

Table 3: Indigent Policy

Indigent Policy	Quantity	Quantum
Electricity		
Primary consumption tariff	1313	R 504,357.79
Life line rebate 200 KWH per month	901	R -50,003.43
Life line rebate 50 KWH per month	556	R -18,661.26
Refuse		
Life line rebate 50%		
Sewerage		
Life line rebate 50%		
Water		
Life line rebate 6kl or less	3916	R -17,237.29

Table 4: Supplier Name

Supplier Name	Sup. Nr.	Current	30 Days	60 Days	90 Days	120 Days	150+ Days	Total
GONAL CONSTRUCTION CC	23034	1,670,033.08	432,229.24	-	-	-	-	2,102,262.32
SARUPEN'S TRANSPORT CC	24181	1,113,884.40	5,016.00	-	51,072.00	-	464,363.04	1,634,335.44
FIRE RAIDERS (PTY) LTD	27571	1,280,678.99	-	-	-	-	-	1,280,678.99
AQUA TRANSPORT & PLANT HIRE (PTY) LTD	26411	-	476,036.93	-	-	-	373,933.68	849,970.61
SASOL OIL (PTY) LTD	28988	788,810.02	-	-	-	-	-	788,810.02
ARB ELECTRICAL WHOLESALERS	319	672,600.00	-	50,046.00	58,397.07	-	-	781,043.07
NATIONWIDE ELECTRICAL	23294	520,799.46	-	-	-	-	-	520,799.46
DERBY SUPERMARKET	29372	44,118.00	-	-	444,400.00	-	-	488,518.00
KHUSELANI SECURITY AND RISK MANAGEMENT (PTY) LTD	29608	485,116.64	-	-	-	-	-	485,116.64



Table 5: Delayed and Default Payments:

	Due date	Date paid	Amount	Reason for delay
DBSA	31-Mar-10	01-Apr-10	19,150,228.59	Technical problems with uploading to FNB electronic payment system
DBSA	30-Jun-10	01-Jul-10	23,408,766.38	Technical problems with uploading to FNB electronic payment system
Umgeni Water	30-Jun-10	01-Jul-10	22,612,836.70	Technical problems with uploading to FNB electronic payment system
SARS VAT	31-Mar-10	01-Apr-10	1,515,385.74	This was the first time that e-filing was used, employee uploaded return, and expected payment to go off automatically, after calling SARS on 01 April was told that payment was to be uploaded as well.

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	IDP Goal/Objective: Improve Expenditure Section to perform more efficiently.
	Actual Performance Achieved 2009/2010: Complying with legislated processes leading to implementation
	Variance between Planned & Actual Performance (if any): Nil
	Reason for Variance: N/A
	Improvements for Next Year: N/A
GOOD GOVERNANCE & PUBLIC PARTICIPATION	IDP Goal/Objective: Review of Policies & Other Relevant Legislation on an annual basis.
	Actual Performance Achieved 2009/2010: Review of credit control and debt collection policy and other relevant legislation.
	Variance between Planned & Actual Performance (if any): Nil
	Reason for Variance: N/A
	Improvements for Next Year: N/A
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	IDP Goal/Objective: Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon
	Actual Performance Achieved 2009/2010: GAMAP/ GRAP
	Variance between Planned & Actual Performance (if any): Nil
	Reason for Variance: N/A
	Improvements for Next Year: N/A
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	IDP Goal/Objective: Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon
	Actual Performance Achieved 2009/2010: Annual financial statements prepared within legislative deadline.
	Variance between Planned & Actual Performance (if any): N/A
	Reason for Variance: N/A
	Improvements for Next Year: N/A

5.2.2 Sub Function: Asset Management

Overview:

Includes all activities relating to the asset management function of the municipality.

Description of Activities:

- The asset management responsibilities of the municipality are administered as follows and include:
- The compilation and the management of Council's Fixed Asset Register.

These services extend to include:

All assets owned or controlled by the Msunduzi Municipality.

The Strategic Objectives of the Function are:

The strategic objective of this function is to provide a support service to Business units.

The Key Issues for 2009 / 10 are:

- The compilation and the management of an up to date Council's Fixed Asset Register.
- Staffing Vacancies
- Budgeting
- Assets Verification
- Review of Asset Management Policy

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all asset management personnel:	Number	R (000s)
	• Professional (Directors / Managers)	0	0
	• Professional (Engineers/Consultants)	0	0
	• Field (Supervisors/Foremen incl inspectors)	0	0
	• Office (Clerical/Administration)	2	270,000
	• Non-professional (blue collar, outside workforce incl drivers)	0	0
	• Temporary	1	130,000
	• Contract	0	0

2	Number and total operating cost of assets population:	R (000s)
	• Aged less than 10 years	75,186
	• Aged 10 years or greater	67,567
	Total	142,753

3	Number of property sales achieved	Number
		0

4	Number of property leased	Number	R (000s)
		14	7,246,037

5	Number and cost to employer of all Building Inspectors employed:	Number	R (000s)
	• Number of Building Inspectors	9	2,541,952



• Temporary	0	0
• Contract	0	0

6	Details of building plans:	Number	
	• Number of building plans approved	833	
	• Value of building plans approved	731,730,058	

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Institutional Transformation & Development	IDP Goal/Objective: Compilation and Management of Asset Register	100%	100%
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		
Institutional Transformation & Development	IDP Goal/Objective: Asset Verification	100%	100%
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		
Institutional Transformation & Development	IDP Goal/Objective: Asset Management Policy Review	90%	100%
	Actual Performance Achieved 2009/2010: 90%		
	Variance between Planned & Actual Performance (if any): 10%		
	Reason for Variance: Not approved by Council, Legal Department's comments to be finalised		
	Improvements for Next Year: To be approved by Council and incorporate Legal Department's comments if necessary.		

5.2.3 Sub Function: Supply Chain Management (Procurement)

Overview:

Includes all activities relating to overall Supply Chain Management Functions of the Municipality. The SCM Policy reflects and represents Government Policy within the provisions of the Local Government; Municipal Finance Management Act 2003 and other Legislative prescripts which include The Constitution of the RSA Act 108 of 1996; The Preferential Procurement Policy Framework Act 5 of 2000 and its associated Regulations; The Broad Based Black Economic Empowerment Act 2003 (Act 53 of 2003); and the Local Government Municipal Finance Management Act 2003 : Municipal Supply Chain Management Regulations

Description of the Activities:

The function of Supply Chain Management within the municipality is administered as follows and includes the following activities:

1. Acquisition Management (including Contract and Contract Management)
2. Demand Management
3. Logistics Management
4. Supply Chain Performance
5. Disposal Management
6. Risk Management and Regular Assessment of Supply Chain Management

The strategic objectives of this function are:

1. Procuring goods or services
2. Disposing of Goods no longer needed
3. Selecting Contractors to provide assistance in the provision of Municipal Services otherwise that in circumstances where Chapter 8 of the Municipal System Act applies
4. Selecting External Mechanisms' referred to in Section 80 (1) (b) of the Municipal Systems Act for the provision of Municipal Services in Circumstances contemplated in Section 83 of that Act.
5. Appointing Consultants.
6. Awarding Contracts for Building and Construction in Compliance with the Construction Industry Development Board Act.
7. To annually specify the Targeted Procurement (Historically Disadvantaged Individuals, Women Equity Ownership, Youth, Disabled Persons and Co-operatives).

The key issues for 2009/10 are:

Procuring of all goods and services, as required by the Municipality, in line with service delivery to Communities, within the Msunduzi Municipal Jurisdiction.

ANALYSIS OF THE FUNCTION:

1	Details of tender / procurement activities:	Number
	• Total number of times that tender committee met during year	45
	• Total number of tenders considered (Competitive Bids; Formal Quotes)	378
	• Total number of tenders approved	251
	• Average time taken from tender advertisement to award of tender	3 Months



2 Details of tender committee during the 09/10 Financial Year:

Details of tender committee membership as follows:

1. Bid Adjudication Committee -

- Roy Bridgmohan - DMM: Financial Services
- Francis Grantham - Manager Procurement
- Zwelithini Hulane - DMM: Community Services
- Kevin Perumal - DMM: Corporate Services
- Philemon Mashoko - DMM: Infrastructure Services
- David Gengan - Development Services
- William Cooper (Advisory Capacity) - Legal Advisor

2. Bid Evaluation Committee -

- Rakesh Singh - Procurement
- Vinay Mohanlal - Procurement
- Krishna Singh - Municipal Infrastructure Grants (MIG)
- Billy Paton - Fire and Rescue Services
- Sibulele Diko - Transportation

3. Bid Specification Committee -

- Thavandree Gounder - Procurement
- Tyrone Ashby - Procurement
- Wally Robins - Safety
- Vasu Naidoo - Asset Management
- Siphon Zimu - Development Services

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Procurement of Goods and Services in line with Msunduzi Municipality's SCM Policy	IDP Goal/Objective: Providing efficient, transparent, fair, equitable and cost effective SCM services to customers within prescripts of the Policy.
	Actual Performance Achieved 2009/2010: 70-75% Achievement of Targeted Preferential Procurement Goals
	Variance between Planned & Actual Performance (if any): 20-30%
	Reason for Variance: The SCM Unit relies on support from the Economic Development and Growth Business Unit to provide targets as per Legislative Requirements. The Municipality does not have an ED&G Policy to benchmark against. The staff compliment in the SCM unit is only at approx. 50%, therefore hampering 100% of achievement.
	Improvements for Next Year: Develop a Procurement Plan of demands made by each Business Unit to ensure timeous end results.
Contracts and Contract Management	IDP Goal/Objective: To provide an efficient and reliable contract management service in line with the SCM Policy and the Municipal Finance Management Act No. 53 of 2003 Clause 116.
	Actual Performance Achieved 2009/2010: <50%
	Variance between Planned & Actual Performance (if any): 50%
	Reason for Variance: 100% of this function was not part of SCM responsibility previously. Now implemented and part of the SCM organogram. This critical part of SCM is sure to improve moving forward.
	Improvements for Next Year: This activity shall be enforced by ensuring that all contracts are properly managed within the ambits of the SCM Functions.

Logistics, Inventory and Warehouse Management	IDP Goal/Objective: Providing efficient and effective service to all internal and external customers.
	Actual Performance Achieved 2009/2010: 80%
	Variance between Planned & Actual Performance (if any): 20%
	Reason for Variance: Service delivery to customers was hampered due to financial constraints experienced by Council.
	Improvements for Next Year: Improve turnaround time for providing excellent service & maintenance of lean stock holding. Outsourcing non-core stores functions.
Wasteful and Fruitless Expenditure due to Emergency Work	IDP Goal/Objective: Reducing and/or eliminating wasteful and fruitless expenditure
	Actual Performance Achieved 2009/2010: Less than 50%
	Variance between Planned & Actual Performance (if any): More than 50%
	Reason for Variance: Outdated SCM policy and lack of monitoring
	Improvements for Next Year: Strict procedures must be adhered to by all staff engaging in activities outside the control of the SCM. Existing SCM policy revised and updated, Procedure manual currently being amended. Once approved, workshops will be held in terms of making staff aware of SCM policy & procedures. Furthermore since the intervention order clerks are now centralised under SCM. This will ensure more control and centralised buying.



5.3 CORPORATE SERVICES

5.3.1 Sub Functions: Sound Governance, Human Resources, Employee Relations, Legal, Human Resource Development and Information and Communication Technology.

OVERVIEW:

Incorporates all activities related to the Sound Governance and Human Resources function of the municipality, which includes Human Resources Management, Employee Relations, Human Resources Development, Sound Governance, ICT, as well as Legal Services, whose services comprise, recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems.

5.3.2 Sub Function: Human Resources Management

Description of the Activities:

The Human Resources Management (HRM) function includes a variety of activities, and key among them is deciding what staffing needs the organisation has, and whether to recruit employees to fill these needs, recruiting the best employees, and ensuring the personnel and management practices conform to various regulations. Activities also include maintaining the staff establishment, managing employee relations, employee records and personnel policies.

These services extend to include recruitment and induction of staff, maintaining the staff establishment, managing employee relations, employee records and personnel policies, but do not take account of employee conditions of service which resides within the jurisdiction of SALGA.

The strategic objectives of this function are:

The strategic objectives of this function are to:

1. To Contribute Towards Employability & Self Employability of Youth and Community.
2. To ensure a competent workforce to achieve organisational objectives.
3. Improve Quality and Management Control Processes.
4. To align the organisational culture to the business objectives to Improve organisational efficacy and measure results.

The key issues for 2009/10 are:

1. External Student Bursaries Awarded
2. Students registered on Learnerships/apprenticeship
3. Students placed on Internship Programme
4. Technical Skills programmes is provided to unemployed youth
5. 200 Emerging Contractors trained on Procurement Procedures and processes.
6. Conduct a pilot Skills Audit. Design and implement Personal Development Plan
7. Implementation of the Work place Skills Plan
8. Recovery of Skills development Levies
9. Make ABET compulsory to all employees who are NQF level 1 and below
10. Implement Learnerships for employees
11. Development of Skills Development Committees in each Strategic Business Unit
12. Batho Pele workshops and training are conducted (Ward Reps & Staff)
13. Placement is evaluated
14. Councillors Skills Audit is conducted
15. Ward Committees are established, inducted and trained
16. Conduct surveys based on staff satisfaction – business objectives
17. Knowledge Management system coordination at a SBU's level
18. Transformation workshops are conducted each year
19. Areas of corporate image improvements are identified
20. Induction programme is implemented
21. Measures to cascade Performance Management System to all levels of the Organisation. Facilitate PMS Workshop
22. Annual Performance assessments are scheduled
23. Establish OD/PM Steering Committee

5.3.3 Sub Function: Legal Services

Description of the Activities:

It is the mandate of the Legal division to provide legal counsel and related legal services related to Municipal issues to the Mayor and Council, the various committees established by council, as well as the administration and staff of the Msunduzi Municipality.

These services extend to include; municipal Bylaw prosecution, drafting of Bylaws for consideration/approval by Council, contracts and agreements, as well as the interpretation of legal statutes for Council and staff.

The strategic objectives of this function are to:

To ensure legal compliance.

The key issues for 2009/10 are:

1. Legal Division to verify all organisational contracts and policies for compliance.
2. Strengthen law enforcement and the establishment of a Municipal Court.
3. Development of by-law and policy units



5.3.4 Sub Function: Sound Governance

Description of the Activities:

The current corporate meeting and decision making structure within the Msunduzi Municipality is supported by Sound Governance. Sound Governance functions to ensure gainful access to information by collecting, capturing, reproducing, organising, maintaining, preserving and disseminating it. Sound Governance further functions to ensure improved service delivery within the organisation and the licensing and legal compliance of all business premises in operation within the Msunduzi area of jurisdiction.

These services extend to include the Secretariat, Information centre, Batho Pele, and Printing

The strategic objectives of this function are to:

1. To ensure the effectiveness and efficiency of the Council's decision making system thereby improving communications and understanding.
2. To ensure legal compliance of all businesses operating within the Msunduzi area of jurisdiction.

The key issues for 2009/10 are:

1. Effective and efficient management of information within the organization.
2. Ensuring efficiency and effectiveness of committee system.
3. To improve communication and understanding.
4. Develop formal trading policies.
5. Ensure all businesses are licensed in terms of the Act.
6. To administer and monitor informal trading.

5.3.5 Sub Function: Information & Communications Technology

Description of the Activities:

The ICT Sub-unit provides efficient and cost effective management and control of ICT services within the Msunduzi Municipality.

To improve and maintain the local area network (LAN and WAN), and to liaise with external suppliers and providers of ICT goods and services to provide computing, information, and telecommunications services and support at the Msunduzi Municipality.

The information communication technology responsibilities of the municipality are administered as follows and include:

1. Technical services
2. Information Management
3. ICT Security

The strategic objectives of this function are to:

1. Deploy adequate and equitable ICT infrastructure to broaden access to information and services.
2. Ensure optimal utilisation of technology and telecoms by relevant staff through awareness and training.
3. Promote enterprise-wide approach to ICT planning.
4. Formulation of policies and ICT steering committee.
5. Provide data integrity, control and security.
6. Centralised Data Provision e.g. PayDay, ProMIS.
7. ICT Service Desk to provide Desktop, back-end and Business Process Provision support.
8. GIS Service.
9. Ensure building and sustaining of a secure, integrated ICT and acting as a change agent

The key issues for 2009/10 are:

1. Systems Integrity and Security
2. Optimization of existing Infrastructure: Networks, Telecoms, Hardware, Data Centre, Help Desk, Database Administration, GIS, Intra/Internet, Content Filtering, Backups.
3. Improved Customer Service- Finance Consolidated Billing Call Centre.
4. Desktop Replacement- 300 obsolete PCs were replaced.
5. Sustaining (Operating, maintaining and improving) existing ICT infrastructure (Networks (LAN/WAN), Telecommunication, Networking services, Servers/mainframe, Business support applications, Computer data centre, End user support, Help desk, Database administration, GIS, Internet/Intranet, Content filtering, Disaster recovery).
6. Secure Council ICT - ICT risk management, Auditor General's information security audit.
7. Integrate Council ICT.

