



NATURALLY PROGRESSIVE

DRAFT ANNUAL REPORT

2010/2011

Abbreviations and Acronyms

| Abbreviations | Explanation |
|---------------|---|
| ABET | Adult Basic Education and Training |
| ACDP | African Christian Democratic Party |
| ANC | African National Congress |
| AZAPO | Azanian People Organization |
| B&B | Bed and Breakfast |
| BRT | Bus Rapid Transit |
| BBBEE | Broad Based Black Economic Empowerment |
| CFO | Chief Financial Officer |
| Cllr | Councilor |
| CBD | Central Business District |
| CCTV | Closed Circuit Television |
| CRZ | Commercial Restricted Zone |
| CAS | Controlled Access Site |
| CPMD | College of People Property Management and Development |
| DA | Democratic Alliance |
| DORA | Division of Revenue Act |
| ETDP | Education, Training and Development Practices |
| ELMDP | Executive Leadership Municipal Development Programme |
| EIA | Environmental Impact Assessment |
| EPWP | Expanded Public works Programme |
| EMP | Environmental Management Plan |
| FY | Financial Year |
| FBW | Free Basic Water |

| Abbreviations | Explanation |
|----------------------|--|
| FIFA | Federation of International Football Associations |
| GIS | Geographical Information System |
| HR | Human Resources |
| HDI's | Historically Disadvantaged Individuals |
| IDP | Integrated Development Plan |
| ITS | Intelligent Transport System |
| IT&T | Information Technology and Telecommunications |
| ICT | Information and Communication Technology |
| IGR | Intergovernmental Relations |
| JMPF | Joint Municipal Pension Fund |
| KPA | Key Performance Area |
| LTP | Limpopo Tourism and Parks |
| LED | Local Economic Development |
| LGSETA | Local Government Sector Education Training Authority |
| MFMA | Municipal Finance Management Act |
| MCPF | Municipal Councilors Pension Fund |
| MEPF | Municipal Employee Pension Fund |
| MGF | Municipal Gratuity Fund |
| MIG | Municipal Infrastructure Grant |
| MC | Mayoral Committee |
| MIS | Management Information System |
| MM | Municipal Manager |
| MEC | Member of Executive Council |
| N1 | National Road (Cape town-Beit Bridge) |

| Abbreviations | Explanation |
|----------------------|---|
| NFMW | National Fund for Municipal Workers |
| OC | Organizing Committee |
| OHS | Occupational Health and Safety |
| PPU | Public Participation Unit |
| PTIS | Public Transport Infrastructure Support Fund |
| PHP | People Housing Partnership |
| ROD | Record of Decision |
| SDI | Strategic Development Initiatives |
| SADC | Southern Africa Development Community |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SMME's | Small and Medium Enterprises |
| SOP' | Stand Operating Procedure |
| SNPF | SAMWU National Pension Fund |
| SBU | Strategic Business Unit |
| SABC | South African Broadcasting Corporation |
| SDF | Spatial Development Framework |
| SCADA | Supervisory Control and Data Acquisition |
| SAMWU | South African Municipal Workers Union |
| UDM | United Democratic Movement |
| UPVC | Unplasticized Polyvinyl chloride |
| VIP | Ventilation Improved Pit |
| VIC | Visitors Information Centre |

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1. CHAPTER 1: FOREWORD AND OVERVIEW OF THE MUNICIPALITY

1.1 Foreword by the Executive Mayor

During the financial year under review, Polokwane Municipality made some efforts despite financial constraints to discharge its mandate which is the provision of basic services to its communities in a manner that will ensure sustainability and improved quality of lives of our people.

This Annual Report for 2010/2011 financial year provides an opportunity for the municipality to take stock of what the municipality has set to achieve and report to its constituency in terms of its performance during the year under review. The report will further offer members of the community and other interested and affected stakeholders an opportunity to confirm the achievements by the municipality by means of inputs and comments and this will further assist the municipality to up its energy towards discharging its mandate.

We have to look back as we go forward and as we enter the implementation phase of government priorities and programmes that as a collective we can achieve more through good relations established. We are proud to present this annual report which we believe will provide c

critical information about the state of the municipality and its performance in discharging its constitutional mandate.

It is noteworthy that although the strategic focus is on service delivery, strategies focusing on financial sustainability are still in place and are being continuously implemented, reviewed and reinforced. The financial year under review saw the continuation of the implementation of the service delivery turnaround strategy focusing on amongst others access to free basic services, service improvement and infrastructure development.

Free Basic Services

According to Free Basic Water policy, implemented by Local Government, households are entitled up to 6 000 liters or 60kl of clean water every month at no cost. Those who use more than this volume of free water must be responsible for the costs. Free Basic Electricity is the amount of electricity deemed sufficient to provide basic electricity services to poor households. The levels of service are 50kw/h per households per month for a grid -based system for qualifying domestic consumers and 50W per non-grid connected supply system for all households connected to the official non-grid systems. More than 19 700 customers made use of the free basic electricity service during the 2010/2011 financial year.

Revenue Management saw an increase in payment levels for customers in the City-Seshego Cluster. The Municipality has however not yet developed the rates and tariffs policies or bylaws to guide the revenue management of the municipality. Therefore, there is an urgent need to review the indigent policy to ensure its appropriate alignment with prevailing legislation and the current economic situation.

Municipal Transformation and Institutional Development

With regards to skills development, the municipality has allocated resources to ensure that skills development is aligned to the objectives of the Integrated Development Plan. There is still a challenge facing the municipality in planning, technical and management capacity in certain delivery areas. Concerning employment equity, the municipality, has adopted an employment equity plan which gives preference to females and people with disabilities. There is need for the municipality to engage in targeted techniques to employ more females and people with disabilities.

In conclusion, I wish to thank and acknowledge the efforts of my fellow Councilors who served so admirably over the past year. I thank them for the support and faith they have entrusted in me as the Executive Mayor. Together with Council's hard working Executive Management and staff led by the Municipal Manager Mrs. Fanisa Lamola, we are working to ensure a caring, strong and vibrant City of Stars- the City of Polokwane.

End

Cllr Freddy Greaver
Executive Mayor- Polokwane Municipality

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1.2 Introduction and Overview of the Municipality

Polokwane Municipality has for the past years developed the IDP and Budget that were intended for delivery of services to the communities. The 2010/2011 annual report is developed to report the achievements of municipal targets that were to change and improve the lives and economical status of all communities within Polokwane Municipality during the financial year.

To ensure that the implementation of the 2010/11 IDP and Multi Year Budget is in good practice, the SDBIP was approved according to the Municipal Finance Management Act of 2003. In addition, monthly and quarterly reports were developed as tools to track achievements and to make adjustment to speed up service delivery processes in order to ensure that the IDP and budget are implemented according to plan.

VISION

A safe, prosperous and caring municipality, free of poverty and inequality; promoting participatory development and providing sustainable services for better life for all.

MISSION

To build prosperity, eradicate poverty and inequality, promote the social, political and economic empowerment of all our people through delivery of quality services, community participation, promotion of local economic development and smart administration

Geared to realize the vision and mission statement the municipality adopted value a statement to guide both council and the communities.

VALUE STATEMENT

We shall strive in all our activities and programs to be:

- Responsive
- Efficient
- Effective
- Transparent
- Informative
- Competitive
- Accountable
- Representative
- Consultative

- Loyal
- Honest
- Empowering

1.3 Profile of Polokwane Municipality

Polokwane Municipality is located within the Capricorn District in the Limpopo Province. It covers a surface area of 3775 km² and accounts for 3% of the Province's total surface area of ±124 000 km². In terms of its physical composition, the municipality is 23% urbanised and 71% rural. The remaining area (6%) is made up of small holdings and institutional, industrial and recreational land.

The municipality is home to approximately 561 770 people. With a provincial population of approximately 5.2 million people; one would venture to conclude that Polokwane houses over 10% of the province's population on 3% of the province's surface area. This is significant and underlines the City's capital status and shows that it is an area of confluence.

The table below shows that the City has a much higher settlement density than any other area in the Province although such is to be expected given the vast rural areas which make up the Province.

