

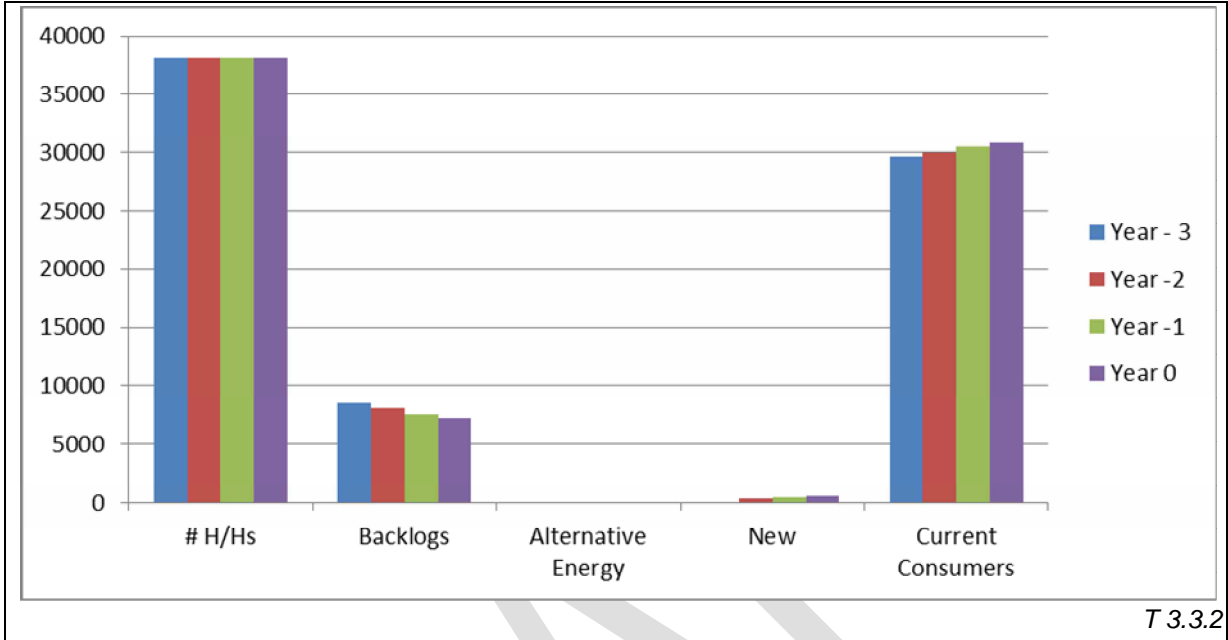
on billing. During the previous financial year, these losses were brought down to 14.9%. In the current financial year these have increased to 19.8%. This can be attributed to the Electrical Superintendent resigning in February 2012 and the post only being refilled in November 2012, together with the limited access to Sterkspruit due to unrest and threats to staff safety.

The strategic Electrical Upgrade Programme has been running for two (2) years and is expected to run for a further three (3) years. At completion it is expected that all networks (LV & MV) will be upgraded, safety standards will have been met, service connections replaced and metering systems updated and replaced. This programme is dependent on the capital and operational funding made available within the approved budget.