Analysis of the Function:

1	Number and cost to employer of all information communication technology service personnel:	Number	R (000s)
	• Professional (Directors / Managers)	3	1917
	• Professional (Information Technology / Consultants)	9	2607
	• Field (Supervisors/Foremen incl inspectors)	0	0
	• Office (Clerical/Administration) (Switchboard)	5	509
	• Non-professional (blue collar, outside workforce incl drivers)	0	0
	• Temporary	0	0
	• Contract	0	0

2	Number and total of computers servicing municipality:	Number	R (000s)
	• Aged less than 5 years	300	3000
	• Aged 5years or greater	700	7000



3	Operating, maintaining and improving existing ICT infrastructure.		
	The Wide area network of the Municipality was extended to several areas with a view to enhancing Service Delivery to the public. The areas are:-		
	• Vulindlela		
	• Mapumuza		
	• Mafunze		
	• France		
	• Truro Centre and		
	• Edendale Education Department		
		250	
4	Total number customers supported:		
	Internal Users	1000	
5	Total number of information communication technology service related complaints received:		
	50 per day	56342	
6	Type and number of grants and subsidies received:		R (000s)
		0	0
7	Total operating cost of information communication technology service function		R (000s)
			4445

PERFORMANCE HIGHLIGHTS – ICT

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Institutional Development & Transformation	IDP Goal/Objective: Deploy ICT Infrastructure at 5 sites	5	5
	Actual Performance Achieved 2009/2010: 5		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		
Institutional Development & Transformation	IDP Goal/Objective: Install Customer Service Call Centre	38 seats	38 seats
	Actual Performance Achieved 2009/2010: 38 seats		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: Integrate IS&F Call Centre		
Institutional Development & Transformation	IDP Goal/Objective: PC Upgrades	77	300
	Actual Performance Achieved 2009/2010: 77		
	Variance between Planned & Actual Performance (if any): 123		
	Reason for Variance: Funding withdrawn		
	Improvements for Next Year: R2m in Budget		
Institutional Development & Transformation	IDP Goal/Objective: Billing system Server Upgrade	60% Spare Capacity	50% Spare Capacity
	Actual Performance Achieved 2009/2010: 60% spare capacity		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		
Institutional Development & Transformation	IDP Goal/Objective: Optimize Use of Systems	32+ Systems	8 Systems
	Actual Performance Achieved 2009/2010: 0		
	Variance between Planned & Actual Performance (if any): 32+ Systems		
	Reason for Variance: No funding available for acquisition of new system		
	Improvements for Next Year: R20m budgeted for new Billing System		



ANALYSIS OF THE FUNCTION: CORPORATE SERVICES

Table 1: Number and cost to employer of all municipal staff employed:

1 Number and cost to employer of all municipal staff employed:	TOTAL		MALE						FEMALE									
	No.	Salaries	AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE	
			No.	Salaries	No.	Salaries	No.	Salaries	No.	Salaries	No.	Salaries	No.	Salaries	No.	Salaries	No.	Salaries
• Professional (Directors / Managers)	202	67,634,132.5	35	50,497,711.25	5	1,748,378.8	62	105,931,898	45	15,267,980	31	10,088,483	4	48,494,112.5	17	22,294,748	3	71,803,530
• Technicians & Associate Professionals	340	53,056,150	52	8,114,470	40	6,241,900	96	14,980,605	48	7,490,280	57	8,894,707.5	7	1,092,332.5	24	3,745,140	16	2,496,760
• Field (Supervisory/Foremen)	312	26,835,118.75	272	23,394,720	3	258,030	6	516,060	5	430,050	22	1,892,220	1	83,510	1	86,010	2	172,020
• Office (Clerical/Administrative)	1062	105,808,387.5	471	14,645,793.75	42	4,184,512.5	146	14,546,163	46	4,583,037.5	163	16,239,894	3	3,287,831.3	102	10,162,388	59	5,878,243.8
• Non-professional (blue collar, outside workforce)	961	75,556,783.75	766	58,268,352.5	6	668,542.5	30	3,402,285	5	396,273.75	141	12,067,684	3	237,764.25	4	445,695	0	0
• Temporary Staff	172	8,214,267.5	91			5					74				2			
• Contract Staff																		

Table 2: Skill or levels of education attained by staff:

2 Skill or levels of education attained by staff:	Highest level qualifications held by employees																								
	Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		Total				
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
• Professional (Managerial/Specialist)									1	2				19	4	4	2					26	8	34	
• Office (Clerical/Administrative)	10	3	14	22	16	8	5	18	24	33	11	8	12	6	2	1					105	162	199	261	460
• Non-professional (blue collar, outside workforce)	457	70	64	13	6	8	3	14	6	6											768	71	1304	182	1486

Table 3: Number of people from employment equity target groups employed in the three highest management levels in the municipality (consolidated figure):

3	Number of people from employment equity target groups employed in the three highest management levels in the municipality (consolidated figure).	Race										
		African		Coloured		Indian		White		Total		Total
		M	F	M	F	M	F	M	F	M	F	
	Senior Managers	18	8	2	1	14	3	21	1	55	13	68
	Professionals	8	1		1	9	4	7	4	24	10	34
	Technicians & Associated Professionals	28	41	3	2	57	20	28	13	116	76	192

Table 4: Number of women employed in the three highest management levels in the municipality (consolidate figure.):

4	Number of women employed in the three highest management levels in the municipality (consolidate figure.)	African	Coloured	Indian	White	Total	Total
		F	F	F	F	F	
	Senior Managers	8	1	3	1	13	13
	Professionals	1	1	4	4	10	10
	Technicians & Associated Professionals	41	2	20	13	76	76

Table 5: People with disabilities:

5	Number of people with disabilities employed in the three highest management levels in the municipality (consolidated figure).	0
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Table 6: Budget spent on implementing the work place skills plan:

6	% of the municipality's budget spent on implementing the work place skills plan.	0.30%
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Table 7: Personnel expenditure Trends:

7	Trends on total personnel expenditure over the last 3 to 5 years, compared to budget	Budget	Expenditure	% Spent
	• Budget year 2007/2008	478,227,558	474,383,262	99%
	• Budget year 2008/2009	580,172,075	578,165,402	100%
	• Budget year 2009/2010	634,560,165	631,560,165	98%

Table 8: Senior management (Section 57) undergone leadership development training:

8	Number of senior management (Section 57) undergone leadership development training.	Race										
		African		Coloured		Indian		White		Total		Total
		M	F	M	F	M	F	M	F	M	F	
	Senior officials and managers SOC 100	2	1	1	2	1		1	1	5	4	9
	TOTALS	2	1	1	2	1	0	1	1	5	4	9



Table 9: Name of pension and medical aid funds:

9	The number and name of pension and medical aid funds including an assessment of future risks or liabilities.	Number	Liability	Name
	<ul style="list-style-type: none"> Pension 	6	R 55,384,247	1. Natal Joint Municipal Pension Fund 2. SALA 3. GEPP 4. AIPF 5. Pietermaritzburg Corporation Provident Fund 6. Councillors Pension Fund
	<ul style="list-style-type: none"> Medical aid 	6	R 17,221,463	1. Key Health 2. Munimed 3. LA Health 4. SAMWU 5. Hosmed 6. Bonitas

Table 10: Councillors undergone leadership development training:

10	Number of Councillors undergone leadership development training.	Race										
		African		Coloured		Indian		White		Total		Total
		M	F	M	F	M	F	M	F	M	F	
	Leadership & governance SOC 100	28	7	2	0	3	1	2	1	35	9	44
	TOTALS	28	7	2	0	3	1	2	1	35	9	44

PERFORMANCE HIGHLIGHTS–HUMAN RESOURCES DEVELOPMENT

Key Performance Area	IDP Goal/Objective: To provide an efficient and effective Human Resource Management Service in order to support the achievement of the organisational objectives	Planned	Actual	Variance
Sound Governance	1. Development & Maintenance of Operational Human Resource Plans and Policies.	3	0	3
	2. All advertised posts to be filled within a 2 months period from receipt of Staff Vacancy Advise	100%	20%	80%
	3. Implementation of the Employment Equity Plan	100%	0%	100%
	4. Complete job description writing exercise. Determine job grades based on the collective agreement.	100%	50%	50%
	5. To promote and maintain a healthy employee relations climate. Less referral to Bargaining Council and CCMA	100%	50%	50%
	6. All new employees inducted within 1 month	100%	50%	50%
	Reason for Variance:	Lack of co-ordination, budget and departmental needs		
Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010				
Key Performance Area	IDP Goal/Objective: Contribute Towards Employability & Self Employability of Youth and Community	Planned	Actual	Variance
Community Participation	1. External Student Bursaries Awarded	20	8	12
	2. 50 Students registered on Learnerships/apprenticeship	50	10	40
	3. 150 Students placed on Internship Programme	150	25	125
	4. Technical Skills programmes is provided to unemployed youth	1	1	0
	5. 200 Emerging Contractors trained on Procurement Procedures and processes.	200	0	200
	Reason for Variance:	Lack of co-ordination, budget and departmental needs		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			
Key Performance Area	IDP Goal/Objective: To ensure a competent workforce to achieve organisational objectives.	Planned	Actual	Variance
Sound Governance	1. Conduct a pilot Skills Audit. Design and implement Personal Development Plan	70%	100%	30%
	2. 100% implementation of the Work place Skills Plan	100%	110%	
	3. 100% Recovery of Skills development Levies	100%	113%	
	4. Make ABET compulsory to all employees who are NQF level 1 and below	620	0	620
	5. Implement Learnerships for employees	50	30	20
	6. Development of Skills Development Committees in each Strategic Business Unit	7 SBU's	2 SBU's	5 SBU's
	Reason for Variance:	Lacking commitment with all role players, no follow-up		
Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010				



Key Performance Area	IDP Goal/Objective: To create and maintain a safe and healthy work environment	Planned	Actual	Variance
Sound Governance	Conduct safety audits	25%	0%	25%
	Review Occupational Health and Safety Systems & Procedures	100%	20%	80%
	Establishment of effective Health and Safety Committee structures	100%	0%	0%
	Review and improve safety Training Programmes for all SBU's	100%	25%	75%
	Establishment of Employee Wellness Centre	100	0	100%
	Reason for Variance:	Lack of co-ordination, budget and departmental needs		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			
Key Performance Area	IDP Goal/Objective: Improve Quality and Management Control Processes	Planned	Actual	Variance
Sound Governance	1. Batho Pele workshops and training are conducted (Ward Reps & Staff)	1425	0	1425
	2. Placement is evaluated	Level 4 & 5	0	100%
	3. Councillors Skills Audit is conducted	73	33	40
	4. Ward Committees are established, inducted and trained	100%	0	100%
	Reason for Variance:	Lack of commitment, Ward Committees not yet established		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			
Key Performance Area	IDP Goal/Objective: To align the organisational culture to the business objectives	Planned	Actual	Variance
Sound Governance	1. Conduct surveys based on staff satisfaction – business objectives	660	0	1
	2. Knowledge Management system coordination at a SBU's level	All SBU's	0	100%
	3. Transformation workshops are conducted each year	3 workshops	0	3 workshops
	4. Areas of corporate image improvements are identified	7 SBU's	7 SBU's	0
	Reason for Variance:	Lack of planning and support		
Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010				
Key Performance Area	IDP Goal/Objective: Improve organisational efficacy and measure results	Planned	Actual	Variance
Sound Governance	1. Measures to cascade Performance Management System to all levels of the Organisation. Facilitate PMS Workshop	56	0	100%
	2. Annual Performance assessments are scheduled	Sect 57, level 4 & 5	0	100%
	3. Establish OD/PM Steering Committee	Level 4 & 5	0	100%
	Reason for Variance: lack of commitment (implementation)	Lack of commitment (implementation)		
Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010				

Key Performance Area	IDP Goal/Objective: To ensure legal compliance	Planned	Actual	Variance
Sound Governance	Legal Division to verify all organisational contracts and policies for compliance.	100%	75%	25%
	Strengthen law enforcement and establishment of a municipal Court.	100%	0%	100%
	Development of by-law and policy units	100%	0%	100%
	Reason for Variance:	Lack of commitment (implementation)		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			
Key Performance Area	IDP Goal/Objective: To Ensure the effectiveness and efficiency of the Council's decision making system and improving communication and understanding	Planned	Actual	Variance
Sound Governance	1. Effective and efficient management of information within the organization	100%	60%	40%
	2. Ensuring efficiency and effectiveness of committee system	100%	75%	25%
	3. Put in place at least five service level agreements, Maintain at least 80% availability, Document SLA performance management meetings with at least five providers, implement IT infrastructure library best practice	100%	40%	60%
	4. Extend LAN/WAN infrastructure to newly acquired Buildings, Clinics and Halls - on going	100%	100%	0
	5. Asset renewal Programme (Servers, Plotter & Computers)	100%	100%	0
	6. Address ICT security risks identified	100%	60%	40%
	7. Create integration framework for Council, align existing Council wide ICT initiatives with the integration framework	100%	30%	70%
	Reason for Variance:	Lack of budget and departmental skills		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			
Key Performance Area	IDP Goal/Objective: To encourage innovation & service excellence	Planned	Actual	Variance
Sound Governance	1. Strategic alignment of leadership with Batho Pele	100%	0%	100%
	2. Institutionalization of Batho Pele into normal business of the Municipality	100%	0%	100%
	Reason for Variance:	Lack of planning and support		
	Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2010/2011 goals, within budgetary constraints, including the backlogs from 2009/2010			



Function: Human Resources

Disclosures

Disclosures Concerning Councilors, Directors and Senior Officials for the period 1 July 2009 to 30 June 2010

Description	Mayor	Executive Councilors (list individually)	CLR M DIRKS	CLR T1 DIAMINI	CLR WF LAMBERT	CLR RP ASHE	CLR K CHETTY	CLR GJD MEYER	CLR FD MATHA	CLR RS ISURARE	CLR DP ZINDI	Municipal Manager	Chief Financial Officer	Other Senior Managers (list individually)	MIR P MASHOHO	MIR Z HULANE	Total
Salaries and Wages R'000																	
Normal	309,817.6	324,167.16	247,036.75	271,873.2	383,241.84	286,110.72	229,873.8	357,570.12	232,938	236,689.05	351,991.26	863,226.05	631,913.8	725,181.57	432,379.16	631,781.7	
Overtime																	
Contributions R'000																	
Pensions	44,579.88	N/A	38,783.52	44,720.28	54,477.7	40,825.18	33,092.65	50,893.34	33,420.43	37,044.57	50,260	N/A	60,258.14	N/A	N/A	N/A	
Medical Aid	14,400	13,740.2		28,245	N/A	N/A	18,043.2	16,968	36,458.64	10,722.66	18,072	13,787.2	14,011.2	N/A	N/A	N/A	
Other																	
Allowances R'000																	
Travel and Motor Car	139,707.2	104,780.4	107,612.51	132,793.95	50,625.72	126,544.48	107,579.76	63,282.24	106,378.96	106,992.66	30,375.48	58,063.86	100,465.75	186,359.37	28,000	250,970.92	
Accommodation																	
Subsistence	14,193																
Housing Benefits and Allowances R'000	31,871.6	31,871.7	25,497.36	38,246.04	N/A	38,246.04	28,684.53	N/A	28,684.53	28,684.53	38,246.04	N/A	N/A	N/A	N/A	N/A	
Loans and Advances R'000	28,333.99	13,448.91	11,620.17	12,490.36	10,666.67	11,231.02	11,805.61	10,417.87	10,482.4	11,361.64	9,986.74	25,333.74	25,596.99	19,020.54	N/A	61,597.61	
Other Benefits and Allowances R'000 (specify)																	
Areas Owed to Municipality R'000																	

5.4 DEVELOPMENT SERVICES

5.4.1 Sub Function: Economic Development

OVERVIEW:

- Investment Attraction
- Business Retention and Expansion
- Black Economic Empowerment and Entrepreneurial Development
- SMME Development and support
- Informal Trade Management
- Forestry Services Management
- Tourism Promotion and development
- Monitoring the City's economy, creating and economic data base

DESCRIPTION OF THE ACTIVITY:

The function of economic planning/development within the municipality is administered as follows and includes:

1. An Investment Attraction Retention & Expansion unit with two sub-units, viz. Investment Attraction and Municipal Enterprises (Airport, Market, Forestry)
2. Black Economic Empowerment & Entrepreneurial Development Unit (including SMME Development and Informal Trade Management)

The municipality has a mandate to:

Promote sustainable economic development and job creation.

The strategic objectives of this function are the:

- Promotion and Attraction of inward Investment
- Promotion of the retention and Expansion of local business
- Promotion of Black Economic Empowerment
- Establish of a socio-Economic data base
- Promotion of key sectors within the economy of the city

The key issues for 2009/10 are:

1. Completion of phase 2 of the Freedom Square Project
2. Increase in turnover and profitability of the Municipality Market
3. Formulating and implementing an Informal Trade Management plan
4. Promoting development projects in the Edendale valley
5. Township regeneration
6. Local economic development strategy
7. Poverty alleviation plan
8. Management of street trading



Analysis of Function:

1	Number and cost to employer of all economic development personnel:	Number	R (000s)
	- Professional (Directors / Managers)	1	419,016.24
	- Non-professional (Clerical / Administrative)	39	5,353,804.9
	- Temporary	6	74,000.00
	- Contract	0	0
2	Detail and cost of incentives for business investment:	Number	R (000s)
	Electricity discounts only		1,503,043
	Note: list incentives by project, with total actual cost to municipality for year		
3	Detail and cost of other urban renewal strategies:	Information not available	
4	Detail and cost of other rural development strategies:	R (000s)	
	Food Security Project/ Community Work Programme	No cost to Council	
5	Number of people employed through job creation schemes:	Number	
	- Short-term employment	1,070	
	- Long-term employment	218	
6	Type and number of grants and subsidies received:	Number	R (000s)
	Neighbourhood Partnership Development Grant /Provincial Grant Freedom Square Hub	2	9,450,665

Performance Highlights 09/10

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Social Economic Development and Growth	IDP Goal/Objective: Establish a dedicated sub-unit for the management and regulation of street trading
	Actual Performance Achieved 2009/2010: Achieved
	Variance between Planned & Actual Performance (if any): N/A
	Reason for Variance: N/A
Social Economic Development and Growth	IDP Goal/Objective: Development of a Street Trading Policy with specific programmes and projects.
	Actual Performance Achieved 2009/2010: Achieved
	Variance between Planned & Actual Performance (if any): Nil
	Reason for Variance: N/A
Social Economic Development and Growth	IDP Goal/Objective: To address the inequalities in the city's economy by increasing Broad Based Black Ownership, control and management of businesses/enterprises by developing policy and medium term strategy with specific programmes and project.
	Actual Performance Achieved 2009/2010: Not Achieved
	Variance between Planned & Actual Performance (if any): 100%
	Reason for Variance: Bulk of the Funding was reallocated to airport
	Improvements for Next Year: A BBBEE Policy will be developed in-house.
Social Economic Development and Growth	IDP Goal/Objective: To provide support for the establishment and development of SMMEs
	Actual Performance Achieved 2009/2010: Achieved
	Variance between Planned & Actual Performance (if any): Nil
	Reason for Variance: N/A
	Improvements for Next Year: Establish the Msunduzi SMME service Provider Forum



5.4.2 Sub Function: Housing

OVERVIEW:

Includes all activities associated with the provision of housing.