Demographic Features: Comparison of National, Limpopo Province, Capricorn District Municipality and Polokwane Local Municipality

| Levels | Population | Households | Population below 15 yrs | Surface Area | % of population | % of households | % of population below 15 |
|------------------|----------------|----------------|-------------------------|-----------------------------|-----------------|-----------------|--------------------------|
| National | 48 502 063 | 12 500 610 | 15 672 800 | 1 219 090 km ² | 100 | 100 | 100 |
| Limpopo | 5 238 286 | 1 215 935 | 1 968 900 | 123 910 km ² | 10.8 | 9.73 | 12.56 |
| Capricorn | 1 243 167 | 285 565 | 607 161 | 18 570.30 km ² | 2.54 | 2.28 | 3.87 |
| <i>Polokwane</i> | <i>561 772</i> | <i>130 361</i> | <i>244 274</i> | <i>3 775 km²</i> | <i>1.16</i> | <i>1.04</i> | <i>1.59</i> |

Table 1: StatsSA: Community Survey, 2007

Population growth in Polokwane is significant. Growth figures from 1996 to 2001 showed that the municipal population increased by about 16.39%, which means an annual average population growth rate of 3.27%, much of this growth is ascribed to an influx of people from other more rural municipal areas into Polokwane where the perception of more employment and greater economic wealth exists. Since 2001 the population has increased from 508 280 to 561 770 (1, 7% growth p.a.). The number of households has also increased from 124 980 (2001 Census) to 130 360 in 2007. This implies an additional 5 380 households that the municipality must provide with new services.

Economic Composition

Polokwane is without doubt the rising regional economic centre and development and has the largest municipal economy within Limpopo Province, contributing 18% to the provincial economy during 2008. It is the economic hub of the Limpopo Province and is strategically located to be the administrative and economic capital of the Province. It is situated at the cross roads of important National and Provincial roads which lead into surrounding areas providing good access.

The economy comprises both tertiary and secondary sector economies. The tertiary sector dominates much of the economic activity followed by the secondary sector, which includes the manufacturing sector. The primary sector, which includes mining, agriculture, and related activities is the least contributing sector in terms of value added to the economic activity of Polokwane Municipality.

Polokwane is the logistics hub of the province boasting world class infrastructure catering for a number of national corporate and also providing freight interchange systems within the region given its proximity to the neighbouring countries of Botswana, Zimbabwe, Mozambique and Swaziland. Three of the four Spatial Development Initiatives pass through Polokwane, which underscore the City's strategic location and its importance with regard to the economy of the Province. Polokwane offers various educational institutions, colleges, Technikons and the University of Limpopo (Turloop Campus).

The city lies on 1312 m altitude and has a pleasant climate with temperatures averaging 27 degrees in summer and 20 degrees in winter. It only rains in summer (400 - 600 mm precipitation annually). The following have been identified as the most important strategic development potential of Polokwane Municipality:

- Availability of both industrial and commercial land
- Access to international airport
- Diverse farming base
- Land in CBD (Specifically for retail & professional services)
- Well developed Transport facilities (N1, SDI, Development Corridors & Industrial Development Zone)

- Massive Labour Force & Young population
- Various Academic institutions in the municipal area for skills development
- Proximity to SADC Community (to serve as a Regional Trading Hub).
- Access to minerals resource (Beneficiation)

In line with development potentials, the following are identified as development opportunities in Polokwane municipality:

- Government Precinct
- Airport Upgrading
- Regional Mall – Retail concentration
- Sports Complex
- Relocation of Legislature from Lebowakgomo to city of Polokwane
- Massive residential Developments
- International Convention Centre
- Concentration of Buying power
- Agglomeration effect
- Rising property values – increasing asset base
- Stable regulatory environment
- Safety and security
- Strategic location

Council and Administrative Overview

Polokwane Municipality is a Category B constituted by 76 councilors. 38 are elected Ward councilors and the rest represent political parties in their different proportional election lists. The Municipality has ten members of the Mayoral Committee appointed by the Executive Mayor and six fulltime councilors.

The Municipality has ten Portfolio committees. Each of the ten members of the Mayoral Committee chairs a Portfolio Committee and reports their activities to the Executive Mayor. The Executive Mayor reports to Council during Council meetings, which are open to the public. Polokwane Municipality holds its Council meetings quarterly on average. Mayoral Committee meetings are held fortnightly while Portfolio Committee meetings are held once a month. Council meetings are chaired by the Speaker.

The ruling party, the African National Congress, has an overwhelming majority in the Council. There are eight opposition parties in the Council, namely; Democratic Alliance (DA), Azanian People's Organization (AZAPO), United Democratic Movement (UDM), the African Christian Democratic Party (ACDP), United Independent Front, New Vision Party and Vryheidsfront Plus.

Representation of Political Parties in the Council:

| Name of Political Party | Number of Seats |
|------------------------------------|-----------------|
| African National Congress | 61 |
| Democratic Alliance | 09 |
| African Christian Democratic Party | 01 |
| Azanian People's Organization | 01 |
| Vryheidsfront Plus | 01 |
| Congress of the people. | 03 |
| Total: | 76 |

The administrative component of the municipality comprise seven (7) directorates, namely; Technical Services, Planning and Development, Community Services, Corporate Services, Chief Financial Officer, 2010 and office of the Municipal Manager. Each directorate is headed by a Director and consists of a number of strategic business units headed by Managers. All Directors report directly to the Municipal Manager, who reports to the Executive Mayor. Strategic Business Units Managers in the Office of Municipal Manager report directly to Municipal Manager.

The Municipal Manager presides over the Executive Management team, which comprised of all Directors and Managers in the Office of the Municipal Manager. The primary role of the Executive Management is to drive the strategy of the municipality, and to oversee integration and coordination of various programmes in the municipality. The executive Management is also responsible for the performance management of the organization. The table below provides detailed information about the municipality

Details of the Municipality, Mayoral Committee and Senior Managers

| | |
|-----------------------|--|
| Name of Municipality | Polokwane Municipality |
| Grade of Municipality | Grade 10 Local Authority |
| Postal Address: | P O Box 111 Polokwane 0700 |
| Physical Address: | Corner Landros Mare & Bodestein Street, Polokwane 0700 |

| | |
|---|--|
| Telephone Number: | (015) 290 2457 |
| Fax Number: | (015) 290 2255 |
| Auditors: | Office of the Auditor General |
| Bank: | Standard Bank |
| Bank Account Number: | 030172349 |
| Branch Code Number: | 052548 |
| Executive Mayor: | Cllr. Freddy Greaver |
| Municipal Manager | Mrs. F. L. Lamola |
| MAYORAL COMMITTEE AND THEIR PORTFOLIOS | |
| Cllr. Freddy Greaver | Executive Mayor |
| Cllr. C. Mathiba | Speaker |
| Cllr. O. Mashiane | Chief Whip |
| Cllr. M.J Ralefatane | Water and Sanitation |
| Cllr. L.E. Hardy | Waste and Environment. |
| Cllr. P.J Modikoa. | Electricity |
| Cllr. M.J. Kaka | Housing. |
| Cllr. M.E. Maleka. | Local Economic Development and Finance |
| Cllr. M.K.Teffo | Culture, Sport and Recreation |
| Cllr. M.M. Peta | Special Focus |
| Cllr. C. Molepo. | Spatial Planning and Development |
| Cllr. M.D. Madikoto | Roads and Stormwater |
| Cllr. T.J. Mogale | Community Safety |
| SENIOR MANAGERS | |
| Mr. C. Ledwaba | Chief Financial Officer |
| Mr. S. Mabotja | Director: Planning and Development |
| Mr. J. Manyama | Acting Director: Corporate Services |
| Mr. T. Muller | Acting Director: Technical Services |
| Mr. H. Lubbe | Director: Community Services |
| Mr. N. Ramakuela | 2010 Directorate |

