



# ANNUAL REPORT 2005/2006



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**K O U G A**  
 local municipality  
*Prosperity through vision*

Jeffreys Bay, 6330

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### WARD COUNCILLORS

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**EXECUTIVE MANAGEMENT**

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Patrick Dreyer	Director : Community Services	0833202560
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Linda Jonker	Director : Finance	0829255050
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## ACRONYMS USED IN THE ANNUAL REPORT

ABET	:	ADULT BASIC EDUCATION AND TRAINING
AIDS	:	ACQUIRED IMMUNODEFICIENCY SYNDROME
BEE	:	BLACK ECONOMIC EMPOWERMENT
BFB	:	BLUE FLAG BEACH
CBD	:	CENTRAL BUSINESS DISTRICT
CBO	:	COMMUNITY BASED ORGANISATION
CDM	:	CACADU DISTRICT MUNICIPALITY
CEO	:	CHIEF EXECUTIVE OFFICER
CPF	:	COMMUNITY POLICE FORUM
DBSA	:	DEVELOPMENT BANK OF SOUTHERN AFRICA
DEAET	:	DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT AND TOURISM
DPLG	:	DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT
DOH	:	DEPARTMENT OF HEALTH
EAP	:	EMPLOYMENT ASSISTANT PROGRAMME
EC	:	EASTERN CAPE
ECDC	:	EASTERN CAPE DEVELOPMENT CORPORATION
EE	:	ENVIRONMENTAL EDUCATION
EIA	:	ENVIRONMENTAL IMPACT ASSESSMENT
EMS	:	EXECUTIVE MAYORAL SYSTEM
EPWP	:	EXPANDED PUBLIC WORKS PROGRAMME
ESD	:	ECONOMIC AND SOCIAL DEVELOPMENT
GDP	:	GROSS DOMESTIC PRODUCT

GVA	:	GEOGRAPHICAL VALUE ADD
HDI	:	HUMAN DEVELOPMENT INDEX
HIV	:	HUMAN IMMUNE VIRUS
IDP	:	INTEGATED DEVELOPMENT PLANNING
IWMP	:	INTEGATED WASTE MASTER PLAN
JBIDP	:	JEFFREYS BAY INTEGATED DEVELOPMENT PROJECT
KCC	:	KOUGA CULTURAL CENTRE
KLM	:	KOUGA LOCAL MUNICIPALITY
KPA	:	KEY PERFORMANCE AEAS
KPI	:	KEY PERFORMANCE INDICATOR
LED	:	LOCAL ECONOMIC DEVELOPMENT
LGSETA	:	LOCAL GOVERNMENT SECTOR EDUCATION AND TRAINING AUTHORITY
LLF	:	LOCAL LABOUR FORUM
LSU	:	LIVE SCAN UNIT
MEC	:	MEMBER OF EXECUTIVE COMMITTEE
MFMA	:	MUNICIPAL FINANCE MANAGEMENT ACT
MIG	:	MUNICIPAL INFRASTRUCTURAL GRANT
MOU	:	MEMORANDUM OF UNDERSTANDING
NAFCOC	:	NATIONAL FEDERATION OF CHAMBER OF COMMERCE
NGO	:	NON-GOVERNMENTAL ORGANISATION
OB	:	OYSTER BAY
PMS	:	PERFORMANCE MANAGEMENT SYSTEM
PMU	:	PROJECT MANAGEMENT UNIT
PS	:	PLENARY SYSTEM
RDP	:	RECONSTRUCTION AND DEVELOPMENT PLAN
SALGA	:	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SAPS	:	SOUTH AFRICAN POLICE SERVICES
SBHS	:	SARAH BARTMAN HERITAGE SITE
SDBIP	:	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
SDF	:	SPATIAL DEVELOPMENT FRAMEWORK

SMME	:	SMALL MEDIUM AND MICRO ENTERPRISES
STD	:	SEXUALLY TRANSMITTED DISEASES
SWOT	:	STRENGTH, WEAKNESSES, OPPORTUNITIES AND THREATS
TB	:	TUBERCULOSIS
TLC	:	TANSITIONAL LOCAL COUNCIL
VIP	:	VERY IMPORTANT PERSON
WC	:	WARD COMMITTEE

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## CHAPTER ONE : EXECUTIVE MAYOR'S FOREWORD

It is with great excitement and enthusiasm that I am rising to do a political report on work done by the Kouga Municipality and also to reflect on the challenges ahead of us.

Responsibility is focused on basic service delivery. When we embarked on this project after the March 2006 local government elections, it was imperative for us to develop a common understanding in order to make strategic decisions. We then derived on our strategic approach from legislation, clearly instructing us on how we should change the lives of communities in Kouga.



This approach was clearly based on infrastructure and basic services, socio-economic development, good governance, financial management, institutional development and performance management regulations.

The Municipality is faced with the situation where the demands and expectations of its community and stakeholders far outweigh its resources. Consequently it has to identify how it proposes to allocate those scarce resources. While it is a fact that the Municipality cannot satisfy everyone's needs and demands, in this context five issues are critical.

- a) the most important need is for the Municipality to provide basic services to its entire community.
- b) Resources should be allocated where they will be most effective and do the most good.
- c) The process which determines the allocation of resources should be open and transparent.
- d) The elected members of the Municipality must demonstrate leadership.
- e) People affected by the decisions should have the opportunity to comment upon and influence those decisions.

We have made huge strides in various areas of service delivery during the financial year 2005/06. Clearly we have managed to move away from an uncertain future to a new dawn that has arrived for the people of Kouga.

### **Corporate Services**

The change of the type of the of the Municipality from a Plenary System to a Mayoral Executive System combined with a Ward Participatory System, had a huge impact on our operations.



We have functional mayoral and portfolio committees which deal with issues of strategic importance. We have shown a success rate of 95% with the implementation of Council resolutions. The ten wards have been established and there are plans underway to ensure functional and effective participation by ward committees. We are also in compliance with the legislative framework. Information management still poses a challenge as we need to revisit the current system and the enforcement thereof. Communication both internally and externally must be a key priority for this year to enhance better communication between the Council, management and the public.

It is also with great pride and excitement to announce that our corporate brand and identity is under construction and scheduled to be launched in 2006/2007 financial year. The Acting Municipal Manager will later introduce the essence of our brand to our honourable guests.

### **Finance**

Our financial position remains positive as our rates base continues to expand. For the year under review our rateable income is likely to increase by 8.8 per cent from interim assessments being levied.

We have also commenced with the General Valuation which will be completed by July 2008 for implementation in July 2009. A number of previously un-rateable properties will be included in our tax base. However, the rating thereof will be phased in over a period of three years as prescribed in terms of the new Property Rates Act. As more properties are going to be included in our tax base the overall tax burden should be lowered.

The property market remains lively measured against the number of rates clearance certificates issued which totals over 100 rates clearances issued on average per month from June 2006. The upshot of this is also an improvement in our revenue collection and cash-flow.

### **Integrated Development Plan**

The IDP seeks to ensure that the Municipality is compliant to chapters of the Constitution by ensuring the Municipality structure, manage its planning, administration and budget according to the basic needs and development priorities of our community and ensure participation of National, Provincial Departments in programmes that advance human development of Kouga. Visits to all wards to do a situational analysis were conducted, we are now aware of the aspiration and ambitions of our community. The municipality will on 5–6 March 2007 device objectives and strategies towards addressing community priorities where we will come up clearly with projects to be implemented.

The previous year I have been visioning to have development projects that will address infra-structure and socio-economic challenges. The neighbourhood grant funding of National Treasury has made it possible. I am pleased to announce that the contract with National Treasury amounting to R21 million for Jeffreys Bay Integrated Development Project has been signed. We have submitted an application for grant funding for the 2<sup>nd</sup> phase for the Hunky community.

### **IDP and Budget Alignment**

Endeavours to align the IDP and budget processes were successful, however the budget has yet not responded to the demands and needs of the people. The budget is not advancing towards addressing service delivery needs and to achieve a developmental Municipality.

### **Sector Alignment**

A meeting co-ordinated between the Kouga Municipality, Koukamma Municipality and other ten government departments did not accomplish the intended objectives. Intergovernmental relation strategies are to be considered when these meetings are arranged.

### **Project Implementation**

The funding for capital projects is reliant on grant funding and loans. Grants and subsidies received amounted to R41, 9 m. A total number of 5 416 people received the equitable share amounting to R655 290 per month. That is a total of R7 863 480 spent on equitable share per annum.

### **Projects under construction and are to be implemented in the year 2007**

#### **Electricity**

Electrification 65 houses in Patensie	=	R256 000 00
Electrification 315 houses in Hankey	=	R1.3 million
Electrification 100 houses in Maak 'n Las	=	R416 000 00
Electrification 100 houses in Jeffreys Bay	=	R416 000 00
Electrification 162 houses in Kwanomzamo	=	R673 920 00
Upgrade Jeffreys Bay sewer Plant	=	R1.2 million
St Francis Industrial Area	=	R840 000 00

#### **Sewerage**

Thornhill Sewer Plant	=	R3.2 million
Bucket eradication Kwanomzamo Golf Course	=	R2 million
Bucket eradication Oceanview	=	R2 million
Bucket eradication Gill Marcus	=	R2 million
Humansdorp Sewer Plant	=	R5 million
St Francis Bay Sewer Plant	=	R1.2 million
St Francis Bay Sewer Reticulation	=	R1.2 million
Oceanview Sewerage Pump Station	=	R1.7 million
Upgrade Jeffreys Bay Sewer Plant	=	R5 million
Gravity Sewer Line Jeffreys Bay	=	R6 million

**Water**

Water Reservoir Patensie	=	R2.4 million
Water rising main Hankey	=	R250 000 00
Bulk water pipeline St Francis Bay	=	R14 million
Upgrade Jeffreys Bay CBD water	=	R2.3 million
Upgrade internal water reticulation St Francis Bay	=	R1.3 million
Upgrade Humansdorp CBD water	=	R6 million

**Roads**

Rehabilitation of roads and storm water in Kouga	=	<u>R24 million</u>
<b>Total Capital Value</b>	=	<u>R85.2 million</u>

**Bucket Eradication**

The target date for Bucket Eradication in Formal Areas in Kouga is December 2007. We as Kouga had already met this target in June 2006. There are still some 3883 buckets in Kouga which are in the informal areas and need to be eradicated as part of the sanitation target for 2010 set by government.

To that effect an amount of R41 million is expected from the MEC to address the sanitation backlog in Kouga. We are still awaiting the final announcement on these funding by 06 March 2007.

**Flood Damage**

An amount of R24 million has been awarded to Kouga for flood damage. The bulk of this money will go into storm-water, maintenance and tarring of new roads. The tender for this project closed on 16 February 2007.

**Bulk Services**

We are currently addressing the bulk services through MIG funding and Augmentation Funding collected by Developers in Kouga. It is envisage that most of the Bulk Infrastructure backlogs will be completed by December 2007. The development of new sites is imported to access more funding for electrification projects to meet the electrification target 2012 where all must have access to electricity. We already negotiated R25 million with the NER for bulk electrical services and will be informed by end March 2007.

**Community Services**

Since the March 2006 Elections the Community Services Directorate has performed very well under the political leadership of Councillor A Maseti. Highlights since March 2006 was the presentation of the 5 year vision and strategic approach for the next 5 years. The

beautification and anti-litter campaign were very positively received and inputs from the broader community were received to be implemented in this important process.

### **Fire Services**

Informal shacks are the most vulnerable for catching fire in the Kouga area. More resources have to be added to this section as soon as possible. An additional fire engine will be handed over by CACADU District Municipality within the next week.

### **TMT Camera**

A better deal with TMT Camera was negotiated as well as extending the hours per month as well as having the N2 added for speed monitoring

### **Vehicle Testing**

We are passing an average of 80 vehicles per month on roadworthiness.

### **Traffic Law Enforcement**

Regular roadblocks during the holiday, Easter and the festive season as well as weekends brought many arrests to count for drunken drivers, driving without licenses and un-roadworthy vehicles.

### **Law Enforcement**

Law enforcement and especially enforcing the Council's by-laws and the monitoring of the Blue Flag Beach during the festive season were very successful.

### **Disaster Management**

We were also faced with disaster during May 2006 and August 2006 which left many people homeless. A very positive factor was the relocation of the flooded residents in Stofwolk. Once again a heartfelt thank you to Mr Mzangwa and the disaster team.

## **Beaches**

The EIA for Dolphin launching site was completed and sent to the Department Economic Affairs, Environment and Tourism, who has granted and operational license. The Blue Flag Beach at Dolphin Beach, Jeffreys Bay received this prestige status for the 3<sup>rd</sup> consecutive year. The Council appointed a well known and qualified contractor for lifesaving services for the festive period. The canals and waterways in St Francis Bay were dredged and a canal harbour and jetties were built to replace the old and damaged ones



The pilot year for Pellsrus Beach to receive Blue Flag status went well and need the funding to successfully implement the project must still be sourced.

## **Solid Waste**

Waste is a huge problem in the Kouga area. Papiessfontein is 9.5% rehabilitated and just need a final capping. The permit applications for the waste regional disposal site are critical. Transfer stations need to be erected at critical points within Kouga. The Integrated Waste Mater Plan is completed and needs to be funded for implementation.

## **Cemeteries**

Cemeteries are also a key priority within the Kouga area. We need to plan for more cemeteries and commence with the necessary studies. The maintenance programme was not fully successful due to the shortage of equipment. Equipment for parks and open spaces to the amount of R260 000 will be bought on tender over the next 2 months.

## **Sports fields**

The 1 million rand project at the Humansdorp Sports field is progressing well. In 2005 a successful workshop with all sport codes were held. A business plan was compiled for R10 million to be submitted for funding.

## **Local Aids Council**

The Local Aids Council was established in Kouga and has since organized very successful HIV/AIDS events in liaison with the district office. The Council has advertised for a HIV/AIDS Coordinator to fully perform the functions attached to HIV/AIDS.

### **Overgrown Plots**

All overgrown plots have been handed over to emerging contractors with a management plan.

### **Environmental Health**

The water pollution problem was successfully resolved in Oyster Bay. Water quality testing is done frequently and recommendations made thereon.

### **Vegetable Gardens**

Vegetable gardens have been established in most areas in Kouga. Residents are encouraged to establish their own gardens to improve their quality of life.

### **Traditional Circumcision**

This function was successfully managed by the department during the past two years. Regular training and registration of Incibi's and Amakhankhatha's are done. A piece of land should be identified for traditional circumcision and rituals.

### **Hawkers**

Hawker registration and the management thereof are well performed in the Jeffreys Bay area. A new hawker area is developed in the Humansdorp area.

### **Clinics**

The clinics of Pellsrus and Kwanomzamo under Kouga's jurisdiction is managed very well, however we battle to employ critical funded posts. Kwanomzamo has received the award for the best operated clinic. Problems flow over from Cacadu clinics onto our clinics which we accommodate to the best of our ability and with the available resources.

### **Social Development**

Huge problems are experienced within social development, i.e. street children, drug and alcohol abuse amongst the youth, HIV, rape, abuse of children and women. There are endeavours to establish safe homes for the vulnerable groups of our communities.

This department has a very good working relationship with the inter-sector departments and had two very successful events, i.e. the Women's Conference and the Older Persons Day during 2006.

### **Arts and Culture**

The visual arts has established a committee and are currently busy with 4 very successful projects

- Kruisfontein – material painting and oil painting;
- Kwanomzamo – Basket weaving
- Loerie – Leather factory
- Hankey – Pottery.

### **Performing Arts**

Two projects are currently running:

- Kouga Cultural Centre - Kouga Heritage Ensemble
- Kruisfontein – Gospel Music, Instruments

The Kouga municipality in conjunction with the Cacadu District Municipality has hosted a very successful Jazz Festival in Hankey, during December. Another big festival, the Cacadu Gospel Festival will be held in the Kouga area on 23 March 2007.

### **Sports Development**

Sports Development has shown real signs of growth. A successful less than 18 rugby tournament was held in the Kouga during August 2006 as well as the Cacadu Sports Achievers Award in February 2007. Mrs A Groenewald has received the Award for Outstanding Achievement in Sport. A successful Rugby Mayoral Cup was held over this past weekend. Congratulations to Humansdorp Rugby for winning this tournament.