DESCRIPTION OF THE ACTIVITY:

The function of provision of housing within the municipality is administered as follows and includes:

- 1) **PLANNING AND PACKAGING OF PROJECTS PHASE:** Identification of beneficiaries; land identification; Council's support for project; applications to DoHS (Department of Human Settlements) for Conditional Approval; Social Compacts; Feasibility Application; Proposal Calls; as follows:
 - a) **Identification of Beneficiaries:** members of public apply for inclusion on the waiting list; community members living in an in-situ project area are ring fenced as potential beneficiaries; informal settlements located on unsuitable land for development identified for relocation to a housing project. The Beneficiary list discussed with PSC's and requires approval of Council. Beneficiary lists forwarded to DoHS for approval on National Data Base.
Strategic Objective - To provide access to adequate and safe housing for low income families (i.e. less than R3500 pm) and the "gap market" (i.e. between R3500 and R7500 pm) i.t.o. Constitution and Housing Act.
Key Issues - Council to approve projects and beneficiaries lists.
 - b) **Land Identification:** Identification of land for housing from land audit and confirm location in terms of the Spatial Development framework and restructuring Zones; prioritize and report to Council for Approval and inclusion in the IDP (requirements by DoHS).
Strategic Objective - to develop suitably located land which is viable and sustainable to develop, in line with the policy of an integrated City which brings communities closer to job creation opportunities.
Key Issues - Council to prioritize sites from land audit.
 - c) **Council's Support:** Council must resolve:-
- To be the developer; to accept the outer figure of the project; beneficiary identification; level of services and funding for their design and construction.
Strategic Objective - Council commits to the project.
Key Issues - To address disputes with regard to beneficiary allocations and services levels, and to secure necessary funding for the services.
 - d) **Conditional Approval Application:** Initial application to DoHS for funding to appoint service providers to undertake environmental scoping report, geotechnical analysis and social survey and approve reports. Package documents with bulk services analysis to DoHS for Conditional Approval.
Strategic Objective - DoHS to include proposed project on DoHS data base for future funding.
Key Issues - Conditional Approval Application process is lengthy.
 - e) **Social Compacts:** Consultation with the community to support the proposed project and agree on the type of project to be developed. SC to be signed by community reps. Document requirement by the DoHS.
Strategic Objective - To ensure that the community "buys into" the project.
Key Issues - To sign SCs for projects.
 - f) **Feasibility Applications:** Compiling all relevant documentation required by the DoHS related to a specific project for the DoHS to approve funding for the project. DoHS approve funding and submit Tripartite Agreement (TA) to municipality to be signed by the Council and the IA (Implementing Agent). TA discussed with the legal section and reported to Council for authority to sign.
Strategic Objective - To secure subsidy funding for the project in order for project to be implemented.
Key Issues - Sourcing documentation.

g) Proposal Calls: Compilation of relevant documentation necessary to invite tenders from implementing agents and service providers to implement a low income housing project. Adjudication process followed and IA appointed.

Strategic Objective - To appoint an IA to implement the project.

Key Issues - Sourcing documentation and Council resolutions required for the Proposal Call.

1) IMPLEMENTATION PHASE: Managing implementing agent and coordinating activities of service providers.

a) Manage Implementation: Co-ordination of the processes for approval by Council in consultation with Ward Councillor and community representatives, and implementation of:

- Layout planning
- Identification and location of beneficiaries
- Building plans
- Services constructed
- Houses constructed
- Resolving constraints causing delays
- Invoices/claims
- Quality control and resolving snags
- Budget monitoring

Strategic Objective - To ensure the delivery of an appropriate level of services to a site in an approved layout which is sustainable and transferable to an approved beneficiary, on which a house has been built in terms of the DoHS norms and standards and acceptable quality.

Key Issues - Ensuring delivery within the approved budget and programme, and resolving technical and social constraints which impact on the delivery process.

2) CLOSE OUT PHASE: Confirmation of taking over of services by the municipality; allocation of sites and issuing title deeds

- a) Monitoring acceptances, 1 year maintenance, and taking over of services.
- b) Monitoring the allocation, occupation and transfer process of sites.
- c) Ongoing interaction with community structures to address missing beneficiaries.

Strategic Objective - To ensure the correct beneficiary occupies and takes title to the site they have been allocated.

Key Issues - Delays caused by illegal occupation of sites.

3) MANAGEMENT OF RENTAL STOCK: Management and maintenance of Council Housing Rental Stock; sale and transfer to tenants of certain units.

Strategic Objective - To ensure the provision of appropriate rental housing to people on the waiting list.

Key Issues - Non-payment of rent; maintenance of buildings; implementation of the Enhanced Extended Discount Benefit Scheme (EEDBS) transfers.

4) DEVELOPMENT FACILITATION ACT APPLICATIONS (DFAs) FOR RESIDENTIAL DEVELOPMENTS: Private sector applications - evaluate proposals; draft services agreement and co-ordinate comments from sub-units' report to Council for authority to sign agreement; attend Tribunal hearings.

Strategic Objective - To enable private sector to provide housing for the middle and upper income groups.

Key Issues - Capacity of bulk services to meet the needs of the developer; negotiate contribution from developers; meet deadlines set by the DFA.



- 5) **STRATEGIC HOUSING PLAN INCORPORATING THE HOUSING SECTOR PLAN:** Prepare an ongoing review of the SHP.

Strategic Objective - Meet requirements of the IDP and DoHS.

Key Issues - Keeping up to date with Council and DoHS policies; outstanding matter to be addressed.

- 6) **HOUSING CONSUMER EDUCATION PROGRAMMES:** Facilitate the introduction of this programme into the municipality; train Council officials; train community members.

Strategic Objective - To capacitate communities with regard to their responsibilities as new home owners.

Key Issues - Dedicated resources required to implement this programme; communities to have ongoing involvement with programme.

- 7) **HOUSING DATA BASE:** Set up and manage relevant information required for a data base of housing needs as defined by the DoHS; data required by surveying informally settled community areas.

Strategic Objective - To provide the Council and the DoHS with a regular update on the demand for housing.

Key Issues - Data base needs to be revised and then kept up to date.

- 8) **LAND RELEASE PRIORITIZATION:** Council land to be identified for housing development for all incomes, including Bank Charter Housing and Community Residential Units; declaring Residential Zones in terms of the SDF and the GEDI (Greater Edendale Development Initiative) programmes; ongoing interaction with the Council's sub-units responsible for managing the SDF and GEDI programmes; Council to approve the programme; prepare proposal calls.

Strategic Objective - To prioritize a roll-out of land to be developed by the private sector and agents of Council.

Key Issues - Approval by Council of a list of sites to be advertised.

- 9) **INNER CITY RESIDENTIAL STRATEGY:** Co-ordinate the activities required for the conversion of buildings for residential accommodation.

Strategic Objective - Part of the CBD Revitalization programme and ties in with Social Housing Policy.

Key Issues - Approval of Provisional Restructuring Zones.

- 10) **INFORMAL SETTLEMENT RELOCATIONS AND EMERGENCY HOUSING:** Identification of options for the relocation of families living in vulnerable situations; linked to housing project programme, Emergency Housing Programme and Community Residential Unit programme.

Strategic Objective - To relocate into suitable accommodation, families who are located on land required for other purposes, do not qualify for a housing subsidy, or affected by a disaster.

Key Issues - Solutions being developed to implement this initiative.

- 11) **HOUSING STATISTICS AND INFORMATION:** Deal with ongoing enquiries for statistics and information related to housing delivery by other Business Units; research information.

Strategic Objective - To meet the operational requirements of Council.

Key Issues - Up to date data base now in place, but information required is sometimes additional to the data in the data base.

ANALYSIS OF THE FUNCTION:

1	Number and cost of all personnel associated with provision of municipal housing:		R (000s)
	• Professional (Directors / Managers)	2	1,297
	• Professional (Architects/Consultants)	1	1,165
	• Field (Supervisors/Foremen)	8	2,262
	• Office (Clerical/Administration)	14	2,115
	• Non-professional (blue collar, outside workforce)	11	681
	• Temporary	0	0
	• Contract	1	286
	Total	37	7,806

2	Number and total value of housing projects planned and current:	Number	R (000s)
	• Current (financial year after year reported on)	9	131,603
	• Planned (future years)	9	2,016,000
	Note: provide total project and project value as per initial or revised budget		

3	Total type, number and value of housing provided:	Number	R (000s)
	Low Income Housing	850	47,600
	Emergency Housing	0	0
	Rental Housing	0	0
	Note: total number and total value of housing provided during financial year		

4	Total number and value of rent received from municipal owned rental units	Number	R (000s)
		367	659

5	Estimated backlog in number of (and costs to build) housing:	Number	R (000s)
	Low Income Housing	11,310	633,360
	Social Housing	1,700	40,800
	CRU - Affordable Rental	3,000	720,000
	Bank Charter Housing	3,000	1,050,000
	Emergency Housing	2,500	117,500
	Serviced Sites	2,000	100,000
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		





6	Type of habitat breakdown:	Number
	• number of people living in a house or brick structure	81,746
	• number of people living in a traditional dwelling	26,775
	• number of people living in a flat in a block of flats	13,960
	• number of people living in a town/cluster/semi-detached group dwelling	3,030
	• number of people living in an informal dwelling or shack	3,870
	• number of people living in a room/flat let	4,650
	The above figures are as per Census Community Survey 2007.	

7	Type and number of grants and subsidies received:	Number	R (000s)
	KZN Department of Human Settlements: Low Income	850	47,600
	Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		

8	Total operating cost of housing function	Number	R (000s)
			15,000,000

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: to provide shelter for all people living in slum conditions by 2014		1200
	Actual Performance Achieved 2009/2010: 850	850	
	Variance between Planned & Actual Performance (if any): 350		
	Reason for Variance: Long Approval process by DOHS.		
	Improvements for Next Year: Regular meetings with DOHS for faster approval. Process has began.		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Provisional Restructuring zones have been approved by Council. To be submitted to Deot of Human Settlements for approval		8
	Actual Performance Achieved 2009/2010: Achieved	8	
	Variance between Planned & Actual Performance (if any): Nil		
	Reason for Variance: N/A		
	Improvements for Next Year: Interact with SHI to improve delivery of Rental Housing. Negotiate with Rental Housing Organisations to prioritise Msunduzi for funding		
Basic & Sustainable Service Delivery	IDP Goal/Objective: To Plan and Initiate 500 Community Residential Units (CRUs) by 2010		500
	Actual Performance Achieved 2009/2010: 0		
	Variance between Planned & Actual Performance (if any): 500		500
	Reason for Variance: Legal dispute with the SHI		
	Improvements for Next Year: Legal Dispute with SHI now resolved through Settlement. Planning of new Rental Housing to proceed in 2010/2011.		
Basic & Sustainable Service Delivery	IDP Goal/Objective: To Plan and Initiate 2000 Rural Housing Units in Vulindlela, Sweetwaters, Nxamalala, Enadi & Ximba	0	2000
	Actual Performance Achieved 2009/2010: 0		
	Variance between Planned & Actual Performance (if any): 2000		
	Reason for Variance: DOHS did not respond to requests for joint evaluation on tenders received. And did not support process followed by Msunduzi.		
	Improvements for Next Year: Revised Plan to be submitted to DOHS as an Intervention Priority. Plan approved with Pre-Feasibility funding.		
Basic & Sustainable Service Delivery	IDP Goal/Objective: To provide Emergency Housing to people who have suffered or are victims of Natural Disasters	0	1000
	Actual Performance Achieved 2009/2010: 0		
	Variance between Planned & Actual Performance (if any): 1000		
	Reason for Variance: No funding to implement the project.		
	Improvements for Next Year: Application to be revised to include 1 000 units for Jika Joe. Funding has been approved by DOHS.		



5.5 COMMUNITY SERVICES

5.5.1 Sub Function: Fire & Rescue Service

OVERVIEW:

Provide a fire, rescue and humanitarian aid service

DESCRIPTION OF THE ACTIVITY:

The function of provision of a fire & rescue service within the municipality is administered as follows and includes:

1. Firefighting, rescue & humanitarian aid (24/7 service from 3x fire stations, viz. Central, Oriibi & Airport)
2. Crisis Communications Centre (24/7 emergency call-centre)
3. Fire prevention & protection
4. Fire training academy & public education

These services extend to include the uMgungundlovu District Municipality Fire Service's emergency communications and control, but do not take account of the firefighting & rescue service which resides within the jurisdiction of the fire stations in the District.

The municipality has a mandate:

To receive all emergency calls, dispatch resources and record data of incidents for the District.

The strategic objectives of this function are to:

- a) prevent the outbreak or spread of a fire;
- b) fighting or extinguishing a fire;
- c) the protection of life or property against a fire or other threatening danger;
- d) the rescue of life or property from a fire or other danger;
- e) the performance of any other function connected with any of the matters referred to in paragraphs;

The key issues for 2009/2010 are:

1. Appointment of additional 36 firefighter staff
2. Replacement of obsolete vehicles and equipment
3. Compliance with relevant SANS fire standards and ACAA legislation

ANALYSIS OF FUNCTION:

1. Number and cost to employer of all personnel associated with fire & rescue services:	Number	R (000s)
Professional (senior management): Chief Fire Officer	1	428,496.27
Principal Administrative Officer	1	229,376.78
Operations Manager (Deputy Chief Fire Officer)	1	281,436.17
Senior Divisional Officer	4	966,277.48
Divisional Officer	4	917,507.04
Station Officer	22	4,667,001.68
Firefighter	100	12,478,803.54
Office(clerical/Administration)	7	695,048.57
General worker	4	258,118.40
Volunteer/ comms	9	1,132,897.71
Temporary	3	303,195.08
Total cost for all staff	156	22,358,158.24

2. Total annual number of call-outs attended:	Number
Fire rescue call-outs	1800

3. Average response time to call-outs:		R (000s)
Emergency call outs	10 minutes	
Number and total operating cost of fire engines servicing population:	33	696,000
- Aged less than 10 years	6	126,000
- Aged 10 years or greater	27	569,000
Total operating cost of Fire & Rescue function (less basic salaries)		14,105,841



PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Basic & Sustainable Service Delivery	IDP Goal/Objective: To decentralize fire stations.
	Variance between Planned & Actual Performance (if any): Decentralization of fire stations could not be achieved due to lack of capital & operating budget. Still require Edendale and Vulindlela fire stations.
	Improvements for Next Year: Should our Business Unit be provided with sufficient funds, the 2009/2010 objectives will be realized.
Basic & Sustainable Service Delivery	IDP Goal/Objective: To fill critical vacant firefighter posts
	Variance between Planned & Actual Performance (if any): Most vacant firefighter posts filled. However unable to fill vacant Communications centre posts
	Improvement for the next year: Should the process be successful then the vacant Control Centre posts will be filled.
Basic & Sustainable Service Delivery	IDP Goal/Objective: Public awareness basic life safety program
	Variance between Planned & Actual Performance (if any): Program in place but insufficient operational budget and vacant Public Education Officer posts ... no staff to do effective public education
	Improvement for the next year: Improvement could be achieved provided that the staff vacancies are filled and budget is provided

5.5.2 Sub Function: Parks, Sport and Recreation

OVERVIEW:

This sub unit is divided into four functions, namely: Horticulture, Conservation & Environment, Sport & Recreation and Support Services.

DESCRIPTION OF THE ACTIVITY:

The function and management responsibilities of Parks, Sport & Recreation are as follows:

- (i) **HORTICULTURE:** Maintenance and development of parks, open spaces, play lots, cemeteries, road islands, city entrances in the city. Planting and maintenance of street trees. Initiate garden projects. Urban Agriculture (ploughing).
- (ii) **SPORT & RECREATION:** Maintenance, development and management of all municipal sports facilities including swimming pools. Management provision and hire of halls. Hosting and attracting major events (events coordination). Sports development.
- (iii) **CONSERVATION & ENVIRONMENT:** Management, maintenance and development of conservation areas. Burning and control of fire breaks.
- (iv) **SUPPORT SERVICES:** Management of Cemeteries and Crematoria. Provide an administrative support service (human resources, finance, secretarial, Information control and assets control).

The services of Horticulture, Sport and Recreation, Conservation and Environment and Cemeteries and Crematoria are provided within the jurisdiction of the Msunduzi Municipality.

The strategic objectives of this function are to:

- Promote sustainable social development
- Basic services
- Environment

The key issues for 2009/2010 are:

- Eradication of Alien invasive plants.
- Development of a new cemetery.
- Provide an integrated maintenance grass cutting programme.
- Develop Alexandra Park as a Sports Hub.

ANALYSIS OF FUNCTION:

1. Number and cost to employer of all Parks, Sport and Recreation staff	Number	R (000s)
• Professional (Managers)	5	2 158 250
• Field (Supervisors/Groundsman etc)	46	8 598 141
• Office (Clerical/Administration)	16	3 095 797
• Non-professional (brush cutter operators, tractor drivers etc)	322	32 174 593
• Temporary	4	553 866
• Contract	30	1 649 079
TOTAL	423	48 239 726

2. Total operating cost of Parks, Sport and Recreation (2009/2010)	76 187 410
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3.Total number of users (hall facilities)	1 000 000
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4.Total number of users (pool facilities)	120 000
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5.Total number of users (sporting facilities)	4 000 000
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Performance Highlights:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
BASIC SERVICES	IDP Goal/Objective: New cemetery to accommodate burials for 50 years
	Actual Performance Achieved 2008/2009: Development of Hollingwood cemetery (50000 Burials) approx: 10 years burial space. Work in progress
	Variance between Planned & Actual Performance: Need to acquire land for future burial space for 50 years
	Reason for Variance: Land Issue Sobantu Residents .Insufficient land
ECONOMIC & SOCIAL DEVELOPMENT	Improvements for Next Year: Need to plan for other cemeteries to accommodate burials in Edendale area.
	IDP Goal/Objective: 25000 Seater soccer stadium
	Actual Performance Achieved 2009/2010: Upgraded Harry Gwala Stadium, work in progress
	Variance between Planned & Actual Performance: Incomplete, Roof on South side stand and new stands on East and West sides with roof.
ECONOMIC & SOCIAL DEVELOPMENT	Reason for Variance: Insufficient funds
	Improvements for Next Year: Secure additional funding to complete stands and roof.
	IDP Goal/Objective: All sports facilities and halls maintained to an acceptable standard
	Actual Performance Achieved 2009/2010: One sport facility and hall in Vulindlela has been refurbished
ECONOMIC & SOCIAL DEVELOPMENT	Variance between Planned & Actual Performance: Unable to complete all the repairs in the sports facilities as planned; Ntembeni.
	Reason for Variance: Insufficient funds
	Improvements for Next Year: Secure funding to complete planned maintenance on sports and hall facilities
	IDP Goal/Objective: 'State of the art' crematoriums
BASIC SERVICES	Actual Performance Achieved 2009/2010: Refurbishment of Cremator no2 completed.
	Variance between Planned & Actual Performance: Cremator no1 still needs to be refurbished or replaced
	Reason for Variance: Insufficient funds
	Improvements for Next Year: Replace Cremator no1 or refurbish once funds are available
ECONOMIC & SOCIAL DEVELOPMENT	IDP Goal/Objective: Poverty eradication/Integrated maintenance programme
	Actual Performance Achieved 2009/2010: Created opportunities for employment. Temporary grass cutting programme
	Variance between Planned & Actual Performance: Integrated maintenance programme not achieved
	Reason for Variance: Insufficient funds to employ more temps to clean gutters and pick up letter and grass cutting
	Improvements for Next Year: Increase capacity temporary grass cutting programme

5.5.3 Sub Function: Health & Social Services (Clinics)

OVERVIEW:

- Includes all activities associated with the provision of community and social services.
- Provision of Comprehensive and Holistic Primary Health Care to residence of the Msunduzi Municipality and surrounding areas.
- The Primary Health care offered is free, accessible and of a high quality.

