



Western Cape  
Government

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**DEPARTMENT OF LOCAL GOVERNMENT**

**MOSSEL BAY**

**REGIONAL MONITORING TEAMS**

**MUNICIPAL GOVERNANCE REPORTS FOR THE PERIOD ENDED JUNE 2012**

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## **1. Introduction**

The key objective of this report is to maintain a central source of information centred on the municipalities' operations across directorates and to make that information readily accessible on an on-going basis.

In addition it should be used as a tool to encourage, facilitate and structure interactions between Directorates on qualitative issues that are related to the municipality.

## **2. Departmental Diagnostic Report**

This section contains the review of the overall municipal governance performance of the Municipality from the Department of Local Governments perspective. Each directorate has provided context to their identified indicators followed by findings and appropriate support or recommendations.

### **2.1 Municipal Governance**

The composition of the Municipal Council is made up as follows: DA – 16, ANC – 10, and ACDP – 1. The Majority of Council seats are being held by one political party, and therefore the Municipality is politically stable. There were no vacancies within the composition of the council during the period April to June 2012.

Three (3) Council meetings were held during this quarter, which is in line with the requirements of at least 1 Council meeting per quarter. A System of delegations is in place and has been reviewed in April 2012. The municipality has also adopted a Roles and Responsibility Framework in terms of s53 of the Systems Act.

No councillors were fined for non-attendance or failing to remain in attendance at council meetings and this bodes well for the functioning of the municipal council. All councillors submitted their declaration of interest forms which is in line with Item 5 of the Code of Conduct. No councillors at the municipality are in arrears for rates and taxes for longer than three months. One breach of the Code of Conduct was investigated during this period. The Code of Conduct provides that the speaker must authorise an investigation into an alleged breach. Upon completion of the investigation, no matter what the outcome, a report must be submitted to the MEC. To date no reports have been received. If any investigations have been completed it must be reported to the MEC. No allegations of fraud and corruption were reported to the SAPS under section 32(6) of the MFMA.

#### **Key Challenges / Additional relevant information**

None

#### **Support Initiatives**

The Department held a meeting with the Speaker, Senior Manager and other relevant officials to discuss the Rules of Order and suggest specific amendments / inclusions to Mossel Bays Rules.

## **2.2 Public Participation**

No information provided

### **Recommendation**

It is advised that the municipality submit information on time in order for the Department to monitor, evaluate and support the municipality with ward committee functionality in line with the provincial functionality indicators.

## **2.3 Municipal Communications**

The Municipality has one (1) Strategic Support Executive who is dedicated to manage the Communication Portfolio and reports to Strategic Support Executive. The draft Communication Strategy has been adopted in December 2011 and it's currently being implemented. The language policy was adopted –September 2011. There is a dedicated communication budget of R600 000. The municipality complies with the submission of annual Municipal Communication Reporting Templates and, however, the municipality did not attend the last District Forum.

### **Key Challenges / Additional information**

The municipality should become active in the District Forum in order to stay abreast with the communication imperatives in the district.

### **Support initiatives**

The Department will continue to provide support to the Municipality through the District and Provincial Public Participation and Communication Forums, workshops, and via ad hoc requests.

### **Way forward /Recommendations**

Revise the existing communication strategy and align it with the municipal IDP 2012/13 priorities and initiatives.

## **2.4 Municipal Support**

### **2.4.1 Organisational Design**

The Municipal Manager's contract was extended on 19 May 2011 for five (5) years.

The approved structure of the organisation makes provision for five (5) Section 57 positions. All five (5) positions are filled.

Employment Contracts and Performance Agreements have been signed and submitted to the MEC for Local Government.

## **2.4.2 Performance Management System**

The Municipality has a functional Performance Management System in place which was approved and adopted by Council in July 2009. The PMS has been fully implemented at organisational, Section 57, middle management as well as to lower level staff. All training has been completed in the compilation and evaluation of performance, as well as the use of the Ignite electronic system.

## **2.4.3 Valuation Appeal Boards**

The Municipality has a functional Valuation Appeal Board Established in terms of Section 56 of the Local Government: Municipal Property Rates Act 6 of 2004. The term of office of members of the Valuation Appeal Board is four years from 01 April 2008 until 31 March 2012. The Department of Local Government is currently in the process of appointing new members for a period of four years.

