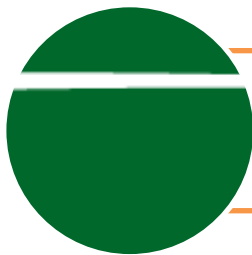


GREAT KEI LOCAL

MUNICIPALITY



**2012/2013 DRAFT
ANNUAL REPORT**

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LIST OF ACRONYMS

| ACRONYMS | DESCRIPTIONS |
|-----------------|--|
| AG | Auditor General |
| ADM | Amathole District Municipality |
| AIDS | Acquired Immune Deficiency Syndrome |
| ASGISA | Accelerated Shared Growth Initiative of South Africa |
| BSD | Basic Service Delivery |
| CFO | Chief Financial Officer |
| DBSA | Development Bank of Southern Africa |
| DEAT | Department of Environmental Affairs and Tourism |
| DFA | Development Facilitation Act |
| DFID | Department for International Development |
| COGTA | Department of Cooperative Governance & Traditional Affairs |
| ADM | Amathole District Municipality |
| DoHS | Department of Human Settlement |
| DoL | Department of Labour |
| DoE | Department of Energy |
| DoE | Department of Education |
| DSRAC | Department of Sport Recreation Arts and Culture |
| DoH | Department of Health |
| DoMR | Department of Minerals Resources |
| DTI | Department of Trade and Industry |
| DOS | Department of Social Development and Special Programs |
| DAFF | Department of Agriculture Forestry & Fisheries |
| DoLRD | Department of Land Reform & Rural Development |
| DoARD | Department of Agriculture and Rural Development |
| ECDC | Eastern Cape Development Corporation |
| EHO | Environmental Health Offices |

| | |
|--------------------|---|
| EMP | Environmental Management Plan |
| EPWP | Expanded Public Works Programme |
| ES | Equitable Share |
| FBS | Free Basic Services |
| FET | Further Education and Training |
| FV & M | Financial Viability and Management |
| GG & PP | Good Governance and Public Participation |
| HH | Households |
| HIV | Human Immuno-deficiency Virus |
| HR | Human Resources |
| IDP | Integrated Development Plan |
| ID & OT | Institutional Development and Organizational Transformation |
| IDPRF | Integrated Development Plan Representative Forum |
| IGR | Inter-Governmental Relations |
| ISRDP | Integrated Sustainable Rural Development Programme |
| KPA | KPI: Key Performance Area |
| KPI | KPI: Key Performance Indicator |
| LED | Local Economic Development |
| LGSETA | Local Government SETA |
| GKLM | Great Kei Local Municipality |
| LUMS | Land Use Management System |
| MDG | Millennium Development Goals |
| MIG | Municipal Improvement Grant |
| MM | Municipal Manager |
| MSIG | Municipal Systems Improvement Grant |
| MPAC | Municipal Public Accounts Committee |
| NSDP | National Spatial Development Perspective |
| OHS | Occupational Health and Safety |

| | |
|----------------|---|
| PGDP | Provincial Growth and Development Plan |
| PMS | Performance Management System |
| PMTCT | Prevention of Mother to Child Transmission |
| SAPS | South African Police Services |
| SEA | Strategic Environmental Assessment |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SDF | Spatial Development Framework |
| SLA | Sustainable Livelihood Approach |
| SMME | Small Medium and Micro Enterprises |
| STATSSA | Statistics South Africa |
| ToR | Terms of Reference |
| WSA | Water Services Authority |

PART 1: Introduction and Overview



A. Foreword by the Mayor

Great Kei Local Municipality presents its 2012/2013 Annual Report which will provide the municipality's strategic framework for the past financial year, achievements in line with the framework; challenges and remedial actions.

It is important to indicate that Municipality adopted 2012/2013 in line with the five key performance areas of the Local Government; 12 Government Outcomes Approach; Eastern Cape Growth Development Plan 2014; National Development Plan 2030.

The focus thereof has been in the following strategic goals in line with the municipality's vision and mission:

- Basic Service Delivery
- Good Governance and Public Participation
- Financial Viability and Management
- Local Economic Development and
- Institutional Development and Organizational Transformation

Outcome 5 of Government Outcomes puts an emphasis on skilled and capable workforce to support inclusive growth whilst outcome 9 emphasizes a response and, accountable, effective and efficient Local Government System. This has been an emphasis of Great Kei Local Municipality in 2012/2013 Financial year notwithstanding the quantified targets for growth and development as outlined in the Eastern Cape Growth and Development Strategy for the period 2004-2014.

The targets set in 2012/2013 financial year indeed have contributed to the employment sector; basic service delivery and thus sustainable socio-economic development.

a) Basic Service Delivery

The municipality has utilized the Municipal Infrastructure Grant and Internal Funding to provide basic services to the community such as:

- Roads infrastructure
- Public Amenities (Community Halls and Pre-schools)
- Electricity
- Waste Management Services

The details are as reflected in KPA 2 Performance Report.

b) On Good Governance and Public Participation

Indeed public participation mechanisms have been improved from planning to implementation of the targets set. The municipality has established and resuscitated the following forums and utilized the following platforms to ensure public participation:

- Ward Committee and CDW's Meetings
- Home Affairs Forum
- Roads Forum
- Held Local Economic Development Indaba in June 2013
- Mayoral/Speaker Imbizos
- IDP/Budget PMS Roadshows in November 2012 and April-May 2013

c) On Financial Viability and Management

The municipality's financial viability and sustainability has been the priority for the financial year; hence the revenue enhancement strategy project. The main aim of the project is to bring about additional revenue streams and also increasing revenue within existing revenue streams.

d) On Local Economic Development

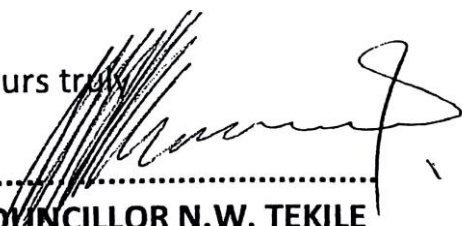
Sustainable local economic development initiatives is the key priority to Great Kei Municipality Council; hence the support to communal farmers with seedlings; inputs and equipment in the financial year 2012/2013.

e) On Institutional Development and Organizational Transformation

Training and capacity buildings of both councillors and municipal employees has also been a priority for institutional development. KPA 3 Performance report has details of the trainings conducted in 2012/2013 financial year

I want to thank everyone who has contributed every little effort in assisting the municipality to discharge its constitutional obligation of serving our people and to making the year in review the great success it was.

Yours truly



.....
COUNCILLOR N.W. TEKILE

B. The yearly program priorities' statement by the Municipal Manager

The compilation of 2012/2013 Annual Report was informed by the following pieces of legislation and relevant documents:

- South African Constitution 1996 as amended (Overarching Legislative Framework)
- Municipal Finance Management Act 56 of 2003
- National Treasury MFMA Circular No. 63
- Local Government Annual Report Guidelines;
- 2012/2017 Integrated Development Plan;
- 2012/2013 Budget Document
- 2012/2013 Service Delivery and Budget Implementation Plan

The annual report provides summary and detailed results associated with 2012/2017 municipality's strategic objectives and strategies in line with Powers and Functions as enacted in the South African Constitution; and 2012/2013 annual targets that align with the budget activities. Also included are references to supporting documentation and the status of 2012/2013 unmet targets.

The report further discusses departmental and summary performance measure results through narrative descriptions with references to supporting documentation, high-level program challenges and benefits, and the 2012/2013 Draft Annual Financial Statements.

The Council's commitment for the financial year 2012/2013 is to get a Clean Audit; since the municipality received a Disclaimer Opinion in 2011/2012 financial year from the Auditor General. The Auditor General Opinion is one of the high risks of the municipality since 2008/2009 financial year.

The municipality has further positioned itself to improve the revenue and enhance its revenue streams hence the appointment of Service Provider for Revenue Management Solutions.

Organisational Transformation and Institutional Development is one of the key strategic priorities for 2013/2014 financial year to curb the challenge of high staff turnover experienced in 2012/2013 financial. The main focus will be to develop and implement Retention Policy and Strategy and Human Resources Development Plan.

We aim for continual improvement through accountability, transparency and relevance of information.

It is important to note that our efforts could not have been achieved without the patience and support of the Great Kei Local Municipality community.

I thank you.

.....
Mr. J. F. van Dalen
Acting Municipal Manager Great Kei Municipality

C. Overview of the Municipality

a) EXECUTIVE SUMMARY OF THE SITUATIONAL ANALYSIS

The situational analysis established that Great Kei Municipality occupies 1 421 square kilometers (km²) of the Amathole District Municipality in the Eastern Cape Province. The population is estimated at 338 991 according to Statistics 2011 and some 10 310 households distributed into seven wards.

The GKM is bounded in the East by the Great Kei River and Mnquma Local Municipality, by the coastline between Kwelera and Kei Mouth in the South East, by the Buffalo City Municipality in the West and the Amahlathi Municipality, which is situated to the North.

The population is predominantly female accounting for approximately 53%, male compose only about 47% of the population. The municipality has had a high prevalence of poverty in 2007, where 54 percent of households were below the poverty line, declining employment levels (an average of 2 percent decline per annum) and resultant high unemployment levels (40 percent of the economically active population). (Urban Econ, 'Local Economic Development Training Workshop' 13 November 2007).

It is evident that GKM has a relatively high standard of water provision; however water is a key prerequisite for development and is therefore important. The road network within the Great Kei Municipality consists of 729, 55 kilometers of surfaced and unpaved roads.

Social and community services are also not in a satisfactory manner. Health Facilities are also a concern within the municipality jurisdiction; where 58% of people live more than 5 km from medical facilities and only 1, 5% have access to a medical benefit fund (DBSA, 1997).

The economic profile of the municipality is characterized by a small population, low populations density, concentration of employment in agriculture, disinvestment in rural areas, the dominance of one urban centre in the region and the resultant disparity between rural and urban areas.

b) LOCALITY

B (1) GEOGRAPHIC PROFILE

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometers (km²). The Municipality's Headquarters are in Komga; and satellite offices in Haga Haga with 5 employees; Kei Mouth with 5 employees and Chintsa with 5 employees. Municipal Services offered in Satellite offices are as follows:

- Refuse Removal
- Grass Cutting and Clearing of Bushes
- Roads Maintenance services

The GKM is bounded in the East by the Great Kei River and Mnquma Local Municipality, by the coastline between Kwelera and Kei Mouth in the South East, by the Buffalo City Municipality in the West and the Amahlathi Municipality, which is situated to the North.

Population of the municipality is distributed into seven wards, which are the amalgamation of previously different communities and municipal entities, including Komga, Kei Mouth, Morgan Bay, Haga-Haga, Chintsa East, Chintsa West, Mooi plaas and Kwelera.

Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road N6 connection between Komga and Sutterheim and the connection between Komga and King William's town and Bhisho is via the R63.

A graphical representation of the Great Kei Local Municipality is illustrated by in Figure 1. below.

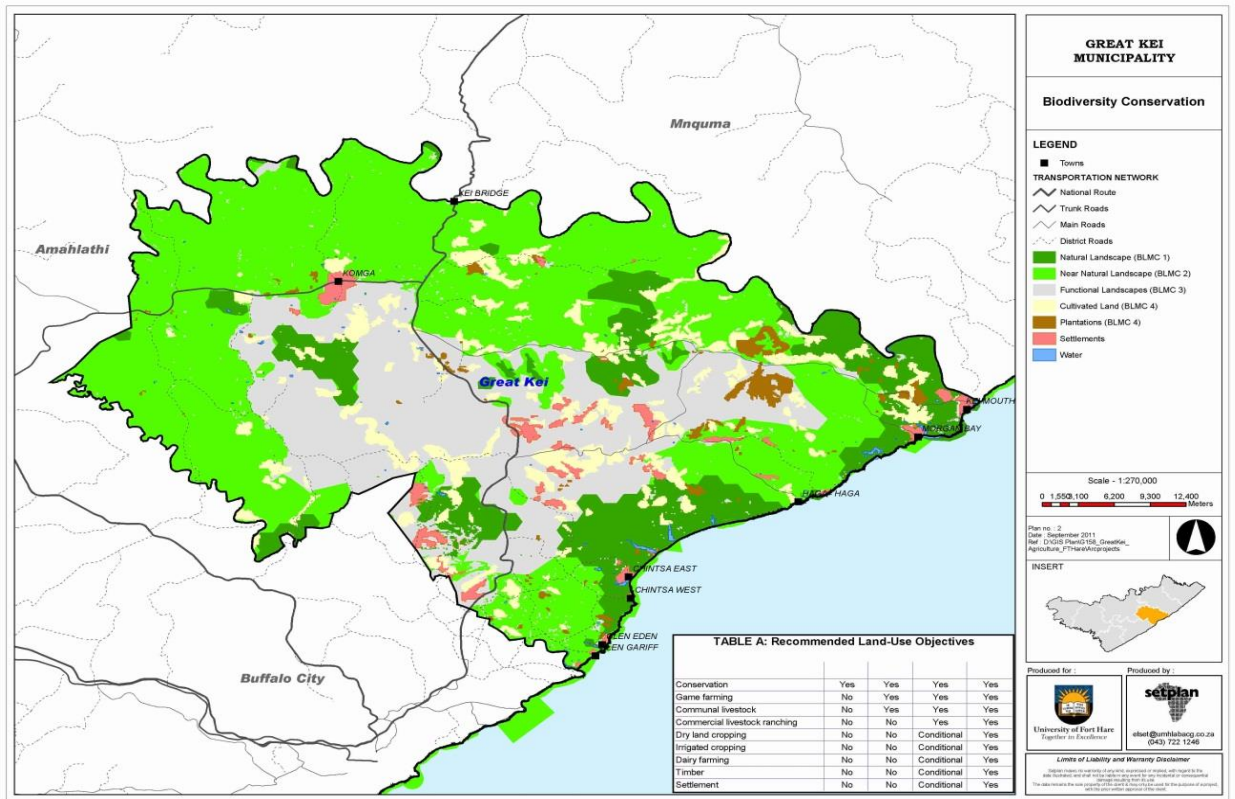


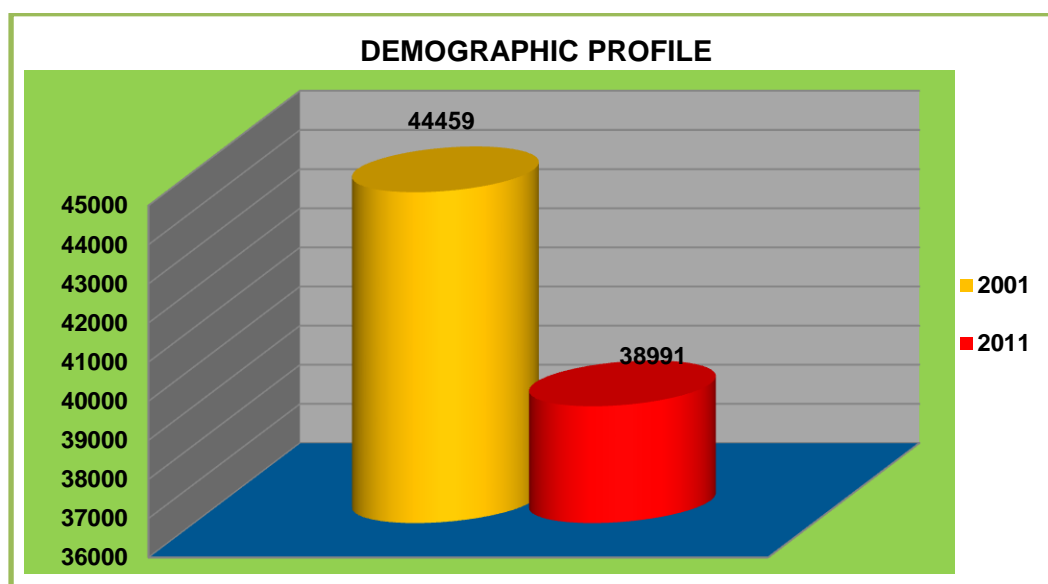
Figure 1- Map of Great Kei Local Municipal Area

c) DEMOGRAPHICS ANALYSIS

C (1) Population Size

According to the Community Survey of 2011 conducted by Statistics South Africa, the total population of Great Kei Municipality is estimated at 338 991 and some 10 310 households, which is a decline from Census 2001 Statistics that estimated a total population of 444 59 and some 11 365 households. The average household consists of about 3.8 % people.

The Figure 2 below illustrates the decline of population and households in 2001 and 2011:



SOURCE: STATISTICS 2011

i. Population by Density

| Population | | |
|------------|------------------------|------------------------|
| Density | | people/km ² |
| 1 | Urban Areas | 185.5 |
| 2 | Great Kei Municipality | 28.2 |

The service centres of Komga and Kei Mouth as well as the coastal settlements of Morgan's Bay, Haga Haga and Chintsa can be described as urban areas falling within the national definition of "an urban area administered by a local authority or municipality".

The population density within urban areas is estimated at 185 people/km (refer to Table 1). This can be attributed to the diverse economic activity and higher level of social and physical infrastructure services to be found within the centers.

