

**BLUE CRANE ROUTE LOCAL MUNICIPALITY  
(EC102)**



**FINAL INTEGRATED DEVELOPMENT PLAN REVIEW  
2020-2021**

**TABLED TO COUNCIL 3 JUNE 2020**

## **ABBREVIATIONS AND ACRONYMS**

<b>AFS</b>	Annual Financial Statement
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ASGISA</b>	Accelerated and Shared Growth Initiative for South Africa
<b>BCRM</b>	Blue Crane Route Municipality
<b>CDA</b>	Cacadu Development Agency
<b>CGTA</b>	Cooperative Governance and Traditional Affairs
<b>CPEX</b>	Capital Expenditure
<b>DEDEA</b>	Department of Economic Development and Environmental Affairs
<b>DFA</b>	Development Facilitation Act
<b>DLG&amp;TA</b>	Department of Local Government and Traditional Affairs
<b>DOH</b>	Department of Health
<b>DOT</b>	Department of Transport
<b>DRPW</b>	Department of Roads and Public Works
<b>DSRAC</b>	Department of Sport, Recreation, Arts and Culture
<b>DWA</b>	Department of Water
<b>ECDC</b>	Eastern Cape Development Corporation
<b>ESKOM</b>	Electricity Supply Commission
<b>FMG</b>	Finance Municipal Grant
<b>GAMAP</b>	Generally Accepted Municipal Accounting Policies
<b>GDS</b>	Growth and Development Summit
<b>GGP</b>	Gross Geographic Product
<b>GRAP</b>	General Recognized Accounting Practise
<b>HIV</b>	Human Immunodeficiency Virus
<b>HR</b>	Human Resource
<b>ICT</b>	Information & Communication Technology
<b>IDC</b>	Industrial Development Corporation
<b>IDEA</b>	Individuals with Disabilities Education Act
<b>IDP</b>	Integrated Development Plan

<b>ITP</b>	Integrated Transport Plan
<b>JIPSA</b>	Joint Initiative on Priority Skills Acquisition
<b>KPA</b>	Key Performance Areas
<b>KPI</b>	Key Performance Indicators
<b>LED</b>	Local Economic Development
<b>LLF</b>	Local Labour Forum
<b>MDG</b>	Millennium Development Goals
<b>MFMA</b>	Municipal Finance Management Act
<b>MHS</b>	Municipal Health Services
<b>MLL</b>	Minimum Living Level
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MSA</b>	Municipal Systems act
<b>mSCOA</b>	Municipal Standard Chart Of Accounts
<b>MTSF</b>	Medium Term Strategic Framework
<b>NDP</b>	National Development Plan
<b>NEMA</b>	National Environmental Management Act
<b>NSDP</b>	National Spatial Development Perspective
<b>OHS</b>	Occupational Health & Safety
<b>OHSA</b>	Occupational Health & Safety Act
<b>OPEX</b>	Operating Expenditure
<b>PGDP</b>	Provincial Growth and Development Plan
<b>PHC</b>	Primary Health Care
<b>PMS</b>	Performance Management System
<b>PSF</b>	Provincial Strategic Framework
<b>SBDM</b>	Sarah Baartman District Municipality J
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SETA</b>	Skills Education Training Authorities

<b>SLA</b>	Service Level Agreement
<b>SMMEs</b>	Small, Medium & Micro Enterprises
<b>SONA</b>	State of the Nation Address
<b>SOPA</b>	State of the Province Address
<b>SPU</b>	Special Programmes Unit
<b>SWOT</b>	Strengths, Weaknesses, Opportunities & Threats
<b>TB</b>	Tuberculosis
<b>WC</b>	Water Conservation
<b>WDM</b>	Water Demand Management
<b>WESSA</b>	Wildlife and Environment Society of South Africa
<b>WSA</b>	Water Services Authority
<b>WSDP</b>	Water Services Development Plan
<b>WSP</b>	Water Services Provider
<b>WTW</b>	Water Treatment Works
<b>WWF- SA</b>	Worldwide Fund for Nature South Africa
<b>WWTW</b>	Waste Water Treatment Works

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**Audit Action Plan**

**AFS Action Plan**

## CHAPTER 1: FOREWORD BY THE MAYOR/ SPEAKER

It is my great honor and appreciation to table the 4<sup>th</sup> review of the 5-year Blue Crane Route Municipality Integrated Development Plan (IDP). As Council we adopted this 5 Year Strategic Plan in 2017 when we were democratically elected by our communities to represent them in this august Council of BCRM. Since then a lot has been accomplished in bringing infrastructure projects and delivery of services to our communities. The past three years have also witnessed a relative stability in the Political and Executive Management at BCRM. Council and its Committees have functioned relatively very well.

Some of the highlights of the past three (3) years have been the implementation of the following capital projects and these are i.e.

2017/18

- Upgrading of Cookhouse WWTW – R12.3 mil
- Upgrading of gravel roads – R 3.5mil
- Upgrading of Aeroville Park – R500k

2018/19

- Upgrading of Pearston WWTW Phase 1 – R15 mil
- Construction of a new Pearston WTW – R22 mil
- Upgrading of Cookhouse Bulk Water Supply Phase 2A – R 7 mil
- Water conservation and demand management (Pearston, Cookhouse and Somerset East)– R42.3mil
- Upgrading of Glen Avon Sportsfield – R 3.1mil

2019/20

- Construction of a new Pearston WTW – R13 mil
- Upgrading of Pearston WWTW Phase 1A – R1.7mil
- Upgrading of Cookhouse Bulk Water Supply Phase 2B – R 7 mil
- Paving of gravel roads – R5.7 mil

The following capital projects will be implemented during 2020/21 financial year and these are, i.e.

1. Upgrading of Somerset East main sub-station
2. Upgrading of Power Factor correction
3. Construction of Pearston WTW
4. Upgrading of Pearston WWTW phase 2
5. Upgrading of Aeroville Sportfields
6. Paving of Gravel roads: Pearston
7. Paving of Gravel roads: Cookhouse
8. Paving of Gravel roads: Somerset East
9. Upgrading of Cookhouse Bulk water supply (Phase 2 B)
10. Upgrading of Cookhouse Bulk water supply (Phase 2 C)



11. Upgrading of Westview stormwater
12. Construction of Pound

The municipality has also managed to improve in terms of management and governance. This is evidenced by the fact that BCRM has consistently delivered Unqualified Audit Opinions over the past 3 years. Despite the huge financial constraints facing municipalities in the Country, Eastern Cape Province and our own District, we have managed to keep afloat and were able to meet our third-party obligations. During this last year in the term of this Council, I wish that we continue our unity of purpose in delivering quality services and driving transformation of people's lives in our community.

I table the 2020/21 IDP/BUDGET to Council and its Communities.

A handwritten signature in black ink, appearing to read 'CLR B. Manxoweni', with a long horizontal flourish extending to the right.

**CLR B. MANXOWENI**  
**MAYOR / SPEAKER**

## STATEMENT BY THE MUNICIPAL MANAGER

The Integrated Development Plan (IDP) is a policy instrument guided by Chapter 5 of the Municipal Systems Act, 2000 for implementation by municipalities and its entities. At the heart of the IDP is the planning and execution of the needs of the local communities in an integrated fashion by all spheres of government.

As the Accounting Officer and on behalf of the Executive Management I present to Mayor and Council a consolidation of past projects and planned policy actions in the ensuing financial year (2020/21). We enter the last term of Council with a relatively functional administrative machinery. We also enter uncharted waters as the world and country is engulfed with the Corona Virus which is ravaging global and local communities and has in some instances led to many deaths. The Covid 19 will have a fundamental impact on national economies and how municipalities plan and spend their resources and BCRM will be no exception.

Key positions of Directors have all been filled except for the position of Director: Corporate Services, which we intend to fill in due course. The position of Manager: Internal Audit has also become recently vacant. It has been advertised and will be filled soon. The three (3) year term of the Disciplinary Board come to an end in February 2020 and was extended until June 2021. Management will initiate a process for Council to make the necessary appointments to these key oversight structures of Council.

Some of the accomplishments of the past three (3) years is that BCRM has managed to effectively & optimally utilize its limited financial resources. We have done so, not because we have abundance of resources, but had an appreciation of the size of the municipality, the limited revenue base including its grant dependency. To-date I can confidently say we have never missed paying municipal employees salaries on time, have never failed to pay Eskom on time, we do not owe the Auditor General, have never failed to pay other statutory obligations such as Employer and Employee Contributions to such bodies such as Pension and Retirement Funds, Medical Aid Funds, UIF, COIDA etc.

As we present the IDP 2020/21, I also present a 2020/21 Budget which was carefully crafted in a consultative way with internal stakeholders after receiving inputs from our external multi-stakeholder engagements. It is a budget that took into consideration the needs and the geography (wards) of the communities of BCRM. The Operating and Capital Budget Allocations are informed by the available sources of revenue such as Internal Revenue Projections, Equitable Share and other various Grants as encapsulated in the 2020/21 Division of Revenue Act.

I also present a Draft Organizational Structure (Organogram) which was widely engaged and discussed between all levels of management and the IMATU and SAMWU Representatives. The Organogram is a fair balance of the Powers and Functions of BCRM, Service Delivery Imperatives and the Affordability.

I present the IDP/Budget 2020/2021



**THABISO KLAAS (MR)**  
**MUNICIPAL MANAGER**

## 1.1 EXECUTIVE SUMMARY

This document sets out the Blue Crane Route Local Municipality's Reviewed Integrated Development Plan for the 2020/2021 financial year, containing key municipal goals and priorities. The IDP is a strategic document of Council and guides all planning and development in the municipality. Preparation of the IDP followed an approved process plan that incorporated extensive stakeholder consultations and public participation.

**This document is structured into 7 Chapters:**

**CHAPTER 1:** Contains the executive summary and opening remarks by the Mayor /Speaker and Municipal Manager. It further reflects the vision, mission and values of the municipality. The chapter also sets the scene by noting the legal context of the IDP and the processes followed to develop the IDP

**CHAPTER 2:** This chapter highlights the most salient socio- economics, developments and the backlogs of the municipality, and the institutional status quo.

**CHAPTER 3:** States the municipal strategic direction in terms of the Vision, Mission, and Values and contains the strategic objectives, strategies and projects to address the growing challenges of the community.

**CHAPTER 4:** Provides for the brief overview of policies, strategies and sector plans.

**CHAPTER 5:** Summary of the Spatial Developmental Framework in terms of maps outlining the developmental initiatives and potential development nodes within the municipal area of jurisdiction.

**CHAPTER 6:** Provides a brief overview of the performance management framework which will be reviewed towards the end of the current financial year.

**CHAPTER 7:** Provides a brief overview of the municipality's financial position and financial management implementation plan of the municipality.

## 1.2 MUNICIPAL VISION, MISSION AND VALUES:

The BCR municipality is “A municipality that strives to provide a better life for all its citizens”. The vision is aligned to the five development priorities and the national and provincial government strategic frameworks. The plans and budgets of the BCR are also designed /developed to achieve the vision.

The main purpose of a vision statement is to link the current situation with the future potential of an area. As such a vision statement plays a central role throughout the various processes of the IDP. It guides the prioritisation of needs, the setting of objectives and the implementation of various strategies and projects. The vision statement should be brief, inspiring, realistic, relevant and mobilising. It is important to reflect on the vision and mission of the municipality as a reminder of the direction the municipality should take in deciding on programmes on projects.

**The vision and mission of BCRM is**

**VISION**

***“A Municipality that strives to provide a better life for all its citizens.”***

**MISSION**

***Through responsible local government, zero tolerance for corruption and creating an environment for upliftment and sustainable economic growth.”***

### Values

- Good governance;
- Accountability;
- Public Participation;
- People Development;
- Team work;
- Integrity;
- Tolerance;
- Honesty;
- Responsibility; and trust

Blue Crane route constitute of three towns namely; Somerset East, Cookhouse and Pearston. The location of the towns is as follows:

**Postal Address: PO Box 21**

**SOMERSET EAST**

**5850**

**Telephone number: 042 243 6400**

**LOCATION OF BLUE CRANE ROUTE MUNICIPAL OFFICES**

ADDRESS	LOCATION
67 Nojoli Street, Somerset East	Main Municipal Office Buildings <ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Council Chambers</li> <li>▪ Mayor's Office</li> <li>▪ Municipal Managers Office</li> <li>▪ Financial Services offices</li> </ul>
88 Nojoli Street, Somerset East	Corporate Services Building: <ul style="list-style-type: none"> <li>▪ Human Resources Unit</li> <li>▪ Administration Unit</li> <li>▪ Archives office</li> <li>▪ Switchboard</li> <li>▪ Housing and Land Use office</li> <li>▪ Community Development Workers office</li> <li>▪ Customer Care Services office</li> <li>▪ Intergovernmental Relations/ Public Participation office</li> <li>▪ Integrated Development Planning / Performance Management System office</li> <li>▪ Internal Audit Unit office</li> <li>▪ Special Programs office</li> <li>▪ Local Economic Development office</li> </ul>
06 Union Street, Somerset East	Community Services Building <ul style="list-style-type: none"> <li>▪ Environmental Health unit</li> <li>▪ Langenhoven Library</li> </ul>
Hospital Street, Somerset East	Technical Services buildings <ul style="list-style-type: none"> <li>▪ Offices</li> <li>▪ Mechanical Warehouse</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Garage</li> <li>▪ Municipal Stores</li> <li>▪ Electricity Services</li> <li>▪ Project Management Unit</li> <li>▪ Water services office</li> </ul> <p>Community Services</p> <ul style="list-style-type: none"> <li>▪ Traffic Department</li> </ul>
New Brighton-Mayila Street, Somerset East	<ul style="list-style-type: none"> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪ Building Control Section</li> </ul>
06 Main Road, Cookhouse, 5820	<ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Cookhouse Library</li> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪ Municipal Depot</li> </ul>
49 Voortrekker Street, Pearston, 5860	<ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪ Ernst van Heerden Library</li> </ul>
Aeroville	<ul style="list-style-type: none"> <li>▪ Prof. Jakes Gerwel Multi-Purpose Centre</li> <li>▪ Dr. WB Rubusana library</li> <li>▪ Cash Office</li> <li>▪ Fire Station offices (airfield )</li> </ul>
Somerset East Town	<ul style="list-style-type: none"> <li>▪ Dr. WB Rubusana library</li> </ul>

## Administrative structure

Directorate	Director	Functions
<b>Municipal Manager</b>	<b>Municipal Manager - Mr. Thabiso Klaas</b>	Internal Audit
		Integrated Development Planning (IDP)/Performance Management System (PMS)
		Public Participation and Intergovernmental Relations (IGR)
		Special Programmes
<b>Corporate Services</b>	<b>Acting Director: Corporate Services – Mr M Gush</b>	Customer Care services
		Administration
		Human Resource (HR)
		Labour Relations
		Information and Communication Technology (ICT)
		Occupational Health and Safety (OHS)
<b>Technical Services</b>	<b>Director: Technical Services – Mr Ayanda Gaji</b>	Electro-Mechanical Services
		Civil Engineering Services
		Water and Sanitation Services
		Planning and Facilities Management Services
		Project Management Unit
<b>Community Services</b>	<b>Director: Community Services – Mr Mandisi Planga</b>	Environmental Services
		Traffic Services
		Library Services
		Fire and Disaster Management
<b>Financial Services</b>	<b>Director: Finance (CFO) – Mr Nigel Delo</b>	Finance Management and Reporting
		Revenue and Expenditure
		Supply Chain and Asset Management

**Political structure**

<b>Name</b>	<b>Designation</b>
Mr Bonisile Manxoweni	Mayor /Speaker
Mrs Neliswa Nkonyeni	Chief Whip
Mr Mpumelelo Kwatsha	Ward Councillor (ward 1)
Mr Phandulwazi Sonkwala	Ward Councilor (ward 6)
Mr Thobile Xaka	Ward Councillor (ward 3)
Mr Thabo Grootbom	Ward Councillor (ward 4)
Mr Anthony Hufkie	Ward Councillor (ward 5)
Mr Jonathan Martin	Ward Councillor (ward 2)
Mr Cyril Nel	Party Representative
Mr Kenneth Brown	Party Representative
Mrs Fiona Brown	Party Representative



### 1.3 POWERS AND FUNCTIONS OF THE MUNICIPALITY

The municipal mandate stems from the section 156 of the Constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the Part B of schedule 4 and 5 of the Constitution, local government has the following functions.

Schedule 4 Part B	Schedule 5 Part B
<b>Powers exercised by the BCRM</b>	<b>Powers exercised by the BCRM</b>
<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Building regulations</li> <li>• Childcare facilities</li> <li>• Electricity and gas reticulation</li> <li>• Firefighting services</li> <li>• Local tourism</li> <li>• Municipal airports</li> <li>• Municipal planning</li> <li>• Municipal health services</li> <li>• Municipal public transport</li> <li>• Municipal public works</li> <li>• Stormwater management systems in built-up areas</li> <li>• Trading regulations</li> <li>• Water and sanitation services</li> </ul>	<ul style="list-style-type: none"> <li>• Beaches and amusement facilities</li> <li>• Billboards and the display of advertisements in public places</li> <li>• Cemeteries, funeral parlours and crematoria</li> <li>• Cleansing</li> <li>• Control of public nuisances</li> <li>• Control of undertakings that sell liquor to the public</li> <li>• Facilities for the accommodation, care and burial of animals</li> <li>• Fencing and fences</li> <li>• Licensing of dogs</li> <li>• Licensing and control of undertakings that sell food to the public</li> <li>• Local amenities</li> <li>• Local sport facilities</li> <li>• Municipal abattoirs</li> <li>• Municipal parks and recreation</li> <li>• Municipal roads</li> <li>• Noise pollution</li> <li>• Pounds</li> <li>• Public places</li> <li>• Refuse removal, refuse dumps and solid waste disposal</li> <li>• Street trading</li> <li>• Street lighting</li> <li>• Traffic and parking</li> </ul>

Powers not exercised by the BCRM	Powers not exercised by the BCRM
Pontoons, ferries, jetties, piers and harbours,	

#### 1.4 IDP PLANNING PROCESS

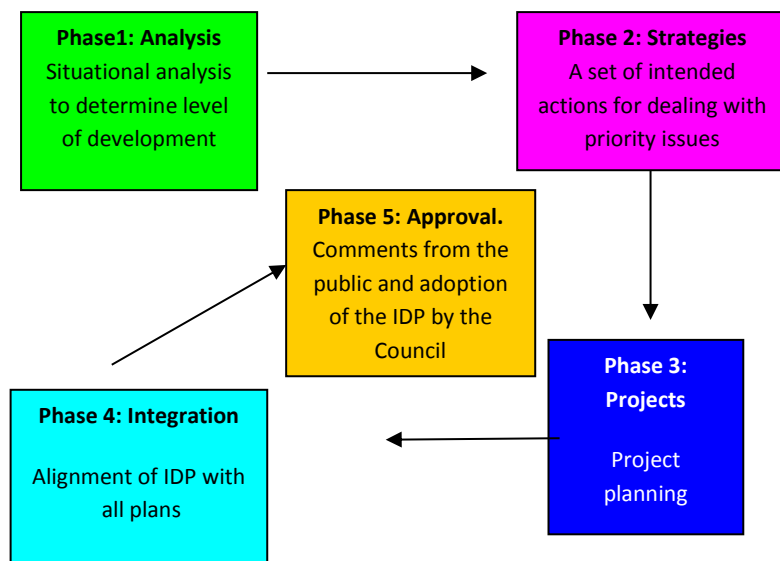
Integrated Development Planning (IDP) is a planning tool for promoting developmental local government. It enables the Municipality to identify its priorities and develop a strategic development plan for the short, medium and long term. The IDP process is a consultative process which requires of the Municipality to engage with its citizens and other stakeholders in the development thereof.

IDP's must be reviewed and amended together with the Budget on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances.

The integrated development planning methodology comprises five interrelated phases namely;

- ⇒ Analysis
- ⇒ Strategies
- ⇒ Projects
- ⇒ Integration
- ⇒ Approval

These phases are illustrated graphically below:



The analysis phase aims to assess the existing level of development within the Municipality through analysis of the prevailing environment and impact thereof on the inhabitants of the Municipality. The analysis process facilitates the identification and analysis of the environmental challenges facing the municipality and allows the municipality to accurately prioritize these challenges.

The ensuing phases of the integrated development planning process build on the analysis phase, and it is therefore imperative that the analysis phase be compiled accurately. Planning, budgeting, decision-making and service delivery are largely informed by the existing environment and its inherent challenges. A plan that is not based on an accurate understanding of the current environment will lack credibility and efficacy.

The BCR Local Municipality adopted its IDP/Budget/PMS Process Plan on the 30 August 2019 as informed by the Sarah Baartman District Framework Plan to guide the review process and outline the roles and responsibilities of the role-players in the review process.

The Blue Crane Route Municipality Integrated Development Plan (IDP) has been prepared in accordance with Section 34 of the Municipal Systems Act which prescribes that, a municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurement; and to the extent that changing circumstances so demand.

The municipality embarked on a process of involving communities and other stakeholders through ward-based planning to allow the communities to participate in the review process. The review focused more on the refinement of

current strategies to ensure that projects that are planned contribute to the achievement of the five-year development priorities and that they have greater impact on service delivery.

The priority issues are determined through a combination of participatory community-based processes and analysis of status quo information, facts and figures through desktop studies, and other research undertaken or commissioned by the municipality. The outcome is a holistic and informed outlook of how and where the municipality should allocate scarce resources. This helps to improve municipal planning and budget processes. The most important aspects are that there is consensus among stakeholders; ideally, these priority issues become the focal point for determining appropriate development strategies that meet priority issues, the needs of communities and / or stakeholders. On the other hand, it is acknowledged that priority issues do not only emerge by analysing the status quo information, but also through public participation.

## 1.5 ORGANISATIONAL ARRANGMENT FOR IDP REVIEW PROCESS

To ensure smooth and well-organized Integrated Development Planning Review process for 2020/21 financial year, the municipality has identified role players to assist and inform the planning process as well as the roles and responsibilities attached. In order to ensure that all relevant stakeholders are represented, the municipality through a public notice extended an invitation to all interested parties to register on the IDP Representative Forum database the following is the list of role players and their responsibilities.

### 1.5.1 Roles and Responsibilities of Role Players and Structures

STRUCTURE / ROLE-PLAYERS	ROLE AND RESPONSIBILITY
<b>Council</b>	<ul style="list-style-type: none"> <li>• Prepares, decides on and adopt an IDP/Budget Process Plan.</li> <li>• Undertake the overall management and co-ordination of the IDP/PMS/Budget Process.</li> </ul>
<b>Ward Councilors</b>	<ul style="list-style-type: none"> <li>• Major link between the municipal government and the residents.</li> <li>• Links the IDP /Budget/PMS processes to their constituencies and / or wards;</li> <li>• Responsible for organizing public consultation and participation;</li> <li>• Ensure the annual business plans and municipal budget are linked to and based on the IDP.</li> </ul>
<b>Municipal Manager</b>	<ul style="list-style-type: none"> <li>• Responsible and Accountable for the implementation of the municipality's IDP,</li> <li>• Monitors progress with implementation of the plan.</li> <li>• Responsible for championing the Integrated Development Planning process.</li> </ul>

<p><b>IDP/PMS/Budget Steering Committee</b></p>	<ul style="list-style-type: none"> <li>• Ensures a smooth compilation and implementation of the IDP.</li> <li>• Compiles the terms of reference and criteria for members of the IDP/PMS/Budget Representative Forum;</li> <li>• Facilitates the terms of reference for the various planning activities; commissions studies necessary for the compilation of the IDP;</li> <li>• Processes and documents inputs from the public concerning IDP and Budget</li> <li>• Processes, summarizes and documents outputs;</li> <li>• Makes content recommendations;</li> <li>• Facilitates control mechanisms regarding the effective and efficient implementation, monitoring and amendment of the IDP;</li> <li>• Ensures the co-ordination and integration of sectoral plans and projects; and</li> <li>• Ensures that the municipal budget is in line with the IDP.</li> </ul>
<p><b>IDP/PMS/Budget Representative Forum and IGR</b></p>	<p>The IDP/PMS/Budget Representative Forum is the structure which facilitates and co-ordinates participation in the IDP/Budget/PMS Process.</p> <p>The role of the IDP/PMS/Budget Representative Forum is to—</p> <ul style="list-style-type: none"> <li>• Represents the interests of the constituents in the IDP process;</li> <li>• Forms a structured link between the municipality and representatives of the public;</li> <li>• Ensures communication between all the stakeholder representatives including the municipality;</li> <li>• Provides an organizational mechanism for discussion, negotiation and decision making between the stakeholders including municipal governance;</li> <li>• Integrates and prioritize issues, strategies, projects and programmes and identify budget requirements; and</li> <li>• Monitors the performance of the planning and implementation process.</li> </ul> <p><b>Composition:</b></p> <ul style="list-style-type: none"> <li>○ all Councillors</li> <li>○ the Chairperson and one selected representative of each of the organized structures or associations within the community;</li> <li>○ the officials who serve in the Steering Committee;</li> </ul>

	<ul style="list-style-type: none"> <li>○ Sector departments</li> <li>○ Ward committees and Community Development Workers</li> </ul>
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## 1.6 PROCESS PLAN TIMEFRAMES / MILESTONES

<b>ACTION PROGRAMME</b>	
<b>Phase 1: Pre-Planning Phase and Analysis Phase</b>	
<ul style="list-style-type: none"> <li>● Adopt IDP, PMS &amp; Budget Process Plan</li> <li>● Advertise the process for comments</li> <li>● Resuscitate IDP, PMS and Budget Steering Committees, Rep Forum and IGR</li> <li>● Submit the process plan to Council for approval</li> <li>● Analyze the current situation on service standards/ gaps/ backlogs/ resources.</li> <li>● Ward consultation /Mayoral Visit</li> </ul>	July 2019-November 2019
<b>Phase 2: Strategies Phase</b>	
<ul style="list-style-type: none"> <li>● Formulate solutions to address the problems.</li> <li>● Revisit the 5 Year Strategic Plan: <ul style="list-style-type: none"> <li>-confirm vision, mission and values</li> <li>-refine objectives, strategies and KPI</li> <li>-set targets</li> </ul> </li> <li>● Request inputs from sector depts Plans</li> </ul>	December 2019 - February 2020
<b>Phase 3: Projects Phase</b>	
<ul style="list-style-type: none"> <li>● Project prioritization</li> </ul>	February 2020 – March 2020
<b>Phase 4: Integration Phase</b>	
<ul style="list-style-type: none"> <li>● Synchronize projects in order to consolidate and integrate programs</li> <li>● Consideration of sector plan requirements and guidelines</li> </ul>	March 2020
<b>Phase 5: Approval Phase</b>	
<ul style="list-style-type: none"> <li>● Draft IDP, Budget and SDBIP to be adopted by Council before end of March</li> <li>● Submission to MEC CoGTA within 10 days of approval / Provincial &amp; National Treasury</li> <li>● Advertise and allow 21 days for public comment</li> <li>● IDP/Budget Road-shows: April / May</li> <li>● Incorporate relevant inputs</li> <li>● Adoption of final IDP and Budget before end of May</li> <li>● Submission to MEC CoGTa / PT and NT</li> <li>● Publish IDP and Budget within 14 days</li> </ul>	March 2020- May 2020

## 1.7 MEC COMMENTS RECEIVED BY THE BCRM FROM 2015/16 – 2019/20 PERIOD

The six key performance areas were used as a guide for assessment. They are as follows:

- Spatial Development Framework
- Service Delivery
- Financial Viability
- Local Economic Development
- Good Governance and Public Participation
- Institutional Arrangements

The municipality was rated and allocated a score based on the six key focal areas. The ratings ranged from low, medium to high. On the issues that have been raised by the MEC, the municipality has managed to address some of them during the review process.

