

2020/21

Annual Report

City of Tshwane



CITY OF
TSHWANE
IGNITING EXCELLENCE

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SUMMARY OF THE CITY OF TSHWANE ANNUAL REPORT FOR THE 2020/21 FINANCIAL YEAR

Contextual BACKGROUND

The 2020/21 financial year marked the end of the fourth term of the democratic and developmental local government in the City of Tshwane. It was also the last financial year for the implementation of the commitments identified in the Integrated Development Plan (IDP) for the term of Council that started in 2016 (2016–2021 IDP), which set the agenda for the fourth term.

This agenda outlined the service delivery, growth and development objectives of the City for the benefit of Tshwane residents.

The 2016–2021 IDP also served as a blueprint for the realisation of the City's vision, "Tshwane: A prosperous capital through fairness, freedom and opportunity".

In pursuit of achieving this vision and the IDP commitments for the term of Council, the City developed

the Service Delivery and Budget Implementation Plan (SDBIP) for the last financial year of the fourth term of Council.

The SDBIP for the 2020/21 financial year outlined the concrete deliverables which the City focused on over this period in order to complete the cycle in line with the five-year planning horizon of Council.

Against the background presented above, the development of the Annual Report serves to account how the City fared against what was planned to be delivered over the 2020/21 financial year.

It also serves as an expression of compliance with the provisions and directives of the various sections of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and the Local Government: Municipal Systems Act,

2000 (Act 32 of 2000).

In this regard, the Annual Report is presented to reflect on the performance of the City in providing basic services (water, sanitation, electricity, waste and housing), environmental management, health, agriculture, community and social development services, meeting growth (economic) and development (infrastructure) objectives, as well as promoting good governance.

This shortened version of the City of Tshwane's exhaustive Annual Report for the 2020/21 financial year was developed for distribution to the residents of Tshwane as a means of promoting and providing easy access to the report and to enable residents to provide comments on the Annual Report. The full report can be accessed on the City of Tshwane website at www.tshwane.gov.za.

STATEMENT FROM THE EXECUTIVE MAYOR



Ald Randall Williams
EXECUTIVE MAYOR CITY OF TSHWANE

The 2020/21 financial year was significant for the City of Tshwane in that it marked the conclusion of the five-year political cycle of the previous administration and leads us into the fifth term of local government.

We enter this term with renewed optimism for the future and the will to create a strong financial base for the institution.

The 2020/21 financial year was very difficult for the City as it was characterised by the City being placed under administration unlawfully, several credit rating downgrades in September 2020, low revenue collection rates and the COVID-19 pandemic.

Therefore, we had to work hard to correct the financial predicament we found the City in when we took over in November 2020.

We developed a financial sustainability plan to ensure that the financial position of the City recovers. It has not been an easy journey. It required us to refocus and implement numerous cost-containment measures while restricting unnecessary spending in order to stabilise our finances.

Asset management has been critical as we embarked on ensuring that we properly index and track all of the City's assets.

This is an area which is very important for the City and one which the Auditor-General of South Africa has indicated we must improve upon.

High levels of material electricity losses of R1,84 billion were also flagged and remain a core area which we must address. These costs include technical and non-technical losses owing to technical errors, negligence, tampering and theft. The same is true for material water losses at R1,17 billion owing to meter estimations, unauthorised consumption and the physical loss of water through the distribution network.

These two areas are receiving our undivided attention as they are major contributors to the City's financial distress.

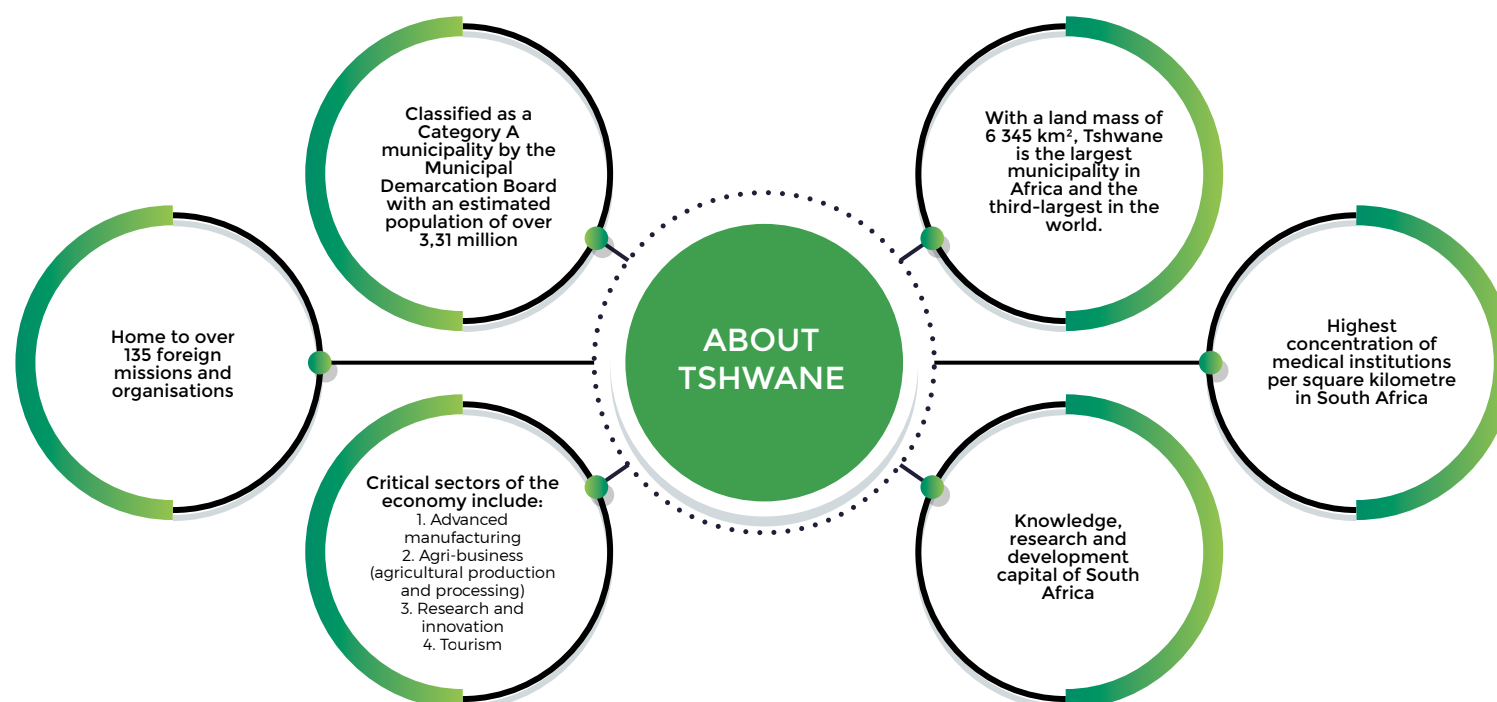
Tshwane is South Africa's capital city. We boast the largest concentration of higher education institutions and embassies in the country, a thriving auto industry and many government sectors, so we simply cannot fail. We need to work with diligence and account for taxpayers' monies.

