



GREAT KEI LOCAL MUNICIPALITY

ANNUAL REPORT FOR THE

YEAR ENDED

30 JUNE 2010

PREPARED BY

: D. M MBIZENI

COUNCIL MEETING TO BE HELD ON

: 31 January 2011

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DRAFT ANNUAL REPORT 2009/2010 OF THE GREAT KEI LOCAL MUNICIPALITY

PART 1: INTRODUCTION AND OVERVIEW

1. FOREWORD BY THE MAYOR

It is again a pleasure and a privilege for me as a Speaker/Mayor to present this Annual Report of Great Kei Municipality for 2009/2010 Financial year to the Council, the broader community as well as our stakeholders and partners.

The format and content of the Annual Report is largely prescribed by Local government legislation, including a generic core of demographic and geographic information that is relatively consistent from year to year. However, intention remains to provide easily readable and summarized statements of Great Kei's progress towards the targets set in its over-arching Integrated Development Plan (IDP).

This is therefore intended to attest to the collective efforts of the Municipal executive and the administration to progressively address the expectation of our people. The achievement of service delivery targets is obviously required to be reviewed with the Municipality's financial performance and our compliance with a plethora of Municipal legislation.

We have endeavoured in our operations to address the expectations of communities expressed in the Integrated Development Plan (IDP) wherein our communities in various consultative force indicated a very strong emphasis on infrastructure – roads, housing, water, sanitation and electricity. Despite our financial position which is well known we have tried our level best to positively respond to these expectations.

We believe that this Annual Report highlights a large number of the positives that exist in Great Kei that viewed collectively, should give our people a sense of hope, belonging and optimum that we are serious about achieving our vision, sooner rather than later. I trust that every reader who studies this information from a balanced and fair perspective will concur with this impression.

I look forward together with the whole Council and Municipal administration, to continuing to work for the building of a really transformed Great Kei in which our vision will be practical reality. We are positive that the Great Kei future holds the promise of a better life for all who may wish to live and work.

Yours truly

.....
COUNCILLOR N.W. TEKILE
SPEAKER/MAYOR OF GREAT KEI MUNICIPALITY

2. MUNICIPAL MANAGER'S MESSAGE

The yearly program priorities' statement by the Municipal Manager

Great Kei Local Municipality is responsible for the provision of various services to its population including:

- Roads infrastructure construction and maintenance (local access roads)
- Electricity infrastructure and services supply
- Solid waste management services
- Liaison with the District Municipality and Provincial housing Department in the provision of housing
- Provision of some free basic services particularly energy; with Water being supplied by the District Municipality who is the WSA, and WSP.
- Facilitate human settlement
- Facilitate land availability
- Facilitate LED
- Community Services - community halls, sport and recreational facilities, bathhouses and toilets, libraries, arts and culture, resorts, beaches and pools, child care, old age homes, cemeteries and crematoria
- Traffic services & licensing
- Facilitate transport services
- Building & rezoning regulations
- Refuse collection & grass cutting
- Cemeteries
- Facilitate library services
- Institutional transformation & development

During the year 2009 / 2010 the municipal SDBIP covered the following;

1. Develop LED strategy
2. To promote Vukuzenzele projects within the community.
3. Provide business skills to community and enable them to sources funding
4. To build .SMME, Co-operatives, Small Scale Farming
5. To strengthen Local Tourism Organisation, to ensure advertisement of our tourist destination in the Provincial and National Tourism Board
6. To have clear spatial development framework
7. Facilitate the mainstreaming of the previously marginalized groups into the economic development .e.g. disabled, youth and women.
8. Ensure that the Municipality complies with environmental prescripts
9. Conduct an audit of existing potential for a forestation and facilitate participation of the communities
10. Review IDP in line with legislative requirements

11. Ensure that there is continuous performance management reviews
12. Training of Home Based Care Givers
13. To increase access to Primary Health Services
14. Engagement of all relevant stakeholders & role players towards the implementation of the Housing Sector Plan
15. Establish vending, upgrading of the networks and capacitate staff
16. Establish transfer stations
17. Licence landfill site within GKM
18. Consistent visibility and law enforcement by Traffic Officers within our jurisdiction
19. Regular maintenance of access roads
20. Development of cemetery management plan
21. To capacitate councillors and staff
22. To maintain and harness sound labour relations
23. Develop an Employment Equity Plan
24. Development of appropriate policies
25. Familiarisation of new employees with Great Kei Municipality
26. Link the organogram to IDP
27. Valuation of properties
28. To reduce wasteful expenditure
29. To maintain repairs and maintenance expenditure at about 15% of the operating expenditure
30. To ensure that the expenditure is as per budget
31. Increase in debtor collection
32. Implementation of MFMA
33. To reduce risk areas in Municipality
34. Review and adopt All Policies
35. Respond and address issues raised in the Audit Report. .
36. To establish the Internal Audit Unit
37. To establish the Audit Committee
38. Develop Public Participation and transformation policy
39. Compliance with legislation and reporting

Yours Sincerely

.....

Dumisani M. Mbizeni

Acting Municipal Manager

3. OVERVIEW OF THE MUNICIPALITY

3.1 Area Major Characteristics

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometers (km²). The GKM is bounded in the East by the Great Kei River and Mnquma Municipality, in the South East by the coastline between Kwelera and Kei Mouth, in the West by the Buffalo City Municipality and the Amahlathi Municipality, which is situated to the North. The Municipality is divided into six wards, which are the amalgamation of previously different communities and municipal entities, including Komga, Kei Mouth, Cintsa East, Haga Haga, Mooiplaas and Kwelera. The municipal area is divided into six wards which were previously different municipal entities; Komga, Kei Mouth, Cintsa and Haga Haga together with the Komga TRC and portion of the East London TRC. Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road connection between Komga and Stutterheim.

3.2 Health

Health facilities within the area consist of one community health centre (Komga) and 7 clinics (Komga, Eliqolweni, Mooiplaas (2), Icwili and a Farm clinic). The availability of health facilities is an important determinant of the health status of the sub-region. This refers not only to their existence, but also ease of access to and quality of health facilities. As most health facilities fall within the urban areas, most of the rural population has limited access to these facilities. Some 58% of people live more than 5 km from medical facilities and only 1,5% have access to a medical benefit fund (DBSA, 1997).

Table 1: Hospital Beds

Hospital beds	Number of persons per hospital bed.	
	Total population should be divided by number of beds.	
	Great Kei Municipality	Number of beds
1	Com. Health Centre	16
3	Other (Clinics)	4
4	Total	20
5	Number of person/ bed	2234

Source Dept of Housing & Local Government, 1997

According to the Department of Housing and Local Government (1997) the total capacity of hospitals and clinics in the district is 20 beds (refer to Table 1). This amounts to ½ bed / 1 000 people in the district or 2 234 persons/bed. This figure is much lower than that of the central sub region (2,3 beds per 1 000 people) and 5,1 beds / 1 000 for South Africa.

There is a strong trend towards decentralisation in South Africa and tremendous demands are being placed upon the local government sphere. Local government currently does not have the capacity to accept and carry out additional functions.

It is in this context that the District Health System is being established. The process of developing such a system will have to take account of current reality and the various processes that will impact on health service delivery. It will be important for people involved in the health sector to:-

- participate in the Integrated Development Planning process;
- explore new mechanisms for delivering services;
- engage with the allocation of health service functions to Municipalities;
- continue to improve the rendering of high quality health care in an integrated manner.

3.3 Education

There are 34 primary schools within the Great Kei municipal area - located at Komga, Mooiplaas (9), Kwelera, Ocean View, Icwili and upon Farms (20). There are 8 combined schools - located at Springvale, Mandela, Elephindweni, Kwamhomba, Mooiplaas (2) and Farms (2). Three (3) secondary schools exist at Mooiplaas, Icwili and Eluqolweni.

Table 2: Number of Primary and Secondary Schools

Great Kei Municipality	primary/combined schools	secondary schools
number of schools	34	8
number of Schools/1000 children	2.62	0.19

Source: Dept of Housing & Local Government (2001)

Table 10 above illustrates the total number of schools and average number of schools per 1 000 children (between the ages of 5 and 19). In the area there is a notable deficiency in secondary schools available (only three), resulting in this municipality being forced to send their pupils to secondary schools outside the municipal area. There is a trend that the educational facilities within the urban areas are of better quality and regular maintenance is being undertaken. Most of the population is leaving the municipality to receive further secondary and tertiary education, they do not return to the municipality after completing their education.

Table 3: Adult Literacy Rate

Adult Literacy rate	Defined as the percentage of people' (male and female) age 15 years and over who can, with understanding, both read and write a short simple statement on their everyday life.	
		Adult Literacy
1	Total Great Kei (female and male)	74,4%
2	National (female and male)	81.8%

Source MDB, 2001

The Great Kei Municipal area appears to have a high illiteracy rate (25,6%) when compared to the rest of the country (refer to Table 3). This fact may be ascribed to a general low provision in higher education facilities within the municipality, a low demand for literacy within the local economic sector and the loss of a portion of the literate population to other work centers outside the municipality.

3.4 Safety and Security

There are 5 police stations and 1 magistrate's court within the Great Kei Municipal area. The community has expressed concerns that the police force is under capacitated, has limited resources, equipment and vehicles. It is also a problem that the municipality is geographically dispersed and the police have long distances to patrol (for example Gonubie Police services the Chintsa area).

Predominant crimes include stock theft, house break-ins, rape, assault and theft. The main areas where crime is experienced are the rural settlements, Komga, coastal resorts and farm homesteads. Community Police Forums have been resuscitated.

3.5 HIV/AIDS

HIV/AIDS has led to the explosion of AIDS-related diseases. It is with regard to the loss of productivity that HIV/AIDS has a negative impact on the economy (DBSA, 2001).

On average it takes approximately six years before HIV-infected people show any sign of the disease. In the first phase the disease has very little or no effect on productivity. Productivity can vary between 85% and 100% of capability. In the second phase infected people suffer HIV/AIDS related diseases. Productivity drops to between 59% and 80% of the normal level. Productivity in the third phase varies from between 0% and 10%. Industry will have to employ up to 20% more workers over the next five years to maintain normal production levels, in order to replace expected losses in workforce.

The result will be an increase in the wage account - more people and continuous training to attain the same level of productivity (Provincial Population Projections, DBSA, September 2001)

Possible indicators identified within the Great Kei area that require further investigation are:-

- Low number of children under the age of 5 years;
- Low number of people within the 20-29 age group.

Whilst still awaiting specific figures for Great Kei from Amathole District Municipality, the following general information is useful to reflect on. In South Africa, the HIV/AIDS epidemic is among the most severe in the world. The epidemic constitutes a grave threat to the development and social transformation of the country. It will be a major obstacle to reducing poverty and has the potential to reverse many gains made during the past decade.

- 1 in 9 South Africans are HIV positive
- 2.5 million South African women between 15 and 49 were HIV positive at the end of 2000 (information from ante-natal clinics)
- 2.2 million men infected (15 to 49 years)
- The most vulnerable group are women between the ages of 20 and 29

- 20 percent of pregnant women in the Eastern Cape are infected

The prediction is that 6 million South Africans will die from Aids related diseases by 2010.