### **Local Economic Development**

A comprehensive LED Plan was finalised for the Kouga Municipal Area through an extensive 10 month community participation process and adopted by the Kouga Council. This document is the backbone of LED Development in the Kouga Municipal Area. A total amount of R1 909 855, 00 was sourced to the Kouga Municipality for LED Development Programmes and Projects in the Kouga region.

### **Tourism Sector Plan**

The Responsible Tourism Sector Plan for the Kouga has been completed. A Tourism Forum, where all the local tourism organisations are represented, was established to drive tourism in the Kouga region.

### **Regional Tourism Entity**

The Cacadu District Municipality appointed a service provider to investigate the establishment of a Regional Tourism Entity to drive tourism in the Cacadu Region. All nine municipalities in the Cacadu jurisdiction were involved in the process. The Board of Directors were appointed as well as the Chief Executive Officer. The aim of the establishment of a Regional Tourism Entity is to have a professional, dedicated management, marketing and developmental institution for tourism in the Cacadu Region.

### **SMME and Business Development**

The department has embarked on a process by collecting data of SMME's in the Kouga region. Unemployed Matriculants in each town were recruited to collect the data. The Kouga Business Forum assisted in compiling the data into a user-friendly data register. SMME's are assisted on a daily basis at the Kouga Cultural Centre. Outreach programmes were organized in the Hankey, Patensie and Humansdorp and the programme will be extended to the other towns.

### **Environmental Conservation**

This section faces many challenges i.e.

- Inadequate staff and budget to fulfil environmental conservation functions.
- Inadequate integration of environmental issues into spheres of municipal functioning.
- The education centre and facilities at the Loerie Nature Reserve have deteriorated to the extent that it is not safe for children to make use of them. School bookings have been cancelled until the situation has been rectified. The large support bases of schools that have used the Loerie Reserve in the past are eagerly awaiting news as to when the centre will be functional again.
- Estuary Management – stakeholders are increasingly concerned about the inadequate law enforcement, escalating cost of boat licenses, inadequate investments into protection of the estuarine resources and the safety of river users. The sale of river permits generates considerable income but this will decline as the quality of the resource declines through over harvesting, poaching, over-development along rivers, pollution etc.
- Kouga Environmental Committee – poor attendance of this forum by officials and inadequate follow up of environmental issues raised is the cause of much frustration to all stakeholders and has lead to the resignation of DEAET from the committee.
- Boat Launch Sites – management plans for KM boat launch sites need to be finalized and implemented urgently. There is presently minimal control over these facilities and KM runs the risk of losing the licenses for these sites if better control and compliance measures are not put in place. This will, of course, require financial investment.



## **Human Resources**

The following initiatives relating to employment issues were successfully implemented in 2005/6 financial year:

- Amendments to uniform conditions of service have been adopted.
- The Workplace Skills Plan for 2005/6 financial year has been adopted and the implementation report 2005/6 has been submitted to LGWSETA as required Skills Development Act.
- The Employment Equity Plan has been revised.
- Performance Management Contracts for senior management and officials has been renewed and the performance of these officials has been evaluated as required by Chapter 6 of the Municipal System Act. The PMS will be rolled out to some lower levels in the institution during the 2006/7 financial year.
- The process of developing Job Descriptions has been completed and submitted for evaluation to the Cacadu Job Evaluation Unit for evaluation.

The following Human resource policies were revised and adopted by Council during the year under review:

- Sexual Harassment
- Telephone Usage
- Cellular Phone
- Smoking
- HIV / AIDS, TB STD and Occupational Health and Safety Policies
- Internet and computer usage.

The challenge remains to maintain and ensure that all current policies are updated to support the strategies of Kouga Municipality.

## **Planning and Development**

The positive economic growth and the interest of the 2010 Soccer World Cup are drawing major investors throughout all parts of South Africa and the rest of the world. The following statistics of information relates to the Housing Delivery, land use changes and Building control as per ward for the period 1 January 2006 to 31 January 2007.

AREA	STATE FUNDED HOUSING	MONETARY VALUE OF STATE FUNDED HOUSING
WARD 1	NIL	NIL
WARD 2	NIL	NIL
WARD 3	NIL	NIL
WARD 4	205	R5 535 000
WARD 5	NIL	NIL
WARD 6	125	R3 375 000
WARD 7	162	R4 457 700
WARD 8	NIL	NIL
WARD 9	235	R6 739 200
WARD 10	18	R486 000
TOTAL	745	R20 592900

The Loerie Housing Project comprising of 273 units have just commenced with a total budget of R11 million. The Jeffreys Bay project comprising 360 units will start within the next month. Total budget for this project is R14.5 million.

### **Spatial Development Framework**

The main objective of the Spatial Development Framework is to formulate spatially based policy guidelines whereby changes, needs and growth in the region can be managed to the benefit of the whole community. The Spatial Development Framework further guides and informs all decisions of the Council relating to use, development and planning of land.

### **New Developments**

The demand of new developments in the area is putting an abnormal pressure on existing scarce resources and sustainability of the region and the environment. Specific reference is made to the valuable agricultural land of the area as well as the unique Coastal region.



### **Housing Challenges**

- Acquisition of land for future Housing Developments
- Formalisation of Lay-outs and General Plans of new proposed identified areas.
- Prepare Macro Housing Policy
- Upgrading of existing Housing stock (Pre- 2000)
- Promotion of an affordable Housing Delivery programme and a Rental Social Housing Scheme
- Integration
- Influx

### **Crime**

Our communities have been plagued by crime. We are glad to report that all our police stations have now appointed station commissioners. The brutal rape of a young girl in Humansdorp needs to be protected. As a Council we need to make sure that we contribute to the safety and security of especially women and children. The community must work together with the police in fighting crime in our area. Our involvement in Community Police Forum's is critical in our efforts to curb crime.

### **Education**

We want to congratulate our matriculants with their achievement during the end of year exams. Our schools have once again excelled as the best achievers in the Uitenhage District. We have assisted 24 schools in Kouga with a donation totalling R24 000 00

### **Conclusion**

Kouga, the land of abundance indeed has within it the ability to overcome the discrepancies and inequalities of the past. Collectively we need to apply our resources to fight poverty and deprivation. We owe it to our people.

The re-organisation of our institution should lead to a situation where our energies will be directed towards improved and sustainable service delivery. Let us as a Council and a community embrace the values of unity, humility and people-centred service delivery. We dare not fail; otherwise history will judge us harshly. I want to end of with the words of a famous revolutionary; AMICAR CABRAL:

*"Tell no lies, claim no easy victories, and mask no difficulties."*

Councillor R.H Dennis

Signature.....Date.....

<b>1.1</b>	<b>Municipal Manager's Message of Support</b>
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The Municipal Manager is the Accounting and Head of administration. He is responsible for the overall implementation of Council decisions, policies and Integrated Development Plan. In addition the Office of the Municipal Manager provide the necessary support to both the political leadership and administration. He gives guidance to the five Directorates in their endeavour to implement their unique but integrated strategies as contained in our IDP. The Municipal Manager is responsible for the administration of the following Directorates namely:

- Corporate Services;
- Planning and Development;
- Financial Services;
- Community Services;
- Social, Economic Development and Human Resource Management; and
- Infrastructure (Technical) Services.

The Municipal Manager ensures effective and efficient management and allocation of resources that support implementation of strategic objectives of Kouga Municipality. In his efforts he must also ensure that Service Delivery and Budget Implementation Plan is prepared 28 days after the adoption of the IDP and the Budget, which must be presented by the Executive Mayor where the later must table SDBIP before a full Council. The SDBIP is the implementation framework for IDP and its content must reflect priorities and strategies that are contained in the IDP. However SDBIP should not be limited to Section 57 performance based contracts rather it must be cascaded to the lowest level in the Municipality. SDBIP reflects practical strategies and targets on how the IDP should be implemented by all employees.

#### **Description of the purpose**

The purpose of the Municipal Manager at the top of the corporate purpose structure design will be pursued in accordance with the relevant acts outlined in the job description. The corporate purpose structure design that is derived from the purpose structure for governance comprises the output and input goals that also constitute the framework of the business plan for the Municipality. The key performance areas required by the Act are contained in the respective output and input goals contained in the tables below. For each goal or KPA and objectives or KPI must be set to pursue the particular goal where these objectives are derived from, among others, the key performance indicators that must be generated by the Mayor, Council and Directors of different Departments.

Pursuing the purpose for governance also entails that the Integrated Development Plan for the Municipality of Kouga is drawn up to meet the developmental needs of the Municipality, where priorities in conjunction with the communities and other stakeholders are the key to ensure that executing the business plan for the Municipality meets requirements of accountability, effectiveness, efficiency and economy. The performance indicators of the IDP will be recorded within the framework of the purpose structure design for governance and in the corporate purpose portfolio to ensure that progress can be tracked and performance can be evaluated. Provide Planning and Developmental Services to the Community and Council in support of the Municipal Manager in the execution of the town planning and housing functions.

The purpose of the five Kouga Municipality's Directorates structural design reporting directly to the Municipal Manager will be pursued in accordance with the relevant acts, policies and procedures as outlined in the job description. The structure design that is derived from the purpose structure for the Municipal Manager comprises the output and input goals that also constitute the framework of the business plan for the Municipality. The key performance areas required by the Act are contained in the respective output and input goals. For each KPA or objectives and KPI's must be set to pursue the particular goal. The execution of the business plan for the Municipality must meet the criteria of accountability, effectiveness, efficiency and economy. The objectives or KPI's are recorded to ensure that progress can be tracked and performance can be evaluated.

Dr E.M. Rankwana: Municipal Manager

Signature.....Date.....

## 1.2 INTRODUCTION AND OVERVIEW



The Kouga Local Municipality is situated in the Western part of the Eastern Cape Province. It is famous with its natural beautiful beaches and fynbos and it is a preferred destination for holidays and conferences. The Municipality has magnificent resort stretching from Saint Francis Bay to Cape Saint Francis. Kouga Local Municipality is approximately 100 kilometres from the famous Nelson Mandela Bay Metropolitan Municipality. It has a population of about 550 000 of people. Kouga Local Municipality is rich in intercultural heritage.

The Kouga Local Municipality's Service Delivery and Budget Implementation Plan is a second layer of the Integrated Development Plan which must be aligned to the Municipality's annual budget. SDBIP is the implementation framework of the Municipality that seeks to help the Management in implementing priorities as contained in the IDP. The SDBIP also help the Executive Mayor, the Council and the Community to monitor and evaluate the impact of IDP in respect of implementation. The performance agreements of senior managers, especially Section 57 contract employees, quarterly reports, bi-annual reports and annual reports are all derived from the SDBIP.



The SDBIP consists of two layers, namely the top layer has consolidated service delivery targets with specific deadlines in an ensuing financial year. After the adoption of the SDBIP by the Executive Mayor (i.e. 28 days after the adoption of the IDP and the budget must be publicised. The second layer of SDBIP consists of detailed information, which must be cascaded to other levels of the Municipality. It is the responsibility of Section 57 Managers or Executive Directors to cascade a detailed SDBIP to their respective subordinates. SDBIP targets and details will then form part of the performance agreements of all managers. The top layer of the SDBIP is tabled in Council and it cannot be revised or amended without the Council approval. The purpose of this is to discourage Executive Mayor, Municipal Manager and Executive Directors from changing or even manipulating service delivery targets if they anticipate that set targets may not be achieved due to a variety of reasons.



*“Kougas, the jewel of the eastern cape, strives to ensure equity, harmony and prosperity for all its people, through people centred service delivery and sustainable development”*

The KLM remains a beacon of hope for the wealthy and poorer communities of the province indeed of the entire country. The Municipality is driven by its Vision 2015, as contained in the five year strategic plan that is IDP. The IDP is a management tool for mobilisation and allocation of resources.

### **1.2.1 Purpose of the Annual Report**

The purpose of this annual report is to determine whether projected target goals have been achieved as per the set standard. The following are some of the goals that make the annual report more credible, which may include, firstly provide a record of activities of the municipality or entity. Secondly, provide a record on performance in service delivery and budget implementation SDBIP. Thirdly, promote accountability to local community. Lastly, ensures that financial resources are used in a prudent and efficient manner possible.

### **1.2.2 The Service Delivery Budget Implementation Plan**

Section 1 of the Municipal Finance Management Act, 2003 (Act 53 of 2003) explains the SDBIP as a detailed plan approved by the Mayor / Executive Mayor of a municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's service delivery mandate services and the implementation of the annual budget which must include, as part of the top layer the following:

- (a) Projections for each month of:
  - (i) Revenue to be collected by source, and
  - (ii) Operational expenditure by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In addition, where possible, information with regard to service delivery per ward as well as capital works plan per ward can also be provided as indicated below. The IDP is set to give a framework of measurable targets for the service delivery plan which are then allocated budget for implementation. Due to the limitations in the IDP of 2005/2006 financial year the Service Delivery Budget Implementation Plan was never achieved as regulated.

However, the projects present the implementation component of the strategic plan and were formulated on the basis of the agreed strategies. The figure below offers a schematic overview of the process in the completion of the project register. Taking into consideration that the 2005/2006 IDP included projects both funded and unfunded.



Based on this analysis, the missing building blocks towards achievement of the strategy were formulated. The identification of the projects was followed by the completion of project templates for each listed project. No project is included in the project register without a project template that clarifies:

- Performance Indicators
- Risks
- Location
- Project outputs and main activities
- Investment required for each output
- Scheduling of the investment in the next five years

The project template supports the completion of the Service Delivery Budget and Implementation Plan required by Municipal Finance Management Act, 2003, Section 53. The requirement refers to budget reporting that is linked to IDP indicators including ward based objectives.

The Project Register prior to the budget alignment discussion represented what the municipality should be doing in terms of backlogs, community needs and institutional requirements. ( refer to the attached project register).The budget alignment discussion intends to adjust the project register to what the municipality is able to do in terms of resource available and the distribution of these resources per Key Performance Area. The alignment process consisted of three elements namely:

- 1) Revenue required by the municipality to perform in terms of all strategic issues:
  - The costing on the project templates – consolidated on register
  - The tables on the financial implications of the projects for departments
  - The external funding table from other service agencies (not going through the Municipal budget).
  
- 2) Revenue available in the municipality for the following five years in terms of:
  - Operational budget allocations for each department
  - Capacity budget allocations for each department

- Improve revenue collection targets
  - Fund raising strategies
- (v) Detailed capital works plan broken down by ward for example:
- Ward number
  - Project number
  - Name of the project
  - Short description
  - Start date, planned completion, actual completion date, reasons for variance.
  - Timed monthly costs, reasons for variance, where specifications met.

#### **1.2.4 Key Performance Indicators**

- Input indicators will be provided by actual expenditure.
- No managerial objectives should be measured in SDBIP.
- Outputs should be related to quality as well.
- Targets with regard to service backlogs should be part of SDBIP.
- SDBIP has the following indicators:
  - Input indicators (expenditure patterns)
  - Output indicators (for example number of new water connections)
  - Outcome indicators (impact for example number of people with access to water)

#### **1.2.5 Service Delivery Levels and Standards**

The Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This choice is based on affordability as well as priorities of the communities. Long term financial viability of the Municipality to provide services at a certain level should also be considered when deciding on service levels.

### 1.2.6 Important Statistics

The Human Development Index measurement ranges between 0 and 1, one representing a highly developed community. The HDI in the Kouga area has improved in the past 10 years and remains above the provincial and District HDI. In 1996 is 0.57 and increased in 2001 to 0, 62 An increase of 6.3% of households living in poverty in the past ten years has been experienced in 1996 households living in poverty has been 26.6 % and increased to 32% by 2005 according to Global Insight, 2006). To present a more detailed picture, the following table shows the number of households living below the poverty line per ward. The wards most affected are ward 2, 7 and 9. These wards should represent priority areas in terms of poverty alleviation efforts.