KPA	Rating 2015/2016	Rating 2016/2017	Rating 2017/2018	Rating 2018/2019	Rating 2019/2020
Spatial Development Framework	High	High	High	High	High
Service Delivery	Medium	Medium	Medium	Medium	Medium
Financial Viability	High	High	High	High	High
Local Economic Development	High	High	Medium	High	Medium
Good Governance & Public Participation	High	High	High	High	High
Institutional Arrangements	High	High	Medium	Medium	High
<b>OVERALL RATING</b>	High	High	Medium	High	Medium

## CHAPTER 2: SITUATION ANALYSIS

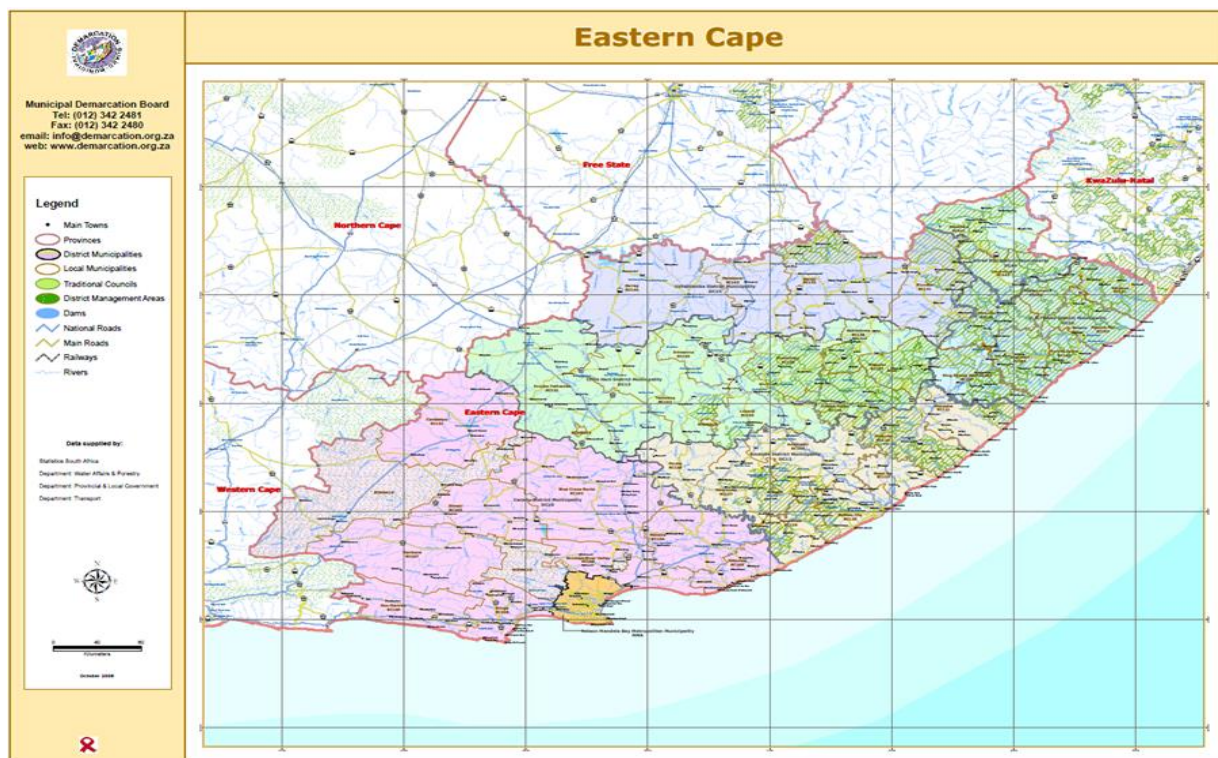
### 2. SITUATIONAL AND GAP ANALYSIS

This chapter includes an analysis of the demographic, socio-economic and infrastructure development dimensions. The statistical information was sourced from StatsSA 2001 to 2011 as well as Community survey 2016. The district perspective is presented to provide a better understanding of the context within which the BCR municipality operates.

#### 2.1 LOCATION OF BLUE CRANE ROUTE WITHIN THE CONTEXT OF EASTERN CAPE

The Sarah Baartman District Municipality (SBDM), is the largest (58 243 km<sup>2</sup>) of the six (6) District Municipalities in the Eastern Cape Province, as shown on Map no. 1 below.

**Map no. 1: Spatial Location of the Eastern Cape**

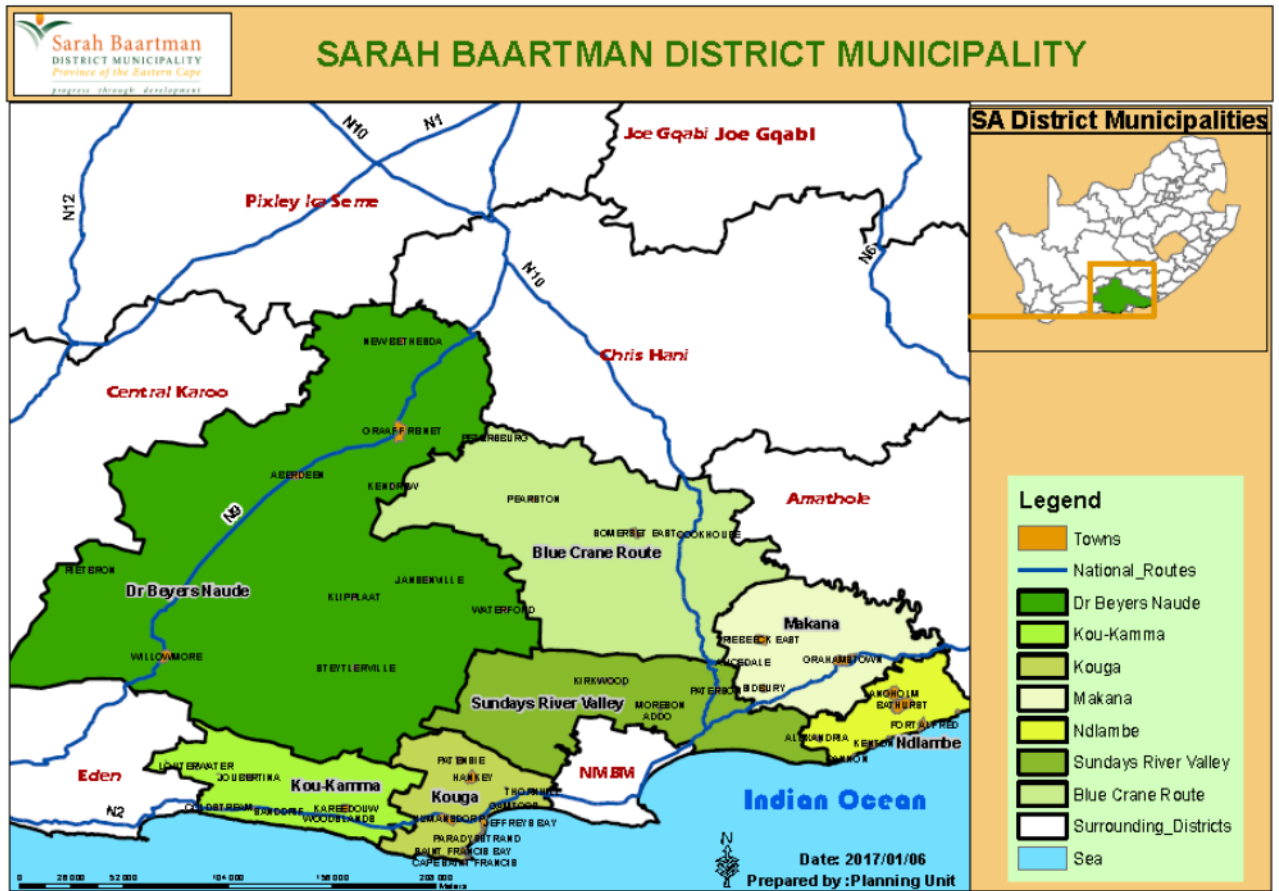


**Source:** Municipal Demarcation Board, 2011

The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and Chris Hani and Amathole District Municipalities in the Eastern Cape. Seven local municipalities have been established within the jurisdiction of Sarah Baartman DM, as reflected on Map no. 2 below.



MAP no. 2: Spatial Location of BCR in the Sarah Baartman District Municipal Area



Source: Sarah Baartman District Municipality

## 2.2 THE STUDY AREA: (MAP 3: BLUE CRANE ROUTE LM)



The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east by Raymond Mhlaba Municipality, North-west of Inxuba Yethemba municipality, South of Makana Municipality and the South-west of Sundays River Valley municipality. The Blue Crane Route Municipality is located at 67 Nojoli Street, Somerset East.

The Blue Crane Route area comprises of the primary node of Somerset East, which is the main commercial hub, two secondary service centres i.e. Pearston and Cookhouse, and vast rural commercial farmlands. Per the Community survey that was conducted 2016, the municipality's population has moved from 36 002 to 36 063, 1.7% growth rate. The figures below reflect the findings per Census 2011, the community survey 2016 reflects the overall growth of the area not at ward level:

- Somerset East (Wards 2, 3 and 5 = 19172)
  - Town Area, Vosloodal, Chris Hani, Francisvale Aeroville, Clevedon, Mnandi, Old Location, New Brighton, Westview and Uitkeer.
- Cookhouse (Wards 1 and 6 = 10 898)
  - Bhongweni and Newtown
  - Golden Valley and Middleton rural nodes
  - Town area and Cradock place
- Pearston (Ward 4 = 5 933)
  - Town Area, Millenium Park, Nelsig and Khanyiso

Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Blue Crane Route Municipality has 6 Wards and the total of eleven (11) Councillors who constitute Council.

## 2.2.1 Demographic Profile

**Table 1: Population and extent of Area km<sup>2</sup>- EC, CDM and BLM**

StatsSA 2011	Province of the Eastern Cape	Sarah Baartman District Municipality	Blue Crane Route Local Municipality
Total Population	6 562 053	450 584	36 002
Total Population (Community Survey 2016)	6 996 976	479923	36063
Area km <sup>2</sup>	168 966 km <sup>2</sup>	58 243.3 km <sup>2</sup>	11 068.56 km <sup>2</sup>

**Source:** StatsSA 2011 and Community Survey 2016

As indicated by the statistical information above, Blue Crane Route accounts for 8% of the Sarah Baartman District and 0.5% of the Provincial population. Geographically Blue Crane Route makes up 19% of the District municipality's landmass with a population density of 3.25 per km<sup>2</sup>.

According to StatsSA -Census 2011, the total population of Blue Crane Route is 36 002, however as per the Community Survey conducted 2016, the population figures have increased from 36002 to 36063. This then therefore

indicates that the growth rate of the population is very slow due to number of issues flowing from migration, death and birth rate.

The most significant roads passing through the area are the; **N10, R61, R63, and R390,**

The approximate distance between the towns is;

- Somerset – East to Pearston : 50 Km.
- Somerset – East to Cookhouse: 25 Km.
- Cookhouse - Pearston : 75km.

## 2.2.2 Demographics per ward

**Table 2: Age Distribution, Gender, Population Grouping and Head of Household**

<b>DEMOGRAPHICS</b>								
<b>Age distribution</b>	<b>00 - 04</b>	<b>05 – 09</b>	<b>10 – 14</b>	<b>15 – 34</b>	<b>35 - 64</b>	<b>65 - 85+</b>	<b>Ward Total</b>	<b>%</b>
Ward 1	549	454	422	1555	1566	203	<b>4749</b>	<b>13.2</b>
Ward 2	814	583	591	1882	2265	611	<b>6747</b>	<b>18.7</b>
Ward 3	705	671	601	2185	2320	498	<b>6979</b>	<b>19.4</b>
Ward 4	661	668	570	1788	1817	428	<b>5933</b>	<b>16.5</b>
Ward 5	542	526	475	1628	1804	470	<b>5446</b>	<b>15.1</b>
Ward 6	686	550	449	2068	2083	313	<b>6148</b>	<b>17.1</b>
<b>Grand Total BCR</b>	<b>3956</b>	<b>3453</b>	<b>3108</b>	<b>11106</b>	<b>11856</b>	<b>2523</b>	<b>36002</b>	<b>100</b>
<b>Gender</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Total</b>			
Ward 1	2390	50.3	2359	49.7	<b>4749</b>			
Ward 2	3289	48.7	3458	51.3	<b>6747</b>			
Ward 3	3311	47.4	3668	52.6	<b>6979</b>			
Ward 4	2938	49.5	2995	50.5	<b>5933</b>			

Ward 5	2547	46.8	2899	53.2	<b>5446</b>			
Ward 6	3206	52.1	2943	47.9	<b>6149</b>			
Grand Total BCR	<b>17680</b>	<b>49.1</b>	<b>18322</b>	<b>50.9</b>	<b>36002</b>			
<b>Population Group</b>	<b>Black</b>	<b>Coloured</b>	<b>White</b>	<b>Indian/ Asian</b>	<b>Other</b>	<b>Ward Total</b>		
Ward 1	3278	1143	289	10	28	<b>4749</b>		
Ward 2	3169	2370	1128	37	44	<b>6747</b>		
Ward 3	6493	378	68	19	21	<b>6979</b>		
Ward 4	2211	3365	287	26	43	<b>5933</b>		
Ward 5	1813	3387	203	15	28	<b>5446</b>		
Ward 6	4283	1246	479	10	131	<b>6148</b>		
Grand Total BCR	<b>21247</b>	<b>11888</b>	<b>2453</b>	<b>118</b>	<b>295</b>	<b>36002</b>		
<b>Head Household: Gender</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Total Ward</b>			
Ward 1	823	70.1	351	29.9	<b>1174</b>			
Ward 2	1048	56.8	797	43.2	<b>1845</b>			
Ward 3	1161	57.5	859	42.5	<b>2019</b>			
Ward 4	914	57.6	671	42.3	<b>1586</b>			
Ward 5	769	51.7	719	48.3	<b>1488</b>			
Ward 6	1212	73.5	436	26.4	<b>1649</b>			
<b>Grand Total BCR</b>	<b>5927</b>	<b>60.7</b>	<b>3834</b>	<b>39.3</b>	<b>9761</b>			

**Source:** StatsSA 2011

## 2.2.3. Demographics Trends

**Table 3: Age distribution, Gender, Population Grouping and Head of Household**

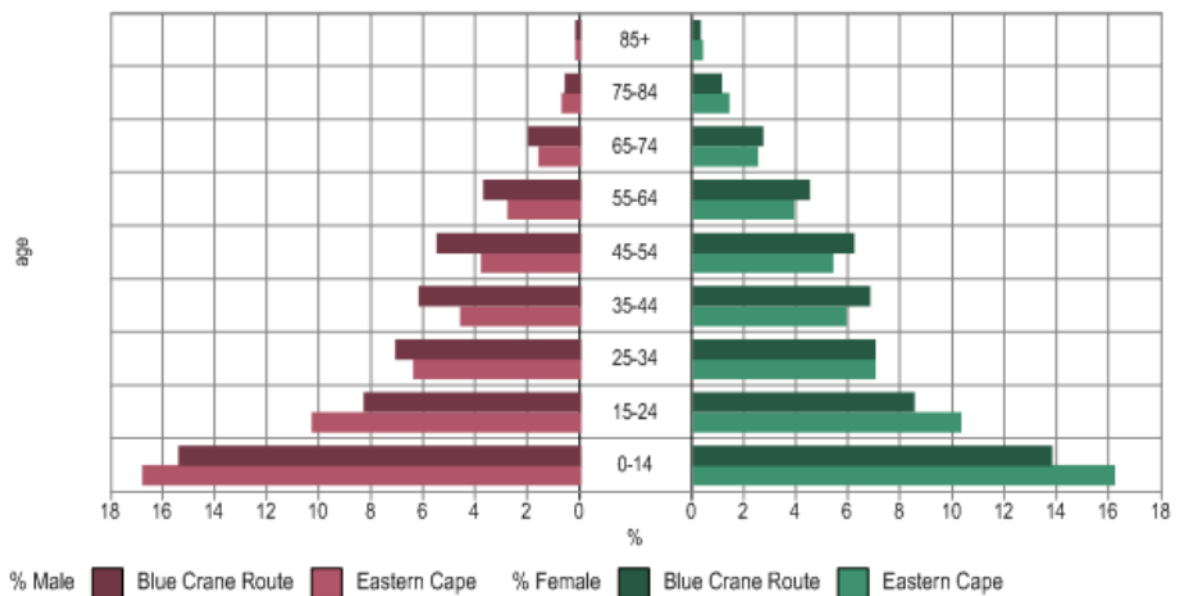
DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	%	GROWTH % p. a
<b>Blue Crane Route Total Population</b>	35407	36002		<b>0.17</b>	<b>36063</b>		<b>1.7%</b>
<b>Age distribution</b>	<b>35 407</b>	<b>36 002</b>			<b>36063</b>		
0-14	10 293	10517	29.2	0.2	11824	32.8	2.34
15-64	22 485	22962	63.8	0.2	20471	56.8	-0.96
65+	2 227	2524	7.0	1.3	3768	10.5	-1.45
<b>Gender</b>	<b>35 407</b>	<b>36 002</b>			<b>36063</b>		
Male	16806	17680	49.1	0.5	17841	49.5	-
Female	18197	18322	50.9	0.1	18223	50.5	-
<b>Population Grouping</b>	<b>35 407</b>	<b>36 002</b>					
Black	20861	21247	59.0	0.19	21283	59.0	-
Coloured	11515	11888	33.0	0.32	13283	36.8	-
White	2606	2453	6.8	-0.6	1448	4.0	-
Indian/Asian	21	118	0.3	46.2	50	0.1	-
Other	0	295	0.8	-	-	-	-
<b>Head of Household: Gender</b>	<b>9 595</b>	<b>9 761</b>					
Male	6 486	5 927	60.7	-0.9	-	-	-
Female	3 109	3 834	39.3	2.3	-	-	-

**Source:** StatsSA 2011 and Com Survey 2016

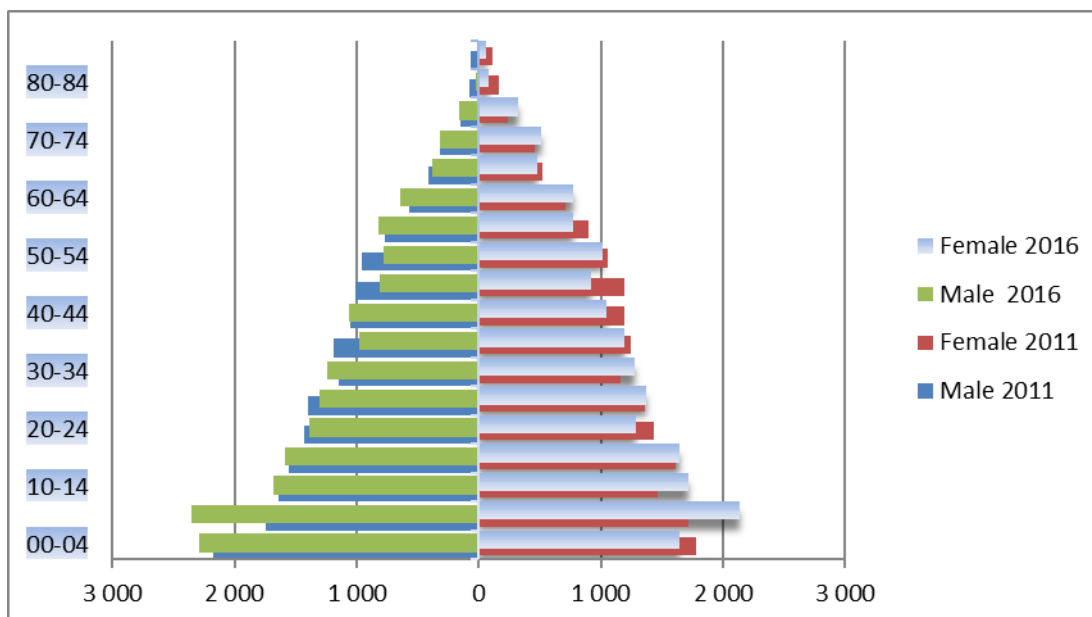
The population has increased by 595 people over the past 10 years. This is reflective of a 0.17% compound average population growth rate from 2001 to 2011. There is parity in the sex ratio with 9.6 males for every 10 females.

Community survey 2016 reflects that 32.8 % of the population is dominated by young people under 15 year of age and 30.76 % is the youth below the age of 35, which requires intergovernmental planning efforts to jointly focus on improved education system, creation of employment opportunities and provision of sports and recreation facilities. The high number of children could also be an indication of a dependency on child support grants.

**Figure 1. Population by gender and age in 2011 (% of total population).**



**Population trends: Census 2011 and Community Survey 2016**



**Source:** Statistics South Africa 2011 and Community Survey 2016

## 2.3 SOCIO ECONOMIC DIMENSION

Table 4. Socio Economic

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total Population</b>				
No disability/Unspecified	32292	28152	87.85	-1.28
Sight	571	2294	7.16	30.18
Hearing	221	350	1.09	5.84
Communication	78	82	0.26	0.51
Physical / Walking	1118	465	1.45	-5.84
Intellectual / Remembering	133	265	0.83	9.92
Emotional / Self Care	298	438	1.37	4.70
Multiple disability	300	0	0.00	-10.00
Not applicable		3956		
	<b>35 011</b>	<b>36 002</b>		

**Source:** StatsSA 2011

StatsSA indicates that there has been an overall decline of -1.28% p.a. in the number of people with disabilities. People with a sight disability have increased drastically by 5.6% from 1.6% in 2001 to 7.2 in 2011.



**Table 5: Income Category**

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total Population</b>				
<b>Income 15 to 65</b>				
No Income	180	10 504	46.09	573.6
R1 – R400	3 454	1 254	5.50	-6.4
R401 – R800	1 557	1 198	5.26	-2.3
R801 - R1600	929	4 924	21.61	43.0
R1601 – R3200	794	1 582	6.94	9.9
R 3 201 - R 6 400	566	933	4.09	6.5
R 6 401 - R 12 800	239	763	3.35	21.9
R 12 801 - R 25 600	58	489	2.15	74.3
R 25 601 - R 51 200	27	101	0.44	27.4
R 51 201 - R 102 400	32	30	0.13	-0.6
R 102 401 - R 204 800	7	28	0.12	30.0
R 204 801 or more	3	12	0.05	30.0
Unspecified	0	973	4.27	
	<b>7 846</b>	<b>22 791</b>		

**Source:** StatsSA 2011

StatsSA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the poverty line. This is exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power

which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

The potential economic active labour force accounts for 60.2% of the total population which reinforces the need to boost the economy and stimulate job growth.

**Table 6: Labour Status**

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total Population</b>				
<b>Labour status 15 to 65</b>				
Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.84
Non-economically active	9471	10935	50.5	1.55
	<b>22665</b>	<b>21669</b>		

**Source:** StatsSA 2011

StatsSA indicates that 15.2% of the potential workforce is unemployed and a further 50.5% are not economically active in 2011. The remaining 34.3% of the labour force is employed. The overall dependency ratio is 56.8 persons per hundred population of working age. StatsSA 2011 also concludes that 1 953 of the youth in Blue Crane Route are unemployed.

**Table 7: Education Levels 20 year +**

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016)	%
<b>Total Population</b>						
<b>Level of education 20 +</b>						
No schooling	4 088	2 592	8.24	-3.7	1307	6.3
Some primary	5 956	10 895	34.65	8.3	4525	21.7
Complete primary	1 977	2 516	8.00	2.7	2056	9.9
Some secondary	5 361	9 577	30.46	7.9	8108	38.9
Std 10/Grade 12	2 437	4 420	14.06	8.1	4309	20.7
Higher	1 075	1 392	4.43	2.9	515	2.5
Unspecified	0	49	0.16		20	0

**Source:** StatsSA 2011 and Community Survey 2016

Stats SA 2011 shows that 8.24% of the population over 20 years of age have not received any schooling and Community Survey 2016 shows a reduction to 6.3 % meaning there is an improvement. Community Survey 2016 further reflects an improvement of 20.7% from 14.06 (StatsSA 2011) on those who have attained Grade 12, however, though there is a growth in terms of Secondary education according to the Community Survey 2016 there is also a decline to 2.5% on those who attained Higher education.

The following is the breakdown of schools per town within the municipality:

School name	Location
<ol style="list-style-type: none"> <li>1. Johnson Nqonqoza High School</li> <li>2. Aeroville High School</li> <li>3. Gilbert Xuza Primary School</li> <li>4. St' Teresa Primary School</li> <li>5. Nojoli Junior Primary School</li> <li>6. Nonzwakazi Primary School</li> <li>7. William Oates Primary School</li> <li>8. W.G Olivier Primary School</li> <li>9. Gill Primary School</li> <li>10. Gill College</li> </ol>	Somerset East
<ol style="list-style-type: none"> <li>1. Cookhouse Primary School</li> <li>2. Visrivier Primary School</li> <li>3. Msobomvu Junior Primary School</li> <li>4. Cookhouse High School</li> </ol>	Cookhouse
<ol style="list-style-type: none"> <li>1. Pearston High School</li> <li>2. Pearston Primary School</li> <li>3. Lukhanyiso Primary School</li> </ol>	Pearston
<ol style="list-style-type: none"> <li>1. De Hoop Primary School</li> <li>2. Lushof Primary School</li> <li>3. Bracefield Primary School</li> <li>4. Golden Valley Primary School</li> <li>5. Hambakuhle Farm</li> <li>6. Kommadagga Primary</li> <li>7. Middlewater DRC Primary</li> <li>8. Verdun</li> <li>9. Witmos Primary</li> <li>10. Grootvlakt</li> </ol>	Farm Area

**Table 8: Crime Statistics for BCRM**

<b>CRIME STATISTICS</b>	<b>Somerset East</b>	<b>Cookhouse</b>	<b>Pearston</b>	<b>Total</b>
<b>Crime Category</b>				
<b>Contact Crimes (Against the person)</b>				
Assault with the intent to inflict grievous bodily harm	98	54	38	<b>190</b>
Common Assault	91	49	16	<b>156</b>
Common Robbery	10	2	4	<b>16</b>
Murder	7	6	5	<b>18</b>
Attempted murder	7	1	0	<b>8</b>
Sexual Offences	33	15	10	<b>58</b>
Robbery with aggravating circumstances	24	12	3	<b>39</b>
<b>Contact Related Crimes</b>				
Arson	3	0	0	<b>5</b>
Malicious damage to property	28	27	15	<b>70</b>
<b>Property Related Crimes</b>				
Burglary at non-residential premises	47	13	7	<b>67</b>
Burglary at residential premises	124	41	34	<b>199</b>
Theft of motor vehicle and motorcycle	10	1	2	<b>13</b>
Theft out of or from motor vehicle	16	19	6	<b>41</b>
Stock theft	50	44	20	<b>114</b>
<b>Crime Detected as result of Police Action</b>				
Illegal possession of firearms and ammunition	1	1	2	<b>4</b>
Drug related crime	34	111	32	<b>177</b>
Driving under the influence of alcohol or drugs	9	26	0	<b>35</b>
<b>Other Serious Crimes</b>				

<b>CRIME STATISTICS</b>	<b>Somerset East</b>	<b>Cookhouse</b>	<b>Pearston</b>	<b>Total</b>
<b>Crime Category</b>				
All theft not mentioned elsewhere	124	68	31	<b>223</b>
Commercial Crime	12	3	0	<b>15</b>
Shoplifting	12	0	0	<b>12</b>
<b>Subcategories of Aggravated Robbery</b>				
Carjacking	2	0	0	<b>2</b>
Truck hijacking	0	1	0	<b>1</b>
Robbery at residential premises	2	1	0	<b>3</b>
Robbery at non-residential premises	4	1	3	<b>8</b>
<b>Crime Detected as a Result of Police Action</b>				
Sexual offences detected as a result of police action	0	0	0	<b>0</b>
Bank Robbery	0	0	0	<b>0</b>
Robbery of cash in transit	0	0	0	<b>0</b>
<b>Sexual Offences</b>				
Rape	26	14	9	<b>49</b>
Sexual Assault	3	0	1	<b>4</b>
Attempted Sexual Offences	3	0	0	<b>3</b>
Contact Sexual Offences	1	1	0	<b>2</b>
<b>Other Serious Crimes</b>				
Community reported serious crimes	781	517	240	<b>1538</b>

Source: SAPS 2019

Crime statistics in the table above indicates the levels of crimes during the period of 2019. The list above indicates crime in terms of frequency from high to low. Common assault, assault with intent to inflict grievous bodily harm, theft and stock theft and other crimes reported by the community seem to be the dominating crimes in all three areas especially in Somerset East. Theft and assault are dominating in Somerset East followed by drug related crimes. Driving under the influence of alcohol and drug related crimes are prevalent in Cookhouse. Crime levels in Pearston are low compared to other towns within the municipality; however, community reported serious crimes are taking a lead in the area.