We will continue to focus our interventions and drive change to realise our economic goals for a liveable city for all.

Our priority remains to realise a financially sound City. Under the current administration, the City will be a financially resilient institution offering improved service delivery to our communities.

OVERVIEW OF THE CITY OF TSHWANE

THIS SECTION PRESENTS AN OVERVIEW OF SOME OF THE FACTS ABOUT TSHWANE. ELABORATE DETAIL ON THE CONTENT PRESENTED IN THIS SECTION CAN BE FOUND ON PAGES 4 TO 13 OF THE CITY'S ANNUAL REPORT FOR THE 2020/21 FINANCIAL YEAR.



Tshwane, a cosmopolitan metropolitan city with a multitude of opportunities, is the seat of government and provides a home away from home to more than 100 countries of the world.

The City has the largest land mass

compared to all other municipalities in the country. Tshwane boasts critical sectors of the economy, including manufacturing, agri-business, tourism, and research and development, which contribute significantly to the

creation of many job opportunities and economic activities. Tshwane also contributes significantly to the Gauteng and national Gross Domestic Product (GDP).

Governance MATTERS

THIS SECTION PRESENTS A HIGH-LEVEL OVERVIEW OF THE CITY'S GOVERNANCE AND COMPLIANCE MODEL. MORE DETAILS OF THIS CHAPTER CAN BE FOUND ON PAGES 27 TO 54 OF THE CITY'S ANNUAL REPORT FOR THE 2020/21 FINANCIAL YEAR.

INTRODUCTION

Good governance remains a critical enabler of effective service delivery. It is the acknowledgement of this reality that promotes and prioritises good governance in handling the business and operations of the City.

The City places a premium on transparency, responsiveness and accountability and, therefore, the institutional arrangements and operating model of the City are adapted in such a way that the principles that promote these tenets are always upheld. In this regard, the institutional arrangements and governance model adopted by the City are configured and operationalised to ensure maximum cooperation and mutual collaboration between the political and administrative arms.

The governance model adopted by the City of Tshwane recognises Council (political leadership) as the highest decision-making body, with the Executive Mayor as the political head and the City Manager as the head of administration.

With the support of the Mayoral Committee, the Executive Mayor, in line with the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) with his delegated powers, is obliged to report to Council through the Speaker (the Custodian of Council) on all matters not delegated to him for consideration by Council, as well as to submit to Council for cognisance those resolutions passed by him in terms of the delegated powers.

Additionally, the political arm also consists of the Chief Whip, who plays a pivotal role in the overall system of governance by ensuring cohesiveness within the governing parties and maintaining relationships with other political parties.

CITY OF TSHWANE POLITICAL EXECUTIVE



Cllr Murunwa Makwarela
Speaker



Ald Randall Williams
Executive Mayor



Ald Christo van den Heever
Chief Whip

Members of the Mayoral Committee



Ald Peter Sutton
Finance



Cllr Abel Tau
Human Settlements



Ald Grandi Theunissen
Community Safety



Cllr Dikeledi Selowa
Roads and Transport



Cllr André le Roux
Economic Development and Spatial
Planning



Cllr Rina Marx
Health



Cllr Peggy de Bruin
Social Development and Community
Services



Cllr Kingsley Wakelin
Corporate and Shared Services



Cllr Daryl Johnston
Utilities and Regional Operations



Ald Katlego Mathebe
Environment and Agriculture
Management

ENSURING GOOD GOVERNANCE AND COMPLIANCE

Over the 2020/21 financial year, the City of Tshwane demonstrated commendable efforts in promoting and strengthening governance in its business processes and operations. In this regard, the City continued to intensify the implementation of oversight. This is evidenced by the continued functionality of the Section 79 oversight committees and the Audit and Performance Committee, as well as the oversight conducted by other established committees.