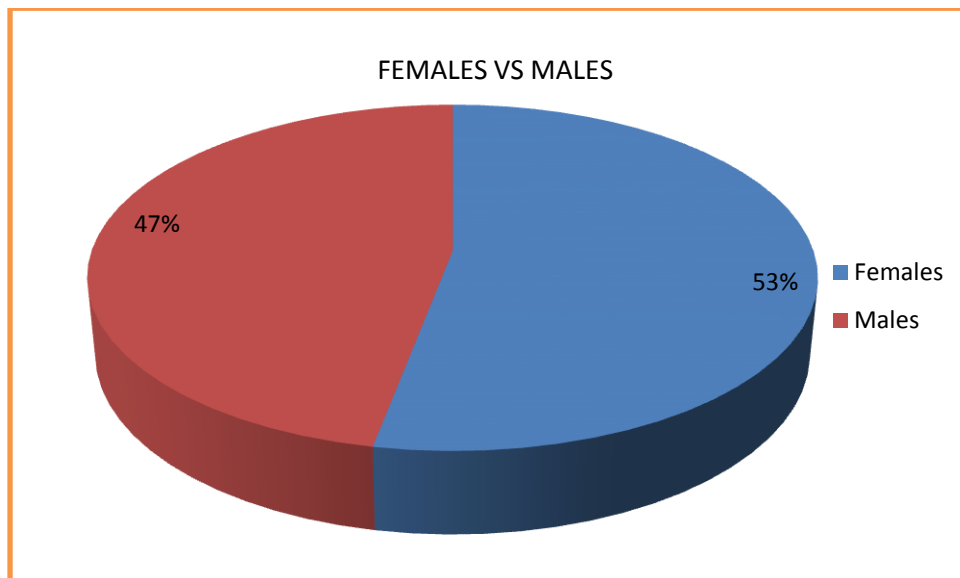
Urban centres within the area display a growth rate of around 1, 5% per annum compared to a negative growth rate of -1, 9% for the entire Great Kei Municipal area. This is believed to be the result of the steady exodus of families from farming areas and adjacent rural settlements, causing a population increase within local urban centres. Recent studies in South Africa have found that resettlement to nearby small towns remains an attractive option to dislocated rural families and individuals (particularly women), as opposed to moving to larger urban environments such as Buffalo City, Port Elizabeth and Cape Town (DBSA 2001).

ii. Gender and Age Distribution

The population is dominated by female of approximately 53%, male compose only about 47% of the population. About 62.0% of the populations fall between 15-64 years, whilst 9.3% are in the pension group (over 65 years) and only 28.7% is less than 15 years.

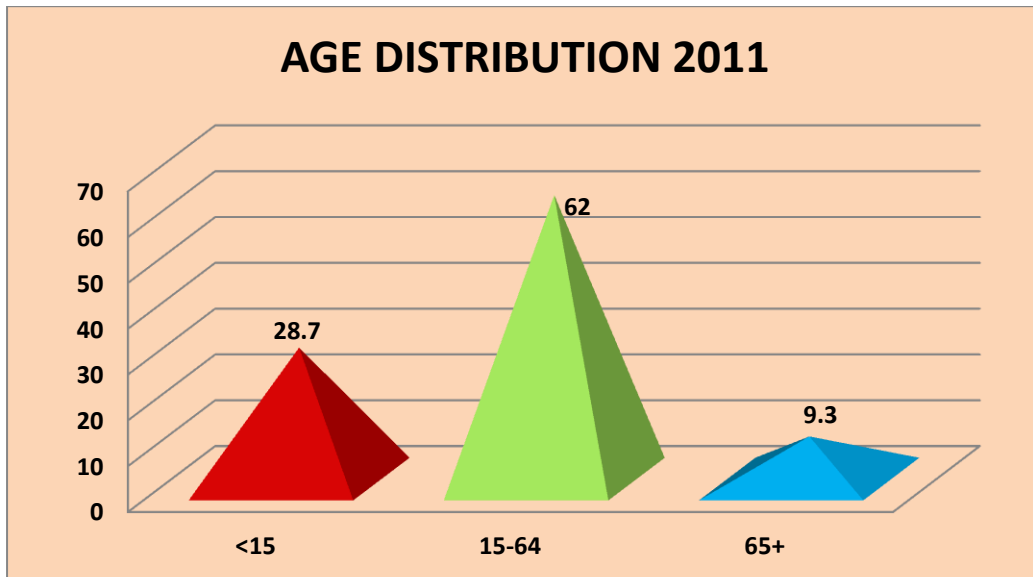
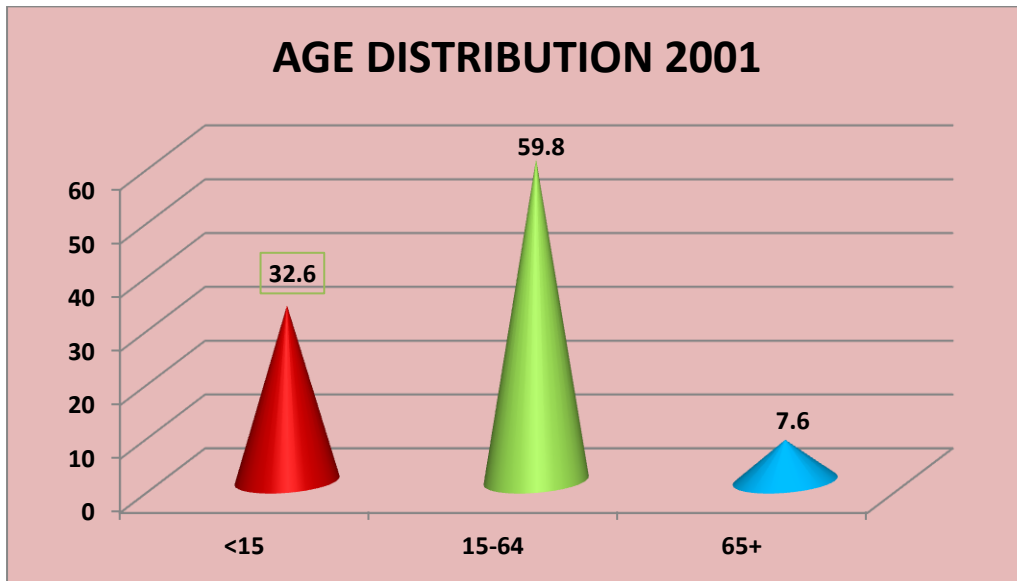
This indicates that there is a high dependency ratio of about 61.3%. This underpins the need to develop social and youth development programmes and proper infrastructural planning, provision of basic services and job creation.

Population by Gender



SOURCE: STATISTICS 2011

AGE DISTRIBUTION



SOURCE: CENSUS 2011

d) SOCIO- ECONOMIC PROFILE

D (1) ECONOMY AND POVERTY

The economic profile of the Great Kei Municipality is characterized by a small population, low populations density, concentration of employment in agriculture, disinvestment in rural areas, the dominance of one urban centre in the region and the resultant disparity between rural and urban areas.

In addition to this, the GKLM had in 2007 a high prevalence of poverty (54 percent of households below the poverty line), declining employment levels (an average of 2 percent decline per annum) and resultant high unemployment levels (40 percent of the economically active population). **(Urban Econ, 'Local Economic Development Training Workshop' 13 November 2007).**

An analysis of the contribution of the various economic sectors to the Great Kei Municipality economy may be summarized as follows:

- The government sector (particularly health and education) contributes significantly to the GDP.
- Finance and Business Services and the Manufacturing sector also contribute significantly to the GDP
- The contribution of Agriculture has declined slightly.
- There has been a significant decline in the contribution of the Wholesale and Retail Trade sector, which indicates leakages to other areas, particularly since the population has remained stagnant
- The contribution of Community Services and Construction to the GDP has increased over the years

Overall, the Great Kei Local Municipality's economy registered positive growth during the past decade. The area will, however, have to maintain its economic growth rate in order to significantly improve welfare indicators.

I. D (2) EMPLOYMENT PATTERNS

Over 39% of the GKLM are employed in the formal economy. This is line with the ADM and is significantly higher than the average for the Eastern Cape. Unemployment levels are similar to the provincial average (17%), but the proportion of those that are not economically active (not working, nor looking for work) is lower than the provincial rate of 53%.

There has been a gradual increase in the unemployment rate from 1996 which originally stood at 34.4%.

Total employment within the Great Kei Local Municipal area is dominated by the agricultural sector comprising 35.58%. Although the level of reliance has been declining in recent years, agriculture remains the dominant sector of employment in the region and contributes just less than a third of total employment.

Services, ranging from social and personal to financial and business, have been one of major growth sectors in terms of employment, as too has trade, catering and accommodation (much of this due to the growth in tourism products). Construction has also experienced grown due to the construction of new housing schemes. The manufacturing and government sectors have been consistent contributors to employment.

D (3) EDUCATION

Illiteracy levels are very high within the municipal jurisdiction with only 2.5 % of the total population that has higher level of Education as illustrated in Figure below. Although there is a decline of illiteracy level between 2001 and 2011, percentages of illiteracy are still high

- Percentage of people with No schooling= 19.2 %
- Percentage of people with Higher Education= 2.5 %
- Percentage of people with Matric= 15 .0%
- Percentage of Primary Education Enrolment (Ages 6-13)=93.7 %

There are 34 primary schools within the Great Kei municipal area - located at Komga, Mooiplaas (9), Kwelerha, Ocean View, and Icwili and upon Farms (20).

There are 8 combined schools - located at Springvale, KwaTuba, Eluphindweni, Kwa-Jongilanga, Mooiplaas (2) and Farms (2). Three (3) secondary schools exist at Mooiplaas, Icwili and Eluqolweni.

Table: Number of Primary and Secondary Schools

| Great Kei Municipality | Primary Schools | Secondary /Combined Schools |
|---------------------------------|-----------------|-----------------------------|
| Number of schools | 34 | 8 |
| Number of Schools/1000 children | 2.62 | 0.19 |

Table 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 eight), 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 : 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. | |
|---------------------|--|-------|
| 1 | Total Gt. 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 9). 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 centres outside the municipality.

D (4) HEALTH

Health facilities within the area consist of one community health centre (Komga) and 5 clinics (Komga, Kwelera, Mooiplaas (2), and Icwili). 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 20: 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 |
| 5 | Other (Clinics) | 4 |
| 6 | Total | 20 |
| 5 | Number of person/bed | 2234 |

Source Department 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 7). This amounts to $\frac{1}{2}$ 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 decentralization 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.

e) SPATIAL ANALYSIS

The municipality adopted a Spatial Development Framework in 2005/2006 Financial Year. It is against this background that the SDF is currently reviewed in partnership with Amathole District Municipality, for alignment with 2013/2017 Integrated Development Plan.

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 centre, with Kei Mouth, Haga Haga, Cintsa and the Glens forming the 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 Chintsa 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 has 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 centres, 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 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 Reviewed 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.

f) LAND AND AGRICULTURE

The Great Kei Municipality covers an area of 1 421 km². 1 364 km² of land is used for agricultural production. 96% of the agricultural land is owned by private commercial farmers. 77% of this land is utilized as a grazing land for livestock (Cattle, Sheep, and Goats & Game). The remainder is utilised for Crop production (vegetable), Hydroponics & Dairy. Therefore GKM is predominantly a livestock producing area. Farmers Associations

- Commercial Farmers Association
- Emerging/Small Scale Farmers Association
- Communal Farmers Association

The table below illustrates the results of the Land Audit commissioned by the municipality.

| Land Use | | Urban | Great Kei Municipality |
|-----------------|-----------------------|--------------|-------------------------------|
| | | Areas in Km2 | 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% |

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

F (1) CASP Projects 2012/13

| Project Name | Km fenced | Budget | Progress/Outputs/Outcomes |
|------------------|-----------|-----------|---|
| Grey Valley Farm | 10.4km | R 400 000 | Grey Valley Farm- Tender process has been used, 7 people are employed in the project |
| Quku Valley Farm | 11km | R 480 000 | Quku Valley Farm- Community fencing has been used, DRDAR has provided fencing material. 16 people from Soto community that were trained in fencing are employed in the project. |
| | | | |

F (2) Veterinary Services

- 15 dip tanks dipping about 8 836 Cattle in the communal Areas of GKM.
- Sheep Scab Campaign (1 952 sheep)
- Rabies Vaccination (2 131 dogs)
- Ngxingxolo Dip Tank has been finished

F (4) AGRICULTURE

a) Veld Conditions

The study commissioned by the municipality to University of FortHare identifies Six Veld Conditions with Great Kei LM:

- Afromontane forest
- Coastal forest
- Coastal grassland
- Dune thicket
- Eastern thorn bushveld
- Moist upland grassland and the valley thicket
- Four different sample sites showed a variation of 36% to 78 % in the veld condition score afromontane forest
- Average grazing capacity of the place was found to be 4.9ha/AU

b) Small Holder Development

The Average Hectares is 457.88. When compared with other municipalities the Smallholder development is illustrated as follows

Smallholder Development – Livestock Production

| Municipality | Cattle | Goats | Sheep | Pigs |
|------------------|-------------|--------------|--------------|-----------|
| Amahlathi | 85.7% | 42.8% | 28.5% | 14.2% |
| Great Kei | 100% | 66.6% | 16.6% | 0% |
| Mbhashe | 40% | 40% | 10% | 0% |
| Mnquma | 85.7% | 42.8% | 42.8% | 0% |
| Ngqushwa | | | | |
| Nkonkobe | 100% | 100% | 0% | 0% |
| Nxuba | 100% | 25% | 32% | 33.3% |

Smallholder Development – Crop Production

| LM | Maize | Cabbage | Potatoes | Spinach | Butternuts | Carrots | Beans |
|------------------|------------|--------------|-----------|--------------|------------|--------------|-----------|
| Amahlathi | 28.5% | 14.2% | 0% | 14.2% | 28.5% | 14.2% | 0% |
| Great Kei | 25% | 16.6% | 0% | 16.6% | 0% | 16.6% | 0% |
| Mbhashe | 10% | 20% | 20% | 20% | 0% | 20% | 0% |
| Mnquma | 57.1% | 57.1% | 14.2% | 57.1% | 42.8% | 14.2% | 0% |
| Ngqushwa | | | | | | | |
| Nkonkobe | 87.5% | 100% | 75% | 62.5% | 62.5% | 25% | 25% |
| Nxuba | 25% | 25% | 0% | 25% | 25% | 50% | 0% |

(Source Study Commissioned to University of FortHare).

g) ENVIRONMENTAL ANALYSIS

(G) (1) ENVIRONMENT AND NATURE CONSERVATION

Great Kei Local Municipality adopted an Integrated Environmental Waste Management Plan commissioned by the Department of Environmental Affairs in 2011/2012 financial year, in line with GKLM Waste Management By-Laws.

There is a need for vigorous efforts to take these factors into consideration by ensuring adherence to current environmental legislation. The municipality is in a process of licencing one existing landfill site. The municipality is also planning to co-ordinate processes of licencing the existing Transfer Stations. Specific environmental issues affecting the local municipality and requiring attention at present include but not limited:

- Recycling is also suggested to deal with the waste as well as add value to the current unemployment levels.
- Soil erosion across the area, through a practical rehabilitation plan. Productive land is being lost every year as topsoil is eroded, reducing grazing area and crop production potential.
- Invasive plants and noxious weeds need control as they overtake land which could be used for more productive and sustainable purposes.
- Blue Gum
- Black Wattle
- Acacia Karoo

Funding of Environmental Management Programs by the Department of Environmental Affairs:

- The Department of Environmental Affairs dedicated human resources for Great Kei local Municipality
- The Department funded Removal of Alien Species Program Cwili and Kei Mouth and 77 job opportunities were created in 2012/2013 financial year
- 109 Job opportunities were created for Kei Mouth to Chintsa Working for the Coast project funded by the Department of Environmental Affairs.
- Cleaning of Great Kei Local Municipality Street Cleaning and Beautification funded by the Department of Environmental Affairs at a total amount of R7, 6 million raised the profile of the town.
- In 2013/2014 financial year; the Department has further funded **Working For the coast EC- WFTC Fish River to Great Kei Project** under the auspices of Expanded Public Works Programme (EPWP) and Adopted Great Kei Expanded Public Works Programme (EPWP) Policy.
- Project budget is R12,750 000.00
- The Business Zone 852 cc is Appointed as An implementing agent by DEA and is expected to create at least 35 jobs within GKM

Project Deliverables aim at addressing some of the challenges identified above and promote cleanliness and beatification such as:

- **Coast cleaning and tourism nodes:** removal of foreign objects and disposal Daily Sweeps, Litter picking,

- **Maintenance of the Coastal Infrastructure:** Construction of the Board walks and maintenance of existing ones, braai areas, picnic areas.
- **Creating of access** through construction of Hiking Trails and pathways to the Different areas.
- **Upgrade and Maintenance of Coastal infrastructure** : Renovation of the Tidal Pool, Bins installation, Braai facilities, Signage, Educational and Directional
- **Alien Clearing and planting of trees:** clearing and removing of alien plants applying the appropriate methods.
- **Rehabilitation of Coast Lines:** Stabilising Dunes Gabions and vehicles control measures

(G) (2) CLIMATE CHANGE

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.
- Generally temperature has risen (0.11% / decade)
- Precipitation has generally declined in the south-eastern part of the Eastern Cape while it has increased in the northern part of the EC
- Consecutive dry days (CDD) have increased while Consecutive Wet Days (CWD) have declined which generally contributed to the decline in precipitation.
- **Environmental Sensitive Areas have been identified as follows:**
 - Mountain catchment areas
 - River systems
 - Wetlands
 - Coastal areas
 - Severely degraded areas
 - Riparian Zones

G (3) OPEN SPACE SYSTEM (PARKS & RECREATION)

The Department of Environmental Affairs funded the Great Kei Municipality Recreational Park at an amount of R5 Million.