## 2.4 INFRASTRUCTURE DEVELOPMENT DIMENSIONS

### 2.4.1. Water and Sanitation

The Blue Crane Route Municipality is the Water Services Authority (WSA) and the Water Services Provider (WSP). The municipality has achieved marked improvements in both the provision of water and sanitation. The number of households with water on site is almost double the Eastern Cape provincial average. The Blue Crane Route Local Municipality like other municipalities in the country is faced with challenges related to the stagnation and / or decline in national grants allocations. The Municipality received ±R34 million funding from the Department of Water and Sanitation under the Water Services Infrastructure Grant (WSIG) for financial year 2019/2020. This funding was used to construct Pearston WTW and Pearston WWTW phase 3, which is still in progress.

BCRM challenges are high water losses which are 29% during financial year 2019/2020. This is a result of ageing infrastructure, internal pipe leakages at the indigent households and incomplete water metering. The Municipality is currently busy preparing business plans to source funding to reduce these water losses and will be submitted to various relevant sector departments to assist on funding.

BCRM has experienced several challenges with regards to water services of these include the following:

- Pearston obtains its water from boreholes only. The augmented water supply in Pearston ensure that the town has constant and sustainable water supply. However, under the project to augment Pearston water supply, out of five (5) boreholes, two boreholes were not functional due vandalism, theft, lack of electrical connection and budget constraints and therefore a follow up project has been initiated to complete phase two of water supply in Pearston. Pearston does not have surface water and entirely relies on borehole water, this means that the water supply in Pearston is dependent on underground water to abstract the water and a MIG funding for a bulk water supply is being sourced from CoGTA and DWS. BCRM is sourcing funding to drill boreholes (2x) to augment the water supply.
- Somerset East Water is obtained from surface water that is seasonal and rainfall dependent, as well as water from the Orange/Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange/Fish Canal supply, which is utilised by various farmers and other water consumers. BCRM is sourcing funding to drill boreholes (2x) to augment the water supply.
- Since Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange/Fish Irrigation Scheme and has no surface or borehole sources. The present water supply to the town is not reliable, and a pipeline is required from the Orange-Fish Scheme / canal to secure sustainable water to the town. A project is

in progress for Bulk water supply to Cookhouse, anticipated to be complete by FY2021/2022. BCRM is sourcing funding to drill boreholes (2x) to augment the water supply.

Pearston is the only town in BCRM that depends fully on ground water for human consumption and agricultural activity, which is one of the drivers of the economy in the area.

The low inland rainfall results in sporadic droughts consequently drying up supply boreholes to towns and villages. The water quality during these periods deteriorates to levels that are unsafe for human consumption. Because of water being a scarce resource in Pearston, there are competing demands between servicing the community and servicing agricultural production.

Bulk water services in the BCRM are under pressure due to overloading or high demand (needs upgrading) and the lack of on-going maintenance due to inadequate budget provision for Operation and Maintenance. BCRM does not have a Water Services Development Plan (WSDP) that is a strategic document that guides the water business.

The BCRM launched a Water Conversation and Demand Management project or water loss audit project to establish non-revenue water, water leaks which contribute greatly to water losses. The following tasks were also done under the project:



The project has the following successes:

- Domestic Water Meters are to be replaced every 7 to 10 years;
- Bulk water meter to be replaced every 5 years;



- All Domestic users have received a Water Meter;
- All Masakhane users are equipped with a functioning standpipe;

#### **2.4.1.1 Construction of Pearston Water Treatment Works (1.5 MI/day)**

The Pearston is solely dependent on boreholes, the chlorination room used was not effective and the water produced did not meet SANS 241 standards. There was a need to construct a conventional WTW to ensure the water supplied to communities is fit for use. The project entailed construction of 1.5 MI/day WTW in Pearston. The project scope entails:

- Existing Services;
- New Infrastructure:
  - Security Fencing
  - Platform for Water Works
  - Sludge Ponds
  - Pipework – Water & Sewers
  - Roadworks
  - Building Works
  - Mechanical Works
  - Other Services

#### **2.4.1.2 Augmentation of Cookhouse Bulk Water Supply Phase 2B**

Phase 2B of the Augmentation of the Cookhouse Bulk Water Supply Scheme, consists of an original total length of 2.7 kilometres of 315 mm diameter, class 12, uPVC pipe with all the associated chambers for air valves, scour valves and isolating valves.

**Table 9: Major Predominant Dams in BCR**

MAJOR DAM	MAJOR RIVER	MUNICIPALITY	USE
<ul style="list-style-type: none"> <li>• Van Der Walt Dam</li> <li>• Bestershoek Dam</li> <li>• Cookhouse Dam</li> <li>• Lake Bertie</li> <li>• Berg Dam</li> </ul>	ORANGE RIVER via FISH RIVER INTO SUNDAYS RIVER	BLUE CRANE	DOMESTIC & IRRIGATION

The table overleaf illustrate the rainfall figures per town as captured and recorded by the South Weather Services.

**Table 10: Water and Sanitation Provision**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016)	%
<b>Total number of households</b>	9 595	9 761		1.7%	9876	
<b>Sanitation</b>	9 470	9 760		3.06%		91.2
Flush toilets	4439	7856	80.5	7.7	8731	88.4
Flush septic tank	390	395	4.0	0.1	-	-
Chemical	244	25	0.3	-9.0	12	0.1
VIP	127	83	0.9	-3.5	-	-
Pit latrines without ventilation	752	327	3.4	-5.7	403	4.1
Bucket latrine	1921	277	2.8	-8.6	286	2.9
None	1597	617	6.3	-6.1	347	3.5
Other		180	1.8	-	-	-

<b>Water – Access to piped water</b>	<b>8 530</b>	<b>9 740</b>		<b>12.4%</b>	<b>9003</b>	<b>91.2</b>
Household	2289	5022	51.5	11.94	-	-
In yard	5027	3903	40.0	-2.24	-	-
Community stand <200 m	526	323	3.3	-3.86	-	-
Community Stand >200m	688	172	1.7	-7.50	-	-
No access to piped (tap) water		340	3.5	-	873	8.8
<b>Water – Source of water</b>		<b>9 760</b>				
Water scheme operated by municipality or other WSP		7830	80.2	-	-	-
Borehole	128	955	9.8	64.6	-	-
Spring	5	30	0.3	50.0	-	-
Rain tank	196	275	2.8	4.0	-	-
Dam/stagnant water	207	317	3.2	5.3	-	-
River/stream	201	53	0.5	-7.4	-	-
Water vendor	17	31	0.3	8.2	-	-
Water Tanker		132	1.4	-2.7	-	-
Other	180	137	1.4	-	-	-

**Source:** StatsSA 2011 and CS 2016

The level of waterborne system/connection shows a growth of 7.7% p.a. over a period of 10 years (2001 to 2011). The number of bucket latrines reflects a negative growth of -8.6% p.a. over the same period which in effect means that bucket toilets have been reduced by 85.6% from 20.3% in 2001 to 2.8% in 2011. The standard and provision of

sanitation and water shows a significant improvement from 2001 to 2011. The BCRM has a total of 8929 houses which has access to drinking water and basic level of sanitation. Three hundred and fifty (350) households which make (4%) of the households are people living in the informal settlements, their access to sanitation is in a form of bucket system and have access to drinking water in a form of community stand pipes which are within 200m walking distance from the households.

### **Statistics on Water and Sanitation Provision:**

#### **Water and Sanitation Provision**

##### **Cookhouse (Ward 1 & 6)**

**No. of House Holds Serviced = 1546**

Bongweni 3 – 523

Bongweni 4 – 653

Business – 22

Cradock Place – 57

Newtown – 153

Station – 138

##### **Pearston (Ward 4)**

**No. of House Holds Serviced = 1944**

Pearston Town – 1022

Nelsig – 433

Khanyiso – 489

##### **Somerset East (Wards 2, 3 & 5)**

**No. of House Holds Serviced = 5068**

Somerset East Town – 971

Aeroville – 1174

New Brighton – 323

Old Location – 354

Glen Avon – 23

Mnandi – 1169

Chris Hani – 416

Francisvale – 245

Vosloodal – 39

West View – 354

## 2.4.2 Electricity and Energy

- Blue Crane Route is the licensed distributor of electricity and buys in bulk for distribution within its approved area of supply. Services in the rural areas are rendered by the municipality.
- The electrical network is ±45-year-old, and has passed its lifespan, which is unreliable and causes a lot of outages in rural and urban areas;
- Notified Maximum Demand (NMD) from Eskom, is 18MVA. This needs to be increased, to cater future development within BCRM;
- Electrical master plan needs to be done to ensure electricity within BCRM is reliable, cost estimated, and caterers for future development;
- SDF and SPLUMA needs to be finalised in order to deal with proper development nodes within BCRM and in order to have proper electricity reticulation plan for such developments.

**Table 11: Energy for Lighting**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016)	%
<b>Total number of households</b>	9 595	9 761			<b>9876</b>	
<b>Energy (Access)</b>	<b>9 470</b>	<b>9 760</b>		<b>3.06%</b>		
Electricity	6 161	8 486	86.9	3.8	8759	88.9
Gas	23	17	0.2	-2.6		-
Paraffin	2 135	306	3.1	-8.6		-
Candles	1 057	876	9.0	-1.7		-
Solar	34	36	0.4	0.6		-
Other	60	0	0.0	-10.0	1247	12.1
None		39	0.4			-

**Source: StatsSA 2011 and Community Survey 2016**

Access to electricity has improved from 65.1% in 2001 to 86.9% in 2011. Community survey conducted in 2016 also shows a slight increase from 86.9% to 88.9%. The dependency on paraffin and candles was reduced from 22.5% and 11.2% in 2001 to 3.1% and 9.0% in 2011.

Electricity Supply:

No. of HH supplied with electricity

Cookhouse (Ward 1&6) = 1614

Bongweni 3 – 523

Bongweni 4 – 653

Business – 22

Cradock Place – 57

New Town – 153

Station – 138

Noxolo Kiviet (informal settlements) – 68

**Pearston (Ward 4) = 2027**

Pearston Town – 1022

Nelsig – 433

Khanyiso – 489

Millenium Park – 83

**Somerset East (Ward 2, 3 & 5) = 5131**

Somerset East – 971

Aeroville – 1174

New Brighton – 323

Old Location – 354

Glen Avon – 23

Mnandi – 1169

Chris Hani – 416

Francisvale – 245

Vosloodal – 39

Westview – 354

Nkqantosi – 63

BCRM also supply farming community that is >100km radius. The current backlog in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. The municipality had approved ring-fence of basic charge to cater for operation and maintenance of electrical network, this will be utilised during FY2020/2021.

Electricity is supplied to all schools, hospital (Andre Vosloo and Somerset East correction services).

Rating of quality of municipal services	2011		2016	
	Number	Percent	Number	Percent
Water (good)			6 437	65.9
Electricity supply (good)			5 994	65.3
Sanitation (good)			5 169	55.3
Refuse removal (good)			7 439	77.7

Ratio	2011		2016	
	Number	Percent	Number	Percent
Dependency ratio		56.7		64.7
Poverty head count ratio		0.0		0.0
Sex ratio		96.5		97.9

### **2.4.3 Roads and Stormwater**

SBDM appointed agents to assist in road classification, condition assessment, and audit on road furniture. A program called Rural Road Asset Management System is being used to analyse the road network. The total municipal road network is 169,341km. BCRM roads network information is as follows, the source of information is RRAMS.



**Table 12: Road length by surface type**

### Municipal Road Length (km) by Surface Type

Ward	Paved Roads				Unpaved Roads				Other	Total	%
	Flexible	Concrete	Block	Sub-Total	Gravel	Earth	Track	Sub-Total			
Ward 1 (Blue Crane Route)	3.06	0.00	2.48	5.54	6.21	0.47	0.17	6.85	0.00	12.39	7.32
Ward 2 (Blue Crane Route)	20.97	0.00	3.05	24.02	15.63	0.00	0.65	16.28	0.09	40.39	23.85
Ward 3 (Blue Crane Route)	3.92	0.05	4.76	8.73	14.27	0.00	0.17	14.44	0.00	23.17	13.68
Ward 4 (Blue Crane Route)	0.82	0.07	6.02	6.91	35.99	0.10	1.15	37.24	0.00	44.15	26.07
Ward 5 (Blue Crane Route)	9.93	0.00	5.71	15.64	13.80	0.55	0.89	15.24	0.00	30.88	18.23
Ward 6 (Blue Crane Route)	1.85	0.00	1.68	3.53	5.14	0.29	3.98	9.41	5.43	18.37	10.85
<b>Total</b>	<b>40.55</b>	<b>0.12</b>	<b>23.70</b>	<b>64.37</b>	<b>91.04</b>	<b>1.41</b>	<b>7.01</b>	<b>99.46</b>	<b>5.52</b>	<b>169.35</b>	
<b>%</b>	<b>23.94</b>	<b>0.07</b>	<b>13.99</b>	<b>38.01</b>	<b>53.76</b>	<b>0.83</b>	<b>4.14</b>	<b>58.73</b>	<b>3.26</b>		

Ward	Paved Roads				Other	Total	%
	Flexible	Concrete	Block	Sub-Total			
Ward 1 (Blue Crane Route)	3.06	0.00	2.48	5.54	0.00	12.39	7.56
Ward 2 (Blue Crane Route)	20.97	0.00	3.05	24.02	0.00	40.30	24.60
Ward 3 (Blue Crane Route)	3.92	0.05	4.76	8.73	0.00	23.17	14.14
Ward 4 (Blue Crane Route)	0.82	0.07	6.02	6.91	0.00	44.15	26.95
Ward 5 (Blue Crane Route)	9.93	0.00	5.71	15.64	0.00	30.88	18.85
Ward 6 (Blue Crane Route)	1.85	0.00	1.68	3.53	0.00	12.94	7.90
<b>Total</b>	<b>40.55</b>	<b>0.12</b>	<b>23.70</b>	<b>64.37</b>	<b>0.00</b>	<b>163.83</b>	
<b>%</b>	<b>24.75</b>	<b>0.07</b>	<b>14.47</b>	<b>39.29</b>	<b>0.00</b>		

Ward	Unpaved Roads				Other	Total	%
	Gravel	Earth	Track	Sub-Total			
Ward 1 (Blue Crane Route)	6.21	0.47	0.17	6.85	0.00	12.39	7.32
Ward 2 (Blue Crane Route)	15.63	0.00	0.65	16.28	0.09	40.39	23.85
Ward 3 (Blue Crane Route)	14.27	0.00	0.17	14.44	0.00	23.17	13.68
Ward 4 (Blue Crane Route)	35.99	0.10	1.15	37.24	0.00	44.15	26.07
Ward 5 (Blue Crane Route)	13.80	0.55	0.89	15.24	0.00	30.88	18.23
Ward 6 (Blue Crane Route)	5.14	0.29	3.98	9.41	5.43	18.37	10.85
<b>Total</b>	<b>91.04</b>	<b>1.41</b>	<b>7.01</b>	<b>99.46</b>	<b>5.52</b>	<b>169.35</b>	
<b>%</b>	<b>53.76</b>	<b>0.83</b>	<b>4.14</b>	<b>58.73</b>	<b>3.26</b>		

**Table 13: Road class**

**Municipal Road Length (km) by Road Class**

Ward	Class 1		Class 2		Class 3		Class 4		Class 5		Total	%
	Paved	Unpaved	Paved	Unpaved	Paved	Unpaved	Paved	Unpaved	Paved	Unpaved		
Ward 1 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	10.30	0.00	4.74	6.84	21.88	<b>10.89</b>
Ward 2 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	7.69	0.00	17.12	16.37	41.18	<b>20.49</b>
Ward 3 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	3.27	0.57	5.46	13.86	23.16	<b>11.52</b>
Ward 4 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	3.57	1.32	3.35	35.92	44.16	<b>21.97</b>
Ward 5 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	0.75	1.02	14.88	14.22	30.87	<b>15.36</b>
Ward 6 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.00	0.00	21.35	0.00	3.53	14.85	39.73	<b>19.77</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>46.93</b>	<b>2.91</b>	<b>49.08</b>	<b>102.06</b>	<b>200.98</b>	
<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23.35</b>	<b>1.45</b>	<b>24.42</b>	<b>50.78</b>		

**Table 14: Municipal Road Length by Authority**

**Municipal Road Length (km) by Authority**

Ward	National	Provincial	Municipal	Total	%
Ward 1 (Blue Crane Route)	54.26	488.77	12.37	555.40	19.72
Ward 2 (Blue Crane Route)	12.81	0.79	40.39	53.99	1.92
Ward 3 (Blue Crane Route)	0.69	0.00	23.16	23.85	0.85
Ward 4 (Blue Crane Route)	96.02	619.17	44.15	759.34	26.97
Ward 5 (Blue Crane Route)	0.71	0.00	30.88	31.59	1.12
Ward 6 (Blue Crane Route)	114.44	1 258.83	18.38	1 391.65	49.42
<b>Total</b>	<b>278.93</b>	<b>2 367.56</b>	<b>169.33</b>	<b>2 815.82</b>	
<b>%</b>	<b>9.91</b>	<b>84.08</b>	<b>6.01</b>		

**Source:** RRAMS

**Table 15: Road condition by ward**

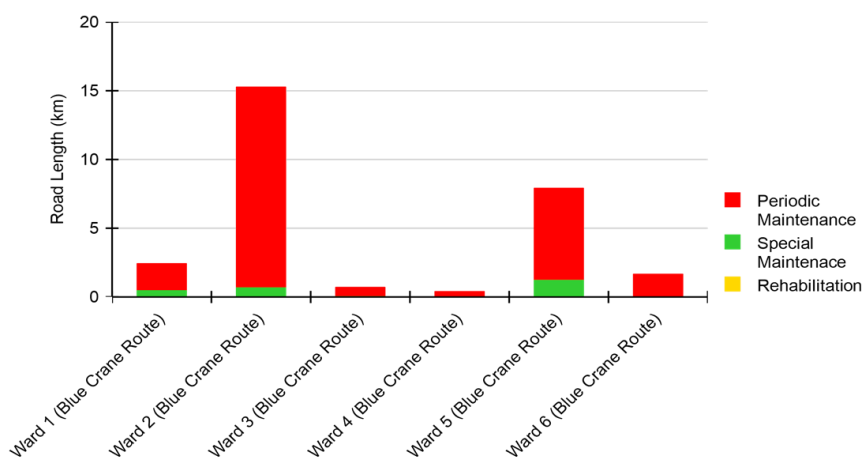
## Municipal Road Condition Length (km) by Ward

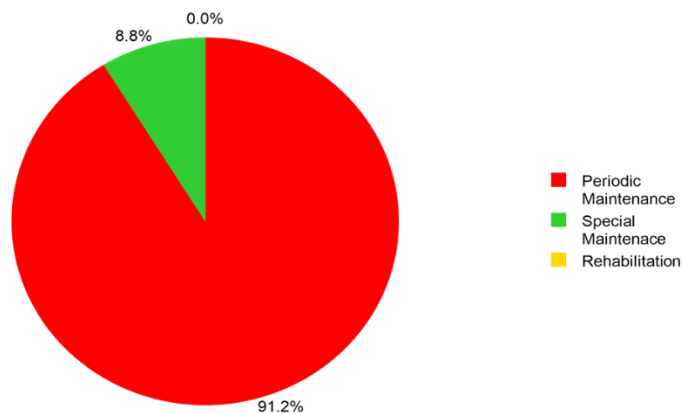
Ward	Very Good	Good	Fair	Poor	Very Poor	Total	%
Ward 1 (Blue Crane Route)	0.00	3.32	2.22	0.00	0.00	5.54	<b>8.63</b>
Ward 2 (Blue Crane Route)	0.32	13.47	10.02	0.22	0.00	24.03	<b>37.42</b>
Ward 3 (Blue Crane Route)	0.00	5.89	2.78	0.06	0.00	8.73	<b>13.60</b>
Ward 4 (Blue Crane Route)	0.91	4.93	1.08	0.00	0.00	6.92	<b>10.78</b>
Ward 5 (Blue Crane Route)	0.00	6.06	8.63	0.95	0.00	15.64	<b>24.36</b>
Ward 6 (Blue Crane Route)	0.33	0.99	2.03	0.00	0.00	3.35	<b>5.22</b>
<b>Total</b>	<b>1.56</b>	<b>34.66</b>	<b>26.76</b>	<b>1.23</b>	<b>0.00</b>	<b>64.21</b>	
<b>%</b>	<b>2.43</b>	<b>53.98</b>	<b>41.68</b>	<b>1.92</b>	<b>0.00</b>		

Table 16: Road maintenance by ward

## Municipal Road - Needs by Ward

Ward	Rehabilitation		Special Maintenance		Periodic Maintenance		Total
	Length (km)	% of District	Length (km)	% of District	Length (km)	% of District	
Ward 1 (Blue Crane Route)	0.00	0.00	0.49	20.08	1.95	79.92	2.44
Ward 2 (Blue Crane Route)	0.00	0.00	0.70	4.58	14.58	95.42	15.28
Ward 3 (Blue Crane Route)	0.00	0.00	0.06	8.45	0.65	91.55	0.71
Ward 4 (Blue Crane Route)	0.00	0.00	0.00	0.00	0.41	100.00	0.41
Ward 5 (Blue Crane Route)	0.00	0.00	1.25	15.78	6.67	84.22	7.92
Ward 6 (Blue Crane Route)	0.00	0.00	0.00	0.00	1.67	100.00	1.67
<b>Total</b>	<b>0.00</b>		<b>2.50</b>		<b>25.93</b>		<b>28.43</b>
<b>% of Treatment</b>	<b>0.00</b>		<b>8.79</b>		<b>91.21</b>		





According to the latest version of the Sarah Baartman/ Cacadu Intergraded Transport Plan (2011/12), the maintenance of roads throughout the entire Blue Crane Route Municipal Area is inadequate due to lack of funding. Urgent attention and funding are required. The upgrading of gravel roads to surfaced standard (and with suitable stormwater drainage) in residential areas is one of the key priorities.

As much as the BCRM is on target in implementing its strategy (Upgrading of Gravel Roads), the objective and strategies for facilitation of an efficient and effective public transport system are still lacking (Cacadu ITP 2011/12).

⇒ **Road Infrastructure and Transport Modes**

**Table 17: Road Infrastructure and Transport Modes**

BASIC SERVICE / INFRASTRUCTURE	Municipal Roads	Dept of Roads
Transport Modes	StatsSA 2001	%
On foot	14348	41.0
By bicycle	177	0.5
By motorcycle	36	0.1
By car as a driver	848	2.4

By car as a passenger	1093	3.1
By minibus/taxi	979	2.8
By bus	195	0.6
By train	26	0.1
Other	41	0.1
Not applicable	17264	49.3
	<b>35007</b>	

⇒ **Non-motorised transport**

**a. Bicycle transport & facilities**

There is a minimal provision for bicycle travel within the BCR. Cyclists share the travelled way with motorized traffic. Cycling, however, is not a prevalent form of transport in the BCRM but is predominantly a recreational sport activity.

**b. Sidewalks and walkways**

Visual assessment was done on the primary transport corridors in the BCR which indicated a dire need for the provision of sidewalks and walkways. Given the limited income profile of the rural population, and the proximity of residential townships to the business nodes in most of the towns, walking is one of the main transport modes in the BCR. Based on the above, sidewalks and a pedestrian bridge have been constructed from Somerset East town to Aeroville. In Somerset East town, sidewalks have been constructed in Nojoli and Charles Streets.

The length of sidewalks and walkways constructed is as follows:

- Length of sidewalks (km)  
From Somerset East (Nojoli Street) to Aeroville – 2.8 km  
Nojoli Street – 1.7 km
- Length of walkways (km)  
Aeroville – 450 m
- Length of the pedestrian bridge constructed from Somerset East to Aeroville is 35m long.

⇒ **Scholar transport**

Most scholars walk to school. In the urban areas, more than 80% walk, whilst this percentage is slightly lower in the rural areas, with a higher percentage using public transport (bus and taxi) than in the urban areas. This can probably be attributed to the fact that scholar transport contracts are in place in some of the rural areas.

**Table 18: Modal Split for Scholars per School Type (Urban/Rural)**

Mode	Percentage of Scholars per School Type	
	Urban (within town or township)	Rural
Walking	80.2	69.1
Car	5.6	0.2
Bus	5.9	14.5
Taxi	5.9	11.3
Bicycle	1.1	1.5
Other	1.4	3.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Source:** *Integrated Transport Plan*

⇒ **Public transport**

- Taxi Services

There are nine registered taxi associations in the BCR. The OLAS indicates a registered membership of 749 persons, who operate a total of 473 vehicles that have operating licenses and are operating legally.

**Table 19: Taxi Associations and Membership**

Association name	Abbreviated name	Claimed numbers	Members with OL's	Vehicles
Norwich Long Distance Taxi association	NOLDTA (Somerset East)	238	58	102

**Source:** *Integrated Transport Plan*

There is one registered taxi association in the BCRM. The OLAS indicates a registered membership of 238 persons, who operate a total of 102 vehicles that have operating licenses and are operating legally. BCRM has a functional transport forum which is championed by the Portfolio Head of the Technical Services Department. This forum is co-ordinated by the Department of Public Works for the implementation of projects in the area. Councilors and farmers also form part of the steering committee where all roads related projects for farmers and national roads are addressed as well as the needs of the community. The forum sits by-monthly due to the nature of projects implemented in the area.

**Table 20: Taxi facilities in the BCR**

Municipality	Formal	Informal	Stops
--------------	--------	----------	-------

BCR	2	1	0
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**Source:** BCR Integrated Transport Plan

**Table 21: Summary of taxi routes operated in BCRM**

Municipality	Local/ Commuter	inter-town (within CDM)	Inter-town (Outside CDM)	Total
Blue Crane Route	6	1	6	13

**Source:** BCR Integrated Transport Plan

- **Bus Services**

No subsidized bus services are provided within the Sarah Baartman District. Bus services in the district are therefore limited to long distance bus operations on the main routes through the district, and one private operator who is based in Jansenville and own seven buses that run from Jansenville via Uitenhage to Port Elizabeth three times per week. The routes stops and schedule for the long-distance buses that operate within the Sarah Baartman are indicated in table below.

Long distance buses stop at the entrance to Cookhouse Caltex Garage off the N10. These informal facilities at the Subway service station are in a fair condition.

- Somerset East

Long distance buses stop at the taxi rank on the corner of Francis Street and Worcester Street. There is no shelter available.

