



GREAT KEI LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT FOR THE

YEAR ENDED

30 JUNE 2011

PREPARED BY

: C.M. MBEKELA

COUNCIL MEETING TO BE HELD ON

: 25 JANUARY 2012

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DRAFT ANNUAL REPORT 2010/2011 OF THE GREAT KEI LOCAL MUNICIPALITY

PART 1: INTRODUCTION AND OVERVIEW

1. FOREWORD BY THE MAYOR

2. MUNICIPAL MANAGER'S MESSAGE

3. OVERVIEW OF THE MUNICIPALITY

3.1 Area Major Characteristics

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometres (km²). The GKM is bounded in the East by the Great Kei River and Mquma Municipality, in the South East by the coastline between Kwelera and Kei Mouth, in the West by the Buffalo City Municipality and the Amahlathi Municipality, which is situated to the North. The Municipality is divided into six wards, which are the amalgamation of previously different communities and municipal entities, including Komga, Kei Mouth, Cintsa East, Haga Haga, Mooiplaas, Kwelera, which were the Komga TRC and portion of the East London TRC. Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road N6 connection between Komga and Stutterheim.

3.2 Health

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

Table 1: Hospital Beds

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

Source Dept of Housing & Local Government, 1997

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

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

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

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

3.3 Education

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

Table 2: Number of Primary and Secondary Schools

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

Source: Dept of Housing & Local Government (2001)

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

Table 3: Adult Literacy Rate

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

Source MDB, 2001

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

3.4 Safety and Security

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

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

3.5 HIV/AIDS

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

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

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

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

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

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

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

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

The epidemic will:

Reduce the projected number of people

Reduce life expectancy

Increase infant mortality

Greatly increase the need for health care

Greatly increase the need for poverty assistance

Exacerbate inequalities

Result in large number of orphans

Change the demographic structure of the population

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

Affect income and expenditure patterns

Reduce growth

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

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

Reverse years of investment in training and education

(Source: HIV/Aids Toolkit for Local Government)

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

Kei have been identified so that a comprehensive HIV and Aids Plan. Currently Amathole District Municipality assist Support Groups.

3.6 Environmental Overview

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

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

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

Quality in environmental decision-making

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

Co-operative governance in the environmental sector

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

Role of civil society in environmental governance

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

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

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

3.7 Climate Change

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

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

- Greenhouse gases are thought to contribute to global climate change, and these gases include carbon dioxide, carbon monoxide and methane. Carbon dioxide and carbon monoxide are released from inter alia vehicle tailpipes and during the burning of fuel-wood.

Methane is released by domestic livestock and waste disposal sites. However, it is important to note that the subtropical thicket found within the GKM is very efficient at capturing carbon and hence at offsetting the effects of the greenhouse gas emissions.

- Therefore the SDF further proposes that the protection of biodiversity is the primary motivation for the protection of the subtropical thicket, it nevertheless has additional value as inter alia a potential means to slow down, or buffer the rate of climate change.
- The Spatial perspective advances that the areas covered by the thicket vegetation should therefore be targeted for conservation. This may take the form of spatially gazetted conservation areas or the promulgation of By Laws to protect pristine, highly sensitive or endangered categories of subtropical thicket vegetation.
- Similarly, areas covered by indigenous forest should be excluded from destructive developments that would involve inter alia the clearing of vegetation. The clearing of vegetation would entail a loss of biomass and hence store carbon. Limited action would be required from GKM in this regard as indigenous forests are protected under the National Forests Act, 1998. Clearly indigenous forests, indigenous dune forests, are unsuitable for residential development of any sort.

3.8 Air Quality

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

3.9 Water Quality

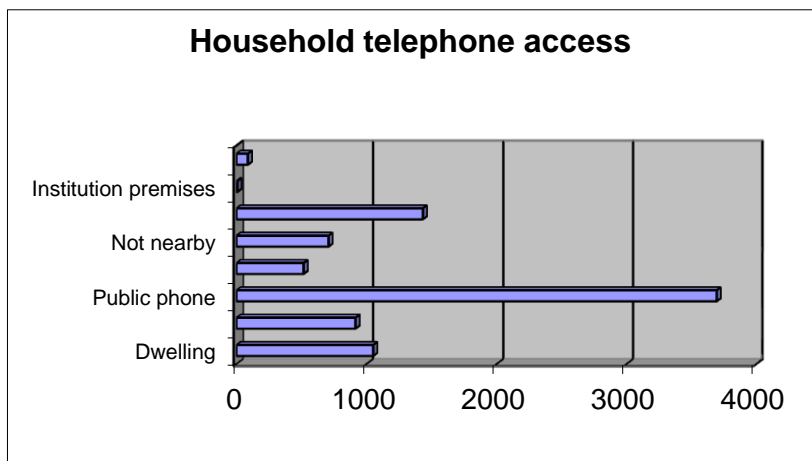
GKM SDF indicated that Eutrophication is considered to be a problem at a number of localities in GKM. It is a direct result of nutrient enrichment in water systems. The main nutrients causing eutrophication are phosphorus and nitrogen. Nutrient-enriched systems exhibit significant water quality, toxin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

water treatment plants, and sometimes excessive loss of water through evapo-transpiration (Van Ginkel et al, 2001)

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

3.10 Telephones

Figure 1: Household Telephone Access



Source: PIMSS, 2001

Table 4: Household Telephone Access

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

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

3.11 Public Transport

Integrated Spatial Development Framework in terms of transportation

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

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

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

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

the Glens forming the Public Transport

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 EXECUTIVE SUMMARY

1. To stimulate economic growth by 2%
2. To create an environment of security and cooperative arrangement between enterprises to attain mutual benefits
3. To create a vibrant commercial and subsistence agricultural industry
4. To market GKM as a tourist destination
5. To create an effective and efficient management of environmental resource for improvement of sustainable development
6. Ensure that the Municipality complies with environmental prescripts
7. To revitalize and commercialize agricultural sector.
8. Promote optimum use of forestry resources to benefit GKM communities
9. Ensure economic beneficiation of Great Kei through mining sector and enhance potential mining areas
10. Facilitation of access to appropriate housing
11. To ensure a fully integrated system to meet the needs and to increase the mobility of people and freight in GKM
12. To develop a properly functioning solid waste management system
13. To enhance effective management of disaster within GKM
14. To ensure that our access roads are in good and acceptable conditions at all times
15. Link the existing WSP to IDP objectives and PMS
16. To achieve compliance with respect to Employment Equity Act
17. Ensure mainstreaming of designated groups in all municipal programs
18. Link the organizational structure to IDP and municipal powers and functions
19. To increase municipal revenue by at least 5% of current revenue by 2010/2011
20. To maintain general expenditure within 20% of the operating expenditure
21. To ensure compliance to Procurement regulation & targets
22. To have an effective inter-governmental relations
23. To obtain a positive unqualified auditor general's report or at least qualification
24. To vigorously drive public participation and transformation
25. To engage the services of a registered Property Valuer
26. To develop and implement Property Rates Policy
28. To rehabilitate Slatsha access road
29. To rehabilitate Belekumntwana access road
30. To rehabilitate Gwaba access road
31. To rehabilitate Mpethu access road
32. To surface Siviwe access road

