

PART 1

INTRODUCTION AND OVERVIEW

EXECUTIVE MAYOR'S FOREWORD

July 2010 saw the finals of the 2010 World Cup Soccer championships. South Africa proudly hosted a very commendable World Cup, which showed the resolve of all spheres of government and civil society to put the country firmly in the world arena. This resolve must be evident in our endeavour to promote development in all our areas.

As an institution, our objective is to improve our services to impact the lives of the people in the District. This is not without its challenges, as a substantial percentage of the communities in our area are very poor, and most of them are dependent upon social grant support from the Government. Our task is to ensure that through the efforts of Government, we can do something to better their lives.

Our primary role as a District Municipality is to support our local municipalities by building up their capacity to deliver services to the communities, and we have made tremendous efforts in that regard during the year under review. The District Municipality played a major role in ensuring that infrastructure development took place. Not only did we invest substantially in capital projects, but were also able to obtain funding for projects from Provincial and National Government as well as various development partners.

During the financial year under review, there was a genuine effort by the Eastern Cape Provincial Government to make intergovernmental relations work. Whilst there is still a long way to go before it can be said to be successful, I cannot over-emphasise how critically important it is for all spheres of government to work together to achieve seamless service delivery. We must all make a concerted effort to make sure that this happens.

The National Health Council resolved in line with the National Health Act of 2003, that the Primary Health Care Services as performed by the various municipalities within the Eastern Cape Province revert to the Provincial Department of Health. This was facilitated through a transfer agreement between the ECDoH and the various municipalities, and was implemented with effect from 1 January 2011. Provincialisation of the PHC service has had a huge impact on the size of the this institution's staff structure. The Municipality will, through the District Health Council, continue to maintain oversight over the standard of the service rendered by the Province in the District.

Council has reiterated its decision to relocate its Head Office to a town in its area of jurisdiction. The town of Kirkwood in the Sundays River Valley municipal area was decided upon. It is crucial that the District Municipality develop its own identity and it can only realistically do it when it is located in the Cacadu area. Furthermore, it is important to note that, due to its agricultural and tourism potential, the Sundays River area will be a significant node for rural development.

Local Government elections took place on 18 May 2011. With effect from these elections, the District Management Area of Cacadu was disestablished and incorporated into local municipalities in the District.

The new Council of the Cacadu District Municipality was inaugurated on 8 June 2011. This meant that for a substantial portion of the financial year under review, the operations of the Municipality were overseen by the former Executive Mayor, Mayoral Committee and Council. I would like to express my deepest gratitude to them for the tremendous work done during this period, and undertake to build on the solid foundation they have laid down and maintain the standard they have set for the institution.

I want to thank the former Executive Mayor, and the former and current Speaker, Mayoral Committee and Council for their support. My appreciation also to the Municipal Manager and staff for their ongoing efforts to achieve the goals of the organization.

K E KEKANA
EXECUTIVE MAYOR

OVERVIEW OF THE MUNICIPALITY

The Cacadu District Municipality (CDM), DC10, is the largest (58 243 km²) of the six (6) District Municipalities in the Eastern Cape Province. The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and two other District Municipalities in the Eastern Cape, namely Chris Hani District Municipality and Amathole District Municipality.

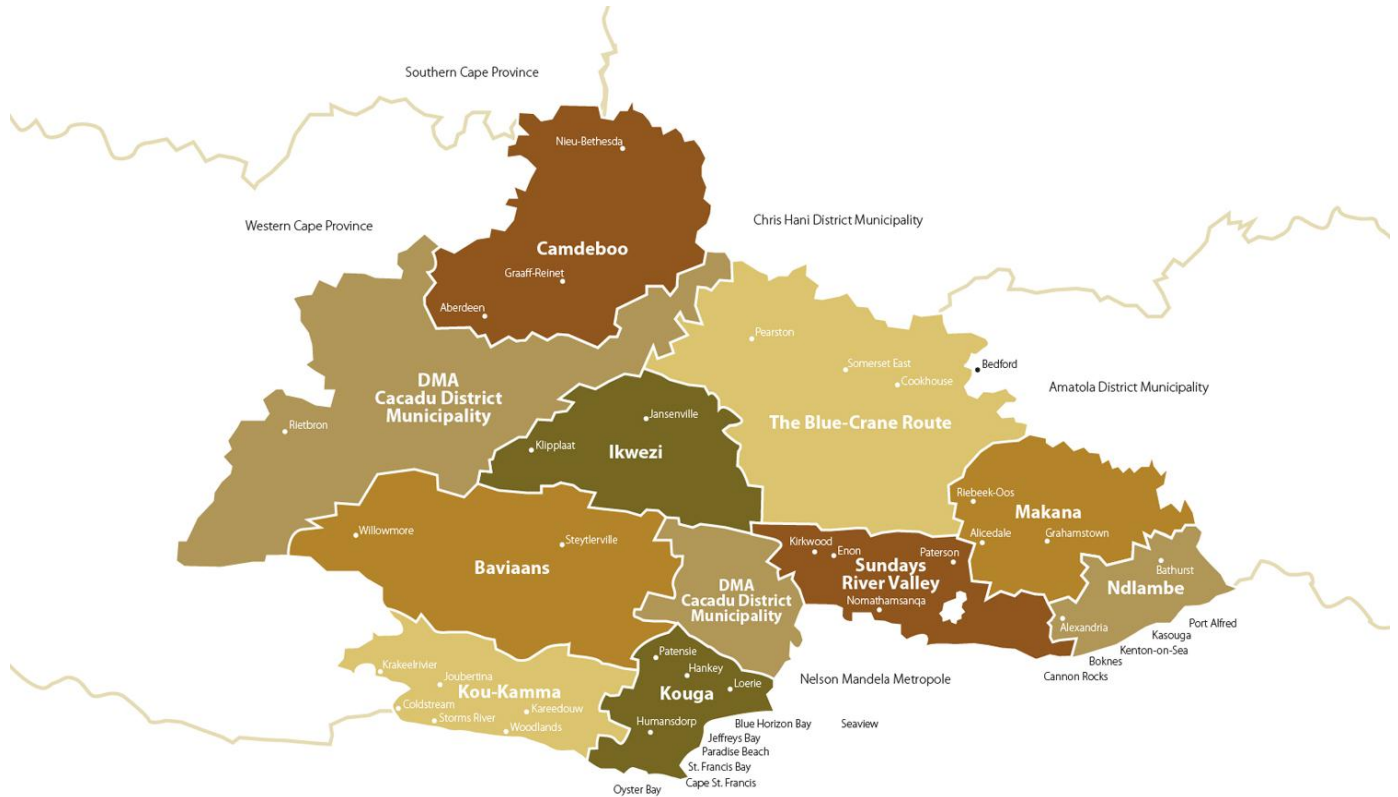
The District consists of nine (9) local municipalities (Category B Municipalities). Four other portions collectively known as the District Management Area (DMA) were incorporated into 5 of the local municipalities, effective from the date of the municipal elections in May 2011. Two of the four areas are National Parks, namely the Addo National Elephant Park and the Tsitsikamma National Park. These parks are managed by the South African National Parks Board.

The District wholly borders the Nelson Mandela Metropolitan area, and consequently, land access to the Metropole is via the Cacadu District. The nine local municipalities in CDM and their respective towns are:

	MUNICIPALITY	MAIN SETTLEMENTS / TOWNS
EC101	Camdeboo	Graaff-Reinet, Aberdeen, Nieu-Bethesda
EC102	Blue Crane Route	Somerset-East, Cookhouse, Pearston
EC103	Ikhwezi	Jansenville, Klipplaat, Waterford
EC104	Makana	Grahamstown, Alicedale, Riebeeck-East
EC105	Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria, Bathurst
EC106	Sundays River Valley	Kirkwood, Addo, Paterson
EC107	Baviaans	Willowmore, Steytlerville
EC108	Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis Bay, Thornhill, Loerie
EC109	Kou-Kamma	Joubertina, Kareedouw, Louterwater, Storms River, Clarkson, Coldstream
DC10	Cacadu DMA	Rietbron, Wolwefontein, Vondeling, Glenconner, Kleinpoort, Miller

Cacadu District Municipality has the largest number of Category “B” Municipalities in the country.

GEOGRAPHIC AREA



SOCIO-ECONOMIC DISTRICT PROFILE

The Cacadu District constitutes less than 5,3% (census 2001 stats) of the population of the Eastern Cape Province. The district is dominated by a Karoo landmass resulting in low population densities and scattered, small inland towns. There are higher densities along the coast and in urban centers.