**Table 22: Long Distance Bus Operations**



Operator	Route	Road	Stops
City to City / Translux	Durban / Cape Town	N2	Grahamstown, PE, Humansdorp, Storms River
	Cape Town / Durban	N2	Storms River, Humansdorp, PE, Grahamstown
	PE / Johannesburg	N2, R67	Grahamstown
	Johannesburg / PE	R67, N2	Grahamstown
	Johannesburg / Cape Town	N9(R57), R61	Graaff-Reinett, Aberdeen
	Cape Town / Johannesburg	R61, N9(R57)	Aberdeen, Graaff-Reinett
Greyhound	Durban / Cape Town	N2	Grahamstown, PE, Humansdorp, Storms River
	Cape Town, Durban	N2	Storms River, Humansdorp, PE, Grahamstown
	PE / Johannesburg	N2, R67	Grahamstown
	Johannesburg / PE	R67, N2	Grahamstown
Intercape	PE / Johannesburg	N2, N10	Cookhouse
	Johannesburg / PE	N10, N2	Cookhouse
	George / Johannesburg	N9(R57)	Willowmore, Aberdeen, Graaff-Reinett
	Johannesburg / George	N9(R57)	Graaff-Reinett, Aberdeen, Willowmore
	PE / Cape Town	N2	Humansdorp, Storms River
	Cape Town / PE	N2	Storms River, Humansdorp
SA Roadlink	Durban / Cape Town	N2	Grahamstown, PE, Humansdorp, Storms River
	Cape Town / Durban	N2	Storms River, Humansdorp, PE, Grahamstown
	PE / Johannesburg	N2, N10	Cookhouse
	Johannesburg / PE	N10, N2	Cookhouse
DMJ Tours	Umtata / Cape Town	R63, N9(R57), R61	Cookhouse, Somerset East, Pearston, Graaff-Reinett, Aberdeen
	Cape Town / Umtata	R61, N9(R57), R63	Aberdeen, Graaff-Reinett, Pearston, Somerset East, Cookhouse

Source: ITP data surveys 2010

Table 23: Long Distance Bus Operations per Route/corridor

Route/ Corridor	Average No of Buses/ day (both directions)
Corridor 2 (PE, Cookhouse, Johannesburg)	4

- **Bus Transport Infrastructure**

Long distance bus operators operate from areas close to a service station where parking is available for persons who are dropping off or picking up passengers, and where passengers can disembark during stop overs to use cafeteria facilities.

Long distance buses stop at the Caltex Garage off the N10 at the entrance to Cookhouse. These informal facilities at the Subway service station are in a fair condition.

⇒ **Maintenance of Roads**

The maintenance of roads throughout the entire Blue Crane route Municipal Area (urban and rural) is not ideal due to the lack of enough funding. Urgent attention and funding are needed to address this problem. The upgrading of gravel roads to surfaced standard (and with suitable storm water drainage) in residential areas is one of the key priorities.

There is a huge challenge within the BCRM of no suitable quarry available to source the materials in a commercial quarry for the maintenance of roads. Priority needs to be given to obtaining a licensed quarry where suitable materials will be obtained.

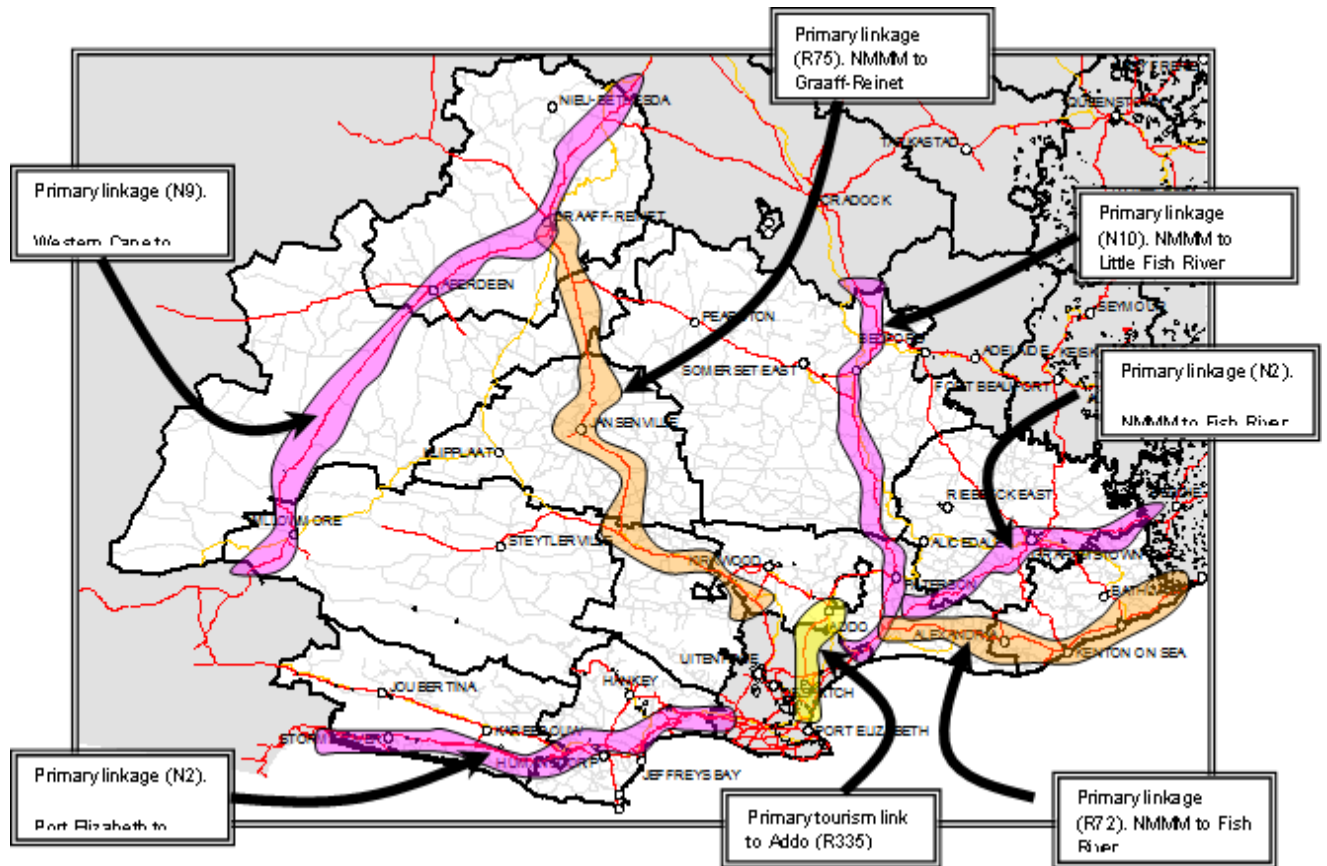
The IDP recognises that its adopted strategy for the upgrading of gravel roads is predominantly on target, but that its objective and strategies for the facilitation of an efficient and effective public transport system are lacking.

BCRM does have Rural Roads Asset Management (RRAMS) and information pertaining to BCRM was sent and a system was provided. The Rural roads are currently managed by the DRW&I. BCRM is planning a phase in approach regarding the maintenance of these roads. Paving of streets, is being prioritised as a surface type due to its low maintenance and sustainability.

⇒ **Roads and stormwater master plan**

Weightings can be assigned to each of these factors, from which an algorithm is then generated, and prioritization can then be done. Prioritization can therefore be determined for various scenarios, depending on the focus/aim of the exercise.

**Map 4: Significant Primary Linkages**



⇒ **Rail Infrastructure**

The rail network that used to be a vibrant backbone to the economy of the District has been neglected and is in a state of dilapidation resulting in the collapse of towns like Cookhouse (Blue Crane Route).

The ECDOT recently completed a 10 Year Rail Plan which included a status quo assessment of rail infrastructure in the Eastern Cape. The following services are provided on the branch lines in the BCR:

Load: Track warrant

Lines: Cookhouse – Blaney

The following low axle load branch lines have been abandoned for a number of years already and a lack of maintenance has led to a serious decline in the line infrastructure, invasions of the reserves and vandalization of the building structures.

- Cookhouse – Somerset East
- Cookhouse – Fort Beaufort – Blaney branch line

Between Blaney and Fort Beaufort, 11 wagon trains move in each direction at a frequency of 1,3 per day. Between Fort Beaufort and Cookhouse, the frequency drops to half this number. Only freight is transported.

#### 2.4.4 Solid Waste Management

**Table 24: Refuse Removal Services**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	BLUE CRANE ROUTE AREA (CS 2016)	%
Total number of households	9 595	9 761		9876	
Refuse Removal	9 467	9 761	%		%
<b>How often by municipality?</b>					
a) @ least once a week	6351	7842	80.3	8505	86.1
b) Less often	28	51	0.5	37	0.4
How often is refuse bags provided	Once in 3 months	Once in 3 months		Once in 3 months. Each household is supplied with 18 refuse bags during that period.	
<b>Mode Disposal</b>					
i) Communal dumping	59	78	0.8	426	4.3
ii) Own dump	2440	1444	14.8	637	6.4
iii) No disposal	589	195	2.0	258	2.6
Other	0	151	1.5	-	0.1
<b>No of Licensed Landfill sites</b>		3			
No of un-licensed landfill sites		0			

**Source:** StatsSA 2011 and CS 2016

In 2011, 80.3% of households had access to a weekly refuse removal service as opposed to only 67.1% in 2001. In 2016 it has increased to 86.1.

In BCRM all residential areas, except farms, have access to refuse removal services. There is a fixed schedule for household and business refuse collection. Both household and business refuse are collected once a week while garden refuse is collected at least once in two months, even though there are instances where collection of garden refuse takes longer than the stipulated timeframes due to aging fleet or mechanical breakdowns. During those instances it gets collected once a month. A partnership has been developed with Community Works Programs

(CWP) to conduct on-going clean up campaigns and beautification of spots where illegal dumping has been identified. Twenty (20) casuals have been appointed for this financial year for a period of 6 months under the EPWP grant to assist with the cleaning of towns. Since this partnership was formed, there has been a significant reduction of illegal dumping and in all spots where beautification had been done there is improvement in environmental awareness amongst the residents as they no longer dump on those spots.

#### 2.4.5 Human Settlement

**Table 25: Dwelling type and Tenure status**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total number of households</b>	9 595	9 761		
<b>Dwelling Type</b>	9 468	9 761		<b>3.10%</b>
House or brick structure on a separate stand, yard or farm	8 219	8 537	87.5	0.39
Mud/Traditional Dwelling	221	64	0.7	-7.10
Flat in block of flats	93	145	1.5	5.59
Town/cluster/semi-detached house (simplex: duplex: triplex)	70	541	5.5	67.29
House/Flat in back yard	92	127	0.2	3.80
Informal shack in yard	317	90	5.2	-7.16
Informal shack not in back yard e.g. in an informal settlement	409	196	1.3	-5.21
Room/flatlet not in back yard but on a shared property	32	7	0.9	-7.81
Caravan or tent	11	4	2.0	-6.36
Private ship/boat/Other	4	50	0.1	115.00
<b>Tenure Status</b>		<b>9 760</b>		
Occupied rent-free		1 760	18.03	
Rented		2 550	26.13	
Owned and fully paid off		4 489	45.99	
Owned but not yet paid off		611	6.26	

Other		350	3.59	
Not applicable		0		

**Source:** StatsSA 2011

The number of traditional dwellings significantly decreased, by -71%, over the last ten years (2001 to 2011). There has also been a significant decline in both the number of informal shacks in the yard and those not in the back yard since 2001. This could imply that the potential for spontaneous development of informal settlements are limited and that the urban housing demand is more than likely determined by backlogs and population growth factors rather than pressure from urban influx. The high number of rent-free occupations could signify that there is a still a growing need to address the provision of housing for farm workers.

#### **2.4.6 Land Information System**

Blue Crane Route Municipality has entered an exploratory interaction with Sarah Baartman District Municipality in order to acquire the expertise knowledge, resources and expertise that currently exist at District level which is not available at Local Municipality in this instance. The exploratory discussions are intended to design land information system that will assist the municipality to effectively manage its land resources focusing on;

- a. Location
- b. Services required
- c. Land use schemes applicable
- d. Zoning and valuation details

This will ensure that the provision of land resources to the local population will be manageable. The use of GIS will allow users to graphically display information. This will create understanding as trends and key areas are more easily identified and managed.

The system will assist the municipality to keep track of all properties within its area of jurisdiction in order to ensure that;

- i. Proper income is generated from these properties
- ii. Services need to be rendered to these properties
- iii. Consumers of these services are located at these properties and are correctly billed.
- iv. Is compliant with relevant legislation

The intervention will address the following key deliverables:

- a. Land management

To allow landowners and users to access all the information required on land parcels. This will provide exceptional results for speeding up decision making as well as making these decisions far more effective.

b. Town planning

This will assist in the administration and management of town planning with regards to consent use, consolidations, subdivisions, encroachment and a myriad of other related operations.

c. Valuation

Valuation of erven within their jurisdiction and ensuring that valuation roll is compiled and edited

#### **2.4.6.1 Policy and bylaw formulation**

The outcome of this process will influence policy and bylaw formulation on land use options and the following:

a. Housing

- i. low cost housing
- ii. Gap housing
- iii. Social Housing
- iv. High density housing
- v. Farm workers housing
- vi. Middle to high cost housing
- vii. Transit zones to deal with informal settlement
- viii. Land invasion

b. Private developments

- i. Industrial and light industrial development
- ii. Business (Small, Medium and Big Business) Development

c. Agriculture

- i. Support for development of Emerging Agricultural Sector
- ii. Support for sustainability of Commercial Agricultural Activities

d. Public open spaces

- i. Proper utilization of public open spaces to alleviate the threats of illegal invasions
- ii. Development of parks and other public facilities

e. Cemeteries

- i. Proper location and utilization of cemeteries
- f. Conversation areas
- g. Alignment with the migration plans of the municipality

#### **2.4.6.2 Land audit**

The need for a complete and accurate GIS cadastral database has never been greater than the present time when municipalities must compile municipal valuation rolls in terms of the new Municipal Property Rates Act (MPRA). A registered cadastral dataset contains only properties that are registered at the office of the Registrar of Deeds (Deeds Office) and differs from the Surveyor General (SG) cadastral dataset which contains all properties approved at the SG Office irrespective of whether the property is registered or not. A registered cadastral dataset should be compiled by using information from both the SG Office and the Deeds Office.

The municipality will conduct a comprehensive land audit during next financial year and will cover the following aspects:

- a. Identify vacant public land parcels owned by the Blue Crane Route Municipality and where possible by other government departments. This will be done through a comparative analysis with other databases currently available namely;
  - i. Provincial land audit study
  - ii. District land audit study which consists of GIS based information regarding land in public ownership.
  - iii. Various studies commissioned by the municipality.
- b. Identify appropriate and sustainable uses for the land parcels, based on;
  - i. Public policy ranging from National Spatial Development Plan, Provincial and local SDF.
  - ii. National, Provincial, District and Municipal Planning Policies.
  - iii. The needs for various uses as expressed by communities and articulated in planning documents.
  - iv. The bio-physical suitability of the land;
  - v. The serviceability of the land;
  - vi. Legal constraints specifically related to leases on the land
  - vii. Constraints as a result of land claims and other similar government sponsored programs. The current land claims fall outside the municipal development zone and delays in resolving them does not hinder municipal development plans.



- c. A desktop study of relevant policy documents to guide the allocation of proposed land uses to vacant public land parcels.
- d. An analysis of the suitability of the land parcels identified above for development. The analysis is to consider the location, size. Topography, ownership, geo-technical conditions (at a superficial level), agricultural potential, accessibility, availability of civil services to the sites and any other relevant constraints or opportunities namely the presence of valuable biodiversity resources, the conservation status of the land holding, and any leases registered against the land parcel.

## Overview of Town Infrastructures

### Cookhouse

Description	Yes	No
Low cost housing settlements	X	
Formal housing suburbs	X	
Central business district / area		X
Light industrial area		X
Heavy industry		X
Hospitals / clinics	X (Clinic)	
Petrol stations	X	
Bulk fuel depots		X
Schools	X	
Large Shopping Centres		X
Railway lines	X	
National roads (e.g. N2)	X	
Airfields		X

### Pearston

Description	Yes	No
Low cost housing settlements	X	
Formal housing suburbs	X	
Central business district / area		X
Light industrial area		X
Heavy industry		X
Hospitals / clinics	X (Clinic)	
Petrol stations	X	
Bulk fuel depots		X
Schools	X	

Large Shopping Centres		X
Railway lines		X
National roads (e.g. N2)	X	
Airfields		X

### Somerset - East

Description	Yes	No
Low cost housing settlements	X	
Formal housing suburbs	X	
Central business district / area	X	
Light industrial area	X	
Heavy industry		X
Hospitals / clinics	X	
Petrol stations	X	
Bulk fuel depots		X
Schools	X	
Large Shopping Centres	X	
National roads (e.g. N2)	X	
Airfields	x	

### 2.4.7 SERVICES RENDERED TO SECTOR DEPARTMENTS

- Adries Vosloo Hospital is supplied with water, sanitation, and electricity. It is linked in the Hospital Street access road and R63 main road.
- Correctional Services is supplied with water, sanitation, electricity and access road.
- Schools receive the basic services (water, sanitation, access road and electricity). The schools are as follows:

	Somerset East		Cookhouse		Pearston		Farm Areas
1	Johnson Nqonqoza High School	1	Cookhouse Primary School	1	Pearston High School	1	De Hoop Primary School
2	Aerovill High School	2	Visrivier Primary School	2	Pearston Primary	2	Lushof Primary School

3	Gilbert Xuza Primary School	3	Msobomvu Junior Primary School	3	Lukhanyiso Primary	3	Bracefield Primary School
4	St. Teresa Primary School	4	Cookhouse High School				
5	Nojoli Junior Primary School						
6	Nonzwakazi Primary School						
7	William Oats Primary School						
8	W.G. Olivier Primary School						
9	Gill Primary School						
10	Gill High School						

- SAPS and Magistrates Court are supplied with water, sanitation, access roads and electricity.

## 2.5. SOCIAL SERVICES

### 2.5.1 Library services

The provision of Library Services is a function of the province (DSRAC) and the municipality performs the function on an agency basis. There are six libraries in total in BCRM. One in Cookhouse (Cookhouse Library), one in Pearston (Ernst Van Heerden Library) and 4 in Somerset East (Dr N.B. Ngcipe, Langenhoven, W. D West and Dr W. B. Rubusana). All libraries are staffed with qualified librarians. Only 2 libraries have assistants while in terms of the provision of the organogram all libraries should have at least one. Activities consist of Story hours, holiday programmes, outreach programmes and educational programmes for the children and adults.

### 2.5.2. Traffic Services

The Traffic law enforcement and vehicle testing services are rendered by the municipality. The Municipality renders other traffic-related services through a Service Level Agreement (SLA) that has been entered into with the Provincial Department of Transport (PDoT). These functions are; registering authority (RA), Driving License Testing Centre (DLTC). BCRM has signed the service level agreement with Department of Transport which is valid for another 3 years.

The extension of the building housing traffic services of the municipality was completed during the 2015/16 period. It is now more than 3 times the previous building and a far better improved environment for employees. The testing grounds were also re-surfaced in some parts.

### **2.5.3 Fire Fighting**

The Fire Station, having it based in the precinct of the municipal airport which is almost operational, results in the resource being used as a dual facility, viz, a community and an airfield function. The effectiveness and efficiency of this approach is being looked to establish potential risks and develop strategies to mitigate them. A process of appointing a service provider for the training of fire fighters on airfield related skills has been undertaken by the Sarah Baartman District Municipality (SBDM). With the assistance of the District Municipality, a Fire and Disaster Centre was constructed in Somerset East. Currently the Fire and Disaster Centre is not operating for 24 hours. However, fire fighters do respond to incidence of fire after working hours. Satellite fire stations in Pearston and Cookhouse have been established. Eight Retainer Fire Fighters have been employed. They will receive training in firefighting.

### **2.5.4 Disaster and Risk Management**

The promulgation of the Disaster Management Amendment Act (Act 16 of 2015) has effectively assigned functions that were previously the responsibility of the district municipality to local municipalities. This means Council should now provide dedicated funding for disaster related matters. The BCR municipality, assisted by the district municipality, has a responsibility to develop a disaster management plan based on the risks and vulnerabilities identified. During the 2016/ 2017 financial year, the SBDM appointed a service provider to compile a risk assessment report for the district. Workshops were done in each ward. The municipality is assisted by a district-assigned Disaster Management Officer who renders the service for BCRM and Sundays River Valley Municipality, amongst others. At the moment, the municipality does not have staff for disaster management, but it is utilising fire fighters together with disaster volunteers to deal with disaster matters of a smaller magnitude.

#### **2.5.4.1 Potential disaster events**

- Fire

Blue Crane Route Municipality does not have a fully equipped fire station at this stage.

- Drought

Drought is a continuous threat in this area. Pearston is facing more water threats because water resources are only limited to boreholes. On occasions Somerset East experiences water outages due to aging infrastructure.

- Severe Windstorms

High velocity winds are a regular occurrence in this region. This results in damage to property, electricity outages and trees falling onto properties.

- Epidemics

In the recent past, game, cattle and goat industries in the area were affected and/ or exposed to Foot and Mouth and other animal diseases. This cannot be ruled out.

The poor living conditions of communities in this area are conducive to the development of diseases such as Cholera and H.I.V.

- Hazmat – Road and Railway

Hazardous materials are transported to and through the area of The Blue Crane Route on a regular basis by both rail and road transportation.

#### **2.5.4.2 Emergency response services**

The provision of Emergency Response Team rests with a number of entities in this Municipality. These include:

- Protection Services (Fire and Traffic) – Stationed at Somerset East but available for Cookhouse and Pearston
- S.A.P.S. – Stations in all three towns
- Health Services
  - Hospitals – At Somerset East only
  - Ambulance
  - Clinics – At all three towns
  - Epidemic Outbreak Response Team
- Farmers Unions

#### **2.5.4.3. Identified vulnerable infrastructure**

As in most Municipalities the following integral parts of the municipal infrastructure are vulnerable:

- Water reticulation and supply
- Sewerage treatment plants
- Electricity supply
- Storm water drainage
- Road infrastructure and bridges
- Railway infrastructure and bridges
- Communications

#### 2.5.4.4 Preventative measures

- The Chief Fire Officer has developed programs to educate communities on various fire prevention and response. These programs include preventive measures by way of on-site inspections. Joint Operation Centres (JOCs) are established as and when a(n) incident(s) occurs.

#### 2.5.4.5 Available resources

There are a number of identified resources that can assist and be accessed with regard to assistance. The details of these contacts can be contained in Contingency Plans. Points of contact are:

- Appointed Disaster Management Officials
- Municipalities (District and Locals)
- National Departments
- Provincial Departments
- Organized Agriculture
- Organized Business

**Table 26: Community Facilities and Public Amenities**

COMMUNITY SERVICES AND FACILITIES	NAME	TOTAL IN BLUE CRANE ROUTE MUNICIPAL AREA
Crèches (Government owned & Privately owned)	Crèches (Government owned & Privately owned)	15
Libraries	Dr Ngcipe, C. J Langenhoven, W. D West, Ernest Van Heerden, Cookhouse and Dr W. B. Rubusana	6
Hospitals	Andries Vosloo hospital	1
Clinics	Bhongweni, Beatrice Ngwentle, Pearston, Aeroville, Vera Barford and Union Street	6
Mobile clinics	Mobile clinics	1
Community Halls	Community Halls	10
Taxi Rank	Taxi Rank	2

Police stations	Somerset East, Cookhouse and Pearston.	3
Sports fields	<p><b>-Cookhouse</b> (Bongweni Soccer field and N10 Rugby field)</p> <p><b>-Somerset East</b> (Mnandi Astro Turf, Mnandi Rugby field, Netball field and Aeroville field)</p> <p><b>-Pearston</b> (Khanyiso sportsfield)</p>	7
Parks	<p>Cookhouse park (Town)</p> <p>Somerset East Park (Aeroville)</p> <p>Pearston Park ( Khanyiso)</p>	3

**Table 27: Powers & Functions**

<b>POWERS AND FUNCTIONS</b>	<b>Blue Crane Route</b>
Air pollution	No
Building regulations	Yes
Child care faculties	No
Electricity reticulation	Yes
Fire fighting	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No

Pontoons and ferries	Yes
Storm water	Yes
Trading regulations	Yes
Water (Potable)	Yes
Sanitation	Yes
Beaches and Amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisance	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes



Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	No
Street lighting	Yes
Traffic and parking	Yes

## 2.6 FINANCIAL SERVICES

### 2.6.1 Free Basic Services

Free basic services in the form of water, sanitation, electricity and refuse removal are generally provided throughout the BCRM.

Blue Crane Route's criteria for supporting free or subsidised basic services are set out in the Indigent Support Policy. The Government allocates revenue via the Division of Revenue Act (DoRA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services.

For the review process of the 2019/2020 financial year, Indigent register commenced during April / May 2019 where the Finance Department staff visited all the wards and invited people to the various Community Halls to register for Masakhane / Indigent. The municipality allow the indigent households to apply right through the year to be registered on the municipality's indigent subsidy database. The 2019/2020 financial year final Indigent register was tabled 30 June 2019 to Council for approval.

A summary of free basic services within the BCRM is illustrated by the table below.

**Table 28: Free basic energy & refuse removal status quo report**

<b>FREE BASIC ENERGY &amp; REFUSE REMOVAL STATUS QUO REPORT</b>						
<b>Municipality</b>	<b>Total No. Of H/holds</b>	<b>Total No. Of Indigent H/holds</b>	<b>No. of Indigent H/holds provided by Eskom</b>	<b>No. Of Indigent H/holds provided by Municipality</b>	<b>No. of Indigent H/holds accessing Alternative Energy</b>	<b>No. of Indigent H/holds accessing Refuse Removal</b>
<b>March 2019</b>						
Blue Crane LM	8 558	3 975	0	3 975	0	3 975

**Table 29: Free basic water and sanitation status quo report**

<b>FREE BASIC WATER AND SANITATION STATUS QUO REPORT</b>				
<b>Water Service Authority</b>	<b>Total No. of Households</b>	<b>Indigent Households</b>	<b>No. of Indigents Served with FBW</b>	<b>No. of Indigents served with Free Basic Sanitation</b>
<b>March 2019</b>				
Blue Crane LM	8 558	3 975	3 975	3 975

### **2.6.2 Indigent Register and Free Basic Services Expenditure / Budget**

There are currently 3 975 indigent households out of 8,558 households. This is a 46.45% of households benefitting from the Indigent Policy assistance. The following table depicts the budgeted funding for the 2017/18, 2018/2019 and 2019/2020 financial years for Indigent beneficiaries:

## BUDGET FOR INDIGENT ASSISTANCE: 2017/2018 TO 2019/2020 FINANCIAL YEARS

VOTE DESCRIPTION	ESTIMATED BUDGET 2017/2018	ESTIMATED BUDGET 2018/2019	ESTIMATED BUDGET 2019/2020
INDIGENTS HOUSEHOLDS – FREE BASIC REFUSE	4 500 000	4,119,160	4,119,160
INDIGENTS HOUSEHOLDS – FREE BASIC WATER	4 200 000	3,581,740	3,581,740
INDIGENTS HOUSEHOLDS – FREE BASIC ELECTRICITY	2 090 000	1,802,000	1,802,000
INDIGENTS HOUSEHOLDS – FREE BASIC SEWERAGE	3 000 000	2,686,040	2,686,040
<b>TOTAL</b>	<b>13 790 000</b>	<b>12,188,940</b>	<b>12,188,940</b>

### 2.6.3 Free Basic Services Unit

The municipality has a Free Basic Services Unit that focuses on Indigent support; credit control and debt management; as well as Debtors Control. This shared function is largely attributable to the small size of the municipality and the amount of work required maintaining the Free Basic Services function. We however have staff in place that exercise the various functions of free basic services as part of their daily tasks and this is executed by various levels of staff to ensure segregation of duties. We have Credit Controllers that assist in filling and collecting the Indigent application forms; Ward Councillors confirm by signing application forms; Senior Debtors Clerks perform the checking and verification; and the Accountant: Revenue that assesses the applications for the CFO's recommendation to the Indigent Committee for approval and /or non-approval.

### 2.6.4 Indigent Steering Committee

The Indigent Steering Committee (ISC) was established in 2012, and the ISC has convened its meetings on a quarterly basis and an updated Indigent Register on a monthly basis.

The Indigent Committee must monitor, in conjunction with ward councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme, subject to the policy directions of the municipality and in consultation with the municipal manager.

### **2.6.5 Integration Plans between District and LMs**

The SBDM is not a municipal services provider, BCRM submits a monthly report to CoGTA on the indigent statistics.