DESCRIPTION OF THE ACTIVITY:

The function of provision of various community and social services within the municipality is administered as follows:

Primary Health Care (PHC):

- Management of Sexually Transmitted Infections HIV/AIDS/TB
- Immunisation
- Antenatal and Post Natal Care
- Anti- Retroviral therapy
- Voluntary Counselling and testing (VCT) Prevention of Mother to Child Transmission of HIV/Aids (PMTCT).

Municipal Clinics are Located at the following:

- Ashdown
- Azalea
- Central City Clinic (CBD Msunduzi)
- Copesville
- Eastwood
- Esigodini
- Glenwood
- Grange
- Impilwenhle
- Khan Road (Bombay Heights)
- Masons (SWAPO, Haniville)
- Northdale
- Oribi
- Scottsville
- Sobantu
- Snathing
- Stott Rd (Prestbury)
- Woodlands
- Willowfountain
- Moths (Northern Park)
- St John's (CBD Msunduzi)
- Deccan Road





Mobile Clinic Points

- Ashdown
- Ambelton
- Ashburton/Smero
- Cramond
- Dambuza
- Thornville
- Trustfeed
- Bishopstowe
- Slangspruit
- Mkhondeni
- Nhlazatshe
- Ezinketheni

The strategic objectives of this function are to:

- To maintain quality health care within the Msunduzi Municipality.
- The Municipality has a mandate to render Primary Health Care to all residents within the Msunduzi area and surroundings.

The key issue for 2009/2010 are:

TB and HIV/Aids

- To improve the cure rate and turnaround time
- Reduce the spread of HIV/Aids
- Improve accessibility of ARV's
- Reduce and alleviate Poverty
- Improve the number of clients testing for HIV

ANALYSIS OF THE FUNCTION:

1. Number and cost to employer of all Health and Social Services:	Number	(R'000)
• Professional (Doctors/Specialists)	1	225965
• Nursing Service Manager	VACANT	
• Deputy Nursing Service Managers	2	959 683
• Pharmacist	1	249 121
• Pharmacist Assistant	1	169 800
• PHC Coordinator	0	282 547
• PHC Trainer	0	0
• EPI Trainer/ Infection Control Trainer	0	344 795
• Radiographer (5/8th)	1	159 784
• Senior District Nurses	4	1 552 373
• Senior Clinic Sisters	26	7 085 183
• Clinic Sisters	20	3 924 158
• Enrolled Nurses	17	2 802 992
• Auxiliary Nursing Ass.	2	329 323
• Auxiliary Nursing Ass.	0	0
• Clinic Clerks	25	3 318 209
• Clinic cleaners	12	1 069 522
Total	112	22 473 456
2. No. of Facilities	22	
3. No of Users		559 165
4. Total operating cost of community and social services function (Admin, Enviro Health, Nursing Services, HIV & AIDS)		46 880 523



PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Development	IDP Goal/Objective: Improve TB cure rate	75%	75%
	Actual Performance Achieved 2009/2010: Achieved		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: Employing and training of Tracer Teams		
Basic & Sustainable Service Development	IDP Goal/Objective: Reduce the HIV prevalence rate by 5%	40%	40%
	Actual Performance Achieved 2009/2010: Achieved		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: HIV/ HCT/Campaigns/Workshops - Partnership with KZN Health for the secondment of staff for ARV clinics		
Basic & Sustainable Service Development	IDP Goal/Objective: Reduce and Alleviate Poverty	45%	100%
	Actual Performance Achieved 2009/2010: 45%		
	Variance between Planned & Actual Performance (if any): 55%		
	Reason for Variance: Budget Constraints		
	Improvements for Next Year: Sustainable Programmes e.g. Garden Projects.		

5.5.4 Sub Function: Traffic and Security Services

OVERVIEW:

The overview of this Unit is to alleviate Traffic congestion wherever this occurs and to prevent road Traffic collisions wherever possible and to reduce accidents rate in the Msunduzi Municipality jurisdiction. To protect council life and property, providing a 24/7 security service operating on a four shift system. This Unit has the staff compliment of 74 law enforcement and 153 security officers.

DESCRIPTION OF THE ACTIVITY:

The policing and traffic control functions of the municipality are administered as follows and include:

- To control and regulate all forms of traffic, attend scenes of motor vehicles collisions and assist with traffic control, preventing second re-collisions and safe guard the scene of the collision. Eliminate points of congestion, obstruction, hindrance, interference or damage to vehicles and pedestrians. Cordon off areas where emergencies have occurred and control traffic. Promote education and training of all age and race groups in road and traffic safety. Remove dangerous and unlicensed drivers from the road. Provides special operations dealing with informal settlers,, land invasions, informal street traders, vagrants and street children. Assist disaster management with post emergency recovery and operation. Provide V.I.P protection as and when required. Provide protection of council's forests, and prevent theft of timber.
- High visibility of control, traffic control, law enforcement and the bylaws and to ensure the recovery of outstanding

The strategic objectives of this function are to:

1. To promote traffic safety, driver compliance and fostering harmonious road relations (preventing road rage) and enhancing traffic policing/ community relations. Zero tolerance attitude towards errant drivers and those who fail to pay traffic fine or appear in court.

The key issues for 2009/2010 are:

Arrest Negligent and reckless driving, and driving under the influence of alcohol. Dangerous driving and or inconsiderate driving, roadworthiness and warrants of arrests. Conducting road blocks, suspensions and the escorting of abnormal loads, programs for child in traffic education, training of student traffic officers at RTI training college for points duty. 100% compliance with firearms control Act, criminal procedure Act and National Transportation Act. By law enforcement.

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all personnel associated with policing and traffic control:	Number	R (000s)
	• Professional (Senior Management)	8	2 026 066
	• Field (Detectives/Supervisors)	18	3 260 538
	• Office (Clerical/Administration)	24	2 397 163
	• Non-professional (visible police officers on the street)	201	29 684 025
	• Volunteer	0	0
	• Temporary	0	0
	• Contract	110	475 200

2	Total number of call-outs attended:	Number
	• Emergency call-outs	692
	• Standard call-outs	2133

3	Average response time to call-outs:	Number
	• Emergency call-outs	15 minutes
	• Standard call-outs	2 minutes



4	Total number of targeted violations e.g.: traffic offences:	Number	
	<ul style="list-style-type: none"> • Speed • No driving license • fail to carry • seat belt • stop sign • robot • barrier line • inconsiderate driving • passenger overloaded • Other driving offences • lights • tyres • brakes • steering • vehicle license • registration plates • Other vehicle offences • Section 56 notices • Section 341 notices 	<ul style="list-style-type: none"> 2,369 1,413 296 4,306 76 410 110 426 34 1,986 161 434 171 2 1,459 293 215 14,161 8,361 	
	Total	36,683	
5	Total number and type of emergencies leading to a loss of life or disaster:	Number	
	Collision, fire explosion, brake system failing, drunk and driving and speed	13	
6	Type and number of grants and subsidies received:	Number	R (000s)
	We don't receive grants in this Business Unit	N/A	<value>
7	Total operating cost of police and traffic function		R98 082 960

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Economic & Social Development	IDP Goal/Objective: To increase output of speed enforcement	0	acquisition of pro-laser
	Actual Performance Achieved 2009/2010: Not achieved		
	Variance between Planned & Actual Performance (if any): 100%		
	Reason for Variance: Lack of funds		
	Improvements for Next Year: We are intending to have our own camera section Unit and fixed sites cameras and removable cameras as well to enhance our revenue.		
Economic & Social Development	IDP Goal/Objective: Road safety education for school children	Renovated Junior Traffic Training Centre	Renovation of Junior Traffic Training Centre
	Actual Performance Achieved 2009/2010: Achieved		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: No variances		
	Improvements for Next Year: To strengthen our man power and equipments to achieve our objectives more.		
Economic & Social Development	IDP Goal/Objective: To detect drivers under the influence for evidential value and reduction of drunk drivers	0	Purchase Drager Alcohol Testing Machines
	Actual Performance Achieved 2009/2010: Not achieved		
	Variance between Planned & Actual Performance (if any): 100%		
	Reason for Variance: Lack of funds		
	Improvements for Next Year: Provision of funds.		
Economic & Social Development	IDP Goal/Objective: To detect drivers under the influence for evidential value and reduction of drunk drivers	0	Purchase Alcometer Readers
	Actual Performance Achieved 2009/2010: Not achieved		
	Variance between Planned & Actual Performance (if any): 100%		
	Reason for Variance: Lack of funds		
	Improvements for Next Year: Provision of funds.		

5.5.5 Sub Function: Library Services

OVERVIEW:

Includes all activities associated with the provision of a comprehensive public library and legal deposit service to the local and wider community.

DESCRIPTION OF THE ACTIVITY:

Adult Lending, Children’s Lending, Mobile and Housebound Service, Adult Reference, Children’s Reference, Periodicals, Cataloguing and Music Departments as well as free Internet access.

These services extend to include the functional area of Msunduzi Municipality:

Branches are located at Bessie Head, Northdale, Ashburton, Ashdown, Georgetown, Eastwood, Woodlands, Sobantu and Alexandra Road Library.



The strategic objectives of this function are to:

To satisfy the educational, recreational and information needs of the population of Msunduzi.

The key issues for 2009/2010 are:

Expand usage by all sectors of the population and to increase membership.

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all personnel associated with Library	Number	R (000s)
	Management	6	1,912,907.28
	Professionals	18	3,960,413.42
	Support Staff	61	7,451,293.74
	Administration	7	805,279.90
	Total (excluding temps)	92	14,129,894.34
	Temps	12	823,412.46

2	Number and cost to employer of all personnel associated with each community services function:		R(000s)
	- Library services	91	17,782,657

6	Total operating cost of community and social services function		22,181,216
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PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: To secure Alexandra Road Library by installing a fence	Fencing complete	Complete fencing
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): Nil		
	Improvements for Next Year: N/A		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Refurbish Ashdown library	Library Refurbished	Refurbish Library
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): Nil		
	Improvements for Next Year: N/A		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Expand storage capacity	Shelving Installed	Install Shelving
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): Nil		
	Improvements for Next Year: N/A		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Refurbish toilets Northdale	Toilets Repaired	Refurbish Toilets
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): Nil		
	Improvements for Next Year: N/A		

Basic & Sustainable Service Delivery	IDP Goal/Objective: To secure Sobantu Library by installing security fencing	Nil	Install Security Fencing
	Actual Performance Achieved: Nil		
	Variance between Planned & Actual Performance (if any): 100%		
	Reason for Variance: No funds		
	Improvements for Next Year: No budget for 2010/2011 financial year		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Secure Municipal Property	Nil	Install Security Gate
	Actual Performance Achieved 2009/2010: Nil		
	Variance between Planned & Actual Performance : 100%		
	Reason for Variance: Shortage of Money		
	Improvements for Next Year: Not possible -no money allocated for 2010/2011		

5.5.6 Sub Function: Area Based Management

OVERVIEW:

Includes all activities associated with the provision of Area Base Management (ABM) service to the community.

DESCRIPTION OF THE ACTIVITY:

These services extend to include the 5 managerial areas of the Msunduzi Municipality which resides within the jurisdiction of Msunduzi Municipality's Vulindlela, Imbali, Edendale, Northern, Central and Eastern Areas.

The strategic objectives of this function are to:

1. Increasing community participation.
2. Improving service delivery.
3. Forming a link between communities and local government.
4. Poverty alleviation.

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all public bus service personnel:		R (000s)
	• Professional (Directors / Managers)	6	3,077,883.16
	• Professional (Social workers/Consultants)	11	2,351,734.11
	• Field (Supervisors/Foremen incl inspectors)	0	0
	• Office (Clerical/Administration)	6	460,767.09
	• Non-professional (blue collar, outside workforce incl drivers)	0	0
	• Temporary	0	0
	• Contract	0	0
2	Number and total operating cost of ABM staff servicing population:	23	5,890,384.36
3	Number of self help projects facilitated and assisted	Number	
		300	
4	Total number of incidents relating to Disaster Management:	Number	
		192	



5	Total number of people participating in Local Government activities:	Number
	Number of people attended Budget/IDP Izimbizo	23,352

6	Type and number of grants and subsidies received:		R (000s)
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7	Total operating cost of area base management function		R (000s)
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PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Good Governance and Public Participation	IDP Goal/Objective: Attend to service delivery queries from communities.	150 queries	200 queries
	Actual Performance Achieved 2009/2010: Ongoing in all wards. Facilitated 150 queries attended by different SBUs		
	50 variance		
	Reason for Variance: We did more than 200 but our recording was not good and follow up was not perfect.		
	Improvements for Next Year: We planned to do 500 more and improve recording and follow-up		
Economic and Social Development	IDP Goal/Objective: Lima Project (Agriculture and Facilitation) for 1000 participants around Pmb, facilitated through COGTA	1000 participants	1000
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		

5.5.7 Sub Function: Disaster Management

OVERVIEW:

Provide a Disaster management service.

DESCRIPTION OF THE ACTIVITY:

The function of the Disaster Management section is to assist with the safety and security of citizens within the municipal area and to provide emergency relief aid if needed.

1. To ensure safe events, marches and gatherings.
2. Crisis response on a 24 hour basis.
3. Emergency aid relief when needed.

These services are offered within the Msunduzi Municipal area. We work closely with other emergency staff and institutions, including uMgungundlovu District Municipality, EMRS, and SAPS to make the municipality a safer place. The municipality has a mandate: to receive all disaster relief calls, dispatch resources, and record data of incidents for the District.

The strategic objectives of this function are to:

- Prevent or reduce risk which results in injury loss or damage.
- To reduce the severity or consequences of crisis or disaster.
- To ensure disaster preparedness.
- Ensure the rapid and effective response of disaster management resources.
- Assist with post disaster recovery.

The key issues for 2009/2010 are:

- Develop a disaster management plan.
- Implement a disaster management advisory forum.
- Develop a disaster response protocol.

ANALYSIS OF THE FUNCTION & PERFORMANCE HIGHLIGHTS:

1. Number and cost to employer of all personnel associated with disaster management services:	Number	R (000s)
Professional (senior management): Disaster Manager	1	
Administrative assistant/clerical worker	1	
Disaster Officials	2	
General worker	1	
Total cost for all staff		1,149,537
2. Total annual number of incidents responded to:	192	
3. Total number of special events	52	
4. Total number marches and gatherings	44	
5. Number and total operating cost of assets population:	Number	R (000s)
- Aged less than 10 years	1	95,000
- Aged 10 years or greater	1	45,000
6. Total operating cost Disaster Management (less basic salaries)		3,777,643

Performance Highlights:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Basic Service Delivery	IDP Goal/Objective: To provide a pro active and reactive Disaster management service
	Variance between Planned & Actual Performance (if any): Staff and budget restrictions prevented the undertaking of a risk assessment
	Improvements for Next Year: If budget provision is made the risk assessment can be undertaken
Basic & Sustainable Service Delivery	IDP Goal/Objective: To develop a comprehensive disaster plan and data base with all role-players, service providers and suppliers
	Variance between Planned & Actual Performance (if any): Work in progress
	Improvement for the next year: Should be completed within the 2010/2011 year



5.6 INFRASTRUCTURE SERVICES

5.6.1 Sub Function: Bulk Water Management, Water Supply and Reticulation, Water Drainage

OVERVIEW:

The water services delivery unit is, in the main, responsible for the bulk water purchase, distribution, management, monitoring and control of water, as the Water Services Authority.

DESCRIPTION OF THE ACTIVITY:

The water purchase and distribution functions of the municipality are administered as follows and include:

- 1.1 Management of the Water Services Authority (WSA) functions; design, construction and maintenance of new reticulation mains, reservoirs and pump stations.
- 1.2 The Bulk Water Function is administered through a Bulk Water Services Agreement with Umgeni Water for the supply and provision of Bulk Water.
- 1.3 In-house design, construction and maintenance of water distribution assets. Due to capacity constraints most work is outsourced to competent service providers. In line with ASGISA desired outcomes, the Sub-unit subcontracts most of its work to emerging contractors and engages local community for the provision of labour.

The services extend to include:

The services extend to include the whole of the Msunduzi area including Vulindlela (including Operating and maintenance costs until the "handover" of this area from Umgeni Water to the Msunduzi Municipality is complete.

The strategic objectives of this function are to:

- To improve operational effectiveness
- Improve cost recovery for water
- ensure that water quality for all consumers meets and surpasses the minimum standards in the SABS 240
- Supply all households with a basic water supply and the poor with free basic water supply in accordance with DWAF Strategic Guidelines.
- Reduce water losses aggressively
- Maintaining and improving the existing Infrastructure.
- Ensure that the provision of the water service is sustainable.