H) NATURAL ENVIRONMENT

H (1) Great Kei Coastal Zone

Since it is particularly the coastal areas that are under pressure for the development in Great Kei, it is therefore important to define the Great Kei Coastal Zone:-

- The coastal zone in GKM is considered to extend from the edge of the territorial waters (12 nautical miles) on the seaward side, including the seashore (coastal public property); stretching between the high and low water spring tide marks, and extending inland for 1km from the inland boundary of the coastal public property in areas not zoned as residential, commercial, industrial or multiple-use or within 100m of the high water mark within these zoned areas.
- The coastal zone includes estuaries which are defined as that part of a river near mouth which is influenced by tides and in which marine and mixing of marine and fresh waters occur, extending up to the uppermost region of the system which is influenced by the tidal cycle. And includes the terrestrial/riparian area of the estuary up to the 10m contour for wide valleys or the crest of the ridge in deeply incised river valleys.

The coastal area definition is relevant as it is in this zone that coast-dependent activities should receive priority from the planning perspective.

H (2) Temperature and Rainfall

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.

G) BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

G (a) Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM is planning Construction of Water Reticulation to 1140 erven and Upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision is noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

c) Sanitation Services

a) Sanitation services delivery strategy and main role-players

Great Kei local Municipality is not the sanitation service provider but this function is contracted to Amathole District Municipality and with counter funding from MIG. Only 9.4 % of the total population has access to flushed toilet services, which is an increase from 2001, where only 8.9 % of the population had access to the service. **(Census 2011)**

The ADM plans for the financial year 2013/2014 are as follows to reduce the sanitation backlogs:

| PROJECT NAME | BUDGET |
|---|---------------|
| Komga Commonage Settlement Services | R8 578 000 |
| New Waste Treatment Works- Morgan's Bay | R700 000 |

NEW PROJECTS STILL TO BE REGISTERED TO MIG

| | |
|--|--------------------|
| Area Wide Sanitation Projects (Great Kei Phase 1A) All Regions | R10 300 000 |
| Morgans Bay WTW Upgrade | R100 000 |
| Kei Mouth Reticulation | R500 000 |
| Upgrade Komga WTW | R100 000 |
| TOTAL | R20 278 000 |

b) Electricity Services

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. The Department of Energy funded upgrading of bulk electricity supply.

The Bulk Electricity Upgrade Project has been completed in December 2012 and 300 split meter were procured to curb tampering. The municipality further plans to engage Eskom and the Department of Energy to fund electrification of new households estimated at 3000 that do have access to electricity.

It is also important to note that High Masts Lights will be installed, Street Lights to be maintained in the financial year 2013/2014.

c) Public Amenities and Social Infrastructure

The municipality has existing social amenities. Each ward has an existing community hall, such as; Siviwe Community Hall, Komga Town Hall, Komga Great Hall, Kei Mouth, Chintsa Community, Haga-Haga Hall Museum, Morgans Bay Community Hall, Nokhala, Kwelerha, Zozo, Diphini, Nyarha, Ngxingxolo, Makhazi Red Crosss, Mzwini, Mangqukela and Komga Recreation Hall.

There is limited budget allocated for sports and recreational facilities maintenance. This is evident on the status of the sports fields in the municipal area. Other funding institutions on sporting and recreational facilities need to be explored as the municipal budget for this purpose is not sufficient.

Municipal Infrastructure Grant has been utilized by the municipality in the last three financial years for construction of public amenities such as sport fields, pre-schools and community halls.

In 2012/2013 financial year the municipality completed Belekumntwana Community Hall. The plan is to construct Phumelele Crèche, Cefane Community Hall, Lusasa Community Hall, Plangeni/Kwelerha Sport field, Icwili Community Hall, Komga Sport Field, Chintsa East Sport Field, Tuba Community Hall, Eluqolweni Crèche, Gwaba Community Hall, Soto Community Hall and Renovation of Gwaba Art Centre.

H) Human Settlements

H (a) Housing

The Municipality has an existing Housing Sector Plan (2011-2016). The Department of Human Settlement appointed a Service Provider to review the Sector Plan in line with 2013/2017 IDP. The key focus areas of the review are as follows:

- a. Situational Analysis Review
- b. Feasibility Studies of all planned projects
- c. Development of the Draft Housing Sector Plan
- d. Presentation of the Housing Sector Plan to Stakeholders and Final Adoption.

The project is expected to be completed within seven months from June 2013.

The Great Kei Municipality has a diverse housing need relating to the fact that many families live in traditional dwellings in Mooiplaas and Kwelerha (see bar chart below). The coastal towns of Kei Mouth, Morgan's Bay, Haga Haga, Crossways, Bulugha, Glen Muir and Chintsa East have a need to provide serviced sites and low cost housing for the workers who would like to live in these centres. There is also potential for development of holiday homes and tourism related accommodation. Currently, we've applied to our provincial housing department for the following projects: Komga Zone 10 1200 units, Komga phase 2 400 units, Haga Haga 300 units, Cefane 250 units.

Figure: Housing Type

Source Department of Housing & Local Government, 1997

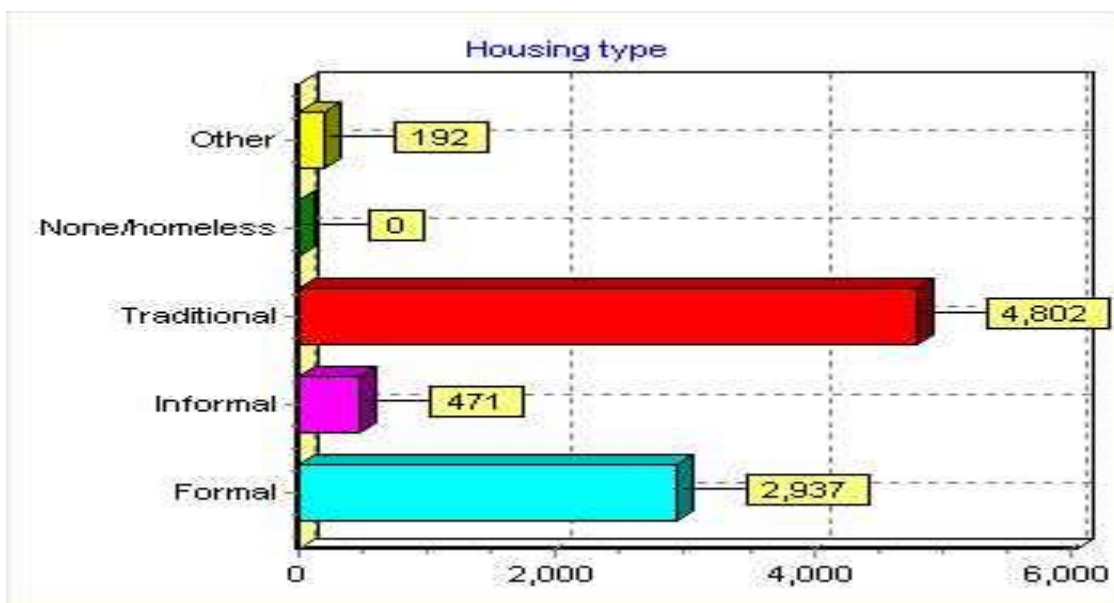


Table: Housing Type

| Traditional | Informal | Formal | Other |
|--------------------|-----------------|---------------|--------------|
| 57% | 6% | 35% | 2% |

Most households live in traditional structures (57 percent) with 35 percent of households living in formal structures (refer to Table 14). The total housing need for low-income families in Komga is estimated by the Council at 3 000 houses with serviced sites. The settlements in Kwelera and Mooiplaas also require formalization of tenure and infrastructure. The municipality has to plan for the extension of services inclusive of housing for Chintsa East, Kei Mouth and Komga.

H (b) Formal Housing

Private developers are involved in the provision of most formal housing within the urban areas; however people in the lower income groups have been marginalized by this as they cannot afford the types of housing presently provided. This has led to a high demand for rented accommodation, overcrowding and increased numbers of backyard shacks. A very high demand for serviced sites and housing thus exists.

The Provincial Housing Board subsidy projects have the opportunity of making inroads into the affordable and low cost housing need. However, the over allocation of funding together with the slow rate of delivery places a number of new housing projects on the waiting list.

During the IDP/ Budget Review 2005/ 2006 an allocation of 6000 Units was identified and it was broken down into allocation by Wards that is, 1000 Units per Ward. Due to the problem with the existing housing projects a Directive from the Office of The MEC, Housing, that priority must be given to blocked, stopped, and incomplete projects.

Developments are that, the Icwili Phase I (255) housing project has been unblocked and therefore 84 houses will be built an additional 19 houses will be completed. With regard to Chintsa East housing project, bulk infrastructure is the problem and the Municipality is advised to talk to ADM for temporary provision of these services whilst waiting for the completion of Bulk Water Scheme project.

The Municipality has forged relations with Afesis Corplan and our Provincial Housing Department. Afesis Corplan promotes a concept known to be LAND first in an attempt to discourage expansion of shacks. The approach emphasizes the notion of being pro-active as government of the people by providing surveyed sites to all home seekers, provide basic servicers and guarantee the occupant to be the owner of that piece of land through certificate of ownership. We have identified Kei Mouth –Icwili as a pilot. We have consulted the immediate community and agreed to the program/project. We are now awaiting approval from the office Surveyor General.

The Municipality with the Department of Human Settlement have agreed to work together: The main purpose was for the Department to provide technical support to the municipality by developing business plans for capacity enhancement in performing the housing function including management of housing projects.

Table 15: Current Housing Access

Proposed Housing Development

| | |
|--------------------|------|
| Morgan's Bay | 200 |
| Kei Mouth (Icwili) | 250 |
| Chintsa East | 500 |
| Komga Zone 10 | 1140 |
| Komga Phase 1 | 96 |
| Komga Phase 2 | 400 |
| Haga-Haga | 300 |
| Cefani | 250 |
| Tainton | 250 |
| Municipal wide | 6000 |

Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. 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.

It is envisaged that the Reviewed Housing Sector Plan will address the following challenges identified:

- a) Screening of Beneficiaries
- b) Land Availability and Land Ownership
- c) Bulk Infrastructure
- d) Environmental Studies such as Geotechnical Surveys etc.

1. HEALTH

Health facilities within the area consist of one community health centre (Komga) and 5 clinics (Komga, Kwelera, Mooiplaas (2), and Icwili). 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 7: 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 |

| | | |
|---|--------------------------|------|
| 5 | Other (Clinics) | 4 |
| 6 | Total | 20 |
| 5 | Number of person/ bed | 2234 |

Source Department 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 7). 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 decentralization 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.

I (a) Transport Services and Roads Infrastructure

a) Transport Services

Council adopted Terms of Reference and resuscitated Roads Forum in 2012/2013 financial year. It is envisaged that the Forum will sit on quarterly basis effectively from 2013/2014 financial year.

It is a known fact that public transportation is very limited in GKLM. A Roads Management Plan would address the above issues and the Amathole District Municipality and Department of Roads and Transport were approached for funding. A Transport Forum is functional and they meet on a quarterly basis.

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. Bus Shelters; Landstrip and maritime transport are other existing types of Transport.

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.

There is a Kei-Rail passenger service running between East London and Umtata passes through Komga. The East London, Amabhele to Umtata Railway which once was an important service to the Transkei has come back in the area. The Provincial Government

and Department of Transport has revived this railway to offer commuter and freight transport opportunities.

As a result of the current lack of formalized 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.

b) 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 centre, with Kei Mouth, Haga Haga, Chintsa and the Glens forming the 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 Chintsa 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 has increased 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 centres, 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 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 travelers 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.

c) Roads Infrastructure

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments. Roads leading to coastal areas are usually gravel or in a state of disrepair.

The road network within the Great Kei Municipality consists of 729, 55 kilometers of surfaced and unpaved road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

Table: Categories of Road

| Road Classification | Lengths (km) | | Responsible Authority |
|---------------------|---------------|---------------|--|
| | Paved | Unpaved | |
| National | 48,97 | 0 | South African National Roads Agency |
| Trunk | 23,45 | 0 | |
| Main | 4,27 | 41,11 | Department Of Roads and Public Works Great Kei Municipality |
| Minor | 32,45 | 71,82 | |
| Access | 21,30 | 463,65 | |
| | 0 | 22,53 | |
| TOTAL | 130,44 | 599,11 | |

The Great Kei Municipality is thus directly responsible for 21, 30 kilometers of surfaced and 486, 18 kilometers of unpaved road.

Available records indicate that, of the unpaved minor and access roads approximately 258 kilometers have gravel surfacing i.e. some betterment, drainage work and gravelling has taken place previously while approximately 228 kilometers can be classified as non-graveled roads or tracks i.e. no improvement has taken place and roads have only been identified but are in use.

It is also important to note that located on the unpaved minor and access roads a total of approximately 41 structures i.e. stream crossings with minor structures and causeways (not pipes) have been identified and a total of approximately 56 stream crossings requiring minor structures have been identified. The status of unpaved minor and access roads in terms of upgrading and structures is given in the table below:

Table: Road Status

| Road Classification | Roads Status 1. | | Structure 2. | |
|---------------------|-----------------|----------------------|--------------|--|
| | | Non-gravelled/Tracks | Existing | |
| Minor Access | | 214 | 401 | |
| | | 14 | | |
| TOTAL | 258 | 228 | 401 | |

Structures exclude all pipe culverts.

Existing gravel roads and structures have been assessed to determine if the existing infrastructure meets desirable standards and any upgrading required.

With the establishment of the Transport Forum, Great Kei Municipality can safely say coordination and management of various activities implemented by responsible authorities such as the Department of Roads and Public Works in regard to both capital and

maintenance works on roads under their jurisdiction i.e. trunk and minor roads to ensure a holistic approach. Existing infrastructure as well as infrastructure developed through capital expenditure requires regular and on-going maintenance to preserve the asset created and to prevent premature deterioration.

An overall integrated strategy will be achievable which will address issues such as higher order strategies developed by National Departments, Provincial Departments and the District Municipality as well as local issues and requirements such as, road standards, policy. This must also integrate with other initiatives within the Great Kei Municipality e.g. the construction of a clinic, school or sports facility should be preceded by the construction of an access road to ensure a holistic approach to the provision of services.

Municipal Infrastructure Grant (MIG) has been utilized by the municipality in the last three financial years for construction of roads. The municipality adopted a three year capital plan which is reviewed each financial year. A capital grant (MIG) of R15 M has been set aside for roads and bridges construction projects in 2013/2014 financial year. The municipality has a functional Project Management Unit, responsible for implementation, reporting and monitoring of capital projects.

The following roads infrastructure projects and bridges are planned for the financial year 2013/2014:

| PROJECT | ALLOCATION | WARD |
|---|-----------------------|------|
| INTERNAL STREETS OF SLATSHA | 1,250,000.00 | 3 |
| REHABILITATE CEFANE BRIDGE | 850,000.00 | 3 |
| SIVIWE ACCESS ROAD | 1,500,000.00 | 7 |
| MANXIWENI INTERNAL STREETS/MZWINI EXTENSION | 1,500,000.00 | 2 |
| KOMGA INTERNAL STREETS | 1,137,100.00 | 7 |
| MORGANS BAY ACCES ROAD | 2,000,000.00 | 6 |
| CINTSA EAST TOWNSHIP ROAD | 1,320,000.00 | 6 |
| SOTHO SOCCER PITCH | 1,000,000.00 | 4 |
| KEI MOUTH ROADS | 1,100,000.00 | 6 |
| ELUPHINDWENI COMM HALL | 1,354,100.00 | 2 |
| TOTALS | R13,011,200.00 | |

The municipality plans to develop and implement its own Roads Management Plan in 2013/2014 financial year.

2. Community Services

A) PROTECTION SERVICES

The GKM has three sections dealing with Protection Services, namely: Traffic, Fire and Disaster Management.

Traffic services are the core competency of the Department of Transport, and GKM and the Department of Transport have a formal working relationship guided by a Service Level Agreement (SLA). The GKM has five traffic officers and there is still a need to appoint one officer and an examiner of vehicles.

Fire Services and Disaster Management are core functions of ADM. The ADM however renders the services on behalf of the GKM (without a SLA). Disaster Management volunteers have been established in the three (3) towns of Kei Mouth and Morgan's Bay, Chintsa and Komga. All of them have been trained on basic disaster management principles such as first aid; radio communications, fire fighting, etc. The Fire Services have appointed Fire Fighters and a Station Commander who are working in putting the systems in place. There is a fully Hazmad vehicle and a Fire engine fully equipped stationed at the Fire station at Komga

Traffic By-laws are available. Great Kei Disaster Management Risk Assessment Profile will be developed in partnership with ADM. Peace Officers have been trained, but not yet appointed as such.