Wards	No Income		Income R 1 – R800		Total	
	Number of h/holds	% of total number of h/holds	Number of H/holds	% of total number of h/holds	Number of H/holds	% of total number of h/holds
Kouga	2257	11.5	4 151	21.3	6408	32.8
1	131	5.8	230	5.5	361	5.6
2	347	15.4	570	13.7	917	14.3
3	76	3.4	114	2.7	190	3.0
4	164	7.3	585	14.1	749	11.7
5	123	5.4	204	4.9	363	5.7
6	298	13.2	486	11.7	784	12.2
7	375	16.6	662	15.9	1037	16.2
8	97	4.3	287	6.9	384	6.0
9	519	23.0	491	11.8	1010	15.8
10	123	5.4	479	11.5	602	9.4

A critical measure in ensuring relief to poor households with particular reference to vulnerable groups is the access to social grants. 46.8 % of households in Kouga have members who receive grants. This is the lowest % of households in the District (RSS 2006).

Settlement	Old age	Disabled	Foster Care	Child Support	Other	Number of Beneficiaries
Humansdorp CBD	2	2	0	0	0	4
Kwanomzamo	193	235	45	602	2	1005
Arcadia	195	252	25	666	6	1085
Kruisfontein	148	173	13	324	2	624
Ons Tuiste	6	3	1	14	0	22
Jeffreys B	179	218	28	698	9	1074
St Francis B	34	38	4	242	0	310
Patensie	291	192	21	764	5	1211
Cambria	13	9	2	34	0	54
Hankey	453	415	84	666	13	1501
Melon	1	8	2	7	0	27
Gamtoos	21	13	1	23	0	56
Loerie	103	137	10	298	7	520
Thornhill	100	94	14	265	1	446
Andrieskaal	48	30	9	142	0	217
Totals	1795	1819	259	4745	45	8156

The social grant constitutes 58.2% payouts towards child support grants. The census data shows a total of 5 017 persons older than 65 years and 3 396 disabled persons in 2001. In the case of people of pension age, some are not eligible for state grants due to their own financial means. But all disabled persons should have access to grant support. Currently only 53.6% of disabled persons are receiving support. The wards with the highest number of poor households also show the highest number of disabled persons namely ward 7, 9 and 2.

### 1.2.7 Population Growth

The population growth of a municipality can never be static, because of the high birth rate and ever-growing migration of people from rural to urban areas. The Kouga municipality is no exception to this trend and it must always cater or look for ways to accommodate the ever growing population in terms of infrastructure, shelter, health, protection and other services.

### 1.2.8 Socio-Economic Trends



This refers to the municipality's ability to provide and promote socio-economic needs of the community by influencing economic growth. Kouga has to determine its policy plans whether they are user-friendly to accommodate and benefit SMMEs for locally based job creation and poverty alleviation. The municipality must be to determine how many registered SMMEs and how many that have been awarded a tender/ project to carry out / provide a service on behalf of the Kouga Municipality. The annual targets set out in the IDP are signed agreements with other sister international cities, big businesses, provincial and national government for investment opportunities for sustainable service delivery.

#### 1.2.8.1 HIV/AIDS information

Very limited statistical information is available but from a provincial and district perspective the following: South Africa has the fastest-growing HIV and AIDS epidemic in the world, with more people infected than in any other country<sup>3</sup>. It is predicted that by 2010, 2.5 million South Africans will have died of AIDS or a related illness. Already AIDS accounts for about a quarter of all deaths in South Africa. Death registration data has shown that deaths among 15 years and older increased by 62% in 1997 to 2002, with deaths among 25-44 years more than doubling.

While AIDS accounted for 39% of premature mortality in 2000 it will account for 75% by 2010. A study of responses to HIV and AIDS in the Eastern Cape revealed pockets of high prevalence and risk in seasonal agriculture in the CDM. Epidemiological risk profiles in the commercial farming sector differ greatly according to the type of production, geographic factors, and the quantity and type of employment available. HIV was particularly identified to be a problem on pineapple farms, citrus and deciduous fruit farms, particularly due to the seasonal and migratory nature of the industry. This is very relevant for the Patensie Citrus area.

The responses of the industry are limited, and few NGOs work in the area. Staff from DoH public health clinics does on occasion address farm workers on request and they have also undertaken VCT on farms when requested to do so. It appears that this service is available mainly on request, rather than as an active outreach service (ECAC, 2005). Access to medical services for farm workers is problematic in general. Support from local government and NGOs will be necessary to offer HIV and AIDS and primary health care services to these populations, and should be integrated into the IDP HIV and AIDS program. With agriculture being one of the major contributors to GVA and employment, there is an urgent need to scale up HIV and AIDS prevention, treatment, care and support services in these areas.

Considering the District average of 16.8% the Kouga municipality has an estimate of 12 000 persons living with HIV/AIDS. Kouga currently has 14, 330 TB patients, 20.3% of the total population. Due to the linkages between TB rates and HIV/AIDS this should raise concerns for the delivery of primary health care. The rate of HIV in the Eastern Cape is high and increasing but since boundaries for health regions do not coincide with those of municipalities it is difficult to see whether the HIV rates are aligned with poverty. However, the Kouga Municipality falls within Health Region B of the Eastern Cape, which had an HIV prevalence of 15% in 1997 and 23% in 2000. (Source: EC European Union Proposal, 2004). The table below shows the number of persons testing positive for HIV/AIDS during the year January 2006 – December 2006.

<b>Clinic</b>	<b>Female</b>	<b>Male</b>	<b>Positive baby, HIV Mother</b>	<b>Total</b>
Thornhill	2	0	0	2
Loerie	34	9	0	43
Loerie Mobile	1	0	0	1
Masakhane, Hankey	136	56	6	198
Patensie	1	0	0	1
Kruisfontein	65	41	2	108
Humansdorp	148	59	1	208
St Francis Bay	19	6	2	27
Umzamowethu	10	3	1	14
Pellsrus	168	86	3	257
Positive tested New Cases	594	260	15	869

**Table 1: HIV/AIDS testing – 2006**

A recent district survey indicated that Kouga is performing above average in terms of access to good roads, clinic services and public schools. Unfortunately the municipal area is doing particularly poorly in terms of hospitals and ambulance services

#### **1.2.8.2 Employment Facts and Figures:**

Kouga has a low proportion of people below 20 years of age is 34.99% and a fair proportion of people aged over 64 years old is 6.10%. The Municipality is a top performer in the Eastern Cape with low rates of dependency (1.29), unemployment (24.67%) and poverty (31.36%).

***Municipal Productivity*** is higher than the District and Provincial averages, principally due to high growth in value creation relative to employment and labour remuneration. Growth in GDP and employment, from 1996 to 2004, and skills available to the local economy, are higher than the Provincial average, while GDP per worker (formal and informal) is the lowest in Cacadu and second lowest in the Eastern Cape.

Kouga has among the highest **Formal Economy Performance** scores, with positive factors including the positive trade balance, a fairly diversified economy, low financial grant dependence, and strong GDP and employment growth performance. The local economy has experienced a positive shift in share for employment and GDP from 1996 to 2004, and is one of only two municipalities in the Province to emerge as a leading economy in respect of both GDP and formal employment, provincially and nationally. The Municipality fares well on **Economic Absorption Capacity** considering high total disposable income, employment multiplier and informal sector capacity to generate economic opportunities relative to formal employment. The Municipality has modest buying power and a somewhat negative income-expenditure balance.

The local economy claims a **comparative advantage**, for both employment and GDP contribution, in Agriculture (centred on Agriculture and Hunting at 9.87% GVA and 27.99% employment) and Construction (6.18% GVA and 10.42% employment). Kouga also claims GVA advantages in Utilities (Electricity supply 1.82% and Water 1.45%) trade (centred on retail trade at 9.03%) and Community Services (dominated by Public administration at 6.69%). Leading products of the local economy include game and tourism, deciduous fruit and dairy. The Municipality is home to a string of popular coastal tourist destinations from Jeffreys Bay to Cape St. Francis, and offers a wide range of activities and products including historical and heritage sites, the Kouga Cultural Centre, surfing, fishing, hiking, biking and sand boarding, birding and game viewing, and various other outdoor and adventure activities.

### **1.2.8.3 Economic Capacity**

While the municipality has a comparatively low proportion of child-headed households and a high HDI (0.60), *Resident Participation Capacity* is moderate due to limited access to health and particularly education professionals and services. The Municipality has comparatively high *Resident Skills Capacity*, with above average rates of functional literacy (66.47%), qualification (11.37%) and proportion of residents with at least a matric (24.03%).



*Women's Economic Participation* is above average although women constitute only 40.50% of the EAP and face higher unemployment levels and rate of growth in unemployment than their male counterparts. Notably, the Municipality is one of only two in the Eastern Cape where men outnumber women. Kouga is one of the top performers on *Municipal Capacity* in the Eastern Cape, with its high ratio of municipal employees to population, high managerial experience and the performance of a high number of municipal functions (including all priority 1 functions) with capacity, and staffed trading and planning functions. While the Municipality claims no local tourism staff, publicity and tourism services are provided by local associations.

The official unemployment rate for Kouga in 2002 was 28, 4%. This has grown drastically from 21.6% in 1996. **Employment scenario** (Source: Water Service Delivery Plan - 2006). The unemployment rate varies between 20% – 39% depending on the area. The rural areas namely ward 7, 9 and 10 are most affected by unemployment. This is significantly higher than indicated in the CDM Study of 2005 that estimated the unemployment between 13 – 15%.

### **1.2.9 Executive Plenary System**

The executive plenary system of Kouga Municipality that driven the policy process and also ensures the political oversight in the implementation of policies of Council and political mandate of the majority party had in May 2006 changed to Mayoral Executive System. The change of the type of the of the Municipality from a Plenary System to a Mayoral Executive System combined with a Ward Participatory System, had a huge impact on our operations. We have functional mayoral and portfolio committees which deal with issues of strategic importance. We have shown a success rate of 95% with the implementation of Council resolutions.

The ten wards have been established and there are plans underway to ensure functional and effective participation by ward committees. We are also in compliance with the legislative framework. Information management still poses a challenge as we need to revisit the current system and the enforcement thereof. Communication both internally and externally must be a key priority for this year to enhance better communication between the Council, management and the public.

It is also with great pride and excitement to announce that our corporate brand and identity is to be launched by 2006/2007. Kouga Local Municipality consists of the following political parties namely:

- African National Congress = 11
- Democratic Alliance = 7
- Independent Party = 1
- Kouga 2000 = 1

The Councillor distribution between the political parties represents both ten (10) Ward and ten (10) Proportional Representation respectively.

#### **1.2.10 EXECUTIVE SUMMARY**

##### **i) OUR VISION**

*"The jewel of the Eastern Cape, striving to ensure, harmony and prosperity for all its people, through people, centred service delivery and sustainable development"*

*"The Kouga Local municipality remains a beacon of hope for wealthy and poorest people of the province as well as the republic. Its vision contains the following motto or slogan: "a fast growing and holiday municipality based on the principles of a globally competitive city with eight articulated developmental priorities and mission as indicated below"*

##### **ii) OUR MISSION**

*"To develop and promote the character of the Kouga area and make a better life for all by satisfying the needs of our stakeholders including effective service delivery, and respecting the different community values and cultures, while taking into account the wishes of all communities, our declared value system, and relevant legislation, according to our credo."*

##### **iii) BRIEF OVERVIEW OF THE KOUGA LOCAL MUNICIPALITY**

The Kouga Local Municipality was founded in December 2000 and comprises of Cape St Francis, St Francis Bay, Oyster Bay, Humansdorp, Patensie, Hankey, Loerie, Thornhill, Jeffreys Bay. The municipality is located in the Eastern Cape Province, west of Port Elizabeth. The Municipal area includes the coastal zone between the van Stadens River

in the east and the Tsitsikamma River in the west, and in-land stretches towards the Baviaans Kloof Mountains in the north. The geographical area of the municipality is 2419.4440 square kilometers. The area is characterized by three main topographical regions namely:

**a) Coastal Region**

The coastal region stretches from the Van Stadens River in the east through the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast further serves as a major and regional tourism attraction.

**b) Gamtoos River Valley**

The valley is characterized by wide, fertile flood plains associated with low-lying land, with steep less-fertile slopes, flanking the valley. The towns of Hankey and Patensie are main focal points of this high potential agricultural region.

**c) Humansdorp and surrounding area**

The Humansdorp, Kruisfontein area is characterized by moderate slopes in the south with steeper slopes towards the north and north-west.

Humansdorp is regarded as the largest urban centre in the study area with respect to population and business activity.

The area is in a transitional zone in two senses, namely ecological and cultural. The ecology comprises of plant communities such as “fynbos” and coastal forest. The region is rich in cultural diversity and cultural attractions. The foremost attraction being the arah Bartmann National Heritage Site located on a look-out over the Gamtoos River Valley on the outskirts of Hankey.

The Kouga Cultural Centre which is located in Humansdorp is set to become the nexus of tourism activities in the region. The outstanding landmarks of the coastal plain are the Gamtoos River Mouth and Postfontein Mountain. The ravines of the Kabeljous-, Seekoei- and Kromme Rivers dissect the coast which is mainly sandy beaches interrupted for short distances by rocky stretches.

The Gamtoos Valley is home to citrus and vegetable farmland which enjoys irrigation from the Kouga Dam. The coastal towns of Jeffreys Bay, St Francis Bay and Cape St Francis enjoys exposure to the international world, thanks to the sport of surfing. Commercial and industrial activities of the region are centered in Humansdorp. The Kouga Municipality strives to do justice to the reality of an Africa that is experiencing its rebirth and to assert itself as *the jewel of the Eastern Cape*.

#### **1.4 EXECUTIVE SUMMARY: DEVELOPMENTAL PRIORITIES AND KEY FOCUS AREAS**

The Kouga Local Municipality is required by legislation to develop its five year strategic and developmental priorities. These priorities promotes and ensures that Kouga Local Municipality is committed and obliged for the effective and efficient performance of the Municipality to implement its developmental priorities as indicated below. Apart from that Kouga Local Municipality is also committed to the financial viability and sustainability for effective utilisation and management of scarce resources.

##### **Housing and Land**

In order to address the back log of housing provision, it is important for Kouga Local Municipality to ensure the availability of land, determine whether private owned or owned by Municipality. In most areas land availability and management is always a challenge for expansion of residential/ commercial areas, community facilities and Agriculture. To improve the social standards of people, construction of low to middle income housing units on the existing informal and needy areas is one of the fundamental responsibilities of Kouga Local Municipality.

## **Infrastructure**

Infrastructure is one of the key elements for sustainable and safe housing and other social community services, such as clean running water, roads, storm water, sewerage services and electricity. Kouga Municipality have a strategy to provide, upgrade and maintain its infrastructure.

### **i) Consumer Profile of Water and Sanitation Services**

From the 2005/6 the following Consumer profile can be developed:

- 7.0% of the consumer group is older than 65
- 38.6% of the consumer group is younger than 19
- 54,4% of the consumer group are viewed as being in the economically active group
- \*70.0% of the consumer group are male
- \*30.0% of the consumer group are female

As indicated in the earlier section the expected growth rate is in the region between 0.5% and 2.5% per annum. Based on this as well as the customer profile, it would appear that the Water Service Authority's target market for the next five years will on average remain constant tending to increase in the coastal towns.

## **Bulk Water Supply**

The following table illustrates the various sources, capacity and constraints of the bulk water supply. The bulk water supply is directly related to the ability of the Municipality to cope of the increased demands during the holiday seasons. Once the upgrade of bulk feeder lines and reservoirs are completed (presently under construction in Jeffrey's Bay, St. Francis and Oyster Bay) the Municipality will be able to cope of the demands. The most critical upgrade issue is the increase of reservoir capacity and interconnecting bulk linkages.

As this is the fundamental requirement for effective household reticulation as well as water borne sanitation systems, the capacity constraints require urgent attention. An additional element to consider with regard to backlogs is the ability of the Municipality to maintain the existing infrastructure. Insufficient budgets to manage an effective repair and maintenance program perpetuate the problem for example the number of broken stand pipes in the area

### **Sanitation Backlogs**

The backlog study conducted by CDM during 2006 documented a marked improvement in the number of households with access to water borne systems. In order to meet the municipal goal to deliver water borne sewerage system to all households the following areas to be targeted:

<b>Level of service</b>	<b>Number of households</b>	
	<b>Conservancy Tanks</b>	<b>Digesters</b>
Ward 1	2486 + 413	-
Ward 3	3640	-
Ward 5	2994	-
Ward 7	150 + 150	664
Ward 10	250	550

**Table 2: Households targeted for improved Sanitation**

The above reticulation is dependent on the bulk capacity of the Municipality. The table below shows that the municipality is challenged in terms of the existing infrastructure to such an extent that communities are threatening legal action due to the health and environmental risks created by spilling of sewer. High influx of holiday makers during peak season compounds the problem.