## **2.7 FINANCIAL STANDING OF BLUE CRANE ROUTE MUNICIPALITY**

The Municipality's total income was an amount of R 260 million at 30 May 2019. This is 80% of the budget and is on track as per budget. On the expenditure side, the bulk purchases of electricity and water is R72million. The salary expenses are 1% less than the estimated budget because of the moratorium placed on all vacancies as well as year - end adjustments on the PRMA and performance bonuses.

As mentioned in previous management reports the continuous ongoing challenges for the municipality, but not limited to, are old outstanding debtors, ageing infrastructure, unfunded mandates, non-cash-backed provisions and reserves. Currently challenges experienced with the ongoing mSCOA project relates mostly to insufficient funding and increasing implementation costs.

### **2.7.1 Other relevant information**

#### 2.7.1.1. Revenue

#### **Refer to Table A4- Financial Performance**

It must be noted that the revenue of the consumer's services and rates is the accrued revenue as raised through the billing accounts and not what is actually received.

#### 2.7.1.2. Operating Expenditure

#### **Refer to Table A4 – Financial Performance**

On the expenditure side, the bulk purchases of electricity and water is R79million.

Furthermore, the salary expenses are 1% less than the estimated budget because no vacancies are filled..

The total operating expenditure is 86%

#### 2.7.1.3. Capital Expenditure

### **Refer to Table A5 – Capital Expenditure**

The total capital expenditure as at 30 May 2019 was R56 million which is only 56% of the total budget of R99.7 million.

#### 2.7.1.4. Cash Flow

### **Refer to Table A7 - Cash Flow & Table SA9**

The projected cash flow as at end June 2019 is showing a possible negative balance of R10,969,171.

## **2.8 ECONOMIC ANALYSIS**

Local economic development is vital to the future development of the BCRM; the economy of this Municipality is based, as are other Municipalities in this District, primarily on agriculture. In essence the activities that dominate are: Agriculture: Intensive Farming operations (Cash crops/ Lucerne production, dairy's, etc) Extensive farming operations: Cattle & Goat farming, game farming.

Agriculture dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment.

Summary of the district's agricultural sector.

**Doing well:** Stone and Deciduous Fruit, Citrus Fruit, Wool and Mohair, Vegetables

**Sectors with Potential:** Chicory, honeybush

**Sectors with Challenges:** Poultry, pineapples

**Largest threats:** Climate change, localised droughts, cheap imports, changing economic climate in South Africa

Small-stock farming predominates in the dry Karoo interior. This is the centre of wool and mohair farming in the Eastern Cape. Karoo mutton is known for its high quality and is also exported. Cattle and dairy farming are dominant in the areas around Cookhouse. Stock production has seen a decline in the past decade, primarily as a result of game farm establishment and the expansion of the Addo National Elephant Park.

Game reserves are now a major industry within the district and contribute to the other prominent economic sector of the area, namely tourism.

The local economy as demonstrated above produces many agricultural products that is exported out of town. The development of a local industrial cluster will be the starting point of providing adequate facilities to potential investors to establish new factories, focusing on the value adding opportunities in the municipal region.

The municipality resolved to disestablish the agency and it is operating under the district, Sarah Baartman District Municipality. The municipality is in the process of resuscitating the Terms of Reference with the agency (CDA) and also to establish the LED unit. The LED Organogram will also be populated by filling the critical position of LED Manager. The following are the economic infrastructure/projects within the municipal area:

1. Somerset East Industrial Park
2. Somerset East New Airport Runway
3. Boschberg Tourism Hub:
4. R335 Road Project:
5. Renewable energy Wind farm

### **2.8.1 The following opportunities exist in terms of renewable energy:**

The Eastern Cape Province has lower levels of solar radiation in comparison with other provinces in South Africa. Wind generation initiatives in the Sarah Baartman District are fast growing with a large number of generation facilities under investigation. Opportunities in terms of energy generation from biomass and the manufacture of biofuel remained to be explored. However, it should be noted that large scale biomass production is dependent on agricultural infrastructure, sustainability and possible environmental impact. The Sarah Baartman District in comparison to the eastern side of the Eastern Cape has very low hydro power generation capacity / potential, however, distinct potential exists in the Blue Crane Route region along the Fish River.

The importance of wind energy generation in the district was confirmed by the announcement by the Department of Energy, three of the eight approved wind farm developments were developed in the district, with an additional wind farm in Nelson Mandela Bay Metro Municipality. One of the largest energy generating wind farms, i.e. Cookhouse Wind Farm (135MW) has been developed and is currently supplying electricity to the National Grid. Agriculture (Beekeeping) for honey and related value-added products as well as the “pollination industry”

There is a definite market and demand for increased honey production for both local markets, as well as export markets due to the high quality and “brand” of South African honey that already exist in countries which are high importers of honey, like Japan and Germany. Increased production sites could be established in BCR to act as outgrowers to existing honey processors with existing infrastructure in BCR.

There is potential for local economic development through entrepreneurial value adding and processing of exotic fruit in jams, preserves, sauces, dried fruit, etc. – cottage industries could over time develop into commercially sustainable businesses. In conjunction with other plans of developing the animal feed industry of BCR, there exists an opportunity to manufacture shelf stable animal feed pellets from the cyclodes of the prickly pear plant. In terms of

citrus, oranges are mainly produced in the Kirkwood area of the Sundays River Valley Municipality. Other areas in the Sarah Baartman district are only marginally suited to citrus production under irrigation and include areas to the east of the Sundays River Valley and others. Other marginally suitable soils also include limited areas of the Blue Crane Route Municipality around Somerset East and Cookhouse and scattered areas of the Makana Municipality.

### **2.8.2 Broadening Economic Participation**

Inequality and poverty are deeply entrenched with rural South Africa and represent a major constraint to development. However, the poor of the region also represent a major resource for economic progress. Broadening economic participation as part of a broader social development emphasis is thus a key pillar for rural regeneration.

Key areas of action include:

- Promoting BBBEE, SMME and cooperative development.
- Maximising the opportunities for Extended Public Works Programme (EPWP) and Community Work programme opportunities.
- Improving grant accessibility.
- Establishing community-based beneficiation projects.
- Facilitating community and worker participation in share ownership.
- Promoting social development investments.

### **2.8.3 Developing the Skills Base**

The skills base of the region is a key driver of both economic progress and poverty reduction. Most people have limited skills and limited educational attainment. This is both a major constraint to development but also represents a significant area of opportunity given the wide range of good educational institutions in the region. BCR is committed to a concerted approach to improving the skills profile of the region.

Developing rural broadband and mobile phone connectivity is a key rural development strategy globally.

- Improving rural transport infrastructure particularly roads.
- Identifying and delivering catalytic infrastructure that opens up new economic opportunities.

## **2.9 INSTITUTIONAL ARRANGEMENT**

### **2.9.1 Office of the Mayor/Speaker**

As a plenary municipality, Blue Crane Route has a combined and full time Mayor/Speaker. The administrative support to the Mayor/Speaker office is undertaken by the office the Municipal Manager. The Speaker chairs all meetings of Council and is also responsible for presiding meetings of the Finance Standing Committee. The Speaker is also responsible for the welfare and capacity building of all Councillors. The Mayor/Speaker is elected to provide political leadership and be the custodian of the vision of the municipality.

### **2.9.2 Office of the Municipal Manager (Good Governance and Public Participation)**

The Office of the Municipal Manager is composed of the staff who provide support and assist with planning and execution of the functions mentioned below. These functions exclude managing and overseeing Section 56 Managers who are dealt with under their respective portfolios. Due to the fact that the Mayor/Speaker is a political office, it is necessary, for leadership presence in his absence, for the staff in his office reports directly to the municipal manager. The reasoning is informed by the fact that all municipal employees, regardless of their placement or what responsibilities they may hold, must be subjected to the Municipal Manager's authority, in his capacity as head of Administration and Accounting Officer of the municipality.

The office of the Municipal Manager has the following duties assigned to it:

#### **⇒ Internal Audit, Risk Management and Fraud Prevention**

The objective of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations. It helps the municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

The role of Internal Audit in the Municipality is to assist the Municipal Manager and the Council to meet their objectives and to discharge their responsibilities by providing an independent appraisal of the adequacy and effectiveness of the controls set up by management to help run the municipality. Presently the municipality have an in-house Internal Audit Unit resourced by the Manager Internal Audit and one Internal Auditor.

The municipality has a fully functional Audit Committee of 4 independent which sits quarterly. Due to financial constraints and the fact the municipality is a plenary municipality; the Audit committee is also responsible for auditing



the implementation of the IDP by reviewing performance of the municipality quarterly as per the requirements of Municipal Systems Act. The Audit Committees' roles and responsibilities for the review of the Municipal Performance Management System are detailed in the approved Audit Committee Charter that is reviewed annually and adopted by council. The Audit Committee is also responsible for Risk management and Fraud Prevention.

Internal Audit facilitates the self-risk assessment by management and council on an annual basis during strategic planning for strategic risks and as soon as the Service Delivery and Budget Implementation Plan is approved facilitates the operational risk assessment. This risk assessment result in both strategic, operational and fraud risk registers that are communicated to Management Committee, Audit Committee, Risk Owners and Council. The Internal Audit unit then follows up on the risk management plan based on the registers on a quarterly basis and report the results to the Audit Committee and Management. An assessment of emerging risks is also considered on a quarterly basis.

Internal Audit further assists the municipality by reviewing the fraud prevention policy and plan and recommend additions and amendments to management. This Fraud Prevention Plan is reviewed on annual basis to cover emerging fraud risks within the municipality. The Fraud prevention plan is workshopped to all employees, councillors and the community to ensure a combined assurance approach towards elimination of fraud and corruption within Blue Crane Route Municipality and the Community.

#### ⇒ **Intergovernmental relations (IGR) and Public Participation (PP) Unit**

The municipality developed and adopted Public Participation Strategy during 2016/2017 FY. The policy is will again be reviewed in the current financial year to address all the challenges.

Public Participation is a democratic process of engaging with communities in planning and playing an active part in their development. The section of IGR & PP is responsible for the following and also works closely with the office of the IDP:

- Development of Effective Public Participation & Petition Policy\Strategy
- Facilitate Workshop on public participation & petitions
- Facilitate engagements with stakeholders at local level
- Channel matters of stakeholders through council for delivery of quality services to communities
- Assist in the formation local stakeholder forum
- Ensures the full participation of the community on IDP process through Izimbizo\Outreach, Ward Based planning and War Rooms
- Support ward committees through capacity building programmes and the review of ward based plans & IDP

- To strengthen cooperation between institutionalized structures such as ward committees ,CDWs and community based organizations to improved community participation

**War Rooms functionality:**

- All Ward War Rooms and a Local War Room have been established and launched.
- The Office of the Premier conducted an assessment of the functionality of War Rooms on 28 August 2017 to determine their functionality, track progress, challenges and identify areas of support.
- 5 of 6 War Rooms have been assessed and found to be fully functional.
- Ward 2 has not been assessed.

⇒ **Integrated Development Plan (IDP) and Performance Management (PMS)**

The purpose of the IDP and PMS unit is to support, manage and direct the development and effective implementation of the integrated development plan and performance management system of Blue Carne Route municipality.

**Functions of the Unit:**

- Coordinate the development and review of the Integrated Development Plan;
- Coordinate the development and review of the Performance Management Framework;
- Coordinate the development the of the Service Delivery and Budget Implementation Plan;
- Coordinate Sector Plan development and review;
- Ensure IDP, Budget and SDBIP alignment;
- Ensure vertical and horizontal alignment of development planning;
- Ensure monitoring and evaluation of performance, quarterly and annually;
- Ensure compliance with IDP and PMS relevant legal requirements.
- Coordinate and report on the implementation of Back to Basics programme

The Municipality has a Performance Management System Framework in place, reviewed annually.

The Scorecard Model process includes the development and implementation of an organizational performance management system which in addition not only monitors and evaluates the performance of Section 56 Managers but also that of the middle management and the system will soon be cascaded down to lower levels. The performance of the Municipal Manager and section 56 Managers are evaluated in terms of Performance

Agreements which they sign annually. Quarterly Reports on the implementation of the SDBIP are tabled to Council quarterly as prescribed by the s52d of the MFMA

#### ⇒ **Special Programmes and HIV programmes**

The Special Programmes Unit is one of the strategic offices in the Office of the Mayor. The SPU is responsible for advocacy and provide support to vulnerable groups. These are, i.e. People with Disabilities, Women, Youth, the Aged, HIV/AIDS awareness, Moral Regeneration etc.

The Unit also deals with other multi-faceted activities and these include the following:

- Advocating for the vulnerable groups such as the youth, children, gender, senior citizens people with disabilities and women.
- Advising the municipality on addressing issues of the vulnerable groups in development of policies and strategic documents and action plans.
- Co-ordinating and implementing all municipal programmes relating to vulnerable groups.
- Mainstreaming issues of the vulnerable into all municipal processes and programmes.
- Ensuring compliance on all prescribed legislation.

The strategic objectives of Special Programmes and HIV and Aids are:

- To provide the necessary support to enable the Executive Mayor to fulfil his political mandate.
- To ensure that all the needs of the residents of Blue Crane Route met with special emphasis on five focus groups: the youth, children, women, elderly people and people with disabilities and also includes the HIV and Aids.
- To improve the HIV and Aids status of the community of Blue Crane Municipality

Blue Crane Route Municipality has as yet not adopted a Social Cohesion Strategy or Policy but actively participates on programmes so as to promote social cohesion. Blue Crane Route Municipality in partnership with sector departments and local NGO's & CBO's implemented the following programmes in support of social cohesion and ultimately Nation Building:

- Nelson Mandela Day
- Moral Regeneration Movement
- Women's Caucus Outreach Meetings

- HIV/Aids Day and Supporting programmes
- Employee Wellness
- 16 Days of Activism against abuse of women and children
- Heritage Day
- Careers Expo
- Sport Tournament
- International Day for the Elderly
- Breast Cancer Awareness

During the 2016/17 financial year the Municipality adopted the HIV&AIDS Policy which seeks to address or provide clarity with regard to HIV and AIDS; TB and STI's and the comprehensive management of HIV positive employees and employees living with AIDS within the Municipality. And also focusing on aspects of HIV & AIDS; TB and STI which, if not carefully addressed may impact negatively on service delivery and/or the wellbeing of municipal employees and their affected families.

### **2.9.3 Corporate Services Department (Institutional Transformation and Organizational Development)**

Corporate Services is responsible for the provision of support functions and governance affairs of the municipality. This is done by ensuring that the administrative affairs of council and administration are of a high standard.

The Department is responsible for Council and Committee functionality, Legal Services, General Administration, Human Resources Management together with Housing and Land Use Management.

The department is made up of the following sections:

1. Administration
2. Human Resources Management, and
3. Occupational Health and Safety (OHS)
4. Labour Relations
5. ICT
6. Customer Care Services

## **Key Performance Areas**

- **Administration section**

This Section is responsible for the effective functioning of the Council's secretariat and corporate support, communication systems and controls as well as the distribution and archiving of records. Secretariat and Corporate support to Council and its Committees, which covers the wide range of Decision Making from the stage when an Item is submitted to the Council or its Committees until the resolution has been taken and implemented. Providing operational system capable of meeting organizational requirements; aligning document management systems to facilitate effective circulation, response, storage and retrieval. The section manages all litigation by or against the Municipality, bylaw and policy formulation.

The section is responsible for the following functions

- a) General Administration
- b) Council and Committee Support
- c) Legal Services
- d) Archive Services
- e) Municipal Property
- f) Management of municipal halls
- g) Cleaning Services
- h) Ward Committees

- **Ward Committee functionality**

Ward Committees are established in all 6 wards of the municipality and there is a good working relationship between the Ward Committee Members and the Ward Councilor. Elections of these ward committees were done in November 2016 and became effective in August 2017. In Ward 5 there was a dispute on the election of ward committees, however it was resolved, the committee was elected and became active from February 2019. Ward Committees have been inducted, meetings are held and issues identified by ward committees are channeled through the

municipality and submitted to council prior to feedback being given. The municipality is responsible for capacitating and resourcing of ward committees and plans are in place to ensure that this is accomplished.

- **Human Resources Management**

The Human Resources section provides the following functions:

- **Human Resources Provisioning comprise of;**
  - Human Resources Planning
  - Recruitment and Selection,
  - Staff Placement,
  - Induction and career pathing.
  - Overall HR staff Management/Supervision
  - Outlining the relevant policy/legislation to council and municipality
  - Interpret and implements labour legislation for the institution
  - Advises Directorates on procedures to follow in terms of correctional action.
  - Co-ordinates the job evaluation process of the institution.
  - JD Development Maintains and updates Organizational Development
- **Human resources development comprises of:**
  - Implement Organizational, Provincial and National strategies
  - Co-ordinate Councilors, Management and Staff development programs
  - Skills development
  - Employment equity
  - Provide a career management service
  - Administer state sponsored studies/bursaries
  - Implement Learnership and Internship programs

- **Labour Relations**

Responsible for the following: -

- Develop organizational labour relations strategy and policy
- Provide a labour relations support to line function, including a support of their responsibility to the municipality
- Provide advice and guidance to staff in respect of labour issue
- Manage disputes and grievance resolution mechanisms
- Administer all discipline processes (including investigations)
- Facilitate departmental collective bargaining
- Provide a translation service of all human resource activities

- **Functionality of the Local Labour Forum**

Good labour relations in municipalities is a legislative imperative that must be nurtured and sustained at all costs as failure to do so may have a direct impact on the levels and quality of service delivery. The local labour forum function was disrupted for some time by the instability caused by the termination of contracts of the Senior Managers at the end of August 2017. However, with the Senior Managers positions filled in November 2017 (except that of Director Technical Services) the situation of the LLF is set to improve, and meetings to be held on matters affecting relations between employer and employee component at the municipality.

⇒ **Review of the organogram and Filling of critical and vacant posts**

All Section 56 and 57 position together with critical vacancies have been filled, except for the Director Corporate Services who resigned October 2019. The municipality is in the process of reviewing and adopting its organogram.

⇒ **Formulation of job descriptions**

The municipality has developed job descriptions for all employment categories of the institution and was adopted by council on the 30<sup>th</sup> June 2016.

⇒ **Implementation of job evaluation**

The municipality is participating in the SALGA initiated process of implementing job evaluation system. The Sarah Baartman District Municipality has established a Job Evaluation Unit responsible for the implementation of the system for all municipalities falling under the district. BCRM is participating in all the activities and has complied with all the requirements, including training of responsible officials and observers. The job evaluation is scheduled for commencement before the end of the current financial year.

⇒ **Human Resource Plan (HR Plan)**

CoGTA-EC assisted the municipality in the formulation of the human resource plan and was adopted on the 30<sup>th</sup> June 2015. CoGTA-EC also assisted with the formulation of an implementation plan which has since been implemented. The process was widely consultative and involved all relevant stakeholders including labor as they are a critical stakeholder in this regard.

The document outlines how the municipality will achieve the objective of the IDP through optimal utilization of human resource. Integrating the key following enabling instruments;

- Job description formulation and reviewal
- Job Evaluation process
- Institutional policy development and reviewal
- Reviewal of the Organizational Structure
- Staff training through Workplace Skills Plan
- Institutionalization of Occupational Health and Safety
- Employee Wellness Program, and
- Employee Equity Plan

**LIST OF SENIOR EMPLOYEES ON A FIXED TERM CONTRACT**

<b>POSITION</b>	<b>INCUMBENT</b>	<b>TIMEFRAME</b>
Municipal Manager	Mr Thabiso Klaas	Contract ends November 2022
Director Community Services	Mr Mandisi Planga	Contract ends November 2022
Director Financial Services (CFO)	Mr Nigel Delo	Contract ends January 2023
Director Technical Services	Mr Ayanda Gaji	Contract ends June 2024

⇒ **Skills Development Programs**



The Skill Development Act requires that all employers, including municipalities, must develop a Workplace Skills Plan (WSP). The WSP is developed indicating the skills gaps, analysis and attributes identified in a particular year. This is also in line with Objective 2 of the National Skills Development Strategy, which advocates for “Promoting and accelerating quality training for all in the workplace”. The WSP outlines the training capacity building programs to address the gaps and build capacity. The program consists of a skill program which is occupational based and the learnerships which are made up of structured learning component. Every year the Blue Crane Route Municipality develops a WSP indicating the skills gaps, training and capacity building programs. This is to ensure that staff members involved in both skills and learnership programs to build their capacity and enable them to respond to the needs of the community with confidence. In order to achieve this objective, the municipality conducts skills audit where all employees complete skills audit questionnaires which gets translated into a skills audit profile of the municipality.

#### ⇒ **Employment Equity**

The Employment Equity Act prescribes that every designated employer must formulate an Employment Equity Plan. This calls for the municipality to develop a policy defining its employment equity practices. The municipality has an existing employment equity policy which is due for reviewal soon as it has been adopted in 2012. The purpose of the employment equity is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination. Also to implement affirmative action measures to redress the disadvantages employment experienced by designated groups in order to ensure their equitable representation in all occupational categories in the workplace. The municipality is in the process of developing an employment equity plan which is currently in draft form and is scheduled for implementation by the end of the current financial year. The municipality has been reporting regularly to the department of labor despite having a draft employment equity plan.

#### ⇒ **Dealing with critical and scarce skills**

The municipality is developing a policy to deal with scarce skills and to cover the following fundamental principles:

- To determine the strategic and operational needs of the organization
- Strategies to attract and retain critical expertise in certain fields
- Adhering to the requirements of Employment Equity
- To apply skills transfer

The policy will be adopted by the end of the current financial year and implemented in the next financial year.

⇒ **Performance management**

The municipality has adopted a performance management system however it is only senior management and those officials directly reporting to senior managers who are performance managed. The municipality will cascade the system to the rest of the institution at the beginning of the next financial year. Consultations are undertaken with employee representative on the modalities of implementing the system.

⇒ **Administrative matters**

The Human Resources section is currently conducting an audit of personnel files ensuring that all necessary documents are in place and in order. Another audit is the leave management system in order to introduce new measures that will ensure a credible leave management system. The municipality is developing a new induction program in order to improve on the current system which is in operation and does not give much better value.

⇒ **Occupational Health and Safety**

The municipality has appointed an Occupational Health and Safety Officer as per requirements of the respective legislation. The office is in the process of ensuring the institutionalization of the unit

⇒ **Employee Wellness Programs**

The Blue Crane Route Municipality has a commitment to ensure a health, safety and welfare of all employees at work. The municipality adopted the Employee Wellness Program in 2012 with the intention of providing internal and external professional, confidential assistance to employees. The municipality has developed an internal newsletter which will help to provide educational support on various matters affecting employees both in the workplace and at home. A range of sustainable employee wellness programs have been developed for implementation next financial year.

⇒ **Customer Care Unit**

The municipality developed and adopted Customer Care and Compliance Management policy during 2016/2017 FY, at the heart of the policy is attempt to improve customer service interface and thus providing better services to our community. To ensure an effective implementation of the policy, the municipality further developed a Complaints Management Register and the reports are tabled to Corporate Services Standing Committee monthly

The Blue Crane Route Municipality aims to provide consistent service excellence whenever customers make contact with the municipality. This aim incorporates the Municipality's commitment to ensuring the human rights principles set out in the South African Constitution, the eight Batho Pele principles aimed at transforming public service, and 'getting it right the first time.' Customer Care in this context refers to this municipality's commitment to make the customer's contact with the municipality convenient and positive. In practice, good Customer Care includes:

- A customer must be able to contact the municipality easily, reaching the correct department to handle its request or enquiry.
- A customer should have welcoming access to municipal buildings where adequate signage has been provided. Where practicable, access for the disabled should be provided. Incorporation of private areas for customers to discuss personal or sensitive matters should be considered where relevant and suitable.
- A customer should be assisted in their language of preference in accordance with the municipality's Language Policy (English, Afrikaans or isiXhosa). Providing customers with relevant, accurate and up-to-date information, including an explanation when a service is not available.

#### ⇒ **Information and Communication Technology (ICT)**

During the 2016/17 financial year, the long vacant position of Manager: ICT was filled. An ICT Steering Committee chaired by the Municipal Manager and comprising of senior managers, Manager: ICT and Manager: Internal Audit was established and functional. The primary role of the ICT Steering Committee is to develop and oversee ICT Good Governance and promoting ICT security measures. The meetings of the ICT Steering Committee are held quarterly.

The following policies were reviewed during 2018/19 financial year. These are i.e.

- Information Technology program change Management
- Internet, intranet, e-mail policy
- Network security policy
- Systems and data security policy

- Social media policy
- Disaster Recovery policy and
- IT Corporate Governance Policy

The following new ICT Policies were developed and were approved during June 2017 Council meeting. These are i.e.

- Information Technology Server Room policy
- User Access Management policy and procedure
- Application Patch Management policy

### **Technical Services Directorate**

The Director of Technical Services is responsible for management of Civil Engineering Services, Electro-Mechanical Services, Planning and Facilities Management and Project Management Unit. The Department is made up of the following divisions:

- Civil Engineering Services;
- Water and Sanitation Services;
- Electro-Mechanical Services;
- Project Management Unit (PMU)
- Planning and Facilities Management;

⇒ **Overall Key Functions of Technical Services Directorate:**

- Ensuring diligent execution of municipal functions and management of the Department, in accordance with applicable legislation
- Discharging all Council and Committee resolutions, statutory liabilities and delegated authority
- Responsible for the performance management and SDBIP of the Department
- Supervising the implementation of the Department's Integrated Development Plan (IDP)
- Controlling the efficient management of the Departmental budget
- Establishing and maintaining a sound management system in accordance with applicable legislation, policies, practices and standards
- Liaising with and reporting to stakeholders
- Co-ordinating and manage the implementation of programmes and projects
- Integrating service delivery

⇒ **KEY PERFORMANCE AREAS:**

⇒ **Water and Sanitation Services:**

This section is responsible for maintenance of the following sections:

- **Water:** Ensures that the purified water is distributed to the consumers and on an annual basis maintain the cleaning or flushing of the reservoirs to improve water quality standards. Maintain the main and reticulation pipeline that feeds the communities.
- **Sanitation:** ensure the sewer lines, pump station, are maintained, upgraded and refurbished in order to preserve the dignity of the people within BCRM.
- **Water regulation and compliance (Watercare):** Abstract water from the main supply source to the treatment plant. Purifies water and discharge it to the main reservoirs that feed to the communities. The water needs to meet SANS 241 standards as guided by National Water Act and Water Services Act. Main source supplier originates from Orange Fish (Canal), Bestershoek and Lake Berti, which is later restored at KwaNojoli reservoir, then to Bestershoek, Westview, Khalela and Hill reservoirs.

⇒ **Civil Services Division:**

This section is responsible for the following:

- Roads and Stormwater: Maintenance of existing surfaced roads mainly potholes (paved and tarred) and gravel roads (municipal streets and identified farm areas minor roads). This section ensures that the stormwater drainage system is cleaned on scheduled time frames on a continuous basis and after heavy rains which blocks the drainage system.

⇒ **Planning and Facilities Management:**

This section is responsible for the following:

- Spatial Planning and Urban Renewal:
- Land Use Management:
- SPLUMA / Municipal Planning Tribunal:
- Land Administration (Properties):
- Building Control / Management Building and Maintenance: this section is maintaining all the municipal buildings ranging from renovations, extension and maintenance of all the buildings. It is also approving building plans for the community that renovates their houses.
- Integrated Development Planning:
- Human Settlement Planning:
- Local Economic Development.

⇒ **Electro-Mechanical Services Division:**

This division consist of Electricity Section and Mechanical Section:

- Electricity Section: This section is responsible for supplying and maintenance of electricity to the urban areas (all three towns: Somerset East, Pearston and Cookhouse) and rural areas (All vast farm areas in the area where others are addressed by Eskom). It also deals with Occupational Health and Safety functions as the most critical activity in the section and maintains the ageing infrastructure.
- Mechanical Section: This section deals with the maintenance of all the Municipal Plant and vehicles.