The epidemic will:

Reduce the projected number of people

Reduce life expectancy

Increase infant mortality

Greatly increase the need for health care

Greatly increase the need for poverty assistance

Exacerbate inequalities

Result in large number of orphans

Change the demographic structure of the population

Increase the number of aged who need care (who have lost adult children)

Affect income and expenditure patterns

Reduce growth

Reduce the ability of households to pay for services, rents and rates

Threaten productivity due to increased absenteeism, higher recruitment, training and employment benefits and loss of skills

Reverse years of investment in training and education

(Source: HIV/Aids Toolkit for Local Government)

These figures are alarming and require the municipality to address HIV/AIDS through its IDP. This is particularly important for the young and economically active youth living in Great Kei that are at risk. It should be noted that Great Kei has requested assistance from Eastern Cape Aids Council and IYDSA to revive Great Kei Aids Local Aids Council. Other relevant stakeholders that operate in Great Kei have been identified so that a comprehensive HIV and Aids Plan. Currently Amathole District Municipality assist Support Groups.

3.6 Environmental Overview

The IDP process highlights environmental issues as a priority/key issue in the formulation of strategies and projects. However, it is recognised that effective Environmental Management is critical to the survival of Tourism and Agriculture which are the backbone of the municipal economy. The Great Kei Municipality lacks adequate capacity to manage and monitor the various activities and development projects from an environmental point of view. It is anticipated that the District municipality will assist in monitoring new projects and existing operations where detrimental environmental impacts can result.

Examples include the establishment of cemeteries in flood plains, dumping of hazardous waste and effluent, burning of waste material and exploitation of natural resources.

The Environment Conservation Act provides several measures and tools by which the Environment can be managed including Strategic Environmental Assessment, Environmental Impact Auditing procedures. In addition, regulations and municipal by-laws offer additional regulatory instruments to enforce the appropriate practices and protect the municipal area from harmful activities.

The following National Environment Management Act (NEMA) principles will have to be considered when development is being planned

Quality in environmental decision-making

- The environmental management principles in Chapter 1 of the Act, that apply to the actions of all organs of state that may significantly affect the environment;
- The conciliation procedures in Chapter 4 of the Act that provide a variety of mechanisms for referring a disagreement regarding the protection of the environment to conciliation; and
- The integrated environmental management procedures in Chapter 5 of the Act.

Co-operative governance in the environmental sector

- The committee for Environmental Co-ordination (CEC), and interdepartmental committee, responsible for promoting integrated and co-ordination of environmental functions by the relevant organs of state; and
- Environmental Implementation Plans and Environmental Management Plan (EIP's/EMP's) to be compiled by listed departments and provinces. The purpose of the EIP's and EMP's is to co-ordinate and harmonise the environmental policies, plans, programmes and decisions of various departments (at national, provincial and local level) whose functions may affect the environment, or whose powers and duties are aimed at managing the environment.

Role of civil society in environmental governance

- The National Environmental Advisory Forum, which advises the Minister, among others, on appropriate methods of monitoring compliance with the principles in section 2 of the Act;
- The Environmental Management Co-operation Agreements, that provide a mechanism for the Minister, every MEC and municipality to enter into an agreement with any person or community for the purpose of promoting compliance with the principles in section 2 of the act;
- The provisions on protection of whistle-blowers that protect the public from prejudice or harassment for disclosing information of environmental risk, in good faith, and using the required procedures;
- The provision that relax legal standing and enable any person or group of persons, in the public interest or in the interest of protecting the environment to seek appropriate relief for a breach or threatened breach of a provision of NEMA; and
- The provision that facilitate private prosecutions of environmental offenders.

Constitutional imperative to respect, protect, promote and fulfil the environmental right in the **Bill of rights**

- The duty of care that requires anyone that causes, has caused or may cause significant pollution or degradation of the environment, to take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring;
- Provisions that protect workers from prejudice or harassment, for refusing to do environmentally hazardous work; and
- Procedures for the control of emergency incidents, including a major emission fire or explosion that may endanger the public, or lead to potentially serious pollution of, or detriment to the environment.
-

3.7 Climate Change

- The GKM Spatial Development Framework indicates that the climatic conditions of GKM varies from mild temperature conditions (14 - 23 °C) along the coast to slightly more extreme conditions (5 – 35 °C) in the hinterland, (source: National Botanical Institute, Cape Town).
- The mean annual rainfall in the municipality amounted to 756.7 mm per annum.
- The annual temperature amounted to 17.8 °C.
- The mean maximum temperature of the warmest month of the year amounted to 25.7°C.
- The mean minimum temperature of the coolest month of the year amounted to 8.1 °C.
- Potential evapotranspiration amounted to 589mm per annum.
- The potential evaporation ratio for the area is 0.77, which falls within the hold ridges “humid” humidity province.

The Great Kei Municipality Spatial Development Framework proposes that GKM should approach spatial planning with climate change in mind. The following recommendations were proposed to advance the thinking:

- Greenhouse gases are thought to contribute to global climate change, and these gases include carbon dioxide, carbon monoxide and methane. Carbon dioxide and carbon monoxide are released from inter alia vehicle tailpipes and during the burning of fuel-wood. Methane is released by domestic livestock and waste disposal sites. However, it is important to note that the subtropical thicket found within the GKM is very efficient at capturing carbon and hence at offsetting the effects of the greenhouse gas emissions.
- Therefore the SDF further proposes that the protection of biodiversity is the primary motivation for the protection of the subtropical thicket, it nevertheless has additional value as inter alia a potential means to slow down, or buffer the rate of climate change.
- The Spatial perspective advances that the areas covered by the thicket vegetation should therefore be targeted for conservation. This may take the form of spatially gazetted conservation areas or the promulgation of By Laws to protect pristine, highly sensitive or endangered categories of subtropical thicket vegetation.

- Similarly, areas covered by indigenous forest should be excluded from destructive developments that would involve inter alia the clearing of vegetation. The clearing of vegetation would entail a loss of biomass and hence store carbon. Limited action would be required from GKM in this regard as indigenous forests are protected under the National Forests Act, 1998. Clearly indigenous forests, indigenous dune forests, are unsuitable for residential development of any sort.

3.8 Air Quality

There are no major industries within the GKM likely to contribute to a market decrease in air quality. However, the proximity of GKM to Buffalo City Municipality may make it susceptible to air pollution generated there, although this is not likely to be significant (GKM Spatial Development Framework).

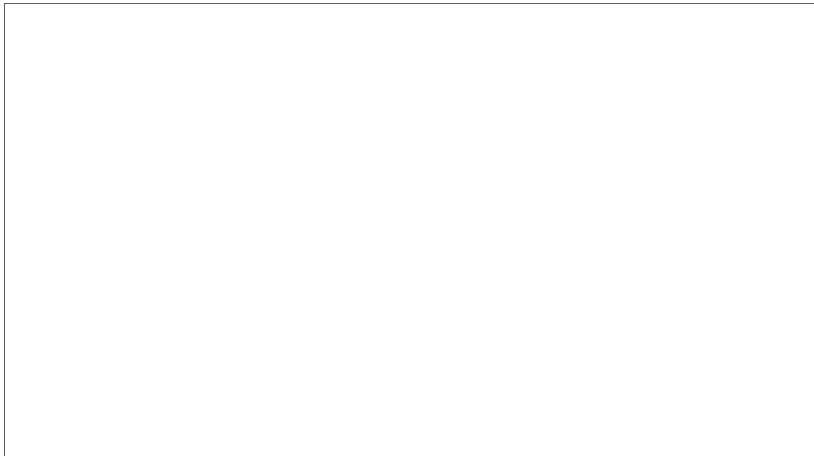
3.9 Water Quality

GKM SDF indicated that Eutrophication is considered to be a problem at a number of localities in GKM. It is a direct result of nutrient enrichment in water systems. The main nutrients causing eutrophication are phosphorus and nitrogen. Nutrient-enriched systems exhibit significant water quality, toxin production by algae, taste and colour problems, oxygen depletion, loss of aquatic biodiversity, the clogging of work ways, disruptions of flocculation and chlorination processes in water treatment plants, and sometimes excessive loss of water through evapo-transpiration (Van Ginkel et al, 2001)

GKM SDF cautions us that very little water quality monitoring has been carried out in the Great Kei River drainage region. However, it is likely that microbial concentrations, total phosphorus and suspended solids in the run-off from subserviced settlements are high, resulting in elevated levels of these variables in receiving water bodies.

3.10 Telephones

Figure 1: Household Telephone Access



Source: PIMSS, 2001

Table 4: Household Telephone Access

Dwelling	Neighbours	Public phone	Other nearby	Not nearby	No access	Telephone unspecified
12%	11%	44%	6%	8%	17%	1

Vodacom has applied for installation of high masts in Kwelerha and Kei Mouth areas to improve network coverage. Most households within the Great Kei area have access to either a public phone or a phone in their dwellings (refer to Figure 1 and Table 4). Some 17 percent do not have any form of telephone access. It is not clear what the access rate for cell phones is.

3.11 Public Transport

Integrated Spatial Development Framework in terms of transportation

The spatial characteristics of the Great Kei Municipal area are largely determined by the

Influence of the coast, the Great Kei River and the National Road which dissects it in an

East/West direction. There are four main nodes which are dominated by the influence of

nearby Buffalo City. Komga is the main service center, with Kei Mouth, Haga Haga, Cintsa and

the Glens forming the Public Transport

The provision of formal public transport is lacking between the major travel destinations within the area. There are few registered taxi routes and no formal bus routes. Formal bus terminals do not exist.

We have a taxi rank at Icwili near Kei Mouth, one formal taxi rank at Tuba village which is not operating.

It is the function of the District to have these facilities in place so far.

The current public transport within the area consists of privately owned vehicles and “bakkies”, most of which are not suitable for public transport purposes. The use of appropriate technology for rural areas needs to be promoted and it is necessary to get “bakkies” registered as special category vehicles.

There is no formal taxi rank at the intersection between the N2 and the main road (MR00695) through Mooiplaas to Haga Haga, taxis do stop here. In addition to this there is an informal taxi stop area in Komga which is poorly serviced by taxis.

A backpacker bus runs on request between Kei Mouth and East London but is expensive. The Baz bus (a back packer bus) from Cape Town to Durban stops daily at Buccaneers at Chintsa West.

As a result of the current lack of formalised public transport, commuters travelling between Komga and Kwelera must travel via East London.

There is a need to establish formal taxi and bus routes within Great Kei to link Kwelera, Mooiplaas, Komga, other coastal towns and East London. Transport routes traversing in an East-West direction should be investigated to link Mooiplaas and Kwelera, currently situated either side of the N2 to the N6 other nodes.

There are three significant development areas in the area; the two settlement areas of Kwelera and Mooiplaas and the coastal belt. The settlements of Kwelera and Mooiplaas can be classed as model 2 type settlements. Formal planning has been carried out in Kwelera and currently being carried out in certain villages in Mooiplaas. Small scale subsistence farming is practiced in both settlement areas. Densification of these settlements is proposed, with the provision of basic services.

The areas of Kei Mouth and Cintsa East are regarded as major coastal resorts and settlement model type 1. With the upgrading of the main road MR 695/687 to Kei Mouth, tourism will increase significantly. These areas have large amounts of tourism potential but an upgrade in infrastructure is required to support development.

Within the municipality itself there are agricultural areas and game/ tourism reserves which offer a wide variety of land uses and opportunity.

It is significant to note that the entire municipal area is dissected by roads but the majority of the population is living in areas which are relatively remote from the service centers, the municipal offices and the coastal employment opportunities.