THE KEY ISSUES FOR 2009/10

- To implement Section 78 assessment of the sector

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all personnel associated with the water distribution function:		Number	R (000s)
	• Professional (Directors / Managers)		1	748
	• Professional (Engineers/Consultants)		6	1,857
	• Field (Supervisors/Foremen)		6	1,884
	• Office (Clerical/Administration)		7	1,563
	• Non-professional (blue collar, outside workforce)		146	17,464
	• Temporary		0	0
	• Contract		0	0
	Total		166	23,516

2	Percentage of total water usage per month	Month	kl
	Monthly water usage		
		Jul	4759134
		Aug	4909142
		Sep	4544080
		Oct	4476192
		Nov	4666950
		Dec	4279798
		Jan	4768148
		Feb	4841177
		Mar	4802811
		Apr	4896389
		May	4685038
		Jun	6863150
		Total	58492009
	Note: this will therefore highlight percentage of total water stock used per month		

3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer		kl	R (000s)
	Msunduzi Municipality		58,492,009	194,165



4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	kl	R (000s)
	Domestic	11,388,380	94,270
	flats/simplexes	2,102,520	18,540
	Out of Borough	88	0
	Standpipes	888,366	8,294
	Low cost housing	6,844,335	64,089
	Domestic indigent	2,780,309	23,149
	Indigent	613,583	3,737
	Commercial	7,232,424	71,619
	Commercial Non-rate able	15,636	0.189
	Builders	83,403	1,712
	Churches	122,315	1,096
	Clubs	172,613	1,669
	Departmental	535,967	4,684
5	Total year-to-date water losses in kilolitres and rand	19,233,312	63,806
6	Number of households with water service, and type and cost of service:	Number	R (000s)
	• Piped water inside dwelling	79,719	129,543
	• Piped water inside yard Vulindlela	22,217	14,441
	• Piped water on community stand: distance < 200m from dwelling	18,139	29,476
	• Piped water on community stand: distance > 200m from dwelling	565	848
	• Borehole	0	0
	• Spring	0	0
	• Rain-water tank	0	0
7	Number and cost of new connections:	Number	R (000s)
		240	471
8	Number and cost of disconnections and reconnections:	Number	R (000s)
		5,415	15,000
	Note: Water is only disconnected on request. Water can only be restricted.		
9	Number and total value of water projects planned and current:	Number	R (000s)
	• Current (financial year after year reported on)	4	24,000
	• Planned (future years)	28	

10	Anticipated expansion of water service:	Number	R (000s)
	• Piped water inside dwelling	400	760
	• Piped water inside yard	0	0
	• Piped water on community stand: distance < 200m from dwelling	15	150
	• Piped water on community stand: distance > 200m from dwelling	0	0
	• Borehole	0	0
	• Spring	0	0
	• Rain-water tank	0	0

11	Estimated backlog in number (and cost to provide) water connection:	Number	R (000s)
	• Piped water inside dwelling (idp)	22,498	37,121.7
	• Piped water inside yard (2009/2010)	10,000	16,500
	• Piped water on community stand: distance < 200m from dwelling (2009/2010)	9,000	90,000
	• Piped water on community stand: distance > 200m from dwelling (2008/2009)	16,000	To be confirmed
	• Borehole	0	0
	• Spring	0	0
	• Rain-water tank	0	0

12	Free Basic Service Provision:		
	Note: Refer to Table 3, page 201		

13	Type and number of grants and subsidies received:	Number	R (000s)
	Mig	1	61,344
	DOH	1	1,939
	DWAF	1	463
	equitable share	1	68,471

14	Total operating cost of water distribution function		265,145
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PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: Water loss reduction/non-revenue reduction	32.88%	20%
	Actual Performance Achieved 2009/2010: Not achieved		
	Variance between Planned & Actual Performance (if any): +12.88%		
	Reason for Variance: Staff and financial limitations, old infrastructure		
	Improvements for Next Year: Water losses team, accurate analysis, consultants to assist with NRW		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Provide basic water supply to all	6 Stand Pipes	10 Stand Pipes
	Actual Performance Achieved 2009/2010: 6 Stand Pipes		
	Variance between Planned & Actual Performance (if any): 4		
	Reason for Variance: Financial and staff constraints		
	Improvements for Next Year: A planned program to be devised		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Asset renewal and Water loss reduction	Nil	5000m
	Actual Performance Achieved 2009/2010: Nil		
	Variance between Planned & Actual Performance (if any): 100%		
	Reason for Variance: Financial and staff constraints		
	Improvements for Next Year: Provision of Funds		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Water Services Development Plan (WSDP)	Approved	Initial phases to be effectively implemented
	Actual Performance Achieved 2007/2008: Partially Achieved		
	Variance between Planned & Actual Performance (if any): Ongoing		
	Reason for Variance: Delayed approval		
	Improvements for Next Year: To aggressively implement important phases of this plan		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Replacement and installation of water meters	Ongoing	To replace many faulty meters for revenue efficiency
	Actual Performance Achieved 2009/2010: Ongoing		
	Variance between Planned & Actual Performance (if any): Ongoing		
	Reason for Variance: Ongoing		
	Improvements for Next Year: Replace more faulty meters for effective revenue enhancement		

5.6.2 Sub-Function: Roads & Transportation

OVERVIEW:

The backlog of road needing upgrade, road safety, road infrastructure rehabilitation and maintenance continues to be a major challenge for the Municipality in the current financial going forward. There are still huge backlogs for construction of new roads and upgrading of gravel roads in the Greater Edendale, Vulindlela and Northern Eastern parts of Msunduzi (i.e. Thembalihle, Tamboville, Copesville, etc). These areas continue to grow since there are new low-cost housing programme being provided with sub-standard road services.

However, in the 2009/10, another vital project in N3 Corridor kicked in with the completion of design and commencement of the N3 / Chota Motala Road Interchange construction project. This project, once complete, will ease the traffic congestion experienced on the South-bound peak-hour traffic from the Northern Areas into the CBD in the morning and vice-versa in the evenings. The project is funded by SANRAL and Msunduzi in approximately 60/40 funding split.

The Roads and Transportation Sub-Units perform the following activities for the provision of efficient road network:

- a] Transportation network planning
- b] Road planning and design
- c] Road construction and maintenance
- d] Road infrastructure condition monitoring
- e] Public transportation planning
- f] Road safety and improvements
- g] Road marking and signage
- h] Municipal Building Maintenance



ABOVE: Machibisa, Dambuza Road Project





ABOVE: Harry Gwala Road in Dambuza



ABOVE: Storm water channel cleaned by Drainage Maintenance Team

DESCRIPTION OF THE ACTIVITY:

The road maintenance programmes for all areas within the jurisdiction boundary of Msunduzi Municipality, except Vulindlela, which is the responsibility of the Department of Transport and include the following activities:

1. Planned Maintenance [Operating Budget]:

- [a] Pothole Repairs & Crack Sealing - 6 construction units [7 employees per unit]
- [b] Verge Infrastructure (i.e. Sidewalks) Maintenance - 7 construction units [7 employees per unit]
- [c] Stream Overgrowth Clearing - no dedicated construction units.
- [d] Catch pit Clearing - 6 construction units [7 employees per unit]
- [e] Railways - 1 construction unit [7 employees]
- [f] Road Weed Control Spraying - 2 units [3 employees per unit]
- [g] Gravel Road Maintenance - 3 construction units

Most of road maintenance activities are performed internally by construction the abovementioned units created for this purpose. However, the number of employees per unit still remains insufficient to meet the Occupational Health and Safety requirements.

The stream overgrowth clearing activity still has no dedicated construction unit. Unit members are still being pulled from various construction units to undertake this function when the need arises. In the previous years except the 2008/9 financial year, community members were engaged to undertake this function in Edendale. However, this was discontinued due to logistical challenges that were encountered. Therefore, due to huge backlogs in road maintenance more reactive work was carried out as opposed to the planned maintenance work.

No Pavement Management System (PMS) - [i.e. road rehabilitation] work was undertaken in this financial year and the previous year which is a matter of great concern since the road infrastructure is decapitating. The Department of Transport [DoT] is responsible for all provincial and district roads that traverse the area.

2. Pavement Management System [PMS] [Resurfacing] Capital

The Sub-Unit undertakes road condition assessments every five years with the assistance of specialists and develops a pavement resurfacing programme. This has not been done in the past two years due to financial constraints.

The programme prioritizes the road to be resurfaced under the capital budget.

Resurfacing of roads is a function that is outsourced to specialist contractors through annual supplies contracts. The PMS system covers all Pietermaritzburg suburbs, CBD, Northern Areas and Greater Edendale.

3. Upgrading of Gravel Roads, Storm water, Bridges & Rail Lines under the Capital Budget

The Municipality is aware and acknowledges its responsibility to provide road network services to its communities. However, inadequate funding for bulk services is increasingly becoming a retarding factor for development. To this end the user-pays principle for new developments has been adopted. Investors pay for their investment initiatives and the Sub-Unit facilitates or creates an enabling environment for such initiatives to succeed. If the road so developed is a public road serving many other community services, the Municipality would contribute financially or in land to the development.

Be that as it may, the Sub-Unit is embarking on road capacity expansion and new major road developments. A transportation plan is being developed to provide indicative road extension, expansion and new road requirement priorities. This Comprehensive Transportation Plan has started in the 2009/10 financial year to complete in 2010/11. The Spatial Development Framework which is being developed is critical for providing an indicative future developmental scenario.

The prioritization of this road development programme should also be informed by the Economic Development Plan.



4. Roads to serve New Developments [Capital]

The planning activities include developing transportation plans, public transport plans, road safety plans, road infrastructure investment plans, design for road infrastructure and conducting feasibility studies for various options. The Sub-Unit makes it mandatory for all projects to comply with the provisions of the Environmental Management Act by conducting Environmental Impact Assessments when required to do so.

These services extend to so-called old Pietermaritzburg, Greater Edendale and Vulindlela. In terms of roads, Vulindlela also resides within the jurisdiction of provincial government which also plans and constructs roads. The Municipality liaises with the Department of Transport [DoT] in addressing problems in Vulindlela in an integrated way. The figures above do not include expenditure by DoT.

5. Planning Function

The planning activities include developing transportation plans, public transport plans, road safety plans, road infrastructure investment plans, design for road infrastructure and conducting feasibility studies for various options. The Sub-Unit makes it mandatory for all projects to comply with the provisions of the Environmental Management Act by conducting Environmental Impact Assessments when required to do so.

These services extend to so-called old Pietermaritzburg, Greater Edendale and Vulindlela. In terms of roads, Vulindlela also resides within the jurisdiction of provincial government which also plans and constructs roads. The Municipality liaises with the Department of Transport [DoT] in addressing problems in Vulindlela in an integrated way. The figures above do not include expenditure by DoT.

The strategic objectives of this function are to:

The strategic objectives of this function are to ensure that the existing road networks within the Municipality's area of jurisdiction are maintained at useable levels whilst simultaneously upgrading sub standard infrastructure and constructing new links to support new development.

The key activities for 2009/10 are:

- a) Design of eleven projects;
- b) Commence with the development of Comprehensive Intergrated Transportation Plan (CITP)
- c) Obtain a solution to inadequate funding for roads;
- d) Complete designs for the N3/Chota Motala Interchange upgrading;
- e) Implementation of various road upgrade, pedestrian bridge, drop-offs or laybys and bus shelter projects
- f) Evaluation of road safety issues, such as traffic calming, road signs & marking and problematic intersections.

The key issues for the 2009/2010 financial year are to undertake the activities set out above in the most cost effective manner and from the backlogs develop programmes to address these in the IDP.

Beside projects mentioned in the table below, some of important project that were undertaken in 2009/10 are listed follows:

- 1) Developed a Non-Motorized Transport Plan (NMT) to promote safe walking and cycling areas. The plan identifies and prioritizes locations for these projects (i.e. highly pedrestenized and cycling friendly routes).
- 2) Commence with the development of the CITP
- 3) 25 intersection counts were conducted to determine traffic volumes. These counts assist in determining warrants for traffic intersection controls such as stop signs, traffic lights, traffic circles, etc.
- 4) Construction of 6 passenger lay-byes and drop-off zones in various Wards within Msunduzi.

- 5) Design and construction of a shelter in Queen Street Taxi rank to an amount of R820 000.
- 6) Construction of 20 bus shelters for public transport commuters, as identified by various Ward Councillors.
- 7) Design of a concrete lined canal between Greytown and Baijoo Roads, to prevent scouring of banks in the Northdale area.

Analysis of the Function:

1. Number and cost to employer of all personnel associated with road maintenance and construction:	Number	R (000s)
Professional (Managers)	4	2,343
Professional Engineer/Technologist	5	2,516
Technicians (Chief, Principal, Senior & Tech)	12	3,591
Field (Superintendants, Foremen)	12	3,525
Office (Clerical / Administration / Support)	15	2,741
Non-Professional (Artisans, Supervisor, Handymen, Operators, etc))	58	10,086
Elementary (Artisans Assistants, General Workers, etc)	194	17,487

2. Total number, kilometers and total value of road projects planned and current:	KM's	R (000s)
Planned: N3/Chota Motala interchange; Burger Street ext.; P120 Road through Bisley Game Reserve; Caluza internal Rds; D2019 (Mithalane Rd); D1122 Rd; Malala Rd; Waterfall Rd; Hlathini Rd; New Road in Imbali Unit 13; Link Rd between Thembalihle & Tamboville (estimated km's and cost are 34,7km and R180,0 mil, respectively), and Current projects (completed and under construction in 2009/10): Machibisa, Dambuza Roads R10,5mil; D1140 - R8,5mil; Shayamoya Rd - R2,3mil; Martins Way Rd - R2.1mil; Road in Unit H, Edendale - R4,0mil (total km's and project cost are 10.3km and 27,0 mil, respectively):	45	207,000

3. Total kilometers and maintenance cost associated with existing roads provided	KM's	Total Budget 2009/10
Surfaced Roads [Planned Maintenance Operating]	1282km	21,520
Gravel Roads [Planned Maintenance Operating]	425km	4,840

4. Average desirable frequency and cost of re-surfacing roads [PMS]		Total Budget per Annum
Surfaced [once every 10 years Capital Programme]		15,000
Gravel [4 times/year Operating Programme]		10,500



5. Estimated upgrading backlogs showing kilometers/number and capital cost		Total Budget 2009/10
[a] Number of Watercourse crossings;	16	55 mil
b] Backlog to new roads, storm water & footpaths upgrade of existing substandard low-cost housing - km	33km	114 mil
[c] New & upgraded roads, including proposals from MTAB Transportation Plan;	85km	275 mil
[d] Upgrading of gravel roads in Vulindlela in liaison with DoT;	549km	1,36 bil
[e] Upgrading of gravel roads in Edendale;	444km	1,12 bil
[f] Upgrading of City Centre streets. Widening carriageway/footpaths. Replacing inefficient storm water;	Various	22,5 mil
[g] New footpaths, kerbs & channeling;	33km	20 mil
[h] Drainage & Catchment management system for natural and man-made storm water management;	Various	25 mil
[i] Flood attenuation measures – rivers;	Various	25 mil
[j] Capital maintenance of tarred roads using Pavement Management System [PMS];	230km	55 mil
[k] Bridge asset maintenance. Prioritize bridge repairs from	various	
[l] Capital maintenance, storm water drainage & rehabilitation of watercourses. Storm water drainage repairs. Watercourses subject to erosion.	various	15 mil
[m]Capital maintenance of Council's railway sidings. Replacement of worn tracks, sleepers etc.	various	5 mil
[n] Ashburton, Lynnfield Park Shorts retreat industrial area	5,0km	20 mil

6. Total operating cost of road construction and maintenance function		R40,390
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PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target
Sustainable Service Delivery	IDP GOAL / OBJECTIVES: To provide an acceptable Planned Maintenance Programme for Roads & Storm water		Completion of Planned Mtce Schedules
	Potholes Repairs & Crack Sealing	10%	80%
	Verge Infrastructure Maintenance - mostly reactive	15%	80%
	Stream Overgrowth Clearing - reactive maintenance only	70%	
	Catch pit Clearing	40%	100%
	Railways	90%	100%
	Road Weed Control Spraying - reactive maintenance only	80%	
	Gravel Road Maintenance - reactive maintenance	30%	
	Reason for Variance: The Planned Maintenance in some areas does not meet the targets due to underfunding at budget time and excessive reactive work. Staff losses during the year were not replaced adding to underperformance in certain areas.		
	Improvements for Next Year: Plans to improve this situation relate to increased funding, outsourcing of work and improved operational techniques.		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target
Sustainable Service Delivery	IDP Goal/Objective: To Maintain by Capital Expenditure 50km surfaces roads via PMS if funding is made available	3,5	
	Reason for Variance: Many horse-shoe access were rehabilitated. Other rehabilitation work was stopped because funding issues		
	Improvements for Next Year: To source funding to maintain the targets of the Asset Management Plan. However, the funding was still inadequate to meet the PMS requirement, but was adequate to surpass the budget driven target.		
Sustainable Service Delivery	IDP Goal/Objective: To reduce the backlog in road upgrading by 100 km per annum.	10,7km	22,34km
	Reason for Variance: Inadequate budget and poor performance by contractors. Project cycle of design and implement in one year is unrealistic.		
	Improvements for Next Year: Adopt a 3 year project cycle, i.e. designs in the first year, and construction in years 2 and 3, and seek further funding, e.g. MIG.		
Sustainable Service Delivery	IDP Goal/Objective: Design eight gravel road upgrades. Designed roads: N3/Chota Motala interchange; Burger Street ext.; P120 Road through Bisley Game Reserve; Caluza internal Rds; D2019 (Mthlane Rd); D1122 Rd; Malala Rd; Waterfall Rd; Hlathini Rd; New Road in Imbali Unit 13; Link Rd between Thembalihle & Tamboville	11	10
	Reason for Variance: The one design was not completed because the Department requested re-tender. Tenders submitted were not responsive. At request for re-tender, the project was stopped due to financial constraints. Although 10 designs were complete, two tenders were not paid for and Malala Rd design has outstanding payment. Hopefully, the outstanding payments will be honored in 2010/11 FY.		
	Improvements for Next Year: Continue with more road designs through utilisation of any funding that might be available.		
Sustainable Service Delivery	IDP Goal/Objective: Secure MIG funding for road upgrading / rehabilitation projects, namely D1140 and Machibisa, Dambuza Roads; and for final payments of D1131, D1125 and Unit P.	R7,744	R7,744
	Reason for Variance: D1140 running over two financial years.		
	Improvement for Next Year: Apply for MIG funding for all planned and designed road projects.		
Sustainable Service Delivery	IDP Goal/Objective: Construct 25 traffic calming measures in various wards	25	8
	Reason for Variance: No funding was allocated for this purpose at the beginning of the financial year. A reallocation was requested and approved. However, before a contractor could be engaged, the Municipality was placed under Section 139 of MSA. When Intervention team arrived expenditure was frozen and project that had not started were stopped. This project was one of them. There more that 120 approved traffic calming on the waiting list. The eight calming achieved were constructed with new roads, as part of those projects.		
	Improvement for Next Year: Incorporate traffic calming measures for all new roads in the road construction contract. More funding is required to address the backlog which is growing every day.		



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target
Sustainable Service Delivery	Access to basic services: Road marking and signage reinstatement is carried out each year, but inevitably it is not possible to adhere to the planned programme due to financial constraints. Reactive work requested by Councillors and the public was undertaken. However, thermoplastic road marking on highly trafficked roads was introduced in 2009/10 for durability and visibility, especially at night,	± 40% of target	(as per annual programme)
Community Participation	Customer and People Focus: Traffic calming measures request, received and evaluated, are more than 120 as at the end of June 2010.	120	R3 000
Social & Economic Development & Growth	Create job opportunities: The Municipality embarked on Zibambele project which is a job creation opportunity where member of public are contracted to Municipality, for a year to undertake storm water side channel maintenance in their area. These contract employments are Ward based and are engaged through the Ward Councillor.	6	-

5.6.3 Sub-Function: Electricity Distribution

OVERVIEW:

Includes the bulk purchase and distribution of electricity.