## **2.4.4 Training and Development**

In terms of the Skills Development Act of 1998 and SETA's grant regulations regarding monies received by a SETA and related matters, dated 18 July 2005, the municipality must submit a Workplace Skills Plan (WSP) on or before 30 June each year. The municipality has complied with this requirement and confirmation was received from LGSETA.

Seven (7) Councillors attended the scheduled information session presented within the district as part of the Phase 3 Training programme for Councillors. The Departments of Environmental Affairs and Development Planning and Human Settlements presented a session on spatial planning.

Three (3) officials attended the training programme on "Presiding Officer and Initiator training" that was coordinated for six of the Eden District municipalities. This is a four-day accredited training programme presented by the Nelson Mandela Metropolitan University (NMMU).

The Municipality should be congratulated for maintaining a satisfactory level of governance stability.

### **Key Challenges / Additional relevant information**

None

### **Recommendations**

None

## **2.5 Specialised Support**

### **2.5.1 Formal Section 139 Intervention**

The Constitution imposes a duty on Province to intervene in municipalities if it fails to perform an executive obligation; approve a budget or revenue-raising mechanisms or where there is a crisis in the financial affairs. (Purpose would be for Province or other appropriate institution to assume responsibility for the relevant legislation)

The Municipality had no 139 Interventions in the period under review.

### **2.5.2 Formal Section 106 Investigation**

The Municipal Systems Act, 32 of 2000, obliges Province to investigate municipalities if there is reason to believe that maladministration; fraud; corruption or any other serious malpractice is occurring

The Municipality had no 106 investigations in the period under review.

### **2.5.3 Informal Intervention**

The nature of this intervention assists municipalities with lesser intrusive intervention mechanisms that a section 139 intervention thus, a non-assumption of responsibility for obligations by Province, but rather rendering of assistance

The Municipality had no informal interventions in the period under review

### **2.5.4 Annual Budget**

The Municipal Finance Management Act, 56 of 2003, prescribes an annual budget to be approved by 30 June (section 16(1) read together with section 24)

The Annual Budget of the municipality was approved on time.

### **2.5.5 Annual Financial Statements**

The Municipal Finance Management Act, 56 of 2003, prescribes that the Annual Financial Statements of municipalities be submitted by 30 August for audit purposes (section 126(1))

The Annual financial Statements of the municipality were submitted late on 28 September 2011 due to the resignation of the CFO on 26 August 2011. That resulted in the backlog of GRAP 17 implementation.

### **2.5.6 Stalemate in Council**

There is a stalemate in the Council between political parties which adversely affect decision-making by Council. A Municipality then becomes incapable of executing its executive and or legislative functions due to political contestation, resulting in service delivery failure.

The Municipality had no stalemate in the period under review.

### **2.5.7 Dysfunctional Council or Administration**

This is when a municipality is confronted with serious and persistent governance issues.

There was no dysfunctionality of Council or Administration in the period under review.

## **2.6 Integrated Development Planning**

The IDP for Mossel Bay indicates that the increase in crime; HIV/AIDS; unemployment and poverty; climate change; water shortage and the increase in the population

together with immigration are some of the most pertinent development priorities within the municipal area.

It is noted that the municipal LED Strategy is making a clear attempt to impact on the aspect of unemployment and poverty. In this regard the LED Strategy is taking a holistic approach by aiming to impact on 18 sectors in the local economy including from the agricultural sector; arts and craft; sport to the mining sector. In addition, the rural development strategy included in the IDP has developed implementation plans for all the rural areas within the municipal boundary.

In terms of social development the municipality makes an attempt to also tackle the issues of poverty by focusing on social interventions such as community food gardens; sewing projects; soup kitchens and the development of the youth with specific focus on crèches. The municipality also includes a crime safety plan which was drafted for the Eden District focusing attention to the top priority crimes within the Eden District.

Climate change and water shortage become apparent during 2010 when the Mossel Bay municipality was declared as a disaster area as a result of the looming drought experienced since 2009. This situation brought afresh to the forefront the importance of adequate water and water management within Mossel Bay. It is noted that a number of water augmentation plans are included in the IDP as part of the water management strategy including the recent construction of a 15 mega - litre desalination plant.

