers & contributions)	740 272	817 868	849 777	801 518	-2%	-6%
Employee costs	247 063	144 433	144 433	244 949	41%	41%
Remuneration of Councillors	19 031	20 673	20 673	20 078	-3%	-3%
Depreciation & asset impairment	108 055	120 058	120 058	117 868	-2%	-2%
Finance charges	11 787	10 223	10 223	10 486	3%	3%
Materials and bulk purchases	239 064	268 821	268 821	267 856	0%	0%
Transfers and grants	32 291	17 528	17 528	19 712	11%	11%
Other expenditure	154 886	262 804	274 713	180 251	-46%	-52%
Total Expenditure	812 178	844 540	856 449	861 201	2%	1%
Surplus/(Deficit)	(71 906)	(26 672)	(6 672)	(59 683)	55%	89%
Transfers recognised - capital	68 699	108 744	170 579	85 946	-27%	-98%
Contributions recognised - capital & contributed assets	155 300					
Surplus/(Deficit) after capital transfers & contributions	152 093	82 073	163 907	26 263	-213%	-524%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	152 093	82 073	163 907	26 263	-213%	-524%

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Table 144: Financial Summary 2014/15 (R'000)

Description	2013/14	Current year 2014/2015			2014/15 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<u>Capital expenditure & funds sources</u>						
Capital expenditure	360 757	170 904	232 738	138 659	32 245	94 079
Transfers recognised - capital	68 639	108 744	170 579	85 946	22 798	84 633
Public contributions and donations	155 300					
Borrowing						
Internally generated funds	136 818	62 160	62 160	52 713	9 447	9 447
Total sources of capital funds	360 757	170 904	232 738	138 659	32 245	32 245
<u>Financial position</u>						
Total current assets	334 473	275 125	253 311	350 559	22%	28%
Total noncurrent assets	1 880 558	2 082 485	2 144 319	1 868 351	-11%	-15%
Total current liabilities	253 271	206 731	206 731	270 386	24%	24%
Total noncurrent liabilities	174 991	180 756	180 756	174 564	-4%	-4%
Community wealth/Equity	1 786 770	1 970 123	2 010 143	1 773 960	-11%	-13%
<u>Cash flows</u>						
Net cash from (used) operating	136 153	180 080	219 170	157 907	-14%	-39%
Net cash from (used) investing	(108 813)	(168 624)	(230 458)	(139 783)	-21%	-65%
Net cash from (used) financing	(14 394)		(12 015)	(13 969)	100%	14%
Cash/cash equivalents at year end	23 822	22 333	519	27 977	20%	98%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	30 468	27 286	5 472	35 535	23%	85%
Application of cash and investments	66 954	54 676	64 969	67 993	20%	4%
Balance - surplus (shortfall)	97 423	81 962	70 441	103 528	21%	32%
<u>Asset management</u>						
Asset register summary (WDV)	1 873 912	2 077 532	2 139 366	1 860 793	-12%	-15%
Depreciation and asset impairment	116 459	120 058	120 058	117 868	-2%	-2%

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Table 144: Financial Summary 2014/15 (R'000)

Description	2013/14	Current year 2014/2015			2014/15 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Renewal of Existing Assets		1 566	1 466			
Repairs and Maintenance	19 125	22 419	30 339	32 133	30%	6%
Free services						
Cost of Free Basic Services provided	5 126	5 230	5 230	5 230	-	-
Revenue cost of free services provided	24 126	23 181	23 181	23 181	-	-

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

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Table 145: Financial Performance of Operational Services (R'000) for 2014/2015

Description	2013/2014	2014/2015			2014/15 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	-	-	-	-	-	-
Waste Water (Sanitation)	-	-	-	-	-	-
Electricity	348 184	374 594	375 162	378 865	(4 271)	(3 703)
Waste Management	61 715	50 667	50 667	56 603	(5 936)	(5 936)
Housing	11 513	14 694	14 674	10 415	4 279	4 259
Component A: sub-total	421 413	439 955	440 503	445 883	(5 928)	(5 380)
Waste Water (Stormwater Drainage)	-					
Roads	119,685	107 049	114 601	119 570	(12 521)	(4 970)
Transport	16,595	39 910	39 910	18 836	21 074	21 074
Component B: sub-total	136,280	146 959	154 511	138 406	8 553	16 105
Planning	16,060	14 805	14 426	17 273	(2 467)	(2 847)
Local Economic Development						
Component B: sub-total	16,060	14 805	14 426	17 273	(2 467)	(2 847)
Executive and Council	32,327	34 160	34 160	29 385	4 775	4 775
Budget and Treasury office	76,764	71 209	72 209	75 177	(3 968)	(2 968)
Corporate services	60,643	65 512	69 551	86 802	(21 290)	(17 251)
Component C: sub-total	169,734	170 882	175 921	191 365	(20 483)	(15 444)
Community & Social Services	6,265	7 616	7 566	6 604	1 012	962
Environmental Protection					-	-
Health	6,711	7 478	7 478	6 941	537	537
Public Safety	28,683	26 274	26 274	27 672	(1 398)	(1 398)
Sport and Recreation	20,496	23 357	22 556	19 855	3 502	2 701
Waste water	6,537	7 214	7 214	7 202	12	12
Component D: sub-total	68,691	71 938	71 088	68 274	3 664	2 814
Total Expenditure	812,178	844 540	856 449	861 201	(16 661)	(4 752)

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5.2 GRANTS

The performance of GTM on the expenditure on grants is presented in **Table 146** below:

Description	2013/2014	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:						
Equitable share	207 762	23 5717	23 5717	235 717	0	0
Municipal Systems Improvement	105	934	934	692	242	242
Neighbourhood Development Partnership Grant	16 899	21 951	21 951	24 464	-2513	-2 513
Integrated National Electrification Programme	10 000	6 000	6 000	6 000	0	0
Municipal Infrastructure Grant	51 314	87 083	111083	86 572	511	24 511
Expanded public works programme	1 710	2 060	2 060		2060	2 060
Finance Management	1 550	1 600	1 600		1600	1 600
Provincial Government:	N/A	N/A	N/A	N/A	N/A	N/A
<NONE>	-					
District Municipality:	N/A	N/A	N/A	N/A	N/A	N/A
<NONE>	-					
Other grant providers:						
<i>Community Based Project</i>	-					
Total Operating Transfers and Grants	289 340	355 345	379 345	353 445	1900	25 900

The under spending of the Municipal Infrastructure Grant came as a result of GTM having to acquire approval from the Department of Roads and Transport (Limpopo) to upgrade 3 roads owned by the Department. Delays in securing approval, received in during December 2014 from RAL, resulted in the funds not being spent as planned.

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Table 147: Conditional Grants: excluding MIG (R'000) - 2014/15

Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Neighbourhood Development Partnership Grant	21 951	21 951	24 464	-2 513		Grant to be utilised for the purpose that it was acquired for. It must be counter funded by the Municipality. This grant is for previously disadvantage communities and must be spent in the specified financial year.
Finance Management Grant	1 600	1 600	1 637	-37		The grant is utilised for capacity building, minimum competency level, financial training as well as the remuneration of Interns
Municipal Systems Improvement	934	934	692	242		The grant is used to upgrade the financial systems of the municipality and to provide training to officials.
National Electrification (INEP) & Neighbourhood	6 000	6 000	6 000	6 00		INEP funds must be utilised within the allocated period and the network must comply with ESKOM standards
Total	30 485	30 485	32 793	3 766		

GTM applied for MIG and NDPG during the 2014/15 financial year.

MIG:

The under spending of the Municipal Infrastructure Grant came as a result of late approval of 3 roads that are owned by the Department of Roads & Transport , which Council, during the IDP Processes took a resolution to implement on behalf of the said Department. The roads were approved by RAL during December 2014 and the municipality has since received approval from COGHSTA on the 30th July 2015.

NDPG:

The implementation of the abovementioned phase of the NDPG programme was to a certain extent successful with minor setback on one project, namely the construction of the Taxi Rank whilst problems with finalization of the designs. Therefore the project was delayed for several months and National Treasury suspended the grant until the Municipality solved the

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difference between the previous Consultant and the Chief Financial Officer. The current situation over and above narrative is that there is only one outstanding project namely, The Nkowankowa Taxi Rank. The project is implemented by the Engineering Department and it is anticipated that a Service Provider will be appointed to implement the project early in 2016. However, it is imperative to note that the remaining capital fund is only R7,9 million, should the project require additional funds the Municipality will be obliged to fund the excess.

Furthermore the Consultant is currently busy compiling Business Plans for the second phase of funding for the programme to be implemented in Lenyenye and the immediate surrounding area. The programme will range from construction of link road to Khujwana, revitalization of Lenyenye Industrial Parks, construction of embayment side walk as well as upliftment of social facility including Dr Ramphele house as museum. The requested funding is estimated at around R90 million.

5.3 ASSET MANAGEMENT

Greater Tzaneen Municipality has an approved Asset Management Policy which is fully aligned with GRAP 17. All assets are reflected in Greater Tzaneen Municipality's Asset Register which is unbundled to the lowest possible level. Each item on the asset register is depreciated over its useful life. Assets are verified annually and it is during this verification that the conditions of such assets are determined. Thereafter the useful lives of assets are adjusted where necessary. During the period under review Greater Tzaneen Municipality employed the expertise of ARMS (Audit and Risk Management Solution) to assist with the Assets management. The changes hereto led to an increase in the total value of the municipal assets.

Table 148: Treatment of the three largest assets acquired 2014/15

Asset 1	
Name	Mafarana to Sedan
Description	Road
Asset Type	Infrastructure (PPE)

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Table 148: Treatment of the three largest assets acquired 2014/15				
Key Staff Involved	Roads and Storm Water			
Staff Responsibilities	Maintenance			
	2011/2012	2012/2013	2013/2014	2014/15
Asset Value	0.00	R 1 563 508.50	R 15 725 988	R 23 584 987.69
Capital Implications	Item is not a revenue generating project.			
Future Purpose of Asset	The road improves service delivery as the community will now be safer and the quality of the road is high as it can even withstand the rain			
Describe Key Issues	Improved service delivery			
Policies in Place to Manage Asset	Assets management policy is available and in line with GRAP standards			
Asset 2				
Name	Thapane to Morutji			
Description	Road			
Asset Type	Infrastructure (PPE)			
Key Staff Involved	Roads and storm water			
Staff Responsibilities	Maintenance			
	2011/2012	2012/2013	2013/2014	2014/15
Asset Value		R 2 283 638.74	R 8 087 185	R 47 870 993.94
Capital Implications	Item is not a revenue generating project.			
Future Purpose of Asset	The road improves service delivery as the community will now be safer and the quality of the road is high as it can even withstand the rain			
Describe Key Issues	Improved service delivery			
Policies in Place to Manage Asset	Assets management policy is available and in line with GRAP standards			
Asset 3				
Name	Senakwe to Morapalala			
Description	Road			
Asset Type	Infrastructure (PPE)			
Key Staff Involved	Roads and storm water			
Staff Responsibilities	Maintenance			
	2011/2012	2012/2013	2013/2014	2014/15
Asset Value			R10 953 250	R 45 337 554.28
Capital Implications	Item is not a revenue generating project.			
Future Purpose of Asset	The road improves service delivery as the community will now be safer and the quality of the road is high as it can even withstand the rain			
Describe Key Issues	Improved service delivery			

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Table 148: Treatment of the three largest assets acquired 2014/15

Policies in Place to Manage Asset	Assets management policy is available and in line with GRAP standards
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The cost of these items presented in **Table 149** is determined through purchase price, which is depreciated on an annual basis. None of the above mentioned projects/items is a revenue generating project.