DESCRIPTION OF THE ACTIVITY:

The electricity purchase and distribution functions of the municipality are administered as follows and include: Planning, Installation, Commissioning, Distribution and Maintenance:

These services extend to include Msunduzi Electricity License Area, but do not take account of Wards which resides within the jurisdiction of Eskom License Area. The municipality has a mandate to: Work within the objectives of the IDP and SDBIP.

THE STRATEGIC OBJECTIVES OF THIS FUNCTION ARE TO:

- Provide Electricity to residents of Msunduzi Municipality. To ensure customer satisfaction through the provision of efficient and effective infrastructure services.

THE KEY ISSUES FOR 2009/2010 ARE:

- Ageing infrastructure, inadequate funding and limited resources.

ANALYSIS OF THE FUNCTION:

1	Number and cost to employer of all personnel associated with the electricity distribution function:		R (000s)
	• Professional (Directors / Managers)	32	9,785,368.03
	• Professional (Engineers/Consultants)	0	0
	• Field (Supervisors/Foremen)	45	10,228,730.4
	• Office (Clerical/Administration)	26	4,543,508.08
	• Non-professional (blue collar, outside workforce)	161	17,027,531.1
	• Temporary	0	0
	• Contract	6	333,792

2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	1,735,836,294	568,068,510
	• Residential	371,357,454	142,505,502.4
	• Commercial	75,842,701	29,317,703.15
	• Industrial	894,037,604	245,208,211.1
	• Mining	0	0
	• Agriculture	0	0
	• Other	39,029,589	37,163,919.04

3	Total quantity and receipts for bulk electricity sales by category of consumer:				
	Description	Categories Paid June 2010		Total	Int./Coll
		Receipts	ACB/SaL		
	Unallocated	-7,310,986.19	-1,036.87	-7,312,023.06	0.00
	GENERAL DEBIT/CREDIT	-1,003,876.56	-945.29	-1,004,821.85	-26,338.59
	ASSESSMENT RATES	-30,408,381.14	-101,197.16	-30,509,578.30	-514,540.91
	RATES HANDED OVER	-62,347.87	0.00	-62,347.87	-22,148.54
	BUSINESS RENTAL	-397,179.98	0.00	-397,179.98	0.00
	DEPOSIT	-530,535.15	0.00	-530,535.15	0.00
	ELECTRICITY - FIXED CHARGES	-1,006,309.38	-2,522.95	-1,008,832.33	-39,475.10
	ELECTRICITY BASIC	-13,278,327.72	-41,410.33	-13,319,738.05	-79,172.00
	ELECTRICITY CONSUMPTION	-65,093,321.41	-63,513.45	-65,156,834.86	-207,683.16
	HOUSING PURCHASED	-25,137.16	0.00	-25,137.16	0.00
	HOUSING RENTAL	-112,757.11	-17,826.41	-130,583.52	0.00
	REFUSE	-4,394,023.53	-23,711.86	-4,417,735.39	-45,782.97
	SEWERAGE	-6,972,483.27	-35,132.00	-7,007,615.27	-99,627.51
	TRADE EFFLUENT	-380,368.52	0.00	-380,368.52	-1,693.06
	SERVICES - BALANCE B/FWD	-14,659.95	0.00	-14,659.95	-13,509.95
	SUNDRY - SERVICES	-13,712.02	0.00	-13,712.02	0.00
	WATER CONSUMPTION	-18,620,691.53	-102,868.73	-18,723,560.26	-300,026.56
	SUNDRY	-945,722.29	0.00	-945,722.29	-12,337.85
		-150,570,820.78	-390,165.05	-150,960,985.83	-1,362,336.20

4	Total year-to-date electricity losses in kilowatt hours and rand	215,236,204	99,574,574
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5	Number of households with electricity access, and type and cost of service:		R (000s)
	• Electrified areas	3,577	19,540,000
	• Municipal	274	1,370,000
	• Eskom	3,303	18,170,000
	• Alternate energy source	nil	nil
	Note: The above figures indicate new connections in the 2009/10 financial year		
	• Non electrified (Gel Stoves)		3,000,000

6	Number and cost of new connections:	Number	R (000s)
	100	100	2,447,588



7	Number and cost of disconnections and reconnections	Number	R (000s)
	35726	35,726	
8	Number and total value of electrification projects planned and current:	Number	R (000s)
	• Current (financial year after year reported on)	2	2,900,000
	• Planned (future years)	9	31,500,000
9	Anticipated expansion of electricity service:	Number (households)	R (000s)
		7,000	38,500,000
10	Estimated backlog in number (and cost to provide) electricity connection:		R (000s)
		7,000	38,500,000
11	Free Basic Service Provision:		
	Note: Refer to Table 3, page 201		
12	Type and number of grants and subsidies received:		R (000s)
	Department of Minerals and Energy		12,000,000
	Municipal Infrastructure Grant		7,900,000
13	Total operating cost of electricity distribution function		R (000s)
			652,000,000

PERFORMANCE HIGHLIGHTS:

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: To provide 1,000 households with electricity connections.	822	1,000
	Variance between Planned & Actual Performance (if any): 78		
	Reason for Variance: Electrification was carried out in wards which fall under Eskom's area of supply. Eskom was limited with funding.		
	Improvements for Next Year: Anticipate electrifying the infill's of the various wards within the Eskom area of supply.		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: To provide 1073 streetlights and 32 high masts lighting in wards 21/22.	1073 and 32	1073 (Street lights) 32 (High masts)
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		
Basic & Sustainable Service Delivery	IDP Goal/Objective: To refurbish two Transformers that faulted.	2	2
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		



5.6.4 Sub-Function: Electricity (Street Lighting)

OVERVIEW

Includes all activities associated with the provision of street lighting to the community.

DESCRIPTION OF THE ACTIVITY

Street lighting responsibilities of the municipality are administered as follows and include: Planning, installation, commissioning and maintenance.

These services extend to include the Msunduzi Electricity License Area, but do not take account of Wards which resides within the jurisdiction of Eskom License area. The municipality has a mandate to: Provide street lighting in accordance with SABS 098.

THE STRATEGIC OBJECTIVES OF THE FUNCTION ARE TO:

- Have functioning streetlights.

The key issues for 2009/2010 are:

- Manpower, Machinery, Finance.

ANALYSIS OF THE FUNCTION

1	Number and total operating cost of streetlights servicing population:	Number	R (000s)
		20,736	2.400.000
2	Total bulk kilowatt hours consumed for street lighting:	Kwh	
		10,751,206,4	

PERFORMANCE HIGHLIGHTS

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
KPA 1	IDP Goal/Objective: To replace and upgrade 1073 Streetlights in various Wards.	1,073	1,073
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): N/A		
	Reason for Variance: N/A		
	Improvements for Next Year: N/A		



5.6.5 SUB-FUNCTION: Sewerage

OVERVIEW

The function includes the planning, design implementation and maintenance of sewerage facilities and networks; inherent within the activities is function of preventing sewage contamination of watercourses and groundwater, incorporating Vulindlela.

DESCRIPTION OF THE ACTIVITY

The sewerage functions of the municipality are administered as follows and include:

- Provision of bulk sewer pipelines
- Provision of sewerage network extensions
- Condition assessment of sewerage facilities
- Maintenance of sewerage assets
- Provision of basic sanitation and other on-site sanitation

The municipality has a mandate to:

- Blockage clearing
- Conservancy tanks and VIP emptying,
- Pump maintenance
- Sewer connections
- Infiltration inspections
- Sewer flow measurement
- The planning, design and implementation of sewer projects.

THE STRATEGIC OBJECTIVES OF THE FUNCTION ARE TO:

- To ensure basic sanitation to all by 2015
- Upgrade of existing sewer infrastructure to accommodate demand
- Education in sanitation to all households by 2012
- To improve operational efficiency to obtain a financially sustainable service.

The key issues for 2009/2010 are:

- continuing with the implementation of section 78 assessment
- To comply with the sanitation requirements of the WSDP
- Continue with asset maintenance
- Elimination of VIP to achieve water borne sewers



ANALYSIS OF THE FUNCTION

Reporting Level	Detail	Total	Cost
1	Number and cost to employer of all personnel associated with sewerage functions:	Number	R (000s)
	• Professional (Directors / Managers)	1	637
	• Professional (Engineers/Consultants)	3	911
	• Field (Supervisors/Foremen)	2	609
	• Office (Clerical/Administration)	3	487
	• Non-professional (blue collar, outside workforce)	85	8,949
	• Temporary	0	0
	• Contract	1	144
2	Number of households with sewerage services, and type and cost of service:	Number	R (000s)
	• Flush toilet (connected to sewerage system)	57,147	215,444.19
	• Flush toilet (with septic tank)	5,015	215,444.19
	• Chemical toilet	71	80,000
	• Pit latrine with ventilation	29,446	175,645
	• Pit latrine without ventilation	0	0
	• Bucket latrine	0	0
	• No toilet provision	6,454	38,724
	Note: if other types of services are available, please provide details		
3	Anticipated expansion of sewerage:	Number	R (000s)
	• Flush/chemical toilet	500	1,000
4	Free Basic Service Provision:		
	Note: Refer to Table 3, page 201		
5	Total operating cost of sewerage function		80,461

PERFORMANCE HIGHLIGHTS

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic & Sustainable Service Delivery	IDP Goal/Objective: Provide basic sanitation - VIPS	29,145	35,000
	Actual Performance Achieved 2009/2010: 29,145		
	Variance between Planned & Actual Performance (if any): 5,855		
	Reason for Variance: Insufficient Capital Budget		
	Improvements for Next Year: Revise targets		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Asset renewal- replace old pipes	none	as per program
	Actual Performance Achieved 2009/2010: Nil		
	Variance between Planned & Actual Performance (if any): Nil		
	Reason for Variance: No Capital Budget		
	Improvements for Next Year: Apply for MIG funding		
Basic & Sustainable Service Delivery	IDP Goal/Objective: Monitor pump stations minimize contamination	11	11
	Actual Performance Achieved 2009/2010: 100%		
	Variance between Planned & Actual Performance (if any): Nil		
	Reason for Variance: N/A		
	Improvements for Next Year: all pump stations to be on telemetry		
Basic & Sustainable Service Delivery	IDP Goal/Objective: all households to have water borne sewer	66	as per Individual Applications
	Actual Performance Achieved 2009/2010: 66		
	Variance between Planned & Actual Performance (if any): Nil		
	Reason for Variance: Nil (Dependant on applications)		
	Improvements for Next Year: to undertake a Waste Water Treatment Plan for the Municipality		

5.6.6 Sub-Function: Waste Management

OVERVIEW

Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling.

DESCRIPTION OF THE ACTIVITY

Basically 3 services apply:

- Domestic refuse collection.
- Industrial and commercial refuse collection.
- Organic garden waste removal.

The key issues for 2009/2010 are:

Attain a 100% collection rate in terms of rostered collections.



ANALYSIS OF THE FUNCTION

1	Number and cost to employer of all personnel associated with refuse removal:	Number	
	• Professional (Engineers/Consultants)	0	
	• Field (Supervisors/Foremen)	19	
	• Office (Clerical/Administration)	14	
	• Non-professional (blue collar, outside workforce)	459	
	• Temporary	0	
	• Contract	0	
2	Number of households receiving regular refuse removal services, and frequency and cost of service:	Number	R (000s)
	• Removed by municipality at least once a week	61,950	3,097,500
	• Removed by municipality less often	0	0
	• Communal refuse dump used	Yes	0
	• Own refuse dump	0	
	• No rubbish disposal	0	
3	Total and projected tonnage of all refuse disposed:	Weight (Tons)	
	• Domestic/Commercial	68,629	
	• Garden	6,202	
4	Total number, capacity and life expectancy of refuse disposal sites:		Years
	• Domestic/Commercial (One)	1,709,400	6-7 Years
	• Garden (9)	60m3	indefinite
5	Anticipated expansion of refuse removal service:		R (000s)
	• Domestic/Commercial	Nil	Nil
	• Garden	Nil	Nil
	Note: Currently working on the Strategy Document to expand the refuse removal service within the Msunduzi Municipality		
6	Free Basic Service Provision:		
	Note: Refer to Table 3, page 201		
7	Total operating cost of solid waste management function		45,000,000

PERFORMANCE HIGHLIGHTS

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
<p>Basic & Sustainable Service Delivery</p>	<p>IDP Goal/Objective: To ensure that all types of waste are collected on time without backlogs</p>
	<p>Variance between Planned & Actual Performance (if any): 1,800</p>
	<p>Reason for Variance: Unreliability of vehicles and medical health of staff</p>
	<p>Improvements for Next Year: It is anticipated that the municipality will be able to meet its 2009/2010 goals including the backlogs from 2007/2008</p>
<p>Basic & Sustainable Service Delivery</p>	<p>IDP Goal/Objective: To reduce the need for contractors and increase the no of industrial and commercial users by 5%</p>
	<p>Actual Performance Achieved 2009/2010: Not Achieved</p>
	<p>Variance between Planned & Actual Performance (if any): 100%</p>
	<p>Reason for Variance: Lack of funds to purchase skips Improvements for Next Year: Once funds are available to purchase skips to increase customer usage</p>
<p>Basic & Sustainable Service Delivery</p>	<p>IDP Goal/Objective: To increase the area of service in previously disadvantaged areas</p>
	<p>Actual Performance Achieved 2009/2010: Nil</p>
	<p>Variance between Planned & Actual Performance (if any): 100%</p>
	<p>Reason for Variance: Quality of service deteriorated but no extension of service- inadequate staff and reliable vehicles Improvements for Next Year: Currently working on strategy document to expand refuse removal service within the Municipality.</p>
<p>Basic & Sustainable Service Delivery</p>	<p>IDP Goal/Objective: Reduce actual costs by reducing overtime and breakdowns</p>
	<p>Actual Performance Achieved 2009/2010: Not Achieved</p>
	<p>Variance between Planned & Actual Performance (if any): Actual increase in overtime requirements</p>
	<p>Reason for Variance: Excessive overtime as a result of poor vehicle maintenance Improvements for Next Year: Significantly reduce overtime</p>
<p>Basic & Sustainable Service Delivery</p>	<p>IDP Goal/Objective: Reduce littering and illegal dumping</p>
	<p>Actual Performance Achieved 2009/2010: Community cleanup campaigns did make a little difference</p>
	<p>Variance between Planned & Actual Performance (if any):</p>
	<p>Reason for Variance: No application of bylaws resulted in increased dumping Improvements for Next Year: Public education and prosecution of offenders</p>



CHAPTER SIX: REPORT ON THE MUNICIPAL INFRASTRUCTURE GRANT

THE MSUNDUZI MUNICIPALITY MIG PROGRAMME ANNUAL REPORT: 2009/10

- 1) Expenditure on the MIG programme for 2009/10 is reflected at Annexure A.
- 2) In 2009/10 the programme spent R70, 738,722 - only 76% of the annual allocation. R66, 769,313 was spent on capital infrastructure. The remainder covered PMU operating costs.
- 3) The MIG flagship for 2009/10 was the Vulindlela VIP installation project which delivered R43, 207,545 worth of VIPs by early 2010. It had to be interrupted at that time because the funds allocated had already been spent. Decisions taken by the Provincial Intervention Team in order to restore the Municipality's finances prevented the allocation of additional funds to the project in 2009/10 and limited its allocation in 2010/11. As a result the elimination of basic sanitation backlogs in Vulindlela will now be delayed until well into the 2011/12 financial year.
- 4) The installation of high mast lights in Edendale eventually commenced and by the end of the financial year, construction had been almost completed.
- 5) The installation of street lights in Vulindlela was stalled by a lengthy objection process that had still not been resolved by the end of the financial year.
- 6) Overwhelmingly, under-expenditure on the MIG programme for 2009/10 resulted from Council decision making either being delayed or not taking into consideration the recommendations of officials.
- 7) Excessively bureaucratic processes (especially in the payment of invoices) also contributed.
- 8) The under-expenditure of R24 836,369 by the end of June 2010 also resulted from :-
 - a) Attempts by the Executive Management Committee and Provincial Intervention Team to reserve as much MIG funding as possible for revenue protection projects. This prevented the reallocation of MIG funds from under-spending projects to those that could use the money by financial year end
 - b) Implementation by the Provincial Intervention Team of control processes that significantly disrupted the awarding of contracts, payment of invoices and other administrative procedures
- 9) Resulting from these factors, some contracts could not commence during the financial year, others only got underway late in the year, and all projects were slowed down by contractors experiencing cash flow problems that caused them to withdraw or withhold resources from projects
- 10) Other delays were caused by inexperienced/unsuitable contractors being unable to perform
- 11) Project delays that could perhaps be put down to inadequate planning and preparation were :-
 - a) The Caluza Sports Ground not being able to commence due to the requirement for a new EIA
 - b) The Community Halls not getting started until very late in the financial year because they were not even identified as MIG projects at the beginning of the financial year

Annexure A:

PROJECT	BUDGET 2009/10	EXPENDITURE 2009/10	VARIANCE
Sewerage Pipes Azalea	2,000,000	601,758	1,398,242
Sewerage Pipes Unit H (Ward 16)	2,000,000	490,741	1,509,259
Shenston / Ambleton Toilets	550,000	210,345	339,655
VIP Installation - Vulindela	45,308,059	43,207,545	2,100,514
Elim of Conservancy Tanks - Sewer	2,714,000	1,174,225	1,539,775
Elim of Conservancy Tanks - Water	2,714,000	951,463	1,762,537
Sanitation Infrast. Feasibility Study	1,612,004	-	1,612,004
Caluza Sports Ground	170,885	170,885	-
Kwanoshezi Hall	4,120,944	963,050	3,157,894
Kwaqanda Hall	2,951,446	753,407	2,198,039
Sinathingi Hall	3,261,089	1,292,453	1,968,636
Street Lighting Vulindela & Edendale	7,953,381	5,811,845	2,141,536
Edn Proper New Mains & Reticulation	919,192	749,703	169,489
Midblock Service Eradication - Water	1,600,000	892,975	707,025
Midblock Service Eradication - Sewer	1,630,151	824,361	805,790
Elimination of Water Tankers	107,254	100,368	6,886
Basic Water Supply	300,000	300,000	-
Shenston/Ambleton Roads & S/Water	204,643	204,629	14
Rehab of District Road D1131	2,877,609	2,877,608	1
Unit P	889,293	889,293	-
Rehab of District Road D1125	869,849	869,786	63
Machibisa Dambuza Roads	3,107,254	3,107,254	-
Taylor's Halt MPCC	628,033	325,619	302,414
Street Lighting Vulindela Ph 3	3,116,596	-	3,116,596
TOTALS	91,605,682	66,769,313	24,836,369



SAFE CITY ANNUAL REPORT FOR THE YEAR 2009 / 10

REPORT SUBMITTED BY: CEO: SAFE CITY (PMB) – Ms NUTAN BHIKA
(Association incorporated under Section 21) (Registration Number: 2002/007386/08)

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements and other financial information set out in this annual report were prepared by the directors in conformity with International Financial Reporting Standards applied on a consistent basis.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the directors.