Main challenges faced by the municipality

- Revenue collection
- Implementation of Free Basic Services (FBS's)
- Supply Chain Management Unit
- Risk assessment and controls
- No Vending Machines – which may be used to enforce the Credit Control Policy
- Electricity Tempering
- No disaster management strategies/Policies

PART 2: KPA ACHIEVEMENT REPORT

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

Presentation of the organizational structure (approved organogram)

Refer to reviewed organogram

5.1.1 Staff development initiatives during the Financial Year

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

5.1.2 Key HR statistics per functional area

5.1 Levels of education and skills

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

5.2 Trends on total personnel expenditure

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

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

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

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

2007-2008	R1,310,453.00
2008-2009	R2,613,902.00
2009 -2010	R1, 857,589.30

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

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

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

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

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

Draft Annual Report for the year ended **30
June
2011**

9. Great Kei Municipality Organogram 01 July 2010 – 30 June 2011

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

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Income Accountant	2	0	2	B	W	F	M
Budget/Projects Officer	1	1	0	-	-	-	-
Assets/Liability Officer	1	1	0	-	-	-	-
Supply Chain Management Officer	1	0	1	B	-	-	M
SNR Creditors Clerk	1	1	0	-	-	-	-
Chief Debtors Clerk	1	0	1	B	-	-	M
SNR Debtors Clerk	1	1	0	-	-	-	-
SNR Debtors Clerk Accounts	1	0	1	C	-	F	-
Stores Controller	1	0	1	B	-	F	-
Senior Creditors	1	0	1	-	W	F	-
Cashier Komga/Kei Mouth/Chintsa	3	3	0	-	-	-	-
CORPORATE SERVICES DEPARTMENT							
Corporate Services Director S.57	1	0	1	B	-	-	M
Personal Assistant	1	1	0	-	-	-	-
Human Resources Manager	1	0	1	B	-	F	
IT Manager	1	1	0	-	-	-	-
Adm. Manager	1	0	1	W	-	-	M
SNR Human Resources/SDF Officer	1	1	0	-	-	-	-
IT Officer	1	0	1	B	-	-	M
Records Officer	1	0	1	C	-	F	-
Valuations Officer	2	-	2	B2	-	F	M
Administrator/ Kei Mouth/Morgan Bay	1	-	1	-	W	F	-
Administrator/Chintsa	1	1	0	-	-	-	-
Payroll/Personnel Officer	1	0	1	B	-	-	M
Labour Relations Officer	1	1	0	-	-	-	-
Council Support Clerk	1	0	1	B		F	
Committee Clerk s	2	0	2	B		F	M
Cleaner/Messenger Chintsa	1	1	0	-	-	-	-
Cleaner/Messenger Kei Mouth	1	0	1	B	-	F	-
HR Typist Clerk	1	0	0	B	-	F	-
Security Officers	4	1	3	B	-	-	M
Receptionist	2	0	2	B	-	F	-
Admin Clerk	1	1	0	-	-	-	-
Cleaner/Messenger	2	0	2	B	-	F	-
COMMUNITY/SOCIAL							

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

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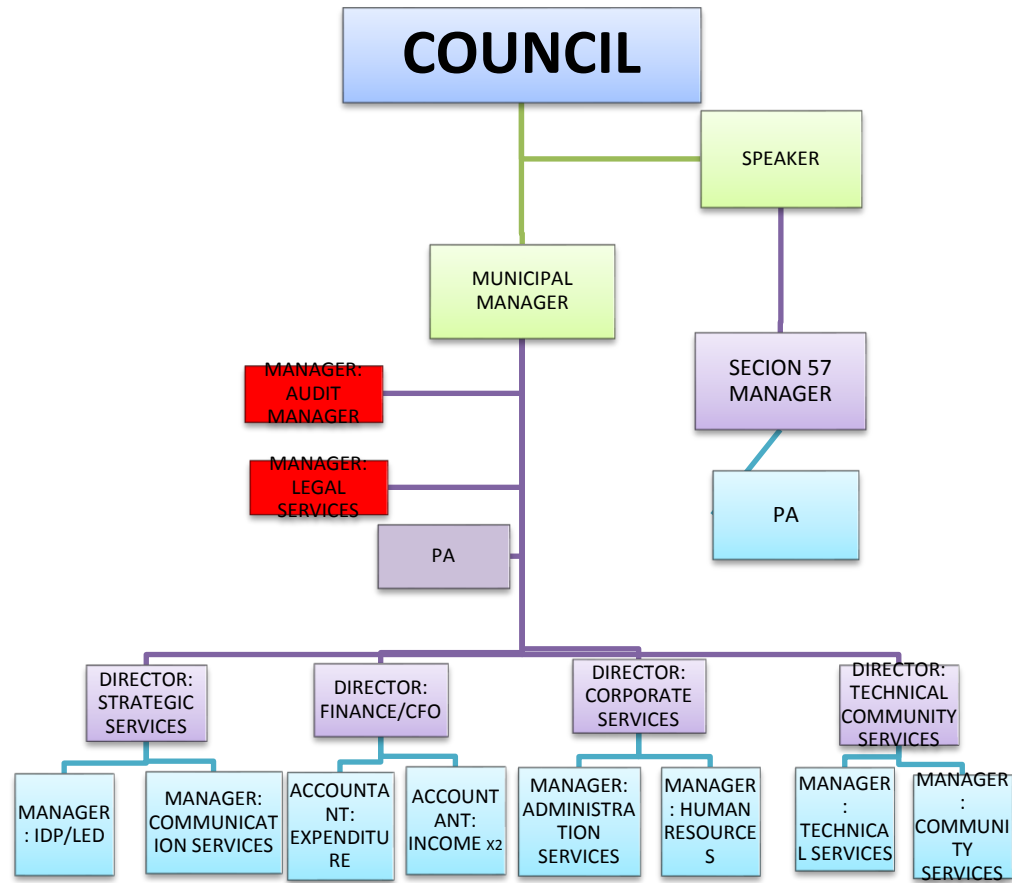
TECHNICAL SERVICES DEPARTMENT							
Technical Services Director s.57	1	1	0	-	-	-	-
Personnel Assistant	1	1	0	-	-	-	-
Technical Services Manager	1	1	0	-	-	-	-
Town Planner (DBSA Deployee)	1	1	0	-	-	-	-
Project Manager	1	1	0	B		F	-
Operations Control Officer	1	1	0	-	-	-	-
Building Control Officer	1	1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