Table 149: Repair and Maintenance Expenditure (R'000)

Year	Original Budget	Adjustment Budget	Actual (Including labour costs)	Budget variance
2012/2013	108 845	101 211	21 331	R 79 880
2013/2014	100 112	100 112	19 125	R 80 987 ⁵
2014/2015	125 302	7 920	32 133	101 089

The actual expenditure on repairs and maintenance represents 3.74% of the total expenditure. It must be emphasized that this spending does not include employee related cost allocated to repair and maintenance. If the employee cost is included in this allocation it represents 5.39% of the total expenditure. The under spending can be attributed to small deviations which include inter-alia the under spending on the following:

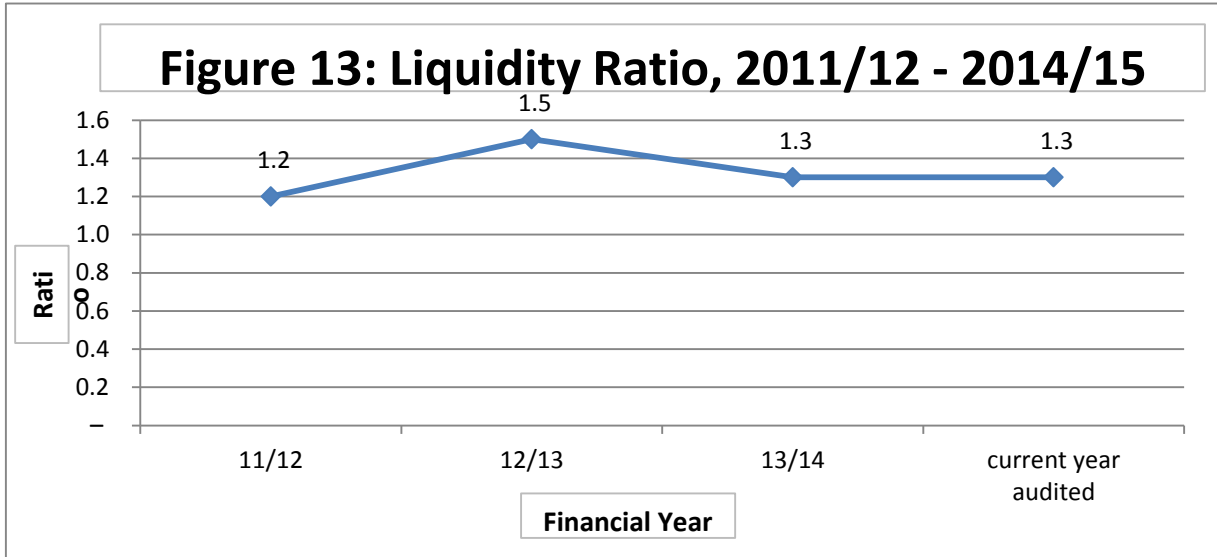
- Machinery and Equipment
- Stormwater Drainage

The under spending is mainly the result of internal labour not fully utilized/allocated.

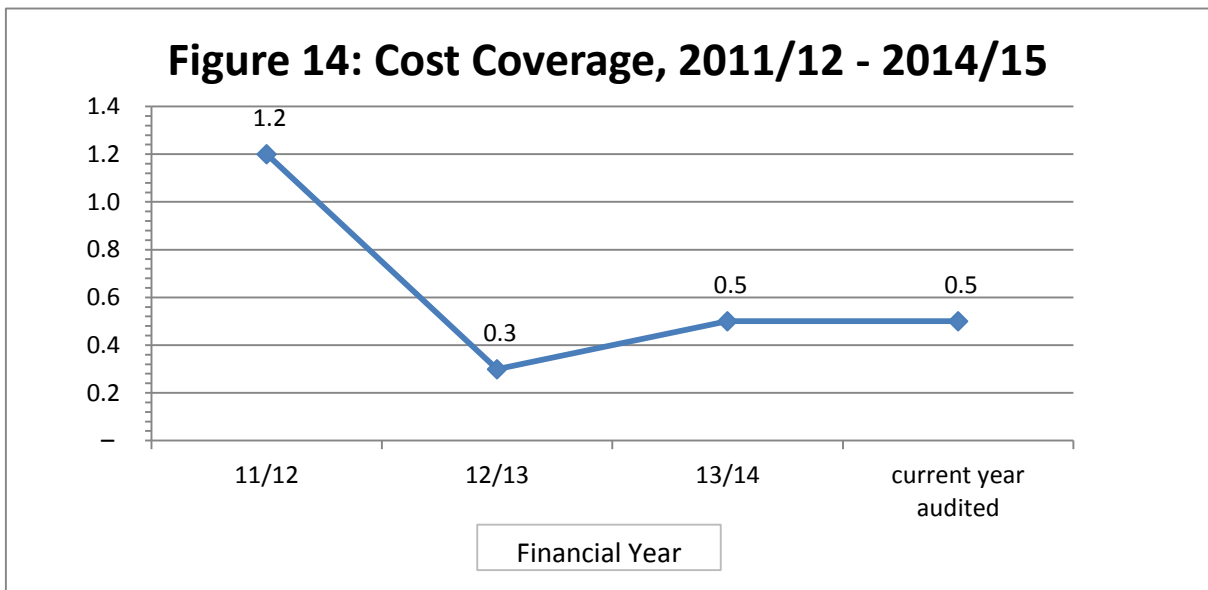
⁵ The budget includes the employee costs relating maintenance but the actual expenditure (since 2012/13) does not include this allocation

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5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

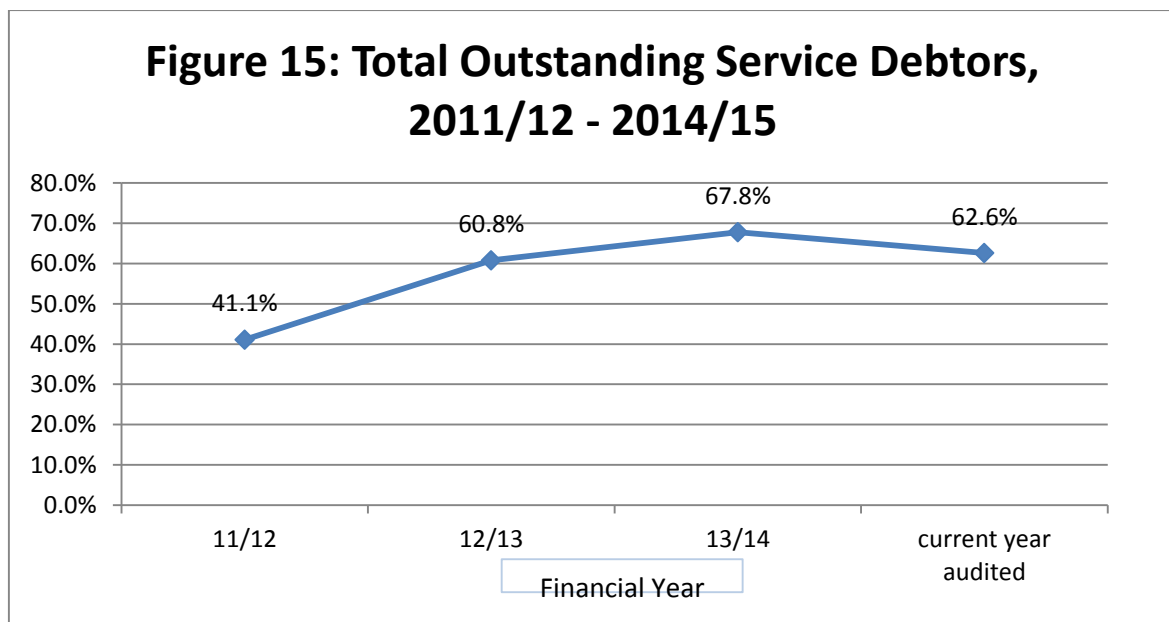


The liquidity ratio, as demonstrated for Greater Tzaneen Municipality in the figure above, measures the Municipality's ability to pay its bills and is calculated by dividing the monetary assets by the Municipality's current liabilities. A higher ratio is better. Greater Tzaneen Municipality has a positive liquidity ratio which remained the same over the past two years (see **Figure 13**).



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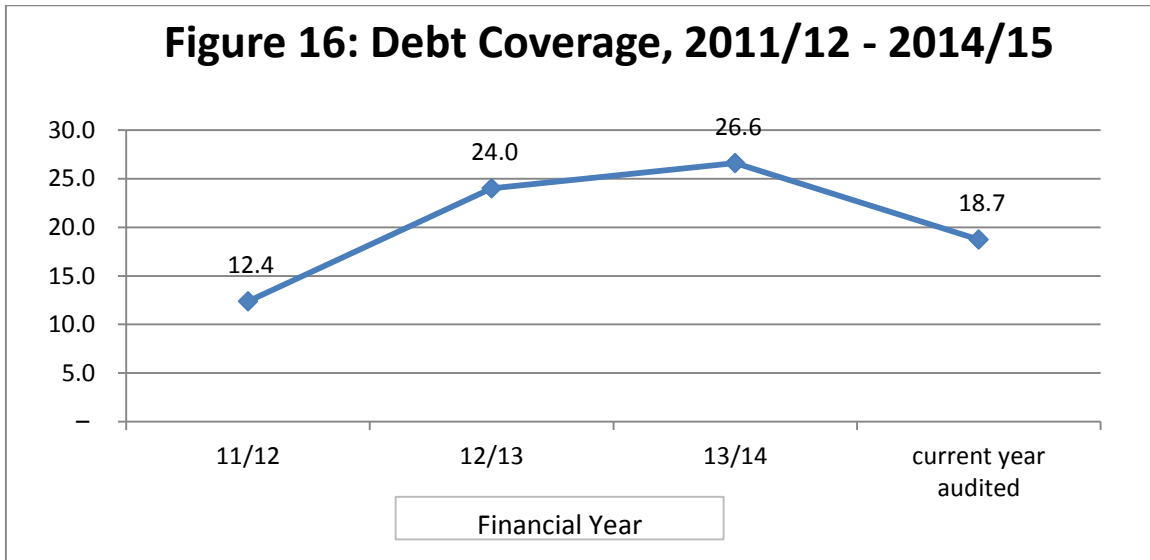
The Cost Coverage, as demonstrated for Greater Tzaneen Municipality in **Figure 14** above, explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. This graph indicates that Greater Tzaneen Municipality's fixed monthly operational costs are covered by available cash and investments and remained the same over the past two years. This is a matter of concern seeing that the guideline set by National Treasury is 3 months, whilst Greater Tzaneen Municipality has less that 1 month available cash and investments.



The outstanding service debtors, as expressed for Greater Tzaneen Municipality in the figure above, measure how much money is still owed by the community for services i.e. electricity, and waste removal compared to how much money has been paid for these services. It is calculated by dividing the total outstanding service debtors by the total annual revenue received for services. A lower score is better. It is evident from this graph that 62.6% of services billed are not recovered on time. This is a serious matter of concern and special attention will have to be given to outstanding service debtors to ensure an affordable rate.

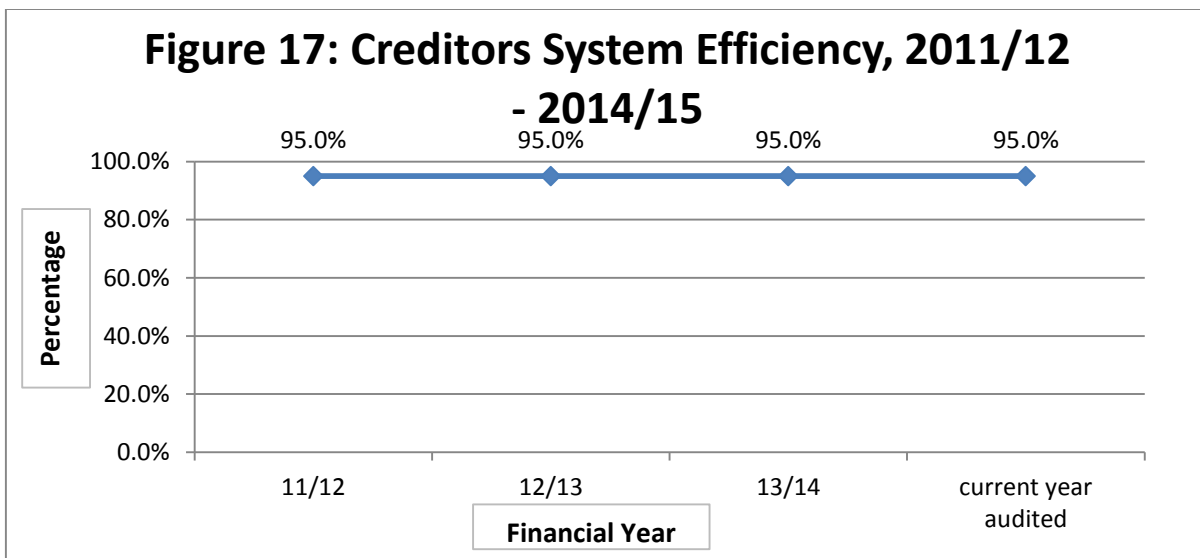
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Figure 16: Debt Coverage, 2011/12 - 2014/15



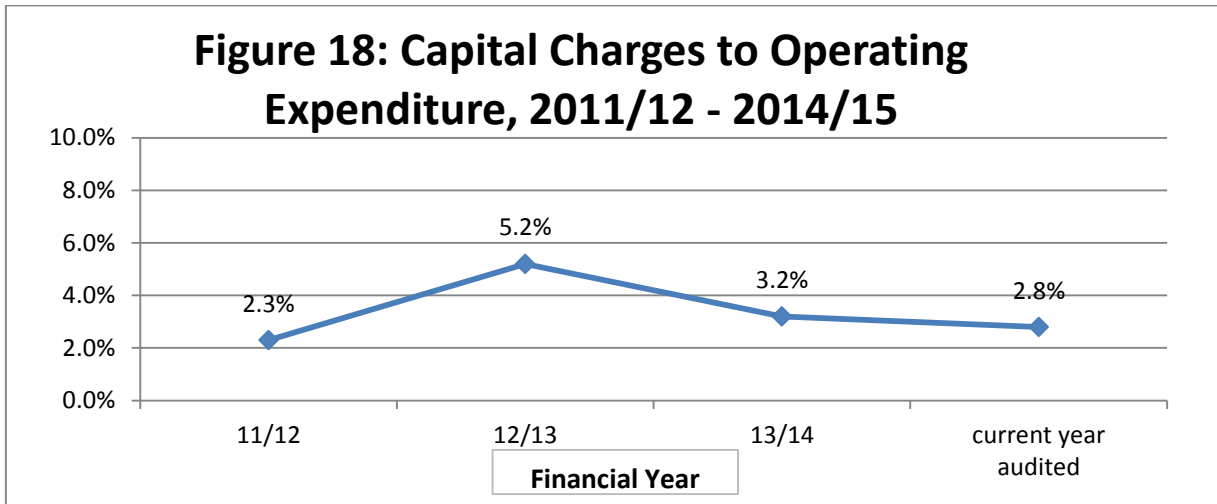
Debt coverage, as expressed for Greater Tzaneen Municipality in **Figure 16** above, is the number of times debt payments can be accommodated within Council Operating revenue (excluding grants). This, in turn represents the ease with which payments can be accommodated by the Municipality. The current operating revenue of Greater Tzaneen Municipality covers all payments due for debt services within 19 days. This improvement is due to the fact that no loan was taken up the past 4 years.