The Community-based planning initiative identified a major need for crime prevention associated with community based Taverns and alcohol consumption. In an attempt to address such instances of crime by means of a Community Policing Forum, which could undertake nightly neighborhood watches. The Municipality is represented in the Community Policing Forums. The GKM plans to develop a Liquor Trading By-Law.

Protection services are an important function of the municipality because it provides vital emergency services as well as signage, etc. that make the navigation of the towns easy for tourists and potential investors.

B) SAFETY

The municipality has Integrated Safety Plan and Existing Community Safety Forum. The municipality works in partnership with SAPS; Moral Regeneration Movement; Community Safety Forums to do awareness campaigns towards combating crime.

D. Executive Summary

In pursuing municipal vision and mission

"To achieve a peaceful and sustainable environment, where all communities enjoy an improved quality of life"

The municipality has indeed strengthened public participation in governance issues; has established and revived structures; working towards building and strengthening Intergovernmental Relations.

The municipality has also worked with Department of Environmental Affairs in creating job opportunities through EPWP programs such as Municipal Recreation Park; Working for the Coast Project.

Strengthening the Policy Environment has been a priority for the financial year 2012/2013; where all Policies were reviewed after identification of gaps. This was done in partnership with PWC appointed by ADM on behalf of Great Kei Local Municipality.

It is important to note that though there are strides to improve performance within the municipality; there are still challenges to be addressed such as:

- Low Revenue Base
- Infrastructure Backlogs (Roads Infrastructure; Water; Sanitation and Electricity)
- Housing Development
- Funding of SMMEs/Co-operatives towards sustainability

The report therefore is prepared in line with MFMA Circular 63; MFMA Circular 11 and MSA S46; and MFMA Chapter 12. The outline of the report is as follows:

- 1) Chapter 1: Overview of the municipality
- 2) Chapter 2: Key Performance Area 1: Good Governance and Public Participation
- 3) Chapter 3: Key Performance Area 2: Service Delivery Performance including Local Economic Development
- 4) Chapter 4: Key Performance Area 3: Organizational Development Performance
- 5) Chapter 5: Key Performance Area 4: Financial Performance including Draft 2012/2013 Annual Financial Statements
- 6) Part 3: 2012/2013 SDBIP Reporting for each Department

PART 2: KPA

ACHIEVEMENT

REPORT

Chapter 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (KPA 1)




2.1 Overview of the S79 Committees and Council functions and achievements




Great Kei Municipal Council is a Plenary Type Municipal Council wherein all its decisions are taken by Council. It has established Section 79 Committees in the form of 7 Standing Committees namely: Public Participation and Social Needs Committee, ICT, Finance and Risk Management, Corporate Services, Infrastructure and Community Services, IDP/ LED & Strategic Services, Municipal Public Accounts Committee and the Audit Committee. All these committees have functioned relatively well, they have set as per the Annual Council Schedule, their resolutions or recommendations have been escalated to Council for consideration.

In 2012/2013 four Ordinary and Special Council Meetings were held as follows:

| Date | Type of Council Meeting | Key Resolutions |
|-------------------------------|--------------------------|---|
| 24 th July 2012 | Ordinary Council Meeting | |
| 29 th August 2012 | Ordinary Council Meeting | 2012/2013 IDP Process Plan and Delegation of Power Policy |
| 30 th October 2012 | Ordinary Council Meeting | 2011/2012 IDP PMS Report |
| 23 rd January 2013 | Ordinary Council Meeting | Adoption of January- June 2013 Council Calendar |
| 28 th March 2013 | Ordinary Council Meeting | Tabling of 2013/2017 Draft IDP, 2013/2016 Budget; 2013/2014 SDBIP and 2013/2014 Tariffs |
| 31 st May 2013 | Ordinary Council Meeting | Adoption of 2013/2017 Final IDP, 2013/2016 Budget; 2013/2014 SDBIP and 2013/2014 Tariffs IDP, Budget, SDBIP and Tariffs |

List of Councillors who attended Council Committees and Council Meetings are as follows:

| Name of councillor | Capacity | Gender | Political Party | Ward/ PR |
|-----------------------------|---|--------|---|----------|
| NGENISILE WELLINGTON TEKILE | SPEAKER/MAYOR | MALE |  | 3 |
| NOLIZO MOLI | CHIEF WHIP and Portfolio Head ICT, Finance and Risk Management. | FEMALE |  | 1 |
| LONWABO LENNOX BANGANI | Ward councillor | MALE |  | 1 |

| | | | | |
|-----------------------------------|--|--------|--|---|
| MOYISILE MZAMO | Ward councillor | MALE |  | 2 |
| MLULEKI TEMPLETON MALI | Ward councillor and Portfolio Head Technical and Infrastructure/Community Services | MALE |  | 3 |
| NONKOSINATHI VEREZAR MEVANA | Ward councillor and Portfolio Head Public Participation and Social Needs Committee | FEMALE |  | 4 |
| NTOMBIZANELE PRINCESS MGEMA | Ward councillor | FEMALE |  | 5 |
| NOSIPHO NGABAYENA | Ward councillor | FEMALE |  | 6 |
| LULEKA NDABAMBI GAVUMENTE | Ward councillor and Chairperson MPAC Committee | FEMALE |  | 7 |
| NOMONDE NOLUTHANDO DYANI | PR and Portfolio Head LED/Strategic Services | FEMALE |  | 3 |
| WELILE NDORO | PR and Portfolio Head Corporate Services | MALE |  | 4 |
| SHARNE MURIEL JACOBS | PR | FEMALE |  | 6 |
| JACOB COENRAAD LABUSCAGNE | PR | MALE |  | 6 |

2.2 Other Governance Structures

a) Audit Committee

The Great Kei Municipality has an Audit Committee as prescribed by the Municipal Finance Management Act, Chapter 14, Section 166(1), that serves the purpose of being an independent advisory body to the Council, Political Office Bearers, Accounting Officer, Management and Staff, thereby assisting Council in its oversight role. The role, functions and authority of the Audit Committee are prescribed in terms of Section 166(2) of the Act. Audit Committee Charter is available to guide functioning of the Audit Committee.

Amongst other functions of the Audit Committee, the following are the core functions:

- To monitor the integrity of the Council's financial statements and announcements relating to its financial performance, review significant financial reporting judgments;

- To review the reliability and effectiveness of the financial and internal control systems of the municipality.
- To monitor the effectiveness of the internal audit function and review its material findings.

The audit committee of Great Kei Municipality consists of three independent members, with experience in the field of Auditing, Local Government and Law. Five Audit Committee Meetings as scheduled sat in 2012/2013 financial year as follows:

- 10 October 2012
- 30 November 2012
- 18 January 2013
- 08 March 2013
- 10 May 2013

b) Internal Audit

The municipality has further taken an initiative to appoint Internal Audit Manager who performs amongst other functions the following:

- Provide an independent appraisal function to examine and evaluate the Municipality's activities as a value added service.
- Review the adequacy and effectiveness of internal control systems and governance systems.
- Compiles Strategic and Operational Risk registers in line with Strategic Objectives and Annual Plan i.e. SDBIP; monitors implementation of Risk Action Plan and Compile Reports.
- Assist members of the Municipality in the effective discharge of their duties and responsibilities via its reviews, reporting and recommendations.
- Provide analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.
- Promote effective control at reasonable cost.

2.3 Rule of Law

It is important to note that the municipality has the following policies adopted by Council and were enforced in 2012/2013 financial year; however they will be reviewed and adopted in financial year 2013/2014.

| Policy | Brief Description/Purpose of the Policy |
|------------------------------------|--|
| - Code of Conduct Policy | To ensure adherence to Schedule 1 and 2 of the Municipal Systems Act 32 of 2000 |
| - Recruitment and Selection Policy | Ensure that the Municipality follows best practices in its recruitment and selection processes To comply with the provisions of Employment Equity Legislation |
| - Subsistence and Travelling | to set out the basis for the payment of subsistence and travel allowance for the purposes of official travelling, either to outlying areas of the Municipality's area of |

| | |
|--|--|
| | jurisdiction or beyond. |
| - Telephone Usage Policy | To ensure the effective and efficient use of Municipal telephones; To curb the abuse of Municipal telephones by employees of the Council; |
| - Training and Development Policy | To improve productivity in the workplace, the quality of life of Municipal employees, prospects for work opportunities and labour mobility (targeting work-related-career planning and development); |
| - Leave Encashment Policy | To regulate the encashment of leave with due regard to the specific circumstances of employees that may arise from time to time. |
| - Employment Assistance Policy | To lay a foundation for sustainable, participatory and penetrating Employee Assistance Programmes (EAP) and Employee Wellness Programmes (EWP) |
| - Acting Allowance Policy | To outline procedures for Acting of Municipal Employees and Payments thereof. |
| - Bereavement Policy | To build a caring environment within the Local Municipality community |
| - Promotion; Demotion and Transfer Policy | To provide directions on the circumstances under which an employee may be demoted; promoted and transferred and the procedure to be followed in connection therewith. |
| - Policy on Staff Occupying Council Property | To define the policy for staff occupying Great Kei Municipality property and to provide guidelines for the application thereof. |
| - Employment Equity Policy | Creating equal opportunities and fair treatment in the employment through the elimination of unfair discrimination. |
| - Tariffs Policy and Tariff Schedule - Credit Control & Debt Collection Policy, - Indigent Policy, - Investment & Banking Policy, - Asset Management Policy and GRAP Compliant Asset Register, and - Supply Chain Management Policy with functional Bid Specification; Bid Evaluation and Bid Adjudication Committees are available | To regulate financial governance; viability and management within Great Kei Municipality. |

2.4 Public participation and consultation

The Municipality planned Mayor/Speaker Engagement meeting; with Ward Councillors; Community Development Workers and Ward Committees which was held successfully co-ordinated on 30th October 2012 and 23rd April 2013 where ward committees and CDW's raised Service Delivery issues. All issues raised were circulated to Internal Municipal Departments for implementation.

In partnership with Legislature a Public Hearing was held in April 2013; where the municipality sent 14 delegates from 7 wards; representing Non-Governmental Organizations and Community Structure. Amongst others issues discussed was the Amendment of the Health Bill.

- Customer satisfaction surveys

Afesis Corplan conducted customer satisfaction survey in 2012/2013 financial year on behalf of Great Kei Local Municipality. The first draft of the report was forwarded by the company on 30th October 2013. Final Draft Customer Satisfaction Report has also been forwarded to Great Kei Municipality. Amongst other key issues and recommendations in the Draft Report are as follows:

- a. Participation of community members in Ordinary Council Meetings; only 21% attend the meetings
- b. Public Feedback is limited; therefore Afesis Corplan recommended to the municipality to strengthen public awareness/public participation programmes targeting also illiteracy people.

- IDP/PMS and Budget Road shows

The municipality adopted IDP/PMS and Budget Process Plan for the financial year 2012/2013; where community members were engaged during review of the 2012/2017 Integrated Development Plan and 2012/2013 Budget. The meetings were publicised and held in all wards of the municipality in October/November 2012 and community members were given an opportunity to raise key development priorities and reflect on the ward situational analysis.

In April to May 2013 the Speaker/Mayor led delegation to all wards where he presented the Draft IDP Objectives and Strategies and the Draft 2013/2014 financial year budget to inform communities on the prioritization and what is planned for the financial year 2013/2014. Feedback on some of the issues raised in October/November 2012 was also given by the Speaker/Mayor and the Councillors.

2.4.1 Ward committees' establishment and functionality

The Municipality has an approved policy on the Establishment and Functionality of Ward Committees, Public Participation and Petitions Policy.

- All the 70 Ward Committees have been elected in all 7 Great Kei Municipal Wards, in electing Ward Committees Great Kei Council resolved on an election criterion which stated that there will be elected Voting District Representation, Stakeholder/ Sector representation. All the 70 elected Ward Committees with all the prescribed election adopted by Council.

2.4.2 AVAILABILITY OF MINUTES OF WARD MEETINGS & ATTENDENCE TO COUNCIL MEETINGS;

70 Ward Committees attended Ordinary Council Meetings in 2012/2013 financial year. Ward Committees also attend IDP/PMS and Budget Representative Forum. It is important that amongst other wards who regularly submit monthly reports with minutes is Ward 6. There is still a challenge from other six wards of the municipality. In the engagement meeting with Speaker/Mayor this matter was raised.

It is in the municipal plan for the financial year 2013/2014 to train 70 ward committees in report writing; minute taking and presentation.

2.4.3 Community Development workers performance monitoring

Great Kei Municipality has 6 Community Development Workers and these are in Ward 2 [2 CDW's due to the delimitation of Municipal Wards and the second CDW have been deployed to assist in Ward 1], Ward 3, Ward 4, Ward 6 and Ward 7, currently there are only two Wards which do not Community Development Workers.

- **AVAILABILITY OF CDW MONTHLY REPORTS;**

- All the six [6] CDW are participating in GKM activities like IDP/ Budget processes, attend Council Meetings and other Local Municipality and District Municipality activities. Memorandum of Understanding has been signed between Great Kei Local Municipality and the Department of Local Government and Traditional Affairs for functioning and reporting of Community Development Workers.
- The Memorandum of Understanding details that reports are to be submitted to both the Office of the Speaker/Mayor and the Department of Local Government and Traditional Affairs; and this has been done in 2012/2013 financial year.

2.5 RELATIONS WITH ALL RELEVANT STAKEHOLDERS & SECTOR DEPARTMENTS

- Relations with Sector Departments are good
- Relations within the Wards with Ward Councillors, Ward Committees and CDW's have improved in the financial year 2012/2013 since the Speaker/Mayors Engagement meetings with all stakeholders discussing the key service delivery issues and role of each stakeholder.

2.6 AREAS OF INTERVENTION

Speedy intervention is needed with the relocation of the Great Kei SASSA Service Point from Komga to Amahlathi Municipality which will disadvantage more especially people from Kwelerha, Mooiplaas, Kei Mouth, Morgans Bay, Chintsa East and Komga, consultation has never been done with the people to get their views on the relocation of this Service Point.

Know Your CDW and Ward Committee Campaign Workshops needed for the communities after the delimitation of Ward Boundaries.

2.7 HIGHLIGHTS/CONSENSUS ORIENTED MUNICIPALITY

An improvement in the relations between CDW's; Ward Committees and Councillors has improved in 2012/2013 financial year.

Public participation plan funded programmes such as Community Profiling and Ward Based Planning and Ward Committee Trainings have been implemented in the financial year 2012/2013 and will they will continue in 2013/2014 financial year.

The municipality has also established and revived public participation structures such as:

- a) Home Affairs Forum meeting where six meetings were held and key resolutions were submitted to Council for implemented such as Service on Wheels Programs conducted by Home Affairs; SASSA; Social Development and SAPS
- b) Roads Forum in partnership with Department of Public Works has been resuscitated with its Terms of Reference adopted by Council with the main objective of implementing Roads Maintenance and EPWP Programs.
- c) After engagement with SASSA; Great Kei has successfully been serviced by East London and Suttertereim Offices in the last financial year.

2.8 EQUITY AND INCLUSIVENESS

The municipality's equity and inclusiveness are central within Special Programs Unit. The municipality does not have a fully-fledged Special Programs Unit; however it has implemented programs in 2012/2013 financial year with Special programs Unit focal groups.

2.8.1 Availability of SPU Strategy & its implementation

Great Kei Municipality does not have a Special Programmes Unit Strategy. The functioning of the Special Programmes Unit to date stems from the ADM SPU Strategy, SALGA Guidelines for SPU.

Great Kei Municipality has appointed a service provider by the name of Isisaba Consulting. This service provider is tasked with the revival, establishment of non-functioning structures and development of programme of action for each focal group. Implementation of a functional SPU in Great Kei will commence from the 2013-2014 financial year.

The role of Isisaba Consulting is central towards the process of developing an SPU Strategy that will ensure that the historically disadvantaged and marginalized are back in the mainstream of activities. On the 3rd June 2013, a working session with the executive members from all focal groups converged to discuss how these structures should function. Members of the focal groups identified areas in which supported is needed including funding and the development of sustainable programmes. A need for the development of socio economic opportunities was also identified. The role of the Local Economic Development became very clear in this regards. Isisaba Consulting has also identified potential partners to assist these focal groups with their programmes, business plan development etc. Great Kei Municipality set aside an amount of R101 965.52.

Special Programs Unit Structures such as Youth Council; Women's Caucus; Physically Challenged; Moral Regeneration; Children Advisory and Sport Council have been revived.