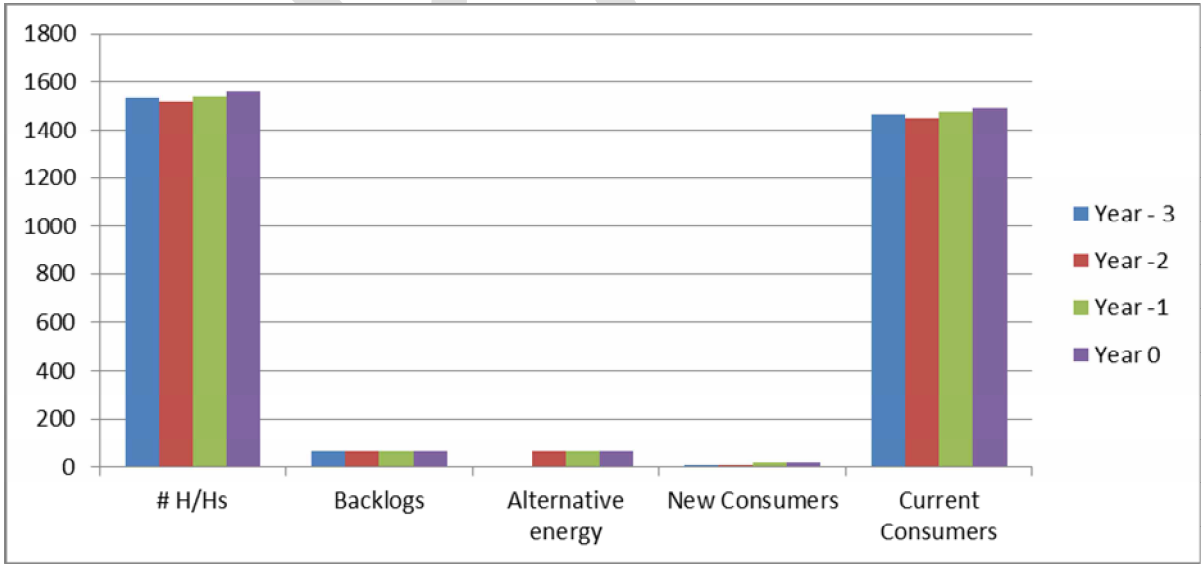
Due to the training and development commitment shown by the Technical Services Department, Senqu Municipality has for the second year running produced another qualified electrician. Due to this success it is expected that this will be an ongoing programme that will ultimately capacitate the municipality's electrical department in a sustainable manner and ultimately benefit consumers by way of heightened service delivery.

ESKOM DISTRIBUTION (RURAL AREA) IN HOUSEHOLDS

T 3.3.1



SENQU MUNICIPALITY DISTRIBUTION IN HOUSEHOLDS



Electricity Service Delivery Levels				
Households (Eskom Area)				
Description	2009/10	2010/11	2011/12	2012/13
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)	29600	30 000	30 481	30 866
Electricity – prepaid (min. service level)	29600	30 000	30 481	30 866
<i>Minimum Service Level and Above sub-total</i>	29600	30000	30481	30866
<i>Minimum Service Level and Above Percentage</i>	77.80%	78.85%	80.12%	81.13%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0-
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	8446	8046	7565	7180
<i>Below Minimum Service Level Percentage</i>	22.20%	21.15%	19.88%	18.87%
Total number of households	38046	38046	38046	38046

Households – Electricity Service Delivery Levels below the minimum						
ESKOM AREA						
Households						
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	38 046	38 046	38 046	12 939 157	12 939 157	9 336
Households below minimum service Level	8446	8046	7565			199 7180
Proportion of households below minimum service levels	22%	21%	20%	100%	72%	19%
Informal Settlements						
Total households	No	Info	Available			
Households below minimum service Level	Included	Info	Above	Figures		
Proportion of households below minimum service levels						

Electricity Service Delivery Levels				
Households (Municipal)				
Description	2009/10	2010/11	2011/12	2012/13
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min. service level)	1465	1 451	1 473	1 492
Electricity – prepaid (min. service level)	641	641	641	641
<i>Minimum Service Level and Above sub-total</i>	1400	1386	1408	1427
<i>Minimum Service Level and Above Percentage</i>	95.75%	95.71%	95.77%	95.83%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0-
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	65	65	65	65
<i>Below Minimum Service Level sub-total</i>	0	63	63	63
<i>Below Minimum Service Level Percentage</i>	4.10%	4.10%	4.25%	4.29%
Total number of households	1530	1516	1538	1557

Households – Electricity Service Delivery Levels below the minimum						
MUNICIPAL AREA						
Description	2009/10	2010/11	2011/12	Households 2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget	Adjusted Budget	Actual No.
Formal Settlements				CAPITAL	CAPITAL	
Total households	1 451	1 473	1 492	765 000	965 000	
Households below minimum service Level	0	0	0	0	0	0
Proportion of households below minimum service levels	0%	0%	0%	100%	100%	100%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service Level	0	0	0	0	0	0
Proportion of households below minimum service levels	0	0	0	0	0	0