GREAT KEI MUNICIPALITY

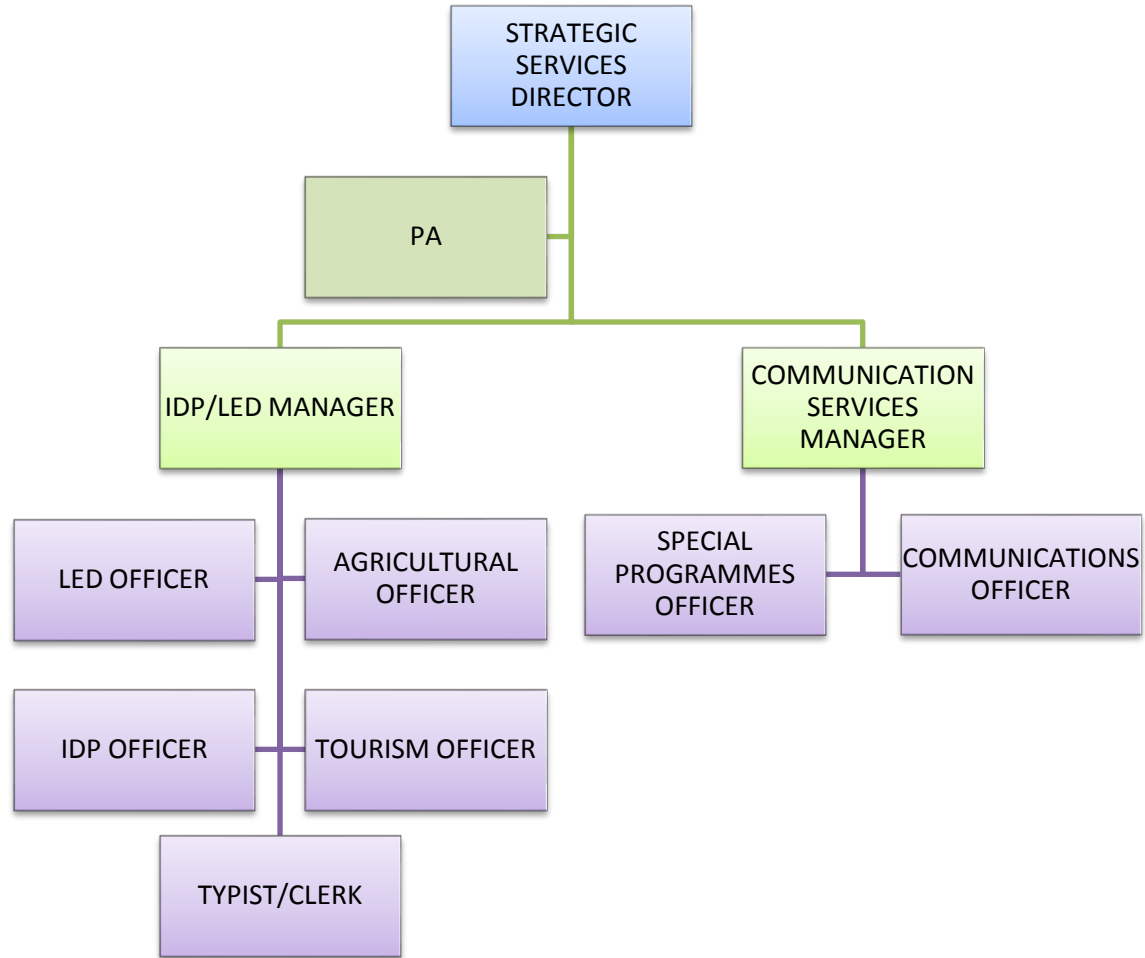


REVIEWED ORGANOGRAM

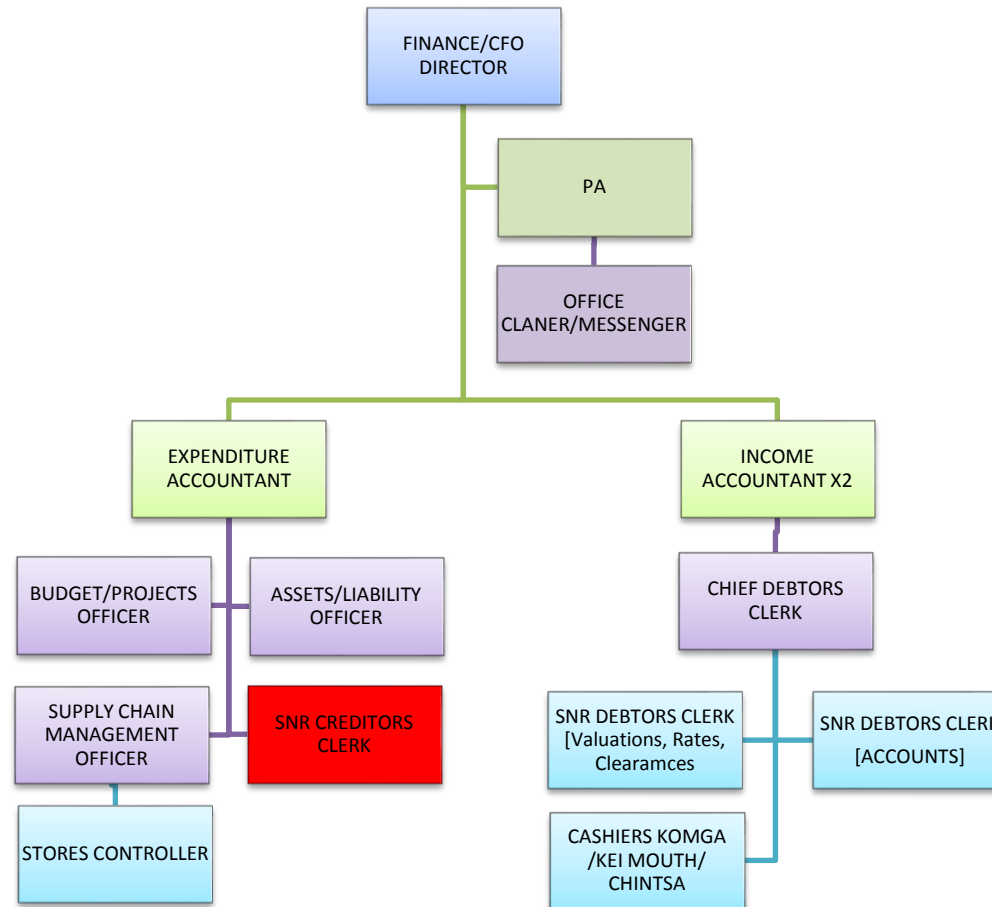
2010/11



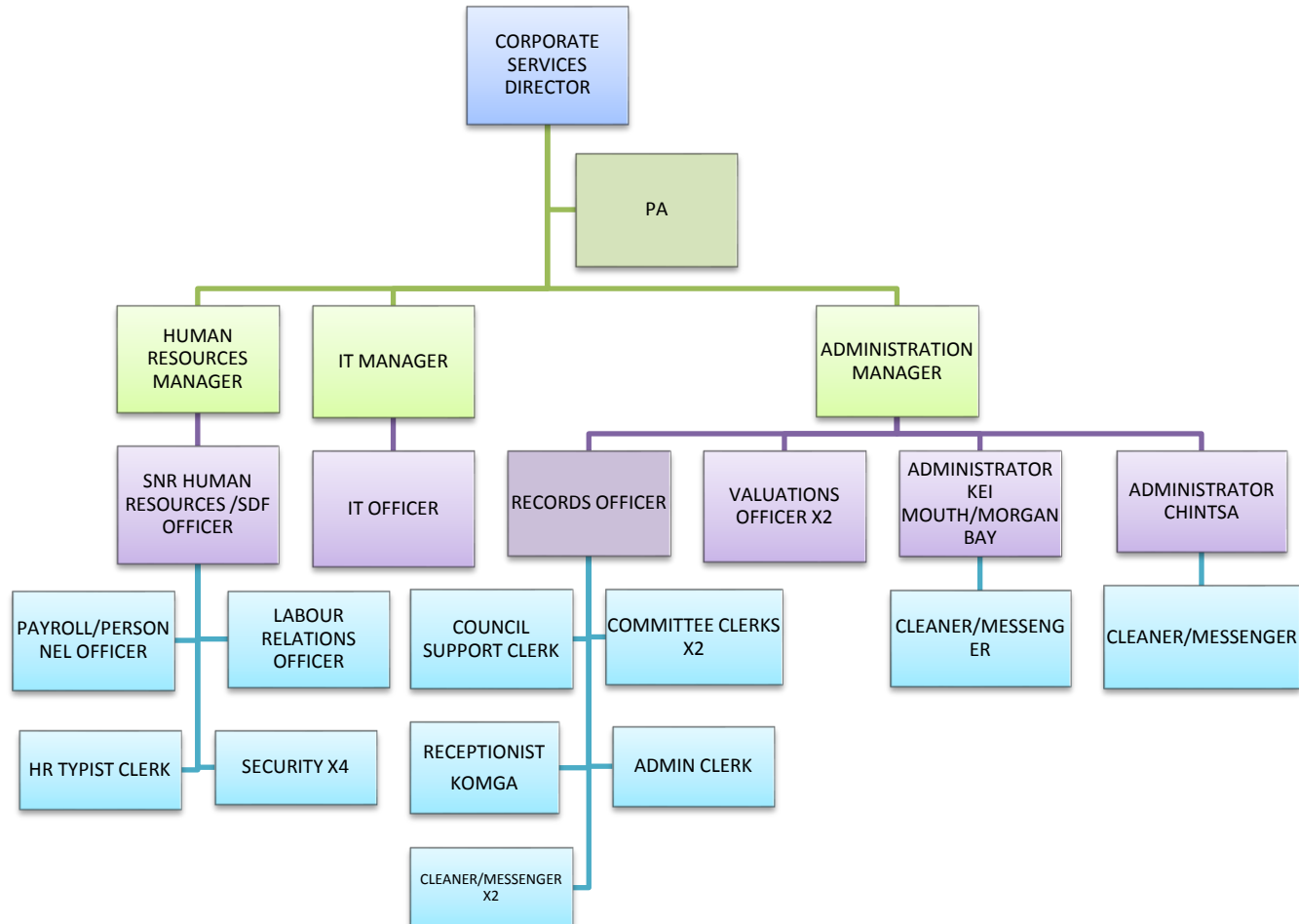
STRATEGIC SERVICES



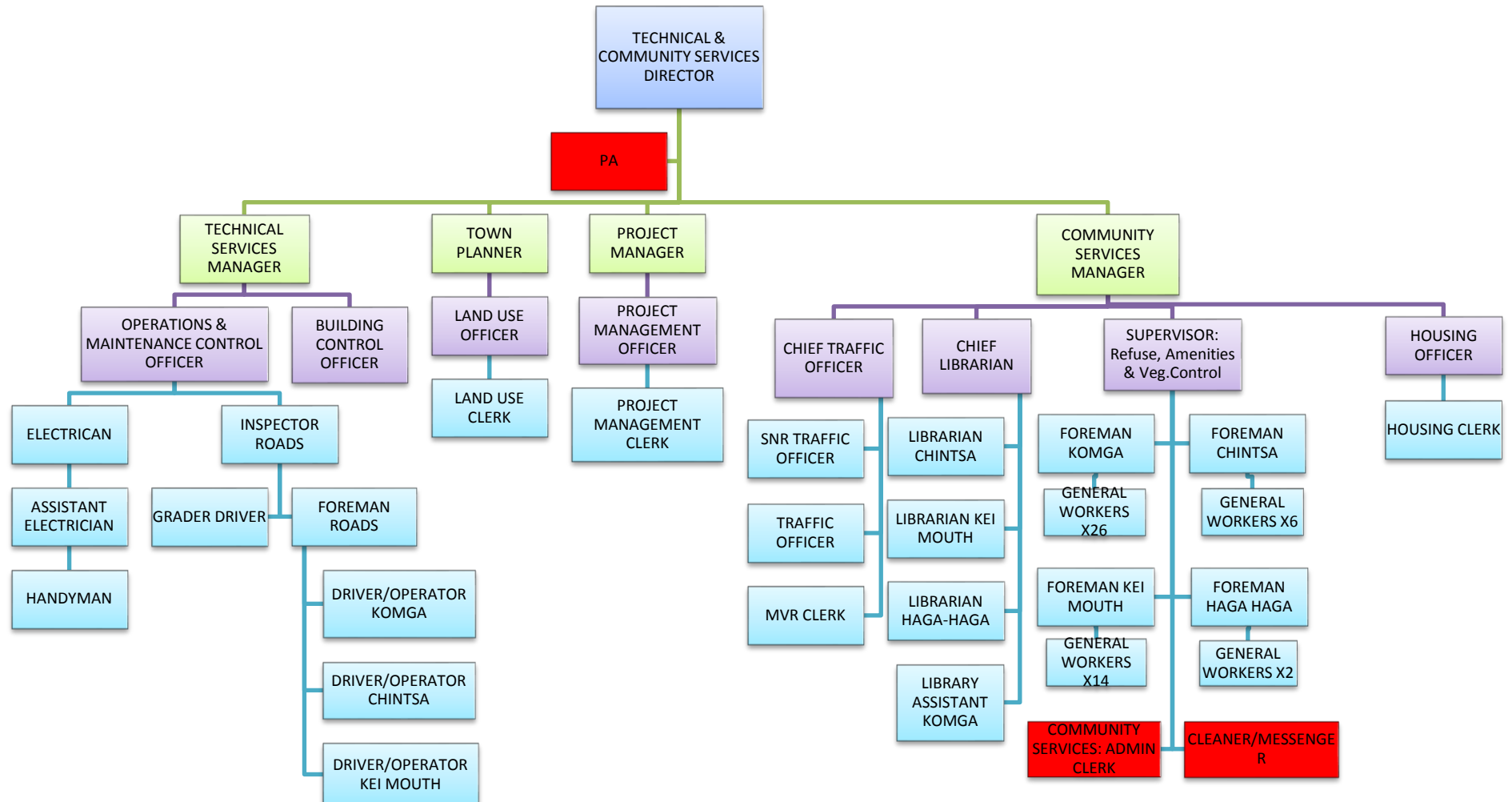
BUDGET & TREASURY



CORPORATE SERVICES



INFRASTRUCTURE & COMMUNITY SERVICES



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

1.1 Water Services

2.2 Electricity services

a. Electricity services delivery strategy and main role-players

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

b. Level and standards in electricity services

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

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

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

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

d. Major challenges in electricity services and remedial actions

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

2.3 Sanitation is a District Service

2. 4 Road maintenance

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

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

b. Level and standards in road maintenance services

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

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

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

	e effectively used.					
--	---------------------------	--	--	--	--	--

d. Major challenges in road maintenance services and remedial actions

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

2.5 Waste management

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

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

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

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

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

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

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

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

The long lasting solution to the challenges are:-

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

- . establishment of Waste Minimization Unit

CHALLENGES REGARDING DEVELOPING THE IWMP