Upgrading of the road network, especially the links between Kwetyana (Newlands on the N6) and the junction with the N2 at the Mooiplaas Hotel area and onwards to Kei Mouth, has a significant impact on development and transportation in the area. In addition, it is envisaged that focused development in the vicinity of Mooiplaas junction could see the longer term establishment of a service centre which would

bring services, commerce and local economic development closer to the communities of Kwelera and Mooiplaas. This is enhanced by the location of the Multi-Purpose Centre (now Thusong Centre) and the Sports Complex in closer proximity to rural communities.

Finally, it is noted that from a transportation point of view, this junction is at the central pivotal point in the area where all transport has to pass. This creates an opportunity for travellers fuelling centre, tourism information centre, taxi and bus facility shops, workshops, education, skills training.

It is anticipated that private sector investment will occur in all areas of the Municipal area provided an enabling environment of infrastructure and Land Use Management is created. Prime areas for investment are in coastal resorts, eco-tourism, game farming and commercial development.

The Spatial development framework will be used by the Great Kei Municipality to guide its land use management procedures in future. With the Spatial Development Framework, the Municipality is able to proceed in carrying out a detailed land use survey of its area and through a consultative process establish a land use management system. This is expected to happen fairly soon after to IDP Review process so as to control development in the area.

4 EXECUTIVE SUMMARY

1. To stimulate economic growth by 2%
2. To create an environment of security and cooperative arrangement between enterprises to attain mutual benefits
3. To create a vibrant commercial and subsistence agricultural industry
4. To market GKM as a tourist destination
5. To create an effective and efficient management of environmental resource for improvement of sustainable development
6. Ensure that the Municipality complies with environmental prescripts
7. To revitalize and commercialize agricultural sector.
8. Promote optimum use of forestry resources to benefit GKM communities
9. Ensure economic beneficiation of Great Kei through mining sector and enhance potential mining areas
10. Facilitation of access to appropriate housing
11. To ensure a fully integrated system to meet the needs and to increase the mobility of people and freight in GKM
12. To develop a properly functioning solid waste management system
13. To enhance effective management of disaster within GKM
14. To ensure that our access roads are in good and acceptable conditions at all times
15. Link the existing WSP to IDP objectives and PMS
16. To achieve compliance with respect to Employment Equity Act
17. Ensure mainstreaming of designated groups in all municipal programs
18. Link the organizational structure to IDP and municipal powers and functions
19. To increase municipal revenue by at least 5% of current revenue by 2008/2009
20. To maintain general expenditure within 20% of the operating expenditure
21. To ensure compliance to Procurement regulation & targets
22. To have an effective inter-governmental relations
23. To obtain a positive unqualified auditor general's report or at least qualification
24. To vigorously drive public participation and transformation
25. To engage the services of a registered Property Valuer
26. To develop and implement Property Rates Policy
27. To establish Project Management Unit (PMU)
28. To rehabilitate Slatsha access road
29. To rehabilitate Belekumntwana access road
30. To rehabilitate Gwaba access road
31. To rehabilitate Mpethu access road
32. To surface Siviwe access road

Main challenges faced by the municipality

- Revenue collection
- Implementation of Free Basic Services (FBS's)
- Supply Chain Management Unit
- Risk assessment and controls
- No Grap/Gamap compliant Financial System
- No Vending Machines – which may be used to enforce the Credit Control Policy
- Electricity Tempering
- No disaster management strategies/Policies
- No proper security measures in place on both the municipal system and otherwise.

PART 2: KPA ACHIEVEMENT REPORT

5. Chapter 1: Institutional Development and Organizational Transformation– KPA 1

Presentation of the organizational structure (approved organogram)

Refer to reviewed organogram

5.1.1 Staff development initiatives during the Financial Year

	Course Name	Provider
Management and Councillors	Executive leadership	University of Pretoria
Clerk and Officers	Municipal Housing support Program Development	Funder – Human Settlement
Secretariat	Computer Skills	Buffalo City FET College
Officials from finance and bid committee member	Supply Chain Management	Funder- DBSA
Official- Engineering	Project Management	DBSA- DBSA Funder
Official- Strategic Services	IDP	DBSA- funder
Official- Corporate and Finance	Performance Management	DBSA-ADM funder

5.1.2 Key HR statistics per functional area

5.1 Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
102 Excluding Interns	51	35	16

5.2 Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2007-2008	109	R19,946,253.00	R9, 830,174.00	49%
2008-2009	107	R11, 005,487.00	R11,299,059.00	1.03%
2009-2010	102 Excluding Interns	R18,807,635.00	R 15,480,296.00	82%

5.3 List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members	Names of medical Aids	Number of members
Cape joint retirement fund	12	Bonitas Medical Aid	5
SALA	1	L.A Health	23
SAMWU National Provident Fund	65	SAMWU Med	35
		Muni Med	2
		Hos Med	1

6. Senior officials' wages and benefits (even if included in the financial statements);

2007-2008 R1,310,453.00

2008-2009 R2,613,902.00

2009 -2010 R1, 857,589.30

7. Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	159	102	64%	Not all positions were filled due to budgetary constraints. The organogram was not realistic to key municipal function
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	3	50%	Not all positions were filled due to budgetary constraints and investigations in the institution (KPMG)
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development	6	2	33%	Others trained in the previous years

	training course within the FY				
4	Percentage of Managers in Technical Services with a professional qualification	2	1	50%	Another position vacant
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	N/A	N/A	N/A	N/A
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	102	102	100%	
9	Percentage of councillors who attended a skill development training within the current 5 year term	12	9	75%	The others are going to attend in the next financial year
10	Percentage of staff complement with disability	3	3	100.0%	Current staff compliment
11	Percentage of female employees	102	48	47%	Current staff compliment
12	Percentage of employees that are aged 35 or younger	30	27	90%	Current staff compliment

8. Major Challenges and Remedial Actions in regard to Human Resource and Organizational Management

- Municipal revenue base and municipal grading system
- Staff turn-over
- Filling of vacant positions

9. Great Kei Municipality Orgonogram 01 July 2009 – 30 June 2010

OFFICE	NO. OF	VACAN	FILLED	RACE		GENDER	
	POSTS	T POSTS	POSTS	BLACK	WHITE	FEMALE	MALE
MAYOR/SPEARKERS OFFICE							
Section 57 Manager	1	1	0	-	-	-	-
Personal Assistant	1	1	0	-	-	-	-
Mayoral Driver	1	0	1	B	-	-	M
MUNICIPAL MANAGERS' OFFICE							
Municipal Manager	1	1	0	-	-	-	-
Manager : Legal Services	1	1	0	-	-	-	-
Internal Audit Manager	1	1	0	-	-	-	-
Messenger/Tea Maker	1	-	1	B	-	F	
Personnel Assistant	1	1	-	-	-	-	-
STRATEGIC SERVICES OFFICE							
Strategic Service Director	1	0	1	B	0	-	M
Personnel Assistant	1	1	0	-	-	-	-
IDP/LED Manager	1	1	0	-	-	-	-
Communication Services Manager	1	1	0	-	-	-	-
LED Officer	1	0	1	B	-	F	
Agricultural Officer	1	1	0	-	-	-	-
Special Programmes Officer	1	0	1	B	-	-	M
Communications Officer	1	1	0	-	-	-	-
IDP Officer	1	1	0	-	-	-	-
Tourism Officer	1	1	0	-	-	-	-

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Typist Clerk	1	0	1	B	-	F	-
BUDGET & TREASURY OFFICE							
Chief Financial Officer – S.57	1	0	1	B	-	F	-
Personal Assistant	1	1	0	-	-	-	-
Messenger/Tea Maker	1	0	1	B	-	F	-
Expenditure Accountant	1	-	1	-	W		M
Income Accountant	2	0	2	B	W	F	M
Budget/Projects Officer	1	1	0	-	-	-	-
Assets/Liability Officer	1	1	0	-	-	-	-
Supply Chain Management Officer	1	0	1	B	-	-	M
SNR Creditors Clerk	1	1	0	-	-	-	-
Chief Debtors Clerk	1	0	1	B	-	-	M
SNR Debtors Clerk	1	1	0	-	-	-	-
SNR Debtors Clerk Accounts	1	0	1	C	-	F	-
Stores Controller	1	0	1	B	-	F	-
Senior Creditors	1	0	1	-	W	F	-
Cashier Komga/Kei Mouth/Chintsa	3	3	0	-	-	-	-
CORPORATE SERVICES DEPARTMENT							
Corporate Services Director S.57	1	0	1	B	-	-	M
Personal Assistant	1	1	0	-	-	-	-
Human Resources Manager	1	0	1	B	-	F	
IT Manager	1	1	0	-	-	-	-
Adm. Manager	1	0	1	W	-	-	M
SNR Human Resources/SDF Officer	1	1	0	-	-	-	-
IT Officer	1	0	1	B	-	-	M
Records Officer	1	0	1	C	-	F	-
Valuations Officer	2	-	2	B2	-	F	M
Administrator/ Kei Mouth/Morgan Bay	1	-	1	-	W	F	-
Administrator/Chintsa	1	1	0	-	-	-	-
Payroll/Personnel Officer	1	0	1	B	-	-	M
Labour Relations Officer	1	1	0	-	-	-	-
Council Support Clerk	1	0	1	B		F	
Committee Clerk s	2	0	2	B		F	M
Cleaner/Messenger Chintsa	1	1	0	-	-	-	-

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Cleaner/Messenger Kei Mouth	1	0	1	B	-	F	-
HR Typist Clerk	1	0	0	B	-	F	-
Security Officers	4	1	3	B	-	-	M
Receptionist	2	0	2	B	-	F	-
Admin Clerk	1	1	0	-	-	-	-
Cleaner/Messenger	2	0	2	B	-	F	-
COMMUNITY/SOCIAL SERVICES							
Manager: Community/Social Services	1	1	0	-	-	-	-
Chief Traffic Officer	1	0	1	-	W	-	M
Senior Traffic Officer	1	1	0	-	-	-	-
Traffic Officers	2	0	2	B	C	-	M
MVR Clerk	1	0	1	B	-	-	M
Librarian	1	0	1	B	-	-	M
Librarian Chintsa	1	1	0	-	-	-	-
Librarian Kei Mouth	1	1	0	-	-	-	-
Librarian Haga-Haga	1	1	0	-	-	-	-
Assistant Librarian Komga	1	0	1	B	-	F	-
Assistant Librarian Chintsa	1	1	0	-	-	-	-
Assistant Librarian Kei Mouth	1	1	0	-	-	-	-
Assistant Librarian Haga-Haga	1	0	1	-	W	F	-
Komga Supervisor: Refuse, Amenities & Veg Control	1	0	1	-	W	F	-
Komga: Foreman/Driver Refuse, Amenities & Veg Control	1	0	1	B	-	-	M
Cintsa: Foreman/Driver Refuse, Amenities & Veg Control	1	0	1	B	-	-	M
Kei Mouth: Foreman/Driver Refuse, Amenities & Veg Control	1	0	1	B	-	-	M
Haga-Haga: Foreman/Driver Refuse, Amenities & Veg Control	1	1	0	-	-	-	-
Morgan Bay: Tractor Driver Refuse, Amenities & Veg Control	1	0	1	B	-	-	M
Haga-Haga: Tractor Driver	1	0	1	B	-	-	M
Komga : General Workers	26	6	20	B19	C	F11	9M
Chintsa : General Workers	7	0	7	B		3F	3M
Kei Mouth : General Workers	14	2	12				
Haga-Haga General Workers	3	0	3	B		F	2M