Name of area settlement	Capacity to deal with current demand (%)	Capacity to deliver to the demand in peak holiday season (%)	Capacity to deal with future growth trend of 2.4% (5)	What upgrading is required?
St. Francis & Cape St. Francis	60	50	No	Upgrade Sewer Treatment Plant & 2 x Main Pump Station
Humansdorp	100	100	Yes	Up size bulk outfall sewer & one pump station
Oyster Bay	90	80	No	Upgrade suction tanker services
Thornhill	80	80	No	Build Sewer Treat. Plant & construction. outfall sewer
Loerie	70	70	No	Replace small borehole system & upgrade oxidation
Patensie	60	60	No	Build new sewer Treat. Plant & construction. new internal reticulation and outfall sewers
Jeffrey's Bay	55	50	No	Upgrade oxidation ponds & install new bulk outfall sewers re-equip pump stations
Hankey	80	80	Yes	Upgrade existing sewer Treat. Plant & 2 x main pump stations & internal sewer reticulation of Hankey CBD

### **Bulk services for Sanitation**

The following table describes the operational requirements of the current infrastructure. The table shows the shortfall between what is required versus what is available and it touches an important concern in the community with regard to the deterioration of existing infrastructure. This represents a strategic challenge for the municipality to balance National priorities in terms of backlog eradication as well as the responsibility to take care of municipal assets which includes service infrastructure.

Type of service / infrastructure	Operational cost (estimate)	Available budget
Reticulation – network sewers	1650 000-00 per year	929 600-00
Sewer Pump Stations	1000000-00 per year	558 130-00
Sewer Treatment Plants	250 000-00 per year	51 620-00
Sewer Telemetry	35 000-00 per year	Nil
Sewer Pump Stations-Electrical	425 000-00 per year	286 510-00
Sewer Plants and Pump Station buildings	145 000-00 per year	6 160-00

### Roads and storm water

Divisional roads are in a fair condition, whilst minor roads and streets in rural areas are poor to non-existent. The lack of and poor conditions of sand/gravel roads in the rural areas can and does present problems in rainy weather and at night. A stretch of 100 km of the N2 runs through the jurisdiction of Kouga between Van Stadens Bridge and Kareedouw Bridge. This road runs west to east and is the main route between Cape Town and Port Elizabeth. There are a number of alternative routes along the N2, which could be used in the event of emergencies on the N2.

Recognising the key enabling role that transport infrastructure has for economic and social development, the Provincial roads and transport department has allocated approximately R791m to road infrastructure in the Cacadu District area, rising from over R172m in 06/07 to R275m in 07/08 and then rising further to R344m in 08/09. The major transport projects envisaged in Cacadu are: Fonteinskloof to Nanara Road (R185m), Addo Paterson MR450 (R67m), and Patensie to Hankey (R43m). The balance of the funds (Over R400m) has been committed to routine are-wide maintenance of all roads in the CDM, over the current medium term expenditure cycle.



## **Electricity**

The table below show that the number of households with electricity had doubled in the past five years. This is directly related to housing projects and the statistics will improve more with the current housing schemes. Unfortunately, the influx of people and the continuous growth in terms of informal settlements place persistent pressure on the municipality to catch up with the estimated backlogs.

## **Economic Development**

One of the fundamental goals of Kouga as a developmental local government is to stimulate economic growth and increase employment, by regulating the promotion and development of SMMEs for BEE in particular. To achieve that Kouga can use its strategies and available resources at their disposal. Such resources would be Tourism infrastructure.

## **Health**

Although Health service is a competency for Provincial Government, Kouga Municipality must forge links and act as an agent of change for Provincial Health Department, especially that Health matters are cross-cutting issues (i.e. HIV/AIDS). The municipality is responsible for the provision and maintenance of health care facilities as well as promotion of education and awareness.

## **Protection Services**

The intention is to enforce policies and legislation and where applicable to support and facilitate partnerships with the SAPS/ CPF to minimise crime, improve traffic regulations and control/ manage disasters in community areas and places of social activities. Therefore Kouga Local Municipality has to ensure safety and security in terms crime, fire protection and disaster management.

## Education

Education is the National and Provincial competency, but to address the poor, insufficient and inaccessible education and other related facilities, Kouga Local Municipality has to find a synergy and forge partnerships with relevant role-players (such Teacher Union Structures, funders and Education Department), to eliminate illiteracy within its poor communities.

In terms of the current education scenario, 18 439 people in Kouga is involved in education related activities. This should be viewed within the context of 20 010 people between the age of 5 – 19 years in 2001. It is very concerning that although 1/3 of the population is illiterate; only 63 persons are enrolled in ABET facilities. Social problems such as alcohol abuse, drug abuse, unemployment and the disintegration of families are important factors contributing to the dismal educational scenario. The foundation for future education starts at the availability and utilisation of pre-school facilities in order to create prepared minds. Table 30 indicates that 894 children are enrolled in pre-school facilities.

This in comparison with the total amount of 5 788 children aged between 0 – 4 years. The available statistics do not display children aged 5 – 6 as a category, but these children should still be added to the 0 – 4 year category. It is clear that a small % of young children are currently benefiting from pre-school facilities.

## Social Development

Social Development addresses and improves Community facilities, Sport and recreation. Kouga Municipality has to instill a sense of ownership to communities to promote maintenance of existing facilities. The focus is on community upliftment and social support especially the disadvantaged citizens.



**Institution / administration**

This Directorate promotes professional and ethical Human Resources Management and training for all personnel, in a more transparent and accountable manner in order ensure that Human Resources system is compatible with relevant legislations and policies.

## CHAPTER TWO: PERFORMANCE HIGHLIGHTS

### 2. PERFORMANCE HIGHLIGHTS: EXECUTIVE SUMMARY

The municipalities throughout the country have a mandatory obligation to fulfil its Constitutional mandate and National Government decisions and policy implementation on a number of programmes to achieve community needs and government objective. Performance highlights on some of the municipal achievements have to be acknowledged and recorded especially they bring about positive impact to Kouga Municipality and its communities in terms of infrastructure, shelter, health, etc. These performance highlights should come in the form of local, National and International Awards for Kouga Local Municipality.

#### **Achievements**

The following are some of the Kouga's achievements / performance highlights:

- International Award on the Blue Flag Status
- Few Projects under the Expanded Public Works Programme

#### **Challenges**

The table below is a detailed reflection of the challenges facing the Municipality for the financial year under consideration.

**BACKLOGS ON SERVICES REMAINING FOR FINANCIAL YEAR 2005/06**

	Water	Sewerage	Electricity
St Francis Bay	396	396	840
Humansdorp	2653	2653	3197
Jeffrey's Bay	650	650	650
Hankey	306	0	652
Patensie	0	391	50
Loerie	391	0	210
Thornhill	0	0	0

**2.1 CORPORATE SERVICES DIRECTORATE**

Provide Corporate Services to the Directorates and the Council to support the Municipal Manager in the execution of the Corporate Services functions. This directorate is constituted by the following services, namely corporate communications, media liaison, ward Committees, records management and legal services. The purpose of the Director: Corporate Services of the Municipal structure design reporting directly to the Municipal Manager will be pursued in accordance with the relevant acts, policies and procedures as outlined in the job description. The structure design that is derived from the purpose structure for the Municipal Manager comprises the output and input goals that also constitute the framework of the business plan for the Municipality. The key performance areas required by the Act are contained in the respective output and input goals. For each KPA, and key performance indicator or objectives must be set to pursue the particular goal. The Execution of the business plan for the Municipality must meet the criteria of accountability, effectiveness, efficiency and economy. The objective or KPI's are recorded to ensure that progress can be tracked and performance can be evaluated.

**2.2 PLANNING AND DEVELOPMENT SERVICES DIRECTORATE**

This directorate constitutes both Land and housing services for purposes of spatial planning, housing development and other regional activities. It further intends to provide the ordering of activities to maximise efficient functioning of the towns and regions of Kouga to the social and economic advantage of the community.

Although provision of housing Services is the responsibility of other directorates in terms of water, electricity and roads as well as the competency of Provincial Government in terms of funding support, the Directorate has endeavoured to provide housing and land services with limited resources to all the communities in the Kouga Local Municipal area. In addition the directorate in terms of land use complies with relevant legislations, policies and procedures (rezoning, title deed restrictions, EIAs). It ensures optimal utilisation of land and adhere to all Building control regulations. Housing services still remains as the competency of provincial government, but under the administration Municipalities. Housing delivery cannot be built in isolation from land acquisition, which requires a land audit which is 90% complete.



## **Achievements**

Kouga Local Municipality has managed to approve at least 1708 building plans during the 2005/2006 financial year. Subsequent to the above fourteen housing project, which costed the municipality an amount of R61 million with the projected completion date of March 2006. There are three additional project to the value of R26 million that were still awaiting project agreement for that financial year. Transfer of Safcol Houses at Longmore commenced and expected to be finalised in March 2006. During the financial year under review, Kouga Municipality has recorded a Property boom in the region, with possible economic development, getting more money to realise community needs

## Challenges

Critical skilled staff shortages and political interference have restricted the directorate to achieve some of the key focus areas. The directorate have the following critical vacancies, namely Plans examiner, Building Inspectors and Law Enforcement Officer (Building Control, Signage, Illegal squatting). Under housing, the following positions have not been filled Typist Clerk (Housing); housing Officer and Informal Settlement Co-coordinators.

### The informal housing backlog at Kouga Municipality is illustrated below:

• Jeffreys Bay :	2020
• Humansdorp :	2610
• Thornhill :	435
• Loerie :	510
• Hankey :	1140
• Patensie :	340
• Sea Vista :	750
• Oyster Bay :	135
• <b><u>TOTAL :</u></b>	<b><u>7940</u></b>

### The informal housing list for Kouga is detailed below:

• Jeffreys Bay :	3100
• Humansdorp :	3000
• Thornhill :	350
• Loerie :	270
• Hankey :	1250
• Patensie :	650
• Sea Vista :	600
• Oyster Bay :	150
• <b><u>TOTAL :</u></b>	<b><u>9370</u></b>

Secondly, the Land issue is also another challenge, which may include identification of for Housing, Cemeteries, etc; If the Land is available, the ownership is not clear. There is also poor or lack of Active participation of Ward Committees; lack of Housing Policy implementation; un-authorized business ventures on zoned properties, Uncontrolled influx of people to urban areas and high rate of Farm evictions

## **2.3 FINANCE SERVICES DIRECTORATE**

The directorate provides Financial Services to Council and Departments and the Municipal Manager for the implementation of Council resolutions as articulated in the Kouga Municipality's five year strategic plans / priorities, called IDP.

### **Description of the purpose**

The purpose of the Director: Financial Services in terms of the corporate structure design reporting directly to the Municipal Manager will be pursued in accordance with the relevant acts, policies and procedures as outlined in the job description. The structure design that is derived from the purpose structure of the Municipal Manager comprises the output and input goals that also constitute the framework of the business plan for the Municipality. The Key Performance areas required by the Act are contained in the respective Output and Input Goals. For each Goal or KPA, objectives or KPI's are set to pursue the goal. The execution of the Business Plan must meet the criteria of accountability, effectiveness, efficiency and economics. The KPI's or objectives are recorded to ensure that progress can be tracked and performance can be calculated.

## **2.4 COMMUNITY SERVICES DIRECTORATE**

### **2.4.1 Protections Services**

The focus of Protection Services was on Traffic Services, Law Enforcement, Disaster Management and Fire Services. The protection of citizens, properties , natural resources ( beaches) and visitors is one of the fundamental strategy for Kouga' jewel of the Eastern Cape, from crime, hazardous health situations of fire break-ups, etc. Limited resources had a negative impact on the performance of the department over the last financial year that is 2005/2006.



A proposal on acquisition of new and reliable vehicles was included in our strategic planning in March 2006. One fire engine was handed over on 17 January 2007. The Dennis Fire engine has been rehabilitated and the department hopes to purchase a new engine later in 2007. Council was made aware of the necessity to appoint more traffic officers, fire officers, licensing officers as well as Law Enforcement officers. These proposals have been included in the five year Strategic Plans. Good results through camera speed fines came forth in the last financial year i.e. 2005/2006.

### **Achievements**

A better contract has been negotiated with TMT as well as extending the hours per month on the N2 added for speed monitoring. The department passes an average 80 vehicles per month on roadworthiness. This section is functioning well despite its staff shortages and intensifies its activities around holidays (especially Easters and the Festive season). Regular roadblocks during these times as well as weekends has led to many arrests for drunken driven, driving without a valid driver's license and with vehicles with no roadworthy certificates.

Law Enforcement complies with Council's by-laws on monitoring offenders. Over the festive season Law Enforcement Division was busy with complaints, beach and river patrols, stray animals etc. The floods of 20 – 24 May 2006 and 02 – 05 August 2006 brought a watershed through great dedication and commitment of staff of Kouga Municipality.

The Environmental Impact Assessment for Dolphin launching site was completed and sent to the Department Economic Affairs, Environment and Tourism, who granted an operational license. The Blue flag beach at Dolphin Beach, Jeffreys Bay received this prestige status for three consecutive years. Lifesaving section has improved tremendously after the Council appointed a well known and qualified contractor for lifesaving services.

Dredging in the canals and waterways at St Francis Bay took place. A new canal harbour and jetties were built to replace the old and damaged ones. The piloting of Pellsrus went very well but the department require more funding, this project will definitely be a success for Kouga Municipality. These events created conducive environment and atmosphere for our visitors and boosted the economy of Kouga. Dedicated and committed officials go an extra mile to make these events successful.

### **Challenges**

Shortages on personnel, vehicles and equipment has hampered services delivery as the municipality tries to bring these programmes closer to communities and to install visible disaster management methods. Fire Services has been doing a good job during disaster situations especially with informal shacks which are the most vulnerable for catching fire in Kouga, and this remains a challenge for Kouga Municipality. Additional resources are required if this section is to fulfil its developmental mandate. This section facilitated the working for fire teams to make fire breaks over a period of two months in St Francis Bay.

#### **3.4.2 Cleansing and Parks**

Management of waste and recycling of waste and eradication of bucket system, etc still remains the fundamental components of the Kouga's Integrated Waste Management Strategy. Awareness and educational programmes has received enormous support from Kouga communities since 2002 to date. The staff complement of the department is currently 232 and the department requires a total workforce of 310 to deliver services on an acceptable level. During 2001 financial year critical vacancies were funded from operational budget. Papiessfontein is 95% rehabilitated and just need a final capping. The permit applications for the waste regional disposal site are critical. Transfer stations need to be erected at critical areas within Kouga.

### **Achievements**

Due to staff shortages, the municipality has appointed a consultant (known as Kwezi V3) to develop an Integrated Waste Management Master Plan for Kouga Municipality's jurisdiction.

The Consultant has completed the Plan and the Council approved it for implementation. A dramatic change in the way waste is managed within Kouga will be evident. Furthermore a single regional waste disposal site will be established for Kouga. The Regional waste disposal site will be complimented by transfer stations for St Francis Bay, Jeffreys Bay and Kruisfontein. All current unregistered sites will be rehabilitated. A zero tolerance approach will be instituted with any type of littering. The department have to manage all types of waste from the cradle to the grave. Cemeteries are a critical area within Kouga and the relevant Directorate struggle to take ownership. Community Services is only responsible for maintenance and grave identification as well as burials. For sport, a successful workshop was held for all codes in 2005, whereby a Business Plan to upgrade the existing facilities and build new ones was discussed and drafted at an estimated amount of R10 million and awaiting funding. A successful sport week, where the under 18 Rugby tournament took place in Kouga has received many accolades and praises for such a successful event.