Furthermore, the City operationalised various structures and/or committees that played a critical role in promoting good governance. Among others, these structures and committees include the Municipal Continuous Audit Monitoring Committee, the Integrated Risk Management Committee and the Executive Committee's Business Review. These structures played a significant role in driving the implementation of strong financial and internal controls. The achievement of an unqualified

audit opinion with regard to the regular audit conducted by the Office of the Auditor-General of South Africa is one of the critical indicators of good strides made in promoting good governance. However, this did not come without any weaknesses observed. Several control deficiencies were observed but with their materiality lessened. This suggested that the governance structures of the City need to improve the operationalisation of its business significantly.

In order to respond to the challenges experienced and mitigate their effects, the City will have to focus on, among other things, the implementation of measures to improve the controls environment, including inherent management controls, the robust implementation of the Combined Assurance Model and a change in the organisational culture.

SERVICE DELIVERY FOCUS AREAS

The efforts of the City over the financial year under review were geared towards making a significant impact on the following strategic focus areas (pillars) which are in line with the service delivery, growth and development objectives pursued by the City:



PERFORMANCE INFORMATION PER PILLAR

Pillar 1: A CITY THAT FACILITATES ECONOMIC GROWTH AND JOB CREATION

Harnessing the opportunities that exist in Tshwane for economic growth and development to promote wider economic participation and create jobs has been the hallmark of the City's economic growth and job creation interventions. In pursuit of its economic growth and job creation objective, among other things, the City committed to the following priorities:

- Attracting investment
- Improving the ease of doing business in Tshwane
- Promoting tourism
- Creating income-earning opportunities for the unemployed and marginalised
- Developing industry-related skills
- Continuously supporting Tshwane's entrepreneurs, co-operatives and small, medium and micro enterprises (SMMEs)
- Stimulating the rural and agricultural economy

Strategic focus areas	Achievements
<ul style="list-style-type: none"> Attracting investment and encouraging growth by making it easy to do business in Tshwane Revitalising and supporting Tshwane's entrepreneurs, SMMEs and co-operatives Empowering individuals to take advantage of opportunities Ensuring infrastructure-led growth to catalyse and revitalise existing nodal economies Encouraging tourism and recreation 	<ul style="list-style-type: none"> Supported 1 156 SMMEs through various business support initiatives Attracted investment to the value of R1,933 billion Supported 217 co-operatives (business skills training and technical skills training were provided to agricultural co-operatives) Issues a total of 554 formal business licenses and 252 informal business permits Collected approximately R760 177,56 by means of business (formal and informal) licences and permits Created 8 238 job opportunities through Expanded Public Works Programme projects implemented by the City The City's efforts in creating an enabling environment for business development and related opportunities led to the creation of other job and work opportunities Through the Tshwane Economic Development Agency, the City launched a new print and digital publication as a tool to promote Tshwane as a tourism destination and to embrace technology As at 30 June 2021, a total of 3 264 land development applications were finalised

CONTRIBUTING TO EMPLOYMENT CREATION THROUGH THE EXPANDED PUBLIC WORKS PROGRAMME

The Expanded Public Works Programme (EPWP) is a nationwide programme aimed at creating job opportunities for the unemployed and marginalised. The programme is implemented in line with the requirements of the City's EPWP Policy. As at 30 June 2021, a total of 8 238 job opportunities were created through EPWP projects implemented by the City.

The diagram below presents a comparison of EPWP figures across five financial years.

Comparison of EPWP job opportunities across five financial years				
2016/17	2017/18	2018/19	2019/20	2020/21
17 183 opportunities	16 114 opportunities	12 181 opportunities	8 688 opportunities	8 238 opportunities

The restrictions brought by the need to manage the spread of COVID-19 infections impacted negatively on EPWP participation. In the main, this accounts for the continued decrease in the opportunities created over the term.

SPATIAL PLANNING AND DISTRIBUTION

During the 2020/21 financial year, the City revised its Metropolitan Spatial Development Framework (MSDF) as part of enhancing spatial representation and effective urban growth and development, and identifying areas suitable for catalytic interventions to realise maximum spatial transformation.

TRADE AND INVESTMENT

In the 2020/21 financial year, the City approved its Strategic Investment Attraction, Facilitation and Aftercare Plan, which committed to undertaking major investment attraction and technical cooperation drives to solicit investments from strategic countries. Furthermore, the trade and investment plan focuses on increasing the City's contribution to the creation of job and work opportunities. It also focuses on attracting and retaining investments in an attempt to accelerate job creation. Despite the severe negative economic impact brought about by the COVID-19 pandemic, the City managed to attract R1,8 billion set as investment inflows.

Tourism DEVELOPMENT



The tourism industry is recognised as one of the major direct contributors to the country’s gross domestic product (GDP). Although the industry was adversely affected by the COVID-19 pandemic, the City continued to implement various interventions to continuously promote and encourage tourism development. Some of the notable interventions and programmes facilitated throughout the 2020/21 financial year include the following:

- Through the Tourism Grading Council of South Africa, the City ensured that support was provided to all establishments that have been graded in Tshwane. This support included providing sanitiser stands and media coverage to promote these establishments.
- The City facilitated tourism skills development programmes for various tourism stakeholders to continue with operations despite lockdown restrictions with a focus on digital skills development.
- The City provided and disseminated Tourism Relief Fund information from the Department of Tourism to SMMEs and co-operatives to enable them to apply for funding support as and when required.
- The City, in partnership with Gauteng Tourism, facilitated the development of a tourism infrastructure assessment during the COVID-19 era.