Portfolio Committee Meetings for 2010/11 Financial Year

| Portfolio Committee | Annual Target | Number of Meetings Convened and Materialized |
|----------------------------------|---------------|--|
| Finance | 11 | 05 |
| Spatial Planning and Development | 11 | 06 |
| Water and Sanitation | 11 | 07 |
| Housing and Environment | 11 | 07 |
| Culture, Sport and Recreation | 11 | 06 |

| Portfolio Committee | Annual Target | Number of Meetings Convened and Materialized |
|--|---------------|--|
| Energy | 11 | 05 |
| Special Projects | 11 | 04 |
| Local Economic Development | 11 | 05 |
| Roads, Stormwater & Transport | 11 | 02 |
| Health, Safety & Emergency | 11 | 07 |
| Other Council Committees Meetings | | |
| Land Use Management | 12 | 10 |
| Audit Committee | 05 | 03 |
| Council Meetings | 04 | 07 |
| Mayoral Committee Meetings | 14 | 08 |

2. CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 Summary of the Overall Performance

The performance of Polokwane Municipality is measured against the scorecard with the rate of 1-5. The interpretation of the scorecard should be made against the table.

| 5 | 4 | 3 | 2 | 1 |
|---|--|--|--|---|
| 167% | 133-166 % | 100-132 % | 67-99% | 0-66% |
| Outstanding Performance | Performance Significantly Above Expectations | Fully Effective | Not Fully Effective | Unacceptable Performance |
| Performance far exceeds the standard | Performance is significantly higher than the standard | Performance fully meets the standards | Performance is below the standard | Performance does not meet the standard |

The overall annual performance of Polokwane municipality for the 2010/2011 financial year stood at 2, which means the municipality, was not fully effective. This is attributed by the lack of progress on the expenditure of capital budget that stood at 41% at the end of the financial year. There was no movement on the capital budget in the first half of the financial year as the municipality had a budget deficit of R484 000 000. The municipality sourced a loan to implement the capital projects.

The Technical Services directorate which is the key driver of services delivery achieved annual performance of 2.

The Community Service directorate performed poorly with the scorecard of 2 by the end of the financial year.

The Planning and Development achieved a 2 on performance score. The performance of the Directorate was similar throughout the financial year.

The 2010 directorate has been the best performer as it was able to achieve a 3 performance score.

The Corporate Services directorate achieved 2 on the scorecard.

2.1.1 Water is Life

During the 2010/ 2011 financial year, Polokwane municipality allocated a budget to provide basic water to the community. The focus was to provide reliable water at RDP standard (200m), pipeline reticulation and yard connection. For the financial year under review there was no change of the provision of the basic water to the communities. The number of households with access was at 112 109 000 against 130 361 households.

Polokwane is water scarce municipal area. Water efficiency is a priority for the municipality. With an estimated 37% water loss mainly due to old infrastructure the municipality only reduced the unaccounted water by only 1%. A number of issues continue to cause water losses, including, insufficient budget to upgrade the ageing infrastructure, meter inefficiencies, burst pipes, illegal connection and the fire hydrants in the old CBD that are not metered.

All water systems were tested on Blue Drop standards. The following is the depiction of the performance of the water systems according to DWAE rating:

| WATER SUPPLY SYSTEM | DWAE RATING |
|----------------------------|--------------------|
| Polokwane (City) | 95.05% |
| Seshego | 89.65 |
| Mankweng | 95.15% |
| Molepo RWS | 79.89% |
| Houtrivier RWS | 76.57% |
| Chuene - Maja RWS | 81.44% |

2.1.2 Sanitation is Dignity

There is a slow improvement in the provision of dignified and acceptable sanitation facilities to households. In the 2010/2011 financial year only 42% households had access to the service. The municipality regards the fact that the provision of the service is increasing at a limited extent to meet the national target of 2014 steps to find alternative funding sources should be looked at. Only 10% of households receive free basic sanitation municipal wide.

Wastewater treatment samples were taken with the aim of meeting the required effluent standard by DWAE. The set target for the financial year of 55% to achieve DWAE standards was achieved. **The continuous sampling of wastewater treatment plants enabled the municipality to achieve the following DWAE scores:**

| WASTE TREATMENT PLANT | DWAE RATING |
|-----------------------|-------------|
| Polokwane (City) | 69.7% |
| Mankweng | 62% |
| Seshego | 65.4% |

2.1.3 Energy to the People

The provision of electricity and non-grid energy to the communities remains a priority in the municipality. In the 2010/2011 financial year the municipality did not provide electricity to households due to financial challenges. However, there was provision of non-grid energy to 2503 and free basic electricity to 15056 in the Eskom licensed area and 6018 Polokwane license area respectively.

Polokwane Municipality undertook the energy efficiency programme in the 2010/2011 financial year. The programme targeted the reduction of electricity loss by 8% in Polokwane (city) and 10% Seshego. Both Polokwane (city) and Seshego did not achieve the set targets .By the end of the financial year there was an increase in electricity demand by 11.22% and 13.75% respectively for both Polokwane and Seshego. None achievement of the target is attributed to illegal connection of meters and inefficient metering that require the municipality to audit metering system and undertake community participation.

12500 MV light fittings were replaced with energy efficient fittings in municipal buildings during the financial year.

2.1.4 Adequate Houses

The provision of adequate houses to the communities improves the livelihoods of households that depend on the state for their housing needs. As a pilot project in Limpopo Province, the

Polokwane Municipality is required to comply with Level One and/or Two accreditation requirements to administer National Housing Programme at local government as outlined in the Accreditation Framework for Municipalities to Administer National Housing Programme: Managing the Incremental Delegation of Housing Functions to Local Government, March 2006. The municipality is accredited to level 1 to provide houses to the communities. Processes of accreditation to level 2 are at an advance stage and require the municipality to adopt the draft housing policy, operational manual and the business plan.

The management of social houses is bestowed with the municipal housing entity. The municipal entity (Polokwane Housing Association) manages 498 social houses stock. The sustainability of the entity remained a challenge during the financial year as only 61% rental revenue was collected compared to the annual target of 90%. Comparing the annual rand value to be collected of 13,826,000 against the collection of 2 51 7872,09 it draws a bleak picture of the sustainability of the entity.

Further than the above challenge the entity was faced with immense challenges as the approval of the reviewed of the lease agreements by the board was not achieved. The delayed approval of the lease agreement had an impact on the signing of the new agreements by the tenants and increasing revenue generated through rentals. Despite the usage of the old lease agreement, there was improvement of the occupancy of the units by 99% by the end of the financial year.

The appointment of new Board of Directors by the municipality in June will bring improvements in the management of the municipal housing entity. The Board will look in sustainable solutions of completing the remaining 508 housing stock and enable the entity to become sustainable.

| Housing entity Board of Directors |
|---|
| <ul style="list-style-type: none">• Mr TM Makofane• Ms NA Baloyi• Ms L Fosu• Ms PN Bosch• Mr TC Maake• Mr SP Myeza |

2.1.5 Roads and Storm water

The municipality tarred 10.1km during the financial year with the aim of improving accessibility of services by the communities. The main focus was the tarring of arterial, upgrading of roads

within the CBD and grading of access roads. The tarring and upgrading of roads is based on the road priority list developed by the municipality. Plans are in place to develop the master plan.

2.1.6 Clean environment

Waste management and environmental management are some of the key thrust that promote sustainable development. Provision of waste removal services is found mainly in the City, Seshego, Mankweng and Sebayeng areas which are mainly urban areas. There is lack of waste removal in rural areas which is a concern to the Municipality. Currently the municipality has only one licensed landfill site with three transfer stations. Informal recycling of waste is minimal at Vergelegen landfill site and it is only done at the scale of 10% of the total waste removed.

Waste Management Achievements

- Acquired 300 (240L bins) Stadium bins
- 1000 pole bins.
- 20 6m³ skip bins.
- 600 pavement bins.
- Created 500 jobs (Temporaries)
- Completed Mankweng transfer station.
- Appointed 1 Senior Superintendent.

Environmental management involves protecting the resources that maintain the quality of life, and using them wisely to maximise opportunities for sustainable growth and development. In the 2010/2011 financial year the municipality planned to adopt the state of the environment report, framework, bylaw and policy. This was planned to achieve the development of the integrated tools to manage the environment. For the year under review only the draft state of the environment was developed. The report still awaits the adoption by council to proceed with other environmental management tools.