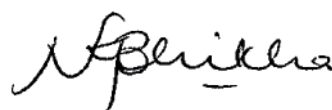
The directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the association will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 281 to 289 and the supplementary schedules on pages 288 to 289 were approved by the Board of Directors on 15 July 2010 and are signed on its behalf by:-



DIRECTOR – Z D SOKHELA



CHIEF EXECUTIVE OFFICER – N K BHIKHA



DIRECTOR – P WARMINGTON

BACKGROUND

Safe City Pietermaritzburg was formally constituted as an Association incorporated under section 21 of the Companies Act on 28 March 2002. Its establishment followed a long period of research and planning undertaken under the guidance of Mr Des Winship and colleagues who constituted the Board of the local organisation known as Business Against Crime. Initially, the organisation's Board, conceptualised as a partnership between the Municipality and the private sector, was chaired by the Mayor at the time, Cllr Hloni Zondi. Other representatives of the Municipality also sat on the Board. In the course of time, legislation prohibited these representatives from holding directorships and Safe City Pietermaritzburg lost the advantage of having direct Municipal input into decision-making.

Representation on the Board aside, the partnership was governed by an agreement by which the Municipality would make the necessary financial resources available for the operation of the organisation as well as the capital expenditure required to extend the CCTV surveillance to other parts of the city. The Municipality regarded Safe City Pietermaritzburg as a „municipal entity‘, although this status was contested by Safe City itself.

Changes in the municipal administration and the legislative paradigm resulted in confusion and some breakdown in relations between the two partners. Municipal funding was no longer secure and some elements within the Municipality overtly questioned several aspects of the operations of Safe City Pietermaritzburg. The organisation took steps to meet the expectations of the Municipality by terminating the contract of the service provider that had managed the operation from the company's inception and assuming the management role itself as a means of saving costs. Later, at the request of the city's administration team, the section 21 status was changed so that the relationship between the organisation and the Municipality would be aligned to legal requirements.

While it is understood that the Board cannot include representatives of the Municipality, the organisation has felt for sometime that its work is hampered by a lack of regular and constructive communication with its funding body. The Safe City operation has earned high praise for its professional effectiveness in meeting its objectives which are fundamentally concerned with reducing crime in the city. All the people who have directed this project through both the planning and operational phases have done so on a voluntary basis and it remains a principle of the Board that there is no remuneration to directors.

1. DIRECTORS

The following people are directors of the Company. There are several vacancies on the Board that will be filled in due course.

Mrs Z Sokhela	Director of BP Cascades, Ex President and Member of PCB, UFET Council, UKZN Council, Deputy Chair BFC
Mr D Winship	Retired CEO: Hulett's Aluminium, Retired Executive Director of Tongaat Hulett Group, Member of BFC, Director of Life Line
Mr P Warmington	Director: Warmingtons Inc, Member of BFC
Mr D Kambouris	Chairperson of BFC, Member of Community Chest
Mr V C Biggs	Retired Director: McCarthy, Member of Allison Homes, Member of SAVS/NCW, Member of BFC
Mrs D Harrison	Director: Lifeline PMB T/A Lifeline and Rape Crisis, Member of BFC, Member of Community Chest
Mr K Vorster	Financial Planner for PSG, Member of BFC
Adv R P Stuart	Deputy Director of Public Prosecution, Chairman of KZN Wildlife Crime Working Group (WCWG)
Major General P Maharaj	Cluster General of SAPF of Pietermaritzburg Central



2. PARTNERS

For various reasons, Business Against Crime in Pietermaritzburg reconstituted itself as Business Fighting Crime and is an important strategic partner of Safe City. BFC has borne the costs of marketing an SMS crime alert campaign that was initiated by Safe City in 2008. BFC has also contributed financially in several other ways, including a grant of R10 000 towards the cost of a commercial van purchased during the year. This purchase was made possible by a generous donation of R50 000 by Hulamin (Pty) Ltd.

The organisation considers its partnership with the SAPF to be one of its notable strengths, while it also enjoys constructive relationships with the National Prosecuting Authority and various Community Police Forums.

3. STAFFING

Safe City took over the control of the CCTV Control Room operation as well as the maintenance of cameras on 1 March 2010. Ivision Technologies, the contractor who had formerly managed the Control Room operation, took legal action in terms of Section 197 of the LRA. This concerns the conditions of service and the rights of employees when a transfer from one employer to another is effected. The Safe City Board decided not to challenge Ivision Technologies' contention and took over all 29 of the former Ivision employees, despite the fact that the additional cost of salaries could not be catered for in the budget.

In addition, at the time of the termination of its contract, Ivision Technologies faced a claim made by 4 (four) other former employees that they had been dismissed unfairly. Safe City faced this charge as a respondent alongside Ivision Technologies. By agreement between Ivision Technologies and Safe City, a monetary settlement was negotiated with the four Ivision Technologies disaffected employees who then dropped their claim for re-instatement. This cost Safe City an unexpected R75 000 plus its share of the legal costs incurred to the point of settlement of R20 000.

At the time of writing, the Safe City staff comprises

- A CEO
- A General Manager
- A Control Room Manager
- 3 Supervisors
- 18 Control Room Operators
- 7 Control Room Operators [Relievers]
- A Technician Manager
- A Technician
- An Assistant Technician

4. PARTICULAR MATTERS RELATING TO THE YEAR 2009/10

- 4.1. A Number Plate Recognition System, to enable the city to generate income from outstanding fines, was introduced by Safe City. A Memorandum of Understanding between the Msunduzi Traffic Department and Safe City Pietermaritzburg has been drafted and submitted to the New Administrator for perusal to enable this project to proceed.
- 4.2. At the request of the city's administration team, the organisation co-operated in the formation of a Safe City Development Committee to provide a platform for ongoing dialogue between the Municipality and Safe City regarding all matters concerning safety and security in the city. An enhanced role for Safe City in this sphere is expected to emerge through the discussions in this committee.
- 4.3. In partnership with BFC, SAPF and the NPA, Safe City exhibited at the Royal Show in a hall dedicated to the agencies responsible for crime and justice. The theme of the exhibition was "The Winning Nation" in conjunction with a slogan "Blow Vuvuzela to Fight Crime" and it secured a Gold Medallion award for being an outstanding display. In addition to showcasing the effectiveness of the CCTV camera system, Safe City used the exhibition to market its SMS Crime Alerting and Cell phone Panic Alert services that are monitored in the Safe City control room and feed directly to the SAPF.

5. FINANCE

- 5.1. The audited financial statements of the organisation are attached to this report. 5.2. Safe City's capital expenditure proposal of R4.48 million, as well as the request for R2.2 million for the upgrade of the recording system were declined due to lack of funds by Council. This was disappointing since the organisation has an urgent desire to extend its CCTV protection services, especially into Edendale, and to maintain the highest level of efficiency by ensuring that its technology is up to date.
- 5.3. Safe City is also hoping to install cameras to provide a CCTV security facility at the Harry Gwala Stadium which will also cover Alexandra Park. An initiative of the First Lady of the Province, Dr May Mkhize, is to revitalise the Park as a recreational centre where children can be taken to play and be entertained in safety. The presence of digital surveillance is considered essential for this.

6. PERFORMANCE OF THE CONTROL CENTRE

The 24/7 surveillance operation is the core of Safe City's business. It is ISO 9001:2008 certified and SABS approved. The primary core function is:

- The prevention of crime.
- The detection of crime.
- The maintenance of existing CCTV system.
- Advise municipality on expansion of CCTV system.
- Oversee the design, specification and installation of new CCTV equipment.

The secondary function is:

- The monitoring of traffic bylaws and motor vehicle accidents.
- Monitoring of Municipal bylaws such as littering, street gambling, and illegal trading.
- Facilitating the Disaster Management JOC.
- The monitoring of gatherings, marches and events of public interest within the camera visual area.



6.1. Standard Procedure

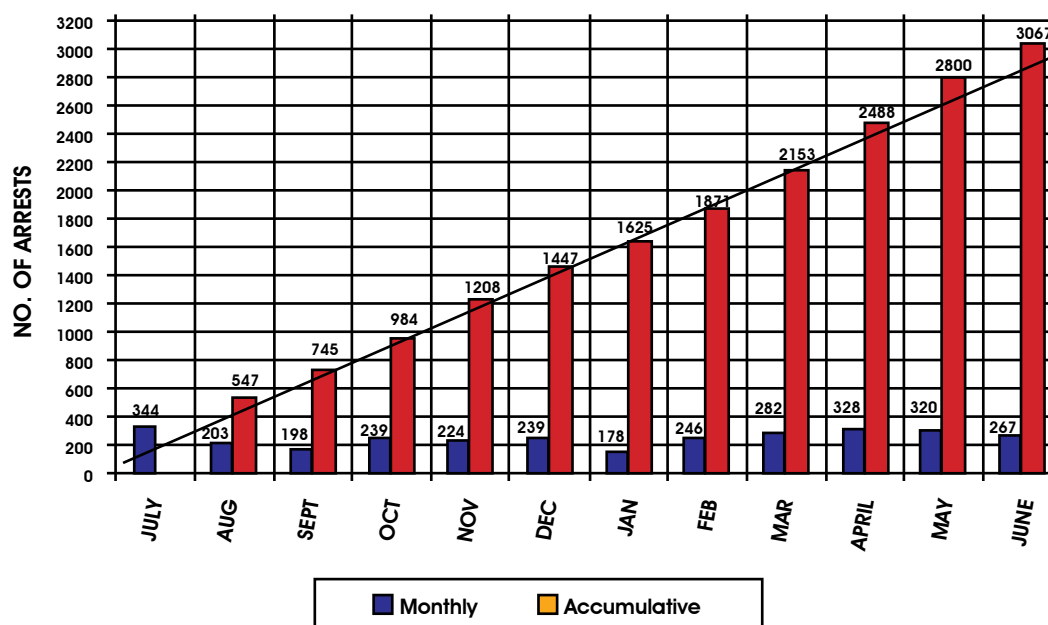
The crime statistics for Pietermaritzburg are submitted to the control room every morning by the SAPF. These are compared with our statistics and thereafter plotted on street maps in order to identify where crimes were committed without any detection by the control centre. This enables operators to be more crime prevention orientated.

Every suspicious incident noted on camera is regarded as an "Incident detected". The police officer (present in the control room 24/7) will determine whether a SAPF vehicle needs to be despatched to the scene of the incident. The yearly target for SAPF dispatches is 90% of Incidents Detected. A record is maintained of vehicle despatches as compared with Incidents detected. An arrest is made when the suspect is apprehended. Frequently the progress of a crime is fully observed and followed via the camera network. There is a recording capacity of 21 days after which footage is automatically over-written.

6.2. Summary of Operational Performance

Description	Total for Year	Target for Year	Diff
No of Incidents Detected	3067	2796	271 (+9.6%)
Response by SAP Units	1550	2516	-960 (-38%)
Arrests Effected	181	360	179 (-49.7)
SAP Response Time	5.4	4	-1 (-25%)
% Camera down time	2.8	1	-1.8 (-130%)

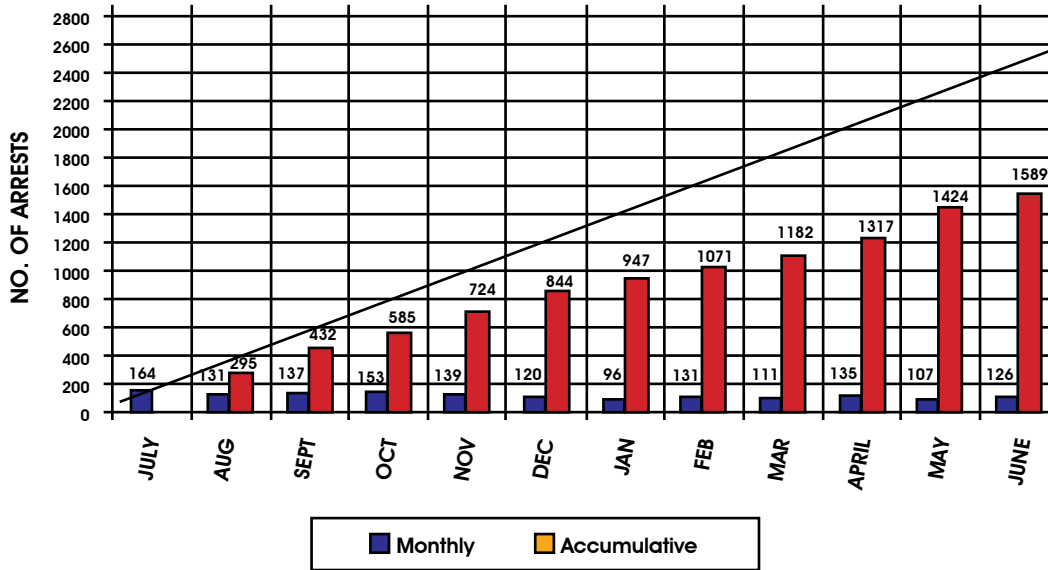
6.3. Incidents Detected



The total number of incidents detected was 3067 compared to 2796 previous year. The target was exceeded by 271 (+10%) incidents. These incidents include all matters detected such as fighting, crime, suspicious behaviour and motor vehicle accidents. Some of the incidents detected are as follows:

Fighting	1120
Suspicious behaviour	431
Motor vehicle Accidents	245
Bylaw Infringements	121

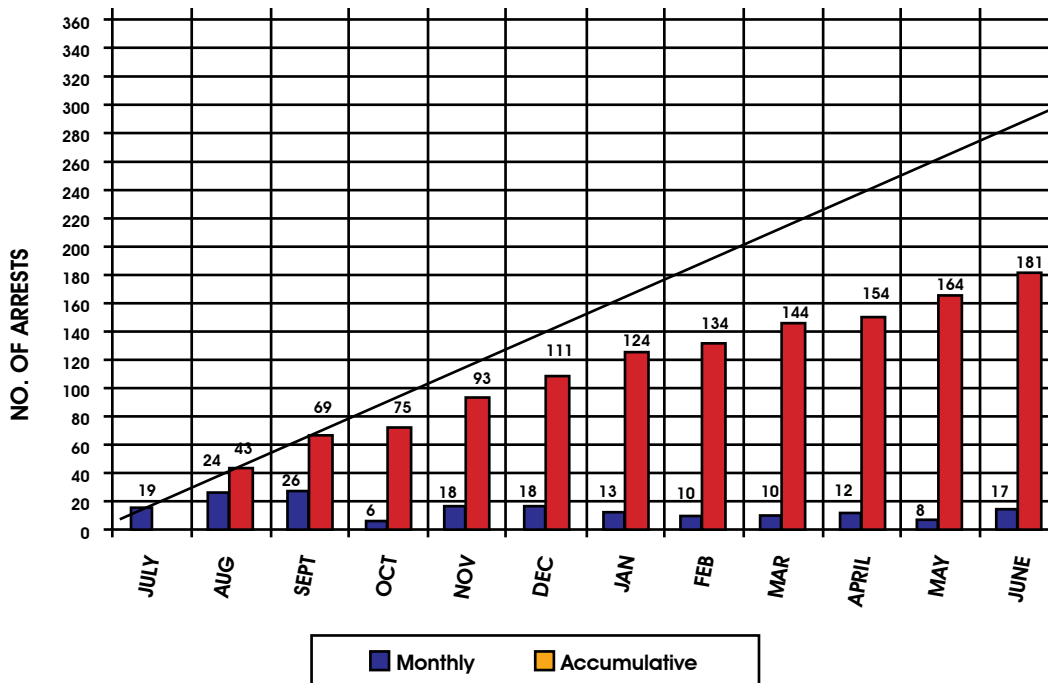
6.4. Responses by the SAPF



The total number of responses of the SAP was 1550 compared to 1623 for the previous year.

The target for the year of 2516 (-38%) was not met. Theft of motor vehicles has shown a sharp increase in the Pietermaritzburg area but most occurred outside of the area monitored by cameras. It is also known that tow truck operators are involved in the theft of vehicles especially those fitted with immobilisers or gear locks. It was therefore decided to monitor all vehicles being towed by tow truck and to record their details for possible investigation purposes. These incidents do not require immediate SAP response.

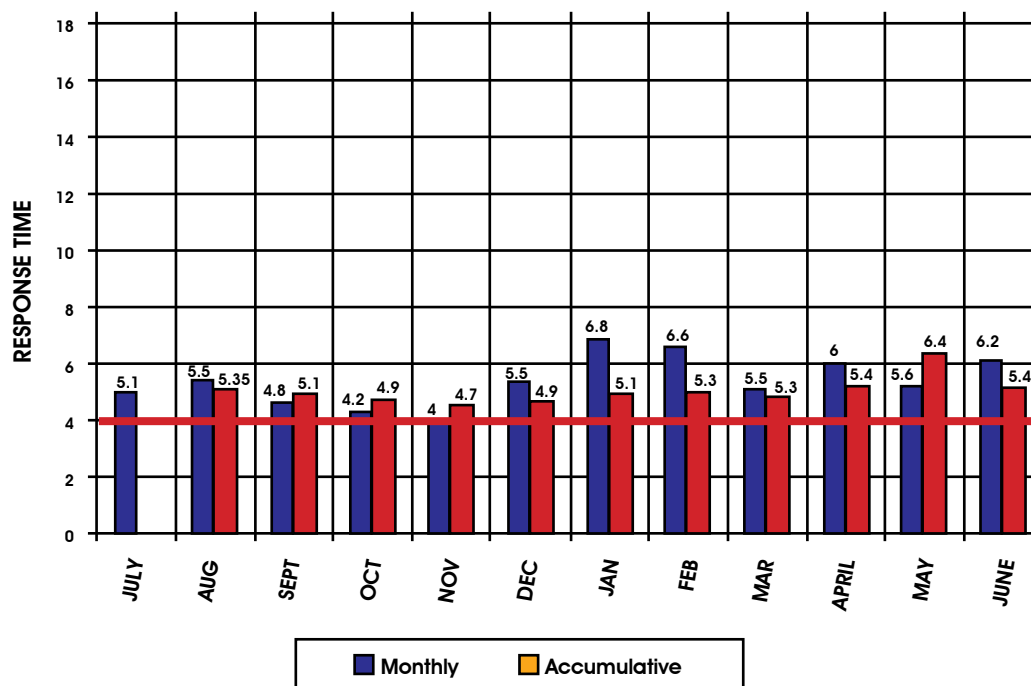
6.2. Arrests Effected



The number of arrest made was 181 compared to 193 for the previous year. The target of 360 was not met. It has become increasingly clear that criminals are avoiding the area covered by the cameras and are committing their crimes in unmonitored areas.