Pillar 2: A CITY THAT CARES FOR RESIDENTS AND PROMOTES INCLUSIVITY

The City remained committed to building communities that are resilient and inclusive. In support of this, over the financial year under review, a dedicated focus was given to the poor and vulnerable, marginalised residents and communities, social and community development, and the provision of comprehensive health services. In this regard, the City implemented several community and social support programmes to deliver various critical services.

Strategic focus areas	Achievements
<ul style="list-style-type: none"> Supporting the vulnerable by improving the indigent support programme Building integrated communities by creating spaces and housing opportunities that bring people together Upgrading of sport and recreational facilities in line with the IDP priority of promoting access to municipal facilities Improving access to public healthcare services Promoting arts and culture 	<ul style="list-style-type: none"> Reached out to 2 258 indigent households by providing a package of basic services Accommodated and supported a total of 8 764 beneficiaries in 15 temporary homeless shelters across Tshwane as a result of the COVID-19 pandemic (these shelters were managed by non-governmental organisations and the City) Upgraded the Caledonian and Refilwe stadiums Assisted a total of 8 767 homeless individuals through feeding schemes and skills development programmes implemented in partnership with non-governmental organisations Provided full funding support to all ten City-managed Early Childhood Development (ECD) centres Recorded a total of 1 218 892 patient visits at City primary healthcare facilities Conducted a total of 138 310 HIV/AIDS tests at the City’s primary healthcare facilities Provided drug and substance abuse services to ensure the maximum satisfaction of healthcare needs and human life Upgraded the Pretoria Art Museum, Fort Klapperkop Heritage Site and Melrose House Museum



EXTENDING HEALTHCARE SERVICES TO INFORMAL SETTLEMENTS

Providing access to and improving the quality of healthcare services is one of the critical priorities of the City. The City’s efforts in broadening access to healthcare services led to the provision of mobile clinic services to informal settlements. In this regard, four mobile clinics provided healthcare services to residents in informal settlements.

One mobile clinic linked to Olievenhoutbosch Clinic served Mooiplaats, Laezonia and Olievenhoutbosch Ext 60. There was also a mobile unit that serviced identified COVID-19 hotspot wards across all seven regions of Tshwane. This unit was used to support the ward-based battle plan for COVID-19 screening and testing activities. The third mobile clinic was used as a backup to ensure continuity of services at all identified informal settlements in Olievenhoutbosch. Through these mobile clinics, the City reached out to a total of 40 464 residents by providing healthcare services.



COMMUNITY AND SOCIAL SERVICES

In pursuit of promoting social cohesion and sustainable communities, several community and social services programmes were implemented in the financial year under review. These included the completion of the new Akasia Library in Region 1 and the operationalisation of the new Olievenhoutbosch Library in Region 4 for study purposes. The operationalisation of these facilities presented benefits to the communities of these areas and surroundings in terms of the following:

- Offering a variety of free educational resources and services
- Promoting a culture of lifelong learning through reading materials and resources
- Promoting literacy

OPTIMISING EARLY CHILDHOOD DEVELOPMENT

The City of Tshwane recognises that for children to achieve their full potential, they need healthcare and nutrition, protection from harm and a sense of security, opportunities for early learning and responsive caregiving. In this regard, the City invests in programmes that provide children with strong foundations for sustaining learning, good health and good behaviour throughout life. This comes from realising that failing to give children the best start in life perpetuates cycles of poverty and disadvantage that can span generations, undermining the strength and stability of communities and societies.

The ECD Programme is one such programme that the City invests in which serves to provide strong foundations for the cognitive and social development of children. Over the financial year under review, the City’s efforts in supporting early childhood development realised the following critical milestones:

- Granted funding that totals R8 million to City-owned ECD centres for the implementation of ECD programmes
- Presented environmental awareness training for Grade R pupils by the City’s Environment and Agriculture Management Department at the Pretoria National Botanical Gardens and Rietvlei Nature Reserve on 27 and 28 May 2021
- Carried out maintenance at the ten City-managed ECD centres, which included the following:
 - Providing personal protective equipment for chefs and other staff members
 - Remodelling the kitchen facilities and providing food and kitchen equipment
 - Providing adequate handwashing equipment for children
 - Providing garden equipment to enhance creativity and create a natural space for children



Library DEVELOPMENT PROMOTION PROGRAMMES

Progress in the promotion of library development programmes included the delivery of the following events and activities:

- The Indigenous Library Corners event held in September 2020 (Heritage Month)
- The Tshwane Book Publishing event held on 27 January 2021
- The Read Out Loud event held on 26 February 2021
- Celebration of South African Library Week from 15 to 20 March 2021 and Librarians' Day on 3 December 2021

Pillar 3: A CITY THAT DELIVERS EXCELLENT SERVICES AND PROTECTS THE ENVIRONMENT

The City of Tshwane places premium focus on the provision of sustainable high-quality services that are predictable and reliable. As such, the City consistently searches for better ways through which service delivery can be made easy, effective and responsive. Acknowledging that the provision of good-quality and sustainable services enhances the quality of life of residents and increases their social and economic opportunities by promoting health and safety and stimulating new productive activities, the City always strives to improve on delivering quality services.