2.1.7 Response to emergencies and disasters

During the 2010/2011 financial year, Polokwane emergency services responded to 180 incidents of fire ,61 rescue calls , 15 special services and 175 patients .The response to the emergencies is mostly limited to the City, Seshego and Mankweng clusters where the municipality has disaster and emergency centre's. Other clusters such as Chuene/Maja and Moletjie do not have the facilities. The response to these areas is mostly delayed as distance and accessibility is a challenge.

The municipal disaster management advisory committee advice on technical disaster management issues. The committee convened 4 forums during the financial year. Awareness campaigns were conducted whereby 21 schools were visited, (17 -Polokwane Show, 10 -traditional authority offices).

32 private sector evacuation drills were conducted, 08 government building had complied emergency plan as presented and 212 incidents responded to and victims assessed. 29 foreign nationals were provided with blankets and Red Cross provided food for them during incidents related to xenophobic attacks.

Performance during Financial Years against Municipal Backlog

| Service Delivery | Municipal Backlog as at 2008/09 FY | Performance During 2005/06 FY | Performance During 2006/07 FY | Performance During 2007/08 FY | Performance During 2008/09 FY | Performance During 2009/10 FY | Performance During 2010/11 FY | Municipal Backlog as at 2010/11 FY |
|----------------------|------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|
| Water | 23 465 | 4 601 | 5 945 | 8 700 | 10 812 | 5 213 | 0 | 18 252 |
| Sanitation | 39 871 | 1 782 | 2 130 | 2 873 | 6 628 | 1 418 | 2470 | 35 983 |
| Electricity | 19 933 | 107 194 | 3 599 | 6 100 | 4 577 | 6 686 | 0 | 20 000 |
| Roads and Stormwater | 3 608 km | | | | | 11.3 km (tarred) | 10.1km (tarred) | 3 597 km |

2.1.8 Investment Promotion & Tourism Attraction and job creation

Polokwane municipality has a Local and Economic Development office consisting of 3 sub components, Investment promotions & Tourism, Enterprise development & Trade and Economic Planning & Research to deal with issues of economy within the city.

The municipality managed to create 200 direct jobs through LED initiatives and 1 589 jobs through the EPWP programme and capital projects.

During the financial year under review a number of MoU (Memorandum of Understanding) with other cities were entered into with the aim of increasing investments and tourism in the municipality. Two MoU with the City of Jilim in China and Reggio Emilia in Italy were signed.

The Visitor and Information Center received an influx of 4 562 people to enquire about investment and tourism opportunities.

2.1.9 Enterprise Development & Trade

The Itsoseng Entrepreneurial Centre found in the city incubates SMME's and hawkers to link them to markets through exhibitions and trainings in partnership with other agencies. The SMME programme is also found in all the clusters of the municipality.

- **5 SMME's trained to participate at Indaba:**

5 SMME's who attended our training on marketing, were part of the SMME's from Limpopo who went through to exhibit at the Tourism Indaba. We linked them with Tourism Enterprise Partnership that paid 50% of the costs of exhibiting and lodging during the Exhibition. The benefits after the exhibition has been that they were able to sell their products to Tour operators who tend to organize tours and make use of their facilities

- **Hosted 2 exhibitions to link SMMEs with the markets**

The LED unit through enterprise development sub-section co-ordinates exhibitions within the Municipality on a quarterly basis, with an intention of providing SMMEs and Cooperatives with an opportunity to market their products and businesses. Participation of these SMMEs in local and provincial exhibition proved to be beneficial in a sense that entrepreneurs are able to generate revenue and expand their markets, and thus ensuring sustainability of the businesses.

- **2 trainings on costing and pricing, and micro lending held to capacitate SMME's.**

Two trainings were conducted in partnership with Bank Seta and Libsa, i.e. Micro finance lending and costing and Pricing. The trainings are provided to capacitate entrepreneurs in better managing their businesses.

- **Facilitated participation of cooperatives in 3 exhibitions (1 x Air show and 2 x local exhibitions)**

Participation of cooperatives in exhibitions enables them to grow their businesses through revenue that is generated from the sales at those exhibitions. Exhibitions also expand their businesses through networking with other entrepreneurs that are in the same industry.

2.1.10 Promoting the Local Economy: Supply chain management

Through the SCM policy, the municipality managed to award 76.8% of tenders to the local community. Services were awarded to HDI, Women, Youth, Disabled and Locality:

| HDI's | Women | Youth | Disabled | Locality |
|--------|--------|--------|----------|----------|
| 73.64% | 49.66% | 27.46% | 0.49% | 76.8% |

2.1.11 Land use and Building Inspection

Spatial Planning, Land Use Management and Housing

| Category | Number of applications Received 2010/11 | Number of Applications approved 2010/11 | Applications Outstanding by the end of 2010/11 |
|---|--|---|--|
| Rezoning | 62 | 12 | 50 |
| Clause 22 | 92 | 55 | 37 |
| Clause 21 | 39 | 3 | 36 |
| Consolidations | 21 | 13 | 8 |
| Subdivisions | 22 | 5 | 17 |
| Township establishment | 09 | 2 | 7 |
| Regulation 38 | 10 | 09 | 01 |
| Purchase of land | 0 | 0 | 0 |
| Building Plans | 1786 | 1554 | 232 |
| Demolition certificate | 09 | 07 | - |
| Occupational certificate (Low cost housing) | 885 | 645 | - |
| Sale of Land | 09 | | |
| Building inspections conducted | <ul style="list-style-type: none"> • Middle and High Income=2190 • Low Cost inspections Conducted=2081 | | |
| Notices issued | 360 | | |
| UDZ reports submitted | 02 | | |

2.1.12 Transport

Polokwane municipality aims to build a reliable, safe and cost-effective transport network that will offer all the comfort and efficiency of travelling and promoting the use of public transport and to improve traffic flow.

In making the Polokwane municipality transport easier and efficient to use, the municipality is in the process of reviewing the Integrated Transport Plan. The process is unfolding in stages where in the 2010-11 financial year a budget was put aside to review the plan, Business and Financial Plan for the IRT, Bus Rapid Transit BRT and Intelligent Transport System.

2.1.13 Financial Management and Viability

The municipality has maintained a 95% payment rate from service charges and rates and taxes billed. The municipality also maintained a 30% ration of personnel cost to total operational expenditure. All operational grants were utilized fully.

During the year under review the cash flow position was improved mainly due to cash inflow from the long term loan. The municipality was able to resume paying creditors within 30 days of receipt of invoices due to improved cash flow position

There was steadily improvement on payment of all creditors within 30 days of receipt of invoice or payment certificate after Council acquired a loan from the DBSA.

Not only did the budget deficit affect the payment of service providers, it tremendously had an impact on the provision of services to the communities. During the financial year only 47% of the capital budget was spent to implement programme and projects of the municipality. The expenditure on MIG allocation stood at 22% by the end of the financial year.

1.1.1 Performance management system

The municipality has been operating for number of years without the performance management framework. During the 2010/2011 financial year performance management status quo report and performance management framework was developed and approved Council. The framework is divided into three sections which are theoretical perspective on performance management, performance management organizational arrangement and performance management procedural manual. The Municipal Manager and Directors signed performance agreement in terms of section 57 of Municipal Finance Management Act.

1.1.2 Internal Audit & Risk Management

Polokwane municipality has both the internal audit and risk management units which are independent and placed in the office of the Municipal Manager. The units promote the strategic focus area of good governance and regulatory reform within the institution. The internal audit unit works hand in hand with the Audit Committee approved by council in giving independent and objective services, to improving the municipality operations.

During the 1st half of the 2010-2011 there was no audit committee in place, the committee was established in the third quarter of the financial year. The committee convened 2 seating's in the financial year whereby the managed to receive the 4 quarterly risk based audits and 4 quarterly performance reports.