Figure 17: Creditors System Efficiency, 2011/12 - 2014/15

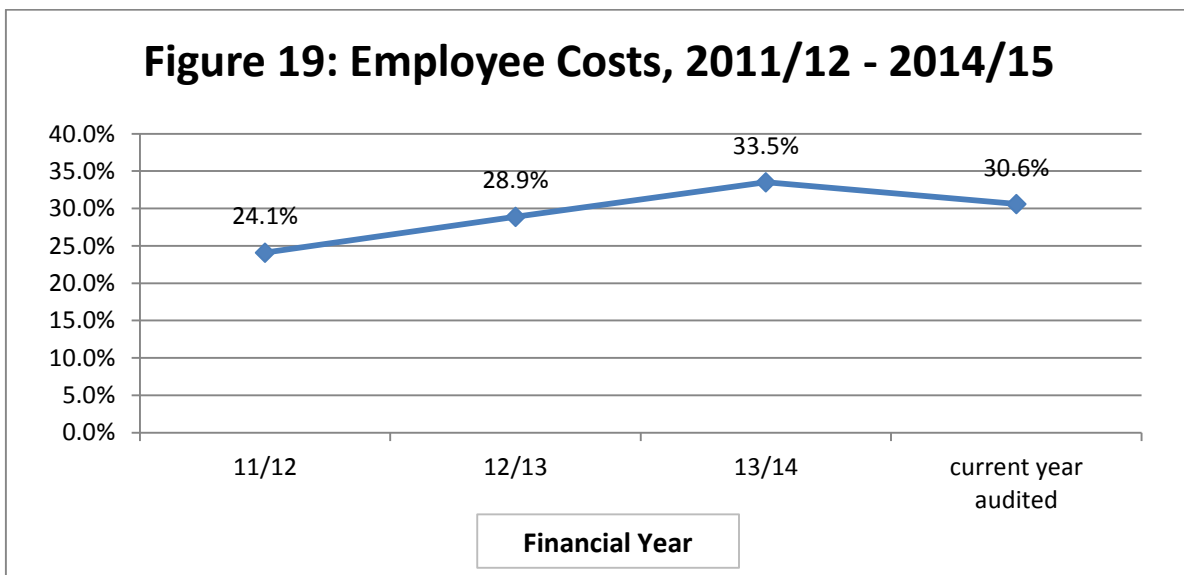


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The Creditor System Efficiency, as demonstrated for Greater Tzaneen Municipality in **Figure 17** above, is the proportion of creditors paid within terms (30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. The fact that 95% of Councils creditors are paid within 30 days is proof that good expenditure management is exercised.

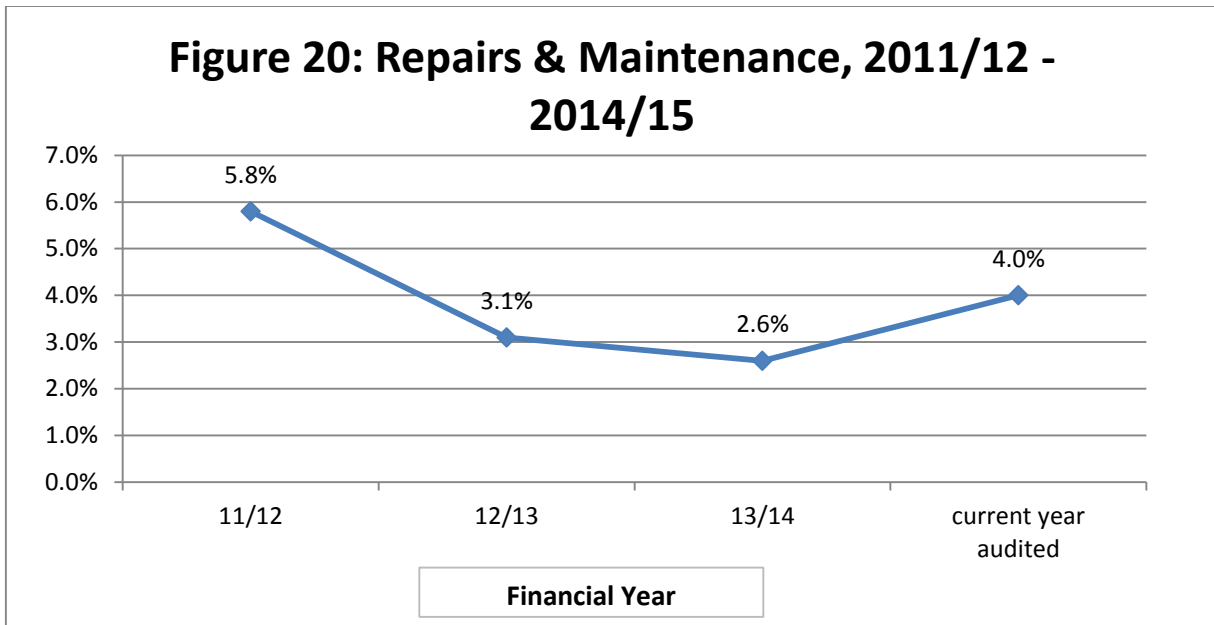


The capital charges to operating expenditure ratio are calculated by dividing the sum of capital interest and principle by the total operating expenditure. **Figure 18** presents the percentage expenditure spent on the repayment of loans against total expenditure. Only 5.1% of the expenses were spent on the repayment of loans during 12/13, this was reduced to 3.2% in 13/14 and again to 2.8% in 2014/15.



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Employee costs, as expressed for Greater Tzaneen Municipality in the figure above, measures what proportion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between the total revenue and capital revenue. The employee cost ratio of 30.6% (also see **Figure 19**) for Greater Tzaneen Municipality is well within the acceptable ratio.



The repairs and maintenance ratio, as demonstrated for Greater Tzaneen Municipality in **Figure 20** above, represents the proportion of operating revenue against repairs and maintenance. The ratio of 4.0% is far below the target of 13% which is an indication that Council assets have not been maintained adequately during the financial year under review.

It must however be emphasised that this amount does not include the labour cost and will increase to 5.78% if the labour cost is added to this amount.

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates to the investment in major initiatives, the benefit of which is going to last for more than one financial year. Section 19 of the MFMA determines that a Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget. It also determines that the total cost of the project must be approved by Council and that the sources of funding for the project are available and has not been committed for other purposes. The five largest projects can be summarized as follows:

- Thapane to Moruji tar road
- Senakwe to Maropalala road
- Upgrading of Tzaneen Swimming Pool
- Lenyenye Stadium
- Moruji to Maswi/ Kweshikolwe Tar Road

These projects contribute 87% of the total capital expenditure for the year.

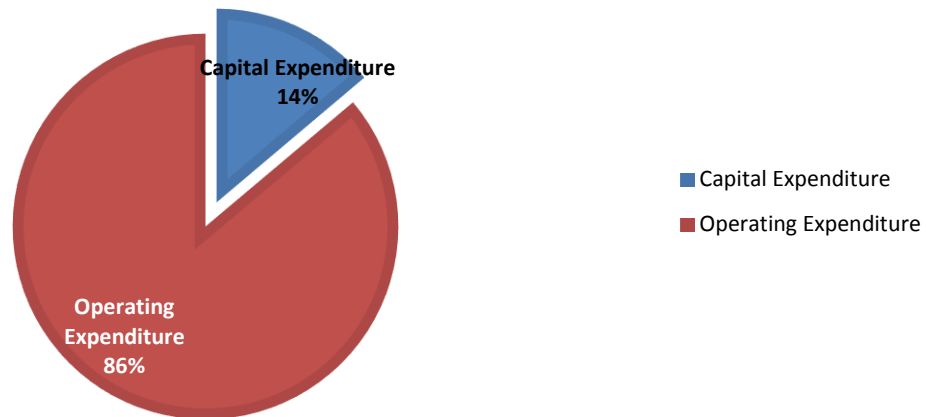
5.5 CAPITAL EXPENDITURE

The capital expenditure for 2014/15 is presented below in **Table 150** and in **Figure 18**.

	Original Budget	Adjustment Budget	Full Year Total	% of Expenditure Budget
Capital Expenditure	170 903 970	232 738 022	138 658 762	13.86%
Operating Expenditure	844 539 548	856 448 672	861 200 757	86.14%
Total expenditure	1 015 443 518	1 089 186 694	999 859 519	100.00%

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FIGURE 21: 2014/15 EXPENDITURE BUDGET



5.6 SOURCES OF FINANCE

The Capital budget for the year 2014/2015 Financial year of R 170, 9 million was financed as follows:

- Own sources R 62,2 Million
- Loans R0
- Grants R 108,7 Million
- Total:** **R 170,9 Million**

No loan has been taken up to finance Capital projects, an amount of R139 million was spent on capital projects and a request for the roll-over of capital projects, that have not been finalized during the 2014/2015 financial year, was submitted to National Treasury.

The funding of the operational budget can be summarized as follows:

- Rates and Service Charges R 567 Million
- Grants and subsidies R 419 Million
- Sundry Income R 54 Million

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- Budgeted Revenue

R 104 Million

Table 151: Capital Expenditure - Funding Sources 2013/14 - 2014/15 (R'000)						
Details		2013/2014	2014/15			
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)
Source of finance						
	External loans		0			
	Public contributions and donations	155 300	0			
	Grants and subsidies	108 388	108 744	170 579	85 946	-26,53%
	Other	116 985	62 160	62 160	52 713	-17,92%
Total		380 673	170 904	232 738	138 659	-23,26%
Percentage of finance						
	External loans	0,0%	0,0%	0,0%	0,0%	
	Public contributions and donations	40,8%	0,0%	0,0%	0,0%	
	Grants and subsidies	28,5%	63,6%	73,3%	62,0%	-2,58%
	Other	30,7%	36,4%	26,7%	38,0%	4,21%
Capital expenditure						
	Electricity	9 891	35 446	30 411	17 536	-102,14%
	Housing					
	Roads and storm water	84 805	104 332	157 564	105 039	0,67%
	Other	285 977	31 126	44 762	16 084	-93,52%
Total		380 673	170 904	232 738	138 659	-23,26%
Percentage of expenditure						
	Electricity	2,6%	20,7%	13,1%	12,6%	-64,00%
	Housing					
	Roads and storm water	22,3%	61,0%	67,7%	75,8%	19,41%
	Other	75,1%	18,2%	19,2%	11,6%	-57,01%

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The details regarding the five largest capital projects are presented in Table 152.

Table 152: Capital Expenditure of 5 largest projects*(R'000) 2014/15					
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Thapane to Moruji Tar Road	37 058 425	5 558 763	48 583 595	31.10	774.00
Senakwe to Morapalala Tar Road	38 676 883	9 000 000	47 676 883	23.27	429.74
Upgrading of Tzaneen Swimming Pool	11 151 727	1 141 367	12 293 096	10.23	977.05
Upgrading of Lenyenye Stadium	16 675 030	0.00	5 840 691	-64.97	0.00
Moruji to Maswi/ Kweshikolwe Tar Road	127 904 235	0.00	5 856 936	-95.42	0.00
Project details below:					
A Thapane to Moruji Tar Road					
Objective of Project	Upgrading of Road from Gravel to Tar				
Delays	None				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Road access to business and hospitals				
B - Senakwe to Morapalala Tar Road					
Objective of Project	Upgrading of Road from Gravel to Tar				
Delays	Poor design estimate (hard excavation)				
Future Challenges	None				
Anticipated citizen benefits	Good access to clinics and town				
C - Upgrading of Tzaneen Swimming Pool					
Objective of Project	Refurbishment of the Swimming Pool to Olympic standard				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Swimming lessons for people of GTM				
D - Upgrading of Lenyenye Stadium					
Objective of Project	Upgrading the stadium to Olympic standard				
Delays	Delays in the appointment of the contractor				
Future Challenges					
Anticipated citizen benefits	The stadium will be able to accommodate Olympic games				
E - Moruji to Maswi/ Kweshikolwe					

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Table 152: Capital Expenditure of 5 largest projects*(R'000) 2014/15

Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Objective of Project	Upgrading of Road from Gravel to Tar				
Delays	Delays in the appointment of the contractor				
Future Challenges	None				
Anticipated citizen benefits	Easy Access to businesses and clinics				

It is vital to implement capital projects in time to avoid budget adjustment and variances. All relevant municipal departments must participate in the implementation of capital projects to ensure effective project implementation in terms of time and budget.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The current demand for infrastructure exceeds Councils ability to fund the required R400 million costs (electricity network alone) to renew and upgrade infrastructure. Various funding solutions are being sought.