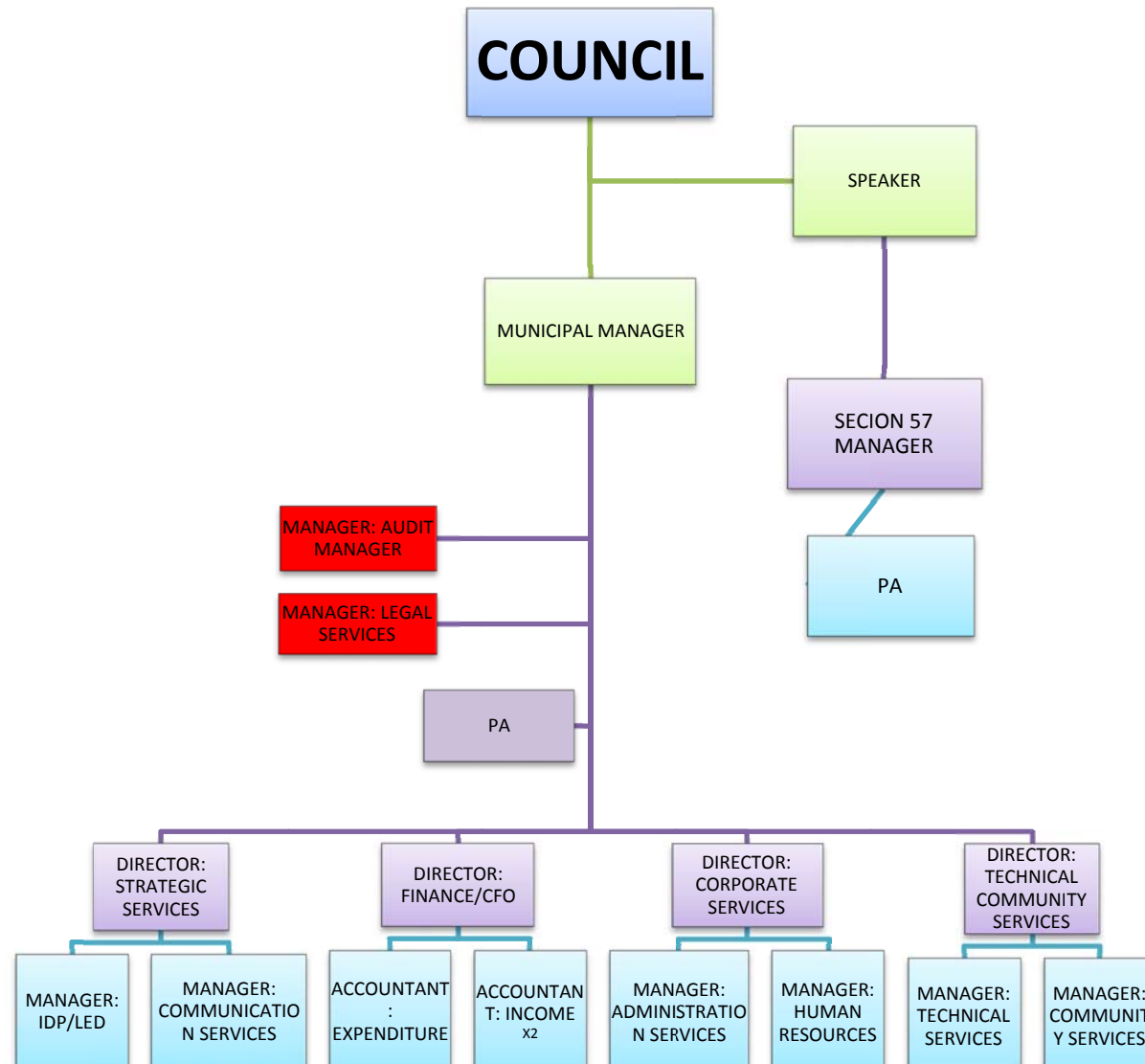
Draft Annual Report for the year ended **30
June
2010**

Community Services: Admin Clerk	1	0	1	-	C	F	-
Cleaner/Messenger	1	0	1	B	-	F	-
TECHNICAL SERVICES DEPARTMENT							
Technical Services Director s.57	1	1	0	-	-	-	-
Personnel Assistant	1	1	0	-	-	-	-
Technical Services Manager	1	1	0	-	-	-	-
Town Planner (DBSA Deployee)	1	1	0	-	-	-	-
Project Manager	1	1	0	B		F	-
Operations Control Officer	1	1	0	-	-	-	-
Building Control Officer	1	1	0	-	-	-	-
Land Use Officer	1	1	0	-	-	-	-
Project Management Officer	1	0	1	B	-	F	-
Electrician	1	0	1	B	-	-	M
Inspector: Roads	1	1	0	-	-	-	-
Land Use Clerk	1	1	0	-	-	-	-
Project Management Clerk	1	1	0	-	-	-	-
Assistant Electrician	1	0	1	B	-	-	M
Grader Driver	1	0	1	B	-	-	M
Forman Roads	1	0	1	B	-	-	M
Handy Man	1	0	1	B	-	-	M
Driver/Operator Komga	1	0	1	B	-	-	M
Driver/Operator Cintsa	1	1	0	-	-	-	-
Driver Operator Kei Mouth,	1	0	1	B	-	-	M
TOTALS	159	57	102				