The estimation of population numbers within the Cacadu District has been a contentious issue over the past number of years primarily due to the generally held opinion that Census 2001 figures are flawed within the Cacadu District. For example, a broad survey undertaken by the CDM as part of its water and sanitation backlog study estimated the population within Makana to be approximately double than that of the Census 2001 survey.

The survey undertaken as part of the water and sanitation backlog study varied per Local Municipality. The huge difference in Makana is attributed to the amount of informal settlements that are being established as a result of general urbanisation and farm evictions. These numbers are a particular concern as they have a direct impact on funding allocations of Government Grant Funding.

The difficulty with the above is that in the absence of a fully fledged, methodologically acceptable census, 2001 Census figures will continue to be utilised by government departments in the determination of grant allocations, etc. As such the CDM has attempted to illustrate a more updated picture of socio-economic issues within the District through the projection of Census 2001 figures utilising the Global Insight database. This does not deter from the fact that population numbers are in all likelihood understated within the Cacadu District.

In 2004, the Urban Economist Group contracted to develop a district economic growth and development strategy, estimated the population to be 438 800. The average growth rate of the Cacadu District is estimated at 2%, which is higher than the Provincial and National growth rates, estimated at 1.4% and 1.3% respectively. As such government funding bodies should bear in mind the figures as illustrated in the table below when determining their respective allocations to Local Municipalities.

Local Municipality	Main Settlements	Comparable Statistics		
		Census (2001)	LM Survey (2005)	Global Insight (2007)
Camdeboo	Graaff-Reinet, Aberdeen, Nieu-Bethesda	44 366	51 601	44 352
Blue Crane	Somerset East, Cookhouse, Pearston	36 384	36 798	36 107
Ikwezi	Jansenville, Klipplaat, Waterford	10 366	9 144	10 423
Makana	Grahamstown, Alicedale, Riebeeck-East	74 527	140 120	74 561
Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria	55 471	58 927	64 671
SRV	Kirkwood, Addo, Paterson	41 464	61 003	37 384
Baviaans	Willowmore, Steytlerville	15 338	16 522	15 686
Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis	70 482	88 254	80 459
Koukamma	Joubertina, Kareedouw, Louterwater	34 289	45 464	40 674
ECDMA 10	Rietbron, Wolfontein, Vondeling, Glenconner	6 531	2 192	8 638
TOTAL		389 296	510 025	412 956

The population in the Cacadu District is concentrated in Makana, Kouga and Ndlambe, with more than 50% of residents in the District residing in these Municipalities. The remaining Municipalities all have less than 50 000 inhabitants per Municipality.

Unemployment in the Cacadu District is estimated at 52 036 (20.5%), as per census 2001 figures. Between 1996 and 2001, employment increased slightly by (2 490) whilst the number of the unemployed increased significantly (6 047). Slow job growth and the increase in the number of job-seekers will lead to a decline in the ability of residents to pay for services and a proportional increase in the need for indigent support and subsidies.

Due to its rural nature the largest proportion of the population in the Cacadu District is employed in the Agriculture sector. There has also been a significant growth in the Tourism sector with resultant employment opportunities.

In the DMA, the majority of the population are farm workers who are seasonally employed. This group of people is mobile and will seasonally migrate in pursuit of work opportunities as far as the Western and Northern Cape.

MAJOR EVENTS AND ISSUES WHICH AFFECTED THE WORKING ENVIRONMENT DURING THE YEAR

- Provincialisation of Primary Health Care Service from 1 January 2011
- Preparation of Municipal Turn Around Strategies
- Provincial Executive Committee Outreach to Cacadu District
- Review of organizational structure : Finance and Corporate Services Dept
- Decision taken to move Head Office to Kirkwood
- Disestablishment of KDA and decision to establish District Development Agency
- Municipal Elections : Inauguration of new Mayor and Councillors
- Disestablishment of the DMA
- Loss of MIG funding
- Review of Cacadu District Strategic Plan

EXECUTIVE SUMMARY

The year under review is the fourth year of a five year plan in implementing the Cacadu District Municipality's development priorities. The four priorities which the Cacadu District Municipality Council has adopted as part of its integrated development plan are infrastructure investment, capacity building and support to local municipalities, promoting economic development, as well as the provision of community services.

This Annual Report has been prepared in accordance with the guidelines issued by National Treasury. The guidelines require that the performance of the municipality be reported in functional areas. An overview of each functional area with a description of the activity is presented. In addition, the strategic objectives of each function as well as priorities and progress on such priorities, is highlighted. This executive summary will focus on the salient issues from the functional areas and the development priorities.

The Cacadu District spans an area of 60 000 square kilometers. It includes nine local municipalities and District Management Areas. The local municipalities are responsible for most infrastructure, as these functions have been adjusted or assigned to them. The Provincial Government is responsible for the roads infrastructure, and in certain areas, Eskom supplies electricity. The Cacadu District Municipality is however responsible for all services in the District Management Areas. This is the final year that the Cacadu District Municipality was responsible for services in the District Management Areas. After the Local Government elections in May 2011, the District Management Areas were disestablished and incorporated as part of the Local Municipality areas. However, from a practical perspective, the Cacadu District Municipality continued with direct service provision until the end of June 2011.

All nine local municipalities are Water Service Authorities and providers. The Municipal Infrastructure Grant (MIG) therefore flows directly to them. However, in the period of review, the District Municipality continued to provide technical support to the local municipalities, and financed certain capital projects from its own resources. The focus was primarily on water, sanitation and internal roads and stormwater. Major projects included the sanitation project and a water treatment plant in Nieu Bethesda, the rising main between Port Alfred and Bathurst, a sanitation project in Grahamstown, bulk water supply to Seven Fountains, rainwater harvesting project in Pearston, Trappes Valley and other parts of Ndlambe. Other significant projects included a Roads and Stormwater Masterplan for Somerset East, as well as implementation of Phase 1 of the project, an operation and maintenance study in Kouga Municipality, and augmentation of water schemes in all District Management Areas settlements. Unfortunately, due to a variety of factors, very little progress was achieved on the shared services model on water provision in the District.

In the period of review, the Cacadu District Municipality commenced with a multi-year expanded public works project in Rietbron. This project will deal with the internal infrastructure, and this phase will run for roughly three years. Job Creation is an integral part of this initiative.

The District did not implement any housing projects. The focus was to finalize the transfer of houses to beneficiaries from prior projects. Very little success was achieved on the transfer process.

In addition, the Cacadu District Municipality assisted most municipalities with planning and feasibility studies. Technical and financial assistance was again provided to all nine municipalities to compile their Integrated Development Plans. The District Municipality also assisted municipalities with town planning projects, as well as maintenance backlog assessments.

In other areas of support and capacity building, the District Municipality embarked on several initiatives. A major project that continued throughout the District was the development of Rules and Orders, which included a system of delegations, as well as the compilation of some bylaws.

Other significant projects included financial assistance to all municipalities to develop performance management systems, the commencement of a GRAP compliant AFS project and Finance Management Improvement Project, human resource policies, as well as the development and enhancement of public participation policies of four local municipalities.

The District Municipality again provided support to local municipalities in the area of youth development, women empowerment and assisting people with disabilities. The process of setting up and reviving forums for all marginalized groups was also initiated. Additional assistance was provided to local municipalities in respect of the celebration of special events and commemoration days, which were crucial for social cohesion and community development. The Cacadu District Municipality continued to champion the fight against HIV and AIDS by assisting the local AIDS Councils, as well as embarking on Education and Awareness programmes in many parts of the District.

In the previous Annual Report, it was highlighted that the Cacadu District Municipality had undertaken a Section 78 Assessment on fire services in the District. In the period of review, the Cacadu District Municipality engaged local municipalities to ensure an integrated fire service whereby local municipalities are able to deal with all cases of fire fighting. This process will be finalized in the 2011/12 financial year. This integrated approach will result in substantial funding from the Cacadu District Municipality. During the year under consideration, the District Municipality assisted local municipalities with the supply of fire tenders and vehicles, specialized equipment, hazardous material trailers, as well as the training of their personnel. The project of the standardization of fire hydrants across the District also commenced.

In Disaster Management, all local municipalities were assisted with contingency and disaster plans. In addition, the Cacadu District Municipality commissioned and installed a Disaster Management Information System in its Head Office, as well as in four local municipalities. In the severe flooding that occurred in June 2010 that affected four municipalities, communities were assisted with emergency supplies and other provisions.