Over the financial year under review, the City focused mainly on broadening access to water, sanitation, electricity and waste collection, repairing and maintaining infrastructure that enables the provision of basic services, and replacing and upgrading water, sewer and electricity infrastructure. In addition, the City also prioritised access to adequate housing by managing and addressing housing backlogs, providing serviced stands, issuing title deeds to qualifying beneficiaries and managing all housing rental stock.

Strategic focus areas	Achievements
<ul style="list-style-type: none"> ▪ Delivering high-quality and sustainable basic services (water, sanitation, electricity, housing and waste removal) ▪ Safeguarding water and energy security and protecting the natural environment ▪ Upgrading and developing informal settlements ▪ Mainstreaming services to informal settlements ▪ Providing bulk infrastructure (electricity and water) ▪ Providing water supply to meet growing demand ▪ Providing adequate housing to Tshwane residents ▪ Providing an integrated waste management service 	<ul style="list-style-type: none"> ▪ A total of 11 169 new water connections were installed and 138 informal settlements were provided with rudimentary water services ▪ Approximately 18 088 m of pipes were upgraded and installed on the network ▪ A total of 1 636 households were provided with new sanitation services and 101 informal settlements were provided with rudimentary water services ▪ A total of 41 informal settlements underwent the process of upgrading through participatory planning ▪ A total of 1 378 new households were connected to the main electricity supply (applications-driven connections) and 5 349 households were electrified by implementing the Electricity for All Programme ▪ A total of 2 025 street lights and 17 high-mast lights were installed as part of the Public Lighting Programme ▪ A total of 2 338 formal and 145 informal areas were provided with a weekly kerbside waste removal service, which was extended to business properties ▪ A total of 2 616 title deeds were issued and distributed to targeted beneficiaries

PRIORITISING AND MAINTAINING BULK INFRASTRUCTURE

The City prioritises the provision of bulk infrastructure services to ensure a sustainable electricity supply, address sanitation backlogs and ensure human settlement development in general. In the 2020/21 financial year, the City's efforts to provide new bulk infrastructure and upgrades yielded the following results:

- Upgrading of the Soshanguve 132/11 kV Substation and Bronkhorstspruit 132/11 kV Substation to keep up with load demands
- Construction of the Pienaarspoort Ext 20 bulk sewer infrastructure in Ward 100, Region 2 (to be completed in the 2022/23 financial year)
- Upgrading of the Iscor Heights bulk pipeline for continuous water supply to the Iscor Heights low-level and high-level reservoirs in Region 3: The project is located west of Pretoria within the Thaba Tshwane node. The Iscor Heights reservoirs service more than 1 000 households and industrial organisations.

ENHANCING RESERVOIR CAPACITY FOR NEW DEVELOPMENTS

In order to meet the current demand for water services and to cater for new developments, the City undertook to improve the capacity of reservoirs. Some of the projects implemented included the following:

- Construction of the new Klipgat Hospital Reservoir aimed at providing adequate water supply and helping eradicate the backlog in Klipgat and surrounding areas: As at the end of the 2021/22 financial year, the project progressed to 95% completion. Once completed (in the 2022/23 financial year), the reservoir will serve the community of Ward 22 in Region 1, with a total of 4 700 households.
- Upgrading of the Iscor Heights bulk pipeline to provide bulk water supply to the Iscor Heights low-level and high-level reservoirs
- Construction continued at the new Parkmore LL Reservoir with the pipework system connecting to the Garsfontein system: Once completed (at the beginning of the 2022/23 financial year), it will service more than 20 000 households across Region 6.



IMPLEMENTING THE ELECTRICITY FOR ALL PROGRAMME

Broadening access to a reliable supply of electricity services is one of the key priorities of the City. To make this a reality, the City implements the Electricity for All Programme. The programme prioritises areas where there is no access to electricity with a specific focus on low-cost housing, formalised areas and informal settlements. Over the 2020/21 financial year, a total of 5 349 households were electrified. This covered the following areas:

- Soshanguve Ext 7, Region 1
- Mahube Valley Ext 15, Region 6
- Itereleng and Olievenhoutbosch Ext 27, Region 4 (informal settlement)
- Nellmapius Ext 22 and Mamelodi Phomolong, Region 6
- Atteridgeville Ext 19, Region 3

PROMOTING HUMAN SETTLEMENT DEVELOPMENT

The ever-increasing demand for low-cost housing caused by, among others, immigration, population growth and urbanisation, continued to put pressure on the City's efforts to address the housing backlog. Over the 2020/21 financial year, the City planned to build a total of 623 low-cost housing units. However, this was not realised owing to several challenges experienced, which included the effects of the lockdown instituted to manage the spread of COVID-19. The City facilitated 340 affordable rental housing units.

Additionally, in responding to the challenges faced by poor communities and households, the City provided informal settlements with rudimentary water and sanitation services in an effort to alleviate the burden of informality in these settlements. In this regard, a total of 138 informal settlements benefited from the provision of rudimentary water services through water tankers and standpipes. Also, a total of 101 informal settlements received basic sanitation services in the form of chemical toilets.