The key development priorities for Mossel Bay Municipality were included as 9 municipal Key Performance Areas in the IDP which needs to address the development priorities within the municipality over the next five years. The areas are the following:

- Development of new services and infrastructure.
- Community Development, Education and Health.
- Economic Development and Tourism.
- Sport, Recreation and culture.
- Land and Integrated Human Settlements.
- Community Safety and Security.
- Spatial Development and Environment.
- Governance and Communication.
- Municipal Transformation and Institutional Development.
- Municipal Financial Viability and Management.

### **Municipal response**

The municipality is confronted by a number of challenges beyond its control. Certainly the most complex one is the dynamic nature of local, national and global environments which constantly presents local government with new challenges and demands. In addition, the increasing population and immigration puts a huge additional burden on the basic services infrastructure network and financial resources of the municipality.

## Key Challenges/Additional relevant information

This aspect is covered in the municipal response in the above paragraph.

## Support initiatives

During the month of April the Integrated Development Planning Directorate did a comprehensive analysis on the draft Integrated Development Plan of the Mossel Bay municipality. The findings and recommendations of the analysis were discussed at an individual one-on-one engagement with officials of the municipality. This process enabled the municipality to make amendments where necessary and in this way the municipal IDP process was enriched prior to the final approval by Council on 31 May 2012.

In addition, the Directorate hosted a quarterly Provincial IDP Managers Forum on 8 June 2012 to share best practices around Integrated Development Planning under IDP officials in the municipalities of the Western Cape.

## 2.7 Municipal Infrastructure

### 2.7.1 MIG Allocation and Expenditure (Source: Department of Local Government)

The following table indicates the projects implemented during the 2011/12 financial year from 1 July 2011 to 30 June 2012:

Project	Actual MIG expenditure during the 2011/12 Fin. year	Current % MIG Expenditure	Date of Completed construction
Mossel Bay: Asazani, Zinyoka: Walvis Street Ph2: Rehabilitate Roads & Stormwater	R 382 175	21	June 2015
Kwa Nonqaba: Mayixhale St: Rehabilitate Roads	R 8 343 000	100	June 2012
Mossel Bay: Green Haven, Wolwedans: New Water Treatment Works	R 2 153 684	100	June 2012
Friemersheim: New Bus Route	R 560 045	100	May 2012
Mossel Bay: Hartenbos: Sonskynvallei: Rehabilitate Bus Routes	R 1 241 268	62	June 2013
Mossel Bay: Hartenbos: Brandwag, Backyard: Rehabilitate Bus Routes	R 1 462 829	49	June 2013
<b>Total:</b>	<b>R 14 143 000</b>		

## Key Challenges / Additional relevant information

Mossel Bay Municipality has spent their full 2011/12 MIG allocation of R17 673 000. Many of these projects are multi-year projects and will be completed in future.

## Support by the Department of Local Government

The Directorate of Municipal Infrastructure was involved with the MIG projects from registration and conducted site visits and municipal engagements to monitor progress and provide support. The Directorate of Municipal Infrastructure also hosted



monthly MIG provincial monitoring meetings to monitor progress on the MIG implementation at the Municipality. These meetings provide a key forum where municipalities account on their MIG progress and where sector departments like the Department of Water Affairs; Department of Environmental Affairs and Development Planning; Department of Human Settlements and Department of Cooperative Governance is present to support municipalities to resolve problematic issues.

### Way forward / Recommendations

No recommendations

## 2.7.2 Water and Wastewater Management

### 2.7.2.1 Blue Drop (Source: Blue Drop Report: 2012, Mid-year review Dec 2011)

The following information is obtained from the Green Drop assessments conducted by the Department of Water Affairs:

The Municipality achieved a Blue Drop Score in 2011 of 95.27% based on the assessments conducted at the water treatment plants at Mossel Bay, Friemersheim, Ruitersbos, Herbertsdale and Lodewykstenk (Buisplaas). The score in 2010 was 84.5%.

The Municipality achieved a score of 95.68% for the 2012 assessment (March 2012), based on assessments at the same plants – the Municipality is placed at 7<sup>th</sup> best in the Province and achieved a blue drop status at all the treatment plants.