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

SOLUTIONS

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

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

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

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

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

2.6 Housing and Town Planning

Town Planning & Building control

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

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

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

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

Human Settlement Planning

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

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

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

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

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

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

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

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

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

The Township was developed with 80 RDP houses that were completed approximately 3 years ago. Since then the Township has been expanding informally and the existing area has become overcrowded. Also the area or land where this expansion is taking place is not suitable for housing people due to the following reasons:

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

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

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

Informal Housing

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

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

Formal planning of the villages

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

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

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

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

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

2.7 Spatial Planning

Preparation and approval process of SDF:

A service provider has been appointed by Amathole District Municipality to review the Great Kei Spatial Development.

Land use management:

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

Table 2: Land Use

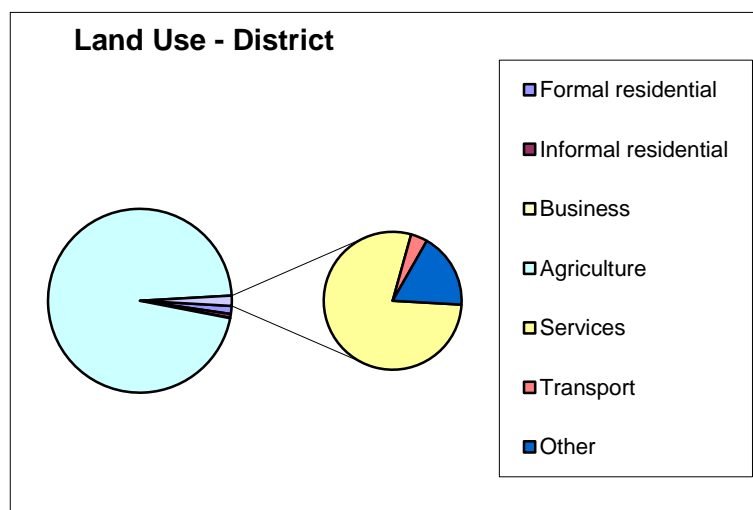
Land Use		Urban	Great Kei Municipality
	in km2	Areas	Agglomeration
1	Residential	57.00	1,421.00
1a	Formal residential	20.00	20.00
1b	Informal residential	10.00	10.00
2	Business	1.00	0.50
3	Agriculture	1.00	1,364.00
4	Services	3.00	20.00
5	Transport	1.00	1.00
6	Other	21.00	4.50
7	Total	57.00	1,421.00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

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

Of the 1 421km² municipal area, some 57km² is taken up by the urban service centers of Komga and Kei Mouth which represents 4% of the total district area (refer to Table 2 and Figure 2). Komga functions as the predominant rural service centre to the surrounding agricultural areas as well as adjacent parts of Mnquma. It also serves as an urban communications link and small commercial centre between the Buffalo City and Butterworth urban areas. Komga is given the lowest rank (19th

out of 19) of Level 1 District Centers within the sub region in terms of the Amatole District Council LDO's and Integrated Development Plan 1999 - 2000. The coastal settlements of Kei Mouth, Morgans Bay, Haga Haga and Cintsa, whilst having a small number of permanent residents, have over many years provided a tourism and holiday destination for both local and national visitors who regularly spend their holiday in the area. Approximately 0.5% of the area, mostly within the coastal forest reserve, is protected for environmental conservation purposes.

Figure 2: Land Use – District



Applications received and processed are as follows:

	March 09	May 09
• Rezoning,	1	1
• Sub-division,		7
• Consent use,		
• Removal of restrictive conditions	1	1
• Township establishments	2	9

c. Major challenges in spatial planning services and remedial actions

None at this stage as the SDF is still a draft pending the consultation process. Once the consultation process is complete the SDF will be forwarded to Council for approval.