Electricity Service Policy Objectives Taken from IDP									
Service Objective	Outline Service Targets	2011/2012		2012/2013				Y	
								*Current Year	*Following Year
		Target		Actual		Target		Target	
		*Previous Year		*Previous Year	*Current Year	Actual	2013/2014	2014/2015	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHS) provided with minimum supply during the year (Number of HHS below minimum supply level)	Eskom - 481 additional HHS (7565 below minimum) Municipal - 65 Alternative Energy	Eskom-481 Municipality 65	Eskom - 481 additional HHS (7565 below min) Municipal 65 Alternative Energy	Eskom- 734 Municipality - 65	Eskom - 603 Municipality 65	Eskom Planned: 2 138 additional HHS (5042 HHS below minimum) Municipality 0		Est Additional HHS Planned Eskom = 2 000 (3042) below minimum)
Facilitate the provision to access to adequate basic services in the area of Electricity / Reduce backlogs in service delivery in the areas of Electricity	Reports developed to detail manner in which backlogs for electricity& roads will be alleviated & sustained with financial planning All Wards / Provision of Implementation plan & quarterly reports to detail manner in which backlogs will be managed/ Municipal Manager/ Manager TS	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterl y reports	12 x monthly reports 4 x Quarterly reports

Electricity Service Policy Objectives Taken from IDP									
Service Objective	Outline Service Targets	2011/2012		2013/2013					
								*Current Year	*Following Year
		Target		Actual			Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2013/2014	2014/2015	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHS) provided with minimum supply during the year (Number of HHS below minimum supply level)	Eskom - 481 additional HHS (7565 below minimum) Municipal - 65 Alternative Energy	Eskom-481 Municipality 65	Eskom - 481 additional HHS (7565 below min) Municipal 65 Alternative Energy	Eskom- 734 Municipality - 65	Eskom - 603 Municipality 65	Eskom Planned: 2 138 additional HHS (5042 HHS below minimum) Municipality 0		Est Additional HHS Planned Eskom = 2 000 (3042) below minimum)
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management , monitoring & oversight to ensure improved electricity infrastructure and service provision as per implementation strategy and plan in respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish a store	Reduce Electricity losses to below 20%	377 Disconnecti ons 7 Illegal connections 12 696 m of LV conductor upgraded 454 meter replaced Electricity losses = 14.9%	Reduce Electricity losses to below 20%	Reduce Electricity losses to below 20%	366 Disconnections 1 illegal Connection 2 598 m of LV conductor upograted 57 meters replaced 2 Transformers repaired Reduce Electricity losses19.8%	370 Disconnections 3000 m of conductor upgraded 60 meters replaced Transformers repaired/ maintained Electricity losses = Below 18%	Reduce losses to under 16%	Reduce losses to below 15%

TABLE: EMPLOYEE STATISTICS: ELECTRICAL SERVICES

Employees: Electricity Services					
Job Level TASK SYSTEM	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					0%
4-6	5	7	5		29%
7-9	0	4	0		100%
10-12	3	6	3		50%
13-15					40%
16-18	1	1	1		0%
19-20					0%
Total	9	18	9		50%
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Financial Performance Year 0: Electricity Services					
					R'000
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		34 595			
Expenditure					
Employees		5 272			
Repairs and Maintenance		556			
Other		28 765			
Total Operational Expenditure		34 595			
Net Operational Expenditure			TO BE PROVIDED		
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

Capital Expenditure Year 2012/2013 : Electricity Services					
ESKOM (RURAL AREA)					
R'000 (Ex VAT)					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	12939	12939	10917	16%	
Farm Dweller H/Hs	63	63	19	81%	63
Rural H/Hs	6519	6519	6161	5%	6519
Rural H/Hs	6357	6357	4737	25%	6357
Rural H/Hs	0	0	0	0	37381
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Capital Expenditure Year 2012/2013: Electricity Services					
MUNICIPAL AREA					
R'000 (Ex VAT)					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	805	965	945	16%	
Tools & Equip	105	265	237	40%	600
Infrastructure	700	700	708	-1%	9000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Comments on Electricity Services Performance Overall

The primary role of the Eskom projects is to reduce rural backlogs on an ongoing basis in terms of the INEP. In support of this the role of municipalities (in terms of related projects) is to obtain equipment and to upgrade infrastructure (including metering) on an ongoing basis, so as to reduce electricity losses, increase safety and stabilize the power supply. Eskom has its own maintenance programmes, as does the municipality.