2.8.1 SPU Focal Groups- Portfolio's and Names of Persons and Functionality of the Structures:

YOUTH

| NAME | Designation |
|-----------------|--------------------|
| Rose | Chairperson |
| N. Gola | Secretary |
| L. Basela | Deputy Chairperson |
| | |
| V. Witbooi | Treasurer |
| Colina | Deputy Secretary |
| Nosicelo Kogina | Additional Member |
| Khangelani Mpe | Additional Member |
| Khaya Ndarana | Additional Member |

WOMEN

| NAME | Designation |
|------------------|--------------------|
| Mrs Tanya | Chairperson |
| Mrs Mdingi | Deputy Chairperson |
| Mrs. Zinto | Secretary |
| Mrs Kuphiso | Deputy Secretary |
| Mrs. Dyani | Treasurer |
| Mrs. N. Tshemese | Additional Member |
| | |

CHILDREN ADVISORY

| NAME | Designation |
|-----------------|--------------------|
| N. Pontshi | Chairperson |
| Shilla Phuti | Deputy Chairperson |
| Funeka Mbalembi | Secretary |
| Shiela Basopu | Treasurer |

EDERLY COUNCIL

| NAME | DESIGNATION |
|--------------|--------------------|
| Mrs. N. Hela | Convenor |
| Mr. Daniso | Member |
| Mrs. Boo | Member |

SPORT

| NAME | DESIGNATION |
|-----------------|--------------------|
| Mbulelo Hange | Chairperson |
| Mike Dennison | Deputy Chairperson |
| Rangile | Secretary |
| Buziwe Njemdaka | |
| Zuko Patluko | |
| Sbango | |

MORAL REGENERATION MOVEMENT

| NAME | DESIGNATION |
|------------------|--------------------|
| Rev. M. Noqhayi | Chairperson |
| Pastor France | Deputy Chairperson |
| Ms. N. Somazembe | Secretary |
| Ms. N. Bizani | Treasurer |
| Ms. Mqhagi | Additional Member |
| Mr. Mashiyi | Additional Member |

2.8.2 Status Quo Analysis of Each Focal Area

a) Great Kei Youth Council

This structure was established in July 2011. The structure is made of stakeholders drawn from such Youth Political Organisations; Youth in Business, Youth in Churches, Youth in Agriculture, Youth in Sport. The National Youth Development Agency was central in the establishment of this structure and it promised to induct the GKM Youth Council at a later stage. To date this has not happened. Although the structure is not functioning, its members are actively involved in youth development issues in the area. The Youth participate in provincial and national events.

Youth development in Great Kei involves other partners such as NYDA and Restless Development. The municipality supported a Youth Conference held in Tuba Village with an amount of R7 300.00. This conference was organised by Restless Development. The National Youth Development Agency is planning to have 2 Youth Advisory Centres in the Great Kei area. The municipality will provide the necessary logistics. Young people as it is the case elsewhere are always vibrant and energetic; Great Kei Municipality assisted young people to attend the Youth Parliament in the Eastern Cape Legislature and the Provincial Youth Event held in Umtata in June 2013. The Council has spent an amount of R 9000.00 to transport youth to the Provincial Event.

b) Children's Advisory Council

The structure was established in April 2011 in conjunction with Amathole District Municipality and the department of Social Development. The executive members are mostly women that are involved in early childhood development. One of the critical weaknesses of this structure is the fact that there are no children serving in the committee. This matter has been discussed in several meetings with ADM and the Department of Social Development.

Great Kei municipality supported the Children's Advisory Council by providing transport to meetings that the structure has attended.

c) Great Kei Women's Forum

This structure was established in August 2011. Women that were elected are social activists that have been working in their communities towards the upliftment of socio economic issues and women abuse. The structure was established with the support of ADM and the Department of Social Development. Capacity building workshops have been attended on economic empowerment and they have been exposed in a number of national and provincial activities.

Great Kei municipality has been very consistent in providing information and facilitation of the establishment of businesses and cooperatives run by women. Training programmes have been facilitated and ADM has committed support for these cooperatives.

d) Disability Council

The structure was elected into function in November 2011 with the involvement of the Department of Social Development and Special Programmes. Its executive members are actively involved in the Disabled People of South Africa. Meetings are held on a regular basis. The Council is active on disability issues and it can only get better if they are trained on roles and responsibilities.

e) Elderly or Senior Citizens Council

This structure has not yet been established. Plans are afoot to ensure that it is in place by September 2013. The terms of reference for its operations were developed and will be used.

f) Local Aids Council

The structure was first launched in 2007. Since then there have been challenges on its operations. The new Council as inaugurated in 2011 has committed itself on the revival of this structure. Plans are underway to revive the Local Aids Council.

g) Great Kei Moral Regeneration Movement

The structure is in place and functioning well. Programmes are undertaken however there is room for improvement. The structure was established in 2011. A number of programmes have been undertaken by the Great Kei Moral Regeneration Movement including awareness programme, family values and meetings that have been attended.

h) Great Kei Sports Council

The Structure was established in September 2010. Even though not functioning properly, its members are very active and have been assisting the municipality and the community in improving sport development in the area. There are differences on how the structure should operate and the Department of Sports, Recreation, Arts and Culture have been approached to provide capacity building on how they structure should operate.

Great Kei Municipality has convened a Mayor's Cup and the Sports Council was central in the process. The event costed the municipality an amount of about R450 000.00. Welcome Tishini was supported with transport and accommodation to take part in the Gauteng Marathon and Ocean to Ocean in Cape Town. An amount of about R9800.00 was spent in this regard. Through municipal support initiatives, boxers from Komga, Chintsa, Kei Mouth and Kwelerha participated in ECABO tournaments. Mdledle and James competed successfully in the Provincial ECABO tournament. Golf has been introduced as a new sport code. In this year's Mayor's Cup 20 emerging golfers participated.

- **Focus for 2012/2013 Financial year**

The main focus in 2012/2013 financial year has been the mainstreaming of the Special Programmes to ensure that it focuses on its core mandate. A services provider was appointed during this financial year to assist the SPU with its mandate.

- **Achievements**

- Drug Awareness Event in Kei Mouth
- Family Values Dialogue in Komga
- MRM Home visit in Ward 7 and Ward 4
- Support to Tigers Rugby Club
- Support to Mr. Welcome Tishini
- Transportation of Young people to Youth Parliament
- Facilitation for development of Cooperative (Youth in Sotho)
- Great Kei Mayor's Cup

- **Challenges and Proposed Solutions**

- Staff: Only one staff member at the Special Programmes Unit. Appointment of Coordinators is critical so that this unit can discharge its responsibilities effectively.
- Budget: There is limited budget for SPU. There is a need to identify other sources of funding for the sustainability of SPU programmes.
- Focal groups depend heavily on the municipality. It is important to ensure that focal groups are able to function independent from the municipality. Focal groups should be empowered so that they are able to convene own meetings and provide reports to the Council.
- Some members of Focal Groups no longer attend meetings.

2.9 Communication strategy

The municipality developed Communication Strategy in 2012/2013 financial year and was adopted by Council in July 2012. The following key aspects are covered in the communication:

- Key objectives of the strategy as informed by issues raised by both internal and external stakeholders
- Target Audience
- Communication Channels
- Key Messengers

2.9.1 Communication Channels

An initiative of developing Local Newsletter has been undertaken in 2012/2013 where a budget allocation of R75 000 was set aside. The newsletter is published in Xhosa and English on quarterly basis target the local communities as well as marketing Great Kei Local Municipality.

Social Networks such as Facebook is also used as a media channel; and by June 2013 it had 109 followers predominantly between the ages of 18-35. Some of the issues raised are related to service delivery such as housing; water and sanitation.

Daily Dispatch is also used as a Provincial Newspaper to advertise vacancies; meetings, public notices etc.

Taxi mail is another form of media channel used by Great Kei Local Municipality which is an Inter-Provincial Newspaper covering Eastern Cape; Kwazulu Natal and Western Cape.

2.9.2 Internal Communication

Different forms of communication channels are used internally such as :

- Bulk SMS to communicate to employees directly;
- Email addresses
- Designed and launched local intranet

2.9.3 Human resource available to lead the communication activities;

The municipality has one dedicated personnel for all communication activities located in the office of the Municipal Manager i.e. ICT Research Specialist.

2.9.4 Infrastructural resource available for communication activities

The municipality installed a Communication tower to link all municipal buildings to one umbrella network; to reduce operational costs and to improve communication internally and externally amongst employees and clients.

2.10 Intergovernmental Relations

The Municipality has the following existing and functional forums where issues of mutual interest are discussed:

- Home Affairs Forum
- Transport Forum
- IDP/PMS and Budget Representative Forum
- SPU Focal Groups Structures

All issues raised in the meetings in 2012/2013 financial year have been reported to relevant standing committees and council for approval and implementation thereof.

2.11 Legal matters

2.11.2 Setting up of Legal Units

The Legal Services of the municipality have been outsourced to a Service Provider. Litigation Matters are referred to the Service Provider.

2.11.3 Management of Legal Risks

Fraud Prevention Policy has been adopted by Council and its main objective is to facilitate the development of controls which will aid in the detection and prevention of fraud against

GKLM. It is the intent of GKLM to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Chapter 3: SERVICE DELIVERY PERFORMANCE (KPA 2)

PART 1: BASIC SERVICE DELIVERY

3.1 Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements.

b. Levels and standards in water services:

An increase in the water services provision is noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

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

| | Indicator name (LIASE WITH ADM) | Total number of HH/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the FY 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 potable water | 11 363 | 954 492 | 300 | 195 | 40% |
| 2 | Percentage of indigent households with access to free basic potable water | 740 | 740 | 740 | 0 | 0% |
| 4 | Percentage of clinics with access to potable water | 1 Community health centre and 5 clinics | 2 | 2 | 2 | 100% |
| 5 | Percentage of schools with access to potable water | 11363 | 2262 | 300 | 195 | 40% |
| 6 | Percentage of households using buckets | 0 | 0 | 0 | 0 | 0 |

d. Major challenges in water services and remedial actions

GKM is neither the Water Services Authority nor the Water Services Provider; but the main challenge is that of backlog; where 13.7 % households have access to piped water services.

3.2 Electricity services

➤ Electricity services delivery strategy and main role-players

The table below illustrates the main role players and the role in electricity services:

| <u>PARTNER</u> | <u>ROLE OF THE PARTNER</u> |
|--|---|
| Consultants (Bellenden & Robb Engineers) | Consultants are used for implementing capital projects (Project Management & Quality Assurance) |
| Eskom | Eskom availed professional staff to ensure the success of the project. Eskom staff was involved in the process of planning and they will also play an active role in maintaining the asset for the lifespan of the project. |
| Department of Energy (National Transferring Officer) | Source of Funding for Bulk Electricity Supply |
| Great Kei Local Municipality | Project Implementers and provision is Electricity in urban areas). |
| The Department of Human Settlement, | Bulk Services Funder for Housing Projects |

a) 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 | 11 363 | 1700 | 1000 | 350 | 35% |

| | | | | | | |
|---|--|------|------|------|-----|-----|
| | electricity services | | | | | |
| 2 | Percentage of indigent households with access to basic electricity services | 9000 | 1700 | 1000 | 350 | 35% |
| 4 | Percentage of indigent households with access to free alternative energy sources | 0% | 0% | 0 | 0 | 0 |

b) Major challenges in electricity services and remedial actions

CHALLENGES

- Limited financial resources to reduce electricity backlogs, and thus dependency to the Department of Energy and ESKOM.
- Electricity theft through tempering with electricity meter boxes results in heavy losses.

REMEDIAL MEASURE

- GKM has completed the phase 2 of upgrading of electricity power lines of Komga.
- 350 split meters was procured 100 split meters were installed and will be temper proof of electricity meters which should reduce the loses currently being incurred.

3.3 Sanitation

a) Sanitation services delivery strategy and main role-players

Great Kei local Municipality is not the sanitation service provider but this function is contracted to Amathole District Municipality and with counter funding from MIG

3.4 Road construction and maintenance

a) MIG ROADS PROJECTS COMPLETED WITHIN THE FINANCIAL YEAR UNDER-REVIEW

| Item No | Name of Project | MIG Budget | Ward No | Kms of Road/ Household to be accommodated/benefit |
|---------|--|----------------|---------|---|
| 1.00 | Jongilanga Access Road | R2, 000,000.00 | 1 | 5.1 |
| 2.00 | Rehabilitation of Sithungu Access Road | R1,750, 000.00 | 6 | 4 |
| 3.00 | Tuba Internal Street | R 700,000.00 | 1 | 1 |
| 4.00 | Lusizini Access Road | R 650,000.00 | 3 | 0.73 |
| 5.00 | Cefane Access Road | R 2,000,000.00 | 3 | 2.5 |
| 6.00 | Morgans Bay Yellowwood Access Road | R 500,000.00 | 6 | 1 |
| 7.00 | Nokhala Access Road | R2 692 880.00 | 1 | 5 |
| 8.00 | Tuba Access Road | R2 520 000.00 | 1 | 3.6 |

b) MIG ROADS PROJECTS UNDER CONSTRUCTION

| Item No | Name of Project | MIG Budget | Ward No | Kms of Road/ households | Progress in Percentage |
|---------|--|---------------|---------------|-------------------------|------------------------|
| 1.00 | Empolweni Access Road | R1,000,000.00 | 1 | 2.6 | 10% |
| 2.00 | Silatsha Bridge | R850,000.00 | 2 | 3 | 30% |
| 3.00 | Roads to All Cemeteries – All Villages | R1,200,000.00 | 1,2,3,4,5,6&7 | 2 | 60% |
| 4.00 | Manxiweni Internal Streets | R1,580,000.00 | 4 | 2.5 | 60% |
| 5.00 | Sithungu Internal Streets | R1,030,000.00 | 7 | 2.1 | 85% |

c) Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

GKM with the limited resources doing road maintenance but need some support from other sector departments from government .The municipality is in the process of procuring plant that will be utilised in the maintenance of gravel roads. The only funding

source available is the Municipal Infrastructure Grant. The Department of Roads and Public Works is responsible for maintenance of the Districts Roads.

It is important as well to mentioned that DBSA was further approached for funding of the Roads Infrastructure.

The Department of Cooperative Government and Traditional Affairs has afforded GKM the services of an Engineer to help with the implementation of projects and maintenance.

d) Level and standards in road maintenance services

GKM has embarked on a system, through the support from ADM, which will assist to monitor and to track backlogs in terms of maintenance of our road infrastructure.

e) Annual performance as per key performance indicators in road maintenance services

| | Indicator name | Total number of household/customer expected to benefit | Estimated backlog (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 | 11363 | 7941 | 7941 | 3642 Households benefited | 32% |
| 2 | Percentage of road infrastructure requiring upgrade | 11363 | 3770 | 3770 | 2666 Households benefited | 23% |
| 4 | Percentage of new road infrastructure actually constructed | 3549 | 2699 | 2699 | 1500 | 42% |
| 5 | Percentage of capital budget reserved for road upgrading | R 19.9 million | R5 M | R5 M | R9,9M | 50% |

| | | | | | | |
|---|--|--|--|--|--|--|
| and maintenanc e effectively used. | | | | | | |
|---|--|--|--|--|--|--|

f) Major challenges in road maintenance services and remedial actions

Challenges

- Low revenue base of the municipality to set aside sufficient funding for maintenance of Roads Infrastructure
- Most of Access Roads are in a bad state, they need maintainance
- Limited capital funding to consider Village Internal roads, the only source of funding available is MIG.
- Expertise lost in Technical Services Department due to high staff turnover.
- The Lead Time in the appointment of contractors and consultants hampers service delivery.
- Lack of plant resource for in-house maintenance.

Remedial Measures

- Absorbing of expertise within the municipal, this will enhance and also assist in transferring of skills, information and growth within the municipality.
- Scaling of remuneration with other municipalities and or/ areas of operation within the industry.
- Prioritizing, budget and procurement of Resources for Infrastructure (this will assist in maintenance of roads).
- Team-balancing (positions which are on the organogram must be considered)

3.5 Waste management

a. Waste management services delivery strategy and main role-players

a) Solid waste

Solid Waste Management within Great Kei is characterised by a predominantly privately managed dump system upon individual sites (i.e. backyards) rural villages and farms. Urban centres and some villages receive a weekly local authority waste collection services.

There are only two refuse removal trucks i.e. one compactor refuse truck and open refuse truck (tipper truck Datnis UD95 Nissan 8 tons). These vehicles are almost five (5) years old with mechanical challenges.

There are no registered solid waste sites in Great Kei Municipality however a number of unlicensed solid waste, sites do exist in the area. The establishment and operation of regional sites is a District Municipality function.

The site in Komga is not operating according to the prescribed requirements. The site is fenced off. The site is becoming a wet land area because of the old quarry cells that were dug to excavate the gravel.

Two (2) transfer stations are under construction in Chintsa and Kei Mouth. The Kei Mouth transfer station is now completed. Waste from Kei Mouth, Morgans Bay and Chintsa will be collected to these transfer stations for sorting of recyclable materials so as to reduce the large volume of waste to be transported to Komga landfill site. Only non-recyclable material will be transported to Komga hence saving on transportation costs and air space. Garden refuse will be accepted in those transfer stations.

b) Level and standards in waste management services.

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bakkie is used to collect refuse in such area.

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 | 8365 | 2106 | 2106 | 4015 | 48% |

d) Major challenges in waste management services and remedial actions.