In the area of Economic Development, the most notable achievement was the consolidation of the Rural Economic Development Initiative (REDI) with the Development Bank of Southern Africa (DBSA). The DBSA has provided technical support and funding through this partnership with the Cacadu District Municipality. The District Municipality was successful in mobilizing the stakeholders in the Renewable Energy Sector and has facilitated a co-ordinating structure to take forward various initiatives in the Renewable Energy field. A District wide Land Use and Locational Policy Framework was developed. Renewable energy is one sector where the Cacadu District has a distinct advantage, and several projects are anticipated in the foreseeable future.

Other achievements from the REDI included the completion of a study on the identification of niche agro processing opportunities, various natural fibre initiatives, the aquaculture project in Camdeboo and an assessment of the social economy of the District.

The Agricultural Mentoring project has commenced. Phase 1 comprises of 5 farms, whereby beneficiaries are mentored and developed to become fully fledged farmers. Phase 2 will commence in the 2011/12 financial year. The District Municipality is grateful for the support it receives from the German Aid Agency (GIZ) in this regard.

Unfortunately, the progress on projects funded by the Province in local municipality areas, has been very slow. This was due to a combination of inhouse capacity constraints, as well as poorly conceived applications by local municipalities for funding.

The District Support Team is a co-ordinating structure that fosters learning, best practices, information sharing and capacity development. The District Municipality has been pivotal in driving the structure, whose membership comprises of local municipalities and key sector departments. This has resulted in better capacitated practitioners and Councillors. The District Municipality uses SEDA to provide support to small, medium and micro enterprises. However, more attention needs to be focused here, to ensure that SMMEs, including co-operatives, are established and that they thrive and compete.

With the exception of the Rietbron Craft initiative which was a success, projects in the District Management Area have been lagging. The Council took a decision to disestablish the Kouga Development Agency. A similar decision was taken by Kouga Local Municipality, the other parent municipality. The primary reason for the decision was the slow progress made by the Agency. It is anticipated that following a due diligence on the Agency, the Agency will be finally disestablished in 2011/12.

The other development Agency in the District (the Blue Crane Development Agency) received funding support for a tourism hub, and other support as well.

The District Municipality continues to market its region through the Seven Wonders brand, which has received huge acclaim. In addition, local municipalities were supported with Tourism development project funding. Festivals in the District and Local Tourism Organizations were also financially supported. A key programme was to fund the development and skilling of young people, through the Umzi Wethu project, for employment in the game reserve industry.

Primary Health Care is a Provincial competence. The District Municipality rendered this service as an agent of the Province. In the previous Annual Report, the intention to provincialize the service was highlighted. This was as a result of a decision taken by the previous National Minister of Health and the MECs for Health, that the Primary Health Care service across the country must be provincialized. On 31 December 2010, the Agency Agreement between the Provincial Government and the Cacadu District Municipality officially ended and the service reverted to the Province on 1 January 2011. In terms of the provincialization agreement, all 168 staff were transferred to the Province, as well as all clinic buildings and assets. The Cacadu District Municipality, as part of the agreement with Province, ensured that the staff retained all benefits that they had previously enjoyed with the District Municipality.

In the six months period, the District Municipality rendered the Primary Health Care service predominantly in the smaller towns and rural parts of the District. The service was rendered at 25 fixed clinics (clinics that operate 5 days per week), at satellite clinics that operate on certain days of the week, as well as from 27 mobile clinics. Each mobile clinic traverses multiple routes per week to ensure that all communities in the District receive the service. A full range of services is rendered at each point. These include maternal and child health care services, services to combat and control communicable diseases, including tuberculosis, the provision of curative services to combat noncommunicable diseases, as well as the provision of essential medicines. Each and every service point also provided HIV and AIDS Awareness programmes, counselling and testing. Some of the set clinics were also accredited to dispense anti-retrovirals. Notwithstanding the Provincialization, the District Municipality upgraded several of the clinics in the period of review. Some of these projects will only be finalized though in 2011/2012.

Environmental Health is the competence of the District Municipality. Six of the local municipalities render the service as agents of the District Municipality. This arrangement is guided by a Service Level Agreement. The District Municipality rendered a service in the three remaining municipalities (Koukamma, Ikwezi and Bavians), as well as the District Management Area. Water quality testing remains a key priority, and despite problems encountered in some of the municipalities, the quality of water in the District is consistently very good.

The District Municipality continues to invest in libraries in all municipalities. The Connect with Cacadu project continued to be rolled out whereby an additional 10 libraries were provided with free internet and email services, as well as a range of educational material and other tools. This brings the total number of libraries connected to the system to 34. This project will continue to receive attention again in 2011/12. The Provincial Government has provided a generous subsidy to assist local municipalities in the library service. The bulk of the funding was utilized to upgrade the libraries and provide additional equipment. Unfortunately, spending by local municipalities has been slow and the construction of libraries did not take place at the desired pace, due to certain challenges encountered at local municipality level. This matter is receiving ongoing attention.

The Speaker of Council has been very active in community engagement and feedback, especially with the farming community and the District Management Area settlements. Furthermore, the Speaker has been actively leading public participation support programmes, including policy development and financial assistance to local municipalities. Good governance at local municipality level continues to be a priority and the Speaker has been actively promoting this tangibly through various programmes. The Moral Regeneration Movement embarked on several campaigns under the leadership of the Speaker, and very notable successes were achieved.

The District Municipality has good governance and internal control systems in place and this is evidenced by a lack of negative publicity of the institution.

With the provincialization of Primary Health Care, the staff number at 30 June 2011 stood at 79. Of this number 51% were females. HDIs constituted 83% of the workforce. The District Municipality has a workplace skills plan in place and it continues to invest in the training and development of its staff.

FINANCIAL PERFORMANCE

The Council incurred a deficit of R15,0 million in the 2010/11 financial year (compared with a deficit of R14,2 million in 2009/10). Income for the year amounted to R205,0 million whilst expenditure stood at R219,1 million.

Income for the 2010/11 financial year is substantially down from the R317,6 million in the previous year. The main reason for this can be attributed to a significant reduction of government grants and subsidies from R281,2 million in the previous year, to R176,4 million in the current year. Interest income also reduced from R30,8 million to R23,0 million.

The equitable share and levy replacement grant received for the 2010/11 financial year was R69,4 million. This is an increase from the R63,6 million in the previous financial year.

Income received from the Provincial Government to render the Primary Health Care function for the six month period ending 31 December 2010 was R21,4 million.

The significant reduction in Government grants and subsidies to the District Municipality, resulted in reduced expenditure in the order of R219,1 million (down from the R320,2 million of the previous year). The unappropriated surplus at 30 June 2011 stood at R160,9 million (R176,8 million in 2009/10).

The District Municipality is totally dependent on Government grants and subsidies to fund its operations and finance projects and programmes. Due to socio-economic pressures that exist in the local municipality areas, the District Municipality augments its income with contributions from its accumulated surplus, as well as interest earnings. Clearly, this financing method is unsustainable.

A continual challenge is to secure additional funding to finance projects, and this will become a key focus area over the next few years.

The Council has outsourced its internal audit function. This is regarded as the most effective model to ensure independence and credibility of the function.

It is gratifying to note that the District Municipality has again attained an unqualified audit opinion. This is a tremendous achievement, of which we are very proud.

I would like to express my sincere appreciation to the current and former leadership, the Council, the Executive Mayor, the Speaker and the Mayoral Committee for their support and guidance throughout the year. The results have been achieved through a solid team effort, and I am grateful for the support of the Management Team and the staff in achieving our goals.