⇒ **Project Management Unit:**

This section mainly deals with implementation of projects identified by council and communities with a funding received from different grants from other spheres of government. The types of projects implemented ranges from:

- Water and Sanitation
- Roads and Stormwater
- Sports and Recreation

⇒ **Human settlement and planning:**

- Housing is a key strategic tool for redressing:
  - Poverty,
  - Creating employment, and
  - Improving socio-economic conditions
- BCRM plans to accelerate housing provision and on ensuring that land utilisation is well planned, managed and monitored.
- BCRM further plans to facilitate housing delivery and the creation of sustainable human settlements in the Blue Crane Route Municipality area with a view to ensuring that all citizens of Blue Crane Route have access to a housing opportunity which includes security of tenure, basic services and support in achieving incremental housing improvement in living environments with requisite social, economic and physical infrastructure.

- The purpose of the Blue Crane Route Housing and Land Use Management Unit is to facilitate the development of sustainable and integrated human settlements, and to provide housing opportunities to qualifying beneficiaries and quality living environments.
- **The Department of Human settlement has planned the following housing development for the municipality:**
  1. Development of Informal settlement for Cookhouse (200 Units) and Somerset East (300 Units)
  2. Demolishing and Rebuilding project: Nqantosi (140 units), Aeroville (261 Units) and Millenium Park (50 units).
  3. New constructions: Pearston (11 units)
  4. Destitutes projects: entire BCRM.
- The section is currently facilitating the following program
  - Implementation of Housing Sector Plan
  - Development of Social Housing Policy
  - Reviewal of Spatial Development Framework
  - Electronic Housing Register
  - Facilitation of housing development in all three towns of the municipality
  - Distribution of title deeds

#### **2.9.4 Community Services Directorate**

Community Services directorate has four departments under it. These are environmental services, library services and protection services.

**Environmental services:** This section is responsible for the following services: Cleaning of towns, maintenance of parks, sport field, municipal open space, cemeteries and further ensure compliance with environmental health and environmental management regulations within BCRM jurisdiction. With regards to the cemeteries, the municipality is in the process of identifying a land and planning to source funds from DEDEAT in order to ensure that there are enough burial sites to cater for the community as the existing cemeteries are full in some areas.



**Solid Waste management:** the service is available in all three towns of BCRM directly supervised by a foreman in that area. The municipality has established a Waste Management Forum. The forum is constituted by Environmental Health, Waste Management and CWP to co-ordinate all waste related activities. Environmental Health Services: there are two EHP's based in Somerset East but service all three towns.

Blue Crane Route municipality does not have many industries that contribute to air pollution. As a result, the municipality does not have many challenges in respect of air pollution. Urban areas in the BCRM are primary centers of activities that are likely to generate air quality impact. This includes particulate and other emissions as well as odours. In the BRCM such activities mainly include concentrated traffic volumes, industrial activities, solid and liquid waste management (legal and illegal, including burning of refuse), household wood fires

Currently, there BCRM does not have an Air Monitoring Quality Management Plan (AQMP). Ordinarily, District Municipalities prepare such plans at a regional scale and include local municipalities under their jurisdiction. Cacadu District municipality is in a process of preparing such a plan for the entire district. Air quality management is a function of the DM. Currently the DM is developing Air Quality Management Plan for the entire district.

Environmental Management: there is no unit and no staff for this service. Some functions are conducted by EHP's. an environmental officer is provided for in the organogram but not funded. The appointment of an Environmental Officer will be considered in the next financial year. The following environmental activities are conducted to mitigate climate change: Recycling, Eradication of illegal dumps through the partnership with CWP.

The municipality is also working in partnership with the Cacadu Development Agency to convert waste to energy.

#### **Natural Environmental analysis:**

##### ***Topography and Catchment Location***

The BCRM is located within the catchment areas of three major rivers. These are the Sundays, Great Fish and Bushman's Rivers. The BCRM is characterised by several mountain ranges particularly in the north (Coetzee Berge, Groot Bruintjieshoogte, Bosberg and Bloemfontein Berge) and the south (Suurberg and Swartwater Berg). While these steep areas limit development, they do provide a dramatic landscape with high levels of visual amenity for tourism-related activities. They also affect local climate, creating higher rainfall zones and rain shadows within the Municipal Area. The eastern regions near Pearston are in comparison relatively flat and characterised by typical Karoo landscapes. Similarly, the floodplains of the Little Fish and Great Fish Rivers are also relatively flat, providing opportunities for agriculture-related activities.

##### ***Climate***

The BCRM falls within the semi-arid plateau area of South Africa known as the Great Karoo. It experiences a dry climate, generally receiving between 300mm and 400mm of rainfall per annum, with 70% of rainfall occurring in Summer (October to March). Rainfall in the mountainous regions can exceed 1000mm per annum. The daily

temperatures in Summer range between 27°C and 32°C, while in winter, the daily temperatures range between 1°C and 4°C (CDM, 2008). Snow has been recorded in parts of the Municipal Area, more frequently on the high mountain slopes than the lowlands. Frost is experienced across much of the Municipal Area in the Winter.

### ***Land Cover and Land Use***

Land cover in the BCRM is heavily dominated by natural land cover types (97.2% including land and water bodies). The majority of this land cover type is utilised for grazing (beef, Angora goats and sheep) and game farming. Approximately 9% of the land within the Municipal Area falls within areas that are formally protected and informally protected for conservation purposes. The municipal area as a whole includes 26,100 hectares of cultivated lands, primarily comprising irrigated and commercially cultivated maize, lucerne and potatoes.

### ***Biodiversity and Conservation Status***

The Blue Crane Route Municipal Area is home to a wide variety of vegetation types including Albany Thicket, Azonal Vegetation, Forests, Fynbos, Grassland and Nama-Karoo. The condition of these habitats varies considerably throughout the municipal area and is dependant primarily on their use for grazing (including stock rates), levels of natural resource harvesting, and management (including fire management, soil resources management and alien invasive plant control).

The majority of the rivers (54%) in the municipal area are classified as unmodified or natural, or largely natural with few modifications. Given this status, the area has been identified as a national Freshwater Ecosystem Priority Area (FEPA). Based on the National Freshwater Ecosystem Priority Areas (NFEPA) data, there are approximately 4,945 hectares of wetlands within the BCRM, of which 81.2% (4,006 ha) are classified as artificial and only 18.2% as natural (938.3 ha). In the South African context, all wetlands are considered important and conservation worthy. Nationally, more than half the country's wetlands have been lost as a result of land transformation for agriculture and development. In terms of the National Environmental Management Act EIA Regulations, any activity which may result in damage to a wetland requires assessment and permission from the relevant environmental authority. The National Department of Water Affairs also requires that any activity within a wetland area is undertaken within the bounds of a permit issued by them in terms of the National Water Act.

There are a number of formally protected biodiversity conservation areas within and surrounding the BCRM. Within the Municipal Area, there is the Bosberg Local Authority Nature Reserve near Somerset East and a portion of the Addo Elephant National Park in the south. In total, 451 km<sup>2</sup> or 4% of the total Municipal Area falls within formally protected areas.

There are a number of informally protected conservation areas within the BCRM. These areas are referred to as "conservation areas" rather than "protected areas" as they have not been gazetted in terms of the National

Environmental Management: Protected Areas Act (57 of 2003). This includes the Buchanon Game Farm, Asanta Sana Game Farm, Samara Private Game Reserve, and Hoeksfontien Game Farm near Petersburg, Oudekraal Game Farm near Somerset East, East Cape Game Farm near Middleton, and Koedoeskop Game Farm near Waterford. In total, 538 km<sup>2</sup> or 5% of the total Municipal Area falls within such conservation areas. So, in total some 9% of the land within the Municipal Area falls within formally protected and conservation areas.

In close proximity to the BCRM, there is also the Cambedoo National Park near Graaff-Reinet and the Mountain Zebra National Park near Cradock that are protected in terms of National legislation. There are also a number of conservation areas surrounding the BCRM, particularly in the north near the Mountain Zebra National Park and in the south near Addo Elephant National Park. Large parts of the BCRM have been identified within various bioregional conservation plans as being important for biodiversity conservation. This includes the Eastern Cape Biodiversity Conservation Plan (ECBCP), the Sub-Tropical Thicket Ecosystem Project (STEP), and National Protected Area Expansion Strategy (NPAES). This implies that land use change and development proposals in many parts of the municipal area will be affected by and need to respond to regional and national biodiversity conservation imperatives.

### **2.9.5 Budget & Treasury Directorate**

The Chief Financial Officer is responsible for the Municipal finances which include the management of Municipal assets & risks, revenue, debt collection, meter reading, Supply Chain Management, cashiers, expenditure, salaries and wages, payment of creditors, insurance and valuations.

The Budget and Treasury Office has the following objectives:

- Implementation of MFMA
- Implementation of the Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Management of a Supply Chain Management Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To retain the Financial Viability of the Municipality

- To have a Clean Audit Report
- Assist with Internal Audit

### **CHAPTER 3: DEVELOPMENT STRATEGIES**

For Blue Crane Route Municipality to achieve its goals of effective and efficient service delivery, the municipality needs to respond to challenges identified through the situation analysis exercise. These challenges range from institutional capacity, economic as well as maintenance of new and existing infrastructure. Some issues emanate from the community consultation processes.

This chapter provides an overview of the various objectives and related strategies that have been reviewed in accordance with the needs of the community and to respond to the development challenges within the municipality. It further outlines the Council highlights during its term.

#### **3.1 WARD BASED PLANNING**

The Constitution of RSA, 1996 places an emphasis on the following:

National and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs exercise their powers and perform their functions.

All the spheres and organs of government must co-operate with each other in mutual trust and good faith, through, interlia;

- Consult one another on matters of common interests;
- Co-ordinate their actions with one another &
- Assist and support one another.

During the month of September /October 2019, BCRM conducted Ward Based Planning sessions with the community .The exercise was in response to the constitutional mandate which requires municipalities to be developmental by nature, manage and structure the budget, administration and planning processes of the municipality in a manner that prioritises the basic needs of the community and promote the social and economic development of the community. This exercise was also conducted in the previous financial year; however not all issue were addressed.

The following list of issues which were commonly raised by the community:

- Paving of roads
- Storm water drains
- Electricity: streetlights
- Sports facilities
- Human settlement: Construction of new house, rectification of damaged and burnt houses
- Water and Sanitation
- Employment, Youth development and skills development programme
- Cemeteries
- Pounds
- Water tanks

See attached Annexure, for a detailed Ward based Plans

### **3.2 MUNICIPAL VISION, MISSION and VALUES**

The BCR municipality is “A municipality that strives to provide a better life for all its citizens”. The vision is aligned to the five development priorities and the national and provincial government strategic frameworks. The plans and budgets of the BCR are also designed /developed to achieve the vision.

The main purpose of a vision statement is to link the current situation with the future potential of an area. As such a vision statement plays a central role throughout the various processes of the IDP. It guides the prioritisation of needs, the setting of objectives and the implementation of various strategies and projects. The vision statement should be brief, inspiring, realistic, relevant and mobilising. It is important to reflect on the vision and mission of the municipality as a reminder of the direction the municipality should take in deciding on programmes on projects.

**The vision and mission of BCRM is**

**VISION**

***“A Municipality that strives to provide a better life for all its citizens.”***

**MISSION**

***Through responsible local government, zero tolerance for corruption and creating an environment for upliftment and sustainable economic growth.”***

### **3.3 LEGAL FRAMEWORK BEHIND THE ALIGNMENT OF SELECTED NATIONAL, PROVINCIAL, DISTRICT AND LOCAL STRATEGIES.**

Section 24 (1) and (2) of the Local Government: Municipal Systems Act (No: 32 of 2000) stipulates the following about “Municipal planning in co-operative government-

(1) The planning undertaken by a municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.

(2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution.” Municipal Planning and Performance Management Regulation 2(1) (d) further stipulates that a municipality’s integrated development must at least identify all known projects, plans and programmes to be implemented within the municipality by any organ of state.

BCR local municipality, in line with the above legislation, has developed objectives and strategies aligned to the needs of the community and also to the two spheres of government.

### **3.4 DEVELOPMENT OBJECTIVES & STRATEGIES**

Objectives and Strategies have been formulated to address the following 5 Local Government Key Performance Areas:

- ⇒ **KPA 1:** MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT
- ⇒ **KPA 2:** SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT
- ⇒ **KPA 3:** LOCAL ECONOMIC DEVELOPMENT
- ⇒ **KPA 4:** MUNICIPAL FINANCIAL VIABILITY
- ⇒ **KPA 5:** GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### 3.4.1 KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

#### DIRECTORATE: CORPORATE SERVICES

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>Records Management</b>	To establish a fully functional and legally compliant records management system by 2022.	By developing Records Management Policy that complies with legislation	% progress in the review of the Draft Records Management Policy.	Records Management Policy.	0	100% progress in the review of the Draft Records management policy	n/a	1
		By implementing Records management policy	No of reports submitted on the implementation of the Records Management policy action plan	Quarterly reports	0	4 reports submitted on the implementation of the Records Management policy action plan	4 reports submitted on the implementation of the Records Management policy action plan	2



PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
Human Resource Services	To ensure uninterrupted supply of competent Human Resources by 2022	By reviewing HR policies	No of HR Policies Reviewed	HR Policies Reviewed	HR Policies	6 HR policies reviewed	n/a	3
Human Resource Development	To promote employment equity and ensure competent workforce by 2022	By establishing Human Resource Development training committee and Employment Equity committee	No of Human Resource Development training committee established	Human Resource Development training committee established	WSP in place	1 Human Resource Development training committee established	n/a	4
			No of Employment Equity committee established.	Employment Equity committee established	Outdated EE Plan	1 Employment Equity committee established	N/a	5

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
		By Training Peace officers	No of Peace Officers Trained	Quarterly Reports	WSP	8 Peace Officers Trained	N/a	6
<b>Employee Relations</b>	To promote sound labour and employer relations by 2022	By promoting collective bargaining	No of LLF Meetings held	Quarterly reports	4 LLF meetings Main Collective Agreement	4 LLF meetings held	n/a	7
<b>Complaints and Fraud management</b>	To ensure functional and effective customer care management by 2022	By managing the Institutional complaints management Register	No of Reports on Complaints addressed in the institutional complaints' management register	Quarterly reports	Customer Care Policy and Compliant Register	4 Reports on Complaints addressed in the Institutional complaints' management register	n/a	8
<b>Occupational Health and Safety</b>	To ensure adherence and compliance	By implementing OHS policy	No of reports submitted on the implementation of OHS policy	Quarterly reports	0	4 reports submitted on the implementation of OHS policy	4 reports submitted on the implementation of OHS policy	9

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
	in OHSA and its regulations by 2022							
<b>Information and Communication Technology</b>	To ensure effective ICT Governance and controls by 2022.	By developing an ICT Strategy	% progress on the development of ICT Strategy	Quarterly progress reports	0	100% progress on the development of ICT Strategy	n/a	10
		By developing ICT Governance Framework	% progress on the development of ICT Governance Framework	Quarterly progress Reports	0	100 % progress on the development of ICT Governance Framework	n/a	11
		By Reviewing ICT Policies	No. of ICT Policies to be Reviewed	ICT Policies Reviewed	11	5 ICT Policies Reviewed	n/a	12
<b>Power supply</b>	To ensure provision of uninterrupted power by supply by	By installing an automatic generator for alternative power supply	% progress in the installation of an automatic generator	Quarterly progress Reports	0	100% progress in the installation of an automatic generator	n/a	13

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
	2022							
<b>Council Oversight</b>	To ensure council exercise its oversight responsibility by 2022	By ensuring functionality of MPAC	No of MPAC meetings Organized	Quarterly Reports	4 MPAC meetings	4 MPAC meetings organised	n/a	14

### 3.4.2 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### DIRECTORATE: TECHNICAL SERVICES

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/2021	2021/22	
Water Supply	To ensure efficient, economical and quality provision of water 2022 and beyond	By upgrading bulk water supply in Cookhouse, Phase 2C	Distance in km of 315mm diameter pipeline to be installed	Quarterly progress reports	Existing ineffective 150mm diameter bulk water pipeline	2.5km of 315mm diameter pipeline to be installed	2km of 315mm diameter pipeline to be installed	15
		By constructing Water Treatment Works in Pearston	% progress on the construction of Pearston Water Treatment Works	Quarterly progress reports	0	100% progress on the construction of Pearston Water Treatment Works	n/a	16
		By providing bulk water services in Pearston	% progress on compilation of detailed project designs	Project designs report	0	100% progress on compilation of detailed project designs	n/a	17
Sanitation	To ensure efficient and reliable sanitation	By upgrading the Pearston WWTW Phase 2	% progress on upgrading of Pearston Waste Water Treatment	Quarterly progress reports	Pearston WWTW Phase 1, and Phase 1A	100% progress on upgrading of Pearston Waste Water Treatment Works, Phase 2	100% progress on upgrading Pearston Waste Water Treatment Works, Phase 3	18

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/2021	2021/22	
	system by 2022		Works Phase 2					
<b>Electricity supply</b>	To ensure quality electricity supply and reduction of Electricity losses by 2022	By upgrading Somerset East Electricity Main Substation, phase 3	% progress on upgrading of the Somerset East electricity main substation phase 3	Quarterly progress reports	Somerset East Main Substation upgrade, phase 1 and 2	100% progress on upgrading of the Somerset East electricity main substation phase 3	n/a	19
<b>Social Facilities</b>	To ensure that communities have access to well established social amenities by 2022 and beyond	By upgrading Sportsfield in Aeroville	% progress on upgrading of Aeroville Sportsfield	Quarterly progress reports Project plan, Progress reports Completion certificate	Existing Unusable Sportsfield	100% progress on upgrading of Aeroville Sportfield	n/a	20
			% progress on upgrading of	Quarterly progress reports	Existing Unusable	100% progress on upgrading of Westview Sportsfields	n/a	21

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/2021	2021/22	
			Westview Sportsfields	Project plan, Progress reports Completion certificate	Sportsfield			
Roads and stormwater	To ensure that communities have access to reliable and efficient roads by 2022	By paving of internal streets in Pearston	Distance in kilometres of internal streets paved in Pearston	Quarterly reports	Existing dilapidated gravel roads	0.64km of internal streets paved in Pearston	1km of internal streets paved in Pearston	22
		By paving of internal streets in Cookhouse	Distance in kilometres of internal streets paved in Cookhouse	Quarterly reports	Existing dilapidated gravel roads	0.9km of internal streets paved in Cookhouse	1.5km of internal streets paved in Cookhouse	23
		By paving of internal streets in Somerset East	Distance in kilometres of internal street paved in Somerset East	Quarterly progress reports	Existing dilapidated gravel roads	2.2km of internal streets paved in Somerset East	2.5km of internal streets paved in Somerset East	24
		By upgrading Stormwater drainage in ward 5	Distance in kilometres of stormwater	Quarterly progress reports	Existing ineffective earth stormwater	1km of stormwater pipes upgraded in ward 5	n/a	25

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/2021	2021/22	
			pipes upgraded in ward 5		drainage system			



### 3.4.3 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### DIRECTORATE: COMMUNITY SERVICES

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>Solid waste management</b>	To ensure a well maintained, clean, healthy environment and compliance with minimum requirement for landfill sites by 2022 and beyond	By conducting environmental awareness campaigns in all 3 towns	Number of environmental awareness campaigns conducted	Quarterly reports	8 environmental awareness campaigns conducted	8 environmental awareness campaigns conducted	8 environmental awareness campaigns conducted	26
<b>Water quality</b>	To ensure a healthy water environment to improve human health by 2022	By conducting water quality education in the community	No of water quality education programmes conducted	Quarterly Reports	0	8 water quality education programmes conducted	8 water quality education programmes conducted	27
			No of bacteriological water samples and chemical	Quarterly Reports	24 water samples per quarter and 1 chemical	96 bacteriological water samples and 4 chemical water samples taken	96 bacteriological water samples and 4 chemical water samples taken	28

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
			water samples taken		sample			
Traffic services	To ensure that all road users comply with the roads and traffic laws by 2022 and beyond to ensure a safe environment by 2022	By conducting law enforcement and education programmes with the schools in BCRM	Number of school leavers programme conducted	Quarterly Reports	4 school leavers programmes conducted	4 school leavers programme conducted	4 school leavers programme conducted	29
			Number of roadblocks conducted at National roads in BCRM area	Quarterly Reports	3 roadblocks were conducted	4 Roadblocks conducted at National roads in BCRM area	4 Roadblocks conducted at National roads in BCRM area	30
Fire Services	To ensure prevention and management of fire incidences to promote safety of the environment, properties and humans by 2022 and beyond	By conducting fire prevention awareness programmes to schools and communities	Number of fire prevention awareness programmes conducted	Quarterly Report submitted to Portfolio Committee, dated photos, attendance register & Program Report	24 programmes	24 fire prevention awareness programmes conducted	24 fire prevention awareness programmes conducted	31
			Number of fire safety and preventions	Quarterly Report submitted to Portfolio	133 fire safety and prevention inspection	120 fire safety and prevention inspection conducted in commercial entities and public amenities	120 fire safety and prevention inspection conducted in commercial entities and public	32

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
		inspections at commercial entities	inspections conducted in commercial entities and public amenities	Committee, dated photos,  Signed Fire safety inspection form (signed by building occupant and municipal official)	conducted in commercial entities and public amenities		amenities	
<b>Library Services</b>	To promote a culture of learning amongst the communities of BCRM by 2022 and beyond	By conducting library awareness campaigns amongst the communities to promote culture of learning	Number of library awareness campaigns conducted	Quarterly Report submitted to Portfolio Committee, dated photos, attendance register & Program Report	8 library awareness campaigns	8 library awareness campaigns conducted	8 library awareness campaigns conducted	<b>33</b>
<b>Safety and security</b>	To ensure provision of a safe and secure environment to all BCRM residents by	By establishing a Community Safety Forum	% progress on the establishment of Community Safety Forum.	Quarterly Report	0	100% progress on the establishment of Community Safety Forum	n/a	<b>34</b>
		By developing a Commonage Management	% progress on the development of Commonage	Quarterly Report	0	100 % progress on the development of Commonage Management Policy	n/a	<b>35</b>

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
	2022	policy	Management Policy					
		By constructing a pound	% progress on the construction of a pound	Quarterly Report	0	100% progress on the construction of a pound	n/a	36

### 3.4.4 KPA 3: LOCAL ECONOMIC DEVELOPMENT

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>Local Economic Development</b>	To ensure promotion local economic development and job creation by 2022 and beyond	By developing the LED strategy	% progress in the development of LED Strategy	Quarterly reports	0	100% progress in the development of LED Strategy	N/a	37
		By establishing LED Forum	% progress on the establishment of LED forum	Quarterly reports	0	100% progress on the establishment of LED forum	N/a	38
<b>SMME Development and Business Advisory Services</b>	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMEs) businesses into the formal economy by 2022 and beyond	By providing meaningful business development support to SMMEs	Number of business support initiatives implemented	Quarterly reports	2 SMMEs initiatives	4 business support initiatives implemented	N/a	39
			Number of SMME's supported	Quarterly reports		20 SMMEs supported	N/a	40
<b>Job Creation</b>	To strive for reduction on household	By creating jobs through EPWP grant funding	Number of jobs created through EPWP grant	Quarterly reports	76	76 jobs created through EPWP grant funding	N/a	41

	poverty through labour intensive construction methods in 2022 and beyond		funding					
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### 3.4.5 KPA 4: MUNICIPAL FINANCIAL VIABILITY

#### DIRECTORATE: FINANCIAL SERVICES

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>Supply Chain Management</b>	To ensure compliance with MFMA and SCM regulations & Policies by 2022	By monitoring compliance with SCM check lists	% Reduction of Irregular Expenditure	Reports	2018/2019 Irregular Expenditure Amount to the amount of R 12 m	15 % reduction of irregular expenditure	25 % reduction of irregular expenditure	42
<b>GRAP compliant Asset</b>	To ensure that the municipality	By developing, adopting, implementing	Maximum % of error and misstatement	Reports	2018/2019 GRAP compliant Asset Register	Maximum 3% of error and misstatement allowed on the total value of assets disclosed in AFS	Maximum 3% of error and misstatement	43

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>register</b>	has no material errors on the Asset Register by 2022	and monitoring of a credible, realistic and implementable asset management plan	allowed on the total value of assets disclosed in AFS				allowed on the total value of assets disclosed in AFS	
<b>Cashflow Turnaround</b>	To ensure that the municipality is financially viable to sustain short, medium and long-term obligations to be able to provide services to the community in a sustained	By reviewing, adopting, implementing and monitoring of a revenue enhancement plan	% of existing liquidity ratio maintained	Monthly reports	Liquidity Ratio based on 2018/2019 AFS – 1:0,875	100% of existing liquidity ratio maintained	100% of existing liquidity ratio maintained	44

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
	manner by 2022.							
<b>Financial Management &amp; Reporting</b>	To ensure optimal use of the mSCOA financial system to improve the operations of the municipality by generating accurate, valid, complete and cost-effective financial and performance information by 2022.	By ensuring accurate mSCOA reports through ongoing SAMRAS support and interventions	No of reports received from treasury on the quality of reports submitted.	Monthly reports	SAMRAS support contract Web based system that does extract some reports but inaccurate	Treasury mSCOA Compliance 12 monthly Reports and 2 Budget reports (Adjustment and Tabled)	Treasury mSCOA Compliance 12 monthly Reports and 2 Budget reports (Adjustment and Tabled)	45
<b>Asset</b>	To ensure that	By developing,	% progress on the	Policy	0	100 % progress on the development of	N/a	46



PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
Management	the municipality's assets are safeguarded against theft and misuse by 2022	asset management plan	development of asset management plan			asset management plan		
		By procuring municipal vehicle fleet	% progress in the procurement of new fleet	Budget and procurement plan BSC minutes BEC minutes BAC minutes SCM quarterly report Purchase order and tax invoices Appointment letter	100 motor vehicles	100% progress in the procurement of new fleet	n/a	47

3.4.6 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
Internal Control	To ensure effective Audit, Risk management and Corporate governance function that will result in improved compliance and clean administration by 2022	By reviewing municipal internal controls through execution of the Internal Audit Plan	Number of reports on progress against approved Internal Audit Plan to Audit Committee	Quarterly reports	4 reports	4 reports on progress against approved IAP to AC	4 reports on progress against approved IAP to AC	48

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
<b>Fraud and Anti-Corruption</b>	To ensure effective implementation of the Fraud and Anti-corruption Policy by 2022	By reviewing and institutionalization of the Fraud and Anti-corruption policy	% progress on the reviewal of Fraud prevention policy		Fraud and Anti-corruption policy	100 % progress on the reviewal of Fraud prevention policy	100 % progress on the reviewal of Fraud prevention policy	49
<b>IDP and Performance Management</b>	To ensure that the municipality is responsive to the needs of community as well as the to strengthen	By facilitating the implementation of the performance management system	No of performance assessment session of senior management conducted.	Quarterly report	4 performance report	4 performance assessment of senior management conducted.	4 performance assessment of senior management conducted.	50
		By conducting IDP Rep Forums per quarter	No of IDP Rep Forum meetings held	Quarterly report	4 IDP Rep Forum meeting	4 IDP Rep Forum meeting held	4 IDP Rep Forum meeting held	51

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
	a culture of performance management by 2022							
Public Participation	Ensure effective, efficient and compliant public participation by 2022 and beyond	By reviewing public participation strategy and Public Participation Policy	% progress on the reviewal of public participation strategy	Quarterly report	Public Participation strategy	100 % progress on the reviewal of public participation strategy	n/a	52
			% progress on the reviewal of participation policy	Quarterly report	Public Participation policy	100 % progress on the reviewal of public participation policy	n/a	53
		By Implementing the public participation strategy	Number of Public Participation sessions convened	Quarterly report	0	12 Public Participation sessions convened	12 Public Participation sessions convened	54

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS		KPI NO
						2020/21	2021/22	
		By organizing IGR Forum meetings	No of IGR Forum meetings held	Quarterly report	0	4 IGR Forum meetings held	4 IGR Forum meetings held	55
<b>Social cohesion</b>	To ensure mainstreaming of Special Programmes in the institution by 2022	By Strengthening Moral Regeneration	No of social cohesion programmes hosted	Quarterly report	0	5 social cohesion programmes hosted	5 social cohesion programmes hosted	56

### 3.5 LIST OF CAPITAL PROJECTS: 2020/21

PROJECT NO	PROJECT NAME	PROJECT DESCRIPTION	BUDGET ALLOCATION	BUDGET SOURCE
1.	Somerset East main sub-station	Upgrading of Somerset East main sub-station and Power Factor Correction	R5 000 000	INEP
2.	Pearston Water Treatment Works	Construction of Pearston Water Treatment Works	R 5 000 000	WSIG
3.	Pearston Waste Water Treatment Works phase 2	Upgrading of Pearston Waste Water Treatment Works phase 2	R10 000 000	WSIG
4.	Aeroville Sportfields	Upgrading of Aeroville Sportfields	R 2 000 000	MIG
5.	Paving of Gravel roads	Paving of Gravel roads: Pearston	R 1 000 000	MIG
6.	Paving of Gravel roads	Paving of Gravel roads: Cookhouse	R 1 000 000	MIG
7.	Paving of Gravel roads	Paving of Gravel roads: Somerset East	R 2000 000	MIG
8.	Cookhouse Bulk water supply (Phase 2 C)	Upgrading of Cookhouse Bulk water supply (Phase 2 C)	R 2 974 464	MIG
9.	Westview Stormwater	Upgrading of Westview Stormwater Drainage	R 2 965 886	MIG
10.	Westview Sportfield	Upgrading of Westview Sportfield	R 1 000 000	MIG
11.	Pearston Bulk Water Services	Provision of Pearston Bulk Water Services (Planning)	R 600 000	MIG
12.	Generators	Alternative Power Supply	R 1 200 000	External Loans
13.	Vehicles	Purchasing of Vehicles	R 1 500 000	External Loans
14.	Pound	Construction of Pound	R 450 000	External Loans

## CHAPTER 4: INTEGRATION OF STRATEGIES AND SECTOR PLANS

### 4. INTRODUCTION

This chapter provides the brief overview of policies, strategies and sector plans within the municipality, they serve as the guide in the day to day operations.