Within this period the municipality has:

- upgraded seven (7) major distribution kiosks under the recapitalization project;
- upgraded 2 598 m of overhead conductors. 57 meters were replaced by new digital meters, in the 2012/13 FY;
- overspent the reticulation capital budget by R 8000 due to tenders received. While SCM is legislated and compliance driven under specific regulations, it cannot be ignored that its processing overall also contributes to the delays in service delivery.

During the new financial year it is intended and planned to do a further 2 139 connections, through the INEP programme, within the Eskom supply area (rural areas). The DORA allocation for this in the 2013/14 FY is R 37 381 145.

Council has prioritized the areas to be electrified. These are as follows, based on the national year starting in April 2013:

- Barkly East: 802 connections
- Hillside: 223 connections
- Rossouw: 205 connections
- Wards 1, 7 & 8: 300 connections
- Wards 6, 9 & 10: 600 connections & Pre Engineering & new Link Line; and
- Wards 4,5 & 15: Pre Engineering

All electrical projects are included within the IDP. Service Level Agreements are in place with Eskom for the supply of FBE in rural areas and electrical supply to the towns of Sterkspruit, Lady Grey and Barkly East for redistribution in terms of the NERSA license. The Council has indicated its intention to distribute electricity under the Senqu license within the commonage areas surrounding the towns. A resolution has been taken to this effect and will be implemented within the new municipal financial year. This will take place in terms of the Electricity Regulation Act of 2006 and negotiations with Eskom.

In order for Eskom to eradicate the current electrical rural backlogs, within the Senqu area, an estimated R 90 M will be required over the next 3 years. The Senqu Municipal NERSA

licensed area itself does not have backlogs (towns of Lady Grey, Barkly East and Sterkspruit) as applications are completed in accordance with development requirements.

3.2 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Introduction to Waste Management

It is the overall objective to improve the management of the environment and to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

In an effort to achieve these objectives the following targets/objectives have been highlighted:

- The installation of weighbridges in Lady Grey and Barkly East;
- The efficient operation of refuse removal as per the Waste Management Plan (ensuring regular collections for urban areas and businesses); and
- Increased access to basic levels of waste management services.

During 2011/2012 it must be noted that:

- Weighbridges did not exist in Lady Grey and Barkly East;
- An operations management plan for waste management was approved and was implemented and regular waste management and waste collection services were taking place;
- Notwithstanding the good services provided it is noted that any extension of these services was severely hampered by the shortages experienced in respect of human capital and financial constraints which impacted on the required number of vehicles.
- It is to be noted that while no backlogs existed in urban areas, backlogs did exist in rural areas. Of the population of 43000 in Senqu Municipality, it is noted that only 17000 received refuse removal related services. As per Stassa Stats (2007), services have increased from 11,2% to 22.6%. 77.4% of the rural areas are not serviced.
- Access to services were extended in Herschel where 727 additional houses are not being serviced;
- Clean-up campaigns were organised after hiring temporary participants to facilitate refuse removal, cleaning of town and cemeteries and waste collection;
- During this period Senqu Municipality was nominated and won the "Cleanest Town" competition (and R300 000 in prizes);
- Equipment and infrastructure is ageing and this is required to be replaced. Plans to resolve this challenge relate to the purchase vehicles and equipment that will be phased in over a 5-year period. Within this financial year a small tip truck for each of the major

towns was purchased (i.e. Sterkspruit, Lady Grey, Barkly east and a TLB for the management of the waste site). It is acknowledged that the TLB was not entirely suited for this environment and tyres are frequently punctured at the waste site and very high costs are incurred in an effort to fix these and to purchase additional tyres.