TED PILLAY
MUNICIPAL MANAGER

PART 2

KPA ACHIEVEMENT REPORTS

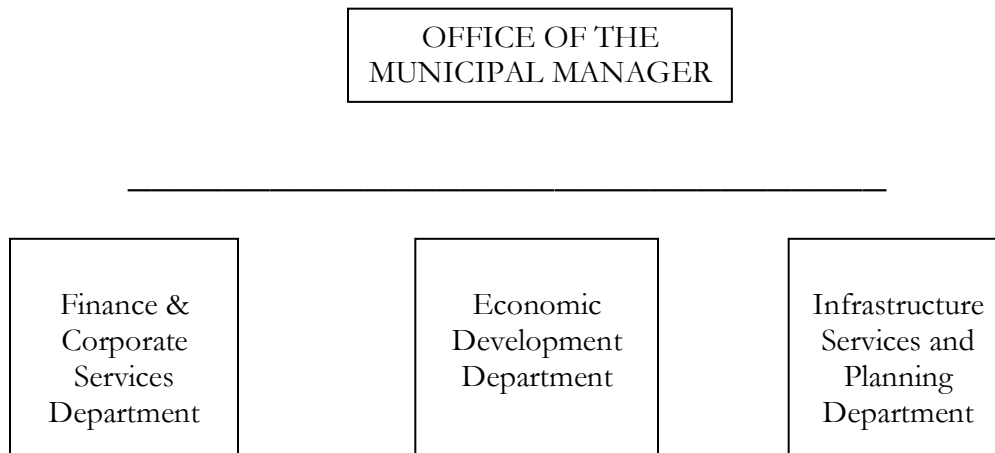
CHAPTER 1 : ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

PRESENTATION OF THE ORGANISATIONAL STRUCTURE

The total number of approved posts of the Cacadu District Municipality as at 30 June 2011 is 104. The number of appointed staff is 88 and the number of staff vacancies is 16. (Before transfer of the Primary Health Care staff to the Eastern Cape Provincial Department of Health, there were 306 approved posts, 232 appointed staff and 74 vacant posts.) The Macro Organisational Structure is attached as an Annexure to the Annual report - see Page 195.

All four performance agreements and employment contracts (Municipal Manager and three section 57 managers) were submitted to the Department of Local Government and Traditional Affairs within the prescribed time.

ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER

Mr D M (Ted) Pillay

DIRECTOR : FINANCE AND CORPORATE SERVICES

Mr D de Lange

DIRECTOR : INFRASTRUCTURE SERVICES

Mr L Nama to 30 March 2011

DIRECTOR : ECONOMIC DEVELOPMENT

Vacant

GRADING OF LOCAL AUTHORITY

Grade 5

STAFF DEVELOPMENT INITIATIVES DURING THE FINANCIAL YEAR**TRAINING COURSES ATTENDED BY OFFICIALS AND COUNCILORS**

NO	QUALIFICATION	TOTAL NUMBER BENEFITED
1	Introduction to Multiuser Geodatabase	1
2	Nursing Management	9
3	Manage Labour Intensive Construction	1
4	Batho Pele	28
5	Procurement Municipal Environment	3
6	Employment Equity	16
7	AARTO	11
8	Record Disposal Training	2
9	Vat	9
10	Wellness in the Workplace	2
11	Municipal Finance	2
12	Estimating in Construction & Project Management	2
13	Project Management	2
14	Asset Management	4
15	Office Application	13
16	Skills Development Training	4
17	Report Writing and Minute Taking	8
18	Leadership innovation and Change Management	2
19	Taxation for Councillors	2
20	Public Speaking	26
21	Technical Report writing for Engineers & Construction Technicians	2
22	Time Management	10
23	Management skills for 21 st Century	2
24	Apply Selected Grap to Periodic Accounting Report Process	2
25	Advanced Transport,Fuel,Maintanance and Fleet Strategic Planning	6
26	Presidential Hotline System	1
27	Customer Care	6
28	Conflict Resolution Skills and Strategies	3

STUDY ASSISTANCE AND COUNCIL INITIATED EMPLOYEE DEVELOPMENT

NO	QUALIFICATION	TOTAL NUMBER BENEFITED
1	Diploma in Management	1
2	Diploma in Local Government Law and Administration	3
3	Certificate in Public Management Development (CPMD)	1
4	Municipal Finance Management Development Programme [MFMDP]	1
5	Certificate in Local Government Law and Administration	2

LEARNERSHIPS FOR OFFICIALS (LOCAL GOVERNMENT ACCOUNTING CERTIFICATE NQF LEVEL 3)

NO	MUNICIPALITY	TOTAL NUMBER BENEFITED
1	KOUKAMMA	6
2	CAMDEBOO	4
3	KOUGA	10
4	SUNDAYS RIVER VALLEY	8

WORKPLACE SKILLS PLAN

A Workplace Skills Plan for 2010/2011 was adopted as the continuation of the 2009/2011 and implemented from the new budget allocations.

KEY HR STATISTICS PER FUNCTIONAL AREA

Full time staff complement per functional area

Section 57 and Municipal Manager

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	None
2	Director: Finance and Corporate Services	1	1	None
3	Director: Economic Development	1	0	1 *
4	Director: Infrastructure Services and Planning	1	0	1 *
	Total	4	2	2

*these vacancies were filled in October/November 2011

Office of the Municipal Manager

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager : Capacity Building	1	1	None
2	Senior PMS Officer	1	1	None
3	Senior Admin Officer	2	2	None
4	Special Programmes Officer	1	0	1
5	HIV and Aids Co-ordinator	1	0	1
6	Personal Assistant	3	3	None
	Total	9	7	2

Water and Sanitation

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Water and Sanitation	1	1	None
2	Technician	2	1	1
	Total	3	2	1

Electricity - CDM does not provide electricity. Electricity in the District is provided by local municipalities through Eskom.

Health (until 31 December 2010 when staff were transferred to ECDOH)

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
	Director : Health Services	1	1	None
1	Manager:Primary Health Care Services	1	1	None
2	Head Office Admin Support			
	CPN : Administration	1	1	None
	Personal Assistant	1	1	None
	Typist Clerks	2	2	None
	Clerks	2	2	None
3	Chief Professional Nurses	3	3	None
4	Senior Professional Nurses	10	9	1
5	Professional Nurses	94	59	35
6	Enrolled and ENA	10	10	None
7	Lower Level Category	82	64	18
8	Total	207	153	54

Housing

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Housing Co-ordinator	1	1	None

Transport

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Roads and Transport	1	1	None
2	Technician	1	0	1
	Total	2	1	1

Finance

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Finance	1	1	None
2	Senior Accountants	3	2	1
3	Accountant	1	1	None
4	Assistant Accountant	1	1	None
5	Senior Buyer	1	1	None
6	Finance Senior Clerk	1	1	None
7	Debtors Clerk	1	1	None
8	Creditors Clerk	2	1	1
9	Fleet / Asset Management Clerk	1	1	None
10	Finance Archives Clerk	1	1	None
11	Finance Clerks	2	0	2
12	Personal Assistant	1	1	None
14	Total	16	12	4

Corporate Services

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Corporate Services	1	1	None
2	Legal Officer	1	1	None
3	Senior Human Resources Officer	1	1	None
4	Skills Development Facilitator	1	1	None
5	Human Resources Administrator	1	1	None
6	Public Relations Officer	1	1	None
7	Senior Administrative Officer	1	1	None
8	Administration Officers	3	3	None
9	Senior Archives Clerk	1	1	None
10	Archives Clerks	3	3	None
11	Print Room Operator	1	1	None
12	Messenger	1	1	None
13	General Workers [Tea Services]	3	3	None
14	District Management Area: Manager	1	1	None
15	Assistant administration and	1	1	None

	Librarian			
16	General Workers [Cleaning and sanitation]	6	6	None
17	Typist Clerk	1	0	1
	Total	28	27	1

Economic Development

No	Approved positions (Ex: Managers/Asst. Managers)	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Tourism and Marketing	1	1	None
2	Manager: Local Economic Development	1	1	None
3	Manager: Trade and Investment	1	0	1
4	Administration Officer	1	1	None
5	Personal Assistant	1	1	None
6	Tourism Officer	1	0	1
	Total	6	4	2

Planning Unit

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Head : Planning Unit	1	1	None
2	Development Planner	2	2	None
3	GIS Specialist	1	1	None
4	Town Planner	1	0	1
	Total	5	4	1

Project Management

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Project Manager	1	1	None
2	Senior Technician	2	1	1
3	Building Inspector	1	1	None
	Total	4	3	1

Infrastructure Admin Support

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Personal Assistant	1	1	None
2	Senior Clerk	1	1	None
3	Typist	2	2	None
	Total	4	4	None

Municipal Health

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager	1	1	None
2	Environmental Health Officer	2	2	None
	Total	3	3	None

Disaster Management and Fire Service

No	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Head : Disaster Management	1	1	None
2	Manager : Operations	1	1	None
3	Manager : Communications and Training	1	1	None
4	Satellite Officers	4	3	1
5	Control room operators	4	4	None
6	Fire Officer	1	1	None
7	Reservists	7	7	None
	Total	19	18	1

TECHNICAL STAFF REGISTERED WITH PROFESSIONAL BODIES

Technical Service	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
1	3	3	None	None

LEVEL 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 professional training
246	32	60	154

TRENDS ON TOTAL PERSONNEL EXPENDITURE

Years	Total number of staff	Total approved Budget	Personal expenditure (salary and salary related)	Percentage of expenditure
2006-2007	241	107 099 009	25 700 497	23,9
2007-2008	243	227 641 835	27 388 171	12,0
2008-2009	233	228 956 396	32 031 001	13,9
2009-2010	240	330 249 565	34 985 144	10,6
2010 - 2011	270	219 189 681	36 092 721	16,5

LIST OF PENSION AND MEDICAL AIDS TO WHICH EMPLOYEES BELONG

Names of pension fund	Number of members	Names of medical Aids	Number of members
Cape Joint Retirement Fund	29	Bonitas	23
Cape Joint Provident Fund	0	L.A. Health	66
		Hosmed	10
		SAMWU Med	4
		Key Health	7

SENIOR OFFICIALS' WAGES AND BENEFITS - this information is contained in the Annual Financial Statements

IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System (PMS) has been implemented and cascaded to all levels of staff in the organization. Performance assessments and reviews are held quarterly. The system was automated in March 2009.

**ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL 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
1	Vacancy rate for all approved and budgeted posts;	100%	90%	90%
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	100%	100%	100%
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	85%	85%
4	Percentage of Managers in Technical Services with a professional qualification	100%	100%	100%
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	100%	100%	100%
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100%	100%	100%
9	Percentage of councillors who attended skills development training within the current 5 year term	100%	85%	85%
10	Percentage of staff complement with disability	The National Employment Equity requirement is 5%	2%	2%
11	Percentage of female employees		81%	81%
12	Percentage of employees that are aged 35 or younger		65%	65%

MAJOR CHALLENGES AND REMEDIAL ACTIONS IN REGARD TO HUMAN RESOURCE AND ORGANIZATIONAL MANAGEMENT

Challenges

- The long standing employee dissatisfaction with the implementation of the 2006 job evaluation results.
- Threats of Provincial and National strikes / protest by Municipal employees in respect of local government non service delivery.
- The interpretation by local shop stewards of the collective agreement concluded at a Provincial level.
- Internal "Wildcat" protest where employees demanded the results of the internal job evaluation process.
- Delays in finalizing reviews of HR policies due to labour requesting extended time to interrogate content with their constituencies.
- Staff issues relating to provincialisation of Primary Health Care Service.
- The involvement of labour on issues of candidate lists during municipal elections created delays in decision making regarding employee related matters.
- The high labour turnover statistics within the last quarter of the year under review.

Remedial Actions

- The long standing employee dissatisfaction regarding job evaluation results is being resolved by employing an independent service provider to deal with all matters related to job evaluations.
- Internal "wild cat strike" resulted in deductions from employees' salaries due to working hours lost whilst on strike
- Health Services staff were transferred to the Provincial department of Health in with effect from 1 January 2011.
- The outcome of service delivery protests led local government having to re-look at strategies to fast track service delivery.
- The high labour turnover statistics compelled the Municipality to develop strategies around retention of scarce skills and effective policies relating to employee development and empowerment.
- The strategy has been developed to fast track the consultation process on Human Resources policies by arranging mini workshops with labour unions prior to actual tabling of a specific policy in the Local Labour Forum.

CHAPTER 2: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

WATER SERVICES

Water services delivery strategy and main role-players:

Includes the co-ordination of water services development planning for the entire District, Development of Water Sources, Augmentation of Bulk Water Supply, lobbying for funding and water reticulation infrastructure projects in the District Management Area (DMA). Local Municipalities are the Water Services Authorities and Water Service Providers in the District.

The function is administered by the Department: Infrastructure Services & Planning and includes:

- Development Planning Co-ordination
- Assist local municipalities in developing the required Water Service Authority and Water Services Provider capacity.
- Water supply services in the DMA.

Strategic objective

To capacitate local municipalities in the District to provide every household within the District with access to at least a basic level of service and strive to provide an appropriate level of service.

Key issues for 2010/2011

- Completion of the Maintenance Backlog Assessment for the Kouga Municipality.
- Augmentation of Bulk Water Supply in Miller and Vondeling.
- Rainwater harvesting in Pearston (BCRM).
- Drought relief projects in Makana and Ndlambe municipalities.
- Assistance to Local Municipalities with pre-planning and feasibility studies on their projects.

Levels and standards in water services:

Except in the District Management Area, the District Municipality is not the Water Services Authority. The nine local municipalities are the Water Services Authorities in the District.

The planning and co-ordination is done by 1 Engineer. The water supply services in the DMA are administered by 1 DMA Manager, 1 Operator and 4 Workers who were also involved in the provision of other municipal services such as roads and streets, refuse removal etc. in the DMA.

Grants Received:

DWA: R9,7m
MIG: R7,11m

The bulk of the funding was for drought relief projects in Makana and Ndlambe municipal areas. The rest of the funding for projects was used rainwater harvesting in Pearston and augmentation of bulk water supply to Miller and Vondeling. Funds were also used for assisting local municipalities with pre-planning and feasibility studies on their MIG projects.

Annual performance as per key performance indicators in water services

No	Indicator name	Total number of households/customers expected to benefit	Previous years achievement level
1	Percentage of households with access to potable water	100%	100%
2	Percentage of indigent households with access to basic free potable water	100%	100%
3	Percentage of clinics with access to potable water	100%	100%
4	Percentage of schools with access to potable water	100%	100%
5	Percentage of households using buckets	0%	0%

Number of households reached: 412 (Rietbron and all Railway Settlements)

Major challenges in water services and remedial actions

Major challenges are the drought condition in the Cacadu District over the past few years, and aging and dilapidated infrastructure in local municipalities.

ELECTRICITY SERVICES**Electricity services delivery strategy and main role-players**

The Cacadu District Municipality is only responsible for energy supply to the DMA. Eskom is the service provider.

Level and standards in electricity services

The settlement of Rietbron is fully serviced. There is no electricity provided to the railway settlements.

SANITATION

Sanitation services delivery strategy and main role-players

Includes all activities related to sanitation services for the District. The sanitation function of the municipality is administered by the Department: Infrastructure Services and includes development planning and provision of sanitation services in the District Management Area.

The Strategic Objective of this function is to capacitate local municipalities to provide every household with a basic level of service.

Level and standards in sanitation services

Number of all personnel associated with the sanitation function: 1 Engineer

The sanitation services in the DMA are administered by a 1 DMA Manager, 1 Operator and 4 Workers, who are also involved in the provision of other municipal services such as roads and streets, refuse removal etc.

In the entire District, 51% of households have a full waterborne sanitation system.

Grants received: None

Annual performance as per key performance indicators in sanitation services

No	Indicator name	Total number of household/customer expected to benefit	Previous years achievement level
1	Percentage of households with access to sanitation services	100%	100%
2	Percentage of indigent households with access to free basic sanitation services	100%	100%
3	Percentage of clinics with access to sanitation services	100%	100%

Number of households reached: 412

Major challenges in sanitation services and remedial actions

Water shortages, and dilapidated infrastructure in local municipalities.

ROAD CONSTRUCTION AND MAINTENANCE

The District Municipality is not responsible for road construction and maintenance. SANRAL is responsible for National Roads and the Provincial Government for regional roads in the District. Roads within towns and settlements are the responsibility of local municipalities.

WASTE MANAGEMENT

Waste management services delivery strategy and main role-players

Includes all activities related to refuse removal, solid waste disposal and street cleaning.

The solid waste function of the Municipality is administered by the Department: Infrastructure Services & Planning and the Finance & Corporate Services Department and includes:

- Household refuse removal services in Rietbron.
- Provision of solid waste disposal sites serving all communities in the DMA.

The strategic objective of this function is to capacitate local municipalities to provide every household with a basic level of service.

Level and standards in waste management services

The personnel associated with the solid waste disposal function are:

1 x Environmental Health Practitioner	1 x DMA Manager
4 x Workers	1 x Operator

The above officials are also involved in the provision of other municipal services such as water, roads, sanitation, etc.

Number of households receiving regular refuses removal services: 334

Frequency of service: Weekly

Annual performance as per key performance indicators in waste management services

No	Indicator name	Total number of household/customer expected to benefit	Previous years achievement level
1	Percentage of households with access to refuse removal services	81%	81%
2	Percentage of DM with waste management plan	100%	100%
3	Percentage of municipal landfills in compliance with Environmental conservation Act	N/A	N/A

Number of households reached at Rietbron: 334

Number of households reached at railway settlements
Glenconner, Kleinpoort, Wolwefontein,
Miller & Vondeling: 78 (only waste cells provided)

Major challenges in waste management services and remedial actions:

Geographic spread of the area.