#### 4.1 STATUS OF THE MUNICIPAL SECTOR PLANS

Document	Description	Year of Adoption	Status (Due for Reviewal or not)
<b>CORPORATE SERVICES DEPARTMENT</b>			
Human Resources Plan		31 June 2014	Due for reviewal
Integrated Employee Wellness Policy	Is a proactive and holistic intervention program aimed at ensuring a capacitated, motivated, fulfilled and productive workforce through individual and organizational interventions, emotional, intellectual, spiritual, interpersonal/social, and environmental wellness.		
Leave Policy and Procedures	Regulation of leave management in the workplace	1 June 2016	Due for Reviewal – 2020/21
Incapacity: Ill-Health/Injury Policy	To ensure that when a termination for reasons of incapacity due to ill health or injury takes place it is affected for a fair reason and in accordance with a fair procedure and as last resort.	30 June 2016	Due for reviewal 2020\2021
Dress Code Policy	Regulate and standardise appearance of Councillors, Managers and Officials attending council meetings and its committees.	30 June 2016	

Grievance Policy and Procedure	Provide employees with a credible and trusted channel for expressing and resolving grievances in the workplace. Provide management with a guide for resolving employee grievances fairly, objectively and expediently.	As per Bargaining Council	
Standby Allowance Policy	The administration and management of standby allowance.	30 June 2016	Due for reviewal
Vehicle Usage and Vehicle Accidents	To regulate the use of official municipal vehicles and to ensure that they are used in a safe and efficient manner in order to minimise accidents and abuse of vehicles. To provide a procedure for accidents and modus operandi for conducting an inquiry into vehicle accidents involving municipal vehicles.		
Training and Development	To support the municipality's strategies action plans, human resources planning process, as well as any other present and future training and development needs.	30 June 2016	Due for Reviewal – 2020/21
Telephone and Facsimile Usage	To ensure the effective and efficient use of municipal telephones and facsimile.		To be Reviewed 2020/21
Subsistence and Travelling Allowance	To fairly reimburse councillors and officials of the municipality who must undertake official journeys on behalf of the municipality and to promote honesty and integrity in disbursing public money entrusted to the municipality.		
Smoking	To establish a smoke-free environment for non-smoking employees, visitors and clients.	30 June 2016	Due for Reviewal 2020/21



	To ensure that smokers suffer no discrimination in the workplace and to set guidelines for the application of the policy within the workplace which will ensure minor disruption and production loss.		
Sexual and Other Harassments	To eliminate any form of harassment at the workforce, to provide appropriate procedures to deal with problems of harassment and prevent its recurrence.	30 June 2016	Due for Reviewal 2020/21
Substance Abuse	To fairly reimburse councillors and officials of the municipality who must undertake official journeys on behalf of the municipality and to promote honesty and integrity in disbursing public money entrusted to the municipality.	30 June 2016	Due For Reviewal 2020/21
Intranet, internet policy, network security policy, IT Program Change, Social Media Policy, Disaster Recovery Policy, Network Security, Systems and Data Policy	To enhance ICT Security Controls and Governance	June 2018	
IT Server Room Policy, User Access Management Policy, Application Patch Management Policy, ICT SLA Management Policy	New policies developed to strengthen ICT governance and ICT security and controls. These have been workshopped with all stakeholders	30 June 2018	reviewed in June 2018
<b>TECHNICAL SERVICES</b>			
Spatial Development Framework	The municipality has been funded by Sarah Baartman District Municipality to review the	01 March 2012	Reviewal in progress, anticipated to be

	SDF, service provider has been appointed and the review process is in progress		concluded by FY 2020/2021
Housing Sector Plan	DHS is responsible for the reviewal of housing sector plan. This HSP has undergone a basic review and been revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation.	Developed in April 2012 & reviewed in 2014 to 2019 and its due for reviewal.	Anticipated to be done during FY2020/2021
WSDP (WATER SERVICES DEVELOPMENT PLAN)	It entails analysis on Demographics, infrastructure, Financial, O&M, social-economics, WCDM, Water Balance. The plan is reviewed annually	June 2017	Anticipated to be done during FY2021/2022
Water Safety Plan	WSP sets out the Blue Crane Route Local Municipality's Water Safety Plan for the annually, containing key municipal goals and priorities concerning water issues from the water source to the consumer tap. The Water Safety Plan is a strategic document of Council and guides all planning and development in the Water Unit within the municipality.	June 2016	Anticipated to be done during FY2020/2021
Water Resource Management Plan – June 2016		June 2016	
Roads & Storm water Maintenance Plan – June 2016	A roads and stormwater master plan need to be developed in order to have a proper maintenance plan to deal with rehabilitation, special maintenance, periodic maintenance etc.	June 2016	Roads and stormwater master plan anticipated to be done during FY2021/2022.
Borehole Management Plan	To have a procedure to manage, monitor and maintain boreholes. Key deliverables testing for yield, groundwater quality, sustainability.	June 2017	Anticipated to be done during FY2021/2022

<b>OFFICE OF THE MUNICIPAL MANAGER</b>			
Public Participation Strategy	It's a mechanism for effective and efficient to encourage meaningful participation.	March 2015	
Communication Strategy	To strengthen institutional capacity, promote good governance & effective service delivery.	March 2015	

## 4.2 HOUSING SECTOR PLAN

The Municipality's reviewed its Housing Sector Plan in October 2014. The Housing Sector Plan was funded by the Department of Human Settlements in the Eastern Cape Province and was conducted by Gibb Engineering & Science Consultant.

The Housing Sector Plan estimates the housing demand profile to be approximately 4800; this estimate is derived from the beneficiary information registered on the municipal housing office. The majority of the registered beneficiaries earns less than R3200.00 per month and can be assumed to qualify for the low cost housing subsidy. There is a greatest need for middle-income housing, particularly in Somerset East. In light of the above attempts were made by BCRM and ECHoHS for an application to develop flats to accommodate the middle-income /rental stock at CRU area. Somerset East and Cookhouse have been experiencing a shortage of suitable land for housing development

### 4.2.1 Housing Needs Challenges

The main challenge facing BCRM remains the shortage of publicly owned and strategically located land for human settlement development. Most of the land parcels required is not in the municipal ownership and needs to be purchased. While a number of housing projects have been identified there is still a need for approximately 100 hectares of land to meet the current housing demand.

The area that is severely affected is Cookhouse as it is landlocked due to the fact that the large portion of land is owned by Transnet who have no intention of relinquishing the land despite the fact that they don't have any immediate plans for it.

The other impediments are the inadequate bulk provision (Electricity, water and sewerage). With regards to Wastewater Treatment Works a project is underway to upgrade the Somerset East facility and is scheduled for completion by the next financial year. The Cookhouse project is still at planning stages and will be implemented as soon as adequate funding is secured.

Water provision: phase 1 of the Cookhouse bulk water supply is finished and plans are in place for the second phase to commence as soon as funding is secured. Plans for Pearston water provision are in place to investigate the option of diverting water from Orange River Canal for provision of sustainable water supply to Pearston.

#### **4.2.2 Municipal Housing Profile**

- Approximately 74% of households live in formal residential dwellings and more than 58% earn below R3200 and would qualify for low cost housing subsidy.
- 5,1 % of households live in informal dwellings within the BCRM area and this in essence indicates that the number of informal settlements is smaller than most of the municipalities within the district.
- About 18% of households live in farms, forming part of the rural community.
- Approximately 35,4% of the households are headed by women while there are no child headed households.
- Currently the municipality does not have blocked projects.

#### **4.2.3 Current Operational Housing Projects**

- a. Development of Social Housing Policy
- b. Implementation of Housing Sector Plan
- c. Implementation of Electronic Needs Register
- d. Facilitation of new housing development projects
- e. Distribution of title deeds
- f. Updating of housing beneficiary list

Major issues pertaining to housing and settlement aspects include the following:

- The non-availability of the land to address current housing demand, available land is owned by private owners which are intensively used mainly for agriculture, SAN Parks and state land.
- The continued influx of migrants to the area in search of employment opportunities, some short term in the fishing and tourism industry and by farm workers after the fruit harvesting season is over which is the major concerns with regards to housing delivery.
- The isolated settlements and nodes classified as Rural Nodes that are located away from existing community services, often contain low population thresholds that cannot support the essential Community Facilities and are difficult and expensive to provide with bulk and internal services to a level equivalent to settlements in the bigger Urban Areas.
- There has been a rapid increase of informal settlements in and around small towns due to the changing pattern of labour utilisation on farms.

### **4.3 BCRM INTEGRATED WASTE MANAGEMENT PLAN**

As required by the National Waste Management Strategy (NWMS) and the IDP process, all municipalities are obliged to compile an IWMP. The current IWMP was compiled and adopted by council in November 2008. This document has been reviewed in 2016 through the assistance of Sarah Baartman District municipal who funded and appointed a service provider to do the review process.

### **4.4 ENVIRONMENTAL MANAGEMENT PLAN (EMP)**

BCRM council adopted its Environmental Management Plan (EMP) in June 2013. The EMP is due for review. The details below are as contained in the current document before amendment.

The Blue Crane Route Municipal Area has a number of strategic environmental advantages. It contains 97% natural land cover, is centrally located between three National Parks, contains biodiversity of regional and national significance, boasts incredible scenic beauty, and local conditions present a number of opportunities for renewable energy generation on a large scale. However, as the municipality contains a relatively small population which is concentrated primarily in its three urban centres: Cookhouse, Somerset East and Pearston, it faces significant social and developmental challenges. The low agricultural productivity and carrying capacity of much of the land in the municipal area, combined with limited access to water for irrigation, has limited the development of the agricultural economy. The remoteness of the urban centres limits growth of the business, services and industrial sectors. However, the growth of a nature-based tourism economy is evident in the increasing number of game and hunting farms, accommodation facilities and tourism businesses in the region.

Environmental management issues that have been identified during the process of preparing this Environmental Management Plan are most significant in the urban areas and associated with the higher population densities, concentration of municipal infrastructure and servicing, and the urban / industrial land uses located there. The Blue Crane Route Municipality has not had a centralised environmental management policy, and there has been no dedicated environmental management capacity within the municipal administration to address these issues. This has been identified as a constraint by the municipality.

This Environmental Management Plan (EMP) has therefore been prepared to:

Address the environmental management policy gap in the municipality;

Provide key technical and spatial environmental information to support planning and development decision making within the municipality;

Recommend specific actions / interventions / controls that the municipality needs to implement to address existing or emerging environmental issues, opportunities and constraints; and

Recommend resourcing and capacity requirements needed to address environmental management priorities within the municipal area.

The EMP has established an Environmental Management Vision for the Blue Crane Route Municipality, which supports the overarching municipal vision and mission. Key environmental management principles have been included which are intended to be integrated into the approaches / operations of all municipal sectors to promote sustainable development in the municipal area. Six strategic / high level environmental management goals have been identified for the Blue Crane Route Municipality, which are to be achieved through the implementation of the Environmental Management interventions, programmes and projects presented in the EMP.

Not all programmes and projects are immediate priorities, and so implementation can be undertaken over the various time periods recommended in the Programme and Project Implementation Plan that is included in the EMP.

This Environmental Management Plan also contains an Ecosystem Services Supply Areas Framework, which identifies spatially the key natural assets within the Blue Crane Route Municipal Area that supply ecosystem services of value to the municipality, its residents, and regional and national stakeholders. There are three environmental overlay zones in this map which correspond to a set of environmental land use management guidelines:

Category 1 Areas are those areas which are critical for ecosystem services supply and should not be transformed;

Category 2 Areas are those areas which support or protect Category 1 Areas. Land uses in these areas should be controlled such that they are appropriate in extent, type, design and management, to ensure that the functionality of Category 1 areas is not negatively impacted.

Category 3 Areas are those areas which are already transformed from a natural state and are not major suppliers of ecosystem services. Depending on how land use in Category 3 areas is managed, Category 1 and 2 areas may be affected positively or negatively in terms of their ability to supply ecosystem services. Consequently, land use management systems in Category 3 areas needs to take this into consideration.

The Ecosystem Services Supply Areas Framework Map has been designed to be used in the Municipal SDF and SDP's to help guide the future economic and social development path of the municipality. Given that the Blue Crane Route Municipal Area contains a number of areas which have been identified in national and bioregional conservation plans as having high conservation value (and therefore associated with constraints to the extent, type and form of development that can / should occur within them), the EMP has also included a plan showing the Ecosystem Services Supply Areas weighted in terms of likely prioritisation for biodiversity protection. This map is intended to provide a sense of which natural areas in the municipality are likely to be most and least sensitive in terms of future development, and which have the highest and lowest potential for protected area expansion; and which should be used as a decision support tool for the municipality in planning land use and infrastructure at the municipal scale.

#### **4.5 BCRM FIRE AND DISASTER MANAGEMENT PLAN**

Based on the Risk and Vulnerabilities identified for BCR, the municipality needs to develop a plan for Disasters come in various forms, from man caused such as wild bush fires, infectious disease spread, industrial accidents to natural disasters such as flooding, landslides etc. The need to strategically manage and ensure the after effects of such incidents is kept minimal and those affected treated with care is important.

#### **4.6 BCRM TRAFFIC SECTOR PLAN**

##### **⇒ NEEDS ANALYSIS**

The Organogram has been re-evaluated and provision for new positions has been made to cater for the service demand

In the newly revised organogram, traffic services have been divided to Law Enforcement, Drivers Licence and Administration including Vehicle Testing Station.

#### **4.7 INTEGRATED LOCAL ECONOMIC DEVELOPMENT PROGRAMME**

BCRM has also identified Local Economic Development (LED) as a key factor in the development of the BCRM economy and all of its communities. LED has been identified as a priority because of vast number of opportunities in tourism, agriculture and investment the municipality is currently not adequately exploiting. While this is a positive step forward, the LED structures in place. The municipality is also participating in the Small-Town Regeneration Programme piloted by SALGA in order to encourage municipalities to make use of the available resources in terms of spatial transformation, stimulate economic growth and job creation.

Currently there is no person in the LED unit; The Cacadu Development Agency was established to provide this type of support to BCRM. BCRM and CDA negotiated the roles and responsibilities of both parties and have signed a service level agreement in that regard

#### **4.8 INTEGRATED HIV/AIDS PROGRAMME**

The Special Programmes Unit advocates for the vulnerable groups i.e. youth, gender, children, senior citizens, people with disabilities and HIV/AIDS. Advising the municipality on addressing issues of the vulnerable groups e.g. development of policies, strategic documents. Mainstreaming of the vulnerable groups into all municipal processes (IDP) and programmes. Ensuring compliance on all prescribed legislation. The BCRM embarked on a development plan and identified 7 key priorities that are needed for the intervention to reduce prevalence on vulnerable groups and impact of HIV/AIDS:

- Education and Training
- Health and promotion
- Welfare and Community development
- Workplace
- Economic Participation
- Monitoring & Research
- Coordinating with municipal wards

#### **Prevalence of range of diseases**



The growth of HIV/AIDS in the past 10 years has been exponential growth rather than lineal growth.

This has been caused by the following factors:

- Migration
- Alcohol and substance abuse
- High unemployment rate;
- Increase in commercialization of sexual activities;

Although the epidemic affects all sectors of all society, poor household carry the greatest burden and have least resources available to cope with the impact of the disease. There are number of non-governmental organization focusing on HIV/AIDS education, awareness and prevention programme.

#### **Current Programmes/Projects**

- HIV/AIDS programmes focusing on special days, e.g. World Aids Day, Candlelight, Condom Awareness etc.
- Assistance to NGO's & CBO's for the BCRM in terms of fundraising events to address the needs of the vulnerable groups, etc.

#### **4.9 INTEGRATED INSTITUTIONAL PROGRAMME**

BCRM has experienced past difficulties in the form of various institutional threats and weaknesses. The most notable of these being issues related to infrastructure, skills and productivity. The municipality however also has a range of opportunities and strengths, most notably strong political leadership and stability, the existence of a development agency and all of the investment opportunities.

A workplace Skills Development Plan for BCRM is in place; however this document is outdated and should be reviewed. The BCRM currently does not have a Human Resource Development and Retention Strategy, but this has been identified as a project that should be undertaken. The BCRM has a supply chain management plan and an indigent policy; however the indigent policy is in the process of being reviewed at present. Currently the municipality is providing free basic services to indigent people only. We strive to provide the indigent with 6kl of water, 50Kwh electricity, 100% free sanitation and refuse. The municipality also provide free basic rates up to R15 000(valuation of house) to all households. The municipality utilise the equitable share allocation to subsidize these services. With

respect to performance management systems, the BCRM has performance agreements in place with the Municipal Manager and Departmental Managers. There are no performance agreements in place with other staff members of the municipality, but progress has been made to cascade these to middle management and lower levels.

## CHAPTER 5: THE BCR SPATIAL DEVELOPMENT FRAMEWORK

### 5.1 INTRODUCTION

The SDF was reviewed in May 2013 and it is currently reviewed by the funding received from Sarah Baartman District Municipality .

The Spatial Development Framework for the Blue Crane Route Municipal Area indicates and informs the following:

- Status quo analysis of the Blue Crane Route Municipal Area
- Vision and objectives for desired spatial form
- Policies and guidelines with respect to land use management
- Desired spatial form
- Capital investment framework

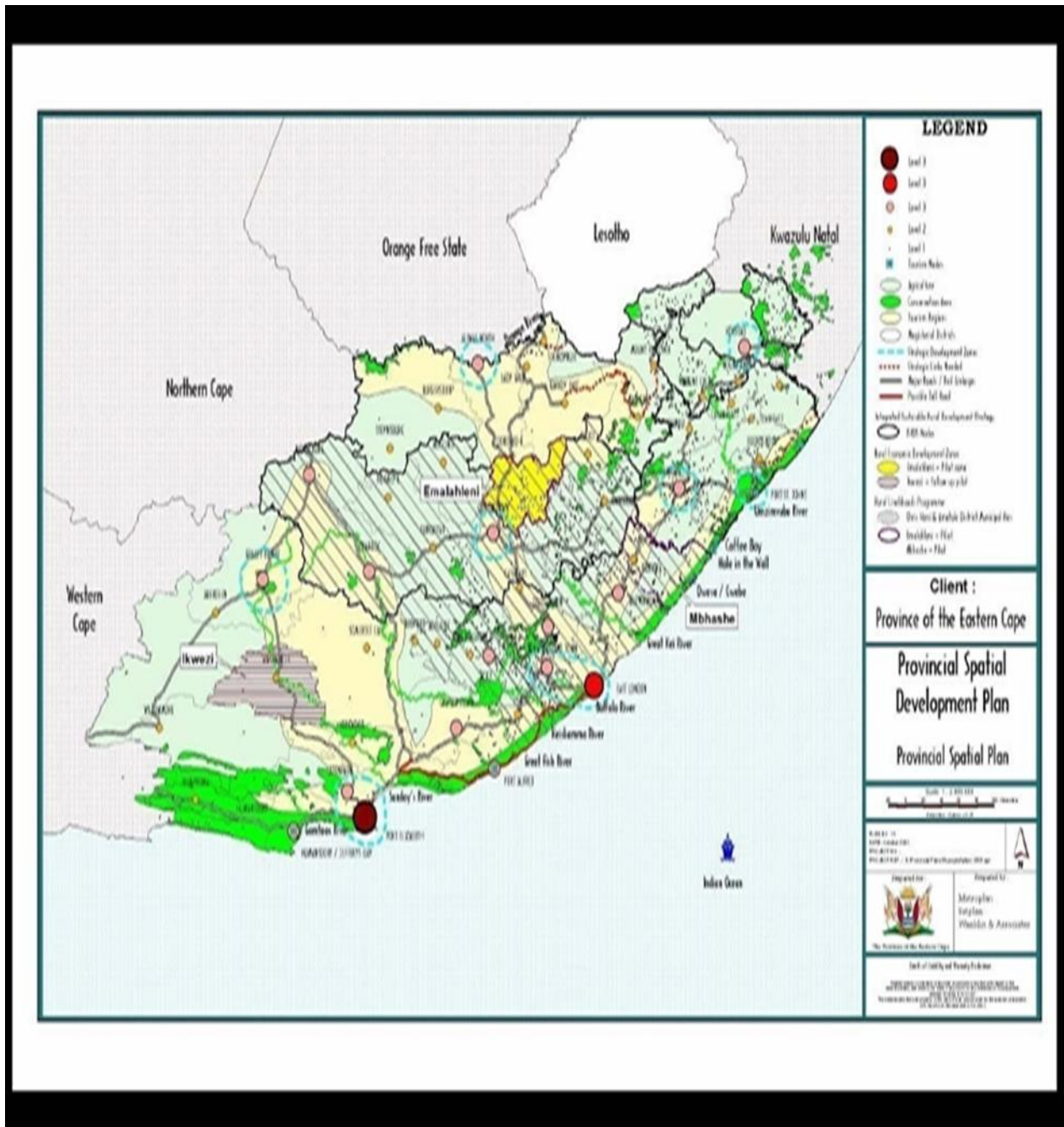
The settlement patterns of Blue Crane Route Municipal Area is characterised by three prominent urban settlements, namely Somerset East, Pearston and Cookhouse. Somerset East is the administrative centre of the Blue Crane Route Municipal Area and it is situated at the foot of the Boschberg Mountains. The agricultural sector employs the highest percentage of people therefore it plays a fairly big economic role. There is however still a high level of unemployment in Blue Crane Route Municipal Area.

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

The Blue Crane Route Municipal area is dominated by commercial farms and three prominent urban areas. These are Somerset East, Cookhouse and Pearston. The service area of the study area (municipal area) is approximately 9836, 35km<sup>2</sup>.

The land use profile and settlement dynamics within the study area are important indicators reflecting the status quo and possible future patterns. Given the nature of the study area i.e. largely rural with urban components, high potential agricultural valley, mountainous natural area and conservation areas. The study area comprise of a number of settlements:

- Somerset East, including Aeroville, Mnandi Old Location, New Brighton, Westview and Clevedon
- Pearston, including Nelsig and Khanyiso
- Cookhouse, including Bhongweni and Newtown
- The department of Water Affairs
- Uitkeer established to construct and maintain the Orange Fish River Scheme.



CURRENT BUDGET AND PROVISIONAL FUTURE PROVISION

The table below reveals the BCR LM's provision for repairs and maintenance expenditure by Asset class on Road Transport, Electricity, Water and Sanitation infrastructure, including provisional budget amounts for the next three financial years.

**EC102 Blue Crane Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		-	2 649	2 540	2 861	2 098	2 098	516	546	577
Roads Infrastructure		-	628	-	439	-	-	40	42	44
Roads			628		439			-	-	-
Road Structures								-	-	-
Road Furniture								40	42	44
Capital Spares								-	-	-
Storm water Infrastructure		-	-	-	-	-	-	376	399	422
Drainage Collection								-	-	-
Storm water Conveyance								376	399	422
Attenuation								-	-	-
Electrical Infrastructure		-	1 502	2 540	884	-	-	100	105	110
Power Plants								100	105	110
HV Substations								-	-	-
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks			1 502	2 540	884					
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	410	-	1 058	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs			410		1 058					
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	109	-	135	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works			109		135					
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	345	2 098	2 098	-	-	-
Landfill Sites					345	2 098	2 098			
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	1									
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>		3 542	321	-	390	-	-	-	-	-
Operational Buildings		3 542	321	-	390	-	-	-	-	-
Municipal Offices			321		390					
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										

EC102 Blue Crane Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	<b>1</b>									
<i>Manufacturing Plant</i>		3 542								
<i>Depots</i>										
<i>Capital Spares</i>										
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>										
<i>Social Housing</i>										
<i>Capital Spares</i>										
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>										
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>										
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<b>Computer Equipment</b>		-	334	-	429	-	-	500	534	570
<i>Computer Equipment</i>			334		429			500	534	570
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>										
<b>Machinery and Equipment</b>		-	221	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>			221							
<b>Transport Assets</b>		-	-	-	1 223	-	-	1 082	1 147	1 216
<i>Transport Assets</i>					1 223			1 082	1 147	1 216
<b>Land</b>		-	-	-	-	-	-	-	-	-
<i>Land</i>										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>3 542</b>	<b>3 526</b>	<b>2 540</b>	<b>4 903</b>	<b>2 098</b>	<b>2 098</b>	<b>2 098</b>	<b>2 226</b>	<b>2 363</b>
<b>R&amp;M as a % of PPE</b>		0.6%	0.6%	0.4%	0.8%	0.3%	0.3%	0.3%	0.4%	0.4%
<b>R&amp;M as % Operating Expenditure</b>		1.6%	1.5%	1.2%	1.9%	0.8%	0.8%	0.8%	0.8%	0.8%

With reference to the information contained in the complete BCR SDF Review 2010, the following conclusions can be drawn:

- Somerset East has the strongest GVA and the largest population within the BCR Municipal area followed by Cookhouse and Pearston;
- Based on the GVA and the population size, Somerset East has the highest potential to support services via revenue generation;
- It would appear that the income generated via service revenue in Somerset East is used to support services in Cookhouse and Pearston;



- Cookhouse is currently limited in terms of population expansion due to electricity constraints;
- Based on the information contained in sections on infrastructure; investment should focus in Somerset East and Pearston, relative to GVA and potential for population expansion and revenue received for provided services;
- The challenge is to identify specific areas within prioritized towns for infrastructure investment with consideration of limited financial and human resources;
- Infrastructure expenditure in Cookhouse should focus on the maintenance of existing infrastructure and provision of basic services;
- Strong emphasis needs to be placed on the elimination of the 12-year infrastructure maintenance backlog and the implementation of an annual maintenance plan.