### **Challenges**

Funding still remains a challenge. Cemeteries in Kouga are reaching full capacity and planning for new cemeteries is a matter of urgency. Maintenance of cemeteries in Kouga has fallen behind due to lack of maintenance support. The planning of the cemeteries and all studies must be initiated by Town Planning. The Pecking layout and fencing must be done by technical services.

Parks and open spaces are crucial in terms of maintenance. This service is outsourced and tenders are out for the supply and delivery of equipment to the value of R 260 000.00, although the existing team has been doing well with its limited resources. Bucket eradication also remains a key challenge for Kouga Municipality. In the last two years the department has tried to establish a permanent task team but unsuccessful. Kouga Municipality removes 2962 buckets every week. The rest of the informal settlement with bucket system toilets are serviced with chemical. The department's dedicated team work is doing a good work in ensuring that waste removal is intensified and ensures that all areas are clean.

## **2.5 SOCIAL, ECONOMIC DEVELOPMENT AND HUMAN RESOURCES DIRECTORATE**

This Directorate consists of social, economic, and human resources sub-directorates. The social welfare of all citizens of the Kouga Municipality is a priority to the Council and management as it affects mostly the youth (future leaders). Places of safety and creational structures, including education can keep the youth from getting involved in mischievous activities. A report, to request Council to sponsor a vacant house or old property in Kouga or even an RDP house in all areas of Kouga to utilise as safe havens to assist these vulnerable groups, was tabled to the Portfolio Committee groups. Another application in this regard will be tabled to Council, as it has a moral obligation towards these groups. Partnership with other sector departments has been explored, such as SAPS. The Economic Development Unit consists of Local Economic Development with a staff complement of LED Manager. The unit works very closely with Social Development which is responsible to oversee the general administrative functions of the Kouga Cultural Centre. The unit hosts annual community participation to review the strategy and plan of action.

### **2.5.1 Education**

Education is the National and Provincial department's competency, but Kouga Municipality provided facilities and forge links with education structures and educators in the region. Quarterly meetings are held with the various stakeholders with regards to Education. An Education Forum was established in October, consisting of the various stakeholders and community representatives. The issue of Andrieskraal Primary School is treated with high priority. A report from the Department of Education is still awaited in this regards. At this stage, only the title deeds were received by the Department of Education. The Thornhill matter is, at this stage, a priority issue and very high on the agenda. It is envisaged to arrange a meeting with all relevant stakeholders in this regard.

### **2.5.2 Sports Development**

Sports Development is showing true signs of growth for this municipality, as our youth can be reached through sports. The purpose is to keep them away from drugs, alcohol abuse,

sexual abuse or games, etc. The year 2006 was an extremely busy and sporty year for this municipality, specifically from June 2006. Monthly meetings had to be attended with the DSRAC in places such as Bhisho, Grahamstown, Kirkwood and Graaff-Reinet.

### **Achievements**

The ESD Officer has been elected to serve on the Interim CDM Sports Council as Deputy Chairperson, and to form part of the team who will be responsible for the drawing up of the Constitution. The ESD Officer has also been elected to be part of the learner-ship Programme on Sports by DSRAC, running for the past three years, which commenced in 2006. In 2006, the Municipality proudly participated in the South African games. Most of the sporting codes were finalised, except for athletics, which we are busy with at the moment.

The much awaited huge sports event, where all sporting codes will participate in, will take place in either Bloemfontein or Gauteng later this year. The roles and responsibilities of municipalities were tabled to Council for acceptance in September 2006. Other inter-sector sports events were:

- The Under 18 Rugby held in Kouga
- The Cacadu Achievers Awards hosted by Kouga Municipality

The Kouga Municipality was privileged to have been selected to host this big event where more than 400 nominees received awards. From all nine municipalities within the CDM, our ESD Officer was nominated and received an award for outstanding achievement in Sport, and it should be commended. Constraints with regards to Sport Development are budgetary and fully supported.

### **Challenges**

At this stage, we operate sports through an Interim Sports Council, while we await the establishment of a fully fledged CDM Sports Council and the finalisation of the Constitution for CDM. Subsequent thereto, all municipalities under the CDM are expected to establish their Sports Councils within their respective municipalities. Another challenge is the poor sport facilities and maintenance strategy.

The organisational structure for Kouga Municipality was approved on 6 August 2003 following a process amalgamation of five Transitional Local Councils, which resulted to vibrant economic growth. Human Resource and Management performs the following key functions and activities:

### **2.5.3 Human Resources and Organisational Structure**

The activities related to this function include:

1. Developing HR policies and procedures
2. Recruitment

The recruitment of officials including overseeing the preparation of position descriptions, advertising, interviewing and appointment of officials

3. Inducting new officials
4. Skills development
5. The implementation and maintenance of a performance management system
6. Employer/Employee Relations
7. Employment Equity
8. Discipline
9. Occupational Health and Safety
10. Benefit administration

#### **Strategic objectives**

- Stabilise the work environment
- Review existing personnel policies in the light of the new roles and responsibilities of the Council, Executive Mayor and Municipal Manager as well as the political vision of Council.
- Review procedures in order to ensure compliance with legislation

### Key issues for 2005/2006

- Embedded Performance Management System
- Stabilised the working environment by extending the fixed term contracts of key employees
- SALGA Task Job Evaluations in the CDM
- Mentoring Programme

### Analysis of Function

Number of permanent staff employed: 3 plus one temporary staff member

### Human resources: IDP projects and progress

Project Name	Progress Report to 30 June, 2004
Performance Management System	<ul style="list-style-type: none"> <li>• PMS adopted and implemented for Section 57 employees. Still to be rolled out to lower levels</li> </ul>
Human Resource Plans	<ul style="list-style-type: none"> <li>• Skills development plan adopted</li> <li>• HR Plan being formulated</li> <li>• Employment Equity Plan being formulated</li> </ul>
Training and Capacity Building - staff	<ul style="list-style-type: none"> <li>• In progress</li> </ul>

In order to achieve the vision, developmental priorities and objectives of the Kouga Municipality an organisational structure must be established and be aligned to the vision of the Municipality. The vision, priorities and objectives for the Municipality are identified through public engagements and participation during IDP engagements and review sessions.

Subsequent to this process the Municipality has adopted an organisational structure consisting of the following departments all reporting directly to the Municipal Manager:

- Community Services
- Corporate Services
- Financial Services
- Planning and Development
- Social, Economic Development and Human Resources
- Technical Services

The Municipal Manager is the accounting officer and head of administration for the Kouga Municipality. He or she is responsible for the effective, efficient and sound administration of Kouga Municipality. He is accountable to Council for implementation of resolutions and policies of Council.

The Office of the Municipal Manger It also provides administrative support to the political structure through administration of special projects for example, Youth Development, Gender and Women Empowerment, Equity and Skills Development, Internal Audit Public Liaison and legal services). The total number of staff permanently employed as of 31 January 2006 by Kouga Municipality was 710 with 57 contractual employees.

### **Performance Management System**

In its endeavours to improve service delivery and employee performance, the Kouga Municipality has embedded a Performance Management System that complies with the Municipal Systems Act. All top management has performance contracts which define the objectives of the institution and key performance indicators and targets. A consultant have been appointed in order to revise performance contracts to ensure compliance with legislation and improving the efficiency of the Performance Management System. It is envisaged that the amendments to the Performance Management System shall be finalised during the course of the 2006/07 financial year.



### **Various initiatives relating to employment issues**

The following initiatives relating to employment issues were successfully implemented in 2005/6 financial year:

- Amendments to uniform conditions of service have been adopted
- The Workplace Skills Plan for 2005/6 financial year has been adopted and the implementation report for 2005/6 has been submitted to LGWSETA as required by Skills Development Act.
- The Employment Equity Plan has been revised.
- Performance Management Contracts for senior management and officials has been renewed and the performance of these officials has been evaluated as required by chapter 6 of the Municipal System Act.
- The PMS will be rolled out to some lower levels in the institution during the 2006/7 financial year.
- The process of developing Job Descriptions has been completed and submitted for evaluation to the CDM Job Evaluation Unit for evaluation.

### **Human resource policies**

To ensure that Kouga Municipality achieves its stated development objectives, it has developed policies and strategies to attract and retain relevant skills and to formalise certain processes and activities related to personnel activities. The following human resource policies were revised and adopted by Council during the year under review.

- Sexual Harassment
- Telephone usage
- Cellular Phone
- Smoking
- HIV /AIDS, TB, STD and Occupational Health and Safety Policies
- Internet and computer usage

The challenge remains to maintain and ensure that all current policies are updated to support the strategic direction of Kouga Municipality. The Human Resources Division is currently developing the following policies:

- Grievance Policy;
- Inclement weather policy;
- Overtime policy;
- Training and development policy;
- Nepotism policy;
- Standard operational procedures for the recruitment and selection of staff;
- Remuneration policy;
- Substance abuse policy;
- Code of good practice: Employment and HIV/AIDS;
- Standard operational procedure: Termination of employment;
- Essential services agreement;
- Disciplinary procedures policy;
- Progression policy;
- Employment equity policy; and
- Acting policy

### **Employer/employee relations**

The collective agreement requires the Municipality to establish a Local Labour Forum. Local Labour Forum meetings are scheduled on a monthly basis. Issues are submitted by the employer and Union components for consultation. The LLF makes recommendations to the Mayor and Council for consideration. Kouga Municipality and organised labour continued with their spirit of mutual respect and co-operation.

### **Achievements**

The department has in 2006 successfully hosted Women's Conference and the Conference for the Elderly persons respectively.

## **Challenges**

Huge problems and challenges are currently being experience with regards to:

- Street Children;
- Drug and alcohol abuse amongst the youth;
- HIV/AIDS;
- Rape; and
- Abuse of Women and Children.

The South African Police Services could not provide any statistical records with regards to abuse and rape cases as they regard that as privileged information. Reliable data and statistics are the prerequisite for forward planning. The primary focus of the department of Social Development is to fight crime and bridge the gap between the rich and the poor communities so that the lives of the later can be improved for the better. The department cannot alone achieve these noble goals, hence sound working relationship with sector departments is necessary.

### **2.5.4 SMME and Business Development**

#### **Achievements**

After a ten months extensive community participation, the LED plan was been finally adopted by the Kouga Council. The Plan consists of the following components, which are regarded as achievements and the backbone of LED in the Kouga Municipal area:

- Kouga socio-economic analysis
- Key economic sectors
- SWOT analysis of IDP and LED Plan
- Kouga LED Strategy
- LED Institutional Arrangements
- LED Programmes and Projects

Furthermore the following funding applications were approved:

- Longmore Flower Estates and DBSA made a contribution of R475 555, 00 and R264 000, 00 respectively towards East Cape Flower Trail Feasibility study in 2005
- The Department Economic Affairs, Environment and Tourism approved and granted an amount of R210 000, 00 in October 2006.
- Department Housing and Local Government also granted an amount of R200 000, 00 during 2005/06 financial year.
- For the Kouga Cultural Centre, the National Department Arts and Culture; contributed an amount of R30 000, 00 CDM, made contribution of R530 000, 00 towards an Infrastructure improvements in the Kouga Cultural Centre, including exhibition areas and walls,



Therefore a total amount of R1, 909, 855 was secured for the Kouga Municipality towards LED development programmes and projects in the Kouga Region. Subsequent to that the LED Unit appointed Matric unemployed youth in each township area, to collect the data. This process was assisted by the Kouga Business Forum in compiling the data into a user-friendly data register, which shows businesses by type, number of years in operation, number of persons employed etc. The two LED staff members were taken into a three day SMME Capacity Development Course through the Department Trade and Industry, to assist SMME's in the establishment of corporations, and facilitation of assistance in writing feasibility studies and business plans, as well as access to funding. Consequently SMME's can also get assistance on a daily basis at the Kouga Cultural Centre, and outreach programmes were organized to Hankey, Patensie and Humansdorp. This programme is being extended to the other towns within Kouga Municipal jurisdiction.

## **Baviaans Mega Reserve**

LED Unit sits on the Baviaans Mega Reserve Steering Committee which steers the Baviaans Mega Reserve Development Planning through the Department of Economic Affairs, Environment and Tourism and the Consultant appointed to drive the process. Apart from that the Baviaans World Heritage Site was launched on 22 September 2004. Important developments for the financial year 2005 and 2006, which include the following:

Baviaanskloof Route (Development and Launch): Electronic Tourism route on website [www.africandream.org](http://www.africandream.org) depicting sites of interest and product owners in the Cambria-Patensie-Hankey-Loerie; Baviaanskloof; Vaalwater; Willow more and Steytlerville regions.

- 1) Implementation of Poverty relief Projects – has created 270 jobs with accredited and non-accredited training to each employee. The Poverty Relief Projects managed to introduce the plan to demolish unused /under-utilised structures, for example old fences, dams, included breakdown of underutilised structures (e.g. old fences, dams, etc). A partnership with Department of Transport, the BMR successfully facilitated the upgrading, control of erosion and storm water management for some sections for Route 332 road in Cambria, etc.
- 2) Implementation of Lottery Funded Projects – with upgrading of campsites and Bergplaas homestead in the Baviaanskloof Reserve. Local contractor from Hankey was used in this project as part of the BEE promotion.
- 3) Implementation of Proud Partner Programme – Successful implementation of a programme allowing Product owners, commercial land owners, Municipalities, local communities, etc. to indicate visually (via a sign) that they support the concept and vision of the Mega-reserve and they agree that any developments or activities that they undertake will be done within the parameters of the law e.g. Environmental law, Labour Law, Laws related to Cultural Heritage, etc. Number of Proud Partners by June 2006 was 73; extent of land managed by these proud partners is 110 108 hectares.

- 4) Implementation of Vegetation Mapping project for Baviaanskloof Conservation area and planning domain. – Data written and compiled in a manner that compliments municipal and other conservation agencies vegetation maps.
  
- 5) Developing Terms of Reference for Strategic Tourism Development Plan Consultants and Financial Feasibility study consultants.

### **Sarah Bartmann Heritage Site**

The LED and ESD Unit sit on the Planning Committee of the Sarah Bartmann Heritage Site Development with the National Department Arts and Culture and the South African Heritage Resources Agency.

The LED Unit spent the year ensuring that all unwanted and under-utilised structures are demolished from the site, so as to keep the site serene. SENTEC TV, Radio Towers and This concept came coincidentally with long term contractual arrangements which had to be negotiated. This was finalised in the 2005/06 financial year and further discussions on the site planning can now commence.



## **East Cape Flower Trail Feasibility Study**



The purpose of the study is to verify whether a Flower Trail can be established, using Longmore Flower Estates as the Hub, (supplying seedlings, doing joint marketing and training, packaging, etc) and establishing various out-growers in Kouga Region and beyond, thus creating job opportunities in the areas that are not suitable for other agricultural developments and making ultimate use of our indigenous flora.

The preliminary socio-economic and environmental strategic assessments have been completed and the unit is currently busy with the marketing study, to determine the competency of the national and overseas markets, resources Audit, Project Viability Analysis, and the Final Report.

### **Kouga Development Agency**

The back ground research for the establishment of The Kouga Development Agency, a Multi-Service-utility of which CDM currently has 50% shareholding and the Kouga Municipality 50% shareholding was finalised. The purpose of the Agency is to ensure sustainable development of the nature reserve area next to the Kabeljous River and the area where the previous municipal dumping site was in Papiestfontein. These areas belong to DEAET and DPLG respectively.

A Political Task Team was established to “drive” the Project, consisting of MEC’s Housing and Local Government, Economic Affairs, Environment and Tourism, Social Development, Agriculture and the Mayors and one Councillor of both CDM and the Kouga Municipality. The Technical Task Team consisted of officials of the above departments was also established to steer the research and presenting the aforesaid to the Political Task Team for approval. Main functions of the agency include the following:

- Minimal development footprint
- Adhere to Strategic Plans
- Develop and attract top end of the tourism market as well as giving possibilities to lower end of market.
- Incorporate an Environmental Education Centre
- Act as a Gateway to the Baviaans Mega Reserve
- Promote BEE initiatives, ventures and procurement practices
- Maximize job opportunities
- Conserve cultural and historical heritage
- Promote and develop a conservancy.
- A more detailed outline was finalised after June 2006.