The detailed performance of the measured performance area at each treatment plant, is as follows:

Plant	Asset Management (15%)	Management Commitment / Account (10%)	DWQ Compliance (30%)	Process Control Management (10%)	Water Safety Planning (35%)
Mosselbay	90	100	100	100	87
Friemersheim	94	100	100	88	87
Ruitersbos	90	100	100	49	87
Herbertsdale	85	100	100	49	87
Lodewykstenk	86	100	100	49	87

Blue drop scores, design capacity, utilisation and drinking water quality compliance of the 3 water treatment plants is as follows:

Plant	Blue Drop Score (%)	Blue Drop Certification	System Design Capacity (Ml/day)	Utilisation (%)	Quality comply Microbiol (%)	Quality comply Chemical (%)
Mosselbay	95.77	✓	55.5	31.73	99.6	99.9
Friemersheim	95.31	✓	0.4	37.5	99.9	99.9
Ruitersbos	91.11		0.14	50.00	99.9	99.9
Herbertsdale	90.52		0.29	44.83	99.9	99.9
Lodewykstenk	90.64		0.12	0.12	99.9	99.9

### **Key Challenges/ Additional relevant information**

The drinking water quality management excellent During high water demand period, e.g. December 2011, a lapse in process control occurred which caused a discolouration of water to Hartenbos, although health was never at risk. The Klein Brak WTW was not officially assessed but did score a 82%.

It should be noted that all the plants are generally operating below their design capacity and it seems as if upgrading would not be necessary in the near future – however, it is a coastal tourism and holiday area where the average water demand increase substantially (at least 50%) during holiday months.

It was found that only a limited number of chemical monitoring determinants are tested as part of continuous monitoring

### **Way forward / Recommendations**

Some resource housekeeping and monitoring operations could be improved. The Klein Brak WTW requires improvements a the flocculation channels and requires optimisation of the coagulation processes and jar testing. The accumulation of scum in this channel should be kept to a controlled limit. Sludge dams should be cleaned of reeds

## **2.2 Green Drop** (Source: Green Drop Report: 2011 and 2012)

The following information is obtained from the Green Drop assessments conducted by the Department of Water Affairs:

The Municipality achieved an impressive Green Drop Score in 2011 of 88.6% based on the assessments conducted at the wastewater treatment plants at Mossel Bay, Pinnacle Point, Friemersheim A, Friemersheim B, Ruiterbos, Herbertsdale and Brandwag.

The Municipality started to abate risk as part of business and where the average cumulative risk rating (CRR) was at 39.4% in 2011, it increased to 43% in the 2012 audit (March2012). Average Provincial CRR was 61.1% in 2011 and 51.5% in 2012.

The Municipality achieved an average Green Drop score in 2011 of 88.6% based on the assessments conducted at the water treatment plants at Mossel Bay, Pinnacle Point, Groot Brak, Fremersheim A, Fremersheim B, Ruiterbos, Herbertsdale and Brandwag.

Although all the treatment plants scored above average, only the Mossel Bay and Fremersheim A systems obtained a Green Drop certificate status.

Green drop scores, design capacity, utilisation and waste water quality compliance of the 3 waste water treatment plants can be seen in the following table:

<b>Plant</b>	<b>Green Drop Score (%)</b>	<b>System Design Capacity(M l/day)</b>	<b>Utilisation (%)</b>	<b>Wastewater quality compliance (%)</b>
Mossel Bay	90.9	17.4	40	75
Pinnacle Point	83.3	3.7	27	45
Groot Brak	83.3	1	50	50
Fremersheim A	90.5	0.094	100 (assume)	83
Fremersheim B	82.1		100 (assume)	78
Ruiterbos	77.4	0.059	145	50
Herbertsdale	49.3		100 (assume)	0
Brandwag	45.3		100 (assume)	0

### **Key Challenges / Additional relevant information**

Low cumulative risk rating received for most of the systems.

The Municipality did start to apply Waste water risk abatement plans and is placed 6<sup>th</sup> in the Province for both 2011 and 2012 reports.

During 2012, the risk rating was increased at six of the plants due to poor effluent compliance. The effluent quality is impacted by:

- Return flow of reverse osmoses (RO) brine to the maturation ponds at Mossel Bay plant
- The flow from a tannery at Pinnacle Point
- Algae contamination at Ruiterbos and Grootbrak

The Municipality applied for assistance from DWA, to confirm the acceptable discharge standards for each WWTW.

### **Way forward / Recommendations**

It is recommended that the Herbertsdale and Brandwag operations be improved and that the availability of information be sharpened at these plants. At five of the systems, the Municipality was not able to supply confirmed inflow volumes during the 2010 assessment, which damages the possible high levels of management control.