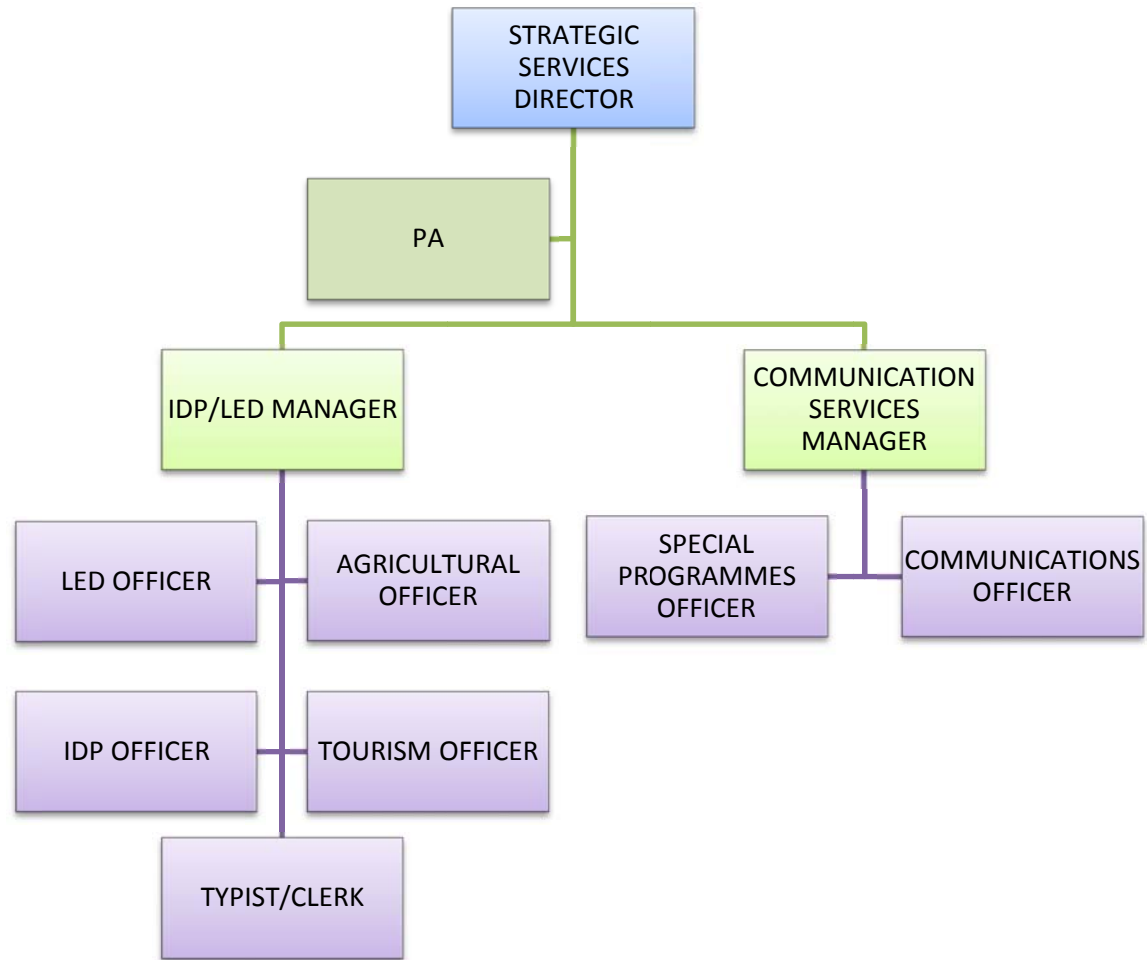
GREAT KEI MUNICIPALITY



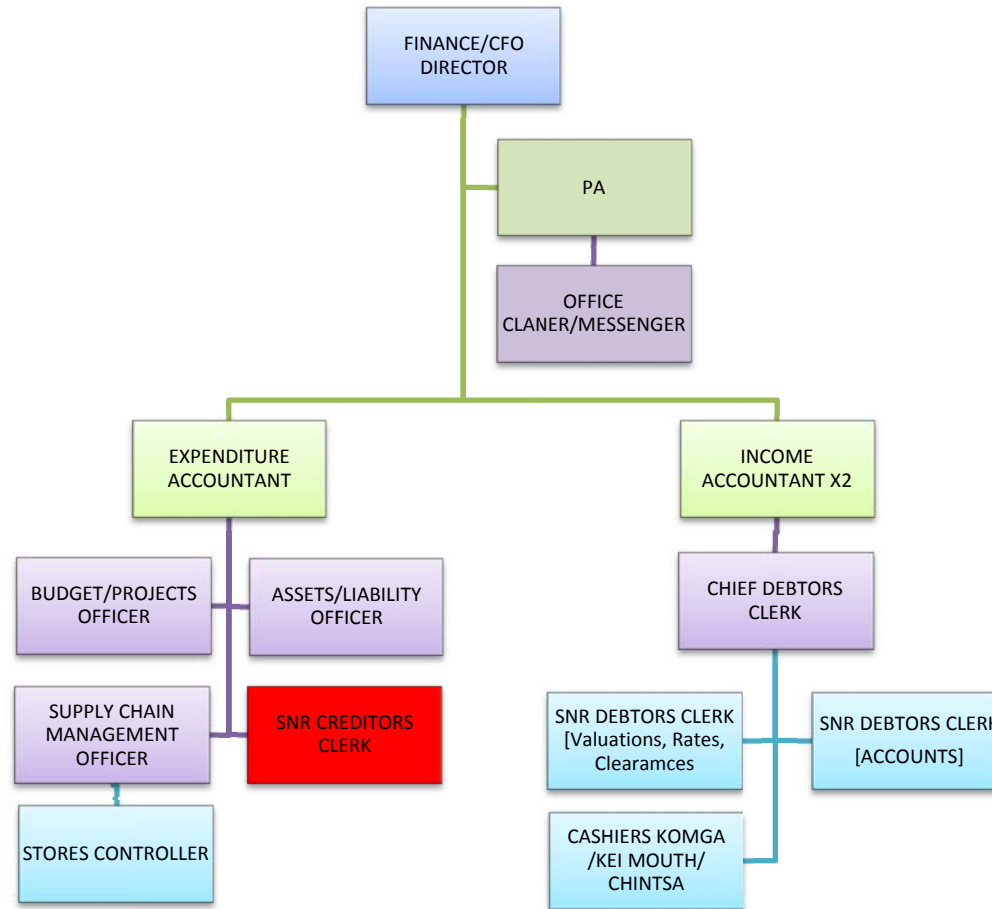
REVIEWED ORGANOGRAM 2009/10



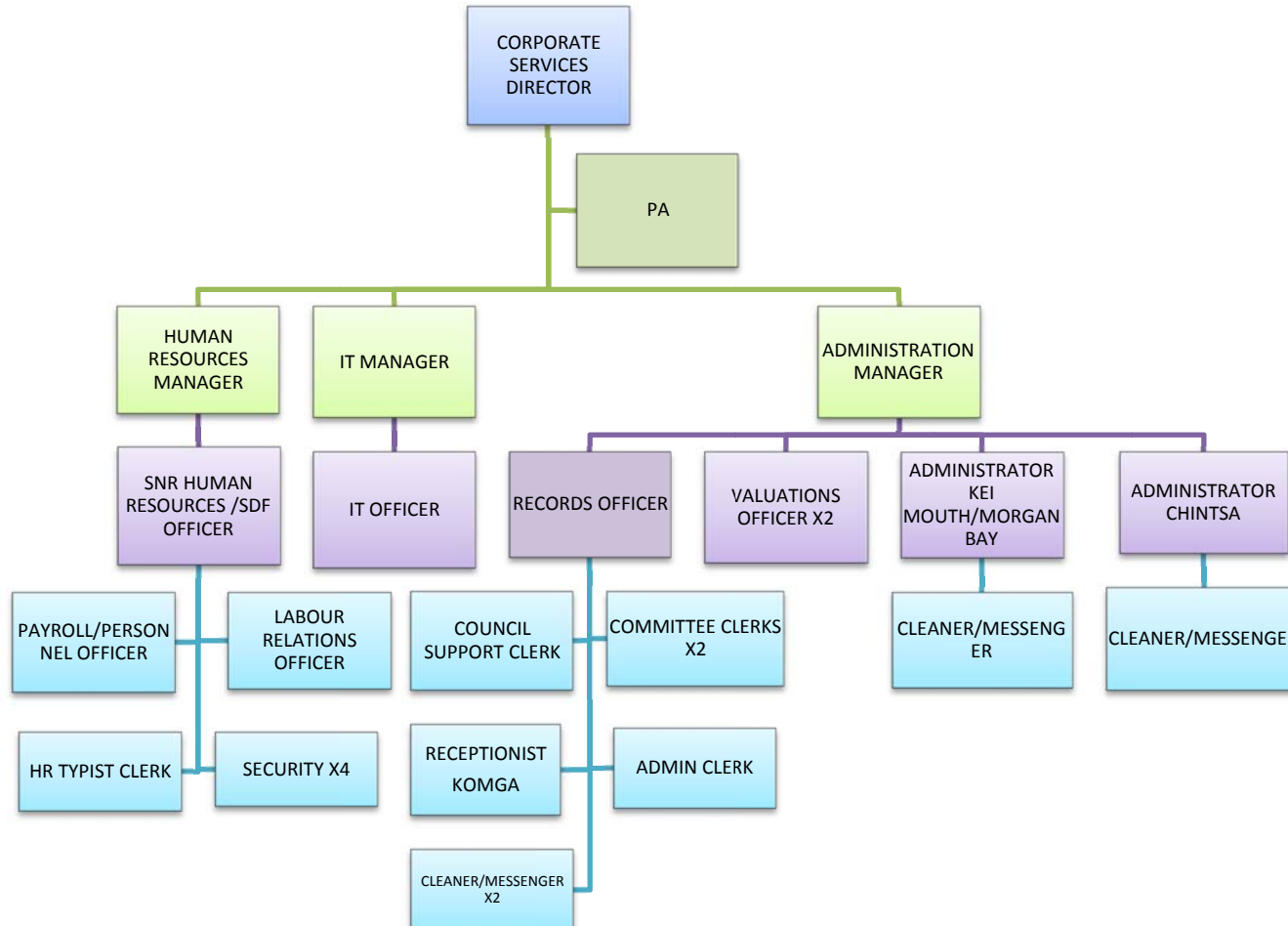
STRATEGIC SERVICES



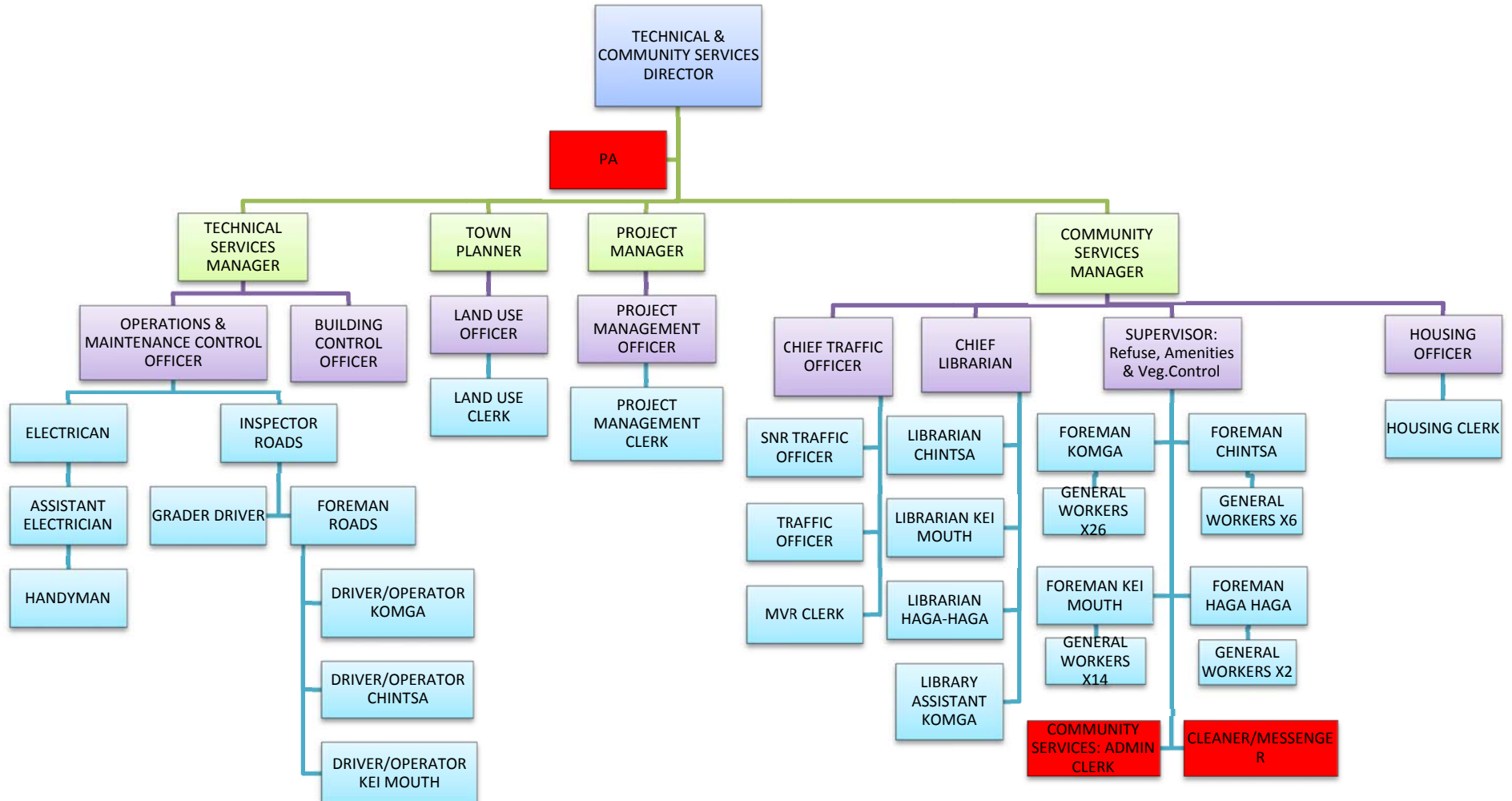
BUDGET & TREASURY



CORPORATE SERVICES



INFRASTRUCTURE & COMMUNITY SERVICES



Chapter 2: Basic Service delivery performance highlights (KPA 2)

1.1 Water Services

2.2 Electricity services

a. Electricity services delivery strategy and main role-players

- Source of funding from DME to improve the power-lines.
- The role player comprise GKM, Dept. Energy and NERSA.

b. Level and standards in electricity services

- The Municipality utilises the services of consultants to ensure all the installations meet the standards.
- The current staff is undergoing supervision under the consulting engineer.

c. Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	2708 in Komga 2332 Other Areas TOTAL = 5040	none	100%	5040	40%
2	Percentage of indigent households	956	81%	100%	956	19%

	with access to basic electricity services					
4	Percentage of indigent households with access to free alternative energy sources	None	None	None	None	None

d. Major challenges in electricity services and remedial actions

- Electricity theft through tempering with electricity meter boxes results in heavy losses.
- GKM has submitted an application of phase 2 of upgrading of electricity power lines of Komga. Coupled to this will be the installation of temper proof of electricity meters which should eliminate the losses currently being incurred.

2.3 Sanitation is a District Service

2.4 Road maintenance

a. Road maintenance services delivery strategy and main role-players

- Source funding from MIG
- To engage Department of Roads and Public Works as well as DBSA

b. Level and standards in road maintenance services

- DBSA has afforded GKM the services of their professionals to add to the available quota of Engineers thus ensuring high standard of professionalism and quality.

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	40	4545	1355	700	52
2	Percentage of road infrastructure requiring upgrade	46	5227	314	3000	57
4	Percentage of planned new road infrastructure actually constructed	14	1591	0	0	0
5	Percentage of capital budget reserved for road upgrading and maintenance	80	5681	1355	678	100

effectively used.					
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d. Major challenges in road maintenance services and remedial actions

- Most access roads are in a bad state of repair, as such have potholes.
- Only access roads from the provincial roads to villages were considered, not internal access roads. Therefore the backlogs still remain unaddressed even though roads are constructed/rehabilitated.
- Low revenue base as the municipality is semi-rural making it difficult to carry out maintenance. Rehabilitation/construction budget comes only from MIG.
- Expertise lost in Technical Services Department due to high staff turnover.

2.5 Waste management

A. In terms of complying with the Constitutional mandate that says everyone has a right to live in a clean and healthy environment, the Municipality provides solid waste management services to Komga, Kei Mouth, Morgan Bay, Haga Haga and Chintsa in an endeavour to fulfil that obligation. There is no waste management that is taking place in the rural areas of Great Kei Municipality at present. Since the acquisition of two refuse trucks during the 2007/2008 Financial year collections and disposal of solid waste have improved tremendously with no complaints on non-collection except one or two cases whereby the truck would be sent to attend to such complaint immediately. Occasionally there may be a day, when the vehicles break down and have to be repaired, so the refuse is not collected on that particular day and back-up collection will be implemented in terms of sending the other truck to assist. Disposal is a challenge. The ADM is assisting with this in that a consultant has been appointed during the month of December 2010 to improve the operation of Komga landfill site towards licensing. In an effort to reduce waste transportation costs, the Municipality has budgeted to construct transfer stations at Kei Mouth and Chintsa in the 2010/2011 financial year, the following role players are critical in the solid waste management:-

- Government departments, e.g. The Department of Environmental Affairs, DEDEA, DWAF.
- Municipal Council
- Formal Business Fraternity
- Informal Business
- Community Based Organisations
- Industries and NGOS just to mention few.