### **Patensie Juice Factory**

The Patensie Juice Factory was on the Kouga IDP and funds were allocated from DPLG to commence with the project. During the 2005/06 financial year the following was finalised:

- Construction and renovations were finalised
- Furniture and equipment was purchased
- Products for the juice factory, i.e. bottles, stickers, concentrate, etc.
- The Manager and staff were appointed and the Juice Factory was operational by February 2006.

Currently the factory is still going through teething problems, which is being addressed in the 2006/2007 financial year with the assistance of East Cape Development Corporation.



## **The Kouga Cultural Centre Development**

The Kouga Cultural Centre was a Section 21 Company, but due to the fact that the New Municipal Finance Management Act prohibits this, the Council resolved to disestablish the Section 21 Company. The Cultural Centre is thus currently being run through the administration of the Kouga Municipality. Late in this financial year the Kouga Municipality received funding from Cacadu District Municipality to do repairs to the centre, and to do the infrastructure development for the exhibition areas, the wall around the centre and the parking area where the taxi rank is currently situated.

## **Hankey Elephant Sanctuary**

The Kouga Municipality considered and approved the development of an Elephant Sanctuary at Hankey Yellow Woods Park.

The planning for the area will include:

- Elephant sanctuary with a few elephants
- Restaurant
- Booking Office
- Curio Shop
- Training Centre
- Museum
- Central Admin Office

The institutional arrangements were not finalized in this year but the Kouga Council has resolved to establish a Public Private Partnership, which is destined to commence with the programme in 2006/2007.

## **Challenges**

The challenge is the lack / limited resources (funds and personnel) which have restricted the implementation of some LED project plan. A lengthy process of looking intergovernmental grants has been explored with other spheres of government and financial institutions, like Development Bank of South Africa.

### 3.5.5 Tourism



The Kouga Local Municipality as a jewel of the Eastern Cape, strives to ensure that its natural resources are utilised to its advantage to promote and market the area as tourist destinations. Each potential area for tourist attraction has been earmarked and established with facilities to drive the process for economic development and sustainable job creation. The tourism offices in the Kouga Municipal Region include Patensie, Hankey, Humansdorp, Jeffreys Bay and St Francis Bay. Kouga Municipality kept on supporting Local Tourism Organisations with grant funding. With the support of community structures, the following are some of the successes in developing Kouga Municipality into a Tourism friendly area with the establishment of an Entity to drive Tourism.

#### **Achievements**

The Responsible Tourism Sector Plan for the Kouga has been completed. The agreement with tourism offices are to market the Kouga Municipal area and to create tourism awareness in the marginalised communities. Reports are submitted by the Tourism to Council: The following are some of the highlights and achievement of tourism development:

- Gamtoos Tourism (Patensie) successfully held a Golf day in November 2005, with MEC Andre de Wet as a VIP Guest and the media was invited to be part of the site-seeing weekend tour.
- Jeffreys Bay Tourism in partnership with Billabong International Surf Contest assists with accommodation, day trips in the Kouga area and beyond. As a partner in promoting tourism, Vodacom sponsored Jeffreys Bay Tourism towards a clean-up campaign between 15 December 2005 and 08 January 2006.
- Hankey Tourism which covers areas of Hankey Town, Weston, Centerton and Sarah Baartman Grave Site made a historic legacy by establishing clean-up campaigns and African Renaissance Calabash Festival annually. Subsequent to that it has engaged the Members Evening to encourage the establishment of Bed & breakfast.
- St Francis Bay Tourism includes areas of Paradise, Aston Bay, Oyster Bay, Umzamoweto, and the Tsitsikamma-East Farming Community. It has successfully hosted an Art Competition for various Grades of Sea Vista School and Organised a Golf Day on the Women's Day
- Humansdorp Tourism created their own centre for tourist information and leaflets distribution centre, with quarterly reports submitted to the Kouga Council.
- Regional Tourism Entity established for the whole of the CDM, whereby CDM appointed a service provider to investigate the establishment of a Regional Tourism Entity to drive tourism in the CDM Region. All nine municipalities in the CDM jurisdiction were involved in the process.

The aim of establishing a Private Company to run tourism in the region is to have a professional, dedicated management, marketing and developmental institution for tourism in the CDM Region, seeing that tourism is one of the region's most important sectors. The Board of Directors were appointed, but the CEO and the rest of the staff members still need to be appointed and are expected to carry out their duties in July 2007. In this process all municipalities will transfer the grant funding to the regional tourism company, from where it will be disbursed to the relevant tourism entities, after business plans have been submitted and approved.

**Kouga Business Council** – has signed a Memorandum of Understanding with NAFCOC and the business organisations for possible joint ventures. Under the Kouga Business Council, all other organisations are welcome to apply for membership to establish platforms and opportunities to discuss matters of joint concern and developmental programmes.

### **Challenges**

The challenge is the lack / limited resources for example funds and personnel) poses constraints on the implementation of some LED project plan. A lengthy process of looking intergovernmental grants has been explored with other spheres of government and financial institutions, for example DBSA.

### **2.5.6 Health Services**

#### **Purpose Portfolio**

Although Health Services is the responsibility and competency of Provincial Government, the Directorate has endeavoured to provide health facilities and services with limited resources to all the communities in the Kouga Local Municipal area. In addition the directorate has a zero tolerance to non provision of health services to all communities. The values of the department are always customer driven based on the principles of Batho Pele. The New National Health Act 61 of 2003 has clearly outlined the role and responsibilities of municipalities in implementing the regulations of the Act. Municipal Health Services has requested that Environmental Health in the future be a competency of the Metros and District Municipalities. Primary Health care will reside with the Provincial Department of Health. In both instances, service level agreements will be signed with Local Municipalities. Municipal Health services will remain under the control of local municipalities.

#### **Achievements**

NAFCI Clinic has been successfully launched at the clinics where the youth was the main focus group in terms of their sexual behaviour patterns. The programme of voluntary counselling and testing has also been launched with great success.

The Local Aids Council is established in Kouga and has since organised success events with the district office regarding HIV and Aids. World Aids Day celebrations were held in all venues in Kouga. The HIV and AIDS workplace policy and workplace plan has been developed within Kouga Municipality. It is imperative to mainstream HIV and AIDS in the workplace to ensure sufficient care for workers and citizens. HIV and AIDS are not only a Health matter, but a cross-cutting issue for all Directorates within the Kouga Council/Municipality. Awareness Campaigns will be held among the workforce and information as well as certain procedures will be given to them. Voluntary Counselling and testing will be launched as a programme within the workforce. All the cleaning of plots has been sub-contracted over to emerging contractors with a management plan. This time this project will be successful.

### **Challenges**

Although Health Services did well over the last year, it is still faced with many challenges such as Firstly building new clinics, upgraded existing clinics, additional staff, maintenance /replacing equipment & vehicles and educational programmes. Secondly, the filling of critical vacancies, for example the position of Manager: Health Services is vacant now for almost two years and position of Chief Nurse has been vacant since 2002 which made this service to deteriorate. The incumbent in this position is acting, which is not conducive for service delivery. The subsidies from Provincial health Department are threatened to be cancelled. There are no proper expenditure reports can be submitted to the CDM and the Province because of the current situation (staff shortages), which hinders implementation of health programmes.

### **2.5.7 Conservation Services**

#### **Purpose Portfolio**

The environmental section is to promote the conservation, protection and sustainable utilization of Kouga's natural resources to ensure a healthy environment for present and future generations. The environmental conservation department is currently composed of only one cleaner (Loerie Nature Reserve) and one Environmental Officer.

One Auxiliary River patrol Officer (Kromme River) performs a crucial environmental conservation role but falls under the Community Services Department. The posts of Auxiliary River Patrol Officer (Gamtoos River) and General Worker/Ranger (Loerie Nature Reserve) have remained vacant throughout the 2005/2006 financial year. Placement of the environmental conservation function under the HR and SED directorate is unsuitable as most functions are more closely aligned with other departments. The following functions are carried out to achieve these ends:

### **Environmental Education and Awareness**

Management, administration and delivery of an environmental education programme for schools visiting Loerie Nature Reserve. Coordinate adopt a Beach educational outings to Dolphin Beach as one of the Blue Flag Beach requirements. International Coastal Cleanup and Marine Week Activities coordinate educational trips for children from local communities and assist other NGOs with their planned activities. Planning of production for environmental education where communities are involved and also attend EE meetings and workshops.

### **Nature Reserve Management**

On site management of Loerie Nature Reserve assist the management of other Kouga nature reserves. Compilation of reserve management plans (alien clearing, fire management, erosion control, poaching, maintenance etc.). Promote and support the formation of "Friends" groups (NGO and civil society willing to meaningfully participate in conservation of nature reserve areas, under the auspices of the Wildlife and Environmental Society of Africa).

### **Environmental Law Enforcement**

Attend training courses on environmental law enforcement. Receive, investigate, carry out site inspections and provide feedback on reports of environmental mismanagement from officials as well as members of the public. Keep up to date with new and amended legislation and inform relevant officials and members of the public when necessary. Facilitate the formation of partnerships with other state CBO's, NGOs and civic society to promote compliance with environmental legislation.

### **Open Space Planning and Management**

Assist with the establishment and functioning of NGO Open Space Planning groups for example JOSS (Jeffreys Bay) and SCOSS (St. Francis) as well as receive assistance from these groups with regard to open space management challenges. Act in an advisory capacity regarding applications to modify Public Open Space (flattening of dunes, bush clearing etc.) – site inspections, reports, liaising with other state organizations, writing up items for KM committees or council.

### **Environmental Committees**

Participate in regular meetings of the following environmental committees (attend, provide feedback & input, follow up on issues raised, write reports and items, perform secretarial duties, and act as chair if necessary):

#### **(a) Kouga Municipality Committees and Sub-committees**

- Kouga Environmental Committee
- Kromme Joint River Committee
- Gamtoos Joint River Committee
- Seekoei Kabeljous Joint River Committee
- KCC Environmental Committee

#### **(b) DEAET Runs Committees**

- Regional Coastal Working Group
- Provincial Coastal Committee
- Provincial Off-Road Vehicle Task Team
- Provincial Estuary Task Team

#### **(c) NGO Run Committees**

- St. Francis Conservancy Steering Committee
- Friends of Noorsekloof Committee
- Baviaanskloof Steering Committee

### **Compilation of Municipal Policy Documents**

Those currently being compiled deal with Dune management, hunting on Commonages and processing and assessing applications for modification of Public Open Space.

### **Recreation and Ecotourism**

- Assist with Blue Flag Beach Projects.
- Promote & assist with ecotourism ventures involving Kouga.
- Assist with the development/upgrading of Kouga Nature Reserves as tourist and recreational destinations.
- Develop and maintain good relations and partnerships with other ecotourism bodies and promote the formation of partnerships.

Financial and Administrative duties of Environmental Conservation Department (budget compilation, reports, action plans, staff issues, bookings for Loerie Nature Reserve, dealing with telephonic queries and requests etc.)

### **PROJECTS**

- Oyster Bay Launch Site
- C.A.P.E. Estuary Management Programme
- Integrated Environmental Management Plan for Kouga
- Coastal Management Plan for Kouga
- Upgrading and Revival of Loerie Outdoor Education Centre
- KCC environmental display

### **SOME ACHIEVEMENTS**

#### **Environmental Education and Awareness**

1. Loerie Nature Reserve – The education programme continued in full force until the end of 2005 despite the steadily declining state of the centre and grounds and increasing complaints from teachers and other visitors.



2. Two very successful river cleanup trips took place – children from Loerie had a day of fun at Kingsway Caravan Park on 9 July 2005 with food, treats and boat rides provided by Kingsway residents and Marine and Coastal Management (DEAT) representatives presented a talk and gave out booklets and posters.
3. Children from Thornhill Primary took part in a cleanup of the Gamtoos River on 17 September 2005 with the Gamtoos Angling Club being the main hosts of the event – again, plenty of food, gifts and boating.

### **Estuary Management**

The Provincial Coastal Committee and Estuary Task team meetings, was held where Gamtoos River Eastern Cape Estuary was established to form part of the pilot phase of the C.A.P.E. Estuary Management Programme. In excess of R100 000 will be spent on producing and testing out a management protocol/plan for the Gamtoos River.

This is a wonderful opportunity for Kouga to be at the forefront of estuary management and the programme should get under way early in the 2006/2007 financial year. The success of this venture will depend largely on the support by the Kouga Municipality.

### **Law Enforcement**

The environmental Officer attended a Wildlife Trade Law Compliance Course in July 2005 scheduled for five days sponsored by DEAT) and a peace officer's course in June 2006, sponsored by CDM). Final qualification and appointment as a peace officer will assist greatly in towards greater levels of compliance with environmental legislation. Better working relations between environmental conservation and protection services law enforcement officers have been established.

### **NGO Support**

A solid and highly active and capable NGO support base has been maintained despite increasing frustrations. Much of the positive environmental conservation work in Kouga would not be possible without their dedication, expertise and hard work.

## CHALLENGES

1. Inadequate staff and budget to fulfil environmental conservation functions.
2. Inadequate integration of environmental issues into other spheres of municipal functioning.
3. Kouga relies on a healthy environment, especially being a coastal holiday destination, but our crucial natural resources are not being utilised in a sustainable manner.
4. The escalating ribbon development and taking place is not being adequately controlled and is destroying Kouga's tourism potential.
5. Kouga is part of the Cape Floristic Kingdom, a World Heritage site, and we must live up to this status by increasing efforts at conserving the valuable biodiversity of the region.
6. Loerie Nature Reserve the education centre and facilities have deteriorated to the extent that it is not safe for children to make use of it.
7. School bookings have been cancelled until the situation has been rectified.
8. Many day visitors will not visit the reserve because most of the trails are completely overgrown.
9. This needs urgent attention – the education centre has always been extremely popular and one of few affordable options for school (and other) outings.
10. The large supports by schools that have used Loerie Reserve in the past are eagerly awaiting news as to when the centre will be functional again.
11. Estuary Management - stakeholders are increasingly concerned about the inadequate law enforcement, escalating cost of boat licenses, inadequate investment into protection of the estuarine resources and the safety of river users.
12. The sale of river permits generates considerable income but this will decline as the quality of the resource declines through over harvesting, poaching, over-development along rivers, pollution etc.
13. Kouga Environmental Committee – poor attendance of this forum by officials and Councillors is a great concern.

14. The committee was established as a forum to bring various environmental issues to the attention of Kouga Municipality and to act as an advisory body to officials as well as council.
15. As a municipality, we need to pay more attention to environmental issues.
16. Boat Launch Sites – management plans for KM boat launch sites need to be finalized and implemented urgently.
17. There is presently minimal control over these facilities and KM runs the risk of losing the licenses for these sites if better control and compliance measures are not put in place. This will, of course, require financial investment.

### **2.5.8 Arts and Culture**

#### **Visual Arts**

The seven member Visual Arts Committee was established to deal with all arts and cultural related events.

There following projects are currently underway:

- Kruisfontein: Material Painting, Oil Paintings;
- Teacher/Trainer: Tines Galant;
- KwaNomzamo: Kouga Cultural Centre Basket Weaving;
- Teachers/Trainers: Regina and Lena Naap;
- Loerie: Leather Factory;
- Teacher/Trainer: Chief Michael Williams;
- Weston, Hankey: Pottery
- Teacher/Trainer: Elizabeth Opperman

These projects are annual events of the department and trained people are expected to replicate and share the knowledge with communities, so that momentum is maintained.

## **Performing Arts**

The Performing Arts Committee started off quite well, but eventually the Committee collapsed due to various reasons. This is the only Committee representing the whole Kouga region. The committee has experienced some internal problems in so far as attendance of meeting was concerned. Two projects are currently in underway:

### **1. Kouga Cultural Centre:**

- Kouga Heritage Ensemble
- Traditional Instruments
- Teacher/Trainer: Daniel Hutchinson

### **2. Kruisfontein**

- Gospel Music, Instruments
- Teach/Trainer: Tinus Galant

These projects are a great success. It is envisaged to establish a fully functional Committee within the next month of 2007. Such a Committee will represent the whole of the Kouga region. New projects are foreseen for all areas within Kouga. However, funds will be required to ensure the success of these projects for both visual- and performing arts. The grant received in early 2004 but only paid over to the municipality in September 2005 are depleted. New grants are awaited, as an application for funding was submitted. This municipality received huge accolades when requesting the DSRAC to host the Jazz Train Festival. The Municipality will be hosting the Cacadu Gospel Festival on 23 March, 2007.