Table 153: Service Backlogs as at 30 June 2015

	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	53827	49.4	55 103	50.6
Sanitation	80 364	80 364	28562	26.22%
Electricity	99 541	91%	9 385	9%
Waste management	42137	39% ⁶	66550	61%

* GTM does not supply Electricity Below minimum standard, these households therefore have no access.

⁶ Solid waste collection in rural areas through the EPWP is also included here.

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Table 154: Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs (R'000)						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						Withholding of transfers for low spending of funds.
Roads, Pavements & Bridges	R95 621 420	R95 621 420	R54 771 415	R40 850 005	R40 850 005	
Community Halls	R 0	R 0	R 0	R 0	R 0	
Infrastructure - Other						
Swimming Pool	R 15 461 580	R 15 461 580	R12 912 030	R 2 549 550	R 2 549 550	
Total	R 111 083 000	R 111 083 000	R 67 683 445	R43 399 555	R43 399 555	

In order to eradicate backlogs on roads that exist in the vast rural area of GTM, MIG is of enormous value to bridge the gap in terms of available capital funds. GTM does not generate revenue directly from rural areas and the efforts to provide decent roads in rural areas would not be sufficient, limited to the existing budget (without grant support). The MIG funding has been utilised to improve road infrastructure such as internal streets in villages and link roads with Council providing counter funding to ensure that sustainable roads are built. The backlogs in terms of electricity are however not in the service area of GTM and therefore MIG funding cannot be accessed for this. MIG was also sourced to assist in the provision of solid waste collection infrastructure in rural areas. However, it must be noted that this infrastructure needs funding to become operational, which Council currently does not have. A means of generating some income from rural areas to supplement the Equitable Share will have to be identified to ensure the sustainability of this infrastructure.

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

In the environment that Greater Tzaneen Municipality is operating, cash flow management is important to ensure that funds are available, when needed to pay for services that all money owed to the Municipality are recovered. It also provides information with regard to access fund which are invested to increase Councils revenue through interest.

5.9 CASH FLOW

Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	417 751	552 107	611 291	499 809
Government - operating	256 870	256 101	285 532	246 011
Government - capital	68 639	108 744	128 744	112 139
Interest	5 036	13 801	13 801	4 804
Dividends				
Payments				
Suppliers and employees	(568 520)	(722 921)	(791 923)	(674 855)
Finance charges	(11 331)	(10 223)	(10 748)	(10 288)
Transfers and Grants	(32 291)	(17 528)	(17 528)	(19 712)
NET CASH FROM/(USED) OPERATING ACTIVITIES	136 153	180 080	219 170	157 907
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	3 121	2 305	2 305	(253)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(1 693)			(1 036)
Decrease (increase) in Financial Assets	(819)			
Payments				

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Table 155: Cash Flow Outcomes (R'000)				
Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Capital assets	(109 423)	(170 929)	(232 763)	(138 493)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(108 813)	(168 624)	(230 458)	(139 783)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(14 394)		(12 015)	(13 969)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(14 394)		(12 015)	(13 969)
NET INCREASE/ (DECREASE) IN CASH HELD	12 946	11 456	(23 303)	4 155
Cash/cash equivalents at the year begin:	10 876	10 876	23 822	23 822
Cash/cash equivalents at the yearend:	23 822	22 333	519	27 977

It is evident from **Table 155** above that Councils' cash flow status has improved from R23,822 at the beginning of the year under review to R27,977 at the end of the year. Although an increase in the cash position of council is registered, financial management needs to improve since this amount should be viewed in the light of the fact that an excess of R60 million grant funds received were not spent.

5.10 BORROWING AND INVESTMENTS

Borrowings

Section 18 of the MFMA determines, inter alia, that a Municipality may make use of borrowed funds, but only to finance capital expenditure. External borrowing represent capital funding. It must, however, be emphasised that although external borrowing represents capital funding, it has a negative effect on the operational budget in the form of interest and depreciation. The result of this is less funds available for maintenance and general administration costs. The

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current outstanding external loans of Greater Tzaneen Municipality amounts to R107 million. This amount includes R15 million loan stock and R92 million annuity loans.

Investments

Adequate provision has been made by way of external investments to ensure that cash is available on the maturity date, to repay a loan of R15 Million which has been borrowed from DBSA. Investment income on the other hand is utilised to fund the operational budget. Details of the investments of Greater Tzaneen Municipality are disclosed in the Annual Financial Statements.

The valuation of unlisted investments is as follows:

- Liberty R 7 557 365

Excelsior 1000 Investment

An investment of R855 619 has been made with Liberty to repay a loan of R15 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R 7 557 365. The investment has been ceded to Liberty as security to repay the loan on 30 September 2019.

Table 156: Actual Borrowings 2010/11-2014/15 (R'000)

Instrument	2010/2011	2011/2012	2012/13	2013/14	2014/15
Municipality					
Long-Term Loans (annuity/reducing balance)	89 620	125 304	115 470	104 646	92 631
Long-Term Loans (non-annuity)	11 600	11 600	-		
Local registered stock	15 000	15 000	15 000	15 000	15 000
Instalment Credit					
Financial Leases	3 514	3 935			
PPP liabilities					
Finance Granted By Cap Equipment Supplier					
Marketable Bonds					
Non-Marketable Bonds					
Bankers Acceptances					
Financial derivatives					
Other Securities					
Municipality Total	119 734	155 839	130 470	119 646	107 631

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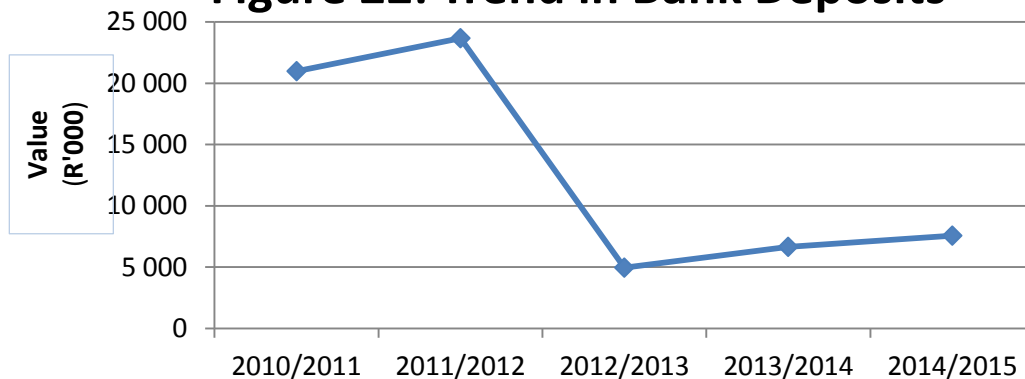
Loans were taken up only to finance capital expenditure as provided in the MFMA to ensure that all loans will be repaid on maturity date, investments have been made in the form of sinking fund which will be withdrawn on the maturity date to repay the loan.

Table 157: Municipal Investments (R'000)					
Investment* type	2010/2011	2011/12	2012/13	2013/14	2014/15
	Actual	Actual	Actual	Actual	Actual
<u>Municipality</u>					
Securities - National Government	-	-			
Listed Corporate Bonds	-	-			
Deposits - Bank	20 683	23 677	4 953	6 646	7 557
Deposits - Public Investment Commissioners	-	-	-	-	
Deposits - Corporation for Public Deposits	-	-	-	-	
Bankers Acceptance Certificates	-	-	-	-	
Negotiable Certificates of Deposit - Banks	-	-	-	-	
Guaranteed Endowment Policies (sinking)	-	-	-	-	
Repurchase Agreements - Banks	-	-	-	-	
Municipal Bonds	-	-	-	-	
Other	-	-	-	-	
Municipality sub-total	20 683	23 677	4 953	6 646	7 557
Consolidated total:	20 683	23 677	4 953	6 646	7 557

It is evident from **Table 157** above that investment increased from R6.6 Million to R7.5 Million in 14/15. This is the result of an R855 619 investment made with Liberty to repay a loan of R15 Million on maturity loan. The loan stock has been taken up with DBSA and will be redeemed on 30 September 2019.

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Figure 22: Trend in Bank Deposits



5.11 PUBLIC PRIVATE PARTNERSHIPS

For the financial year concerned no PPP's have been entered into.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed and approved by Council during the 2014/15 financial year and it should be noted that no Councillors formed part of bid committees. It was resolved that there will be training of SCM official and bid committee members as well as other officials to capacitate them with the SCM Policy, prescripts, MFMA, and Procedures. Accredited training institutions were identified and all bid committee members and SCM officials were within the financial year 2014/2015.

5.13 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the

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Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. GTM has changed from fund accounting to GAMAP during the 2003/2004 financial year and since then gradually changed over to GRAP as approved by Accounting Standard Board. Currently GTM is fully GRAP compliant and there is no deviation from GRAP standard.

5.14 DEBT OWED BY COUNCILLORS AND OFFICIALS

The table below presents the arrears owed to Council by Councillors and officials:

Table 158: Arrears owed to the municipality by Councillors and Officials 2014/15				
Name	Position	30 Days +	60 Days +	90 Days +
Councillors				
None				
Senior officials				
(Level 3): Mahayi ML	Manager: Building services	0	0	5459.65

There is a dispute on the account of the official the needs to be resolved, the current account is being paid monthly. The information for Councillors are difficult to verify since many of the accounts in Lenyenyene and Nkowankowa do not have detailed information such as ID numbers for the owners.

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Section 131 of the Municipal Finance Management Act no.56 of 2002 determines the following:

“A Municipality must address any issue raised by the Auditor General in an audit report. The Mayor of a Municipality must ensure compliance by the Municipality with this sub-section.”

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2013/14 & 2014/15

6.1 AUDITOR GENERAL REPORTS 2013/14

Greater Tzaneen Municipality submitted its Annual Financial Statements to the Auditor General on 31 August 2014 as required by legislation. GTM received and Audit Report indicating that Council received a Qualified Audit Opinion for the 2013/2014 financial year. The progress with correcting the findings of the Auditor General for 2013/14 is presented in **Table 159** below:

Table 159: Auditor-General Report on Financial Performance 2013/14	
Audit Report Status*: Qualified	
Non-Compliance Issues	Remedial Action Taken
Revenue: The municipality did not fully recognise revenue from fines issued amounting to R14 million on a gross Basis as required by GRAP1	Action Plan drafted to address the oversight.

Table 160: Auditor-General Report on Service Delivery Performance 2013/14	
Audit Report Status*: Qualified	
Non-Compliance Issues	Remedial Action to be Taken
Reasons for variations between planned targets and actual achievements were only provided for 25% of the targets not achieved	Enforcement of reporting requirements
Performance targets not measureable	The quarterly targets set for project activities must be measurable

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Table 160: Auditor-General Report on Service Delivery Performance 2013/14	
Audit Report Status*: Qualified	
Non-Compliance Issues	Remedial Action to be Taken
Performance measures not well defined	KPIs to be revised to remove technical jargon and acronyms
Performance indicators/ measures not verifiable	Departments to develop processes and systems to document activities Electronic PMS to be procured
Targets were not reliable when compared to the source information or evidence provided	Standard operating procedures for the accurate recording of actual achievements must be developed. The monitoring of the completeness of source documentation in support of actual achievements must be done on a regular basis
The audit committee did not review the municipalities performance management system and make recommendations to council in this regard	Audit Committee meetings to be held on a quarterly basis

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COMPONENT B: AUDITOR-GENERAL OPINION 2014/15

6.2 AUDITOR GENERAL REPORT 2014/15

Greater Tzaneen Municipality submitted its Annual Financial Statements to the Auditor General on 31 August 2015. GTM received and Audit Report indicating that Council received a Qualified Audit Opinion for the 2014/2015 financial year. The progress with correcting the findings of the Auditor General for 2014/15 is presented in **Table 161** below:

Table 161: Auditor-General Report on Financial Performance 2014/15	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
GTM did not recognise the full amount relating to traffic fines in accordance to Paragraph 9 of IGRAP 1. Also: <ul style="list-style-type: none">• Insufficient evidence of traffic fines issued• No internal controls for issuing traffic fine books• Could not verify adjustment to traffic fines stated at R8m in AFS	Action Plan drafted to address the oversight.

