

PART 1

Introduction & Overview

FOREWORD BY THE MAYOR

It is with great pleasure and very mixed emotions that I present to you the 2010/2011 Annual Report for Senqu Municipality. This is a bittersweet moment in that it brings back so many memories of when I took up office in 2006. I stand here at the political helm of Senqu Municipality with a deep sense of pride and gratitude. It has been a good journey but a journey of many challenges no less. With strong political and administrative leadership we have been able to steer our municipality to a place of great pride. Indeed when we make comparisons it is hard not to acknowledge that as a municipality we are enjoying financial stability and sustainability and are better positioned to offer our community services that improve with the years as a sense of financial stability and growth is maintained.



In terms of s59 of the Municipal Finance Management Act (MFMA) I am required to report on the performance of the municipality and the degree to which it has achieved its mandate. This is indeed a pleasure to do especially knowing the levels of performance that we were able to achieve just five (5) years ago. Our Council has fulfilled its oversight role – ensuring that this report is presented while fulfilling all of its mandatory commitments and fulfilling the requirements of the Provincial Department of Local Government and Traditional Affairs.

During this year it is fair to say that Senqu Municipality has continued to strive for excellence in terms of organizational performance and to accelerate service delivery within the challenging environment currently faced by municipalities. Every effort and focus has been made to establish an organisation that operates effectively and efficiently on a sustainable basis, within a governance framework that is based on best practice and applicable legislative prescripts. Looking around us, it is hard not to notice the changes to our administrative block. Our new offices epitomize the excellence with which our duties have for the most part been fulfilled.

After 5 years in office it gives me great pleasure to say that notwithstanding the many and ongoing challenges, we have achieved our primary mandate – that of “providing services to our people”, through good governance in both the political and administrative arena.

Through effective implementation of the IDP Process Plan we have continued to ensure that our community needs are met and enhanced through effective service delivery, the provision of basic infrastructure and housing delivery. A number of highlights in this current year are reflected on as follows:

- Through the Mayor's Fund we were able to fund the tertiary tuition of Senqu Youth;
- This Mayoral Fund assisted in the upliftment of sport, and formal social structures;
- As the ANC Chair for the Local Government subcommittee, I was privileged to be able to pilot a job creation project. Senqu Municipality took the lead in this project and set aside R3m on the project. 294 jobs were created and this ensured that we received a R1.2 m rebate from registering the project with EPWP;
- This job creation project has ensured that Senqu Youth have been equipped with skills and work experience in order that they are able to be permanently employed in other sectors;
- The employees soccer team won the regional Old Mutual Soccer tournament and the employees netball came in third, in the spirit of following in the footsteps of leadership; and
- A Call centre has been successfully established so that community complaints are looked into and monitored timeously for progress.

On the political front, this year has been a landmark which culminated in the election of a new Council for the next five (5) year period.

May I take this opportunity to wish our newly elected Mayor, Mayor Mtyali and her political team (formally inaugurated 31 May 2011) every success as they continue to build on a legacy that makes us very proud. Ms Mtyali takes over at the helm as an experienced District Mayoral Committee Member. As we leave our offices may I take this opportunity to thank our “outgoing Councillors” for their wonderful support and commitment to our cause. To the Municipal Manager, the management team and staff we thank you for your unwavering support and work, without which we could not have achieved the success that we have. We thank our community for believing in us and take pride in a very simple statement.

“WORKING TOGETHER WE CAN DO MORE!”

Z.I. DUMZELA
OUTGOING MAYOR

A WORD FROM OUR NEW MAYORESS: Ms N.Y MTYALI



As I begin my term of office I would like to begin by thanking our out-going Mayor and his team for laying a solid foundation and setting such high standards for us as the new team. We are so privileged to have been left with Mr Dumzela's strong legacy. I wish to assure both the community and the administrative arm of Senqu Municipality of my Council's absolute commitment to striving towards achieving better and stronger accolades in good governance.

Very close to my heart is ensuring economic upliftment for our area, especially for the previously marginalized which are women, youth and disabled.

We have achieved so much in our first fifteen (15) years of democracy and look forward to achieving so much more as we facilitate ways to ensure peace, stability, job creation, an improved and strong economy, and a firm foundation for better and even faster progress, especially within our rural areas.

We look forward to working with the Municipal Manager, staff and the community at large and thank you in anticipation for your support and vote of confidence.