Their roles vary from enforcing compliance to waste management issues, education and awareness on waste management issues. Currently there is no adopted Integrated Waste Management Plan.

a. Plans to develop one are underway, with the assistance of ADM.

b. Level and standards in waste management services. The level and standard of waste management is an acceptable status. Refuse removal is done once a week for all households. Disposal of refuse at the landfill site in Komga is below standard in that there is no attendant to direct the operations on the site.

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	12 025	8 115	4 050	3 010	22%

d. Major challenges in waste management services and remedial actions. At present there is no waste information system as it is required for effective and efficient waste management. The unavailability of Integrated Waste Management Plan is another challenge, in that there is no documented empirical evidence of the status of waste management, the programmes and projects that are to be included in the IDP to source funding. Waste minimization programmes are not well co-ordinated and in place as these will assist in the reduction of waste to the landfill site, thus improving the lifespan of the site.

The long lasting solution to the challenges are:-

- . the establishment of waste information system
- . development of Integrated Waste Management Plan.
- . establishment of Waste Minimization Unit

CHALLENGES REGARDING DEVELOPING THE IWMP

- . Inaccurate or no information on the quantities of waste generated within GKM and the quantities of waste disposed of at the landfill site,
- . general lack of experience with waste minimization planning.

SOLUTIONS

The planning process should identify the status quo situation of business and industrial waste in more detail enabling a Municipality to identify the largest business and industrial waste generators, understand their waste characteristics so as to monitor and support waste avoidance, recycling and treatment option.

Waste Management can be regarded as a process (strategic sustainable development principles) of making decisions pertaining to the most sustainable manner in which specific types of waste can be dealt with. It starts with the prevention of waste production. Waste Management also entails both managing the disposal of the residue of a waste stream and minimizing the amount of waste produced

d. Major challenges in waste management services and remedial actions

Apart from the high unit cost referred to above, there is no licensed disposal site at Great Kei. Amathole constructed the Landfill site but has not completed to the point of licensing. Plans for licensing have been allowed for in the ADM IDP. Great Kei has allowed for it in the capital projects budget 2011/2012 financial year.

There are no equipment to operate the existing landfill properly. There is no likelihood of getting it licensed without the equipment to operate it in the required manner. There are also staffing challenges in that there is no knowledgeable and experience person to oversee the solid waste management function. The location of the site is not strategic as it is next to R63.

2.6 Housing and Town Planning

Town Planning & Building control

Currently there are no staff members employed by the Municipality to deal with town planning and building control services.

Scrutiny of Building plans has been carried out by a service provider appointed by the municipality to provide building control services. Inspection and enforcing adherence to requirements needs to be addressed better.

Town planning related issues are being carried out by the staff seconded by DBSA, before this deployment the service was being carried out by the asset and administration manager. There was a backlog of applications that were awaiting consideration by council (dating as far back as 2004). We are currently dealing with the backlog of 2007 and the new applications. Systems still need to be developed. Previously, a service provider was appointed through the Amathole District Municipality but they provided a static, closed system which can only be used for viewing. A GIS system is required, which shall be linked to the valuation role and updated continuously.

An application for funding for Town Planning renewal (Great Kei Zoning Scheme) has been submitted to DBSA of which an outcome is awaited. A Spatial Development Framework has been prepared in 2004 and adopted by council. We are busy working on unblocking the finalization of the Kei Mouth Local Spatial Development Framework. Nevertheless the municipality has made provision on the organogram for the appointment of a Town Planner during 2010/11 financial year.

Human Settlement Planning

Due to lack of oversight on the part of Great Kei Municipality, the contractor that was appointed to build the houses at Icwili Township ran into financial problems, and this led to the blocking of the project by the department in 2006. The process of unblocking the project started in June 2009, it has been telephonically communicated to the municipality that the unblocking has been approved and the Provincial Department of Housing are on tendering stage.

The Municipality is in the process of formalising Chintsa East Township. A business plan to solicit funding was submitted to the Provincial Department of Housing, we have received communication accepting receipt of application and that it will be submitted to their monthly meeting for consideration.

Amathole District Municipality are busy with the provision of infrastructure at the Zone 10 Settlement, Komga to provide housing for the communities displaced from the surrounding farms. ADM has prepared and submitted a business plan for top structure funding to the Provincial Department of Housing and they are still waiting for consideration.

Provincial Department of Housing has embarked on a pilot project to capacitate municipalities in terms of establishing sustainable housing units. For the current financial year the Department is targeting three municipalities, one of which is Great Kei Municipality.

While it is perceived as Provincial department of Housing's responsibility to provide housing, the local municipality has to participate both in the strategic planning, operational planning, and implementation of the housing provision.

Housing needs within the Municipality have been assessed by Great Kei, as per the beneficiary list that is held within the Municipality, the Amathole District Municipality, and the Provincial housing Department, and included in the Housing Sector plan, that has been prepared.

A provision has been made for this 2009/2010 financial year to at least employ one officer and a clerk to establish the unit.

Few housing projects have been implemented in the Municipality with various degrees of success, namely:

- **Icwili Housing project** comprising of 285 houses of which 15 were pilot houses, 15 are public amenities, leaving 255 for residential settlement 178 were completed before stoppage due to contractor problems in 2006. The contractor that was appointed to build the houses at Icwili Township ran into financial problems, and this led to the blocking of the project by the department in 2006. There are concerted efforts to unblock this project, and complete the remaining 75 houses. It has been communicated to the municipality that the unblocking has been approved.
- **Igxarha Morgan Bay housing Project:** Comprising of 90 houses, and was completed successfully.
- **Zone 10 housing project, Komga:** houses are at initial stages, currently working on infrastructure provision (ADM). ADM has prepared and submitted a business plan for top structure funding to the Provincial Department of Housing and they are still waiting for consideration for 2009/2010, 2010/2011.
- **Chintsa Housing Project**

The Township was developed with 80 RDP houses that were completed approximately 3 years ago. Since then the Township has been expanding informally and the existing

area has become overcrowded. Also the area or land where this expansion is taking place is not suitable for housing people due to the following reasons:

- (a) The Cintsa River is polluted, especially in the rainy season as the land slopes towards the Cintsa River thus the water runs off into the river with all its affluent including human waste.
- (b) The settlement is unplanned and informal and therefore illegal.
- (c) The services in the settlement are large by large, not available, the few that are there – such as water stand pipes - are grossly inadequate
- (d) Some of the houses are built on steep slopes that are unsuitable for housing

With these reasons it became apparent to the municipality that formalisation of the township is required. Hence a business plan to solicit funding was submitted to the Provincial Department of Housing, we have received communication accepting receipt of application and that it will be submitted to their monthly meeting for consideration.

- **Haga Haga Housing project:** 250 houses are planned; the process of land expropriation is still ongoing.
- **Byllets Housing Project:** Land has been donated by one of the land owners, for esettlement. The Municipality has appointed surveyors and town planners, to plan and carry out a housing project to settle people there; the application has been submitted to the department of housing for consideration. ADM and ESKOM are working on the infrastructure.
- **Mpetu Housing Project.** Land has purportedly been purchased from the land owners, and a housing project is planned. The exact nature and degree of planning is yet to be established.
- **In-Fill Housing Project:** 1000 houses in each of the six wards within the Municipality, to be build with the existing villages. Is in the IDP (2007), but no known plans to start the project.

Informal Housing

The in-migration of people to urban centers is manifest in informal settlements developing in the periphery of towns and small centers. This leads to an increase in the urban population density through further fragmentation of urban land for housing, including the establishment of backyard shacks.

The number of informal settlements is growing because existing accommodation cannot meet the demand for housing. There is an increasing demand by the lower income groups for land and services for housing.

Formal planning of the villages

There is anticipated a slow-down in housing demand. It is anticipated that HIV/AIDS will have a negative effect on the building industry where demand for affordable housing could decline by as much as 55% over the next 5 years (Provincial Population Projections 1996 - 2021; DBSA, September 2000).

d. Major challenges in housing and town planning services and remedial actions

Due to budgetary and staff constraints, within the Municipality, and the perception that this is a provincial function, there is no unit, or individual dedicated to housing provision is accommodated in the Municipality.

Activities related to housing are thus carried out in an ad-hoc basis when there is a pressing need to address it, e.g. when the Provincial Department, or the ADM requires some action on a housing related issue. It is also apparent that the individual who addresses a particular issue will not necessary be the one to continue with it, hence lacking continuity.

Great Kei Municipality has not yet established a housing unit that can manage and implement housing projects; however a provision has been made for this current financial year to at least employ one officer and a clerk to establish the unit.

2.7 Spatial Planning

Preparation and approval process of SDF:

SDF has been developed, but still a draft pending the consultation process. Once the consultation process is complete the SDF will be forwarded to Council for approval.

Land use management:

Significantly, land set aside for private commercial agriculture constitutes the bulk (96%) of the municipal available land resource where much of the agricultural practice in the area (77%) is based on the extensive utilisation of the veld for livestock production (cattle, sheep and goats).

Table 2: Land Use

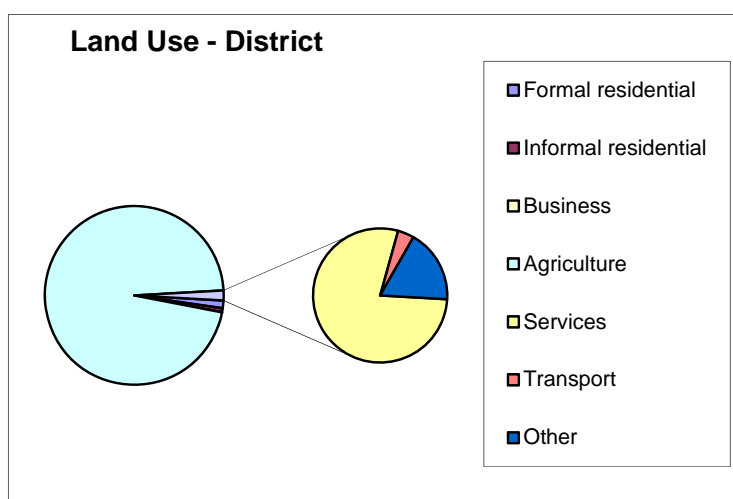
Land Use		Urban	Great Kei Municipality
	in km2	Areas	Agglomeration
1	Residential	57.00	1,421.00
1a	Formal residential	20.00	20.00
1b	Informal residential	10.00	10.00
2	Business	1.00	0.50
3	Agriculture	1.00	1,364.00
4	Services	3.00	20.00
5	Transport	1.00	1.00
6	Other	21.00	4.50
7	Total	57.00	1,421.00
8	Conservation area	5.0%	0.4%

	(%)		
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Source: D Data (1995) - Existing Land Use / Magisterial district

Of the 1 421km² municipal area, some 57km² is taken up by the urban service centers of Komga and Kei Mouth which represents 4% of the total district area (refer to Table 2 and Figure 2). Komga functions as the predominant rural service centre to the surrounding agricultural areas as well as adjacent parts of Mnquma. It also serves as an urban communications link and small commercial centre between the Buffalo City and Butterworth urban areas. Komga is given the lowest rank (19th out of 19) of Level 1 District Centers within the sub region in terms of the Amatole District Council LDO's and Integrated Development Plan 1999 - 2000. The coastal settlements of Kei Mouth, Morgans Bay, Haga Haga and Cintsa, whilst having a small number of permanent residents, have over many years provided a tourism and holiday destination for both local and national visitors who regularly spend their holiday in the area. Approximately 0.5% of the area, mostly within the coastal forest reserve, is protected for environmental conservation purposes.