Table 162: Auditor-General Report on Service Delivery Performance 2014/15	
Audit Report Status*: None expressed	
Non-Compliance Issues	Remedial Action to be Taken
Reliability of the reported performance information could not be assessed	Auditing of supporting documentation by Internal Audit on a quarterly basis

Section 71 of the MFMA (Act 56 of 2003) requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned by GTM according to the reporting requirements, with the exception of C6 to C7 (refer to [Addendum P](#)).

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual budget of a Municipality as audited by the Auditor General and approved by Council or a provincial or national executive.
Baseline	Current level of performance that a Municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

GLOSSARY

Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period.

GLOSSARY

Service Delivery Budget Implementation Plan	Detailed plan approved by the Mayor for implementing the Municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a Municipality is divided for appropriation of money for the different departments or functional areas of the Municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

APPENDICES

ADDENDUMS

ADDENDUM A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 163: Councillors, Committees Allocated And Council Attendance (2014/15)

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward And/ Or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies For Non-Attendance
The Speaker, Cllr C. Machimana	FT	Council And Ethics Committee	ANC	95	5
Mayor DJ Mmetle	FT	Council & Exco	ANC	85	15
Cllr MI Ncha	FT	Council, Exco & Economic	ANC	63	37
Cllr PP Machete	PT	Council & Governance And Local Labour Forum	ANC	89	11
Cllr MI Hlangwane	PT	Council, Exco And Health & Environment	WARD 11 / ANC'	68	32
Cllr R Pohl	PT	Council, Exco , Finance And Health And Social	WARD 15 /DA	68	32
Cllr GE Ntimbana	PT	Council, Exco And Public Transport	WARD 12 / ANC	85	15
Cllr M Makwala	PT	Council, Exco And Sports Recreation Arts And Culture	ANC	74	26
Cllr B Sekgotodi	PT	Council, Exco And Public Transport	ANC	0	100
Cllr RR Selomo	FT	Council, Exco And Infrastructure	ANC	95	5
Cllr NM Mahasha	FT	Council, Exco , Governance And Local Labour Forum	WARD 10/ ANC	95	5
Cllr C Baloyi	PT	Council, Public Transport And Sports Recreation , Arts And Culture	WARD 6 / ANC	79	21

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Table 163: Councillors, Committees Allocated And Council Attendance (2014/15)

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward And/ Or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies For Non-Attendance
Cllr KO Banyini	PT	Council, And Corporate Governance	WARD 20 / ANC	58	42
Cllr M Mokgomole	PT	Council And Health And Social	ANC	90	10
Cllr AEJ Van Vuuren	PT	Council And MPAC	WARD 14 / DA	47	53
Cllr MM Letsoalo	PT	Council, Economic And Special Programme	WARD 34 / ANC	85	15
Cllr MD Mabape	PT	Council And Infrastructure	WARD 7 / ANC	11	89
Cllr G Mabuza	PT	Council And Economic And Health And Social	ANC	58	42
Cllr MR Shingange	PT	Council And Corporate Governance	ANC	85	15
Cllr S Mahori	PT	Council And MPAC	WARD 26 / ANC	48	52
Cllr MR Makhudu	PT	Council And Finance	WARD 8 / ANC	90	10
Cllr SC Makwala	PT	Council, Finance And Economic	WARD 22/ ANC	74	26
Cllr SJ Nkuna	PT	Council And Health And Environment	ANC	42	58
Cllr A Makwela	PT	Council And Finance	COPE	58	42
Cllr C Mamogale	PT	Council And Public Transport	COPE	58	42
Cllr MG Mangena	FT	Council	WARD 27 / ANC	100	0
Cllr SP Masetla	PT	Council And Economic , Health And Environment	WARD 3 / ANC	79	21
Cllr BM Mashava	PT	Council And Infrastructure	WARD 13 / ANC	90	10
Cllr NA Masila	PT	Council And Finance	WARD 29 / ANC	100	0
Cllr L Matita	PT	Council, Economic And Sports Arts And Culture	ANC	74	26
Cllr M Sabela	PT	Council, Corporate Governance	DA	63	37

APPENDICES

Table 163: Councillors, Committees Allocated And Council Attendance (2014/15)

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward And/ Or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies For Non-Attendance
ClIr M Mbhalati	PT	Council, Corporate Governance	ANC	74	26
ClIr S Mbhalati	PT	Council And MPAC c	ANC	58	42
ClIr MS Mboweni	PT	Council And Economic Cluster	WARD 21/ ANC	79	21
ClIr MN Mboweni	FT	Council, Exco And Finance	ANC	90	10
ClIr DG Mhlari	PT	Council And Public Transport	WARD 17 / ANC	63	37
ClIr T Mushwana	PT	Council And Infrastructure	WARD 24 / ANC	0	0
ClIr MM Mmola	PT	Council And Finance Cluster	WARD 4 / ANC	53	47
ClIr TS Manyama	PT	Council And MPAC	WARD 1 / ANC	47	53
ClIr Mm Mohale	PT	Council And Infrastructure	WARD 9 / ANC	95	5
ClIr L Mohale	PT	Council And MPAC	ANC	53	47
ClIr T Mokgobi	PT	Council, Finance Cluster And Sports Arts And Culture	ANC	74	26
ClIr MJ Mokgoloboto	PT	Council And MPAC	ANC	85	15
ClIr ST Mushwana	PT	Council And Economic Cluster	WARD 28 / ANC	68	32
ClIr DG Mushwana	PT	Council, Public Transport And Sports Arts And Culture	ANC	21	79
ClIr M Malebati	PT	Council, Health And Social Economic And Corporate Governance	WARD 33 / ANC	90	10
ClIr M Mc Neil	PT	Council And MPAC	DA	68	32
ClIr MS Maunatlala	PT	Council And Economic Cluster	ANC	68	32

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Table 163: Councillors, Committees Allocated And Council Attendance (2014/15)

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward And/ Or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies For Non-Attendance
Cllr ND Ndhlovu	PT	Council And Public Transport	WARD 23/ ANC	63	37
Cllr DT Maake	PT	Council And MPAC	ANC	74	26
Cllr DI Ndove	PT	Council And Infrastructure And Sport Arts And Culture	ANC	90	10
Cllr GG Nghondzweni	PT	Council And MPAC	WARD 25 / ANC	85	15
Cllr RP Nghonyama	PT	Council And Economic Cluster	WARD 18/ ANC	79	21
Cllr C Nkwashu	PT	Council And Finance Cluster	ANC	63	37
Cllr K Nukeri	FT	Council And MPAC	WARD 5 / ANC	79	21
Cllr B Mashele	PT	Council And Health And Social	DA	79	21
Cllr J Mothiba	PT	Council, Corporate Governance And Health And Social	ACDP	53	47
Cllr ML Pudikabekwa	PT	Council And Public Transport	WARD 30 / ANC	63	37
Cllr MS Raganya	PT	Council , Public Transport And Finance Cluster	WARD 32 / ANC	95	5
Cllr PJ Ramodipa	PT	Council And Corporate Governance	WARD 31 / ANC	74	26
Cllr ME Ramolefo	PT	Council And Health And Social	WARD 2 / ANC	79	21
Cllr NR Rikhotso	PT	Council And Public Transport	WARD 16/ ANC	100	0
Cllr TL Mhlongo	PT	Council And MPAC	ANC	63	37
Cllr N Nkhwashu	PT	Council And MPAC	DA	43	57

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Table 163: Councillors, Committees Allocated And Council Attendance (2014/15)

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward And/ Or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies For Non-Attendance
Cllr MH Magoro	PT	Council, Health And Social And Sport Arts And Culture	ANC	58	42
Cllr M Sibiya	PT	Council And Health And Social	ANC	63	37
Cllr M Valentine	PT	Council And Public Transport And Health And Social	ANC	85	15
Cllr NH Zandemela	PT	Council And MPAC	WARD 19 / ANC	74	26

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ADDENDUM B – COMMITTEES AND COMMITTEE PURPOSES

Table 164: Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	To discuss matters concerning the Revenue and Debt Management, Procurement and Stock Management, Expenditure, Budgets and Budgetary Control, Accounting, Finance, Financial Administration, Insurance and Housing Finance and any other matter related to finance thereto.
Infrastructure Committee	To discuss matters related to Electricity and Energy including network operations, distribution, sales and customer services.
Economic Development, Housing and Spatial Development Plan	To discuss matters related to SMME, empowerment support and job creation, the support and regulation of informal trading, sector support, investment and export, trade promotion and facilitation, the facilitation of partnerships between the Council and public, private and community groups, economic co-ordination and facilitation, business area management and community skills development and Tourism. The housing and informal settlement, the spatial planning and growth management, design services, land use management, building development management, development projects, land information and planning legislation and enforcement.
Corporate Governance & Shared Services	To discuss matters related to Human Resource Administration, Labour Relations, Recruitment and Selection, Training and Development, Occupational Health and Safety, Employment Equity, Skills Development, Grading and Remuneration, Performance management and Transformation. The General Administration. Auxiliary Services, Committee Secretariat, Councillor Support, Printing and Graphic Services. The Internal Communication, Public Participation and Information Technology matters.
Agriculture & Environment Management	To discuss all Agricultural matters, The Environment Planning Policy, environmental impact assessment, coastal planning, outdoor advertising and signage, heritage resource management and nature reserve planning.
Public Transport & Roads	To discuss on Transportation planning, systems monitoring and information management, Traffic infrastructure management, public transport, passenger security. Traffic signs and robot maintenance. Decide on the permanent closure of all streets and roads.
Sports Recreation, Arts & Culture	To discuss matters concerning sports and recreation, arts and culture.

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Municipal Committees	Purpose of Committee
Health & Social Development	To discuss matters concerning the Libraries, the Community facilities, cemeteries and crematoria, health services, refuse removal; refuse disposal, illegal dumping and street cleansing.
Special Programmes	To discuss matters related to youth, elderly, gender and disabilities including HIV/AIDS programmes.
Water Services	To discuss matters related to water and sanitation including bulk water, catchment-management, wastewater treatment, water and wastewater reticulation, water and sanitation technical services, storm water and river management.
Municipal Public Account Committee	To consider and evaluate the annual report, to examine the financial statements and audit reports, to promote good governance, transparency and accountability on the municipal resources, to undertake any investigation in its area of responsibility and to perform any other function assigned to it through a resolution of Council within its area of responsibility.
Ethics Committee	To enforce Council's Rules of Order and the Code of Conduct for Councillors in terms of Schedule 1 of the Municipal Systems Act

ADDENDUM C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Director/Manager (State title and name)
Office of the Mayor	Manager (Office of the Mayor) Mr. F Malale
Office of the Municipal Manager	Manager (Internal Audit) Mr. MR Shingange
	Senior Officer (Disaster Management) Mr MM Rabothata
	Manager (Strategic Support) Vacant
	Manager (Risk Management) Mrs. MM Mpyana
Corporate Services	Manager (Human Resources) Mrs. NMH Maake
	Manager (Adm. Support & Records Management) Mrs MW Baloyi
	Manager (Legal Services) Adv. MS Monyela
	Manager (IT) Mr. TG Maluleke
	Manager (Community Participation and Project Support) Vacant
	Manager (Communications) Vacant
Planning and Economic Development	Manager (Social Economic Dev) Mr. DF Rammalo
	Manager (Land & Housing) Mr. NH Phakula

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Table 165: Third Tier Administrative Structure (2014/15)	
Directorate	Director/Manager (State title and name)
	Manager (Town Planning) Mr. NJ Mathye
Office of Chief Financial Officer	Manager (Supply Chain) Mr. NL Mashao
	Manager (Finance) Mr. J. Biewenga
	Manager (Asset Management) Mr. TA Ramokgano
	Manager (Income) Mrs. PM Viljoen
	Manager (Expenditure) Mrs. ME Sono
Electrical Engineering Services	Manager (Operations and Maintenance) Mr. AG Laubscher
	Manager (Operations and Maintenance) Mr. MS Lelope
	Snr Electrical Engineering Technician Mr. NG Fourie
	Manager (Protection, Testing and Metering) New Post
Engineering Services	Manager (Building Maintenance and Fleet) Mr. ML Mahayi
	Manager (Water & Sanitation) Mr. JP Shilowa
	Manager (Roads and Storm Water) Mrs. H.O. Tshisevhe
	Manager (PMU) Mr. AP Killian
Community Services	Manager (Solid Waste) Mr. HL Mienie
	Manager (Library Services) Mrs. CJ Nel
	Manager (Environmental Health) Mrs. TM Machumele
	Manager (Licensing and Testing) Mr. CAJ Liversage
	Manager (Law Enforcement) Mr. MJ Malatji
	Manager (Parks, Recreation and Cemeteries) Mrs. X Gala