A handwritten signature in cursive script, reading "N.Y. Mtjali", written in black ink.

MAYOR N.Y .MTYALI

MUNICIPAL MANAGER'S REPORT

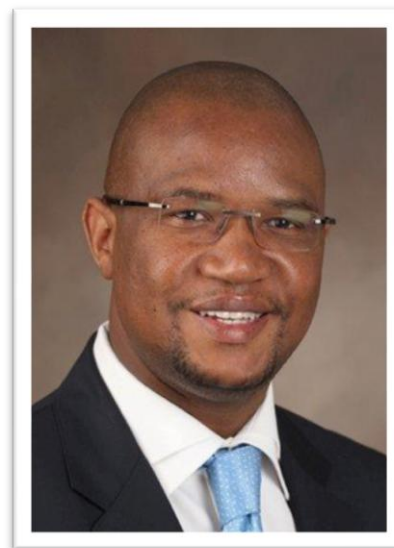
The 2010/2011 financial year has been a particularly interesting and challenging year, which culminated in the election of a new Council for 2011-2016. With the dawning of this new chapter in the history of Senqu Municipality, it is important to reflect on our past and on what has been significant, particularly over this past year.

During this past year, we lay claim to the following areas of successful performance:

- ❖ This is the second year running that Senqu Municipality has received an unqualified audit opinion;
- ❖ Overall we have displayed very sound financial management practices and strong leadership ability;
- ❖ Good governance practices have been evidenced in both the administrative and political arena;
- ❖ We have been fortunate to have been able to renovate and create state of the art offices and administrative infrastructure to facilitate the effective administrative running of the organization. This boasts a new executive suite and an exceptional Council Chamber;
- ❖ The need to address our Governance structure was identified in pursuit of creating greater excellence in our administrative and governance functioning. Work on the Governance Framework Project (which aims to identify critical gaps in governance, strategy, structure and operations and the manner in which to address these effectively) has begun. A simple and integrated approach to best practice in effective governance, execution, delivery and strengthening of operations and effectiveness of the municipality is being sought. This is a massive undertaking for the municipality, which is the next giant leap after having set a foundation of strong and capable leadership, to now embarking on building a strong structure on that foundation;
- ❖ A new directorate which is termed the Integrated Planning Monitoring and Evaluation Directorate was established in order to strengthen our performance and our monitoring and evaluation processes;
- ❖ Our new Councillors have been inaugurated and have already attended an extensive two day Induction workshop in an effort to equip them with the required knowledge and skills for their new role; and
- ❖ A previous major concern of the high losses of electricity has seen a turnaround. We now reduced electricity losses from 45% to 23,89%, and we have committed more resources to tackle the problem and to improve matters further.

Challenges continue notwithstanding the progress already made. Issues of prominence include:

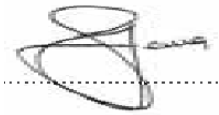
- ❖ The need to address scarce skills within Senqu Municipality
- ❖ Capacity building throughout the organisation remains a challenge and is required to become an area of focus;
- ❖ The Organizational structure will be reviewed and,
- ❖ Job Descriptions are required to be redone as the current job descriptions that were used to grade positions are now 7 years out of date.
- ❖ Performance management is a process and system that is required to be institutionalised in order to establish a culture of performance excellence;
- ❖ The reporting and management of service delivery and related targets remains a huge challenge due to the lack of baseline data and statistics. Steps are to be taken to ensure that service delivery baseline data can be established.
- ❖ The management and implementation of Local Economic Development Strategies and processes remains an ongoing challenge, due to the lack of resource capacity;
- ❖ Greater emphasis is to be placed on the alignment of the IDP, SDBIP and Budget, which would translate into required scorecards;
- ❖ Quarterly PMS reporting and assessments are to be done and ,
- ❖ Regular (quarterly) SDBIP reporting is to be completed not only in terms of compliance issues, but due to the importance of performance management; and



- ❖ Inconsistencies in the Indigent baseline data require that the Indigent Register be updated and verified.

Acknowledging these challenges Senqu Municipality (in an effort to enhance service delivery), is in the process of conducting a comprehensive institutional assessment and to perform extensive gap analysis exercise. Resulting from this, recommendations to overcome these gaps will be entertained and taken further. In this way, our ultimate objective remains to establish a sustainable organisation that operates effectively and efficiently within a governance framework that is based on best practice and applicable legislative prescripts.