HOUSING AND TOWN PLANNING

Housing - not applicable: The District Municipality is not a housing authority. In the District, the local municipalities perform this function with funding from the Provincial Government.

General town planning support is provided to Local Municipalities. Furthermore, the Cacadu District Municipality has entered into an agreement with the Baviaans Local Municipality and the Makana Local Municipality to officially assist those municipalities with the processing of land use management applications.

SPATIAL PLANNING

The District Municipality reviews its SDF, in-house, on an annual basis in conjunction with the IDP processes. The CDMs SDF guides the formulation and / or review of Local Municipality SDFs.

INDIGENT POLICY IMPLEMENTATION

Preparation and approval process of the indigent policy

The Municipality has an approved Indigent Policy, which came into effect July 2006. The Policy is reviewed annually.

The Policy provides for the following Free Basic services for (persons who qualify):

- Water: 100% subsidy up to 6 kl per household per month
- Electricity: 100% subsidy up to 50 kWh per household per month
- Property Rates: 100% rebate (effective 1 July 2009)

Implementation of the policy

The Indigent Policy requires that persons apply to the Municipality to register on the indigent database. The database was updated and implemented 1 July 2009.

OVERALL SERVICE DELIVERY BACKLOGS

NOTE: The reference on pages 5 and 6 to flawed population figures is also relevant here.

Access to water

	Water on site		Community Stand		Borehole/tank		Natural water/dam		Water vendor/other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	37.4	41.8	25.3	25.1	4.0	3.8	31.4	28	1.9	1.4
Cacadu DC	74.7	85.8	17.9	10.0	3.1	1.4	2.8	1.4	1.5	1.3
Camdeboo	91.0	98.4	8.2	1.6	0.2	0.0	0.2	0.0	0.4	0.0
Blue Crane	76.8	100.0	13.4	0.0	3.2	0.0	4.4	0.0	2.2	0.0
Ikwezi	91.0	83.1	7.6	0.0	0.5	12.9	0.2	0.0	0.7	4.0
Makana	76.2	76.5	19.0	16.5	2.3	2.5	1.7	1.6	0.9	2.9
Ndlambe	62.1	69.2	27.3	19.7	5.6	0.7	3.1	8.3	1.8	2.2
Sunday's River Valley	61.8	86.6	17.6	13.4	9.4	0.0	7.4	0.0	3.8	0.0
Baviaans	86.1	90.6	8.9	0.0	2.0	7.2	2.6	0.0	0.5	2.1
Kouga	75.2	83.6	22.4	15.3	0.4	0.0	0.8	0.0	1.1	1.1
Kou-Kamma	77.0	93.8	12.5	6.2	3.9	0.0	5.3	0.0	1.3	0.0
ECDMA10	73.0	79.4	24.3	8.3	1.6	8.2	0.9	4.1	0.1	0.0

Source : Population Census 2001 & Rapid Services Survey 2006

Access to Sanitation

	Flush toilet (connected to sewerage system)		Flush toilet (with septic tank)		Chemical toilet		Pit latrine with ventilation (VIP)		Pit latrine without ventilation		Bucket latrine		None	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Eastern Cape	30.9	31.1	2.2	1.3	2.0	0.6	5.6	7.2	23.1	33.9	5.6	4.0	30.6	21.8
Cacadu DC	40.3	67.8	11.1	3.5	0.8	0.0	5.3	0.1	16.2	4.9	14.3	14.5	12.0	9.3
Camdeboo	68.7	85.8	7.0	0.8	0.1	0.0	4.3	0.0	3.2	9.4	11.2	0.6	5.5	3.4
Blue Crane	47.1	74.2	4.1	0.0	2.5	0.0	1.4	0.0	8.0	0.0	20.1	25.8	16.7	0.0
Ikwezi	17.7	66.7	11.4	0.0	0.1	0.0	4.8	0.0	2.8	11.6	48.8	21.7	14.5	0.0
Makana	34.1	57.1	2.9	1.6	0.2	0.0	7.9	0.0	13.6	2.9	29.7	17.5	11.6	20.8
Ndlambe	24.3	44.7	27.3	4.7	0.5	0.0	5.8	0.7	28.0	0.7	0.6	17.0	13.6	32.2
Sunday's River Valley	24.0	58.8	4.8	0.0	1.6	0.0	8.7	0.0	40.7	28.5	6.5	12.7	13.7	0.0
Baviaans	30.3	34.8	21.7	14.5	0.4	0.0	5.8	0.0	11.4	0.0	19.0	47.5	11.3	3.2
Kouga	51.8	75.2	10.8	7.9	0.7	0.0	2.5	0.0	9.8	1.5	13.3	11.8	11.0	3.5
Kou-Kamma	50.6	88.8	12.3	5.0	1.3	0.0	5.1	0.0	15.5	0.0	5.5	6.2	9.8	0.0
ECDMA10	13.9	29.4	21.6	20.0	0.1	1.4	17.3	8.3	18.3	22.7	4.1	1.4	24.7	16.7

Source : Population Census 2001 & Rapid Services Survey 2006

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

3.1 BRIEF PRESENTATION OF THE DISTRICT SMME STRATEGY/PLAN

Acknowledging the importance of SMME's, and responding to the challenges and opportunities spelt out in the Integrated Development Plan, the District-Wide Economic Growth and Development Strategy (EGDS), the District Growth and Development Summit, and the Provincial Growth and Development Plan, the Cacadu District Municipality commissioned an SMME assessment study that has resulted in a comprehensive SMME Development Strategy for the District.

Strategic Objectives

In order to achieve the SMME vision for the area, the following strategic goals and objectives have been identified as essential:

1. To improve access to market-driven and sustainable business development support services for the informal, micro, small and medium-sized enterprises in both urban and rural areas.
2. To strengthen the planning, coordination and institutional capacity for SMME support in the district thus ensuring the creation of an enabling and conducive environment for SMMEs.
3. To establish effective and functional partnerships with key provincial and national institutions, as well as escalating the promotion of the economic opportunities across the district.
4. To diversify the existing SMME development base through agriculture, environmental management, tourism and manufacturing development.
5. To increase women, youth and black participation in the entrepreneurial and SMME development sector of the District and its economy.
6. To increase the number of start-ups, and the number of existing enterprises that accelerate beyond survivalist stage.

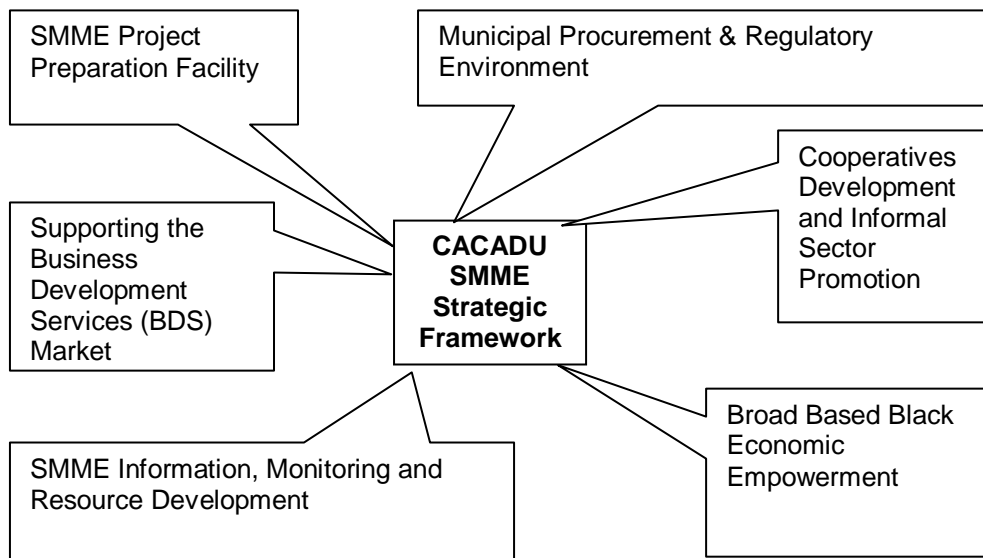
These strategic objectives set out a performance measure for this SMME Strategy and are generally congruent with those set-out in the Provincial Growth and Development Plan of the Eastern Cape, which seeks to increase the number of start-ups and boost the growth prospects of existing enterprises in the district.