## **2.5.9 Environmental Health**

### **Purpose Portfolio**

Critical areas are neglected due to staff shortages however staff is doing well in the prevention of food-borne diseases. Although there is consistent pressure on water pollution exists, and it was resolved in Oyster Bay whilst also maintaining the water quality.

### **Achievements**

Vegetable gardens have been established in most areas in Kouga. Residents are encouraged to continue to improve their quality of life. The people practicing Traditional Circumcision have peace of mind over the last two years for the ways this function was managed by this division. Regular training is done and the registration of Ingcibi's and Amakhankhatha's are done. Hawkers' registration and the management thereof are well performed in the Jeffreys Bay area. A new hawker's area is in development in Humansdorp.

### **Challenges**

Shortage of staff remains the greatest challenge which inhibits the awareness and education programmes for communities.

## **4. INFRASTRUCTURAL\*(TECHNICAL)\*SERVICE DIRECTORATE**

### **PURPOSE PORTFOLIO**

The purpose of the Director: Technical Services of the Municipal structure design reporting directly to the Municipal Manager will be pursued in accordance with the relevant acts, policies and procedures as outlined in the job description. The structure design that is derived from the purpose structure for the Municipal Manager comprises the output and input goals that also constitute the framework of the business plan for the Municipality. The key performance areas required by the Act are contained in the respective output and input goals. For each goal or KPA and objectives or KPI's must be set to pursue the particular goal. The execution of the business plan for the Municipality must meet the criteria of accountability, effectiveness, efficiency and economy. The KPI's are recorded to ensure that progress can be tracked and performance can be evaluated.

The tremendous growth and development in Kouga Municipality (especially in Jeffrey's Bay area), with huge influx of people / residents in the informal areas had put a huge burden on the provision of services and the upgrading of bulk infrastructure. The purpose of this directorate is to provide technical support services to all communities and Council of Kouga Local Municipality. It consists of various Services (sub-directorates) such as water services, sewerage services, roads services and electricity services.

These services constitute the framework of the business plan, with KPAs, which then set KPIs to pursue a particular goal. The execution of the business plans must meet the criteria for Director's (staff) accountability in an efficient and effective manner.

The establishment of a Master Plan for Sewerage, water and Electricity within the scope of the Spatial Development Framework will provide and / or service an additional 15 000 new erven (Erf) to be developed within the respective units. In order to finance and address the implementation of the bulk services Master Plan, a Capital Augmentation Levy has been introduced to collect revenue from developers.

#### **4.1 Backlogs on Services Remaining for Financial Year 2005/06**

	<b>Water</b>	<b>Sewerage</b>	<b>Electricity</b>
St Francis Bay	396	396	840
Humansdorp	2653	2653	3197
Jeffrey's Bay	650	650	650
Hankey	306	0	652
Patensie	0	391	50
Loerie	391	0	210
Thornhill	0	0	0

## **Achievements**

The implementation and the completion of the Infrastructural projects were critical in order to accommodate and address water shortages in the Kouga areas and to allow informal household to be connected to water borne sewerage on an individual site. A total of 500 (five hundred) and 350 (three hundred and fifty) households benefited from the water projects and Sewerage main & Pump Station respectively. An additional 450 (four hundred and fifty) households will also benefit from the sewer rising main when their sites are connected to the Sewerage System in future. The following projects are some of the achievements on specific areas within the infrastructure / Technical Services directorate:

The provision of bulk water at KwaNomzamo township at a cost of R200 000 00.

- Installation of Water Tower at Wave Crest at a cost of R1 200 000, 00.
- Successful installation of sewer plant to the cost of R2 980 056, 00.
- Kruisfontein has managed to receive its own Sewer Pump / Rising main at the cost of R957 600, 00.

## **Challenges**

There are currently fourteen vacant critical key positions that need to be filled in order to render a more effective service delivery in the infrastructure directorate. The section is in the process of restructuring before addressing the staff shortages. That will be followed by the establishment of a fully equipped and staffed Programme Management Unit section to deal with speedy registration and implementation of Municipal Infrastructural Grant. The successful implementation of these projects is critical to ensure that national targets for service delivery are met.





## CHAPTER THREE

### 3. FUNCTIONAL SERVICE DELIVERY REPORTING: STRATEGIC SCORECARD

The following indicators were used to measure the area-wide performance of the Kouga Local Municipality

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		
Legal	Make and Comply with the relevant legislation, Council's decisions, policies and procedures	Make 19 by-laws	June 2006	19 approved	Target met
Records Management	Registration of incoming and outgoing correspondence and ensure compliance with the Archives Act.	Require 1 system	June 2006	1	Target met, but limited capacity
Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		

Ward Committees	Assist to the functioning of the ward committees	10	June 2006	8 functioning	Lack of commitment
Community Service	Render Community Services in terms of Protection Services and Cleansing Services to fulfil the needs of the community.	<b>Need 258 General Workers</b>	June 2006	151	Lack of funding
• <b>Housing</b>	Building plans	2570	June 2006	1614 approved plans	<ul style="list-style-type: none"> <li>• Lack of skilled workers</li> <li>• Delays for approval of plans</li> <li>• Shortage of build material</li> </ul>
	Eradicate Informal housing	9040	June 2006	<ul style="list-style-type: none"> <li>• 2207 approved house subsidy</li> <li>• 978 eradicated units</li> </ul>	
	Build low cost housing	10776	June 2006	<ul style="list-style-type: none"> <li>• 2207 approved house subsidy</li> <li>• 978 house constructed</li> </ul>	
	Transfer deeds of existing houses	Safcol Houses-Longmore	March 2006	--	-
	Empower SMME/ BEE sub-contractors	3 new projects for R26 mil	June 2006	Await project agreement	--

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
• Land	Compliance : IDP requirements	1967 hectors	June 2006	554 hectors	
Spatial Planning Land Use	Identify land usage and guidelines	0	June 2006	90 finished	Final stage of consultation by Consultant (Urban Dynamics)
	Urban and rural plan	Annually	June 2006		On-going
Building and Zoning plans	Residential Plans (New)	927	June 2006	461 completed for R325 498 000,00	466 outstanding due to lack of funding and staff shortage
	Land for Housing Dev	431	June 2006	<ul style="list-style-type: none"> <li>• 88 ha approved house subsidy</li> <li>• 39 ha await approval</li> </ul>	Land Audit is 90% complete
	Land for Agriculture	7 farms (100ha per farm)	June 2006	1 farm of 500 hectors	
	Land for Churches, Education, Health, etc	86 hectors	June 2006	<ul style="list-style-type: none"> <li>• 15</li> </ul>	
	Residential additions Plans	566	June 2006	291 completed for R151 660 000,00	275 outstanding due to lack of funding and staff shortage
	Commercial Plans	255	June 2006	169 completed for R241 050 000,00	86 outstanding due to lack of funding and staff shortage

	Industrial Plans	37	June 2006	27 completed for R161 114 000,00	10 outstanding due to lack of funding and staff shortage
Title Deeds	Hand-over title deeds to all	Safcol Houses-Longmore	March 2006	--	--

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		
3. Infrastructure Water Service Sewerage Electricity	1. Provide bulk water	R200 000	May 2006	500 Completed in Sept 2005	500 household benefited
	Provide water tower in J-Bay	R1200 000	May 2006	Completed Nov 2005	Water pressure improved
	2. Sewerage System/ Bucket eradication (Kruisftn, Hankey & H/Dorp-Augment)	R1960 800, R2470 690 and*R2980 056	May; June and July 2006	430;*120 beneficiaries and al citizens on Augmentation	All projects finished before time (i.e. April; Feb 2006)
	Dev Solid Waste By-Law	1	June 2006	0	Publish for public comments
	Dev. Registered waste Sites	2	June 2006	1	H'Dorp Regional Waste site not permitted await ROD from DEAT
	Dev Waste transfer Stations	2	June 2006	0	Lack of funds; No permits of transfer site
	Provide New cemeteries	2	June 2006	0	Lack of funding; Spatial Dev. Framework not in place

<b>Key Performance Area</b>	<b>Key Performance Indicators</b>	<b>Baseline</b>	<b>Target date</b>	<b>Actual</b>	<b>Variations*and comments</b>
	3. Provide electricity to households	460 connections for R2 million	July 2006	March 2006	460*beneficiaries*from KwaNomzamo, St Francis and Youth Camp
Reticulation	Maintain water and electricity reticulation to communities	593 km	June 2006	395 completed	Lack of skilled labour force
Inspection on fleet section	Manage Fleet for Kouga	Introduce time-distance-activity-cost	June 2006	80 p/a	Working well but few irregular kilometre recordings
Quality Supply of pre-paid electricity	Constant supply electricity and compliance with applicable Acts and Regulations	360 houses	June 2006	360 households	100 % completed as per set target
Metering all electricity consumption points	Install meter readings at all points	Reduce backlog by 1000 per annum	June 2006	1441	Achieved & exceeded the target

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
Water provision	<ul style="list-style-type: none"> <li>• Supply bulk water</li> <li>• Maintain borehole levels</li> <li>• Maintain Water loss,</li> </ul>	<ul style="list-style-type: none"> <li>• Provide 49 bulk water-meter</li> <li>• 21 boreholes</li> <li>• Reduce water loss from 34 to 16% p/a</li> </ul>	June 2006	49	On target, 500 beneficiaries
			June 2006	21	Target met
			June 2006	16%	Target met
Sewerage	Eradicate Bucket system	Reduce bucket system by 1000 p/a	June 2006	1441	Achieved and exceeded target

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		
<b>4. Social, Economic and HR</b>					
<b>4.,1 Social (Education, Health and Libraries)</b>	<ul style="list-style-type: none"> <li>• Outreach and empowerment programmes</li> </ul>	Nine	March 2006	Eight	None
<b>4.1.2 Education</b>	<ul style="list-style-type: none"> <li>• Homework, story telling and reading</li> </ul>	Nine	June 2006	Nine	None
<b>4.1.3 Libraries</b>	<ul style="list-style-type: none"> <li>• Draft Library Management Plan</li> </ul>	One	July 2005	Zero	Plan incomplete as a result of library management problems
	<ul style="list-style-type: none"> <li>• Effective and efficient functioning of library</li> </ul>	Nine	June 2006	Nine	Kouga won best librarian award in the Eastern Cape March 2006.
	<ul style="list-style-type: none"> <li>• Library maintenance</li> </ul>	Nine	June 2006	Nine	Some libraries have roof leakages, no toilets and office space.



<b>Key Performance Area</b>	<b>Key Performance Indicators</b>	<b>Baseline</b>	<b>Target date</b>	<b>Actual</b>	<b>Variations*and comments</b>
	<ul style="list-style-type: none"> <li>Establish partnerships with like minded bodies</li> </ul>	Nine	June 2006	Nine	None
	<ul style="list-style-type: none"> <li>Build new and establish satellite libraries</li> </ul>	2 libraries & 1 satellite	September 2005	2 & 1	Thornhill library is not operational
<b>Parks</b>	Upgrade Parks	17	June 2006	0	Lack of funding
<b>Sport &amp; facilities</b>	Upgrade Sport facility	17	June 2006	1	Lack of funding, Vandalism
	Upgrade H/Dorp Sport facility for 2010 FIFA Soccer	1	June 2006	1	Completed but funds needed for maintenance purposes
<b>4.2. Economic Development (Skills training and staff matters)</b>	Allocation of Staff to LED Increase staff	3	June 2006	1	Waiting for the restructuring
	Secretariat/ Agric & Business	1	June 2006	0	Course to be completed late 2006

<b>Key Performance Area</b>	<b>Key Performance Indicators</b>	<b>Baseline</b>	<b>Target date 2005/06</b>	<b>Actual</b>	<b>Variations*and comments</b>
	LED Learner-ship with internal staff - 1year course LED Learner-ship of general worker in LED with SETA DTI Skills training in assisting SMME's: 3 day course	2	June 2006	2	None
	Determine needs Co-ordinate activities of LED Identify Programs/Projects	1	June 2006	1	None

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	Government Departments NGO's and Communities To Council, Sector Departments and Communities	--	--	--	--
<b>LED Plan</b>	Socio Economic Analysis	Need 1	June 2006	0	Budget required R264 000 00 obtained from DPSA and Kouga's contribution R176 000
<b>Prepare business plan and source funding SMME Development &amp; Empowerment</b>	Funding application	--	--	--	--
	<b><u>2. Successful</u></b> Kouga Cultural Festival Kouga Cultural Centre	2	June 2006	1	R30 000 received from Dept of Arts and Culture
	Arts Training Programs Community Training Programs	Require 6	June 2006	4	R200 000 00 from Dept of Arts of Culture

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	Infrastructure improvement	0	Dec. 06	In progress	Wall incomplete
	Juice Factory	1	June 2006	Under construction	In progress funding obtained from DPLG (R200 000). Furniture and equipment*and*products purchased. One Staff appointed. Lease agreement signed and production commenced.
	East Cape Flower Train Feasibility Study	0	June 2006	1	DBSA and Langmore Flower Estates contributed R475 555
	<b><u>2. Awaiting confirmation</u></b>				
	DEAET Small Business Centre (Furniture and equipment)	0	June 2006		To be confirmed R100 000 requested from DEAET
	Tea Room Kouga Cultural Centre (Furniture and Equip	0	June 2006		To be confirmed R100 000 requested from DEAET

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	Loerie Flowers Out growers	0	June 2006		To be confirmed R500 000 requested from DEAET
	<b><u>3. Unsuccessful</u></b>				
	Ceremonial Entrance, KCC	Need 1	June 2006	0	Funding not approved
	Home Food Gardens	Need 1	June 2006	0	Funding not approved
	Business Plan, KCC Business Plan, KCC	Need 1	June 2006	0	Funding not approved
	Business Skills Development	1	June 2006	0	Funding not approved
	<b><u>SMME Data Information</u></b>	<b>2000 p/a</b>	<b>June 2006</b>	<b>Achieve 600</b>	<b>Reluctance to complete questionnaires</b>
	Data Collection by unemployed matrics to every				
	Township				
	* Business Forum to collate	Need one	June 2006	1	Business Forum established

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	data in user-friendly register				Free of Charge
		0	Quarterly, and or annual reviewed	Quarterly, and or annual reviewed	Quarterly, and or annual reviewed
	<b>SMME Assistance</b>				
	• Co-operations	--	--	--	--
	• Facilitation; business plans	--	--	--	--
	• Facilitation; Funding	--	--	--	--
	<b>Juice Factory</b>	Need one	June 2006	Establish one	Target met
	• Furniture and Equipment	--	June 2006	Yes	Funded by DPLG
	• Products purchased	--	June 2006	Yes	Kouga spent R6455,05
	• Staff appointed	Need one	June 2006	No	---
		Prepare one	June 2006	One in place	Target met
	• Lease agreement signed.				
	• Commence production	--	June 2006	Yes	Target date met
<b>Intergovernmental and Community Relations</b>	<b>Cacadu District Municipality</b>				
	• General LED Development				
	• Regional Tourism Plan	Require 1	June 2006	1	In progress
	• Regional Tourism Entity				In progress

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	• Regional Agricultural and environmental Plans				In progress
	<b>East Cape Tourism Board</b>	Need 3	June 2006	3	Target met
	Regional Meetings				
	DPLG and discussions progress	Need 2	June 2006	2	
	<b>Dept Land Affairs and Agric.</b>				
	Attend Meetings	Require 4 meetings	June 2006	Only 2 took place	Time constraints
	<b>Baviaans Mega Reserve</b>				Various donors
	• DEAET, Dept Parks Board,	--	--	--	--
	• Various Municipalities and NGO's	--	--	--	--
	• To drive the implementation & development of the Baviaans	--	--	--	--
	• Mega Reserve	--	--	--	--
	Route Development Launch	Need 1	June 2006	1	Target met
	• Poverty Relief Projects	Create jobs	June 2006	270	Poverty Relief Funding for Job Creation
	• Upgrade campsites	1	June 2006	1	Lottery Fund
	• Implement Proud Partner Project	1	June 2006	1	Target met