May I take this opportunity to thank our current Mayor, Speaker and Councillors for all their support and assistance over this past term – without which Senqu Municipality would not have been able to achieve the tremendous results it has. To the new Mayor, Speaker and Councillors, as the management on behalf of our administrative team I would like to take this opportunity to “welcome you aboard” and to assure you of our unwavering support and commitment towards achieving common goals and addressing community needs.



M.M. YAWA
MUNICIPAL MANAGER

EXECUTIVE SUMMARY

It is the intention of the Executive Summary to provide a synopsis or summary of the strategic direction and focus of Senqu Municipality within 2010/2011 and to be able to detail this and the impact that this will have on the community at large.

All efforts to guide this discussion will take place with due reference to Senqu Municipality's Integrated Development Plan, together with the strategic objectives that have emanated from this IDP.

As the IDP was developed for the period 2006-2011, it is important to note that the 2010-2011 period represents the last year attached to this 5-year strategy and term.

It is important to note that Senqu Municipality has focused its service delivery direction and commitment in keeping with the national indicators for local government together with the identified needs from the community. The IDP, SDBIP's and scorecards therefore have scorecards aligned to these same National Key Performance Indicators as follows:

- **Good Governance and Public Participation**

Senqu Municipality has provided a significant amount of focus on the area of good governance and public participation. It is noted that:

- Policies and By-Laws were reviewed regularly;
- Operating systems and processes were created and refined in order to increase effective operation and functioning;
- Council and Standing Committees are being supported administratively;
- Council Resolutions are now formally managed and implemented more regularly due to the Council Resolutions Register;
- Public Participation is being applied as per the Public Participation Policy, and
- Every effort is being made together with Community Development Worker's to facilitate public participation and meeting the needs of the community at large.

An ongoing challenge in respect of public participation and ensuring that all members of the community are met, is the spread of the geographical area of Senqu Municipality. The great distances that need to be covered and the lack of infrastructure and telephone coverage at times makes reaching the community a great challenge.

- **Service Delivery and Infrastructure Investment**

An ongoing challenge as detailed within all areas of service delivery remains ageing infrastructure, lack of capacity and availability of resources. On-going efforts are undertaken to address the many backlogs in respect of essential services and to ensure that these are addressed in a sustainable manner moving forward.

Funding from National Treasury in the form of the Municipal Infrastructure Grant, is an example of funding that is used to facilitate a high level of infrastructure development.

- **Local Economic Development**

An overriding consideration within this area is the fact that Senqu Municipality is challenged by high unemployment rates. This impacts socio-economically on development and our revenue base throughout.

A key objective remains to facilitate economic growth and investment through small, medium and macro enterprises. Tourism and agriculture remain areas of challenge and areas for expansion.

While it is acknowledged that this unit is experiencing capacity challenges and is relatively new (adding to these challenges), it remains focussed on the creation of a conducive environment within which economic development can take place.

- **Municipal Financial Viability and Management**

It is imperative that the municipality manages its revenue and expenditure base effectively. It must be noted that for the second year in a row Senqu Municipality has received an unqualified audit opinion. Areas identified where improvements in financial management are required must be addressed formally throughout the year and this is achieved through the establishment and implementation of an Audit Action Plan.

Overall it is noted that Senqu Municipality is financially sound and follows prudent financial policies and procedures.

- **Municipal Transformation and Institutional Development**

Great strides have been made within this area, and every effort has been made to develop a functional administration which is effective and efficient in operation. From the development of an appropriate organogram and the population thereof; the development and implementation of policies and procedures; the implementation of an integrated performance management system; renovations and improvements to buildings, infrastructure and the like, every emphasis is being placed on ensuring that an appropriate infrastructure is created that will facilitate optimum functioning. This reports details progress and challenges within all of these areas.

OVERALL FOCUS

It must be emphasized that the overriding goal of the vision and mission of Senqu Municipality is to “provide quality and affordable services to all members of the community, in a manner that sustains development and creates a better life for all”.

As per the IDP, focus areas include:

- Good governance and effective administration
- Sustainable Infrastructure development
- Sustainable Basic Services
- Economic Development
- Environmental Management
- Social Development
- Financial Viability
- Empowerment of Youth, Women and Disabled, and
- Safety and Security

Noted: These focus areas will be incorporated into the five national indicators for performance reporting purposes.

This report details the manner in which this is achieved, within the context of the goals and targets contained within the Integrated Development Plan.