Furthermore, the efforts of the City regarding human settlement development yielded the following results:

- Upgrading of the Soshanguve 132/11 kV Substation and Bronkhorstspuit 132/11 kV Substation to keep up with load demands
- Construction of the Pienaarspoort Ext 20 bulk sewer infrastructure in Ward 100, Region 2 (to be completed in the 2022/23 financial year)
- Upgrading of the Iscor Heights bulk pipeline for continuous water supply to the Iscor Heights low-level and high-level reservoirs in Region 3

IMPROVING THE PUBLIC TRANSPORT SYSTEM

Over the financial year under review, the City prioritised improving access to a much safer, reliable, predictable and affordable transport system as a catalyst to promote the mobility of goods and services, as well as to ensure people's access to social and economic activities.

In pursuit of this priority, the City implemented various interventions, which included the construction of roads for various transportation uses, upgrading and maintaining road networks, upgrading and maintaining storm water networks, closing potholes, improving road signs, blading gravel roads and improving safety measures like speed humps and pedestrian crossings. In line with these focus areas, the City delivered the following milestones and results:

- Constructed 23,403 km of roads to the required standard
- Constructed 22,017 km of required municipal storm water drainage network
- Constructed 2,181 km of Tshwane Rapid Transit bus lanes
- Operated 1 595 259 passenger trips through the municipal bus service

Pillar 4: A CITY THAT KEEPS RESIDENTS SAFE

Promoting safety in the region remained one of the key priorities of the City. In this regard, the City implemented various initiatives, which included enhancing law enforcement, improving responsiveness in the provision of emergency services in life-threatening situations, protecting infrastructure, raising awareness of various safety-related matters and providing supportive traffic control services. This demonstrated a commendable commitment to promote the safety and well-being of Tshwane residents.

Strategic focus areas	Achievements
<ul style="list-style-type: none">Ensuring effective and efficient law enforcement, crime prevention and road policing Monitoring relevant infrastructure Preventing violence against women and children through educational and awareness initiatives Providing supportive and efficient traffic control services Providing fire, rescue and all disaster response services to Tshwane residents, including all humanitarian aspects of emergencies Providing emergency medical services (ambulances) and improving response times to all emergencies Providing education and raising awareness	<ul style="list-style-type: none">Carried out 881 road policing interventions Held 1 677 crime prevention interventions Executed 652 by-law policing operations and interventions to reduce by-law transgressions Transported 12 028 patients to medical facilities Dispatched a total of 73 ambulance vehicles to respond to emergency medical incidents Ensured the availability of an average of at least 381 paramedics to respond to all fire and disaster incidents Delivered a total of 19 safety and disaster management school awareness campaigns Delivered 309 metro police educational awareness interventions which focused on the empowerment of vulnerable groups



Efforts

TO FIGHT CRIMES RELATED TO CABLE

THEFT AND PROTECTING THE CITY'S INFRASTRUCTURE

In the past financial years, the City established a specialised Cable Theft Unit to fight cable theft. The ongoing focus on preventing and combatting cable theft resulted in the operational team securing more than nine arrests in the financial year under review. Some of the culprits were caught digging up cables at Daspoort Tunnel in Pretoria West, Region 3.



FIRE AND RESCUE OPERATIONS

The City strives to provide rapid and effective fire and emergency services from all its fire stations within the set target of 60 seconds from the time the call is received. The total attendance time to all structural fires in built-up areas is set at 14 minutes, as stipulated in the approved fire and rescue operations norms and standards.

Over the financial year under review, the provision of an efficient and effective fire and rescue service to the residents of Tshwane remained one of the priorities of the City. The City remained committed and demonstrated commendable strides in responding to emergencies within the shortest possible time. In this regard, the following results were achieved:

- Responded to 4 474 fire incidents
- Attended to 2 719 rescue and related operations
- Deployed 142 fire appliances in the form of fire extinguishers, fire hydrants and fire sprinklers to all fire and rescue-related incidents

Pillar 5: A CITY THAT IS OPEN, HONEST AND RESPONSIVE



In ensuring that responsiveness, transparency and accountability are always promoted and upheld, sound administrative and governance practices are given a dedicated focus. In the financial year under review, the City strived to ensure the following:

- Promoting professionalism
- Following effective business processes, and developing and implementing business support systems
- Communicating and publishing relevant content on the City's website in accordance with Section 75 of the MFMA and promoting other forms of media
- Leveraging the use of technology to promote business continuity and giving it the attention it deserves
- Promoting participatory governance and adherence to the Batho Pele Principles

Strategic focus areas	Achievements
<ul style="list-style-type: none"> Fighting corruption and fraud Establishing professional and effective government processes and systems Capacitating the municipal workforce Positioning the City as a strong brand locally, within the country and globally Establishing professional and effective government processes (connectivity) 	<ul style="list-style-type: none"> Implemented the fraud prevention programme and fraud detection programme Procured 439 new vehicles to enhance fleet management, thus enabling line function departments to provide services to Tshwane communities Trained 6 543 City employees at various occupational levels Forged partnerships between Airlink and South African Airways to initiate scheduled flights from Wonderboom National Airport to Cape Town International Airport, which initiative formed part of enhancing Wonderboom National Airport Implemented the public Wi-Fi Captive Portal with a total of 363 149 users having access to public Wi-Fi Provided an additional 94 free Wi-Fi hotspots in various regions of Tshwane Piloted e-Mbereg (employee self-service system) which improved leave management, and allows employees to access payslips and IRP5s

Customer CENTRICITY

The genuine desire to offer a truly satisfying customer experience drives the City of Tshwane to conduct public satisfaction surveys to solicit the opinions held by residents about the City, its governance and the services it offers. Through the public satisfaction surveys conducted, the City also gains valuable insights on what to improve and how to make the necessary improvements.