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	• Vegetation Mapping	1	June 2006	1	Target met
	• Terms of reference for Tourism market plan	1	June 2006	1	Target met
<b>Tourism Development</b>	<b>Grant funding and support</b>	0	4 meetings	4	
	• To tourism organisations to ensure marketing & development of tourism				Annual budget of R212 000 is required
	• Special events include	--	--	--	--
	• <u>Patensie Tourism</u>	--	--	--	--
	• Golf Day	--	--	--	--
	• Media Weekend	--	--	--	--
	<b>Jeffreys Bay Tourism</b>	--	--	--	--
	1) International Billabong Surf contest, ( day trips)	--	--	--	--
	2) International Wave Ski contest.	--	--	--	--
	3) National Cherry Off- road bike race	--	--	--	--
	4) Beach Clean Up	--	--	--	--
	5) Billabong Junior Contest, Finals	--	--	--	--
	6) Swimming - Marine Mile	--	--	--	--
	Billabong Junior Contest Final	--	--	--	--
	Swimming Marine Mile	--	--	--	--
	* <u>Hankey Tourism</u>	--	--	--	--
	1) Clean up campaign	--	--	--	--



Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	2) African Renaissance Calabash Festival	--	--	--	--
	<b>Key Performance Indicators</b>	--	--	--	--
	3) Motivation evening to establish B&B's	--	--	--	--
	4) African Dance group development and Performances.	--	--	--	--
	<b>St Francis Tourism</b>	--	--	--	--
	1) Attended Tourism Indaba	--	--	--	--
	2) Hospitality workshops in Sea Vista	--	--	--	--
	3) Art competitions in Sea Vista	--	--	--	--
	4) Clean up campaign	--	--	--	--
	5) Kitchen Tea for Disney Land Crèche	--	--	--	--
	6) Golf Day on Women's Day	--	--	--	--
	<b>Tourism Forum Meetings</b>	--	--	--	--
	Regional Tourism Meetings with Cacadu Tourism.	Require 4	June 2006	4	Target met
<b>Agriculture commonages</b>	Ensure optimal utilisation of open spaces	0	June 2006	0	Lack of resource; Awaiting commonage

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		
				0	Awaiting commonage register Lack of resources
<b>4.3 Human Resources</b>	Develop personal file	730	June 2006	730	Target met
	Develop an organogram				Consultant appointed
	Link organogram to payroll	801	June 2006	None	Awaiting finalisation of organogram
	Conduct payroll verification	730	June 2006	none	Operational budget insufficient
	Develop performance contracts for 57 employees	7	June 2006	7	Performance contracts signed
	Develop HR policies				In progress
	Distribute Conditions of Service to all employees	730	June 2006	0	
	Finalize Job Evaluation Task	632	June 2006	0	Process nearing finalisation
	Develop internal policy register	1	June 2006	0	Near completion

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
	Develop delegation of authority Register	1	June 2006	0	Draft prepared
<b>Labour relations</b>	Develop standard operational and procedures for appointment	1	June 2006	0	Draft policy prepared for submission, SOP dependent on content of policy
	Promote sound labour relations		June 2006		Regular meetings of the <b>meetings of the Local Labour Forum</b>
	Develop Disciplinary procedures	1	June 2006	0	Draft prepared
<b>Training</b>	Conduct training for presiding and prosecuting officers	1	June 2006		Training manual prepared awaiting schedule for training
	Develop schedule for offences and penalties	1	June 2006	0	Draft prepared
	Conduct needs analyses (skills audit)	1	June 2006	0	In progress
	Co-ordinate training programme	1	June 2006	0	In progress

Key Performance Area	Key Performance Indicators	Baseline	Target date 2005/06	Actual	Variations*and comments
4. Health	Provide sufficient & accessible health facilities ( clinics, staff, equipment, etc)	--	--	--	Shortage of staff and funds
	Eliminate spread of pandemic diseases/ conduct awareness campaign/ voluntary testing & counselling	--	--	Annual World AIDS day	-

Key Performance Area	Key Performance Indicators	Baseline	Target date	Actual	Variations*and comments
			2005/06		
<b>5. Community Services</b> <ul style="list-style-type: none"> <li>• Protection</li> <li>• Cleansing</li> <li>• Parks</li> </ul>	Eliminate crime& forge links with business, SAPS and CPFs, promote law enforcement	--	--	80 vehicles p/m roadworthiness	SAPS delay figures of alcohol & drug abuse
<ul style="list-style-type: none"> <li>• Protection</li> </ul>	Purchase new fire fighting vehicles	Require 8	June 2006	1	Budget constraints, Supplier delays
	Establish satellite Fire Stations	Need 4	June 2006	1	Not an IDP priority; Budget constraints
	Maintain Disaster Management centre	Purchase equipment	June 2006	1 computer bought	Not budgeted properly

<b>Key Performance Area</b>	<b>Key Performance Indicators</b>	<b>Baseline</b>	<b>Target date</b>	<b>Actual</b>	<b>Variations*and comments</b>
	Driving License centre	Need 1 in Hankey	June 2006	Necessary equipment purchased	Await Provincial Transport Dept for inspection and approval
	Improve License testing centre	Need 3 Live Scan Units (LSUs)	June 2006	1 received	Delayed by Dept of Transport
	Maintain road signs & markings	Paint all markings and replace signage	June 2006	Achieve 60% of targeted area	Staff shortage & Adverse weather conditions

## FINANCE SECTION

The goal of the Directorate Finance is to ensure effective and efficient financial management and to reach the following objectives:

- To manage municipal revenue
- To manage the municipal budget
- To maintain internal financial control
- To produce financial reports
- To perform the treasury functions.

### Services offered to consumers

No.	SERVICE	AREA PROVIDED	AREA EXCLUDED	REMARKS
1.	Enquiries & Information regarding municipal accounts	Jeffreys Bay, Humansdorp, St Francis Bay, Hankey, Patensie, Loerie, Oyster Bay, Cape St Francis	Thornhill	Thornhill services provided at Loerie
2.	Rendering of rates accounts	Total Kouga area. All properties in towns	Rural land and properties	
3.	Rendering of service accounts	All Kouga towns	Farms and rural areas	Thornhill services provided by Nelson Mandela Metropolitan Municipality.
	Water  Electricity	Jeffreys Bay, Humansdorp, St Francis Bay, Oyster Bay, Cape St Francis	Hankey, Patensie, Loerie, Thornhill	Hankey, Patensie, Loerie services provided by ESKOM
4.	Provision of pay points for payment of annual and monthly accounts	Jeffreys Bay, Humansdorp, St Francis Bay, Hankey, Patensie, Loerie	Thornhill	Thornhill serviced by Loerie
5.	Extended access to pre-paid electricity and payment of accounts by involving third parties	Jeffreys Bay, Humansdorp, St Francis Bay, Oyster Bay	Hankey, Patensie, Loerie, Thornhill	Area excluded receives services from ESKOM. Retail outlets provide after hour pay point services.
6.	Allocation and	Hankey, Patensie,		

administration of indigent subsidies at units	Loerie, Jeffreys Bay, Humansdorp, St Francis Bay, Oyster Bay		
---	--	--	--

### **Key Issues for 2005/2006 Budget Year**

- To provide accessible enquiry and pay points for consumers
- To maintain a collection/ payment rate of 94%
- To create awareness about the indigent relief offered by Kouga Municipality through the local government equitable share
- To maintain a positive cash flow
- To implement the and rollout the requirements as per the Municipal Finance Management Act

### **To improve debt collection strategies**

<b>OUTSTANDING DEBTORS : MONTHLY TOTALS: 2005/2006</b>	
<b>PERIOD</b>	<b>AMOUNTS</b>
July 2005	16 071 173
August 2005	41 104 650
September 2005	31 994 170
October 2005	23 854 513
November 2005	22 413 750
December 2005	22 334 000
January 2006	19 717 706
February 2006	18 231 417
March 2006	17 881 906
April 2006	17 514 674
May 2006	17 342 404
June 2006	16 855 536

### **To provide monthly reports to Council**

- 12 x Monthly reports on debt collection and age analysis of arrears were provided to the Council.

### **To complete annual financial statements in August each year**

- The 2005/06 Annual statements were completed in August 2006 as per the requirement of the MFMA
- However, due to delays with the audit of the 2002/03, 2003/04. 2004/05 annual financial statements the 2005/06 audit thereof could not be completed within the prescribed period will only is completed by end of February 2007.



## Analysis of Functions

### Debtor Billings

- Estimated number of service accounts for Kouga per month: ±30000
- Estimated number of rates accounts for Kouga per annum: ±30000
- The Average payment level for the period under review is 94%

### Debtor analysis

<b>Total Consumers Nature of service</b>	<b>Current</b>	<b>30 days</b>	<b>60 days</b>	<b>90 days</b>	<b>120+</b>	
	3 680 440	627 564	301 394	181 758	1 487 853	6 279 010
<b>Refuse</b>	716 119	194 773	125 048	103 342	2 777 281	3 916 563
<b>Sanitation</b>	901 966	247 005	135 680	96 251	2 436 841	3 817 742
<b>Rates</b>	2 956 531	1 918 930	278 380	340 597	6 288 267	11 782 705
<b>TOTAL</b>	<b>8 255 055</b>	<b>2 988 272</b>	<b>840 502</b>	<b>721 949</b>	<b>12 990 241</b>	<b>25 796 020</b>

### Property Rates Valuation Roll

Property rates were levied on the valuation rolls of the former TLC's. The first property valuation roll for Kouga was completed in April 2003 (dated January 2001). The new property valuation roll was utilized to determine rates for the 2003/2004 financial year.

### Indigent Policy

A total number of 5 416 people received the equitable share amounting to R655 290 per month.

<b>UNIT</b>	<b>AMOUNT IN RAND</b>	<b>NO. PEOPLE P/M</b>
Cape St Francis	198.02	2
Hankey	127251.53	1463
Humansdorp	309183.05	2035
Jeffreysbay	124173.26	904
Loerie	15915.59	212
Oyster Bay	0.00	0
Patensie	35375.34	437
St Francis Bay	29853.02	202
Thornhill	13340.73	161
<b>TOTAL</b>	<b>655290.54</b>	<b>5416</b>

The breakdown per service was as follows:

<b>SUMMARY</b>	<b>ALLOCATIONS PER SERVICE</b>
Electricity	20540.52
Water	182665.13
Refuse	275319.89
Sewarage	176765.00
<b>TOTAL</b>	<b>655290.54</b>

### **External Loans**

The total value of loans amounts to R63 million. An amount of R15 million is secured in bonds.

### **Review on growth in the various items of the budget:**

<b>YEAR</b>	<b>INCOME</b>	<b>%</b>	<b>STAFF</b>	<b>%</b>	<b>ADMIN</b>	<b>%</b>	<b>EXPEN-DITURE</b>	<b>%</b>
2002/03	114413630	3.64	45752700	16.5	66148030	13	111900730	5
2003/04	134470120	17.5	54564350	19.2	79738460	20	134302810	20
2004/05	144200109	7.23	62965830	15.3	79514280	-0	142480110	6
2005/06	175131368	21.5	71150550	12.9	97715392	23	168865942	18

\* Influenced by travelling allowances taken from general expenses to salaries and allowances. Furthermore the implementation of General Recognised Accounting Practice has influence income and expenditure figures due to amounts. i.e. grants received and expenditure from grants, previously not included in operating income and expenditure.

### **Capital Budget: Expenditure**

<b>YEAR</b>	<b>BUDGETED EXPENDITURE</b>	<b>BUDGET ACTUAL</b>
2004/2005	28 568 804	8 403 185
2005/2006	52 520 290	33 890 527

The list of projects and programs identified in the IDP were far more than feasible, given the resource constraints under which the Kouga Municipality will function for the foreseeable future.

### **Operational Budget**

<b>YEAR</b>	<b>INCOME</b>	<b>EXPENDITURE</b>	<b>DEFICIT/ SURPLUS</b>	<b>ACTUAL DEFICIT/ SURPLUS</b>
2004/2005	144 200 109	142 480 110	1 719 999	5 316 431
2005/2006	175 131 368	168 865 942	6 265 426	9 749 759

### **Cash Flow Overview**

The cash flow remained a focus area as it seriously impacts on the ability of the Council to extend and maintain current service levels. The financial statements for 2005/2006 reflect a positive cash balance. Strict fiscal discipline will be applied and maintained to improve the cash balance.

### **Free Basic Services**

**Free Basic Water:** 6kl were supplied to all households qualifying for indigent status in accordance with Councils policy.

**Free Basic Elec.:** 50kWh were supplied to all households qualifying for indigent status in accordance with Councils policy in the Councils area of supply.

Residents in Hankey, Patensie, Loerie, and Thornhill received free basic electricity from Eskom.

**Free Basic Sewer & Refuse:** Targeted approach was utilized. The subsidy was only supplied to households qualifying in terms of the Indigent Policy of the Council.

### **Grants and Subsidies Received**

	<b>1<sup>st</sup> Jul 2005 – Sept 2005</b>	<b>2<sup>nd</sup> Oct 2005 – Dec 2005</b>	<b>3<sup>rd</sup> Jan 2006 – Mar 2006</b>	<b>4<sup>th</sup> Apr 2006 – Jun 2006</b>	<b>TOTAL 2005/2006</b>
Municipal Infrastructure Grant	803 524.79	667 076.60	1 195 008.63	1 230 000.00	3 895 610.02
Equitable Share Allocations	4 321 727.00	4 321 727.00	4 321 727.00		12 965 181.00
Health	431 550.31	431 550.31	431 550.31	431 550.31	1 726 201.24
Municipal Support Infrastructure Grant	75 000.00	75 000.00			150 000.00
Housing	5 233 168.35	7 483 451.95	4 241 197.59	6 223 552.64	23 181 370.53
<b>TOTAL</b>	10 864 970.14	12 978 805.55	10 189 483.22	7 885 072.64	41 918 362.79

### **Financial Service Analysis**

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<b>No.</b>	<b>SERVICE</b>	<b>AREA PROVIDED</b>	<b>AREA EXCLUDED</b>	<b>REMARKS</b>
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<b>3.</b>	Rendering of service accounts  Water  Electricity	All Kouga towns	Farms and rural areas	Thornhill services provided by Nelson Mandela Metropolitan Municipality. Hankey, Patensie, Lorie services provided by ESKOM
		Jeffreys Bay, Humansdorp, St Francis Bay, Oyster Bay, Cape St Francis	Hankey, Patensie, Lorie, Thornhill	

No.	SERVICE	AREA PROVIDED	AREA EXCLUDED	REMARKS
4.	Provision of pay points for payment of annual and monthly accounts	Jeffreys Bay, Humansdorp, St Francis Bay, Hankey, Patensie, Loerie	Thornhill	Thornhill serviced by Loerie
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6.	Allocation and administration of indigent subsidies at units	Hankey, Patensie, Loerie, Jeffreys Bay, Humansdorp, St Francis Bay, Oyster Bay		

## 5. CONCLUSION

This annual report has retrospectively looked at the achievements and challenges faced by Kouga Local Municipality in the areas of service delivery, provision of free basic services, infrastructure development, local economic development, foreign investment attraction and partnerships with labour, provincial and national departments, private sector, communities and civil society. The period covered in this report is 2005/06 financial year, which reflects major strikes taken by the Municipality in addressing housing backlogs, access to free basic services, creation of job opportunities through cooperatives and SMME's. The Municipality has taken bold steps in terms of formulating strategies that are aimed at achieving national targets of bucket eradication, provision of free basic services, building of sustainable human settlements, electrification of newly and existing houses without electricity, sewerage, water and other services.

The Municipality understands its shortcomings and limitations in terms of resources available to deal with these complex challenges of meeting national targets. It has however initiated partnership with other social partners in order to collectively mobilise resources. The Municipality should always be vigilant and proactive not become complacent with what it has achieved in the previous financial years. The Municipality is optimistic that it is going to achieve its IDP and national targets in terms of services delivery, local economic development, infrastructure investment and partnerships.



# KOUGA MUNICIPALITY ORGANOGRAM Top structure