- An inadequate staff complement with a shortage of staff and specialized personnel to deal with waste and environmental issues remained a challenge. Most of these personnel have no basic education, and it is required that they be sent to basic ABET to facilitate further training (in the best practices of handling waste).
- Absenteeism is unusually high due to illnesses which may to a large degree be attributed to HIV/Aids.
- During this period only two waste sites were functional. These experienced operational challenges due to lack of equipment and the level of education of staff;
- EIA's were not approved for new solid waste sites. It was recommended that this target be redefined and that funding be channelled elsewhere. As highlighted within the AFS: the fact that the municipality does not have a permit or license for all of the landfill sites currently, could result in liability for a penalty in terms of section 24(g) of the Environmental Conservation Act.

Funding constraints have prevented the Waste Awareness Campaign from being launched; the recycling project in Sterkspruit and Barkly East being implemented; and the Rhodes Compost Project being implemented.

During the 2012/2013 period a great deal of progress was made and is reflected as follows:

- The target and performance in respect of the construction of the weighbridges requires clarity. Reference at one point suggested that either one or both had been constructed. At a later point it suggests that finances are insufficient to install these in Lady Grey and at a later state it is suggested that the construction of both of these weighbridges was deferred to the next financial year.
- In order to facilitate recycling it was the intention to record the types and quantity of waste in order that accurate landfill site data is maintained, opportunities to re-cycle could be pursued and waste could be diverted from the landfill site itself.
- The waste removal schedule was affected by the unrest in Sterkspruit where intimidation of workers by the civic organisation took place.
- Waste is collected weekly, within the urban areas. This takes place 100% in accordance with the Waste Removal Schedule and all reports were submitted to the Standing Committee.
- It had been the intention to increase the levels of availability of refuse removal to extension areas in Sterkspruit taxi rank and shopping centre and to 300 additional households in Steve Tshwete. Reporting has failed to illustrate the exact level/degree of

progress (i.e. towards the 300 by June 2013). While the Sterkspruit taxi rank is not yet in operation (due to funding constraints) arrangements were made to maintain cleanliness through the job creation programme and this has extended to Steve Tshwete and new houses in Barkly East as per the same programme.

- Due to the unavailability of funds no clean-up campaigns were planned (notwithstanding that “clean-up” is conducted as part of day to day functioning).

Notwithstanding the financial constraints the EPWP projects that were implemented facilitated the cleaning of all of these areas.

Comment on Waste Management Service Performance Overall

It is fair to conclude that Waste Management is well conducted. Refuse removal occurs weekly for households and daily for businesses – particularly in Sterkspruit where it is required to work weekends and during holidays in order to meet the waste load.

These waste sites are well managed and assistance is received from the district who monitor these weekly and advise us regarding issues of non-compliance. In this regard we are able to keep our towns and streets clean (streets being cleaned daily). Dedicated staff exist for waste management and are located at the waste sites. It is acknowledged that they lack required qualifications. In this regard they are engaged in appropriate training. The use of EPWP personnel has been very beneficial in ensuring that streets are cleaned daily

In terms of the target to construct weighbridges it must be noted that the construction of the Barkly East weighbridge was completed as planned by June 2013. Unfortunately electricity challenges were not anticipated and currently electricity is being installed in order to resolve these issues. On completion this project will be handed over. Effectively, this project will be fully completed in the next financial year this as a result of insufficient funds. Due to the financial constraints the weighbridge for Lady Grey was required to be deferred to the new financial year.

3.3 HOUSING

Introduction to Housing

It must be noted that the Senqu Municipality was the developer for housing projects right up until three (3) years ago when this function was reclaimed by the then Department of Housing. Since this period the department has been the implementer of housing projects, services and the top structure. This was conducted through the Department of Human Settlement’s own procurement procedures and service providers.