2.8 Indigent Policy Implementation

The municipality's Indigent Policy has been prepared and approval process is underway.

2.9 Overall service delivery backlogs

Basic Service Delivery		30 June 2009			30 June 2010	
Water backlogs (6 KL/ month	Required	Budgeted	Actual	Required	Budgeted	Actual
2.5 Waste management)		In terms of complying the Constitutional mandate that says everyone has a right to live a clean and healthy environment, the municipality provide solid waste management services to Komga, Kei Mouth, Morgan Bay, Haga Haga and Chintsa in an endeavour to fulfil that obligation. There is no waste management that is taking place in the rural areas of Great Kei Municipality at present. Since the acquisition of two refuse trucks during the 2007/2008 Financial year collections and disposal of solid waste have improved tremendously with no complaints on non-collection except one or two cases whereby the truck would be sent	Government departments, e.g. The Department of Environmental Affairs, DEDEA DWAF.	Municipal Council	Formal Business Fraternity	

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		<p>to attend to such complaint immediately. Occasionally there may be a day, when the vehicles break down and have to be repaired, so the refuse is not collected on that particular day and back-up collection will be implemented in terms of sending the other truck to assist. Disposal is a challenge. The ADM is assisting with this in that a consultant has been appointed during the month of December 2010 to improve the operation of Komga landfill site towards licensing. In an effort to reduce waste transportation costs, the Municipality has budgeted to construct transfer stations at Kei Mouth and Chintsa in the 2010/2011 financial year, the following role players are critical in the solid waste management:-</p>				
Backlogs to be eliminated (%: total HH identified as backlog/total	27	13	13	31	24	24

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number of HH in the municipality						
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	0	0	0
Total spending to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	0	0	0	0	0	0
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	352 0	4000	2700	4000	4000	4000
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	31	35	24	35	35	35
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing	0	0	0	R5m	0	0

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

backlogs (R000)						
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	5854	352	200	6530	360	238
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	52	3.1	64	58	3.2	66
Spending on new infrastructure to eliminate backlogs (R000)	16	0	0	18	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R5,7m	R5,7m	R5,7m	R11,4m	R11,4m	R11,4m
Total spending to eliminate backlogs (R000)	R75m	R5,7m	R4,5m	R90,6m	R8,16m	R8,16m
Spending on maintenance to ensure no new backlogs (R000)	R8m	0	0	R9,88m	0	0

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

3.1 Brief presentation of LED strategy/plan

- Status on developing the LED strategy/plan

The Municipality has identified the development of the LED Strategy as one of the critical areas to be budgeted in the next financial year.

- **Setting up a LED unit;**

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

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

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

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

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

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

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

- Spatial development framework (SDF)/Land use management system(LUMS);
The Kei Mouth SDF was in the process of being developed but stakeholders sabotaged the processes by refusing to entertain the findings of the professional firm commissioned. ADM had provided funding for this purpose. However funds

have been sourced from DBSA to fund a wholistically SDF for the Great Kei Municipal area. We are awaiting final approval but we are positive this would be affirmed.

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

This is still a challenge as every department within the municipality is lacking staff complement to reduce the Turn Around time for applications to be processed.

However the red-tape reduction process has not been commissioned. The technical department has since been boosted with some qualified staff to carry out service delivery processes. DBSA has also seconded some experts to the municipality to assist in these matters. There are still some concerns from the public though.

- Investments and trading by-laws

The municipality has enacted some by-laws though application is still a change due to lack of staff. Regarding investments we are hopeful that the plans to package opportunities will come about should the IDT and LGTA funding is approved and the investment indaba go ahead as planned.

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

Categorisation of roads by the department of roads has not been provided to us as the municipality though we have made various request to the department of transport through the transport forum.

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

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

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

- Disaster management within the context of conducive environment for economic development (policy /framework adoption and implementation);

This is the competence of the ADM and there is a disaster management office in the area. Awareness campaigns have been conducted though we have not assessed their impact.

b. Exploit comparative and competitive advantage for industrial activities

The main driving sectors of this municipality are tourism and Agriculture. Though we have not exploited these sectors to the maximum strides have been taken to support these sectors. In Agriculture we have ensured that there is a budget to support this sector. Though it is mainly to support emerging entrepreneurs or those starting out by providing working tools and seedlings this is minimal because our focus is not on commercial agriculture. We hope that through this initiative a spark can be created to initiate businesses or farmers and lower unemployment through self employment. People could see this as a viable business. Tourism is mainly white dominated. We have made undertaken to promote this sector through a Summer Festival every December. This commenced in December 2009 and has grown in 2010. This is a sport tourism festival. At the moment we are in partnership with ADM though DSRAC has provided some equipment. Next year we aim to take it to new heights by taking on DSRAC as a partner too in this festival. Our competitive advantage in this sector is that we are located in the wild coast and the only serviced area in the Eastern Cape. There are various property development erupting in these areas but it is affected negatively because of infrastructure and its proximity to East London suburb. This mainly attracts pensioners or holiday makers. Through this festival we want to create the hype so that those who do not know our area can be made aware of it.

c. Intensify Enterprise support and business development

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

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

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

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

d. Support Social investment program

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

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

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	R220 000	R200 000	%
2	Number of LED stakeholder forum held	4	2	50%

3	Percentage of SMME that have benefited from a SMME support program	R5000.00	0	0
4	Number of job opportunities created through EPWP	54	0	0
5	Number of job opportunities created through PPP	0	0	0

3.4 Challenges regarding LED strategy implementation

Staff secondment or LED unit population as one person cannot handle the unit alone. Another intervention could be in the form of more co-operation between departments and sector departments during IGR sessions instead of engaging the municipality during implementation as this renders the department ineffective in its own programmes by assisting these departments. Since there are staff constraints Government and sector departments should make use of our IDP's to fund projects as the process of developing business plans is strenuous and there after one receives no funding. Capacity building or skilling of officials should also be centralised as we spend most of our time running from meetings and workshops requested by supporting departments.