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ADDENDUM D – FUNCTIONS OF MUNICIPALITY / ENTITY

Table 166: Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	n/a
Building regulations	Yes	n/a
Child care facilities	No	n/a
Electricity and gas reticulation	Yes	n/a
Firefighting services	No	n/a
Local tourism	Yes	n/a
Municipal airports	Yes	n/a
Municipal planning	Yes	n/a
Municipal health services	No	n/a
Municipal public transport	No	n/a
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	n/a
Stormwater management systems in built-up areas	Yes	n/a
Trading regulations	Yes	n/a
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	n/a
Beaches and amusement facilities	Yes	n/a
Billboards and the display of advertisements in public places	Yes	n/a
Cemeteries, funeral parlours and crematoria	Yes	n/a
Cleansing	Yes	n/a
Control of public nuisances	Yes	n/a
Control of undertakings that sell liquor to the public	Yes	n/a

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Table 166: Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Facilities for the accommodation, care and burial of animals	No	n/a
Fencing and fences	No	n/a
Licensing of dogs	Yes	n/a
Licensing and control of undertakings that sell food to the public	Yes	n/a
Local amenities	Yes	n/a
Local sport facilities	Yes	n/a
Markets	No	n/a
Municipal abattoirs	No	n/a
Municipal parks and recreation	Yes	n/a
Municipal roads	Yes	n/a
Noise pollution	Yes	n/a
Pounds	Yes	n/a
Public places	Yes	n/a
Refuse removal, refuse dumps and solid waste disposal	Yes	n/a
Street trading	Yes	n/a
Street lighting	Yes	n/a
Traffic and parking	Yes	n/a

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ADDENDUM E – WARD REPORTING

Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
1	<u>T Manyama (ward Councillor)</u> 1. E. Baloyi 2. T. Mametja 3. N. Monaiwa 4. T Makhubela 5. P Malematja 6. L Mogale 7. G Rabothata 8. D Mashatola 9. S Mothomogolo 10. G Maunatlala	Yes	11	12	1
2	<u>E Ramolefo (Ward Councillor)</u> 1. M C Ramokgola 2. T Selowa 3. N Sethabe 4. L Nkuna 5. R Mohlongo 6. C Manyama 7. L Mohatli 8. C Kappa 9. S R Sebashe 10. T D Sewapa	Yes	8	12	3
3	<u>P Masetla (Ward Councillor)</u> 1. E Khosa 2. M Masinge 3. M Malapane 4. M Kheshane 5. C Moatli 6. S Ngobeni 7. V Machaba 8. D Mashale 9. A Mokgathi 10. T S Ngobeni	Yes	11	12	3

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
4	<u>M Mmola (Ward Councillor)</u> 1. M B Maswanganyi 2. T P Baloyi 3. T M Makhubele 4. J Kgatla 5. F Ndhlovu 6. S Mahlawule 7. M Kgatla 8. E F Pilusa 9. C Mongwe 10. K N Mabunda	Yes	12	12	4
5	<u>T K Nukeri (ward Councillor)</u> 1. M Motseparela 2. G M Malungana 3. F Rikhotso 4. B Shipalana 5. L Maweni 6. J R Maweni 7. J R Nkuna 8. T Makhubele 9. A J Sibula 10. T Ngobeni	Yes	11	12	2
6	<u>C Baloyi (Ward Councillor)</u> 1. E Mohlongo 2. J Ramawila 3. J Ngobeni 4. C T Mashkeni 5. R Mathebula 6. M M Ngobeni 7. P M Kubayi 8. K Mtsenga 9. J Mathebula 10. J Mjela	Yes	09	12	4

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
7	<u>D Mabape (Ward Councillor)</u> 1. F Mabunda 2. H Mashala 3. E Semosa 4. C Mohale 5. M Ramalepe 6. V Modiba 7. C Ratlabala 8. B Mokwena 9. C Mailula 10. D Ramahlo	Yes	8	12	1
8	<u>R Makhudu (Ward Councillor)</u> 1. G Rakgwale 2. H Mogale 3. E Lebeya 4. D Malatji 5. L Ngobeni 6. C Makgobatlou 7. V Leshoka 8. E Mathibela 9. R Ramoshaba 10. E Malatji	Yes	11	12	4
9	<u>M Mohale (Ward Councillor)</u> 1. P Selotole 2. S Mononela 3. M Sekgobela 4. P Sekete 5. J Ramahlo 6. J Malatji 7. J Nkwana 8. M Rabothata 9. M Senyolo 10. P Sekete	Yes	10	12	3

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
10	<u>M Mahasha(Ward Councillor)</u> 1. M Mahowa 2. L Thamahanyana 3. S Seshoka 4. E Mahasha 5. B Ramoshaba 6. M S Baloyi 7. T V Masedi 8. J Modipa 9. S Maake 10. A Makgopa	Yes	10	12	0
11	<u>L Hlangwane (Ward Councillor)</u> 1. L N Molewa 2. K E Baloyi 3. S Nkuna 4. B Satkekge 5. E Malatji 6. T Mathebula 7. M Malatji 8. P Ramoshaba 9. S Mashayi 10. H Petal	Yes	8	12	4
12	<u>E Ntimbana (Ward Councillor)</u> 1. A S Tivana 2. T Rihlampfu 3. N Mabunda 4. E Mabunda 5. J Ngobeni 6. E J Mongwe 7. G Sambo 8. P S Ngomane 9. D Rikhotso 10. S M Ndlovu	Yes	09	12	0

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
13	<u>B M Mashala (Ward Councillor)</u> 1. T E Khosa 2. R C Baloyi 3. C Risiva 4. R T Nkuna 5. C Mongwe 6. O E Ndlovu 7. E Ngobeni 8. T Mboweni 9. J M Mathebula 10. C Besswick	Yes	8	12	0
14	<u>A Van Vureen (Ward Councillor)</u> 1. C Ntuli 2. E Pilusa 3. D Protter 4. J P Stoltz 5. M Nel 6. T Mclintock 7. H Van Niekeen Kuyper 8. K Van Rensburg 9. M Mkhawane 10. P Monyama	Yes	0	12	0
15	<u>R Pohl (Ward Councillor)</u> 1. B Khumalo 2. P Zaayman 3. J du Toit 4. N Ndou 5. R Shai 6. L Cronje 7. M Sekgoaila 8. M Malatji 9. M Jacobs 10. A Cilliers	Yes	0	12	0

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
16	<u>R Rikhotso (Ward Councillor)</u> 1. B Nomvela 2. L Moagi 3. A Bvuma 4. T Mawasha 5. L Malatji 6. P Mawasha 7. A Shipalane 8. B Masetle 9. H Harman 10. S Mocheki	Yes	7	12	1
17	<u>D Mhlarhi (Ward Councillor)</u> 1. S Mbuza 2. F Tshuketane 3. R Bvuma 4. J Sekhobela 5. J Mokgolobotho 6. J Mokhabela 7. A Mathye 8. E Seabela 9. I Sekgobela 10. M Mbewe	Yes	6	6	1
18	<u>P Ngonyama (Ward Councillor)</u> 1. J Shilubane 2. N Mkansi 3. G Nkwhashu 4. G Nghonyama 5. L Tivane 6. J Semosa 7. F Mlangeni 8. C Mhlari 9. G Mbhalati 10. L Tshikani	Yes	8	12	2

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
19	<u>H Zandamela (Ward Councillor)</u> 1. P Thibeyahobe 2. S Matiane 3. M Gaisa 4. S Manyike 5. R Bulala 6. N Banda 7. N Rakgolane 8. S Bulala 9. L Khosa 10. R Mathebula	Yes	12	12	3
20	<u>O Banyini (Ward Councillor)</u> 1. L Ngobeni 2. J Mongwe 3. C Nhlanguwini 4. E Nhlanguwini 5. C Shokane 6. S Moagi 7. M Nhlanguwini 8. B Baloyi 9. I Mongwa 10. V Chuma	Yes	5	12	2
21	<u>S Mboweni (Ward Councillor)</u> 1. D Maakane 2. V Malungane 3. T Mpenyana 4. P Baloyi 5. N Ndala 6. B Mabunda 7. B Mthembi 8. A Mnisi 9. M Macevele 10. V Mabulane	Yes	8	12	2

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
22	<u>C Makwala (Ward Councillor)</u> 1. E Ramalepe 2. M Sekgobela 3. A Maphumapi 4. E Rasebotsa 5. C Makwala 6. S Mhlarhi 7. D Selane 8. I Malatji	Yes	8	12	1
23	<u>N Dlovu(Ward Councillor)</u> 1. M Banyini 2. M Khosa 3. M Mathebula 4. F Maroleng 5. S Ngobeni 6. P Rakgoropo 7. W Mohlongo 8. T Nkwinka 9. K Phiri 10. A Nkhwashu	Yes	9	12	2
24	<u>L Mhlongo (Ward Councillor)</u> 1. S Malatji 2. T Jigana 3. A Shikwambana 4. R Khosa 5. K Rikhotso 6. G Ngoveni 7. R Mhlaba 8. S Mhlarhi 9. G Mathonsi 10. D Shilubane	Yes	7	12	2

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
25	<u>Ngondzweni G (Ward Councillor)</u> 1. S Malatji 2. C Nkhwashu 3. B Mogale 4. P Mashele 5. I Rikhotso 6. J Maholovele 7. B Machabe 8. K Mhlanga 9. A Baloyi 10. S Rikhotso	Yes	8	12	2
26	<u>S Mahori (Ward Councillor)</u> 1. R Mhlarhi 2. P Shikwambana 3. V Mangena 4. J Mhlarhi 5. J Selane 6. B Mthembi 7. P Mabunda 8. C Mthembi 9. E Malatjie 10. N Ghana	Yes	11	12	2
27	<u>M Mangena (Ward Councillor)</u> 1. G Makhumbele 2. P Patsi 3. J Seoka 4. J Ramoshaba 5. P Sebela 6. S Malatji 7. P Mangena 8. I Mailula 9. J Maake 10. R Phasha	Yes	12	12	4

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
28	T Mushwana(Ward Councillor) 1. K Lupalana 2. T Shai 3. R Mangena 4. B Shikwambana 5. N Mathebula 6. L Mushwana 7. M Mkhabele 8. M Rathwakga 9. J Mabulana 10. J Moagi	Yes	7	12	2
29	N Masila(Ward Councillor) 1. E Nukeri 2. E Sethemana 3. C Mokgobi 4. J Sodi 5. A Mhlongo 6. E Ratopola 7. M Makhurupetje 8. A Mathebula 9. S Malesa 10.	Yes	8	12	3
30	L Pudikabekwa(Ward Councillor) 1. R Rapitsi 2. F Rantjie 3. S Malatjie 4. M Letsoalo 5. S Molepo 6. D Khunwane 7. M Shai 8. T Mboweni 9. P Malatjie 10. C Ratopola	Yes	7	12	2

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Table 167: Functionality of Ward Committees (2014/15)					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
31	<u>J Ramodipa(Ward Councillor)</u> 1. C Mabitsela 2. S Lefothle 3. M Nkgapele 4. M Hlokwe 5. A Rakgoale 6. G Maponya 7. S Ramokgola 8. K Monyela 9. M Seokgo 10. S Mafokwane	Yes	10	12	3
32	<u>S Raganya (Ward Councillor)</u> 1. I Malatji 2. L Mohale 3. S Semosa 4. M Mametja 5. T Nkuna 6. P Mokwena 7. J Manamela 8. S Nkuna 9. B Modiba 10. G Mathebula	Yes	7	12	3
33	<u>D Maake(Ward Councillor)</u> 1. D Peu 2. H Molewa 3. F Pilusa 4. B Maake 5. F Gaffane 6. P Monyela 7. J Semosa 8. P Maseamedi 9. K Batjie 10. O Mailula	Yes	8	12	2

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Table 167: Functionality of Ward Committees (2014/15)

Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
34	<u>M Letsoalo(Ward Councillor)</u> 1. T Kodumela 2. M Letsoalo 3. S Ramoreti 4. S Letsie 5. R Moagi 6. J Malesa 7. A Letsoalo 8. J Ralepelle 9. T Mogoboya 10. A Ramaila	Yes	8	12	2

APPENDICES

ADDENDUM F – WARD INFORMATION

Table 168: Capital Projects: Seven Largest in 2014/15 - R' 000

Ward No.	Project Name and detail	Start Date	Estimated/ End Date	Total Value
7	Moruji to Matswi, Kheshokolwe Tar Road	23/09/2015	23/09/2017	R127 904 235
28 & 29	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	23/09/2015	01/03/2017	R 93 736 499
22,23,24	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	22/09/2015	22/08/2018	R 90 945 014
7 & 11	Thapane to Moruji Tar	17/02/2014	13/03/2015	R 48 583 595
1	Senakwe to Morapalala Tar road	14/01/2013	21/09/2015	R 47 676 883
25	Mafarana to Sedan Tar Road	10/05/2013	09/02/2014	R 27 228 000
21 & 24	Sasekani to Nkowankowa	05/03/2015	04/12/2015	R 24 000 000

APPENDICES

ADDENDUM G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/15

The Audit Committee was not functional during 2014/15 with no minuted meetings held.