Challenges in waste management include budgetary constraints and human resources. Because of financial constraints it is not possible to have machine working in our landfill site full time. The absence of waste information system makes it difficult to know exactly the quantities of waste that we are collecting on daily basis. Only two (2) refuse trucks that are used to collect refuse and it becomes a challenge when one truck is in for repairs or service.

In order to address the above it is recommended that:

- Additional refuse truck to be purchased

- Budget to improve on waste management programme
- Waste information system to be established for Great Kei Municipality.
- More personnel to be employed so as to improve service delivery.

3.6 Public Amenities

MIG PROJECTS COMPLETED WITHIN THE FINANCIAL YEAR UNDER-REVIEW-COMMUNITY HALLS

| Item No | Name of Project | MIG Budget | Ward No | Household to be accommodated |
|---------|------------------------------|----------------|---------|------------------------------|
| 1.00 | Belekumntwana Community Hall | R1, 150,000.00 | 1 | 300 |
| 2.00 | Phumelele Creche | R 750,000.00 | 1 | 300 |

MIG PROJECTS PLANNED TO BE COMPLETED IN 2013/2014 FINANCIAL YEAR-BUILDINGS /COMMUNITY HALLS

| Item No | Name of Project | MIG Budget | Ward No | Household to be accommodated | Progress in percentages |
|---------|--|---------------|---------|------------------------------|-------------------------|
| 1.00 | Icwili Community Hall | R 450,000.00 | 6 | 570 | 5% |
| 2.00 | Lusasa Community Hall | R1,000,000.00 | 4 | 250 | 10% |
| 3.00 | Eluqolweni Creche | R 400,000.00 | 6 | 500 | 5% |
| 4.00 | Cefane Community Hall | R1,500,000.00 | 2 | 550 | 15% |
| 5.00 | Gwaba Community Hall | R 400,000.00 | 2 | 660 | 5% |
| 6.00 | Gwaba Art Centre | R 200,000.00 | 2 | 735 | 0% |
| 7.00 | Soto Community Hall- (Internal Funded) | R1,200,000.00 | 2 | | 5% |

3.7 Housing and Town planning

Currently there are only 2 staff members employed by the Municipality to deal with town planning and building control services. One Town planning Clerk and one Building Inspector.

a) Housing and town planning services delivery strategy and main role-players

GKM in conjunction with ADM are responsible for town planning ADM is looking after SDF and then GKM is doing the other town planning and rezoning approvals.

b) Annual performance as per key performance indicators in housing and town planning 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 living in informal settlements | 7035 | 6386 | 0 | 0 | 0 |
| 2 | Percentage of informal settlements that have been provided with basic services | 5226 | 4820 | 0 | 0 | 0 |
| 3 | Percentage of households in formal housing that conforms to the minimum building standards for residential houses | 7035 | 6386 | 0 | 0 | 0 |

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

- The municipality is sitting with Backlogs of Applications since 2010, due to the fact that the function was previously not performed due to unavailability of the skills and expertise.
- In 2012/2013 financial year the municipality planned to appoint a Town Planner, but currently there's no Town Planner only 1 clerk and 1 Building Inspector

3.8 Spatial planning

a. Preparation and approval process of SDF:

The municipality adopted its Spatial Development Framework and Land Use Management in 2005/2006 Financial Year. A need has been identified to review the existing SDF for its alignment with 2012/2017 IDP Objectives, Strategies and Projects.

It is upon this background that Department of Rural Development and Land Reform is planning to fund GKLM Spatial Development Framework.

Specific reference is made to water services plans, disaster management plans, HIV/Aids programme, etc. Given the capacity, financial and legislative requirements, the Great Kei Municipality is in the process of updating and preparing many of these sector plans and programmes and is subject to the availability of financial and capacity assistance from district and provincial levels.

The settlement patterns of Great Kei Municipal Area is characterised by three prominent urban settlements, namely Komga, Kei Mouth, Morgan's Bay and Chintsa. Komga is the administrative centre of the Great Kei Municipal Area. The agricultural sector employs the highest percentage of people therefore it plays a fairly big economic role. There is however still a high level of unemployment in great Kei Municipal Area.

b. 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).

Source: D Data (1995) - Existing Land Use / Magisterial district of the 1 421km² municipal areas, some 57km² is taken up by the urban service canter 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

The coastal settlements of Kei Mouth, Morgans Bay, Haga Haga and Chintsa, 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

Land Use - District

- Formal residential Informal residential Business
- Agriculture Services Transport Other
- Applications received

c) Major challenges in spatial planning services and remedial action

The 2004 SDF is not aligned to the IDP hence the ADM and the Department of Rural Development and Land Reform appointed the Service Provider on behalf of the GKLM to review the SDF.

3.9 Indigent policy implementation

a. Preparation and approval process of the indigent policy

The municipality has an approved indigent policy; however a need to review the policy has been identified to ensure alignment with Eastern Cape Provincial Framework and other pieces of Legislation.

The objective of the review to ensure effective and efficient implementation as follows:

- Provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy; The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative governance with other spheres of government

3.10 Overall service delivery backlogs

| Basic service delivery area | 30 June 2012 | | | 30 June 2013. | | |
|--|--|----------|--------|---------------|----------|--------|
| | Required | Budgeted | Actual | required | budgeted | Actual |
| Water backlogs (6KL/month) | | | | | | |
| Backlogs to be eliminated (n0. HH not receiving the minimum standard service) | ADM is the Water Services Authority and the Water Services Provider. The funding therefore is determined by the ADM as informed by Great Kei Municipality's priorities. | | | | | |
| Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality) | | | | | | |
| Spending on new | | | | | | |

| | | | | | | |
|--|---|-----|----|-----------------|-----|----|
| infrastructure to eliminate backlogs (R000) | | | | | | |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | | | | | | |
| Total spending to eliminate backlogs (R000) | | | | | | |
| Spending on maintenance to ensure no new backlogs (R000) | | | | | | |
| Electricity backlogs (30KWH/month) | | | | | | |
| Backlogs to be eliminated (n0. HH not receiving the minimum standard service) | 10M required for a period of five years | 2M | 2M | R10 M | R1M | R1 |
| Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality) | 3000 Households | 333 | 1% | 3000 Households | 333 | 1% |
| Spending on new infrastructure to eliminate backlogs (R000) | 15M | | | | | |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | | | | | | |
| Total spending to eliminate backlogs (R000) | | | | | | |
| Spending on maintenance to ensure no new backlogs (R000) | | | | | | |
| Sanitation backlogs | | | | | | |
| Backlogs to be eliminated (n0. HH | | | | | | |

| | | | | | | |
|---|--|---------|--------|-----------------|-----------------|------------------------------------|
| not receiving the minimum standard service) | ADM performs the function on behalf of the GKLM. The funding therefore is determined by the ADM as informed by Great Kei Municipality's priorities. | | | | | |
| Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality | | | | | | |
| Spending on new infrastructure to eliminate backlogs (R000) | | | | | | |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | | | | | | |
| Total spending to eliminate backlogs (R000) | | | | | | |
| Spending on maintenance to ensure no new backlogs (R000) | | | | | | |
| Road maintenance backlogs | | | | | | |
| Backlogs to be eliminated (n0. HH not receiving the minimum standard service) | R 11.8 million | R11.8 M | R11.8M | R22.7M | R14.4M | 22.7 including roll-over funding |
| Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality | 2671 Households | 2671 | 2101 | 2241 Households | 2241 Households | |
| Spending on new infrastructure to eliminate backlogs (R000) | 11.8 % | 11.8 % | R3.3 M | R22.7 M | R14.4 M | 22.7 including roll-over for 11/12 |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | Department of Roads and Public Works budgeted for maintenance of Provincial Roads Infrastructure | | | | | |

| | | | | | | |
|--|---------|---------|---------|------|-----|----|
| Total spending to eliminate backlogs (R000) | 0 | 0 | 0 | 1M | 1M | 1M |
| Spending on maintenance to ensure no new backlogs (R000) | 0 | 0 | 0 | 1M | 1M | 1M |
| Refuse removal | | | | | | |
| Backlogs to be eliminated (n0. HH not receiving the minimum standard service) | 8365 | 2106 | 2106 | 4015 | 48% | |
| Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality) | 4350 | R5M | 0 | 0 | 0 | 0 |
| Spending on new infrastructure to eliminate backlogs (R000) | 425 000 | 425 000 | 425 000 | R15M | 0 | 0 |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | 300 000 | 0 | 0 | R8M | 0 | 0 |
| Total spending to eliminate backlogs (R000) | R7.5 M | R7.5 | R7M | 0 | 0 | 0 |
| Spending on maintenance to ensure no new backlogs (R000) | R6.2 M | | R3,5 M | 0 | 0 | 0 |
| Housing and town planning | | | | | | |
| Backlogs to be eliminated (n0. HH not receiving the minimum standard service) | | | | | | |
| Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality) | | | | | | |

| | | | | | | |
|--|--|--|--|--|--|--|
| Spending on new infrastructure to eliminate backlogs (R000) | | | | | | |
| Spending on renewal of existing infrastructure to eliminate backlog (R000) | | | | | | |
| Total spending to eliminate backlogs (R000) | | | | | | |
| Spending on maintenance to ensure no new backlogs (R000) | | | | | | |

PART II OF SERVICE DELIVERY PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT

3.11 LOCAL ECONOMIC DEVELOPMENT

a) Status on developing the LED strategy/Plan:

- The Municipality has hosted an LED Indaba in preparation for the development of the LED Strategy that will be completed in September 2013. The LED Indaba was hosted to identify the key role players in the LED within Great Kei Area and also to identify the stakeholders that has an impact in developing the socio economy of Great Kei Municipality.

b) The LED Strategy will address the following Objectives:

- To Increasing number of employment opportunities in GKLM by creating enabling environment for a sustainable growing, diversifying economy by 2017.
- To Ensure integration of all agricultural stakeholders' programmes to Great Kei Municipality's IDP process.
- Ensure Enterprise Development within Great Kei Area
- To Ensure Tourism Development, Heritage, Arts & Culture
- The development of Small Medium Macro Enterprises through a focused Business Retention and Expansion Strategy.
- A clear implementation plan and monitoring mechanisms.

c) Setting up a LED unit;

The LED Unit in Great Kei Municipality is only composed of one official responsible for Local Economic Development. The Department has plans to increase the staff in the unit with at least two officials; the posts are a necessary addition due to the fact that the Economic drivers of the area are Tourism and Agriculture. The Department of Local Government &

Traditional Affairs has funded the municipality with a post of an LED Assistant to enhance the Great Kei LED Unit. The Amathole District Municipality will be employing two personnel as Administrators on behalf of Great Kei Local Municipality to run the Visitor Information Centres in Kei Mouth and Chintsa.

The LED is structured as follows:

- Director Strategic Services x1
- IDP/PMS Manager x1
- LED Officer x 1
- Departmental Typist/ Clerk

Future vacant positions:

- Tourism Officer
- Agricultural Office

The availability of a LED expertise;

- The Great Kei Local Municipality has employed an LED Officer with an extensive background in Local Economic Development, Project Management, SMME Management and LED Learner ship Programmes. The trainings and workshops have enhanced the knowledge and Skills of the incumbent. The following expertise are required for an LED Practitioner:
- To develop credible action plans
- To present a conceptual framework of current and future socio economic development interventions necessary to support core service delivery areas on Agriculture, Tourism, Heritage, Arts & Culture and Rural Development.
- To conduct economic comparative and competitiveness research and introduce programmes for prioritised sectors of the economy.

d) LED stakeholder forum functionality

The Great Kei local Municipality had in the past years established an LED Forum, which ceased as a result of numerous complaints from stakeholders concerned. The municipality is in the process of reviving the LED Forum and establish LED Technical Committee.

An Agricultural Forum has been established and its terms of reference have been adopted by the Council in May 2013. There are draft terms of reference for the LED Forum and the LED Technical Committee which will be adopted by Council in 2013/2014 financial year. The LED forum will meet once quarterly.

The Agricultural Forum will fist meet in September 2013.

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

The Great Kei Local Municipality is the main funding source of the Local Economic Development, and the Department of Agriculture & Rural Development has contributed in funding of the Agricultural Cooperatives. Community members have complained of the difficulties to attain funding for projects on their own. The Municipality has received funding from the following sources.

Amatole District Municipality

- Amatole District Municipality has funded the Summer Festival with an amount of R100 000.00.
- Amatole District Municipality also trained of 3 Great Kei Tour Guides.
- Funding for the 2 Visitor Information Centre Administrators.

Department of Environmental Affairs

- The Department of Environment Affairs funded 3 projects in Great Kei, only two were monitored by the LED Officer. The Programme falls under the support of the Extended Public Works Programme. They funded the Municipal Recreational, Parks Project in Kei Mouth worth R500 000.00 over 1 year ending in January 2013. The other project is a Coast Care Project shared on a 60:40 basis between Buffalo City Metro and Great Kei at a cost of R11 000 000.00. The project commenced in 2011 and is expected to run for 2 years.
- SEDA provided support by training Cooperatives, the project was on manufacturing of Bricks & Blocks

Department of Rural Development and Agrarian Reform

- Maize production costs per ha = R8 800
- Farmer contribution = R1 800/ha & DRDAR contribution = R70 00 as a top up on the farmer contribution.
- DRDAR and ECRDA provided mechanisation & Fertilizer = R700 000
- No contribution from farmers as the municipality had paid for them.
- Oomdraai Farm- fencing & small irrigation R445 000
- Khayelitsha CPA- Fencing- R300 000
- Melody Farm- Fencing – R200 000
- Grey Valley Farm 10.4 km fencing – R 400 000
- Quku Valley Farm 11km fencing – R480 000

Great Kei Local Municipality Financial Support

- R 151 578.00 by Weno Trading Enterprise cc for the Cleaning of 3 Dams namely, Nokala, Lusizini and Tuba Dam.
- R 33 792.75 by Komga Seedlings Producers to supply ward 4, 5, 6 & 7 with agricultural inputs for Cooperatives.
- The Municipality also funds for transporting of the Cooperative members to attend to LED related Imbizo's and other Capacity Building Sessions.
- The Municipality facilitates trainings and workshops for Cooperatives.
- LED Indaba funding R45 000.00
- 100ha planted with maize in GKM= 50ha @ Mtyana & 50ha @ Ngxingxolo

- Great Kei Municipality assisted the farmers with an amount of R180 000 for seed & chemicals (Herbicides & Insecticides) for 100ha.

3.12 Progress towards achieving the LED key objectives

a. Improve public and market confidence

Spatial development framework (SDF)/Land use management system (LUMS);

- SDF of the municipality identifies the following areas as primary and secondary nodes:
- Komga- As the Main Administrative Centre
- Kei Mouth and Chintsa East- As the Secondary Administrative Centre
- Morgan's Bay- As small town a with reliance on seasonal tourism enterprise and trade for LED Activities
- Haga-Haga As small town a with reliance on seasonal tourism enterprise and trade for LED Activities
- The Glens- Grouping of Small Resorts and related residential Developments
- Local Mixed Land Use Nodes- Intersection of Schafli Road and Chintsa East Access Road Potential for the development of mixed land uses
- Intersection of N2 roadway and the Mooiplaas access road- Potential for the development of mixed land uses.

Red tape reduction: Turn-around time for licensing and other business related applications;

- There are Municipal By-laws in place formulated by the Municipality with Trading Regulations for shops operating in and around town. The shops are to complying with the health and safety standards.
- There is a fee that is paid for a Trading License.

Investments and trading by-laws

- The Great Kei Municipality will be developing its own Business Retention and Expansion Strategy in order to attract potential investors and retain the existing businesses and expansion of the existing markets.
- Further the municipality will be developing Terms of Reference to call for partnership for Investment with potential developers/investors.

Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places

- In promoting the LED the municipality focuses on providing infrastructure and quality services, to manage spatial policies such as the Spatial Development Framework.
- Manage tariffs policies such as the By-Laws
- Marketing of the area for potential investors and marketing Great Kei as a Tourist Destination.
- Manage proper communication systems such as networks, computer accessibility for local communities.

b. Exploit comparative and competitive advantage for industrial activities

- The LED will be developing its LED Strategy in 2013/14 financial year to extensively exploit the competitive and comparative advantages within the area.
- The Eastern Cape is mainly an agricultural area with tourism potential.
- Tourism areas are mainly underdeveloped coastal villages on the wild coast and sunshine coast. However Great Kei's main advantage in agriculture is that it is situated on the rain belt with sweet veld therefore having tremendous potential in crop and animal husbandry. It is also the only serviced area along the wild coast.

c. Intensify Enterprise support and business development

- The LED Unit supports SMME's with trainings and Workshops.
- The LED Unit facilitates for SMME's to attend events such as Tourism Imbizo's and Cooperatives Indaba.
- Financial support in a form of inputs and working tools for Cooperatives
- Facilitating Funding from Departments such as Agriculture, Department of Environmental Affairs and Department of Social Development.

Public and private partnerships established

- Partnership with SEDA for Trainings on various aspects of Business, the University of Fort Hare for Research and Feasibility Studies on Agriculture.
- There is no exact number of cooperatives registered we can say about 50% of Cooperatives are registered

Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

- 19 Employees from Infrastructure related projects.

d. Support Social investment program

- The Municipality has outreach programmes encouraging formation of Cooperatives as a vehicle to alleviate poverty.
- The area has a variety of stakeholders participating in development of socio economy of Great Kei, i.e. Farmers Association, Tour Guides, Caters, Crafter etc.
- There is a Database of SMME's in Place.