In 2011 it was recommended that access control must be improved to prevent possible vandalism.

The strict implementation of the risk abatement system, would assist to comply with the requirements regarding effluent quality, etc.

### 2.7.3 Technical Institutional Leadership (Source: Mossel Bay Municipality)

The status of Technical posts at the Municipality is as follows:

Post	Filled/Vacant	Comments
Technical Director	Filled	
Head: Water, Sewage	Filled	
Head: Roads and SW	Filled	
Head: Mechanical	Filled	
Head: Elektries	Filled	
MIG PMU Manager / Project Management, Planning & Support	Filled	
Water and WWTP Technical Supervisors & Operators	Most are filled	Almost all operational positions are filled

#### Key Challenges / Additional Information

Mossel Bay technical and infrastructure department is well equipped with resources and has a high level of competency to manage all required services

#### Way forward / Recommendations

No recommendations

### 2.7.4 Level of Capital Expenditure

(Source: Provincial Treasury - Table C5 Quarterly Budget Statement up to 30 June for 2011/12, Municipal Budget, MTREF & Supporting Tables)

For the 2011/12 the following:

	Original Budget (R 000's)	Adjustment Budget (R 000's)	Expenditure Variance (up to June 2012)	(%) variance (up to June 2012)
<b>Total Budget</b>	118 021	148 780	<b>(8 562)</b>	<b>(5.75)</b>
<b>Trading Services (Total)</b>	49 740	66 373	(1 625)	(8.50)
• Electricity	18 420	19 124	22 614	109.47
• Water	6 350	20 657	(3 770)	(15.62)
• Wastewater Management	20 950	24 144	(492)	(20.10)
• Waste Management	4 020	2 448	<b>(23)</b>	<b>(3.35)</b>

#### Key Challenges / Additional relevant information

The above table indicates that the original capital budget 2011/12 was R118,021 million with an adjusted budget of R148,750 million.

The majority of the adjusted 2011/12 amount of R66,373m (44.61%) of the capital budget is allocated to the Trading Services with the rest allocated mainly to community and public safety, economic & environmental service

The municipality must be commended on spending most of its capital budget.

### Way forward / Recommendations

Monitor capital expenditure.

#### 2.7.5 Repairs and Maintenance (Source: 2010/11 Annual report)

Repairs and maintenance as % of total OPEX can be seen in the following table (as reflected in the Annual Financial Statements):

Ratio Description	2009/10	2010/11
Personnel costs to total expenditure	34,4%	27,6%
Actual expenditure vs Budgeted expenditure	(13,7%)	(7,4%)
Interest paid as a percentage of total expenditure	0,2%	0,1%
Repairs and maintenance / PPE (carrying amount)	3,4%	2,6%

#### Key Findings

The reducing trends in the table above is concerning.

#### Recommendations

The municipality should spent the appropriate level on repairs and maintenance.

#### 2.7.6 Non-revenue water (Source: 2010/11 Annual report & DWA Report Jan 2012)

##### Key Findings

The DWA document states that the non-revenue water for the Municipality is 12.1% which is above the general accepted levels. The average non-revenue water in Mossel Bay municipality area decreased from 18.0% in 2011 to 12.10% in 2012.

Total Annual Volume Supplied up end Jan 2012 [kl/year]	NRW for 12 months ending Jan 2012 [kl/year]	Average NRW, for 12 months ending Jan 2012	Reduction in Jan '12 NRW, from 12 months ending June 2011
6,488,811 [kl/year]	782,577 [kl/year]	12.1%	197,580 [kl/year]

The water losses were significantly reduced from 21% in the previous financial year to around 16% in the 2010/11 financial year due to various water saving initiatives that were implemented

#### Way forward / Recommendations

Continue with the good maintenance and repair work and continue to ensure accurate measurements at all households and bulk meters. Keep measuring unbilled authorised consumption and keep apparent losses as low as possible, i.e. water theft and metering inaccuracies.