Strategic Pillars for SMME Development in Cacadu

Having identified the objectives, it is imperative to now focus on the strategic pillars that anchor the Cacadu SMME Development Strategy.

A **strategic pillar** defines an area of priority focus. It has a collective economic force that can generate sufficient economic energy and momentum to create a series of sustainable opportunities to achieve short, medium and long-term objectives of any strategy.

The figure below focuses on the strategic priority areas that, based on research and analysis, will unlock the potential of the SMME sector and enable significant contributions towards pushing back the frontiers of poverty and inequality in Cacadu.



Strengthening LED Capacity at Local Municipal Level : LED District Support Team

The Eastern Cape Department of Economic Development and Environmental Affairs (DEDEA), the Department of Cooperate Governance and Traditional Affairs [DCGTA] (formerly Local Government and Traditional Affairs [DLGTA]), together with Municipalities in the Province, have since 2008 been leading an effort to consolidate an integrated, better-coordinated and more effective local economic development (LED) support system in the Province. While started by the aforementioned institutional partners, the initiative has also involved the Eastern Cape Development Corporation (ECDC), the Department of Agriculture and Rural Development, the Department of Social Development, as well as other public sector institutions, CSIR and SEDA (at Cacadu). Towards the goal stated above, discussion among these institutional partners has, among other outcomes, conceived of a multi-layered LED planning and support system that will function at various levels of the public system.

The scope of work and modus operandi will be gradually developed as the experience of the DSTs evolves, and the reflection thereon calls for appropriate revisions and other relevant development. The DST's tasks will mainly centre around planning facilitation and support, implementation support and communication/reporting. Focus areas are:

- LED Understanding
- Socio-Economic Intelligence
- Programme and Project Development and Management.

3.2 PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVES

3.2.1 Led Initiative in Partnership with the Development Bank of Southern Africa (DBSA)

Background and Context

The Cacadu Local Economic Development Initiative (LEDI) is a partnership between Cacadu District Municipality, the Development Bank of Southern Africa (DBSA) and other major stakeholders in our region aimed at identifying and unlocking economic potential. The idea is to build a strong strategic relationship between municipality, local and regional stakeholders aimed at catalysing an economic turn-around.

The Development Bank of Southern Africa (DBSA) is the initiator of the programme and primary initial funder. Cacadu District Municipality is one of three pilot LEDI, or local economic development initiative, sites in the country, together with Ugu District Municipality in Kwa-Zulu Natal and Theewaterskloof Local Municipality in the Western Cape, all distinct in character and economic potential.

The main reasons for Cacadu's selection as a pilot includes the following:

- CDM has great economic potential flowing from its strategic location, proximity to NMBM and Coega, the positioning of its economic sectors, its natural assets and its potential to be a centre of niche innovation
- The potential is not being realised due to the lack of a coherent common effort and absence of a widely shared, inspirational and coherent strategy
- Relatively weak economic growth over past decade, decline in some important sectors – spare capacity as base for accelerated growth
- Sound governance arrangements
- The growth potential can be used to leverage significant empowerment and land reform

Key Elements of the LEDI

Programme Objective

- Developing a bold, credible and robust strategy for economic turn-around and shared prosperity;
- Consolidating a portfolio of high impact strategic projects that can give effect to the strategy and that have the potential to leverage significant additional private and public investment;
- Creating confidence, sound relationships and strong social capital as a foundation for development progress. In particular, building productive relationships between established commercial and agricultural interests with government and emerging farmers and entrepreneurs is seen as critical;

- Building solid institutional arrangements, including more capacitated municipalities, to support a sustained programme of growth and development.

Progress to date

On the 22 June 2009 the DBSA Development Fund approved a technical assistance grant to the maximum amount of R7,800,000.00 (seven million eight hundred thousand Rand) as a contribution towards the costs of the DBSA/CACADU LED Initiative.

Areas of intervention, as shown in the Table below, include (i) agri-innovation in the areas of fibre, renewable energy and agri-tourism; (ii) strategy and institutional development, including the revision of the district's Economic Growth and Development Strategy and infrastructure investment assessments linked to a municipal finance services model and (iii) technical support in the form of 3-year fixed contracts of a programme manager and process facilitator that will be working with the Department of Economic Development at Cacadu.

Intervention	Total amount
Agri-innovation project grant	R3,150,000
Strategy and institutional development	R2,600,000
LEDi project team grant	R2,050,000
Total	R7,800,000

3.2.2 Support to Agriculture

In 2010/11, the Cacadu District Municipality focused its effort in the agricultural sector on the development and implementation of an agricultural mentorship strategy. This strategy has been approved by Council and addresses the gap between the services rendered by the Departments of Rural Development and Land Reform and Rural Development and Agrarian Reform and the objective to empower emerging farmers to be able to run their farms as sustainable businesses and thus become commercial farmers. This is going to be achieved by a structured, long term knowledge transfer from successful commercial farmers to the emerging farmers.

The first phase, consisting in a number of pilot projects in different commodities and different Local Municipalities, served as an initial test to verify if the strategy as developed is practically applicable. The projects are:

- Red meat at Rockville farm, Ndlambe Local Municipality
- Tomatoes at Klipplaat Hidroponic Village, Ikwezi Local Municipality
- Mohair at Uitkomst, Ikwezi Local Municipality
- Essential oils at Woodlands, Kou-Kamma Local Municipality
- Pig production at Aberdeen piggery, Camdeboo Local Municipality

During this phase, valuable experience has been gained and important strategic alliances have been established for the second phase.

The objective of the second phase is the rolling out of the strategy throughout the whole District, involving the recently established local agricultural commodity groups and enabling them to manage the mentorship program in the future. Agricultural commodity groups have been approached in 8 of the 9 local municipalities, with the exception of Makana, where the local agricultural commodity group is not yet

established, and agreements have been reached about the role of these groups in the mentorship programme. This role comprises:

1. the identification of suitable emerging farmers projects for mentorship
2. the formulation of Terms of Reference for the mentorship in each project
3. the selection of an appropriate mentor for each project
4. the monitoring and evaluation of the mentorship in each project

The whole process, although driven by the Cacadu District Municipality, is based on the very close cooperation with and participation of the Department of Rural Development and Agrarian Reform, the respective Local Municipalities and the commercial farmers and their organizations.

All the stakeholders so far welcomed and actively support this initiative which will make a significant contribution to food security, economic development and job creation in the area of the Cacadu District Municipality.

3.2.3 Support to Tourism

3.2.3.1 Achievements in Tourism

Cacadu District Municipality completed its Tourism Master Plan (TMP) in 2009. This is the first time that the District has mapped out the strategic direction for tourism growth and development. The TMP is the culmination of the development or review of Responsible Tourism Sector Plans in each of the nine local municipalities located within the district.

One of the first steps in the development of the tourism industry in the district is the configuration of appropriate institutional arrangements. The TMP recommends the establishment of local tourism organisations (LTO) in each of the nine local municipalities. An LTO is a partnership between local government and the private sector that seeks to grow the tourism industry by increasing the number of tourists and in doing so increases the economic benefits of tourism to the region as a whole. To date LTOs have been established in Bavians, Camdeboo, Kouga and Makana Municipalities. Blue Crane Route, Ikwezi and Sundays River Valley Municipalities are in the process of establishing their respective LTOs.

The establishment of LTOs not only creates a platform for dialogue between the district and local municipalities and tourism stakeholders in each area, but also puts in place steering teams for the implementation of tourism-related programmes and projects in each local municipality.

The TMP presents a spatial development plan which identifies areas of tourism potential for specific niche tourism development programmes and projects in various local municipalities. Niche markets which were identified in the Cacadu District Municipality as areas of tourism development potential include heritage tourism, nature-tourism, events tourism (including edu-tourism and sports tourism), agri-tourism, adventure tourism and coastal and marine tourism.

One of the first niche market tourism projects to be implemented is the development of an agri-tourism route in Sundays River Valley Municipality. This is one of the LEDI projects and will be implemented in collaboration with the newly formed LTO in Sundays River Valley Municipality.

3.2.3.2 Support to Local Tourism Organisations

The Cacadu District Municipality, in its Integrated Development Plan, committed to rendering financial support to local tourism organization located in the District. The primary aim of this support is to assist in efforts to market destinations within the district.

A local tourism organization may be defined as “an organization or association formed for the purpose of promoting tourism within a designated geographical area. A local tourism organization typically should have a constitution, an appointed board and management, have at least an annual general meeting and audited financial statements”.