The municipality assists the department and this function by engaging in the following activities:

- beneficiary identification and registration for RDP houses,
- ensuring land availability;
- transfer of sites to the beneficiary upon completion, through the municipal conveyancers; and
- Assisting the department with the establishment of a Housing Sector Plan which is an attachment to the IDP.

The Housing Section was returned to the Technical Department in July 2012 after an absence of 2 years. This section also encompasses the building control and town planning section and is considered as one section/department.

Progress is reflected as follows:

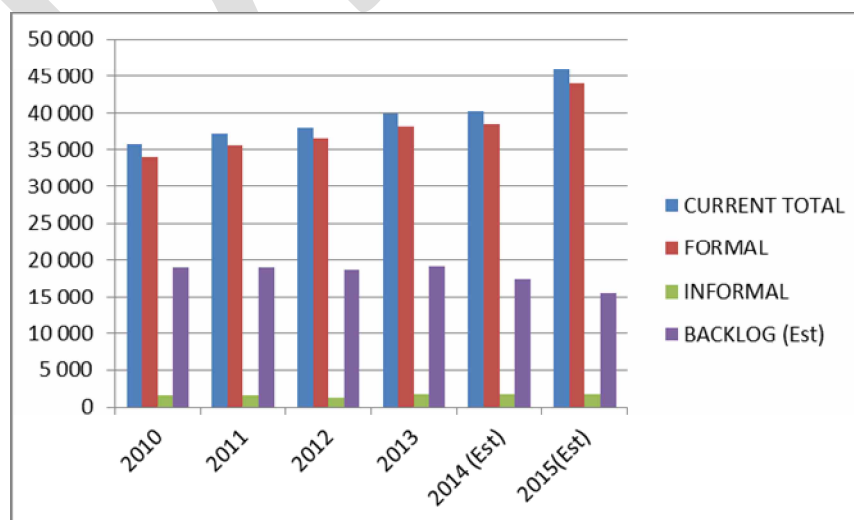
- Within the current year 1 002 housing units were completed but there was a shortfall of 300 units (200 for Rhodes and 100 for Rossouw);
- The Rhodes and Rossouw projects were approved in the 2010/11 FY but to date only the Rossouw project has been advertised for a contractor. Various meetings have taken place with the department, to discuss general matters pertaining to housing, in order to fast track delivery, but to no avail;
- There have been challenges in that the Housing Sector Plan was only recently approved and is in need of an urgent update as a lot of information has been omitted.
- Land invasion has caused delays to the Herschel Housing project. More specifically, only 505 units of the original 700 units have been constructed and the Council has taken the decision to reduce the project to 505 units and identify other land for a new project registration to accommodate the shortfall;
- The 76 middle income sites in Sterkspruit are also under land invasion threat and there is no movement on the installation of water and sewerage services in order to allow development to take place. Various applications have been submitted for RDP and middle income units (1500) for Sterkspruit, Lady Grey and Barkly East and 4000 rural low cost units;
- It is estimated that there is a total housing backlog of around 19 000 units within the Senqu area. A data base to clarify the backlog is underway and is expected to be completed in June 2014. This will greatly assist with future long term planning;
- There is currently legal action being taken against land invasion but legal matters are costly and drawn out process;
- A huge challenge relates to the fact that in many cases, beneficiaries allocated to housing units become lost for various reasons and wrong erf allocations. This then results in the

de-registration and registration of new applicants. The transfer of erven in order to achieve title depends on professional legal people and in some cases this process occurs at a very slow rate;

- There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality is required to take a decision as to whether accreditation will be applied for in order to do the entire housing process in the future. This will have to be resourced by the department as it will entail a larger staff component but will in all likelihood increase the pace of service delivery;
- The municipality has budgeted to employ a land administrator/town planner within the new FY which will assist greatly with service delivery;
- Illegal building within the Sterkspruit rural areas remains a huge challenge that the municipality currently does not have the capacity to deal with. Traditional leaders complicate land and building matters further by allocating land and allowing building operations on an ad-hoc basis. This in turn places a severe strain on service delivery.