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

4.1 The unaudited financial statements

Statement of Financial Performance

Figures in Rand	2011	2010 Restated
Revenue		
Property rates	10,355,256	6,267,095
Service charges	9,737,906	6,027,330
Rental of facilities and equipment	107,058	342,522
Fines	10,600	12,800
Licences and permits	1,190,073	1,195,999
Government grants & subsidies	34,227,587	29,751,762
Commissions received	282,929	
Sundry revenue	1,308,661	348,687
Interest received - other	790,808	794,833
Total Revenue	58,010,878	44,741,028

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Expenditure		
Personnel	(16,343,794)	(13,415,911)
Remuneration of councillors	(2,529,904)	(2,550,483)
Bad debt impairment	(16,953,505)	
Finance costs	(445,501)	(476,018)
Repairs and maintenance	(1,751,128)	(2,330,784)
Bulk purchases	(5,145,745)	(4,264,019)
Fair value adjustment	(278,377)	
General Expenses	(7,618,892)	(5,748,778)
Total Expenditure	(51,066,846)	(28,785,993)
Revenue	58,010,878	44,741,028
Expenditure	(51,066,846)	(28,785,993)
Other		
Surplus for the year	6,944,032	15,955,035

Statement of Financial Position

Figures in Rand

	Note(s)	2011	2010 Restated
Assets			
Current Assets			
Trade and other receivables from exchange transactions	7	13,362,117	9,872,837
Other receivables from non-exchange transactions	8	1,742,199	6,310,741
VAT receivable	9	5,453,185	2,872,729
Cash and cash equivalents	10	13,637,494	18,342,298
		34,194,995	37,398,605
Non-Current Assets			
Investment property	4		
Property, plant and equipment	5	18,630,686	7,173,461
		18,630,686	7,173,461
Non-Current Assets		18,630,686	7,173,461
Current Assets		34,194,995	37,398,605
Non-current assets held for sale (and) (assets of disposal groups)			
Total Assets		52,825,681	44,572,066
Liabilities			
Current Liabilities			
Non-current borrowings	11	257,048	227,176
Trade and other payables from exchange transactions	14	9,788,522	8,324,310
Consumer deposits	15	80,503	80,503
Unspent conditional grants and receipts	12	1,003,762	982,677
Provisions	13	51,595	
		11,181,430	9,614,666
Non-Current Liabilities			
Non-current borrowings	11	2,945,970	3,203,150

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Non-Current Liabilities	2,945,970	3,203,150
Current Liabilities	11,181,430	9,614,666
Liabilities of disposal groups		
Total Liabilities	14,127,400	12,817,816
Assets	52,825,681	44,572,066
Liabilities	(14,127,400)	(12,817,816)
Net Assets	38,698,281	31,754,250
Net Assets		

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Figures in Rand		
Opening balance as previously reported	4,312,243	4,312,243
Adjustments		
Prior year adjustments	4,251,847	4,251,847
Balance at 01 July 2009 as restated	8,564,090	8,564,090
Changes in net assets		
Prior year adjustments	7,235,125	7,235,125
Net income (losses) recognised directly in net assets	7,235,125	7,235,125
Surplus for the year	15,955,035	15,955,035
Total recognised income and expenses for the year	23,190,160	23,190,160
Total changes	23,190,160	23,190,160
Balance at 01 July 2010	31,754,249	31,754,249
Changes in net assets		
Surplus for the year	6,944,032	6,944,032
Total changes	6,944,032	6,944,032
Balance at 30 June 2011	38,698,281	38,698,281
Note(s)	32	

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Cash flow statement

Figures in Rand	Note(s)	2011	2010 Restated
Cash flows from operating activities			
Receipts			
Grants		35,062,622	29,751,762
Interest income		790,808	794,833
Other receipts		4,045,271	1,900,008
		39,898,701	32,446,603
Payments			
Employee costs		(18,873,698)	(15,966,394)
Suppliers		(13,599,774)	(11,557,614)
Finance costs		(445,501)	(476,018)
		(32,918,973)	(28,000,026)
Total receipts		39,898,701	32,446,603
Total payments		(32,918,973)	(28,000,026)
Net cash flows from operating activities	28	6,979,728	4,446,577
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(11,457,225)	(7,173,461)
Cash flows from financing activities			
Repayment of non-current borrowings		(227,308)	
Net cash flows from financing activities		(227,308)	(2,340,732)
Net increase/(decrease) in cash and cash equivalents		(4,704,805)	(5,067,616)
Cash and cash equivalents at the beginning of the year		18,342,298	23,409,914
Cash and cash equivalents at the end of the year	10	13,637,493	18,342,298

4.2 Budget to actual comparison

Budgeted Income	Actual Income	Variance	Budgeted Expenditure	Actual Expenditure	Variance
R50 840 128	R58 010 878	-R7 170 750	R50 839 628	R51 066 846	-R227 218

Actual Income has increased compared to the amount that was budgeted by an amount of R7 170 750, which is 87% more than what was budget for. This increase was due to the additional number of billed customers that were added on to the new System Venus in the 2010/2011 financial period i.e. (actual rates restated 2010 (6 267 095) and 2011 (10 355 256) . When comparing the budgeted expenditure to the actual amount that was spent in the year 2011, it was noted that the actual spent has exceeded the budget by R227 218. An excess amount was due to the increase in salaries for the 2010/2011 financial year which is 17% more that it was in the year 2009/2010.

The increase in salaries was based on the amount of wage curve that was paid out to municipal employees during the year i.e. salaries paid out (2010: R13, 415, 911 and 2011: R16, 343, 794). This increase was as a result of an implementation of percentage increase informed by collective agreement. It therefore concludes that, based on the above, the major changes in the budget were as a result of increase in debtors database and as well as the increase in salaries due to the percentage increase informed by collective agreement.

(a) Arrears in property rates and service charges

7.Trade and other receivables from exchange transactions

Trade debtors	13,318,187	9,872,837
Other receivables	43,930	
	13,362,117	9,872,837

Trade and other receivables pledged as security

(b) No Trade and other receivable balances were pledged as security.

Fair value of trade and other receivables

(c) The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	4,055,204	4,055,204
Provision for impairment - relating to Rates	5,996,874	
Provision for impairment - relating to Services	13,193,421	
Fair value adjustment	(2,236,790)	
	21,008,709	4,055,204

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(d) Summary of debtors by Customer Classification:

Service debtors: Aging Total (All Customers)

Current (0-30 days)	4,251,166	483,188
30-60 days	1,463,278	413,666
60-90 days	1,817,398	396,691
90-120 days	2,312,993	455,168
120-180 days (2010: +120 days)	2,707,969	18,989,840
+180 days	22,738,716	
Less: Provision for debt impairment	(21,008,709)	(4,055,204)
	14,282,811	16,683,349

(e) Aging amounts are inclusive of balances outstanding in terms of Assessment rates, the total of which is disclosed as part of Trade and other receivables from non-exchange transactions

- Total property rates and services as at 30 June 2011 amounted to R35 291 520 (gross amount)
- Net result after taking into account provision for doubtful debts is R14 282 811 (35 291 520 -21 008 709).