TABLE 169: Municipal Audit Committee Recommendations (2014/15)			
Date of Committee	Committee recommendations	Recommendations adopted (enter Yes); not adopted (provide explanation)	Implemented (Yes/No)
None	None	None	None

APPENDICES

ADDENDUM H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 170: Long Term Contracts (20 Largest Contracts Entered into 2014/15) - R' 000						
Name of Service Provider (Entity or Municipal Department)	Bid number	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
MVM AFRICA	SCMU 29/2013	Request for proposals for energy	12/09/2014	12/09/2016	Nic Fourie	9%
Ingwe Waste Management	SCMU 30/2013	collection and transportation of waste in region south at Nkowankowa	01/07/2014	02/07/2017	H.O Mienie	R 13 859 064
Motla Consulting Engineering	SCMU 34/2013	Request for proposal for specialist and emergency services for the GTM	01/01/2014	31/12/2016	N. Fourie	R 115 368 per month
Simolola Engineering Services	SCMU 37/2013	Request for proposal for Apollo lights/high must lights for Greater Tzaneen Municipality	06/01/2014	05/01/2017	N. Fourie	9%
AES Consulting	SCMU 37/2013	Request for proposal for Apollo lights/high must lights for Greater Tzaneen Municipality	06/01/2014	05/01/2017	N. Fourie	9%
Mavambo ITS	SCMU 38/2013	Request for proposals for speed camera law enforcement	01/05/2014	30/6/2017	J. Malatji	Rate of R 69.54
Audit & Risk Management Solution	SCMU 01/2014	Request for proposals for assets management at GTM	12/05/2014	End of audit 2015/2016	T.A. Ramokgano	R 4 385 802
Mmatshope JV Theuwedi	SCMU 40/2013	Treatment and disposal management	01/08/2014	31/7/2017	H.O Mienie	R 12 875 598

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Table 170: Long Term Contracts (20 Largest Contracts Entered into 2014/15) - R' 000						
Name of Service Provider (Entity or Municipal Department)	Bid number	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Rivisi Electrical	SCMU 14/2014	maintenance and refurbishment of overhead power lines and other related equipment	29/10/2014	29/10/2017	M.S. Lelope	rates
Shidila Trading	SCMU 05/2014	Grass Cutting of sidewalks, roads, reserves, parks, cemeteries and open space	07/05/2015	07/05/2018	X. Gala	R 0.15 per square meter
Tshandukos Consulting	SCMU 06/2014	Maintenance of various developed parks and garden areas in GTM	07/05/2015	07/05/2018	X. Gala	R 1 386 000
Molebogeng Trading	SCMU 32/2014	Litter picking at region-south Tzaneen	08/05/2015	08/05/2018	H. Mienie	R 18 865 524
Selema Plant Hire	SCMU 33/2014	Litter picking at region-north Tzaneen	07/05/2015	07/05/2018	H. Mienie	R 7 650 908
Selema Plant Hire	SCMU 34/2014	Collection and transportation of waste in region-south @ Lenyenye suburb	07/05/2015	07/05/2018	H. Mienie	R 11 027 486
Action IT	SCMU 26/2014	Electronic system to Manage Performance information	28/04/2015	28/04/2018	F. Human	R 495 917
Oscon Elektries	SCMU 10/2014	11kv cables from church to old SAR and refurbishment of substation	01/04/2015	31/03/2016	N. Fourie	R 9 435 613
Physon Business Solution	SCMU 29/2014	Provision of disconnection and reconnection services for GTM	01/04/2015	30/04/2018	P. Viljoen	Rates
Omphile Electrical	SCMU 41/2013	Retrofits of energy efficiency street lighting of Greater Tzaneen Municipality	02/06/2014	29/11/2014	N. Fourie	R 4 460 988
Electro Cuts	SCMU 28/2014	Provision of an Electrical and water meter reading services at GTM	01/07/2015	30/06/2018	R. Viljoen	Rates

APPENDICES

Table 170: Long Term Contracts (20 Largest Contracts Entered into 2014/15) - R' 000						
Name of Service Provider (Entity or Municipal Department)	Bid number	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Pool	SCMU 30/2014	Request for proposal on dept collection services	01/11/2015	01/11/2018	P. Viljoen	Rates

No public – private partnerships entered into during 2014/15.

APPENDICES

ADDENDUM I: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

ADDENDUM I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2013/14	Current year 2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1: Municipal Manager	0					
Vote 2: Planning & Economic Development	23 864	22 465	38 915	8 164	-175%	-377%
Vote 3: Financial Services	321 080	318 879	350 789	352 089	9%	0%
Vote 4: Corporate Services	2	1	1	20	93%	93%
Vote 5: Community Services	79 330	81 199	81 199	50 668	-60%	-60%
Vote 6: Electrical Engineering Services	406 524	415 774	417 939	395 460	-5%	-6%
Vote 7: Engineering Services	73 859	88 294	131 513	81 062	-9%	-62%
Total Revenue	904 659	926 612	10 20 355	88 7483	0	0

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ADDENDUM I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 172: Revenue Collection Performance by Source - R '000 (2014/15)

Description	2013/2014	2014/15		2014/15 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	66 345	64000	64000	74098	14%	14%
Property rates - penalties & collection charges	4 770	4500	4500	5368	16%	16%
Service Charges - electricity revenue	337 967	405774	405774	380350	-7%	-7%
Service Charges - water revenue	-					
Service Charges - sanitation revenue	-					
Service Charges - refuse revenue	23 746	22037	22037	25816	15%	15%
Service Charges - other	292	1366	1366	815	-68%	-68%
Rentals of facilities and equipment	1179	759	759	1189	36%	36%
Interest earned - external investments	2 164	2001	2001	2381	16%	16%
Interest earned - outstanding debtors	17 343	11800	11800	12057	2%	2%
Dividends received						
Fines	3 665	3210	3210	8356	62%	62%
Licences and permits	541	497	497	711	30%	30%
Agency services	6 360	42993	42993	7206	-497%	-497%
Transfers recognised - operational	221 912	250601	250601	255848	2%	2%
Other revenue	19 184	6030	37940	27323	78%	39%
Gains on disposal of PPE	-8 084	2300	2300			
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	697 384	817868	849777	801518	-2%	-6%

APPENDICES

ADDENDUM J: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

ADDENDUM J (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Table 173: Capital Expenditure - New Assets Programme* (R'000)							
Description	2013/2014	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/2016	2016/2017	2017/18
Capital expenditure by Asset Class							
Infrastructure - Total	343 159	116 196	151 633	99 428	132 876	137 334	136 907
Infrastructure: Road transport - Total	330 497	82 766	126 079	82 030	103 839	111 900	110 643
Roads, Pavements & Bridges	330 497	82 766	126 079	82 030	103 839	111 900	110 643
Storm water							
Infrastructure: Electricity - Total	12 662	33 330	25 455	17 397	28 617	25 434	26 263
Generation							
Transmission & Reticulation	12 662	31 250	25 455	17 397	28 617	25 434	26 263
Street Lighting		2 080					
Apollo Lights		-	-	-	-	-	
Infrastructure: Other - Total	-	100	100	420			
Waste Management							
Transportation							
Gas							
Other		100	100	420			
Community - Total	-	48 006	72 960	34 383	3 750	200	5 282

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Description	2013/2014	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/2016	2016/2017	2017/18
Parks & gardens		21 951	38 402	8 013			
Sports fields & stadia		12 793	17 162	11 102			5 282
Swimming pools		8 237	14 181	11 887			
Community halls							
Libraries							
Recreational facilities							
Security and policing							
Buses							
Museums & Art Galleries							
Cemeteries							
Social rental housing		5 025	3 215	3 382	3 750	200	
Other							
Heritage assets - Total	-	-	-	-	-	-	-
Buildings							
Other							
Investment properties - Total	19 805						
Housing development		--	-	-	-	-	-
Other	19 805						
Other assets	17 599	5 135	6 678	4 284	7 226	1 450	-
General vehicles			480	479			
Specialised vehicles							
Plant & equipment	16 759						

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Description	2013/2014	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/2016	2016/2017	2017/18
Computers - hardware/equipment	540	370	270	95			
Furniture and other office equipment	267	2 100	400	149			
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	32	2 665	5 528	3 562	7 226	1 450	3 300
<u>Agricultural assets</u>		-	-	-	-	-	-
<i>NONE</i>							
<u>Biological assets</u>							
<i>NONE</i>							
<u>Intangibles</u>	111	-	-	-	-	-	-
Computers - software & programming	111						
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	380 673	-	169 338	231 272	138 095	138 984	145 489
<u>Specialised vehicles</u>	0	-	-	-	-	-	-
Refuse	0						

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ADDENDUM J (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table 174: Capital Expenditure - Upgrade/Renewal Programme* - R '000							
Description	2013/2014	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/2016	2016/2017	2017/2018
Capital expenditure by Asset Class							
Infrastructure - Total		-	-	-	600	600	800
Infrastructure: Road transport -Total		-	-	-	600	600	800
<i>Roads, Pavements & Bridges</i>					600	600	800
<i>Storm water</i>							
Infrastructure: Electricity - Total		-	-	-	-	-	-
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Community		1 000	800	-	-	-	-
Other		1 000	800	-	-	-	-
Infrastructure: Other - Total							
<i>Waste Management</i>							
<i>Transportation</i>							
Other assets		566	666	564	230	250	700
Computers - hardware/equipment		-	-	-	-	-	-
Furniture and other office equipment		566	666	564	230	250	700
Total Capital Expenditure on renewal of existing assets		1 566	1 466	564	830	850	1 500

APPENDICES

ADDENDUM K – CAPITAL PROGRAMME BY PROJECT 2014/15

Table 175: Capital Programme by Project 2014/15 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
WATER	No capital projects implemented as Mopani District is the Water Service Authority				
SANITATION/SEWERAGE	No capital projects implemented as Mopani District is the Water Service Authority				
ELECTRICITY					
Energy Efficiency Demand	4 000 000	6 164 740	5 886 659	-278 081	1 886 659
Renewal R&M on Prepaid Metres	566 460	0	389 402	389 402	-177 058
Rebuilding of Lines- Eureka De Neck	700 000	630 000	695 274	65 274	-4 726
Rebuilding of Lines- Mapietskop	700 000	630 000	680 539	50 539	-19 461
Rebuilding of Lines- Dap Naude	1 000 000	900 000	684 211	-215 789	-315 789
Installation of 11KV Cables-Church Sub	8 000 000	3 000 000	0	-3 000 000	-8 000 000
Miniature Substation	1 000 000	900 000	753 356	-146 644	-246 644
Purchase of Substation Tripping Batteries	200 000	180 000	94 613	-85 837	-105 387
Provision of Capital Tools	150 000	50 000	79 420	29 420	-70 580
Install new Street Lights	150 000	150 000	44 282	-105 718	-105 718
Apollo Lights Burgersdorp	520 000	-50 000	0	-50 000	-520 000
Apollo Lights Khopo Village	520 000	-50 000	0	-50 000	-520 000
Apollo Lights Moloko Pelana Village	520 000	-50 000	0	-50 000	-520 000

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Table 175: Capital Programme by Project 2014/15 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Apollo Lights Block 8 & 9	520 000	-50 000	0	-50 000	-520 000
Traffic lights-Letaba Cross	300 000	0	0	0	-300 000
Traffic Light- R71 Turnoff Deerpark	300 000	0	0	0	-300 000
Replacement of existing air conditioners	50 000	50 000	0	-50 000	-50 000
Purchase Office & Furniture Equipment	300 000	33 333	30 605	-2 728	-269 395
Split Metres	0	4 098 006	1 137 441	-2 960 565	1 137 441
Service Contribution	15 000 000	13 200 000	7 384 084	-5 815 916	-7 615 916
Purchase of New Protection Relays	650 000	-65 000	0	-65 000	-650 000
Renewal of air conditioner	100 000	0	0	0	-100 000
ROADS & STORMWATER					
Mopye Low Level Bridge	0	461 017	796 959	335 942	796 959
Senakwe to Morapalala	0	6 379 636	10 817 580	4 437 944	10 817 580
Mafarana to Sedan	0	6 154 051	5 753 491	200 560	5 753 491
Rehabilitation of Internal Claude Wheatley	0	1 900 000	1 719 586	180 414	1 719 586
Sasekani to Nkowankowa	0	1 964 036	7 498 113	5 534 077	7 498 113
Construction of Politsi Road	0	0	85 119	85 119	85 119
Thapane to Moruji	36 551 029	40 992 125	36 919 826	368 797	4 072 299