Figure 2: Land Use – District



Applications received and processed are as follows:

	March 09	May 09
• Rezoning,	1	1
• Sub-division,		7

		<p>acquisition of two refuse trucks during the 2007/2008 Financial year collections and disposal of solid waste have improved tremendously with no complaints on non-collection except one or two cases whereby the truck would be sent to attend to such complaint immediately. Occasionally there may be a day, when the vehicles break down and have to be repaired, so the refuse is not collected on that particular day and back-up collection will be implemented in terms of sending the other truck to assist. Disposal is a challenge. The ADM is assisting with this in that a consultant has been appointed during the month of December 2010 to improve the operation of Komga landfill site towards licensing. In an effort to reduce waste transportation costs, the Municipality has budgeted to</p>				
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		construct transfer stations at Kei Mouth and Chintsa in the 2010/2011 financial year, the following role players are critical in the solid waste management:-				
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	27	13	13	31	24	24
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	0	0	0
Total spending to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	0	0	0	0	0	0
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	352 0	4000	2700	4000	4000	4000

Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	31	35	24	35	35	35
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	R5m	0	0
Total spending to eliminate backlogs (R000)	0	0	0	R5m	R4,4m	R1,5m
Spending on maintenance to ensure no new backlogs (R000)	0	0	0	R0,25m	0	0
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	669 6	0	0	7499	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	59	0	0	66	0	0
Spending on new infrastructure to eliminate backlogs	0	0	0	0	0	0

(R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	0	0	0
Total spending to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	0	0	0	0	0	0
Road maintenance backlogs						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	5854	352	200	6530	360	238
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	52	3.1	64	58	3.2	66
Spending on new infrastructure to eliminate backlogs (R000)	16	0	0	18	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R5,7m	R5,7m	R5,7m	R11,4m	R11,4m	R11,4m
Total spending to eliminate backlogs (R000)	R75m	R5,7m	R4,5m	R90,6m	R8,16m	R8,16m

Spending on maintenance to ensure no new backlogs (R000)	R8 m	0	0	R9,88m	0	0
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CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

3.1 Brief presentation of LED strategy/plan

- **Status on developing the LED strategy/plan**

The Great Kei Municipality does not have an LED strategy/plan. Due to financial constraints plans are headway to develop this in-house adapting information from various other sources. Such sources include using the information derived from Area Based Planning(ABP) exercises stakeholder mobilisation and consultation. We envisage that by June 2011 most of these plans will have occurred. Various government departments and sector departments have been co-opted to deliver on delivering the ABP. Our major role players are the Department of Department of Trade and Industry and DEDEA, ASPIRE, LGTA and Afesis Co-plan. Afesis Corplan NGO was initially tasked to drive this project of the ABP. LGTA has promised us an amount around R177 000 to deliver on the ABP.

Other methods we are planning on using are one to one meetings with stakeholders to consult them and derive from them specific focal point that will result in the most appropriate and viable direction to take the Great Kei forward. Consultations with sector departments will provide the opportunity to understand the area through the role players in the development of this area.

We have also co-opted DTi to facilitate the process due to the fact that we are playing in a space that is inherently their turf as their mandate is mainly economic development. A TOR has been signed by the Great Kei Municipality and we are awaiting signatures from their national office to this effect. A business plan to bring this about has been submitted by their district office to source funds to effect this plan too. We are still awaiting that response from their side.

Due to financial constraints the Great Kei Municipality is unable to commission an independent professional consultant to draw up this most valuable document. We are relying mainly on the support of these departments. We have otherwise set aside an

amount of R100 000 for an investment Indaba that will purport to sell packaged projects and opportunities to interested investors.

In conclusion the lack of finances handicaps us from drawing such document.

- **Setting up a LED unit;**

The LED unit is composed of one person dealing with various units at one time. The areas . include Tourism, Agriculture, SMME's, Heritage, SDF, Environment etc. This incumbent holds the position of an LED Officer and reports directly to the Director. An Agricultural Officer and a Tourism Officer have been sought but due to financial constraints the municipality has been unable to fill these positions.

- **The availability of a LED expertise;**

Great Kei Municipality joined forces with ADM to ensure that the LED Officer received some capacity building in the field by sending them on an NQF 4 LED Learnership. The LED capacity is available however what has been lacking is that the various units need specific qualifications and the ability to make economic analysis of the socio-economic dynamics prevalent to the Great Kei Municipality. Though the district and provincial offices may have this information sourcing their support has proved difficult due to the fact that they are also short staffed as well are responsible for a number of municipalities. This services is received on a first come first serve basis.

- **LED stakeholder forum functionality (number of meetings held);**

Only two stakeholder meetings have been held so far in the the following sectors Tourism, Heritage. Stakeholders are unwilling to attend meeting due to service delivery issues. Another issue raised by stakeholders is that lumping different sectors in one meeting is not satisfactory. Issues tend to be blurred by too many discussions of different specifics. It is difficult to discuss issues that pertain to all of them as each stakeholder faces different challenges at various intervals.

The municipality also finds itself bogged down by meetings if we entertain this stakeholder issue. Service Delivery then suffers. F

Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)

Great Kei Municipality

Summer Festival - R100 000

Investment Indaba - R100 000

Agriculture	- R 70 000
Tourism	- R 50 000
Heritage	-R 30 000
SMME	- R 5 000
Summer Festival	- R150 000
Agriculture	-R520 000

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

- Spatial development framework (SDF)/Land use management system(LUMS);
The Kei Mouth SDF was in the process of being developed but stakeholders sabotaged the processes by refusing to entertain the findings of the professional firm commissioned. ADM had provided funding for this purpose. However funds have been sourced from DBSA to fund a wholistically SDF for the Great Kei Municipal area. We are awaiting final approval but we are positive this would be affirmed.
- Red tape reduction: Turn-around time for licensing and other business related applications;
This is still a challenge as every department within the municipality is lacking staff complement to reduce the Turn Around time for applications to be processed. However the red-tape reduction process has not been commissioned. The technical department has since been boosted with some qualified staff to carry out service delivery processes. DBSA has also seconded some experts to the municipality to assist in these matters. There are still some concerns from the public though.
- Investments and trading by-laws
The municipality has enacted some by-laws though application is still a change due to lack of staff. Regarding investments we are hopeful that the plans to package opportunities will come about should the IDT and LGTA funding is approved and the investment indaba go ahead as planned.
- Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places
Categorisation of roads by the department of roads has not been provided to us as the municipality though we have made various request to the department of transport through the transport forum.

Due to lack of revenue from the municipality coffers the road infrastructure maintenance has been a challenge. An amount of R2 million was allocated for revamping potholes but this is in process. MIG has provided a limited budget to deliver on all the economically relevant roads. Those that have been constructed have since dilapidated due to over use and rains. There are plans to construct others but this is still not enough.

ADM had commissioned the services of a consultant to provide the ITC we are still awaiting its completion.

Markets are suffering due to bad roads and some are even closing down. Therefore there is no economic growth in the area.

- Disaster management within the context of conducive environment for economic development (policy /framework adoption and implementation); This is the competence of the ADM and there is a disaster management office in the area. Awareness campaigns have been conducted though we have not assessed their impact.

b. Exploit comparative and competitive advantage for industrial activities

The main driving sectors of this municipality are tourism and Agriculture. Though we have not exploited these sectors to the maximum strides have been taken to support these sectors. In Agriculture we have ensured that there is a budget to support this sector. Though it is mainly to support emerging entrepreneurs or those starting out by providing working tools and seedlings this is minimal because our focus is not on commercial agriculture. We hope that through this initiative a spark can be created to initiate businesses or farmers and lower unemployment through self employment. People could see this as a viable business.

Tourism is mainly white dominated. We have made undertaken to promote this sector through a Summer Festival every December. This commenced in December 2009 and has grown in 2010. This is a sport tourism festival. At the moment we are in partnership with ADM though DSRAC has provided some equipment. Next year we aim to take it to new heights by taking on DSRAC as a partner too in this festival. Our competitive advantage in this sector is that we are located in the wild coast and the only serviced area in the Eastern Cape. There are various property development erupting in these areas but it is affected negatively because of infrastructure and its proximity to East London suburb. This mainly attracts pensioners or holiday makers. Through this festival we want to create the hype so that those who do not know our area can be made aware of it.

c. Intensify Enterprise support and business development

- **The type of business development services (BDS) provided to SMME;**
Training on skills development especially financial management and bookkeeping has been provided mainly to co-operatives in Nyarha and Gwaba through SEDA programmes. A workshop on supplying to government departments as well as taking them through procurement processes of the municipality was also done during a supplier day project by Great Kei Municipality. There was also an initiative to skill contractors on the above skills as well as CIDB levels and certification.
- Public and private partnerships established
None
- Number of new formal SMME established within the municipality
3 Co-operatives have been registered through our facilitation. However we have run workshops with DEDEA on registrations and other information sessions. We targeted poverty alleviation projects as well as interested persons. Therefore we are unable to quantify how many businesses have been formally registered and running as they contacted DEDEA directly.
- Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

54 EPWP beneficiaries have been sourced from surrounding villages to maintain the MIG constructed access roads. The programme was run by the technical department and so far the training of such individuals has not taken place.

Another EPWP project that has been running within the municipality is the beach rehabilitation programme. 81 people has benefitted in this programme since 2008. This project was mainly funded by DEAT. There is an R8 million rand project to beautify Komga and King Williams Town. It is also funded by DEAT as an EPWP project however the consultants commissioned are working closely with our community services department.

d. Support Social investment program

Sustainable developmental community /social development program (SDCIP) is about moving beyond project-based community economic development. It is rather a much more empowering approach, utilising innovative methodologies to systematically build community competence and capacity. The municipality under this section is therefore expected to present its plan to create the conditions for the second economy through Community based organizations and informal business associations. Type of information expected include:

number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

Most of our programmes are mainly SDCIP as we are moving away from naming projects and graduating projects to business initiatives through registration processes. We then link these projects to partners mandated to carry out these functions. We even draw up business plans to source funding from sector departments but we have been unsuccessful so far in accessing funds except the DEAT programmes named herein. It has been difficult to establish small business associations due to staffing constrains and the many programmes beyond one person can handle.

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	R420 000	R200 000	48%
2	Number of LED stakeholder forum held	4	2	50%
3	Percentage of SMME that have benefited from a SMME support program	R5000.00	0	0
4	Number of job opportunities created through EPWP	54	0	0
5	Number of job opportunities created through PPP	0	0	0

3.4 Challenges regarding LED strategy implementation

Staff secondment or LED unit population as one person cannot handle the unit alone. Another intervention could be in the form of more co-operation between departments and sector departments during IGR sessions instead of engaging the municipality during implementation as this renders the department ineffective in its own programmes by assisting these departments.

Since there are staff constraints Government and sector departments should make use of our IDP's to fund projects as the process of developing business plans is strenuous and there after one receives no funding. Capacity building or skilling of officials should also be centralised as we spend most of our time running from meetings and workshops requested by supporting departments.

Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

4.1 The audited financial statements (Annexure A)

4.2 Budget to actual comparison

Budgeted Income	Actual Income	Variance	Budgeted Expenditure	Actual Expenditure	Variance
37 150 000	45 285 008	-8 135 008	22 728 000	28 974 689	-6 246 689

Actual Income has increased compared to the amount that was budgeted by an amount of R8 135 008, which is 66% more than what was budget for. This increase was due to the high collection rate of property rates in the 2009/2010 financial period i.e (actual rates 2009 (4 167 996) and 2010 (6 267 095) . When comparing the budgeted expenditure to the actual amount that was spent in the year 2010, it was noted that the actual spent has exceeded the budget by R6 246 689. An excess amount was due to the fact that there was a huge increase in salaries for the year which was 44% more that it was in the year 2009.