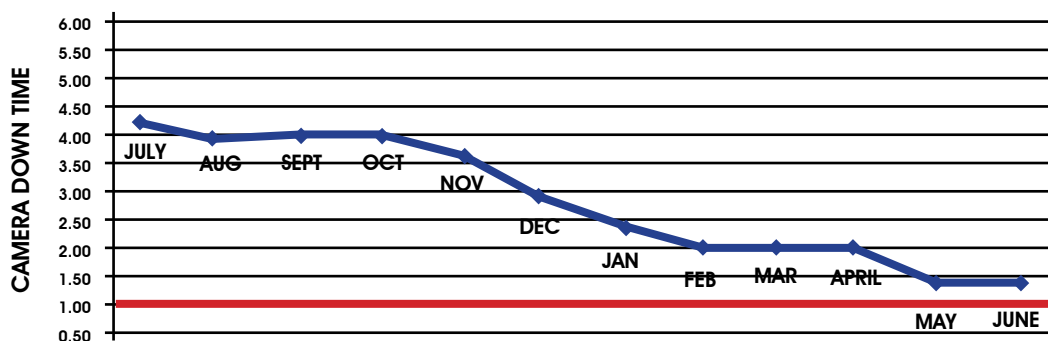


6.3. SAPF Response Time



The average response time for SAPF vehicle to respond from the time of notifying the SAPF Emergency Control Room until a vehicle arrived on the scene was 5.4 min compared to 5 min, for the previous year. This is 1.4 min. more than the target of 4 min. The availability of patrol vehicles during peak times and traffic congestion have had a negative effective in this regard.

6.4 Camera Downtime



The average camera downtime was 2.8%. The Safe City target has always been 1%. It will be noticed that during July to October 2009 the downtime was above 4%. This high number can be attributed to the delay in obtaining crucial spares from the United Kingdom. Most of the spares used in maintaining the CCTV system have to be imported.

6.5 Reported Crime Statistics

Please note that the statistics as provided by the SAP Pietermaritzburg is for operational evaluation and is not for public consumption.

	Jul 08 to Jun 09	Jul 09 to Jun 10	Inc/Dec	%
Murder	42	33	-9	-21%
Att. Murder	22	17	-5	-23%
Ass. Com	278	391	+113	41%
Ass. GBH	278	391	+113	41%
Rape	44	64	+20	45%
Rob with F/A	106	63	-43	-41%
Rob Other Weapon	278	202	-76	-27%
Rob Com	194	154	-40	-21%
Bus. Rob	92	56	-36	-39%
Hi Jacking	12	14	+2	17%
Theft from M/V	137	152	+15	11%
Theft out of M/V	221	211	-10	-5%
Theft of M/V	310	213	-97	-31%
Burglary Bus.	284	234	-50	-18%
A Crime	7801	7932	+131	2%

It is very evident that crimes which show an increase are those that are committed primarily indoors or that are domestic by nature i.e. Assault Common, Assault GBH and Rape. These types of crime are difficult to prevent and are related mainly to socio economic factors such as unemployment, family violence and drug or liquor abuse. Crimes that have decreased are mainly street related crimes such as Robberies, Burglary Business, Murder, Attempted Murder etc. These crimes can be prevented by intelligence-driven crime prevention operations, CCTV detection or SAP patrols. The increase in reported A Crime may be attributed directly to the increase in assault related cases.



7. CONCLUSION

The year 2009/10 has been one of many challenges, not the least of which was the take-over of the management and administration after the termination of the service contracts. This was followed by difficulties in Safe City's engagement with the Municipality and threats that the funding would be withheld. While the relationship with the city's new administration has been a great deal more constructive, it has posed the additional challenge of having to deregister the section 21 company and register a full-blown company. We thank the Mayor and Johan Mettler and his administration team for their constructive support for the Safe City project and for revitalising our belief that our organisation performs a valuable community service.

We thank all partners including BFC, SAPF, CPF, NPA and several others who are, to a lesser or greater extent, stakeholders in our operation.

The members of the Safe City Board are thanked and commended for their support and commitment. Among these, Messrs Peter Warmington, the former chairperson of the Board, Des Winship and Dem Kambouris, the chairperson of BFC, have earned special thanks for their particular and loyal support.

The Board expresses its thanks to the CEO, management and staff of Safe City, as well as the Project Engineer, Mr Pieter Janse van Rensburg of Dihlase Consulting.

We reserve our particular gratitude to the Msunduzi Municipality, the main funders of this operation. We acknowledge, too, the financial and moral support of Business Fighting Crime and Hulamin, as well as the valuable assistance rendered by legal advisors, Venn Nemeth & Hart, our auditors, Deloitte and Touche, and the Witness for continuously reporting on safety statistics.



ZINHLE SOKHELA
CHAIRPERSON OF THE BOARD
15 JULY 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAFE CITY PIETERMARITZBURG

Report on the Financial Statements

We have audited the annual financial statements of Safe City Pietermaritzburg which comprise the statement of financial position as at 30 June 2010, the statement of financial performance and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 281 to 287.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

National Executive GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit
DL Kennedy Tax & Legal and Risk Advisory I. Geeringh Consulting I. Barn Corporate Finance CR. Beukman Finance
TJ Brown Clients & Markets NT Mtoba Chairman of the Board CR Quality Deputy Chairman of the Board
Regional Leader: GC Brazier

A full list of partners and directors is available on request.

B-BBEE rating: Level 3 contributor/AA (certified by Empowerdex)

Member of Deloitte Touche Tohmatsu





Basis for Qualified Opinion – Cash Collections and Donations

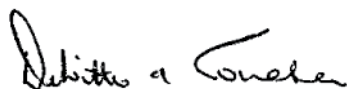
In common with similar organisations, it is not feasible for Safe City Pietermaritzburg to institute accounting controls over cash collections and donations prior to initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

Qualified opinion

In our opinion, except for the effect on the annual financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the association as at 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Other matters

Without further qualifying our opinion we draw attention to the fact that the supplementary information set out on pages 288 and 289 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.



Deloitte & Touche
Per D McArthur
(Registered Accountant and Auditor)
Partner
Pietermaritzburg

21 July 2010

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2010

The directors have pleasure in presenting their report for the year ended 30 June 2010.

REVIEW OF THE OPERATIONS FOR THE YEAR

The financial position of the association at 30 June 2010 is set out in the attached annual financial statements. The statement of financial performance reflects an operating (deficit)/surplus for the year of (R14 434) (2009: R12 239).

SUBSEQUENT EVENTS

No material fact or circumstances has occurred between the reporting date and the date of this report.

DIRECTORS

The following members acted as directors during the year under review:

Z D Sokhela	(Chairman)
P Warmington	
W D Winship	
V C Biggs	
M Ghela	(retired in February 2010)
R P Stuart	
P Maharaj	
N K Bhikha	(CEO)
J A Vorster	
D Harrison	
D Kambouris	
I Dugmore	(retired in March 2010)
N.P Dlangisa	(retired in February 2010)
CHAIRMAN	
Z D Sokhela	(appointed in October 2009)

CHIEF EXECUTIVE OFFICER

N K Bhikha

PLACE OF BUSINESS

City Hall
Chief Albert Luthuli Road
PIETERMARITZBURG 3201

NATURE OF BUSINESS

An Association between business, the local authority, the community, government and non-government organisations to proactively combat crime in Pietermaritzburg.

AUDITORS

Deloitte & Touche

BANKERS

First National Bank

ACKNOWLEDGEMENTS

Deloitte & Touche for their engagement in carrying out a partly honorary audit for Safe City.



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
Revenue		2 715 969	2 642 582
Interest received		<u>111 298</u>	<u>63 460</u>
Total income		2 827 267	2 706 042
Operating expenses		<u>2 841 701</u>	<u>2 693 803</u>
Operating (deficit)/surplus for the year	4	(14 434)	12 239
Transfers to reserves		14 434	(12 239)
- Non-distributable reserve - General	5	<u>(14 434)</u>	<u>12 239</u>
DEFICIT/SURPLUS for the year		<u>-</u>	<u>-</u>

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	88 526	51 321
CURRENT ASSETS			
Accounts receivable	8	<u>8 332</u>	<u>27 080</u>
Cash on hand and balances with banks		<u>9 786 692</u>	<u>799 454</u>
TOTAL ASSETS		<u>883 550</u>	<u>877 855</u>
EQUITY AND LIABILITIES			
EQUITY RESERVES			
Non-distributable reserve - general	5	853 989	868 423
CURRENT LIABILITIES			
Accounts payable	11	<u>29 561</u>	<u>9 432</u>
TOTAL EQUITY AND LIABILITIES		<u>883 550</u>	<u>877 855</u>

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
OPERATING ACTIVITIES			
Cash receipts from donors		2 674 717	2 683 462
Cash paid to suppliers and employees		(2 798 777)	(2 991 646)
Cash utilised in operations	A	(124 060)	(308 184)
Interest received		111 298	63 460
Interest paid		-	(199)
Net cash generated from/(utilised in) operating activities		<u>(12 762)</u>	<u>(244 923)</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment		-	(7 198)
Net cash flow used in investing activities		<u>-</u>	<u>(7 198)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12 762)	(252 121)
Cash and cash equivalents at beginning of the year		799 454	1 051 575
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	B	<u>786 692</u>	<u>799 454</u>

NOTES TO THE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
A. RECONCILIATION OF OPERATING			
(DEFICIT)/SURPLUS FOR THE YEAR TO CASH UTILISED IN OPERATIONS			
Operating (deficit)/surplus for the year		(14 434)	12 239
Adjustment for:			
Interest received		(111 298)	(63 460)
Interest paid		-	199
Non-cash donation received		(60 000)	-
Depreciation		22 795	25 967
Working capital changes		<u>(162 937)</u>	<u>(25 055)</u>
Decrease/(increase) in accounts receivable		18 748	(22 581)
Increase/(decrease) in accounts payable		20 129	(260 548)
Cash utilised in operation		<u>(124 060)</u>	<u>(308 184)</u>



<u>Notes</u>	<u>2010</u>	<u>2009</u>
	<u>R</u>	<u>R</u>

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank	786 692	799 454
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice ("GAAP") including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice ("GRAP") issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
 GRAP 2: Cash flow statements
 GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC 101: Presentation of financial statements
 AC 118: Cash flow statements
 AC 103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following changes in the presentation of the financial statements:

A. Terminology differences:

Standard of GRAP

Statement of changes in net assets
 Net assets
 Surplus/deficit for the period
 Accumulated surplus/deficit
 Contributions from owners
 Distributions to owners
 Reporting date

Replaced Statement of GAAP

Statement of changes in equity
 Equity
 Profit/loss for the period
 Retained earnings
 Share capital
 Dividends
 Balance sheet date

B. The cash flow statement can only be prepared in accordance with the direct method.

C. Specific information such as:

- (a) Receivables from non-exchange transactions, including taxes and transfers.
- (b) Taxes and transfers payable.
- (c) Trade and other payables from non-exchange transactions must be presented separately on the statement of financial position.

D. Amount and nature of any restrictions on cash balances is required to be disclosed.

2. Adoption of new and revised International Financial Reporting Standards (“IFRS”)

In the current year, the directors have adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the association’s accounting policies.

The following new standards, interpretations, technical corrections and amendments, with effective dates on or after 1 January 2010, have been issued:

Number	Description	Effective date
IFRS 8	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual accounting periods beginning on or after 1 January 2010.
IAS 1	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010.
IAS 7	Statement of cash flows - Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010.
IAS 36	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the organisation.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue

Revenue comprises cash contributions from the Msunduzi Municipality and does not include contributions in specie.

3.2 Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

3.3 Property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful life to an estimated residual value.

	Years
Motor vehicles	5
Furniture & fittings	5
Computer equipment	3
Other	5



4. OPERATING SURPLUS FOR THE YEAR

	<u>2010</u> R	<u>2009</u> R
Operating surplus for the year is stated after:		
Audit fees		
- current year	6 600	10 250
- prior year under provision	4 900	-
Depreciation	22 795	25 967
Administration salaries	2 147 226	2 222 795
Interest paid	-	199

5. NON-DISTRIBUTABLE RESERVE – GENERAL

	<u>2010</u> R	<u>2009</u> R
The Association is registered under Section 21 of the Companies Act of South Africa as an incorporated association not for gain and, as such, no part of its income and property shall be transferred to members, directly or indirectly. All reserves of the Association are therefore non-distributable and may only be utilised towards the cost of projects and initiatives and meeting any shortfall in expenditure.		
Balance at beginning of the year	868 423	856 184
Operating (deficit)/surplus for the year	(14 434)	12 239
Balance at end of the year	<u>853 989</u>	<u>868 423</u>

6. TAXATION

	<u>2010</u> R	<u>2009</u> R
No provision for taxation is necessary, as the income of the Association is exempt in terms of section 10(1) cB) of the Income Tax Act, 1962, as amended.		

7. PROPERTY, PLANT AND EQUIPMENT

	<u>2010</u> R	<u>2009</u> R
Motor vehicles	58 000	-
Furniture and fittings	26 838	39 761
Computer equipment	3 688	10 412
Office equipment	-	1 148
	<u>88 526</u>	<u>51 321</u>

2010

Reconciliation of net book value at beginning of the year to net book value at end of the year.

	Net Book value at beginning of year	Additions	Disposals	Depreciation	Net Book value at end of year
	R	R	R	R	R
Motor vehicles	-	60 000	-	(2 000)	58 000
Furniture and fittings	39 761	-	-	(12 923)	26 838
Computer equipment	10 412	-	-	(6 724)	3 688
Office equipment	1 148	-	-	(1 148)	-
Total - 2010	51 321	60 000	-	(22 795)	88 526

2009

Reconciliation of net book value at beginning of the year to net book value at end of the year.

	Net Book value at beginning of year	Additions	Disposals	Depreciation	Net Book value at end of year
	R	R	R	R	R
Furniture and fittings	52 684	-	-	(12 923)	39 761
Computer equipment	14 858	7 198	-	(11 644)	10 412
Office equipment	2 548	-	-	(1 400)	1 148
Total - 2009	70 090	7 198	-	(25 967)	51 321

8. ACCOUNTS RECEIVABLE

Trade and other receivables are classified as loans and receivables at amortised cost and their carrying amount approximates fair value. Trade and other receivables are predominately non-interest bearing. Accounts receivable are all current being receivable within 1 month. No amounts receivable are past due.

9. CASH ON HAND AND BALANCES WITH BANKS

	2010	2009
	R	R
Balance	786 692	799 454

It is the intention of the board that the surplus funds be utilised to cover additional funding of any emergency requirements.

10. RELATED PARTY TRANSACTIONS

Business Fighting Crime is a related party of Safe City and transactions conducted between these parties are at arms length.



11. ACCOUNTS PAYABLE

Trade and other payables are measured at amortised cost and their carrying amount approximates fair value. Trade and other payables are predominately non-interest bearing.

12. FINANCIAL RISK MANAGEMENT

Interest rate risk

In the normal course of business, the company is exposed to the effect of movements in interest rates. Decisions on the interest rates are made according to short, medium and long-term expectations. Management have obtained funding for bank overdrafts at a floating rate linked to the prime lending rate.

Sensitivity analysis

At year end the sensitivity to changes in interest rates on the operating profit is as follows:

2010

+10%	11 130
-10%	(11 130)

2009

+10%	6 346
-10%	(6 346)

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The directors may from time to time at their discretion raise or borrow monies for the purpose of the company as they deem fit.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<u>Company</u>	<u>Less than 1 year</u>	<u>Between 2 and 4 years</u>
<u>At 30 June 2010</u>		
Accounts payable	29 561	-
<u>At 30 June 2009</u>		
Accounts payable	9 432	-

	2010	2009
	R	R
REVENUE		
Contributions received	2 715 969	2 642 582
Interest received	111 298	63 460
TOTAL INCOME	2 827 267	2 706 042
Less: ADMINISTRATION EXPENDITURE	(2 841 701)	(2 693 803)
Accounting fees	20 756	16 989
Administration fees – Pietermaritzburg Chamber of Commerce	8 973	-
Salaries and wages	2 147 226	2 222 795
Administration salaries: 8 months	160 534	289 997
Control room consultancy fees: 8 months	1 396 578	1 932 799
Safe City salaries/wages: 4 months	590 115	-
Advertising and promotions	1 585	6 166
Assets written off	7 772	2 671
Audit fees		
- current	6 600	10 250
- prior year underprovision	4 900	-
Bank charges	4 624	4 984
Casual Wage	125	-
Cleaning	8 652	7 215
Computer expenses	7 155	16 206
Conference and travel	10 093	-
Consulting fees	4 286	-
Courier and postage	109	133
Depreciation	22 795	25 967
Electricity and water	18 764	16 191
Entertainment expenses	661	2 098
General expenses	3 086	3 670
Insurance	1 090	-
Interest paid	-	199
Legal fees	55 374	3 614
Motor vehicle expenses	3 014	192
Out of court settlement	50 000	-
Payroll set-up fees	6 173	-
Printing and stationery	17 737	25 338
Recruitment expense	19 989	-
Repairs and maintenance	360 405	554 088
Royal show expense	20 417	-
Staff petrol	3 100	-
Staff welfare	765	906
Subscriptions	-	(3 017)
Telephone and fax	25 474	30 916
Write-back of VAT provision	-	(253 769)



OPERATING DEFICIT after administration expenditure

<u>2010</u>	<u>2009</u>
<u>R</u>	<u>R</u>
(2 730 403)	(2 630 343)

OPERATING (DEFICIT)/SURPLUS FOR THE YEAR

(14 434)	12 239
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Administration expenditure

Personnel costs
Repairs and maintenance
Other

<u>%</u>	<u>%</u>
79	83
13	21
9	(4)
100	100

LIST OF CONTRIBUTORS FOR THE YEAR ENDED 30 JUNE 2010

Msunduzi Municipality (inclusive of VAT)

<u>2010</u>	<u>2009</u>
<u>R</u>	<u>R</u>
3 000 000	3 000 000

Contributions by business are referred to in the Chairman's report.

Report submitted by CEO Safe City (PMB) - Ms Nutan Bhika



CITY OF CHOICE



**PIETERMARITZBURG
MSUNDUZI**

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