1.1.3 Communication & Public Participation

Public participation is a process led mostly by the Executive Mayor together with Councilors and supported administratively by officials. The Integrated Development Plan (IDP) is one such process which basically maps out the city's achievements and challenges as well as future development based on business and community needs in relation to service delivery and economic development. A schedule of stakeholder meetings is developed to indicate the dates, venues and times for the various meetings held in all the Clusters of the Municipality and two rounds of such meetings are held annually. Other public participation processes include the sharing of information with the general public or targeted stakeholders on a number of issues, by-laws, polices etc which are held as and when required to inform the general public.

The Impact of Ward Committee meetings

Ward Committees are made up of elected members of a particular ward, and therefore during Ward Committee Meetings, the committees raise issues of concern about the local ward to the ward Councilor. The Committees also have a say in decisions, planning and projects that the Council or Municipality undertakes which have an impact on the ward. The Ward Councilor is the Chairperson of the Ward Committee and as such is an essential member of the committee. The Municipality has arranged to hold bi-monthly meetings in all the wards. The purpose is to discuss and share information about matters that are affecting that particular ward. The discussions are recorded in a form, of minutes and the important issues or challenges raised are then referred to Council for intervention

The target for Bashomi.

The target of Bashomi, the Internal Newsletter, is all the internal stakeholders of the municipality such as the staff or all the municipal employees, Councilors, Ward Committees and the traditional leaders. The other publication titled Polokwane News is the official External Newsletter of the municipality which target the external stakeholders such as members of the public, sector departments, other external stakeholders such as organized labour, business, transport, NGO's and CBO's and all other interested parties. A distribution list has been developed for both internal and external stakeholders. The internal and external stakeholders receive 1 000 and 3 000 copies respectively each quarter.

The impact of Bashomi

Municipal publications, Bashomi and Polokwane News, have a huge impact as they play a critical role of disseminating information to all the targeted stakeholders on issues of service delivery as well as informing the public about the programmes, activities and events of the Municipality. The Publications are distributed once a Quarter but the Unit has also introduced an electronic version of the internal newsletter that is available from time to time through emails.

The impact of issuing media statements

Media Statements serve as a pro-active way of communicating messages to the general public. Media statements are compiled and send out to all media institutions, both print and electronic

to inform the general public about issues of service delivery that have an impact on their lives. The municipality uses the media to inform the public about what is happening at the institutions, what is being done to improve their conditions of living, either by implementing or introducing new projects in their areas or simply informing them about any other important information about the municipality. Knowledge is power and in order to empower our communities, the municipality issues media statements to make this information available to them through the mass media.



1.2 CITY SCORECARD: PERFORMANCE AGAINST TARGETS

1.2.1 KPA 1: Basic Services and Infrastructure Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|---|------------------------|---|----------------|---|--|--|
| Basic Services and Infrastructure Development | Water - General | % water unaccounted for - city wide | 17% | 1 % reduction of unaccounted water - city wide | Dilapidated water systems | Replace worn out water system |
| | | % registered indigents receiving free basic water - Olifant's Sand Transfer Scheme | 100% | 100% (6445) | N/A | N/A |
| | | % households with access to basic level of water - all schemes except Olifant's Sands Transfer Scheme | 100% | None (0%) Advertised and appointed providers service | Late appointment of contractors | implementation of the projects by end of March |
| | Sanitation | % households with access to basic level of sanitation | 45% | 42% | Financial constraints | Allocate funding |
| | | % indigent households with access to free basic sanitation | 10% | 10% (6445) | N/A | N/A |
| | Energy | % electricity loss Polokwane | 8% | 11,22% | Limited meter audit of meters and inaccurate reading of meters | Audit meters and meter readers to read more accurately |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|----------------------------|----------------|------------------|--|--|
| | | % electricity loss Seshego | 10% | 13,75% | Limited meter audit of meters and inaccurate reading of meters | Audit meters and meter readers to read more accurately |

1.2.2 KPA 2: Local Economic Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|----------------------------|----------------------------|--|----------------|--|------------------------------------|------------------------------------|
| Local Economic Development | Local Economic Development | # jobs created through EPWP initiatives including capital projects | 2472 | 1257 jobs created through EPWP initiatives including | Delayed implementation of projects | Implement projects and create jobs |

1.2.3 KPA 3: Financial Viability

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|---------------------|------------------------|--|----------------|------------------|------------|---------------------|
| Financial Viability | Financial Management | Final Budget adopted by Council by 31 May | 100% | 100% | | |
| | | Adjustment budget adopted by Council by end February | 100% | 100% | | |
| | | % personnel costs (R-value personnel | 33% | 30.0% | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|--|----------------|------------------|--|---|
| | | costs / R-value operating expenses (excl Salaries of councilors)) | | | | |
| | | % Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure) | 200% | 181.0% | | |
| | | % Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year) | 9700% | 9700% | | |
| | | % Capital budget actually spent on capital projects identified for financial year i.t.o. IDP (proportion of capital budget actually spent on | 100% | 47.0% | Delayed implementation of capital projects | Implement projects and improve capital budget expenditure |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|------------------|---|------------------------------------|
| | | tangibles) | | | | |
| | | % revenue shortfalls | 8% | 3.0% | | |
| | | % outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services) - over 120 days | 12% | 57.0% | Delayed appointment of more debt collectors | Appoint additional debt collectors |
| | | # of MFMA S52 reports submitted to Council (quarterly SDBIP report) | 4 | 4 | | |

1.2.4 KPA 4: Municipal Transformation and Organisational Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|---|-----------------------------|---|----------------|--|------------|---------------------|
| Municipal Transformation and Organizational Development | Human resources development | % of first 3 level employee voluntary turnover rate (exclude death, pension and dismissals) | 20% | 0.6% or 4 of 76 employees terminated contracts | | |
| | | # people from employment | 54 | 4 Employed as per equity plan, | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|---------------------------------|--|----------------|---|---|--|
| | | equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan | | that is designated people at top management employed | | |
| | | % of S56 positions vacant for more than 3 months | 50% | All S56 position filled | | |
| | | % municipality's budget actually spent on implementing its workplace skills plan | 2% | 2 % municipality's budget actually spent on implementing its workplace skills plan | | |
| | Human resources development | % Senior Managers and key positions that meet the required occupational competencies as per the MFMA | 60% | 50% or 31 of 62 Key Staff including finance attending minimum MFMA competency courses | Delayed approval of report to source service provider | Obtain approval of the report and appoint service provider following the SCM policy. |
| | Integrated development planning | Credible IDP document adopted by Council by 31 May | 100% | the IDP document has been adopted by council | | |
| | SDBIP | Final SDBIP approved by the Executive Mayor | 100% | Final SDBIP approved by the Executive Mayor | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|--|-----------------------------|---|------------|---------------------|
| | | 28 days after adoption of budget | | 28 days after adoption of budget | | |
| | OPMS | # quarterly performance reports tabled to Council | 4 | 4 quarterly performance reports tabled to Council | | |
| | | Mid Year performance report tabled to Council by end January | Not applicable this quarter | The mid-year performance report was submitted to council by January | | |

1.2.5 KPA 5: Good Governance and Public Participation

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|--|------------------------|---|----------------|---|----------------------|---|
| Good Governance and Public Participation | Governance | % Council resolutions implemented within timeframes | 70% | 70% | | |
| | | Average % of AG qualifications raised resolved | 100% | 50 % of AG qualifications raised resolved | Financial constraint | Allocate budget to resolve outstanding issues |