The increase in salaries was based on the amount of wage curve that was paid out to municipal employees during the year i.e salaries paid out (2009: 5 987 816 and 2010 13 606 171). This increase was as a result of an implementation of a collective agreement . It therefore concludes that, based on the above, the major changes in the budget were as a result of increase in collections from ratepayers and as well as the increase in salaries due to the wage curve payout.

4.3 Grants and transfers' spending

Grant details			Amount received and spent each quarter											
Project name	Donor name	BF amount	1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
			Re c.	Spent	Rec.	Exp	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
MIG	NT	329 910.38			27509 00	967316 .61	2 63 2 662	924118.3 0	1 508 6 61.68	220851 7.06	3508 661. 68	325255 5.82	107307 95.74	735250 7.79
MSIG	NT	866561.22			73500 0			15926.30		88400		105100	160156 1.22	209426 .30
FMG	NT	16607.89			10000 00	156036		10100					101660 7.89	166136

4.4 Meeting of Donors' requirements in respect of conditional grants

Provide information on the extent to which conditions extended to grants have been met for each conditional grant received during the year. Explanations on the variances are also required.

The Municipality does comply with the conditions that are extended to grants received.

- The Municipality has a separate bank account for each grant received
- Monthly reports on how the grants are spent are being submitted to national Treasury.

Variances in grants received are due to the following factors:

- Municipal Infrastructural Grant – The funds left were already committed to MIG projects for the financial year 2009/2010. Due to different financial years for the Municipality and MIG, funds are rolled over to the next financial year as projects continue the next year. Motivations were submitted to National Treasury giving reasons for rollover of funds. Mig projects run over multiple financial years in some instances.
- Municipal Systems Improvement Grants – The funds left would be utilised for the supplementary valuation roll which will be implemented in 2010/2011 financial year.

4.5 Long term contracts entered into by the municipality

Long term contracts held: Nashua; leasing of colour printers and photo copiers. The expiry date of lease differs per the machine.

The following table specifies type of machine and their expiry dates:

Department	Machine	Model	Serial number	Monthly Rental	Contract Date	Expiry Date	Comments
Municipal Manager	Colour printer	CL3100N	Q2041000136	153.90	01/08/2005	31/07/10	
	Copier/Fax	2016	K8156922992	891.61	01/06/2006	31/05/11	
Finance	Colour printer	CL100N	Q2041000247	153.90	01/06/06	31/05/11	
	Copier Printer	MP3350CSPE R		2 665.00	01/10/09	30/09/14	
Council support	Copier Printer	MP7000	M938330009	6 127.50	01/12/08	30/11/13	
Records	Fax	SP1000SF	M087821160	74.10	01/12/08	30/11/13	
	Colour Printer	CL3500N	Q4451000849	153.9	01/06/06	31/05/11	
Human Resources	Colour Printer	CL3100N	Q2041100821	153.9	01/06/06	31/06/11	Extended Automatically
	Copier/printer	2022	J8332303338	1 658.70	01/05/04	30/04/09	
LED	Colour Printer	CL3100N	Q2041000244	153.90	01/06/06	31/05/11	
	Copier/Printer	3025AD	K8563805912	2 012.10	01/06/06	31/05/11	
Technical Services	Colour Printer	CL3100N	Q2041000245	153.90	01/06/06	31/05/11	
	Colour Printer	MP2000SPER A	L7086760848	1 316.70	16/04/09	31/03/14	
Councillors office	Copier/Printer	2022	J8332403002	1 265.40	01/05/04	30/04/09	Extended Automatically
Traffic Services	Copier	2016	K8156922998	765.51	01/06/06	31/06/11	
Cintsa Offices	Copier	FX-16	K254922183 0	256.50	01/12/04	30/11/0 9	Extended month on month

							basis
Kei Mouth Offices	Copier	2022	J834210075 4	1 254	01/12/04	30/11/0 9	Extended month on month basis

4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	8 935 000	834 912	9%
2	Salary budget as a percentage of the total operational budget	22 728 000	16 156 654	71%
3	Total actual trade creditors as a percentage of total actual revenue	45 285 008	6 932 878	15.3%
4	Total municipal own revenue as a percentage of the total actual budget	37 150 000	15 533 246	42%
5	Rate of municipal consumer debt reduction	2010 – 16 163 069 2009 – 16 515 209	Reduction – (352 140)	2%
6	Percentage of MIG budget appropriately spent	8 892 223.68	6 919 587.63	77%
7	Percentage of MSIG budget appropriately spent	735 000	209 426.30	28%

4.7 The Audit committee functionality

We don't have Audit Committee but briefly had an internal Audit manager who left us during the third of the year under review. Quarterly Performance reports were done but no reviews conducted. The challenge that we were facing we couldn't the salary scales paid by bigger municipalities.

(a) Arrears in property rates and service charges

- **Total property rates and services as at 30 June 2010 amounted to 19 823 257 (gross amount)**
- **Net result after taking into account provision for doubtful debts is (R19 283 257 – 4 055 204 = R15 228 053)**

4.8 Anti-corruption strategy

Ever since we experience the missing cheques we done away with cheques and do only electronic banking

5.1 Overview of the Executive and Council functions and achievements;

Great Kei Municipality is a category B plenary type of a Municipality and has managed to establish seven Council Sub- Committees.

- Information & Communication , Technology & Corporate Services,
 - Finance & Risk Management
 - Infrastructure & Community Services
 - IDP LED & Strategic Services
 - Rules & Oversight Committee
 - Public Participation & Social Needs
 - Audit Committee
1. The first two sub-committees advised the Council with regard to integrated systems for better controls in administering our finance. Sensitise the Council in linking our payroll system with BTO Systems.
 2. Infrastructure & Community Services are service delivery nodes of our Municipality & advice the Council on MIS spending & look after maintenance of our municipal assets.
 3. IDP LED, Strategic Services: Development of a 5 yrs strategic document, ad upon listening and receiving the needs of the communities facilitates intervention programmes for the betterment of our communities.
 4. Rules & Oversight is for the Council not to forget its mandate and as well a form of accountability
 5. Audit Committees – Intentions for the committee is to abide to legislative requirements in terms of Performance Management. W e are still weak in this regard. We are unable to live suitable candidates for this Committee.

5.2 Public participation and consultation;

The Council is continued with constitutional mandate of engaging communities during the year under review. The Department of Local government through its Public Participation Unit

provide a Capacity Building Programme wherein Ward Committees and Community Development Workers were trained in the new Public Participation Guidelines. The Special Programmes Unit has also initiated the establishment of the Youth Council, People Living with Disabilities, Women and the Elderly structures. Great Kei Sport Council has been established and is now been regarded as another important stakeholder of the Council.

- **Mayoral Izimbizo:** These izimbizos are one of the critical feature of mayoral engagement with communities. Our people have contributed significantly in the Budget and IDP process through these engagements. Perhaps another important feature for the year under review was the introduction of the Mayor Ward Committee meetings.
- **Public Hearings:** The municipality has held a number of Public Hearings not with the Provincial Legislature but with the National parliament as well. Communities in Great Kei participated on Services on Wheels programme where service delivery came under a spotlight.
- **Customer Satisfaction Surveys:** Although the Council has not undertaken this particular process, indications are that there is a lot of work to be done. Staff has been trained on Customer care Management during the year under review.

5.3 Ward committees' establishment and functionality

Ward Committees were established in all six Wards of Great Kei Municipality. After the intervention of the Department of Local Government in Ward 5, the people of this area realized that it is in their interest to have a ward committee. Relatively there are still challenges in Ward 5 that emanates in working relations amongst ward committee members and the Ward Councillor. Most importantly, the Council has decided to provide a stipend of R1 000 for all ward committees in Great Kei. The funding source is the National Treasury.

- **Members attendance to meetings:** Ward Committees have attended meetings fairly well during the year under review
- **Availability of minutes of ward meetings:** The municipality has always recorded minutes of ward committees and are kept in the municipal offices.
- **Written proof of tabling resolutions to Councils:** While issues of Ward Committees are tabled through the office of the Mayor, there is no mechanism in place for them to influence the agenda of the Council.
- **Availability of minutes of feedback meetings with communities:** Meetings are held by Ward Committees, CDW's and Ward Councillors with communities and the feedback is captured in the Ward Councillors reports to the Council.

- Availability of Ward committee activity reports: This is one area that remains a challenge to the Council. So far only verbal reports are submitted through the Mayor's engagement meetings with ward committees.

-

5.4 Community Development workers performance monitoring

Community Development Workers are working very closely with their respective Ward Committees. A great deal of engagement has improved relations between the two tremendously. CDWs submit their reports mostly to the Department of Local Government. Copies of their reports are not submitted to the office of the Speaker regularly.

5.5 Communication strategy

The Council adopted and approved a Public Participation and Petitions Policy in the financial year under review. The policy guides the communication processes of the municipality with the communities, media and other external stakeholders.

- Development stage of the communication strategy: Public Participation and Petitions Policy includes the communication strategy
- Adoption of the strategy by the council: The Policy was adopted in October 2009.
- Human resource available to lead the communication activities: The municipality does not have a Communications Officer. A Public Participation Unit was established composed of the SPU Officer, ICT, GCIS and CDW Coordinator. The Council has approved the appointment of the Public Participation and IDP Officer to ensure that there is accountability in carrying out this function.
- Infrastructural resource available for communication activities: There is a great deal of improvement needed to advance communication in Great Kei. Due to its budgetary constraints, the Council has not been able to invest in the communication resources such as Loud hailers. Communications is done mostly through word of mouth, notices and loud hailing.

5.6 Intergovernmental Relations

Great Kei Municipality was assisted by ADM to adopt and implement the IGR Framework during the year under review. About two meetings were held in this financial year. The greatest challenge that the municipality has is the non-cooperation by some sector departments. This has a negative bearing on programmes that are aimed at improving service delivery and the lives of our people.

The Council has signed Service Level Agreement with Afesis corplan and IDT. These partners have committed to assist the municipality in implementing its Turn Around Strategy.

5.7 Legal Matters

5.8.1 Setting up of Legal Units

The municipality is outsourcing legal services

5.8.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
NONE	N/A	N/A

b. Unfavourable cases

Case name	Compliance with judgement (yes/No)	Reasons for non compliance with judgement
NONE	N/A	N/A

2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or below	Cases beyond 2 years	Reasons for extensive duration
NONE	N/A	N/A	N/A	N/A	N/A

3. Default judgements

Case name	Reasons for default judgement
NONE	N/A

4. Prevention mechanisms of current litigations:

N/A

5. Criminal matters emanating from corruption and fraud

There was a fraud of 600 000 that took place around the month of March wherein two unauthorised Municipal cheques were signed /forged on behalf of the signatories. An attempt was to Ancash one cheque in Peter Maritzburg standard bank branch, the Municipality upon discovering of the matter managed to stop the transaction. Another action is stopping use of cheque payments by the Municipality.

6. Management of Legal Risk

The Municipality is currently using services of other sector departments in its legal matters or when seeking legal opinion that is Local Government legal section, Treasury and Amathole District Municipality.

The Municipality also use the services of its lawyers when need arises.