To this end, the Cacadu District Municipality has strategically extended its commitment by supporting Baviaans, Blue Crane Route, Camdeboo and Ikwezi Local Tourism Organisations. It remains important for the District to provide funding to these organizations to continue to promote important tourism nodes in the district, thereby increasing the number of tourists into the district.

3.2.3.3 Support to Festivals And Events

This year the District has provided financial support to 3 festivals and/or events on an ad hoc basis in accordance with its framework to provide financial support to key economic impact festivals:

- the National Arts Festival in 2010. Through the 2010 National Arts Festival’s “Cacadu ArtReach Project” the Festival was extended to corners of the Province and to communities that normally would be excluded from one of the world’s major events. Further, it enabled the Festival to position itself nationally as a tourist activity and assisted in creating economic benefit for the District as a whole during the winter months
- the Biltong Festival in its 21st year. This festival, with good with traditional South African fare, biltong, hundreds of interesting stalls for the shopping enthusiasts, and 20 of South Africa’s most popular entertainers, is very popular in the District
- the Kirkwood Wildlife Festival in June 2011.

3.2.3.4 Support to Tourism Education and Training

The Cacadu District Municipality has supported Wilderness Foundation (WF) as a conservation and leadership organization which is project-driven and strives to create opportunities for economic and social equality and achieves its mission by initiating and implementing programs, concentrated in four main areas: Conservation; Social Intervention; Advocacy and Awareness; and Experiential Education.

The CDM support to Umzi Wethu, a programme of Wilderness Foundation, is an outcome of a social intervention by WF in identifying a need to establish a training institution in the Blue Crane Route Municipality, to train students from the Cacadu District and place them in areas of employment in conservation and hospitality disciplines.

Wilderness Foundation operates two Umzi Wethu Academies that together have trained, graduated, and placed in jobs seven intakes of students since the programme's inception four years ago. The most recent two intakes graduated in mid July 2010.

3.2.3.5 Cacadu "7 Wonders of our World" campaign

The Cacadu District Municipality continued to roll-out its "Seven Wonders" campaign, in terms of which seven tourism destinations within the District were vigorously marketed. Consisting of Addo, Baviaans and the Gamtoos Valley, Grahamstown, Jeffreys Bay and St Francis, Karoo, Sunshine Coast and Tsitsikamma, the 7 wonders appeal to an array of interests, from extreme sports and history and culture to the natural environment, as well as in broad spectrum of leisure based activities.

As a result of the campaign, the CDM was nominated among the 2011 REBRAND 100® Global Awards Winners in the tourism sector.

This REBRAND 100® Award, which falls under the merit category, marks the highest recognition for excellence in brand positioning, and is the first and only global programme of its kind.

The goal for the Cacadu District Municipality was to create a tourism and trade brand that would promote the district as a tourism destination that attracts tourists, stimulates investment and promotes Cacadu as a District and not a government municipality.

3.2.3.6 Rapid Assessment of the Cacadu District Municipality Local Nature Reserves

Cacadu District Municipality undertook a rapid assessment of the (District) municipal nature reserves lying within the geographic boundary of the District. This rapid assessment included the following:

Establish the Status Quo of municipal nature reserves: a description of the current status of each municipal nature reserve, including, but not necessarily limited to:

- ***Ownership:*** the relevant legislation/ordinance in terms of proclamation and ownership ;
- ***Ecological features:*** the assessment included the current ecological state of the nature reserves and briefly outline the restoration required (if necessary) to realise the tourism potential (if any) of the municipal nature reserves;
- ***Infrastructure and other facilities:*** the assessment included an audit of all infrastructure and facilities, per municipal nature reserve, and the state of the infrastructure and facilities;
- ***Management structure:*** the report stated the current management structure, the effectiveness thereof in terms of conservation and tourism development and the resources (capital, operational and human resources) dedicated to each municipal nature reserve. In addition the assessment outlined recommendations on future management required to harness the tourism potential of the municipal nature reserves;

Spatial representation: The names and locations of the municipal nature reserves as per spatial presentation, including all other protected areas, i.e. national and provincial nature reserves;

Tourism Development Potential: The tourism development potential of each nature reserve was outlined and included at least a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis related to the tourism potential of each municipal nature reserve and potential partnerships

between other protected areas, where managed locally, provincially or nationally. In addition, the financial requirements to realise the tourism potential of the nature reserve were outlined.

Prioritisation of nature reserves: the municipal nature reserves were prioritised in terms of tourism potential *vis a vis* ecological restoration and financial requirements to realise the latent tourism potential.

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.	60%	5%	3%
2	Number of LED stakeholder forum meetings held	13 (REDI PSC meetings, DST meetings and LTO sessions)	60%	80%
3	Percentage of SMMEs that have benefited from a SMME support programme	250	1000 (Seda& CDM MOU)	60%
4	Number of job opportunities created through EPWP	28	46	164%
5	Number of job opportunities created through PPP	N/A		

3.4 CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

a) **LED Governance :**

- Overlapping roles of sector departments
- Limited and/or ineffective LED leadership and stakeholder participation at both district and local municipal levels;
- Functional LED forums, business chambers and private-public dialogue platforms;
- Limited LED understanding by roleplayers

b) **LED Facilitation :**

- Capacity of LED Units;
- “Weak” LED strategies and implementation thereof;
- Quality of data used as well as analysis thereof;
- Improving the analysis of sectors, industries and localities;

- Refining of strategy focus areas to ensure alignment between LM and DM strategies ;
- Need to improve the quality of locality socio-economic intelligence to bolster local planning as well as investment decision-making;

c) LED initiatives and projects :

- Facilitation and project generation support for LED catalytic programmes and projects
- Need to improve the quality of current initiatives and projects;
- LED reduced to project implementation by government at both spheres.

d) Funding

- Development of bankable business plans to secure funding. This requires technical expertise and knowledge, which capacity was lacking in the Department during the year under review.

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

AUDITED FINANCIAL STATEMENTS (AFS)

The Audited Financial Statements for 2010/2011 financial year appear on page 41 to page 110.

BUDGET TO ACTUAL COMPARISON

Included in AFS as above

GRANTS AND TRANSFERS' SPENDING

Included in AFS as above

MEETING OF DONORS' REQUIREMENTS IN RESPECT OF CONDITIONAL GRANTS

All conditions were met.

LONG TERM CONTRACTS ENTERED INTO BY THE MUNICIPALITY

During the financial year, the municipality has entered into the following long term contracts:

- KPMG was appointed as the municipality's internal auditors during 2009/2010. They will be responsible for the complete function of internal auditing and the contract is for a period of five years
- Suid Kaap Waardeerders were appointed as the valuers for the municipality's assets for three years of which two years remain.
- Impumulelo Computing was appointed in 2009/2010 to perform information technology management and related services for a period of 3 years.

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	7.1 mil	2.2 mil	31.6%
2	Percentage of MIG budget appropriately spent	9.6 mil	4.5 mil	46.7%
3	Percentage of MSIG budget appropriately spent	1.0 mil	0.5 mil	52.3%

	Indicator name	Target set for the year %	Achievement %
4	Salary budget as a percentage of the total operational budget	16.2%	16.7%
5	Total actual trade creditors as a percentage of total actual revenue	0.0%	6.1%
6	Total municipal own revenue as a percentage of the total actual budget	9.0%	12.2%
7	Rate of municipal consumer debt reduction	0.0%	10.7%

AUDIT COMMITTEE FUNCTIONALITY

See report by Audit Committee attached as an Annexure on pages 190 to 194.

ARREARS IN PROPERTY RATES AND SERVICE CHARGES

Rates: Ageing

0-90 days	R0
+90 days	R0
	<hr/>
	R0
	<hr/>

Services: Ageing

0-90 days	R0
+90 days	R0
	<hr/>
	R0
	<hr/>

ANTI CORRUPTION STRATEGY

Council approved the Anti Corruption Strategy and Fraud Prevention Plan on 29 August 2007.

The members of the Anti –Fraud and Corruption Committee are:

- Chairperson of the Audit Committee or any other member of the Audit Committee should the chairperson not be available;
- Internal Auditor;
- Municipal Manager; and
- Departmental Heads

The Council also approved the Whistle Blowing Policy and guideline for Fraud and Corruption investigation.

The awareness campaign was launched in January 2009 and more awareness interventions are planned.

No cases of fraud or corruption were reported during the 2010/2011 financial year.