1.3 LOWER SDBIP: PERFORMANCE AGAINST TARGETS

1.3.1 KPA: Basic Services and Infrastructure Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|---|---------------------------------|---|---|--|------------------------------------|--|
| Basic Services and Infrastructure Development | Water - General | # of new reservoirs constructed during financial year - city wide | 13 | None | financial constraints | Allocate funds and complete implementation of projects by end of March |
| | | Water By-laws promulgated | 100% | 100% | N/A | N/A |
| | Olifant's Sands transfer scheme | % households with access to basic level of water - per scheme | 100% | 99% | Poor performance of the contractor | Terminate the contract |
| | | Meeting blue drop water quality standard | 100% | 95.15% achieved blue drop for the City (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | | Molepo RWS | % households with access to basic level of water - per scheme | 90% | Appointment of contractor | financial constraints |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|---------------------------|---|--|
| | | Meeting blue drop water quality standard | 100% | 79.89 | Operational and Structural requirement | Meet the requirements on operations and structures. |
| | Moletjie East RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget & Complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 76.57% | not all DWA requirements met | Improve as per DWA requirement. |
| | Moletjie North RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 76.57% | not all DWA requirements met | Improve as per DWA requirements. |
| | | Meeting blue drop water quality standard | 100% | 76.57% | not all DWA requirements met | Improve as per DWA requirement. |
| | Houtriver RWS | % households with access to basic level of water - per scheme | 80% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | Blue drop 76.57% | Operational and Structural requirements | Meet all DWA requirements on operations and structures. |
| | Chuene - Maja | % households | 100% | Appointment of | financial | Allocate budget |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|--|---|--|
| | RWS | with access to basic level of water - per scheme | | contractor | constraints | and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | Blue drop 81.44% | Operational and Structural requirements | Meet the DWA requirements on operations and structures. |
| | Mothapo RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 95.15% Blue drop (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | Laastehoop RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 95.15% Blue drop (In terms of DWA standards to achieve blue drop municipality | N/A | N/A |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|--|-----------------------|--|
| | | | | must achieve 95% or above) | | |
| | Mankweng RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 95.15%(In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | Boyne RWS | % households with access to basic level of water - per scheme | 90% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 95.15% Blue drop (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | Segwasi RWS | % households with access to basic level of water - per scheme | 100% | 100%(all households have access to RDP standard water. During | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|--|-----------------------|--|
| | | | | the 2010/2011 financial year there were no projects implemented) | | |
| | | Meeting blue drop water quality standard | 100% | 95.15% Blue drop (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | Badimong RWS | % households with access to basic level of water - per scheme | 100% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue drop water quality standard | 100% | 95.15%Blue drop (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | N/A | N/A |
| | Sebayeng - Dikgale RWS | % households with access to basic level of water - per scheme | 85% | Appointment of contractor | financial constraints | Allocate budget and complete implementation of projects by end of March. |
| | | Meeting blue | 100% | 95.15% Blue | N/A | N/A |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|--|----------------|--|--------------------------------------|--|
| | | drop water quality standard | | drop (In terms of DWA standards to achieve blue drop municipality must achieve 95% or above) | | |
| | Sanitation | Meeting green drop water quality standard | 50% | 67.2 %Green drop | Not all DWAE requirements met | Improve on meeting all DWAE requirements |
| | | % of waste water treatment samples which meet the required effluent standard | 55% | 49.4% | Ageing infrastructure | Plants to be refurbished in phases |
| | | Audit on the wastewater purification process conducted yearly | 100% | 100% | N/A | N/A |
| | Energy | # rural households electrified | 2318 | 0 | Late appointment of service provider | Electrify households by end of March |
| | | # registered indigents in Eskom licensed area receiving free basic electricity | 12000 | 15056(Eskom data base)6018 (Polokwane license area) | N/A | N/A |
| | | # household provided with free solar panels in non grid areas | 3000 | installed 2478 solar panels | households prefer grid energy | Educate community about alternative energy |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|--------------------------|--|----------------|----------------------------------|--|---|
| | Roads and Storm Water | # km streets tarred | 6.52 | 11.15KM | | |
| | | Roads Master Plan developed and approved | 100% | None(0) | financial constraints | Allocate funding and develop the plan in the 12/13 Financial year |
| | Municipal Buildings | # new buildings completed | 9 | 6 | Late appointment of service providers | Fast track the implementation of the project by the end of march |
| | | % scheduled maintenance plan developed by June | 100% | completed valuation of buildings | limited capacity | Appoint service provider and completed maintenance plan by the end of march |
| | Green Goals | # MV light fittings replaced with energy efficient fittings | 9230 | 12 613 | delayed measurement and verification by external assurer | Finalise measurement and verification by mid December |
| | Waste Management | Waste by-laws reviewed and adopted | 100% | 98% | Alignment of the draft bylaw with the new waste Act and waste recycling guidelines | Council adopt by-law |
| | Environmental Management | State of Environment report developed and adopted by Council | 100% | 99% | Draft state of the environment plan adopted | Adoption of the state of the environment by end of September |
| | | Environmental Management | 100% | 0% | Awaiting the adoption of the | Adopt the state of the environment |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|--|----------------|------------------|--|--|
| | | Plan developed and adopted by Council | | | state of the environment report | report by end of September |
| | | Environmental Framework developed and adopted by Council | 100% | 0% | Awaiting the adoption of the state of the environment report | Adopt the state of the environment report by end of September and develop the environmental framework |
| | | Environmental by-laws developed and adopted by Council | 100% | 0% | Awaiting the adoption of the state of the environment report | Adopt the state of the environment report by end of September and Develop, gazette and adopt the environmental bylaw |
| | | Environmental management policy developed and adopted by Council | 100% | 0% | Awaiting the adoption of the state of the environment report | Adopt the state of the environment report by end of September and Develop environmental management policy |
| | | # ambient air quality tests that met set standards / # ambient air quality standard tests conducted as % | 100% | 100% (447) | n/a | |
| | | Green Goal | 100% | 99% | delayed | Adoption of the |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|-----------------------------|--|----------------|---|--|--|
| | | charter developed and adopted by Council | | | finalization of the charter | green goal charter by end of December |
| | Community Health | # community health tests that met set standards / # community health standard tests conducted as % | 90% | 90% (1878) | n/a | n/a |
| | Green Goals | % waste collected that is recycled | 14% | 10% | Informal recycling taking place at the landfill site | Formalize recycling at the landfill site |
| | | # clivicola plants in area | 367 | 367 | Draft report developed | Submit the report in the 2012/2013 fin year |
| | | Report on outsourcing of Game reserve adopted by Council | 100% | 99% | Draft Game reserve report developed | Submit the Game reserve report to Council by end of December |
| | | # green goal reports submitted to Council | 4 | 0 | Draft green goal report developed | Submit the green goal report to Council by end of March |
| | Fire and Emergency Services | % reported fire incidences within municipal area of jurisdiction arrived at within 15 minutes of reporting | 100% | 100% (180 fire incidents reported and attended to). | n/a | n/a |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|--|---|---|
| | | % emergency incidents within municipal area of jurisdiction arrived at within 15 minutes from dispatch | 100% | 100% (61 rescue calls and 15 special services received and responded to all. 175 patients in total). | n/a | n/a |
| | Social housing | R-value revenue from rental housing | 13,826,000 | 2 51 7872,09 | rental reversal had impact on revenue from rental | Collect rent to tenants in accordance with new rates |
| | | R-value revenue from rental housing paid over to NHFC to service loan / R-value revenue from rental housing received as % | 6.4% | R 600000.00 paid over to N.H.F.C for entire year | rental reversal had impact on repayment to NHFC | Collect revenue from tenants and repay the repay N.H.F.C loan |
| | | Loan for additional housing units secured | 100% | 0 | no additional loan was secured | No additional loan was sought as the was no additional housing required |
| | | % occupation of rental units | 98.5% | 99% | | |
| | | % rental revenue collection rate | 90% | 61% | Rental dispute resulted in tenants being on credit with rent. | Increase the collection rate |
| | | Maintenance plan with standards developed and | 100% | 0 | No standard plan approved | 5 year Planned maintenance to be developed in 2011 |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------------|---|----------------|------------------|--|---|
| | | approved by Board | | | | /12 Financial year |
| | | Lease agreement reviewed and approved by Board | 100% | 0 | No board in place | The board has been appointed |
| | | % tenants that signed new / reviewed lease agreements | 100% | 0 | Lease signed to date are based on the old lease for new lettings | develop new lease agreements to be signed by tenants |
| | | Access control to rental units functional | 100% | 90% | Tenants not happy with the existing security company and the finger system installed | Engage tenants and secure new alternative security system |
| | Housing and building control | Housing policy developed and adopted by Council | 100% | 70% | draft policy in place | undertake community participation and Council adopt the policy by end of December |