Percentage of Households with access to basic housing			
Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	35 663	34 022	97%
Year -2	37 168	35 527	95%
Year-1	37 856	37 786	99%
Year 0	39 990	38 200	95%

HOUSING BACKLOGS



Housing Service Policy Objectives taken from IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2012/13		2013/14		2014/15	2015/16		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	1486 additional houses (14 986 houses required)	1002 additional houses (13 984 houses required)	1486 additional houses (xxx houses required)	300 additional houses (13 684 houses required)		5 500 additional houses (8 300 houses required)	5500	4000 additional houses (4300 houses required)
Facilitate housing project(s)/ implementation	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports
Ensure Housing Sector Plan adopted by Council	Council resolution of Housing Sector Plan	0	0	0	1	1	1	1	1
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

TABLE: EMPLOYEE STATISTICS (HOUSING SERVICES)

Employees: Housing Services					
Job Level TASK SYSTEM	2011/12	2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	2	2	2		0%
7-9	0	1	0		100%
10-12	2	5	2		60%
13-15	0	1	0		100%
16-18					
19-20					
Total	4	9	4		56%
Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Financial Performance Year 2012/2013 : Housing Services					
R'000					
Details	2011/12 1	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1066	1136	1136	970	96
Expenditure					
Employees	786	837	837	837	-51
Repairs and Maintenance	58	62	62	54	4
Other	222	237	237	79	143
Total Operational Expenditure	1066	1136	1136	1136	-70
Net Operational Expenditure	1066	1136	1136	970	-70
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual..					

Capital Expenditure Year 2012/2013: Housing Services					
R'000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total all					
Hillside	830	0	507	0	55 800
Herschel	7412	0	0	0	39 000
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate.</i>					

NOTE: Senqu Municipality no longer has any capital expenditure on housing with the exception of the blocked projects of Herschel (which is in process of being reduced as reported above) and two houses in Hillside (due to payment problems between the department and the contractor).

Comment on the Performance of the Housing Service Overall

- As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational).
- The delivery of housing units is slow due to: poor communication from the department; late approval of the Housing Sector Plan (which results in outdated information); insufficient data to do informed planning and last but not least, the difficult/non-accessibility of sites in the rural areas in order to deliver materials (due to poor road access, and intermittent water supply) affects construction and increases project costs in general.
- The quality of workmanship is also a worrying factor as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the quality control. The Hillside project bears testimony to this in that: of the 998 units already built, 603 are in need of rectification. This project is not yet completed but already requires rectification. Clearly this questions and raises extreme doubt regarding the construction quality. In this regard it must be noted that the department is clearly aware of this situation, having been informed as such by the municipality.
- The municipality no longer has control of any capital projects. The operational budget variance was due to poor performance on the part of service providers (conveyancers) in transferring the title deed to the beneficiaries.
- There is an urgent need for middle and rental housing within the area.

3.4 FREE BASIC SERVICES AND INDIGENT SUPPORT

Introduction to Free Basic Services (FBS) and Indigent Support

In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including FBS. Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). There is a SLA in place with Eskom for FBE in the rural areas. Senqu Municipality has both an Indigent and FBE policy in place. These cater for any household earning a combined income of under R 1 600/month and this then entitles them to receive Free Basic Energy.

As part of a pilot scheme adopted by Council in 2011, Senqu Municipality supplies 63 households in Rossouw with Free Basic Alternative Energy (FBAE) in the form of paraffin and candles. There are plans in place for Eskom to electrify this area in the new financial year. This will obviously be a safer option of energy compared to paraffin and candles.

There are currently 12 523 households receiving Free Basic Energy (FBE) of 50 Kwh/month. This is a great improvement on the previous year (8 122) which can be attributed to the extra effort made by Ward Councillors and Ward Committees despite the inability to operate effectively within the Sterkspruit area (due to unrest).

In an effort to effectively facilitate and champion the registration of free basic service delivery (FBS) within the community, the Council has formed a special Free Basic Services Committee. Unfortunately and notwithstanding the best of intentions this committee was dysfunctional due to the fact that the majority of members came from the Sterkspruit area (affected to its detriment by the unrest).