In this regard, public satisfaction surveys are conducted bi-annually. Following the 2009, 2011, 2013, 2015, 2018 satisfaction surveys, the 2021 survey was conducted using a web-based self-service and computer-aided telephone interviews in May and June 2021 due to the COVID-19 lockdown. A total of 3 877 households, 878 businesses and 25 embassies and consulates within Tshwane participated in the survey, which measured public satisfaction related to the following:

- Core municipal and community services
- Public safety and by-law enforcement
- Billing and payment services
- Customer care services
- Challenges (households) and constraints (businesses)
- Involvement in the consultative and participatory processes of the City
- Awareness of corruption within City of Tshwane structures
- Confidence in the varied abilities of the City

Among other things, the 2021 Customer Satisfaction Survey revealed dissatisfaction over municipal service delivery performance, a lack of confidence in the City of Tshwane leadership, corruption, safety after dark (and in the inner city) and pertinent business constraints. Implementing measures to mitigate the root causes of the critical issues raised from the customer satisfaction survey need to be prioritised.



AUDIT OUTCOME FOR THE 2020/21 FINANCIAL YEAR

Over the 2020/21 financial year, the City of Tshwane received an unqualified audit opinion. However, the audit raised significant difficulties in obtaining information requested for audit purposes. The issues raised related to the following:

- Disclosure on the impact of COVID-19
- Restatement of corresponding figures
- Material uncertainties
- Material impairments
- Material losses – electricity losses
- Material losses – water losses

With regard to the audit of compliance with legislation, material findings were made on the following areas:

- Annual financial statements
- Revenue management
- Asset management
- Expenditure management
- Procurement and contract management
- Consequence management
- Strategic planning and performance management

STATUS OF THE CITY'S CREDIT RATING



Moody's Investor Services (Pty) Ltd

In June 2021, GCR conducted a credit rating review on the City for the financial year 2020/21 and issued the City with an official credit rating opinion of CC(za) long term and short-term rating of C(za) with a negative outlook. According to GCR, the negative outlook action reflects the possibility that the City could be called to accelerate the repayments of long-term loans, which would likely lead to a default or distressed restructuring of debt.

GCR also stated that the constrained cash flow position of the City is likely to persist throughout the 2021/22 financial year, compounded by potential political disruptions because of local government elections. Therefore, GCR thinks that there is little chance that the City could strengthen its financial position without external assistance.

HIGH-LEVEL OVERVIEW OF THE CITY'S FINANCIAL PERFORMANCE

In the period under review, the City closed with an accounting accumulated surplus (Note 28) of R27,425 billion compared to R26,167 billion at the end of 2020. This increase of R1,258 billion is the result of a surplus from operations (the difference between the total revenue and the total expenditure) for the year and the transfers to or from reserves.

For the group, the period under review closed with an accounting accumulated surplus of R27,585 billion compared to R26,303 billion in 2020.

As a result, the City's actual operating expenditure as a percentage of the budget is 98%, resulting in underexpenditure of 2%. Similar operating expenditure results are noted at group level. Actual net expenditure for the group, as compared to the adjustment budget, represents 98%.

Furthermore, the collection rate of the group increased from 80,23% in 2020 to 90,71% in 2021, while the City's collection rate increased from 80,23% to 91,06% since 2020. The collection rate is below the norm for both the group and the City. It is worth noting that the cash coverage ratio at group level decreased from 0,07 in 2019/20 to 0,02 in 2020/21. The ratio is not within the National Treasury norm. The low cash coverage ratio is a result of the low collection levels of consumer debtors due to the lockdown restrictions imposed on businesses and households, which also resulted in the current ratio recording a decrease from 0,74:1 in 2019/20 to 0,68:1 in 2020/21. The current ratio is not within the norm. The implementation of the credit control policy by the City will further improve the collection rate as well as the cash in the bank, and

further reduce the debtors' balance.

For the City, long-term debt (external loans and lease liabilities) decreased from R12,686 billion to R11,728 billion (R957,926 million decrease) during the period under review.

Leases decreased from R592,202 million to R330,447 million. For the group, long-term debt decreased from R12,689 billion to R11,731 billion (R958,570 million decrease). The City's original approved capital expenditure budget for 2020/21 amounted to R4,092 billion, which was amended by means of an adjustment budget approved by Council on 20 September 2020, 25 February 2021

As a result, the City's actual operating expenditure as a percentage of the budget is 98%, resulting in underexpenditure of 2%.