3.13 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. | 60% | 60% | 60% |
| 2 | Number of LED stakeholder | 1 | 50% | 500% |

| | | | | |
|---|--|-----|-----|-----|
| | forum held | | | |
| 3 | Percentage of SMME that have benefited from a SMME support program | 80% | 80% | 80% |
| 4 | Number of job opportunities created through EPWP | 19 | 19 | 40% |
| 5 | Number of job opportunities created through PPP | - | - | - |

3.14 Challenges regarding LED strategy implementation

- The need form functioning partnerships and strengthen the existing ones.
- Access to finance, lack of financial Donors for SMME's
- There is need for feasibility studies to be conducted to exploit each economic sector.
- Provision of proper infrastructure for SMME

Chapter 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE (KPA 3)

4.1 Presentation of the organizational structure (approved organogram)

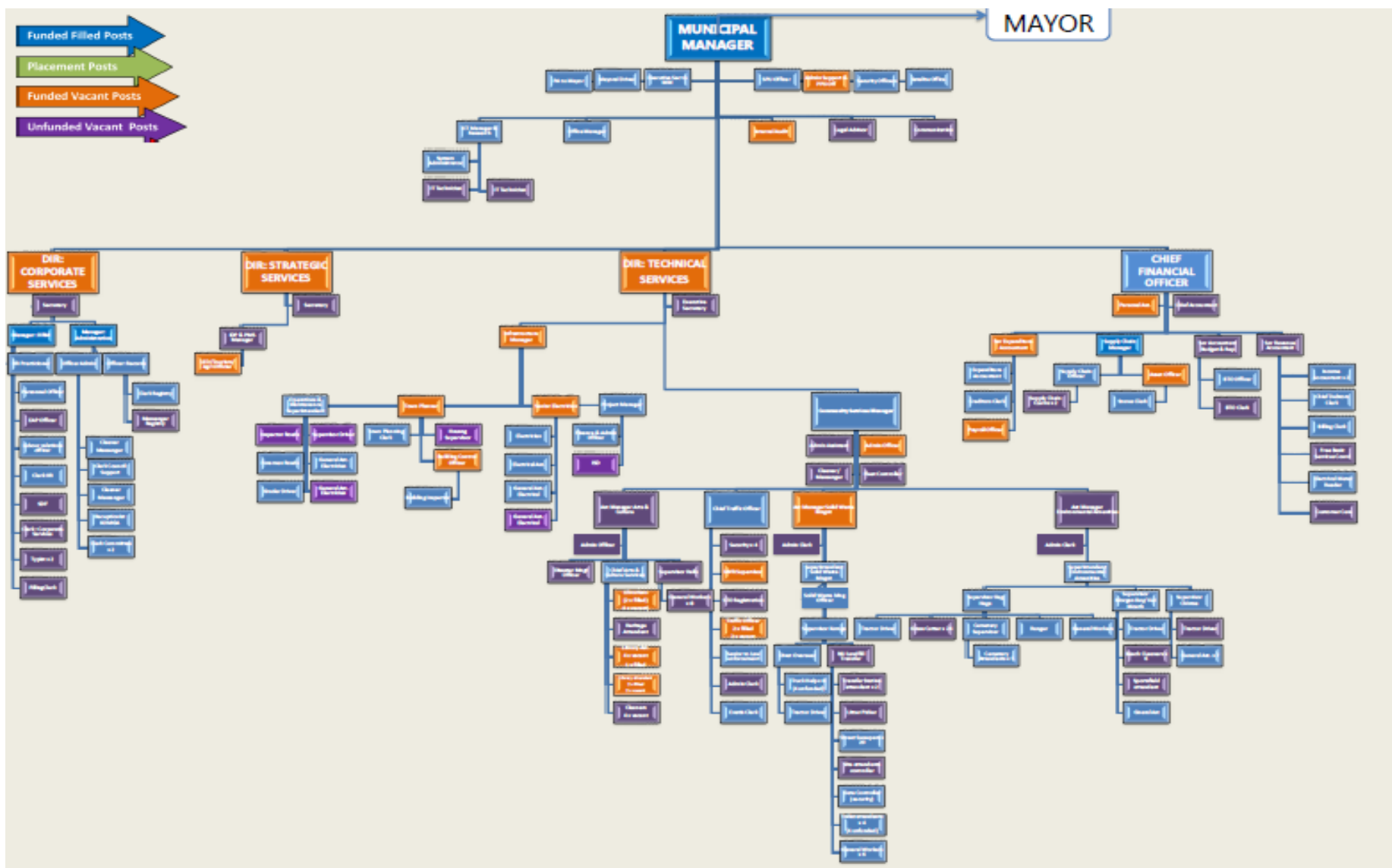
Great Kei Local Municipality adopted organizational structure for 2012/2013 financial year.

The Constitution of the Republic of South Africa Act 108 of 1996 in S153 directs municipalities to:

a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Thus we maintain that organizational structuring is a constitutional mandate given in order to ensure that the objects which the very constitution sets are met unequivocally. The other important aspect of this undertaking is to ensure that organizations in the post-apartheid era are capable of meeting the transformation challenges facing the country.

It is upon constitutional mandate that the municipality adopted the organogram for 2012/2013 financial year as illustrated below, with 203 approved positions, 143 filled and 60 vacant positions which 27 of them were budgeted for.



Statistics on recruitment are as follows:

| Year | Total Posts | Filled Posts | Vacant Posts |
|-----------|-------------|--------------|--------------|
| 2010/2011 | 120 | 106 | 14 |
| 2011/2012 | 134 | 123 | 11 |
| 2012/2013 | 203 | 143 | 60 |

4.2 Performance Management System

Great Kei Local Municipality adopted Performance Management Framework and PMS Procedure on 31st May 2013. The Framework and Procedure will effectively be implemented in 2013/2014 financial year. However PMS Reviews for S56 and Non S56 were conducted for the Third Quarter in April 2013 and for the Fourth Quarter in July/August 2013.

The PMS Framework further establishes the following reporting mechanisms:

A) DEPARTMENT REVIEWS

It is intended that Departments review their performance at least monthly, using their Department SDBIP's. Decision-makers should be immediately warned of any emerging failures to service delivery such that they can intervene if necessary.

B) TOP MANAGEMENT TEAM REVIEWS

Directors/Departmental Managers / Divisional managers and Staff reporting directly to MM will then need to report on their performance in the service scorecard format to the Municipal Manager and other Directors/Departmental Managers. Additional indicators that occur in the strategic scorecard will also be reviewed. These reviews should at least take place quarterly.

C) STANDING COMMITTEE REVIEWS

Each standing committee will be required to review the performance of their respective Departments against their service scorecard, at least quarterly. The standing committee should appraise the performance of the service against committed targets

D) COUNCIL REVIEWS QUARTERLY

On a quarterly basis, the council should engage in an intensive review of municipal performance against both the SDBIP scorecards and the strategic scorecard, as reported by the municipal manager.

E) COUNCIL REVIEWS ON SIX MONTHS BASIS

At least twice annually, the Council will be required to review municipal performance.

F) PUBLIC REVIEWS

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance.

It is proposed that in addition to the annual report mentioned above, a user-friendly community's report should be produced for public consumption. The communities' report should be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

The below 2012/2013 Annual Performance Report has the details of municipal performance which has been compiled on quarterly basis in partnership with Service Provider ARMS; reviewed by Internal Audit; submitted to Audit Committee and presented to Council for adoption.

4.3 CAPACITATING MUNICIPAL WORKFORCE IN 2012/2013 FINANCIAL YEAR

Workplace Skills Plan for the financial year 2012/2013 has been developed. Training programs implemented 2012/2013 financial years are as follows:

a) 2012/2013 FINANCIAL YEAR

| Total Number of People Trained | Designation | Course Name | Duration |
|--------------------------------|--|---|----------|
| 11 | Councillors | Intermediate Computer Training for Councillors | 2 days |
| 1 | Councillor | Certificate in Public Administration for Community Services | 1 Year |
| 1 | Mayor/Speaker | Diploma in Local Government Law | 1 year |
| 1 | HR Practitioner | Project Kaedu - Strategic Leadership Management Course | 2 Weeks |
| 1 | Cashier | Local Government Accounting Certificate | 1 Year |
| 3 | Chief Financial Officer Municipal Finance Intern Municipal Manager | Municipal Finance Management Programme | 1 year |
| 2 | Payroll Officer Personnel Officer | Payday Training | 2 days |
| 13 | Project Manager Human Resources Manager | SCM Internal Workshop | 1 day |

| | | | |
|----|--|--|--------|
| | ICT and Research Specialist Administration Officer Supervisor Municipal Finance Intern Community Services Manager Cemetery Attendant Superintended Solid Waste Supply Chain Officer Chief Financial Officer DBSA Intern | | |
| 08 | Finance Intern Supply Chain management Officer Chief Financial Officer Human Resources manager Superintended Solid Waste Community Clerk IT Officer | BID Committee | 2 days |
| 14 | General Workers | Basic Hygiene Skills | 3 days |
| 17 | General Workers | Waste Management for Genera | 3 days |
| 2 | Councilors | Certificate in Advanced Programme and Diploma in Local Government Law and Administration | 1 year |
| 7 | 5X Interns 1X Chief Debtors Clerks 1X Income Accountant | GRAP | 2 days |

Implementation of the Work skills Plan is funded through LGSETA and Operational Budget of the municipality. A total cost of R218 334.58 spent in 2012/2013 financial year has been utilized for training and capacity building.

4.3.1 Key HR statistics per functional area

a) Full time staff complement per functional area

MM/Section 57 and Line Managers

| | Approved positions (e.g. MM-S57 etc...) | Number of approved and budgeted posts per position | Filled posts | Vacant posts |
|---|--|--|--------------|--------------|
| 1 | Municipal Manager | 1 | 1 | 0 |
| 2 | Chief Financial Officer | 1 | 1 | 0 |
| 3 | Director Strategic Services | 1 | 1 | 0 |
| 4 | Director: Corporate Services | 1 | 1 | 0 |
| 5 | Director: Technical and Engineering / Community Services | 1 | 1 | 0 |
| 6 | Acting Director: Corporate Services | 1 | 1 | 0 |
| 7 | Acting Director: Strategic Services | 1 | 1 | 0 |
| | Total | 7 | 7 | 0 |

b) Technical Services Staff Complement

| | Approved positions | Number of approved and budgeted posts per position | Filled posts | Vacant posts |
|---|--|--|--------------|--------------|
| 1 | Director: Technical and Engineering / Community Services | 1 | 1 | 0 |
| 2 | Infrastructure Manager | 1 | 1 | 0 |
| 3 | Operations & Maintenance Control Officer | 1 | 1 | 0 |
| 4 | Building Control Officer | 1 | 1 | 0 |
| 5 | Town Planner | 1 | 0 | 1 |
| 6 | Town Planner Clerk | 1 | 1 | 0 |
| 7 | Project Manager | 1 | 1 | 0 |

| | | | | |
|----|------------------------------|----|----|---|
| 8 | Finance & Admin Assistant | 1 | 1 | 0 |
| 9 | Electrician | 1 | 1 | 0 |
| 10 | Assistant Electrician | 1 | 1 | 0 |
| 11 | General Worker (Electricity) | 2 | 1 | 1 |
| 12 | Supervisor Maintenance | 1 | 1 | 0 |
| 13 | Driver – Grader | 1 | 1 | 0 |
| 14 | General Workers - Roads | 4 | 2 | 2 |
| | Total | 18 | 14 | 4 |

c) Technical staff registered with professional bodies

| Technical Service (e.g water, electricity etc...) | Total number of technical service Managers | Total number registered in the accredited professional body | Total number pending registration confirmation in the accredited professional body | Total number not yet registered in the accredited professional body |
|---|--|---|--|---|
| Technical Infrastructure Services Director | 1 | 0 | 0 | 0 |
| Infrastructure Manager | 1 | 0 | 0 | 0 |
| Project Manager | 1 | 1 | 0 | 0 |

d) 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 |
|-----------------------|----------------------------------|--|---|
| 143 | 57 | 19 | 67 |

e) Trends on total personnel expenditure

| Financial Years | Total number of staff | Total approved operating Budget | Personnel expenditure (salary and salary related) | Percentage of expenditure |
|-----------------|-----------------------|---------------------------------|---|---------------------------|
| 2010-2011 | 106 | 19,011,749.00 | 18,873,698.00 | 99 % |
| 2011-2012 | 123 | 31,172,538.00 | 21,401,619.00 | 69 % |
| 2012 - 2013 | 143 | 33,250,399.00 | 28,809,678.65 | 86.64 % |

f) 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 |
|-------------------------------|-------------------|-----------------------|-------------------|
| SALA Pension Fund | 4 | SAMWU Medical Aid | 34 |
| SAMWU National Provident Fund | 70 | Bonitas | 12 |
| Cape Joint Retirement Fund | 28 | LA Health | 26 |

4.3.2 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; | 203 | 143 | 29 % | Other positions to be budgeted for in 2013/2014 financial year |
| 2 | Percentage of appointment in strategic | 5 | 5 | 100 % | |

| | | | | | |
|----|--|---|-----|-------|--|
| | positions (Municipal Manager and Section 57 Managers) | | | | |
| 3 | Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY | 2 | 2 | 100% | |
| 4 | Percentage of Managers in Technical Services with a professional qualification | 3 | 3 | 100 % | |
| 5 | Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only) | 1 Performance Management Framework and Procedure adopted | 1 | 100% | |
| 8 | Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term | 143 | 143 | 100% | |
| 9 | Percentage of councillors who attended a skill development training within the current 5 year term | 13 | 11 | 80% | |
| 10 | Percentage of staff complement with disability | No staff member appointed in 2012/2013 financial year | | | |
| 11 | Percentage of female employees | 50 | 50 | 100% | |
| 12 | Percentage of employees that are aged 35 or younger | 41 | 41 | 100% | |

4.3.3 Major challenges and remedial actions in regard to human resource and organizational management

| Challenges | Remedial Action |
|---|---|
| Skill gap: Labour relations and Employee wellness | <ul style="list-style-type: none"> ➤ Funding of Labour Relations officer. ➤ External Assistance sought for EWP |
| Audit Queries: Leave and overtime | <ul style="list-style-type: none"> ➤ Improving internal controls: Written Procedures ➤ Improve functionality of HR Module (Pay Day) ➤ External Assistance sought to put leave proper leave administration in place and clean the current leave information. |
| Salary Disparities | <ul style="list-style-type: none"> ➤ Job Description writing ad bench marking process to be outsourced |
| Out Standing Labour issues | <ul style="list-style-type: none"> ➤ Expediting pre arbitration ➤ Seeking assistance from SALGA for skilled Presiding and prosecuting officials ➤ Internal Dispute resolutions mechanisms to be explored for salary related matters. |

Chapter 5: FINANCIAL PERFORMANCE (KPA 4)

5.1 UNAUDITED FINANCIAL STATEMENTS



Great Kei Local Municipality
Financial statements
for the year ended 30 June 2013

5.2 Budget to actual comparison

a) BUDGET VS EXPENDITURE 2012/2013

| STANDARD ITEM | ADJUSTMENT BUDGET 2012/2013 | ACTUAL EXPENDITURE AS AT 30 JUNE 2013 | % EXPRESSION |
|-------------------------|--|--|---------------------|
| Personnel Expenditure | 33 324 899 | 27 777 382 | 83% |
| General Expenditure | 23 005 041 | 18 151 567 | 79% |
| Repairs and Maintenance | 9 067 907 | 7 037 118 | 78% |
| Bad Debts Provision | 4 044 299 | 0.00 | 0% |
| Depreciation | 15 000 000 | 0.00 | 0% |
| Bulk Electricity | 7 306 698 | 7 144 160 | 98% |
| Finance Charges | 671 090 | 663 785 | 99% |
| Capital Contributions | 36 848 024 | 15 774 744 | 43% |

b) BUDGET VS REVENUE 2012/2013

| STANDARD ITEM | ADJUSTMENT BUDGET 2012/2013 | ACTUAL REVENUE AS AT JUNE 2013 | % EXPRESSION |
|-------------------------------------|--|---|---------------------|
| Rates | 15 714 650 | 11 097 105 | 71% |
| Electricity | 10 256 653 | 3 197 646 | 31% |
| Refuse | 14 834 932 | 1 054 317 | 7% |
| Other Revenue (Including Grants) | 69 415 925 | 58 471 428 | 84% |

5.3 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. | Spe nt | Rec. | Spent | Rec. | Spent | Rec. | Spent | R ec . | Spent | Rec. | Spent |
| MIG | NT | 8 400 000 | | | 6 396 000 | 0.00 | 4 744 000 | 7 777 927 | 3 286 000 | 2 117 349 | | 4 474 020 | 22 826 000 | 14 369 293 |
| FMG | NT | | | | 1 500 000 | 65 766 | | 990 127 | | 135 922 | | 291 686 | 1 500 000 | 1 549 267 |
| MSIG | NT | | | | | 0.00 | 800 000 | 0.00 | | 110 408 | | 689 102 | 800 000 | 799 510 |
| EPWP | NT | | | | 400 000 | 0.00 | 300 000 | | 300 000 | | | 746 830 | 1 000 000 | 999 059 |
| INEG | NT | 2 000 000 | | | | 0.00 | | 1 110 792 | | 205 340 | | 641 184 | 2 000 000 | 1 957 316 |
| LIBRARY SUBSIDY | NT | | | | | 0.00 | 410 000 | | | 37 503 | | 267 128 | 410 000 | |

5.4 Meeting of Donors' requirements in respect of conditional grants

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

- The Municipality has a separate bank account for each grant received
- Reports on grants received and spent are submitted to Provincial and National Treasury on a monthly basis.