1.3.2 KPA: Local Economic Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|----------------------------|--|--|----------------|------------------|---|---|
| Local Economic Development | Spatial Planning and Land Use Management | Densification for urban areas Policy developed and adopted by Council | 100% | 30% | Delayed appointment of the service provider | Re-advertise in the new financial year and develop policy |
| | | Densification for agricultural farms Policy developed and adopted by Council | 100% | 30% | Delayed appointment of the service provider | re-advertised in the new financial year |
| | Integrated transport planning | Integrated Transport Plan developed and adopted by Council | 100% | 30% | Delayed appointment of the service provider | appointment of service provider and develop ITP |
| | | Financial and business plan for IRT developed and adopted by Council | 100% | 30% | Delayed appointment of the service provider | appointment of service provider |
| | Local Economic Development | # jobs created through municipality's LED initiatives | 150 | 200 | | |
| | | # strategic investment partnerships established with other municipalities and cities | 2 | 4 | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|---|----------------|------------------|------------|---------------------|
| | | Study report on the performance of the local economy and investment trends conducted and submitted to Council | 100% | 100% | | |

1.3.3 KPA: Financial viability

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|---------------------|------------------------|---|----------------|------------------|----------------------|--------------------------------------|
| Financial viability | Financial management | Draft budget tabled to Council by 31 March | 100% | 100% | | |
| | | % operating budget variance per department YTD | 10% | 4% | | |
| | | % creditors paid within 30 days of receipt of invoices / payment certificates | 100% | 100% | | |
| | | % statutory payments made within timeframes | 100% | 100% | | |
| | | % MSIG allocated utilized | 100% | 100% | | |
| | | % MIG utilization | 100% | 22% | cash flow challenges | spent all the allocation as budgeted |
| | | % payment rate | 95% | 95% | | |

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|------------------------|--|----------------|------------------|--|--|
| | | (R-value collection from billings / R-value billed as %) | | | | |
| | | % outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services) - under 120 days | 6% | 42% | inability to collect debt as debt collectors have not been appointed | Appoint additional debt collectors by end of September |
| | | Preparation and submission of the annual financial statements to AG by end August | 100% | 100% | | |
| | | # Monthly Municipal Entity reports submitted to Council | 12 | 0 | No board in place | Board appointed |
| | | # Quarterly Municipal Entity reports submitted to Council | 4 | 0 | No board in place | Board appointed |
| | | # Mid-term Municipal Entity reports submitted to Council | 2 | 0 | No board in place | Board appointed |
| | | # Annual Municipal Entity reports adopted Council | 1 | 0 | No board in place | Board appointed |

1.3.4 KPA: Municipal Transformation and Institutional Development

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|-----------------------------|--|----------------|---|---|--|
| | Human resources development | Percentage of funded posts in organogram that were filled as at 30 June of FY | 70% | 70% | | |
| | | Organization structure reviewed and adopted by Council | 100% | none | Budget constraints | Develop organogram in-house by end of September |
| | Human resources development | WACCA process finalized and organogram based on occupied positions and budgeted positions approved | 100% | none | Awaiting for SALGBC finalise the wage curve project | Implement once the bargaining has been completed |
| | | % job descriptions developed for new positions | 100% | 100% | | |
| | | Workplace skills plan developed and submitted on time | 100% | 100%. Workplace skills plan developed and submitted on time | | |

1.3.5 KPA: Good Governance and Public Participation

| KPA | Programme / Focus Area | Performance Indicators | 2010-11 Target | 2010-2011 Actual | Challenges | Mitigating measures |
|-----|-----------------------------------|--------------------------------------|----------------|------------------|------------|---------------------|
| | Information systems and solutions | Draft ICT Governance Model developed | 100% | 100% | | |

2.3.1 Performance of Service Providers

LEGEND

1 = Failure

2 = Very little success

3 = Limited Success

4 = Successful

5 = Very Successful

N/A = Service provider just appointed or project done internal

| Type of service providers | Number of service providers | Performance of service providers | | | | |
|---------------------------|-----------------------------|----------------------------------|---------------------|-----------------|------------|-----------------|
| | | Failure | Very little success | Limited Success | Successful | Very Successful |
| Engineers | 154 | 0 | 6 | 55 | 76 | 17 |
| Contractors | 188 | 6 | 6 | 45 | 71 | 60 |

3 CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANIZATIONAL MANAGEMENT

The chapter requires of the municipality to report on the following organizational matters namely:

- Organizational structure
- Skills development
- Staffing Information

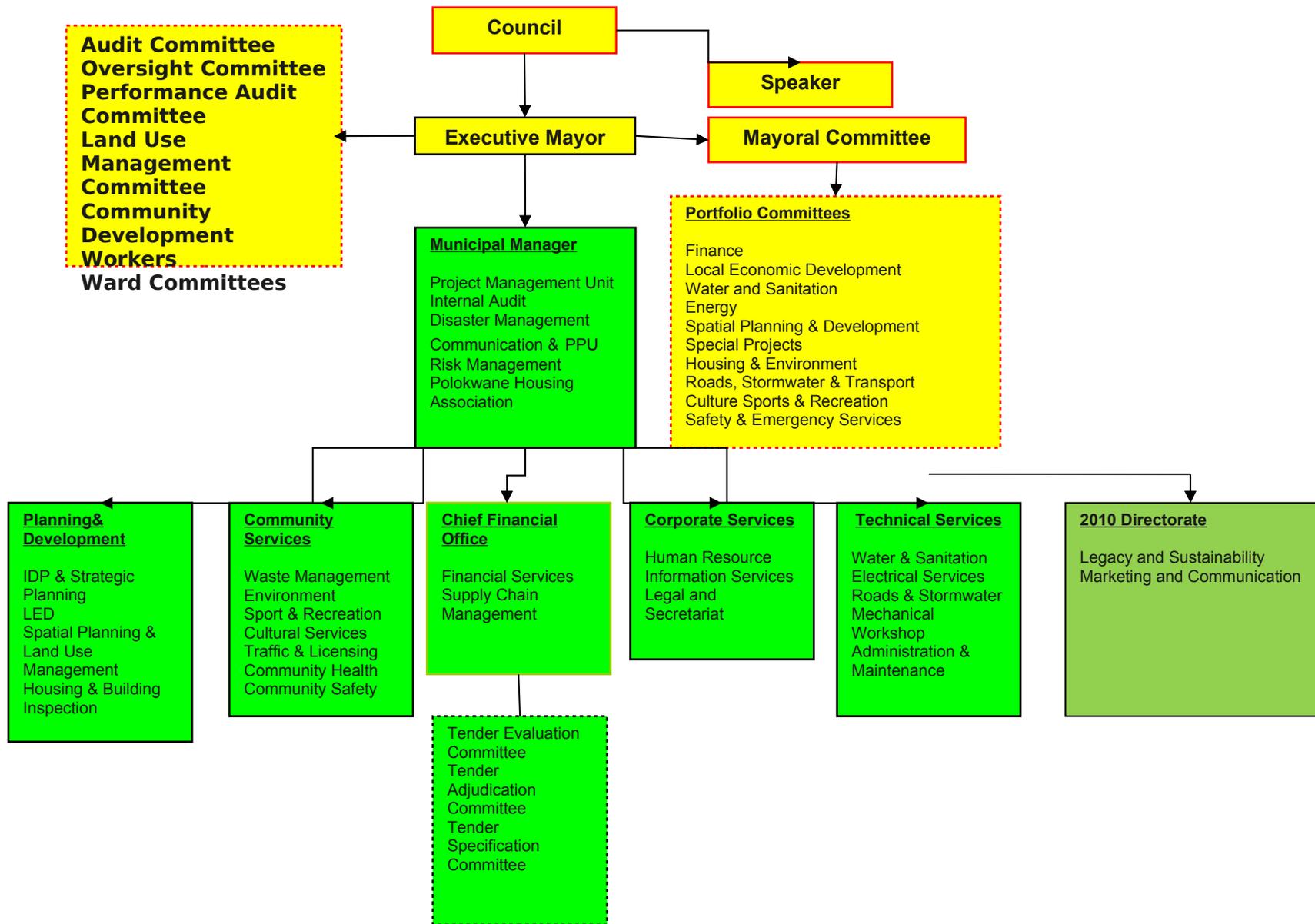
3.3 Organizational Structure

Section 51 of the Municipality System Act 32 of 2000 stipulates that a municipality must establish and organize its administration in a manner that will enable it to:

- ❖ Be performance-oriented and focused on the objectives of local government.
- ❖ Perform its functions:
 - Through operationally effective and appropriate administrative units and mechanism and /or
 - When necessary on a decentralized basis; and
 - Maximize efficiency of communication and decision-making within the administration.
 - Be responsive to the needs of the Local Communities;
 - Facilitate a culture of public service and accountability amongst its staff, and
 - Be performance-orientated and focused on the objects of local government as set out in Section 152 of the Constitution and its developmental duties as required by Section 153 of the Constitution.