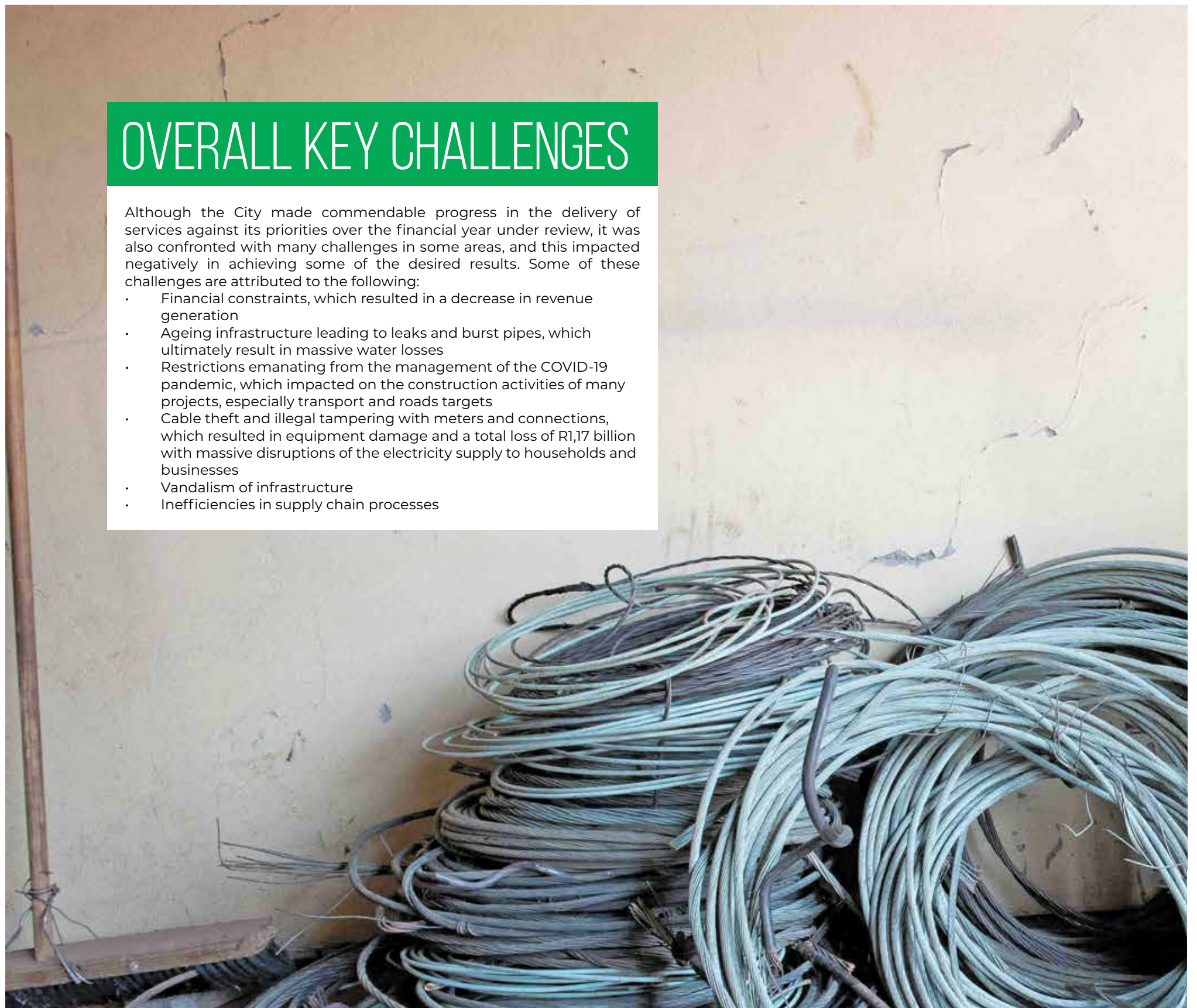
and 24 June 2021 to R3,860 billion. This resulted in a decrease of R232 055 000, which is mainly attributed to the reprioritisation of projects and external funding rollovers that were not approved.

The actual expenditure incurred during the period 1 July 2020 to 30 June 2021 amounts to R3 273 893 388 or 84% measured against the adjusted budget. The level of capital spending is determined within prudential limits, taking into account the debt to revenue ratio, the capital cost to total expenditure and the ability of the City to meet its obligations.

OVERALL KEY CHALLENGES

Although the City made commendable progress in the delivery of services against its priorities over the financial year under review, it was also confronted with many challenges in some areas, and this impacted negatively in achieving some of the desired results. Some of these challenges are attributed to the following:

- Financial constraints, which resulted in a decrease in revenue generation
- Ageing infrastructure leading to leaks and burst pipes, which ultimately result in massive water losses
- Restrictions emanating from the management of the COVID-19 pandemic, which impacted on the construction activities of many projects, especially transport and roads targets
- Cable theft and illegal tampering with meters and connections, which resulted in equipment damage and a total loss of R1,17 billion with massive disruptions of the electricity supply to households and businesses
- Vandalism of infrastructure
- Inefficiencies in supply chain processes





CITY OF
TSHWANE
IGNITING EXCELLENCE



Conclusion

Despite the overwhelming challenges that the City continues to experience, sizable progress was achieved over the financial year under review in some of its commitments. In this regard, the City recognises that to achieve maximum progress in dealing with these challenges, adequate planning, effective

resource targeting and effective management of the business of the City is required. Furthermore, maintaining the financial viability of the City of Tshwane is critical to the achievement of effective service delivery, and growth and economic objectives. As a result, the City ensures that the

management of its finances and allocation of resources place the needs of Tshwane residents first. Consequently, to continue achieving an unqualified audit opinion, the root causes of the findings on matters of emphasis raised by the Auditor-General of South Africa must be appropriately addressed and rectified.

A FULL VERSION OF THE CITY OF TSHWANE 2020/21 ANNUAL REPORT, INCLUDING THE AUDITED FINANCIAL STATEMENTS, IS AVAILABLE ON THE CITY OF TSHWANE PUBLIC WEBSITE AT

<http://www.tshwane.gov.za/sites/Departments/Financial-Services/Financial Documents/Pages/Annual%20Reports.aspx>.

Comments on this document can be sent to Mmasello Modise mmasellom@tshwane.gov.za on or before **08 July 2022**