## 2.8 District and Local Performance Monitoring

Total number of:			
Households	Indigent Households		
31 486	7 601		
Total number of households with access to each basic service:			
Water	Electricity	Sanitation	Refuse Removal
26 779	31 487	22 621	29 497
Total number of households receiving each Free Basic Service:			
FBS Water	FBS Electricity	FBS Sanitation	FBS Refuse Removal
7 035	6 407	5 930	6 930

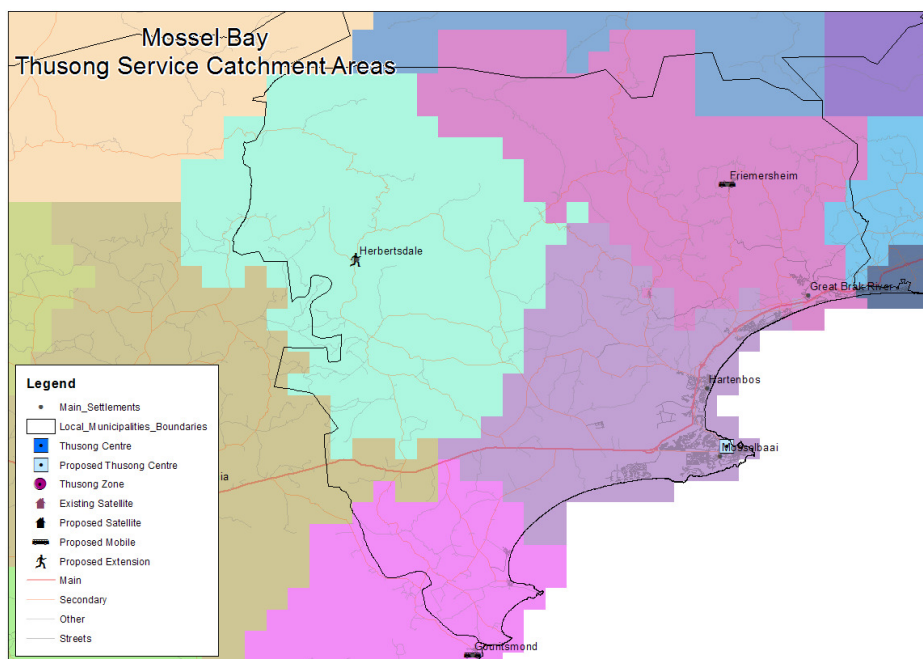
Mossel Bay Municipality renders both basic and free basic services. The municipality has a total number of 31 486 households of which; 26 779 households have access to basic water, 31 487 households have access to basic electricity, 22 621 households have access to basic sanitation and 29 497 households have access to basic refuse removal.

This municipality has an Indigent Policy and Indigent register. The register is updated on a monthly basis and lists 7 601 indigent households of which; 7 035 households have access to free basic water, 6 407 households have access to free basic electricity, 5 930 households have access to free basic sanitation and 6 930 households have access to free basic refuse removal.

## 2.9 Service Delivery Integration

The Thusong Plan for the Mossel Bay Municipality as indicated by the Thusong Accessibility Analysis is as follow:

**Figure 5: Mossel Bay Thusong Plan**



### Mossel Bay Thusong Plan

Town	Thusong Service	Beneficiaries reached within 25km
Herbertsdale	Extension	1 831
Friemersheim	Mobile	14 301
Mossel Bay	Proposed Centre	89 303

However, based on available resources between the three (3) spheres of government the Thusong implementation Plan for 2012/ 23 is illustrated in Table below:

### Mossel Bay Implementation Plan for 2012/13

Town	Thusong Service	Date
Mossel Bay	Proposed Centre	1 April 2013
Kwanonqaba	Mobile	4 -5 October 2012
Groot Brak	Mobile	2 -3 October 2012
Friemersheim	Mobile	Towns not served during 2012/ 13
Herbertsdale	Extension	

The Municipality has finalised the architectural plans, the tender has been advertised and will be closed on the 20 July 2012. However, the commencement of construction will be delayed due to the challenges of the soil which lead to the architects having to redraw the infrastructure plans. The Department of Local Government, Directorate: Service Delivery Integration facilitated the commitment of the Thusong anchor departments and confirmations of their infrastructural requirements. The Directorate: Service Delivery Integration will be facilitating planning meetings and implementation of the Sod Turning.

#### Thusong Mobiles

No Thusong Mobiles took place in the first quarter. Mobiles are planned for Groot Brak and Kwanonqaba for the third quarter.

## **2.10 Community Development Workers**

### **2.11 Disaster Management Fire Services**

The Mosselbay Local municipal fire service is generally well equipped and resourced, performing its statutory function in terms of the Fire Brigade Services act. The service is however not SANS 10090 compliant.