Variances in grants received are due to the following factors:

- Municipal Infrastructural Grant – Unspent funds for 2012/2013 financial year are committed to existing MIG projects. Motivation letters have been submitted to National Treasury giving reasons for unspent of funds. MIG funds will be rolled over to the next financial year as projects continue the next year. MIG projects run over multiple financial years in some instances.
- Municipal Systems Improvement Grants – 2012/2013 allocation was spent in full.
- Finance Management Grant – 2012/2013 allocation was spent in full

5.5 Long term contracts entered into by the municipality

| Machine Location | Agreement Number | Description of Equipment | Serial Number | Lease Period | Start Date | Expiry Date | Escalation Per Annum | Monthly Rental + Vat |
|--------------------------------------|------------------|----------------------------------|---------------|----------------|-------------|-------------|----------------------|----------------------|
| Infrastructure | 596 | Nashua Aficio MP201SPF CHN | W30185034 24 | Five(5) years | 01/06/20 11 | 31/05/20 16 | Ten percent (10)% | 459.80 |
| Registry | 2744 | Nashua Aficio MP2000SPFRA | L701626036 9 | Three(3) years | 01/06/20 11 | 31/05/20 14 | Ten percent (10)% | 2 117.50 |
| Supply Chain Management | 323 | Nashua Aficio MP7001 | V701260003 3 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 7 215.00 |
| Councillor's Office Main Road | 2710 | Nashua Aficio MP2000SPFRA | L700686269 2 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 1 540.00 |
| Local Economic Development | 1482 | Nashua Aficio MP2000SPFRA | L700686126 6 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 1 540.00 |
| HR Training Main Road | 2606 | Nashua Aficio MP2000SPFRA | L701626057 6 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 1 540.00 |
| Finance Department | 1339 | Nashua Aficio MP4000 | M55936003 08 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 4 980.00 |
| Traffic Department | 2592 | Nashua Aficio MP2000SPFRA with - | L709706136 0 | Three(3) years | 01/06/20 10 | 31/05/20 13 | Ten percent (10)% | 1 750.00 |
| Municipal Manager | 1455 | Nashua Aficio MP2000SPFRA with - | L709706084 9 | Three(3) years | 01/06/20 10 | 31/05/20 13 | Ten percent (10)% | 1 750.00 |
| Technical Department | 2400 | Nashua Aficio MP2000SPFRA with - | L708676084 8 | Five(5) years | 01/04/20 09 | 31/03/20 14 | Ten percent (10)% | 1 250.00 |
| Admin Main Road - Council Committees | 863 | Nashua Aficio MP7000 with - | M93833000 09 | Five(5) years | 01/12/20 08 | 30/11/20 14 | Ten percent (10)% | 5 375.00 |
| | | Punchkit | | | | | | |
| Chintsa East | 2258 | HP Laserjet M1536DNF | CNC9C1TB 99 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 165.00 |
| Strategic Planning | 2178 | MP7001SP | V701330008 1 | Three(3) years | 01/11/20 11 | 2014/10/ 31 | Ten percent (10)% | 7 095.00 |

| | | | | | | | | |
|-------------------------------------|-------|-----------------------------|------------------|-------------------|----------------|----------------|----------------------|----------|
| Haga Haga | 2617 | MP201SPF | W30191072 72 | Five(5) years | 01/11/20 11 | 2016/10/ 31 | Ten percent (10)% | 484.00 |
| Admin Main Road | 2506 | Nashua Aficio MP7502SP | W872JC000 48 | Five(5) years | 18/04/20 13 | 2018/04/ 17 | Ten percent (10)% | 5 575.00 |
| Komga Municipality | 619 | Nashua Aficio MP C4502AD | W513J1008 35 | Three(3) years | 07/03/20 13 | 06/03/20 16 | Ten percent (10)% | 4 060.00 |
| | | | W513J1008 35X | | | | | 1 050.00 |
| Municipal Manager | P2285 | Nashua Aficio SP C430DN | S930910222 0 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.00 |
| | | Nashua Aficio SP C430DN | S930910222 0X | | | | | |
| Local Economic Development Komga | P2830 | Nashua Aficio SP C430DN | S930930188 5 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.00 |
| | | | S930930188 5X | | | | | |
| Finance Komga | P2554 | Nashua Aficio SP C430DN | S930930215 6 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.00 |
| | | | S930930215 6X | | | | | |
| Technical Services Komga | P2399 | Nashua Aficio SP C430DN | S930930254 4 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.00 |
| Human Resources Komga | P2595 | Nashua Aficio SP C430DN | S930930083 4 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.00 |
| | | Nashua Aficio SP C430DN | S930930083 4X | | 01/08/20 11 | 31/07/20 15 | | |
| Komga Municipality | P2173 | Nashua Aficio SP C430DN | S930930084 1 | Three(3) years | 01/08/20 11 | 31/07/20 15 | Ten percent (10)% | 275.0 |

5.6 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 of expenditure on capital budget | 36 848 024.00 | 15 771 975.47 | 43% |
| | | Target set for the year (35%) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the operational budget |
| 2 | Salary budget as a percentage of the total operational budget | 92 419 934.00 | 33 324 899.00 | 36% |
| | | Target set for the year (20% or less) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the actual revenue |
| 3 | Total actual trade creditors as a percentage of total actual revenue | 68 083 423.94 | 5 837 505.45 | 9% |
| | | Target set for the year (80% and more) R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 4 | Total municipal own revenue as a percentage of the total actual budget | 110 222 160, | 19 393 308.28 | 18% |
| | | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 5 | Rate of municipal consumer debt reduction | 20 586 289 | 14 157 945 | 68% |
| 6 | Percentage of MIG budget appropriately spent | 22 826 000 | 14 369 293 | 62% |
| 7 | Percentage of MSIG budget appropriately spent | 800 000 | 799 510 | 100% |

5.7 The Audit committee functionality and Anti-Corruption Strategy

Information provided in KPA Good Governance

5.8 Arrears in property rates and service charges

Debtors Age Analysis by Income Source

| | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 121 - 150 Days | 121 - 150 Days | Total |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Electricity Tariffs | 131 989.47 | 111 112.16 | 99 764.90 | 95 024.09 | 3 419 463.88 | 3 857 354.50 |
| Rates (Property Rates) | 924 471.52 | 923 581.60 | 923 581.60 | 923 381.60 | 20 484 111.38 | 24 179 127.70 |
| Refuse Removal Tariffs | 288 736.24 | 291 053.99 | 291 053.99 | 271 368.80 | 16 702 871.60 | 17 845 084.62 |
| Other | | | 172.03 | | 7 254.17 | 7 426.20 |
| | 1 345 197.23 | 1 325 747.75 | 1 314 572.52 | 1 289 774.49 | 40 613 701.03 | 45 888 993.02 |

The total debt of the Municipality as at 30 June 2013 is R45 888 993, and is broken down as follows:

| | | |
|-------------|---|-------------|
| Rates | - | R24 179 127 |
| Refuse | - | R17 845 085 |
| Electricity | - | R3 857 355 |

PART 3:
2012/2013

SDBIP REPORTING

QUARTER 1-
QUARTER 4

SDBIP 2012/2013: Departmental SDBIP Report

Great Kei Municipality

This report presents 2012/13 performance results for Great Kei Local Municipality. The report includes results for all four quarters and areas of improvement on the compilation of the SDBIP and control weaknesses within the performance management processes as per the scope letter and agreed project plan.

The need for the establishment, monitoring and evaluation of a performance management system is in line with requirements for municipalities to comply with the Municipal Systems Act No. 32 of 2000 and other legislation governing Performance Management within Local Government.

Section 38 of the Municipal Systems Act requires that:

A municipality must—

- (a) establish a performance management system that is—
 - (i) commensurate with its resources;
 - (ii) best suited to its circumstances; and
 - (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- (b) promote a culture of performance management among its political structures, political office bearers and councillors and in its administration, and;
- (c) administer its affairs in an economical, effective, efficient and accountable manner.

Section 40 of the Municipal Systems Act requires that:

A municipality must establish mechanisms to monitor and review its performance management system. The Municipality developed the 2012/13 Service Delivery and Budget Implementation Plan (SDBIP) in terms of the Municipal Finance Management Act.

To comply with PMS legislation, GKLM adopted a PMS Framework that describes the performance management processes for monitoring performance information and put measures in place to monitor and report on performance quarterly and annually as required.

The SDBIP serves as a contract between the administration, council and the community and giving expression to the goals and objectives of the Integrated Development Plan of GKLM.

Great Kei Municipality has five departments namely the Office of the Municipal Manager's Office, Corporate Services, Technical Services, Strategic Services and the Budget and Treasury Office,

GKM'S KEY PERFORMANCE AREAS

SO 1: Good Governance and Public Participation

SO 2: Municipal Transformation and Organisational Development

SO 3: Municipal Financial Viability

SO 4: Basic Service Delivery and Infrastructure

SO 5: Local Economic Development

COMMENT ON GKLM 2012/2013 PERFORMANCE RESULTS

GKLM's overall performance for 2012/13 financial year is 61% compared to 51% which was the overall performance for 2011/12 financial year. This indicates a slight improvement of 10%. The major contributing factor affecting the performance of GKLM is the shortage of key staff.

During the first half of the 2012/13 FY, Strategic Services and Corporate Services Departments were operating without directors. In the third quarter the Municipality filled in the Strategic Services and Corporate Services Director positions but the Director for Corporate Services resigned in April 2013.

At the time of compilation and analysis of performance information Budget and Treasury Operations was functioning without the Chief Financial Officer who also left the municipality in July 2013. The Infrastructure Division under Technical Services is also understaffed, operating without project managers. This has negatively impacted on capital expenditure spending.

Notwithstanding the challenges faced by GKLM, the municipality has put measures in place to ensure that management are aware of the importance of compiling credible performance information. To date two departments; Strategic Services and Community Services have improved in providing the portfolio of evidence and reporting on performance information. The Portfolio of Evidence for the current year is now being compiled on a monthly basis and the files are now kept under the custody of the Acting Director Strategic Services to improve record keeping and management.

Performance reviews have been conducted for managers reporting to the Municipal Manager and managers on performance contracts.

AREAS OF IMPROVEMENT

1. Key positions; Director Corporate Services, Chief Financial Officer, Infrastructure Manager and Project Managers should be prioritised to improve the municipality's performance.
2. The reinforcing of controls on monthly reporting and proper record keeping for performance information.

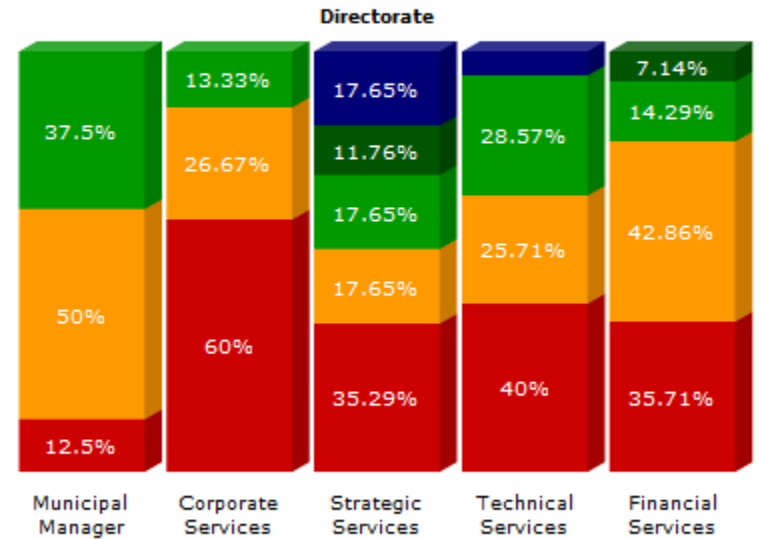
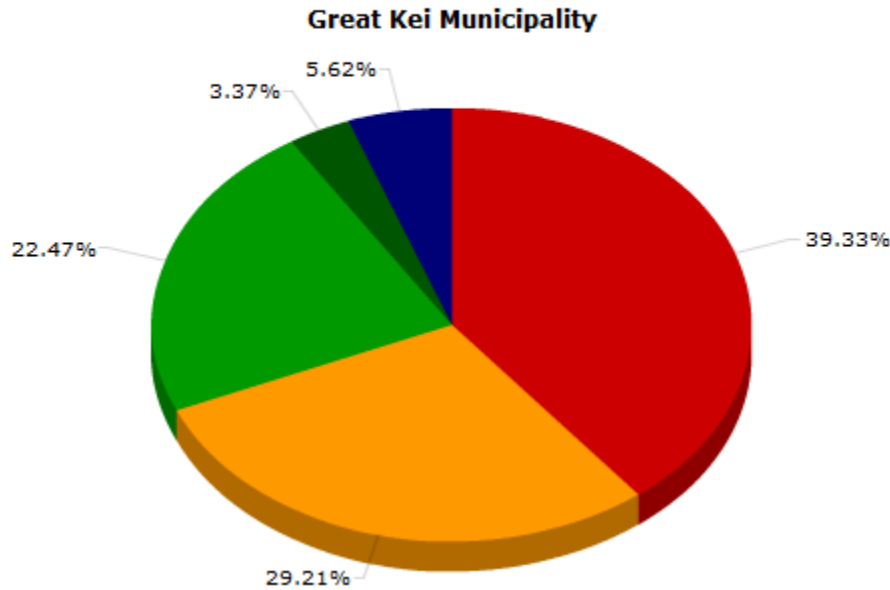
PERFORMANCE RATING SCALE

| | | | |
|---------------------|---|--|---|
| RATING SCALE | 5 | Outstanding performance | Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and performance plan and maintained this in all areas of responsibility throughout the year. |
| | 4 | Performance significantly above expectations | Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year. |
| | 3 | Fully effective | Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and performance plan. |
| | 2 | Performance not fully effective | Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and performance plan. |
| | 1 | Unacceptable performance | Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and performance plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |






Great Kei Municipality







GKLM 2012/2013 SDBIP REPORT

Report drawn on 19 August 2013 at 10:05
for the months of July 2012 to June 2013.



SUMMARY OF 2012/13 Q1-Q4 GKM PERFORMANCE RESULTS

| | Great Kei Municipality | Directorate | | | | |
|--|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | | Municipal Manager | Corporate Services | Strategic Services | Technical Services | Financial Services |
|  KPI Not Met | <u>35 (39.3%)</u> | <u>1 (12.5%)</u> | <u>9 (60%)</u> | <u>6 (35.3%)</u> | <u>14 (40%)</u> | <u>5 (35.7%)</u> |
|  KPI Almost Met | <u>26 (29.2%)</u> | <u>4 (50%)</u> | <u>4 (26.7%)</u> | <u>3 (17.6%)</u> | <u>9 (25.7%)</u> | <u>6 (42.9%)</u> |
|  KPI Met | <u>20 (22.5%)</u> | <u>3 (37.5%)</u> | <u>2 (13.3%)</u> | <u>3 (17.6%)</u> | <u>10 (28.6%)</u> | <u>2 (14.3%)</u> |
|  KPI Well Met | <u>3 (3.4%)</u> | - | - | <u>2 (11.8%)</u> | - | <u>1 (7.1%)</u> |
|  KPI Extremely Well Met | <u>5 (5.6%)</u> | - | - | <u>3 (17.6%)</u> | <u>2 (5.7%)</u> | - |
| Total: | 89 | 8 | 15 | 17 | 35 | 14 |

| Priority Area | Total KPIs | KPIs Extremely Well Met | KPIs Well Met | KPIs Met | KPIs Almost Met | KPIs Not Met | Achieved Results | Rating |
|---|------------|-------------------------|---------------|-----------|-----------------|--------------|------------------|---|
| Municipal Manager's Office | 8 | 0 | 0 | 3 | 4 | 1 | 87%% |  |
| Corporate Services | 15 | 0 | 0 | 2 | 4 | 9 | 40% |  |
| Strategic Services | 17 | 3 | 2 | 3 | 3 | 6 | 65% |  |
| Technical and Infrastructure/Community Services | 35 | 2 | 0 | 10 | 9 | 14 | 60% |  |
| Budget and Treasury | 14 | 0 | 1 | 2 | 6 | 5 | 64% |  |
| TOTAL | 89 | 5 | 3 | 20 | 26 | 35 | 61% |  |

THE ATTACHED ANNEXURE A HAS DETAILS OF PERFORMANCE INFORMATION FOR EACH DEPARTMENT.