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Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Rita, Khopo, Lefara, Zangoma, Uhuru, Xipungu	14 571 797	14 571 797	3 180 744	11 391 053	11 391 053
Upgrading of Gravel to Tar- Ticklyline Glasswork, Myakayaka	14 571 797	14 571 797	6 584 981	7 986 816	7 986 816
Moruji ro Matshwi-Gravel to Tar	14 571 797	14 571 797	5 137 666	9 434 131	9 434 131
Mokonyane Low Level Bridge	500 000	400 000	46 847	353 153	453 153
Agatha Low Level Bridge	500 000	100 000	0	-100 000	-500 000
Rikhotso Low Level bridge	1 000 000	600 000	0	-600 000	-1 000 000
Khubu-Lwandlamuni Low Level Bridge	500 000	0	0	0	-500 000
Haenertsburg Doc Entrance Road	500 000	400 000	0	0	-400 000
Nkowankowa Doc Entrance Road	500 000	400 000	0	0	-400 000
Pedestrian Briudge- Marumofase	0	-1000 000			
Runnymede Sports Complex	0	0	2 524 373	2 524 373	2 524 373
Upgrading of Julesburg Sportsfield	0	0	773 130	773 130	773 130
Upgrading of Burgersdorp Sports Ground	0	0	763 067	763 067	763 067
Upgrading of Nkowankowa Stadium	0	0	529 825	529 825	529 825
Purchase Survey Equipment	150 000	0	0	0	-150 000
Purchase Generators	60 000	60 000	0	-60 000	-60 000
Purchase Welding Machines	25 000	25 000	0	-25 000	-25 000
Extension of Public Toilets-Sanlam Taxi Rank	150 000	130 000	0	-130 000	-130 000

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Table 175: Capital Programme by Project 2014/15 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Extension of Public Toilets-Sanlam Taxi Rank	100 000	80 000	0	-80 000	-80 000
Extension of Public Toilets- Tzaneen-JHB Taxi Rank	150 000	130 000	33 637	-96 363	-116 363
Upgrading of Tzaneen Swimming Pool	10 355 060	16 299 485	11 886 745	-4 412 740	1 531 685
Upgrading of Lenyenye Stadium	10 675 030	15 044 091	6 511 340	-8 532 751	-4 163 690
New Relela Cluster Community Hall	0	0	821 596	821 596	821 596
Ramotshinyadi to Mokgwathi	0	0	44 502	44 502	44 502
Lenyenye Cemetery	0	412 290	0	-412 290	0
PARKS & CEMETERIES					
N/A					
MUNICIPAL BUILDINGS					
N/A					
FLEET					
Speakers's Vehicle	0	480 000	478 882	-1 118	-478 882
ECONOMIC DEVELOPMENT & TOWN PLANNING					
Land Acquisition at Politsi	3 000 000	3 000 000	3 348 000	-348 000	-348 000
Acquisition of Land in Nkowankowa	800 000	-400 000	0	-400 000	-800 000
Land State Transfer (State Land to GTM)	350 000	250 000	0	-250 000	-350 000

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Table 175: Capital Programme by Project 2014/15 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Township Establishment (Talana Hostel)	350 000	-100 000	0	-100 000	-350 000
SPORTS, ARTS & CULTURE					
N/A					
ENVIRONMENTAL HEALTH					
N/A					
ICT AND OTHER					
Purchase/Installation of Telephone Networks	300 000	0	0	0	-300 000
Hawkers Esplanades	100 000	0	0	0	-100 000
Purchase of Bulk Bins	50 000	50 000	0	-50 000	-50 000
Purchase 1X High Pressure Cleaner	10 000	10 000	9 500	-500	-500
Purchase 2X Chain Saws	10 000	10 000	5 701	-4 299	-4 299
Purchase 1X Log Splitter	200 000	150 000	0	-150 000	-150 000
Bulk Recycling Bins	180 000	160 000	0	-160 000	-160 000
1X Bulk Container	75 000	75 000	0	-75 000	-75 000
Electronic Performance Monitoring System	150 000	150 000	0	-150 000	-150 000
Purchase of Fire Proofing	500 000	500 000	612 053	-112 053	-112 053
Purchase office Furniture & Equipment-MM	300 000	33 333	0	-33 333	-33 333

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Table 175: Capital Programme by Project 2014/15 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Purchase office Furniture & Equipment-CFO	300 000	33 334	6 079	-27 255	-293 921
Purchase office Furniture & Equipment-PED	300 000	33 333	2 646	-30 687	-297 354
Purchase office Furniture & Equipment-Corp	300 000	200 000	68 586	-131 414	-231 414
Purchase office Furniture & Equipment-Com	300 000	33 334	3 030	-30 304	-296970
Purchase office Furniture & Equipment-ESD	300 000	33 333	37 994	4 661	-262 006
Purchase office Furniture & Equipment-EED	300 000	33 333	30 605	-2 728	-269 395
TOTAL	R 170 903 970	R 208 738 022	R 126 738 808		

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ADDENDUM L – CAPITAL PROGRAMME BY PROJECT BY WARD 2014/15

Table 176: Capital Programme by Project by Ward 2014/15*		
Capital Project	Ward(s) affected	Works completed (Yes/No)
ELECTRICITY		
Apollo light at Burgersdorp	27, 28	No
Apollo lights at Khopo	26	No
Apollo lights at Mawa Block 8 and 9	2	No
Apollo lights at Moloko and Pelana village	1	No
Installation of new streetlights (12)	All	No
Traffic lights at Letaba Cross	17	No
Traffic lights at R71 turn off Deerpark	15	No
11kv Cable from Church substation via old SAR to Power station	14/15	Yes
Energy efficiency and demand (Phase 2)	All	No
Protection relays (66kv & 132 kv subs)	14,15	No
Substation tripping batteries	All	Yes
Replacement of airconditioners in Municipal Buildings	Civic Centre	Yes
Miniature substations (NERSA Audit)	14,15	Yes
Provision of Capital Tools (Urban)	ALL	Yes
Rebuilding of Lines-Eureka - De neck (9 km)	23	Yes
Rebuilding of Lines-Mapietskop - Mtzelaar (7km)	13	Yes
Rebuilding of Lines-Politsi valley - Dap Naude (15 km)	14	Yes
Renewal, Repairs and Maintenance on pre-paid meters (Tzaneen, Letsitele & Politsi)	15	Yes
Telephone Network Management System (Control Room)	ALL	No
Service Contribution	ALL	Yes
Split meters (Mbekwana)	13	Yes
Energy efficiency and demand (Phase 1)	All	Yes
ROADS & STORMWATER		
Hawkers esplanades in rural areas	All	No
Public toilet-block at Letsitele Sanlam Taxi rank	23	No
Public toilet-block at Tzaneen Jhb Taxi Rank	15	No

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Table 176: Capital Programme by Project by Ward 2014/15*		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Public toilet-block at Tzaneen Sanlam Taxi rank	15	No
Haenertsburg DoC entrance road	16	No
Nkowankowa DoC entrance road	19	No
Agatha Cemetery low level bridge	14	No
Khubu to Lwandlamuni Low Level bridge	12	No
Mokonyane low level bridge	32	No
Moruji to Matswi, Kheshokolwe Tar Road	7	No
Pedestrian Bridge at Marumofase	30	No
Rikhotso low level bridge	4	No
Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	22,23,24	No
Thapane to Moruji Tar	7&11	Yes
Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	28,29	No
Replacement of roof in the civic Centre in Tzaneen	14	No
Purchase generators	15	No
Purchase Survey Equipment	31	No
Purchase welding machines	All	No
Sasekani to Nkowankowa Tar Road	21&24	No
Mafarana to Sedan Tar Road	25	Yes
Ramotshinyadi to Mokgwathi Tar Road	3	Yes
Rehabilitation of Int Claude Wheatley	15	Yes
Senakwe to Morapalala Tar road	1	Yes
Construction of Politsi Road (Bridge)	14	Yes
Mopye Low Level Bridge	9	Yes
TOWN PLANNING		
Talana Hostel programme	15	No
Acquisition of land at Nkowankowa (Cemetery)	19	No
Acquisition of land at Politsi (residential)	14	Yes
Transfer of state land to GTM (Regional Cemetery)	17	
HASIVONA 561LT		No
SPORTS & RECREATION FACILITIES		

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Table 176: Capital Programme by Project by Ward 2014/15*		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Construction of a new community hall at Relela Cluster	8	No
Tzaneen swimming pool upgrade and refurbishment	14	Yes
Runnymede Sports Complex	6	No
Upgrading of Lenyenye Stadium (phase 2)	31	No
Upgrading of Julesburg Sports Ground	26	No
Upgrading Burgersdorp Sports Ground	28	No
Upgrading of Nkowankowa Stadium	19	No
WASTE MANAGEMENT		
Bulk Container at Tzaneen Sanlam Taxi rank	All	No
Bulk-recycling bins	15;16, 23	No
Kerbside Removals: Purchasing Bulk-bins	All	No
Purchase 1 x High Pressure Cleaner	15	Yes
Purchase of 1 x Log-splitter	15	No
Purchase of 2 x Chain- saws	15	Yes

APPENDICES

ADDENDUM M – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Table 177: Service Backlogs: Schools and Clinics (2014/15)				
Establishments lacking basic services	Water	Sanitation	Electricity⁷	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
N/a	No backlog	No backlog	No backlog	Backlog at all rural-areas No backlog in urban areas
Clinics (NAMES, LOCATIONS)				
N/A	No backlog	No backlog	No backlog	No backlog –clinics are serviced by a Provincial service provider for H.CR.W. Urban clinics serviced by GTM

All Schools and Clinics have access to water and sanitation. In some instances water are supplied through boreholes, which may run dry at time.

⁷ Complaints regarding schools and clinics without electricity use to be submitted to GTM by Ward Councilors. No such complaints was received during 2014/15

ADDENDUM N – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Table 178: Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the Municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Waste Management: All Wards	Absence of a Regional Landfill space for waste in the Mopani District Area	Regionalization of Landfill-Sites ito of Sec.84 of the Municipal Structures Act (Act 117 of 1998), is required from the District Municipality
Clinics: Ward 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 21, 22, 24, 25, 26, 28, 29, 30, 31, 32 and 34	Health facilities are far from the mentioned wards and their respective constituencies	The lack of health facilities within reach of the people contribute to a increase in curable diseases
Housing: Ward 1, 2, 4, 5, 13, and 14	The mentioned wards have not received all housing units allocations while some received just portions.	Lack of housing impacts on the lives of people in terms of shelter and family relationship. (Social security)
Licensing and Testing Centre: Ward 31 (Lenyenye) and Bolobedu area	The Municipality has only two licensing and testing centres	Lack of extra licensing and testing centres in within the jurisdiction of the Municipality leads to overcrowding in the existing two centres
Reservoirs: Various wards	Most villages in various wards have a need for new reservoirs and their upgrades	Lack of reservoirs leads to shortage of piped water in villages
Schools (Primary and High): Ward 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 21, 22, 25, 27, 28, 29, 32, 34	There is a great need for new schools (primary and secondary) in the mentioned wards	Lack of schools in the mentioned wards leads to lack of access to education for children and overcrowding in the existing ones
Sports Fields: Wards 1, 4, 7, 8, 9, 11, 12, 15, 16, 17, 19, 21, 24, 25, 26 and 28	There is a need for sport and recreation facilities in the mentioned villages	Lack of sport and recreation facilities leads to young people becoming involved in criminal activities and indulging in substance abuse
Safety and Security: Wards 1, 2, 3, 4, 7, 8, 9, 11, 13, 14, 16, 17, 18, 21, 24, 25, 27, 28, 32 and 34	There is a need for construction of new police stations in the mentioned wards	Lack of police stations leads to escalation of crime in communities

APPENDICES

ADDENDUM O – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table 179: Declaration of Loans and Grants made by the Municipality 2014/15

All Organisation or Person in receipt of Loans */Grants* provided by the Municipality	Nature of project	Conditions attached to funding	Value 2014/15'	Total Amount committed over previous and future years
Museum	Assistance to Museum	Submission of Financial statements at year end	33 326	Annual agreement
Eskom EBSST	Indigent register	Approved indigent register	2 849 536	Annual agreement
Mayor Special account	Assistance to poor families	Reserved for indigent households & vulnerable people	52 684	Annual agreement
SPCA	Animal Care	Submission of Financial statements at year end	102 500	Annual agreement
Mayor Bursary Account	Financial assistance to learners from poor families	Learners from indigent families may apply. Must have passed Grade 12.	215 000	Annual agreement
Sport & Council	Assistance to Sports Council for operational activities	Submission of Financial statements at year end	106 644	Annual agreement

ADDENDUM P – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 180: MFMA Section 71 Returns Not Made During 2014/15 According to Reporting Requirements

Return	Reason Return has not been properly made on due date
C6-Monthly Budgeted Statement - Financial Position	The Municipality has many transactions, as a result the current financial system is not able to produce the required monthly financial statements. Caseware financial system has been purchased, which will be able to produce monthly statements.

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS 2014/15

Audited Annual Financial Statements attached as [Annexure D](#).

<the end>