During 2008/09 financial year the municipality embarked on a process to review the organogram. The process is complete and the results clearly show that there is a need to re-configure the different strategic business units to meet the current challenges. In implementing the results an analysis process has been embarked upon (2011/12) to evaluate current organizational service delivery obligations and adjust the organogram accordingly to suit the situation. The organogram will be costed and presented to Council for adoption and implementation.

Organizational Structure



The Office of the Executive Mayor has been added to the current structure.

Section 51(c) of the Systems Act 32 of 2000 refers to a performance orientated and focused municipality on the objects of local government. In responding to the provision of the Act a performance framework has been finalized and adopted by council in 2011. The framework sets out parameters for a fully fledged Performance Management System which will be implemented over a three year period.

3.4 Skills Development

The Municipality has paid R 2.6m to SETA in the skills levy for the financial year 2010/11. We have submitted the Workplace Skills Plan in order to access Grants.

The Municipality has a bursary scheme for its employees as well as students within the jurisdiction of the municipality; this is being used to support skills development programmes and academic programmes for external students. Currently there are 15 employees who are the recipients of this bursary. 6 bursary holders are external and active and enrolled with institutions of higher learning.

Management development programmes were introduced in order to make sure that those middle managers and supervisors are competent. We currently have 31 employees from finance ranging from Top Management, Middle Management as well as accountants going through Municipal Finance Management Certificate Course. It is a requirement of the National Treasury to take everybody in Finance as well as Management through the Competency program before 2013.

Councilor training forms part of the overall skills development strategy and the municipality has introduced programs for councilors to enhance their skills, in particular leadership. 11 Councilors have gone through Executive Leadership Management Program.

The Municipality has an ABET programs for employees at occupational levels. We currently have 132 employees going through the program.

The table below indicates how the Skills Development Programme is being implemented in the municipality.

Table below indicates the Skills Development priorities as planned:

| | Type of training | Skills priority | Number trained |
|----------------------------------|---------------------------------|-----------------|-------------------------------------|
| Employees | ABET | 1 | 132 |
| | CPMD/MFMA | 2 | 31 |
| | Trade tests, Artisans) | 3 | 64 |
| | Road work | 3 | 52 |
| | Legislation | 4 | 236 |
| | Occupational Health and Safety | 5 | 37 |
| | EDTP(Assessor training) | 6 | 12 |
| Councillor | ELMDP | 7 | 11 |
| Employees | Project management | 8 | 12 |
| Learnership | | 9 | 3 |
| | Life skills | 10 | 0 |
| | Computer Literacy | 11 | 760 |
| Councillors and employees | Management / Leadership (ELMDP) | 12 | 15 (11 Councillors and 4 officials) |
| | Corporate, Legal and Support | 13 | 18- law enforcement |
| employees | Client Services | 14 | 50 |
| Administration | | 15 | 0 |

Table below shows the number of staff per function expressed as total positions and current vacancies (as at the end of June 2011)

| Positions (end June 2011) | | | |
|--|--------------|---------------|---------------|
| Placement: Vacancies & Field Position | Total | Vacant | Filled |
| Total: Office of the Municipal Manager | 71 | 35 | 36 |
| TOTAL: Dir Technical Services | 494 | 59 | 435 |
| TOTAL: Community Services | 852 | 122 | 731 |
| TOTAL: Dir Corporate Services | 89 | 23 | 66 |
| TOTAL: Dir Planning & Development | 76 | 19 | 57 |
| TOTAL: Office of the Chief Financial Officer | 119 | 11 | 108 |
| TOTAL: Polokwane Municipality | 1701 | 269 | 1433 |
| TOTAL: Office of the Exec Mayor | 82 | 0 | 82 |

| Levels (end June 2011) | | | |
|--|--------------|-------------|--------------|
| Placement: Vacancies & Filled Positions | Total | 0-15 | 16-20 |
| TOTAL: Office of the Municipal Manager | 71 | 60 | 11 |
| TOTAL: Dir Technical Services | 494 | 168 | 326 |
| TOTAL: Community Services | 852 | 396 | 456 |
| TOTAL: Dir Corporate Services | 89 | 82 | 7 |
| TOTAL: Dir Planning & Development | 76 | 74 | 2 |
| TOTAL: Office of the Chief Financial Officer | 119 | 90 | 29 |
| TOTAL: Polokwane Municipality | 1701 | 890 | 831 |
| | | | |
| TOTAL: Office of the Exec Mayor | 82 | 82 | 0 |

3.5 Medical Aids

The Municipality currently has five accredited medical aids, namely;

- Munimed/Key Health,
- Bonitas,
- LA Health,
- Samwu Med & Global Health,
- Hosmed.

In terms of contributions, the employer contributes 60% and an employee 40% to the medical schemes

3.6 Pension Funds

The Municipality has seven pension funds.

| | |
|--|-----|
| MCPF (Municipal Councilor's Pension Fund) | 15% |
| JMPF (Joint Municipal Pension Fund) | 22% |
| MEPF (Municipal Employees Pension Fund) | 22% |
| MGF (Municipal Gratuity Fund) | 22% |
| SNPF (SAMWU National Pension Fund) | 22% |
| NFMW (National Fund for Municipal Workers) | 22% |
| Group Life Insurance Scheme (Not compulsory) | 2% |

3.7 Salary disclosure

3.7.1 Salary disclosure of Councilors (end June 2011)

| Description | Executive Mayor | Chief Whip | Speaker | Mayoral Committee Members | Councilors x60 |
|------------------------|-----------------|---------------|---------------|---------------------------|----------------|
| Salary (End June 2011) | 445908 | 463236 | 353460 | 330348 | 123644 |
| 25% Travel allowance | 117191 | | 141752 | 132893 | 53157 |
| 15% Pension Fund | 33443 | 24776 | 26509 | 24776 | 9273 |
| Other Benefits | 112220 | 43559 | 45287 | 43554 | 26554 |
| Total Package: | 708762 | 531571 | 567008 | 531571 | 212628 |

3.7.2 Salary Disclosure of Senior Officials (end June 2011)

| Description | MM | CFO | Director: Planning & Development (Vacant) | Director: Technical Services | Director: Community Services | Director: Corporate Services | Director: 2010 |
|-----------------------|-----------------|-----------------|---|------------------------------|------------------------------|------------------------------|------------------|
| Salary | 851544 | 728229 | | 469270 | 469270 | 469270 | 469270 |
| Traveling Allowance | 238608 | 72000 | | 168000 | 216000 | 144000 | 168000 |
| Other Benefits | 259848 | 239811 | | 232897 | 184897 | 256879 | 232896.80 |
| Total Package: | 1 350000 | 1 040040 | | 870166,80 | 870166,80 | 870166,80 | 870166.80 |

4 CHAPTER 4: ANNUAL FINANCIAL STATEMENTS

4.1 Signed Audit report for Polokwane Municipality

4.2 Polokwane Municipality Annual Financial Statement 2011

5 CHAPTER 5: PERFORMANCE OVERVIEW PER DIRECTORATE

6 ANNEXURE A: POLOKWANE HOUSING ASSOCIATION ANNUAL REPORT