Aging amounts are inclusive of balances outstanding in terms of Assessment rates, the total of which is disclosed as part of Trade and other receivables from non-exchange transactions.

Service debtors: Aging - Consumers

Current (0-30 days)	1,752,850	344,150
30-60 days	796,580	309,170
60-90 days	761,452	281,520
90-120 days	738,502	455,168
120-180 days (2010: +120 days)	1,428,044	14,470,516
+180 days	8,123,766	
Less: Provision for debt impairment	(8,096,650)	
	5,504,544	15,860,524

Comparative amounts for Provision for debt impairment is disclosed above - analysis per customer type not available.

Service debtors: Aging - Industrial/Commercial

Current (0-30 days)	2,438,451	124,657
30-60 days	637,289	88,911
60-90 days	1,024,757	101,605
90-120 days	1,541,974	165,436
120-180 days (2010: +120 days)	1,221,781	4,103,749
+180 days	14,393,350	
Less: Provision for debt impairment	(12,654,432)	
	8,603,170	4,584,358

Comparative amounts for Provision for debt impairment is disclosed above - analysis per customer type not available.

Service debtors: Aging - National and Provincial Government

Current (0-30 days)	59,866	14,381
30-60 days	29,459	15,585
60-90 days	31,189	13,566
90-120 days	32,518	14,161
120-180 days (2010: +120 days)	58,145	415,575
+180 days	221,600	
Less: Provision for debt impairment	(257,627)	

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175,150 473,268

Comparative amounts for Provision for debt impairment is disclosed above - analysis per customer type not available

4.3 Grants and transfers' spending

Grant details			Amount received and spent each quarter										
Project name	Donor name	BF amt	01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total		
			Rec.	Exp	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	
MIG	NT			1 958 751	4 000 000	4 603 148		2 000 000	3 577 421	4 000 000		9 888 000	10 139 320
MSIG	NT		750 000	78 713	-	346 340	-	-	292 400			750 000	716 913
FMG	NT		1 500 000	158 475	-	281 530	-	-	180 577			1 500 000	620 582
												12 138 000	11 476 815

4.3.1 Variances on Conditional Grants received

Grant	Total Received	Total Spent	Variance
MIG	9 888 000	10 139 320	(251 320)
MSIG	750 000	716 913	33 087
FMG	1 500 000	620 582	880 000
TOTAL	12 138 000	11 476 815	661 767

4.4 Meeting of Donors' requirements in respect of conditional grants

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

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

Variances in grants received are due to the following factors:

- Municipal Systems Improvement Grants (MSIG) – The funds unspent are committed and will be utilised to finance By laws .
- Municipal Finance Management Grant (FMG) - The funds unspent are committed and will be utilised for financial viability project.

4.5 Long term contracts entered into by the municipality

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

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

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

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							y
Traffic Services	Copier	2016	K8156922998	765.51	01/06/06	31/06/11	

Councillors office	Copier/Printer	2022	J8332403002	1 265.40	01/05/04	30/04/09	Extended Automatically
Traffic Services	Copier	2016	K8156922998	765.51	01/06/06	31/06/11	

Minimum lease payments due

- within one year	223,937	172,969
- in second to fifth year inclusive	131,818	241,425
	355,755	414,394

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of 3 - 5 years. No contingent rent is payable.

4.8 Anti-corruption strategy

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

5.1 Overview of the Executive and Council functions and achievements;

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

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

5.2 Public participation and consultation;

The municipality has met its constitutional mandate during the year under review. The period has been characterised by a commitment to engage communities in the decision making processes of the municipality. A Memorandum of Understanding was signed with Afessis – Corplan where capacity building for Ward Committees was identified. Issues relating to Ward Governance, Ward profiling and planning formed part of that capacity building.

- Mayoral Imbizos: Izimbizos are held annually by the Mayor. In this financial year, the Mayor has visited all the Wards where the community raised issues of service delivery.

Issues raised are forwarded to the respective departments so that they could be addressed. New projects identified are addressed through the IDP process.

- Public hearings: Municipal public hearings relate to new policies and Acts. Most of the time, GKM facilitates and mobilise communities for the Provincial and National Parliaments
- Customer satisfaction surveys: Indications are that there is a lot that the municipality can improve on

1.1 **WARD COMMITTEES' ESTABLISHMENT AND FUNCTIONALITY**

Ward Committees were elected in seven Wards. The municipality has started payment of stipend to Ward Committees and they are expected to submit reports and feedback. A workplan and a programme of action has been adopted by Council. Reporting Templates for Ward Committees have been approved which will cover the following:

Members attendance to meetings: Ward Committee meetings are attended by members in all seven wards.

- Availability of minutes of ward meetings: Minutes of the meetings that are attended are always recorded and kept at the municipality.
- Written proof of tabling resolutions to Councils: Through Ward Councillors and Standing Committees, Ward Committee resolutions are submitted to Council.
- Availability of minutes of feedback constituency meetings with communities: Ward Councillors and Ward Committees have a programme for community meetings that is being submitted through the office of the Speaker
- Availability of Ward committee activity reports: Afessis – Corplan has capacitated Ward Committees to be able to write reports and minute taking.
- The Door to door reports to be collated using the door to door template household's visits and Constituency feedback meetings.

All elected Ward Committees have been inducted in the 17th & 18th October 2011 and they were officially confirmed/ launched as duly newly elected Ward Committees on the 26th October 2012.

Ward Committees have undergo NQF Level 2 Accredited Training in 30th & 31st January 2012 – 01st & 02nd February 2012.

Regular monthly reports are submitted to the office of the Speaker via the Acting Public Participation.

5.4 Community Development Workers performance monitoring

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

5.5 Communication strategy

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

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

5.6 Intergovernmental Relations

The municipality is in the process of reviving the Intergovernmental Relations Forum.

5.7 Legal Matters

5.8.1 Setting up of Legal Units

The municipality is outsourcing legal services. A manager for legal services will be appointed in the next financial year.

5.8.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

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

b. Unfavourable cases

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

2. Case age analysis,

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

3. Default judgements

Case name	Reasons for default judgement
NONE	N/A

4. Prevention mechanisms of current litigations:

N/A

5. Criminal matters emanating from corruption and fraud

No reported cases

6. Management of Legal Risk

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

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