#### ❑ PROPOSED PRINCIPLES FOR PROJECT PRIORITIZATION

It is proposed that project prioritization be based on the following principles:

- Somerset East is the primary revenue generating town within the BCR LM, subsequently infrastructure that supports this area as an economic hub should be prioritized;
- Infrastructure that supports the economic growth and quality of life of the inhabitants of Pearston should be considered;
- Any infrastructure investment that would encourage the expansion of the population of Cookhouse should be discouraged;
- Every effort needs to be placed into resolving the maintenance backlog of all existing services.

## **CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM**

### **6.1 BACKGROUND**

The Systems Act, Act No. 32 of 2000 requires that each municipality establish a Performance Management System that is: “commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets enshrined in the Integrated Development Plan (IDP).

The implementation and institutionalization of an Integrated Performance Management System within Blue Crane Route Local Municipality requires that performance management and assessment occurs at two levels, namely, individual and institutional levels. This procedure manual will detail the manner in which an infrastructure, system and culture is created which support performance management at every level.

The IDP is a 5-year strategy reviewed and updated annually based on community input and needs. Depending on resources and budget availability the IDP Priorities and Objectives are established for the year in question and translated into an annual Strategic Institutional Scorecard. Departmental Scorecards detailing the specific goals to be achieved per department flow from the strategic scorecard/institutional SDBIP (aligned to the IDP). These goals are translated into the Service Delivery and Budget Implementation Plans (SDBIP’s) for each department as annual targets, and the establishment of these and the measurement of targets ensures that there is alignment between the IDP, the Budget and the departmental objectives.

In order to give effect to these targets, performance agreements are signed with staff (beginning with s56 managers), as commitment to ultimately meet the IDP objectives.

Through a formal process of performance assessments, management and reporting, it is ensured that targets are met where at all possible, and focused and concerted efforts are made to achieve these strategic objectives through effective and efficient service delivery.

Institutionally reporting on performance and the manner in which IDP objectives are met occurs at many levels.

## **6.2 MAIN PURPOSE**

To ensure that performance is managed in conformity to the PMS Framework and strategic objectives as reflected in the Integrated Development Plan (IDP) and to ensure that there is alignment between individual and organizational behaviour and performance targets and objectives.

## **6.3 KEY OBJECTIVES**

Aside from the legislative prescriptions and in line with the PMS framework, the key objectives for the Integrated Performance Management System are defined as follows:

- 6.3.1 Achievement of the organization's strategic objectives;
- 6.3.2 Identifying and addressing the required skills and competencies required for staff to contribute towards achieving organizational objectives;
- 6.3.3 Providing staff with the opportunity to actively manage their own performance;
- 6.3.4 To recognize and reward those employees who meet the policy criteria for reward;
- 6.3.5 To facilitate credible performance reporting by the municipality; and
- 6.3.6 To instil a performance orientated culture throughout the organization.

## **6.4 SCOPE OF THE POLICY MANUAL**

The scope of the Integrated Performance Management Policy manual shall be applicable to the following levels, as part of a long-term roll-out process:

- 6.4.1 All managers as defined by section 56 of the Municipal System Act No 32 of 2000;
- 6.4.2 All employees of Blue Crane Route Local Municipality who are in full time employment.

## **6.5 GUIDING PRINCIPLES AND PRACTICES**

The Integrated Performance Management System Policy manual shall be guided by the following key principles:

- It must be uniformly applied to all applicable parties;
- It must be applied as a universally recognized means to manage and improve performance and work standards;
- Personal Development Plans linked to the Workplace Skills Plan (WSP) are to be developed for all staff (as per roll-out of policy) in order to ensure that they are capacitated and developed appropriately in order to be able to deliver in terms of required performance;
- Performance is assessed at both the individual and organizational levels;
- There is visible alignment between the IDP, Budget and SDBIP's;
- Planning and Reporting must be based on the National Key Performance Areas and Performance Scorecards at all levels will be written in accordance with the 5 (five) National Key Performance Areas ;

Each Scorecard will have appropriate weights attached to each National KPA as per the Performance Regulations.

These Key Performance Areas are:

- Municipal Infrastructure and Institutional Development
  - Financial Management and Viability
  - Service Delivery
  - Local Economic Development
  - Good Governance & Public Participation.
- The weights attached to all five KPA's must add up to a total of 100% for each scorecard;
  - In the event that the Performance Management Policy applies to non-managers, weightings in the scorecards will still total 100%. Performance assessment must be based on clear measures and agreed standards;
  - Performance targets and objectives must provide clarity to all employees on their role in the achievement of municipal and departmental targets;
  - Performance contracts / agreements are to be signed as applicable by section 56 managers and staff to whom the system is applicable (as per roll-out);
  - The system must take into account the applicable legal and regulatory prescriptions applicable;
  - The system must serve as an early warning system to facilitate management and appropriate interventions to address performance issues identified;
  - Staff are to be rewarded according to the prescriptions of this policy;
  - Feedback on progress is to be fed back to the community through defined and ongoing reporting mechanisms;

- Reporting at both the individual and organizational level is to occur through formal and stipulated reporting instruments and channels, and
- This Integrated Performance Management System Policy is to be read together with the approved PMS Framework and legislation.

## **6.6 PERFORMANCE MONITORING, REVIEWS AND ASSESSMENT**

At an institutional level, performance must be reviewed/monitored/weekly assessed monthly, quarterly, mid-yearly and annually in a number of ways which include (but are not limited to) weekly, monthly, s72 mid-year performance reports; quarterly through SDBIP reporting; s46 - Annual Report, Auditor General's regulatory audit and Municipal Public Accounts Committee (MPAC) Reports (all of which translate to the reporting that is then provided to communities);

At individual level, formal assessments (by a duly constituted Performance Assessment Panel) must be conducted quarterly, and a final assessment for the period 1 July – 30 June after issuing of the auditor-general's report.

The scoring will be allocated using the approved rating calculator.

## **6.7 PERFORMANCE BONUS**

### S56 Managers

- a. As per the Performance Regulations, the s56 Managers will be able to qualify for performance bonuses according to the following ratings:
- b. A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9%, and A score of 150 and above is awarded a performance bonus ranging from 10% - 14%.

## **6.8 MANAGERS DIRECTLY ACCOUNTABLE TO S56 MANAGERS AND STAFF BELOW**

Performance Rewards will be negotiated between all stakeholders based on the following principles:

- Non-Monetary

- Negotiated with stakeholders
- Intended to capacitate and develop individual and or team performance
- Agreed upon value
- Subject to available budget (Merit Award paid as a once off merit – dependant on budget)

## **6.9 DISPUTE RESOLUTION**

Disputes are to be dealt with in the manner prescribed by the Regulations and for staff other than the s56 managers according to the approved internal Dispute Resolution mechanisms, re-Human resource policies.

## **6.10 GOVERNANCE ISSUES**

The following governance structures are responsible for the governance of this policy:

- Council: adoption of the policy manual;
- Municipal Manager: formulation, review and amendment of the policy manual;
- Manager: Performance Management and Corporate Services: administration and management thereof ; and
- Performance Assessment Committee / Panel: to formally assess performance of staff; and
- Audit Committee: to verify performance results and application of the policy.

## **6.11 COMPETENCE AND CAPACITY TO IMPLEMENT**

All managers, supervisors and team leaders will be trained to plan, coach and review /report on performance. This is to occur in accordance with the prescriptions of the roll out plan.

The IDP Department must ensure availability of necessary resources for reporting and record keeping - ensuring effective administration and guidance of the process.

## 6.12 RELEVANT LEGISLATION APPLICABLE TO THIS POLICY

This policy is informed/influenced by the following legislation:

- 1) The Constitution of the Republic of South Africa Act, Act No. 108 of 1996;
- 2) Municipal Planning and Performance Management Regulations, 2006;
- 3) Municipal Structures Act, Act No. 117 of 1998;
- 4) Municipal Systems Act, Act No. 32 of 2000;
- 5) White Papers on Local Government 1998; and
- 6) Labour Relations Act, Act No. 66 of 1995.

## **CHAPTER 7: FINANCIAL PLAN**

The financial plan is segmented into five (5) sections:

- 1) Introduction
- 2) Financial System
- 3) Budget Process
- 4) Financial Principles and Policies
- 5) Operating and Capital Budgets

### **7.1 INTRODUCTION**

Over the past financial years via sound and strong financial management, Blue Crane Route Municipality has moved internally to a position of relative financial stability. During the 2015/16 financial year, the municipality's cash flow position declined due to the municipality using its own cash resources to bridge finance MIG and Loan-funded projects. The Provision of External Loan financing commenced late in January 2016 after the vehicles have been delivered and paid for. There is also a high level of compliance with the MFMA and other legislation directly affecting financial management.

The Municipal Systems Act, section 26(h) requires a municipality to include a financial plan, which must have budget projection of at least the next 3 years, in the annual Integrated Development Plan (IDP). In essence this financial plan is a medium term strategic framework on how the municipality plans to deliver services, within financial means.

Each year, National Treasury issues MFMA circulars to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets, together with other MFMA circulars and the Budget and Reporting Regulations.

The Blue Crane Route Municipality's (BCRM) Medium Term Revenue and Expenditure Framework (MTREF) materially comply with the latest budget regulations as well as the requirements of the National Treasury (MFMA Circulars 48, 51, 54, 55, 58, 59, 64, 66, 67, 70, 71, 72, 74, 75, 78, 79, 80, 82, 85, 86, 87, 88, 89, 90, 91, 93,94,98,99). This plan has been prepared taking in consideration the priorities and direction established by municipality during the 2020/2021 budget deliberations.



The BCRM are therefore fully compliant with the legislation applicable to municipalities, as the MFMA and the contents of all the relevant MFMA Circulars, etc. where noted and considered when the budget was compiled. The municipality do compile and submit the following monthly, quarterly and mid-year reports:

- a) Monthly: Section 71,
- b) Quarterly: Section 52d,
- c) Mid-year: Section 72, and
- d) Yearly: MTREF Budget, Annual Financial Statements, Integrated Development Plan, annual Report and Oversight Report

The Council's strategic objective of service delivery includes the continuation of the acceptable levels of service as well as the improvement in those areas where it lacks acceptable levels.

The MFMA Circular No. 93 said that a municipality must table funded budgets, see extract underneath:

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74 and 89. Adopting a funded budget has become more critical now than before as it has direct bearing on the financial sustainability of the institution. It has been agreed that no municipality will adopt an unfunded budget in the future. There are cases that may warrant a plan as this may not be achievable over one year. As a result, such municipalities must, together with their 2019/20 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. This will be essential when the National and provincial treasuries are assessing the budget to determine its credibility. The assessment of the 2018/19 MTREF budgets have shown a deterioration with more budgets being unfunded. Plans and support will have to be re-evaluated to produce a positive outcome.

The financial principles and policies that the municipality has fundamentally adhered to for many years are identified and that will lead the BCRM's financial stability and sustainability into the coming years. These principles and policies will establish the basic framework for the responsible management of the municipality's financial resources.

Blue Crane Route Municipality has established its own Audit, Risk and Performance Committee with effect from 01 July 2015. The Audit Committee consisted of four (4) members comprising one (1) Chartered Accountant; one (1) Professor, one (1) Legal / compliance specialist a Local government and development specialist. The chairperson is one (1) of the Chartered Accountants and they were appointed from 1 July 2018.

## **7.2 FINANCIAL SYSTEM**

This financial plan provides an outline of the financial system, the municipal budget process, financial principles and policies, and the operating and capital budgets of the Blue Crane Route Municipality. Municipal finance must follow certain practices and conventions set out by the accounting profession and provincial government legislation. This

includes the practice of GRAP accounting and the use of capital reserves and self-funding utilities. These terms are discussed below to provide readers of the Financial Plan with a general understanding of municipal finance and the roles and responsibilities of the parties involved.

The implementation of mSCOA is considered a business reform and it required a significant change in municipal business processes as from 1 July 2017.

The municipality has taken note of the contents of all the mSCOA Circulars and the staff is undergoing the necessary training and the mSCOA was implemented as from 1 July 2017 per the due date as prescribed by National Treasury. The municipality aligned its business process to the Municipal Standard Chart of Accounts (mSCOA) format which is legislatively regulated. The following documents adopted by the municipality that forms part of the mSCOA process are available on the municipal website:

- BCRM mSCOA Implementation Team Terms of Reference
- BCRM mSCOA Project Code of Ethics
- BCRM mSCOA IT Functions Questionnaire / Assessment

The BCRM mSCOA report on a monthly basis, on the progress on the implementation of mSCOA.

In the preparation of the Annual Financial Statements (AFS):

- The accounting principles, concepts and disclosure requirements are included in the standards of Generally Recognised Accounting Practice (GRAP), also referred to as the accounting standards. The accounting standards give the following guidance to the preparers of AFS when dealing with specific topics:
  - they explain the accounting treatment of transactions, in other words the debit and credit entries, including when to recognise these entries.
  - they explain the accounting measurement of transactions.
  - they explain the presentation and disclosure requirements of transactions in the entity's Annual Financial Statements

The municipality are not outsourcing the compilation / preparation of the Annual Financial Statements, it is done in-house. The AFS Action plan is attached. The Assets Register is prepared according to GRAP 17 and is also prepared in-house. The financial plan includes a budget projection for at least the next three (3) years in line with Section 26(h) of MSA and Treasury regulations.

### **7.2.1. BUDGET AND TREASURY OFFICE**

The Budget and Treasury Office has the following objectives:

- Implementation of MFMA
- Implementation of the Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Management of a Supply Chain Management Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To retain the Financial Viability of the Municipality
- To have a Clean Audit Report
- Assist with Internal Audit
- Developing & the adoption of the revenue enhancement plan
- Implementation and monitoring of the revenue enhancement plan

The various posts within the Financial Services Department are reflected later in the IDP under the Organogram section.

The ability of the municipality to deliver quality services and the ability to provide services to the Blue Crane Route population at a viable level is dependent on its staff. Failure by the municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by Blue Crane Route will ultimately mean a failure to deliver services.

### **7.2.2. INFORMATION AND COMMUNICATION TECHNOLOGY**

The ICT Software used by Blue Crane Route Municipality is summarised in the Table below:

Company	Programme / Software	Application / Operating
Bytes Technology	SAMRAS / Flexgen/ Frontier	Application System interfacing with the following below:
		<p><b>Consolidated Billing</b></p> <ul style="list-style-type: none"> <li>● Receipting</li> <li>● Accounts</li> <li>● Debt Collection</li> <li>● General Ledger</li> <li>● Cashbook</li> </ul> <p><b>Consolidated Expenditure</b></p> <ul style="list-style-type: none"> <li>● Creditors</li> <li>● Stores</li> <li>● Assets</li> <li>● Supply Chain Management</li> <li>● General Ledger</li> <li>● Main Ledger</li> <li>● Trail Balance</li> </ul> <p><b>Payroll</b></p> <ul style="list-style-type: none"> <li>● Payroll</li> <li>● Cash Focus</li> <li>● Third Parties</li> <li>● SARS</li> <li>● Human Resource <ul style="list-style-type: none"> <li>○ Leave</li> <li>○ Equity</li> </ul> </li> </ul>
Bytes Technology	SAMRAS	mSCOA
Ontec	Vending	Pre-paid Electricity
Deeds Office / Windeed websites	Title Deeds	Extracting Title Deed information electronically
FNB Bank	On-line Banking	Electronic payment <ul style="list-style-type: none"> <li>● Creditors, Salaries</li> </ul>

<b>SITA</b>	eNatis	Motor Vehicle Registration
<b>Microsoft</b>	MS Office 365	Word; Excel; PowerPoint; Adobe; Publisher; Outlook
<b>Nuance</b>	PDF Converter Professional	PDF
<b>ESET</b>	Antivirus Protection	Internet and point security
<b>SARS</b>	Easy File	PAYE – IRP5's

### 7.2.3. VALUATION ROLL

It is a statutory requirement that the General Valuation be conducted for all the rateable properties in a municipality to levy property rates and the municipality valuation roll is utilized by the Council as a basis to levy property rates.

The lifespan of the roll is five (5) years for local municipality and it can be extended to seven (7) years with the approval of the MEC for Cooperative Governance and Traditional Affairs in terms of section 32 (2)(a)(ii).

The municipality must regularly, but at least once a year, update its valuation roll by causing supplementary valuation roll to be prepared, if section 78 applies or the valuation roll to be amended, if section 79 applies.

The municipality current general valuation roll, the date of valuation was in 2019, it was implemented on 1 July 2019 and was valid until 30 June 2024.

A Service Provider was appointed to do a general valuation of ta property within the Blue Crane Route Municipal area for a period of five (5) years.

### 7.2.4. SUPPLY CHAIN MANAGEMENT UNIT

The Supply Chain Management (SCM) is up and running within the BCRM and strict control measures are in place according to the MFMA, SCM Regulations, MFMA Circulars and the BCRM SCM Policy.

The Blue Crane Route Municipality has a Supply Chain Management Unit as reflected in the Finance Department Organogram. There are ten (10) posts within the Supply Chain Management Unit that have all been filled, with the recent filling in of the Accountant: Supply Chain Management.

A Supplier Day is held by the municipality yearly around August where service providers are encouraged to register on our database and current ones to update their details. These service providers are familiarised with the SCM processes of the municipality and how to access opportunities available to them especially SMME's.

The following three (3) Bid Committees have been established and the relevant meetings are being convened when tenders/bids are placed as per MFMA and Supply Chain Regulations:

- Specification Bid Committee
- Evaluation Bid Committee
- Adjudication Bid Committee

Training of the Bid Committee members and potential members is continuously done with the last one in February 2019 to enhance skills of newly employed personnel.

The Supply Chain Management Policy that was adopted and implemented by the Sarah Baartman District Municipality (SBDM) has been adopted on 31 August 2012 by the Blue Crane Route Municipality (BCRM) after the relevant changes were made to comply with the Blue Crane Route Municipality's requirements, keeping the SCM regulations in mind. The policy was reviewed in June 2016 and was reviewed again on 30 May 2017.

The two (2) Supply Chain Management Practitioners that are supervised by the Accountant SCM under the management of the Manager Supply Chain and Asset Management are attending to the following areas within the SCM Unit:

- Disposal / Risk Management / Contract Management
- Demand /Acquisition

Logistics is attended to by the Storeman also under the supervision of the Accountant SCM.

#### **7.2.4.1. CONTRACT MANAGEMENT**

The SCM unit has also commenced with implementing Contract Management in its reporting. The Accountant: Supply Chain Management is tasked with implementing Contract Management whereby he tracks the value of awards made; expenditure against those contracts; balance of contract remaining; and performance of the service provider against project milestones. He further notifies departments in advance of pending expiration of contracts so that the re-advertisement commences timeously for a succession contract to be awarded. Performance has been average for all service providers combined.

The Manager: Supply Chain & Asset Management then oversees the function to ensure that Contract Management is being done correctly.

#### 7.2.4.2. PROCUREMENT TURNOVER RATE

The procurement turnover rate in the previous years has proven to be unnecessarily long and resulted in projects being delayed; this is improving as a decrease has been shown in the number of days although poor planning is still a challenge which results in delays in projects and spending of grants.

#### 7.2.5. AUDIT OUTCOMES

The following table reflects the six (6) year audit outcomes for the following financial book-years.

2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
<u>Unqualified Audit Report received</u>	<u>Unqualified Audit Report received</u>	<u>Unqualified Audit Report received</u>	<u>Unqualified Audit Report received</u>	<u>Unqualified Audit Report received</u>	<u>Qualified Audit Report received - Consolidated</u>
<b>Emphasis of Matter:</b> Unauthorised expenditure	<b>Emphasis of Matter:</b> Unauthorised expenditure	<b>Emphasis of Matter:</b> Unauthorised expenditure	<b>Emphasis of Matter:</b> Unauthorised expenditure	<b>Emphasis of Matter:</b> Restatement of corresponding figures	Property, plant and equipment
<b>Emphasis of Matter:</b> Irregular expenditure	<b>Emphasis of Matter:</b> Irregular expenditure	<b>Emphasis of Matter:</b> Irregular expenditure	<b>Emphasis of Matter:</b> Irregular expenditure	<b>Emphasis of Matter:</b> Material Losses	Investment property
<b>Emphasis of Matter:</b> Material Losses	<b>Emphasis of Matter:</b> Material Losses	<b>Emphasis of Matter:</b> Material Losses	<b>Emphasis of Matter:</b> Material Losses	<b>Emphasis of Matter:</b> Irregular expenditure	
<b>Emphasis of Matter:</b>	<b>Emphasis of Matter:</b>	<b>Emphasis of Matter:</b>	<b>Emphasis of Matter:</b>		Irregular expenditure

Restatement of corresponding figures	Restatement of corresponding figures	Restatement of corresponding figures	Restatement of corresponding figures		
					Basis of preparation

**Source:** Office of Auditor-General Reports

There are still recurring audit findings, but the municipality has managed to further reduce the audit findings in the 2017/18 financial year and received an Unqualified Audit Opinion. An audit improvement plan was drawn up to address the audit findings and the municipality has taken action thereon to ensure that the shortfalls are addressed and that all relevant procedures have been put in place so that the number of audit findings can reduce to a minimum to achieve the goal of a Clean Audit. The latest progress on the 2017/18 Audit Improvement Plan is attached as an annexure.

### **7.3. BUDGET PROCESS**

#### **7.3.1. CREDITORS TURNOVER RATE**

Most creditors are paid within 30 days from receipt of invoice, with minimal disputes spilling beyond the 30 day period. We have regularised the payment process by dedicating Thursdays for payment dates as well as the 25<sup>th</sup> and month end for certain service providers that stipulate these cut-off dates. The actual creditors turnover rate payment period as at 30 June 2019 is 55 days

#### **7.3.2. NATIONAL CONTEXT**

South Africa has achieved considerable success in achieving macroeconomic stability; however, the economy is still plagued with high levels of unemployment and poverty.



The following table shows the allocations to BCRM as set out in the National Budget, Division of Revenue Bill in the MTREF period; and the Provincial allocations, as well as the District Municipality allocations to BCRM:

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Funded by:</b>											
National Government		15 149		77 628	27 064	50 523	50 523	50 523	33 540	36 461	31 991
Provincial Government		-		-					-	-	-
District Municipality		286		1 166		2 752	2 752	2 752	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			29 658						-	-	-
Transfers recognised - capital	4	15 435	29 658	78 794	27 064	53 275	53 275	53 275	33 540	36 461	31 991
Borrowing	6								2 700	-	-
Internally generated funds		1 317		408	610	767	767	767	1 340	1 030	1 160
<b>Total Capital Funding</b>	<b>7</b>	<b>16 752</b>	<b>29 658</b>	<b>79 201</b>	<b>27 674</b>	<b>54 041</b>	<b>54 041</b>	<b>54 041</b>	<b>37 580</b>	<b>37 491</b>	<b>33 151</b>

**Source:** DoRA & SBDM & 2020/2021 MTREF Budget

Each year, National Treasury issues a circular, (see MFMA Circular 98 and 99) to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets.

The headline CPI inflation actual for fiscal year 2019/2020 is 4.3%. The headline CPI inflation forecast for fiscal year 2020/2021 is 4.9%, 2021/2022 is 4.8%, 2022/2023 is 4.8%. However, these figures can change very fast due to external factors as recently experienced.

These growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise. Basic services are provided to a large degree to all towns in the municipal boundaries, and there is a continuing effort in extending services.

We need to recognise the funding role of the National and Provincial Government, with contribution from these spheres of governments through grants and subsidies. National, Provincial, District and local priorities for service delivery must be aligned and this is to a large degree achieved through the IDP process, whereby communities give input into service needs and which is being incorporated into the IDP.

The different spheres of government then allocate resources to these requirements, but we must emphasis again that it is only to the extent that resources are available. Our infrastructure development objectives are clearly to have services to acceptable levels to all.

While we recognise the need for the extension of services through infrastructure development, we must also recognise the need for the maintenance of these infrastructures and to this end we provide in the capital program for replacement of some of our aging vehicles and equipment.

However, to provide for the capital is probably not that problematic, but to find the funds to maintain our infrastructure and other assets properly in the operating budget, without overburdening our consumers and ratepayers, is the big concern. It is common knowledge that the first place where funds are cut when other expenditure items increase to such an extent that a reduction in expenditure is necessary, is on maintenance votes.

The BCRM has done all in their power to address service delivery requirements within our financial means and would like to thank our community for their inputs into the IDP process, the Councillors for their continued hard work and support as well as the Municipal Manager and his staff for all their efforts.

**7.3.3. GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES**

General inflation (CPI) is estimated 4.9% for the 2020/2021 financial year. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage, which is set at 5%.

Description	MTREF Budget 2020/2021	MTREF Budget 2021/2022	MTREF Budget 2022/2023
General Inflation	4.9%	4.8%	4.8%

**Source:** MFMA Circular 93

### 7.3.4. INTEREST RATES FOR BORROWING AND INVESTMENTS OF FUNDS

The following assumptions are built into the MTREF:

Description	MTREF Budget 2020/2021	MTREF Budget 2021/2022	MTREF Budget 2022/2023
Average Interest Rate – New Borrowing	10 %	10%	10%
Average Interest Rate - Investments	5%	5%	5%

### 7.3.5. RATES, TARIFFS CHARGES AND TIMING FOR REVENUE COLLECTION

The Blue Crane Route Municipality bill the consumers on a monthly bases for services rendered as per norms and standards of revenue management.

The following table shows the assumed average percentage increases built into the MTREF for rates, tariffs and charges:

Description	MTREF Budget 2020/2021	MTREF Budget 2021/2022	MTREF Budget 2022/2023
Rates	5%	5%	5%
Water	5%	5%	5%
Sewerage	5%	5%	5%
Sanitation	5%	5%	5%
Refuse	10%	10%	10%
Electricity – monthly consumption tariff	6.24%	5%	5%

**Source:** 2020/2021 MTREF Budget & MFMA Circulars

In general terms, the timing rates, tariffs and charges are based on the following:

Description	Comments
-------------	----------

Rates and annual charges	Annual and monthly billing July. Interim billing throughout the year as required. Revenue foregone recognized in July
Cons Consumption	Monthly billing. Ongoing prepayment meters. Seasonal fluctuations
Char Service Charges	Generally steady state throughout the financial year with seasonal fluctuations

The municipality still experience high volumes of incorrect billing accounts due to inaccurate meter readings, meters that are standing / not working. The municipality have received grant funding to attend to the replacement of all the water meters of our consumers. The municipality has also introduced the electronic meter reading of electricity and water usage.

### **7.3.6. COLLECTION RATES FOR EACH REVENUE SOURCE AND CUSTOMER TYPE**

Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt.

Nevertheless, there will always be an element of the total amount billed that will remain uncollected. The municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates. The bad debt contribution also increases sustainability against prior budgets due to the re-incorporation of the water and sanitation functions.

The ability of the municipality to deliver quality services is dependent on its staff and the ability to provide services to the Blue Crane Route population at a viable level. Failure by the municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faces by Blue Crane Route will ultimately mean a failure to deliver services.

The average collection rate for all municipal debtors accounts are currently 80%.

### **7.3.7. TRENDS IN POPULATION AND HOUSEHOLDS (GROWTH, DECLINE, STABLE)**

When the 2011 census were held by South African Statistics it was counted that the total population within the Blue Crane Route Municipal (BCRM) area (11, 068.56km<sup>2</sup>) are 36, 002. Within the Sarah Baartman District Municipal (SBDM) area the BCRM accounts for 8% of the SBDM and 0.5% of the Eastern Province population. Geographically BCRM makes up 19% of the SBDM landmass with a population density of 3.25 people per km<sup>2</sup>.

There is a total of 8,558 households within the BCRM area.

### **7.3.8. CHANGING DEMAND CHARACTERISTICS (DEMAND FOR SERVICES)**

Blue Crane Route has to respond to changing demand for services that can occur through a number of reasons such as population migration, changing demographic profile, technologic changes, and major infrastructure development.

The introduction of wireless technology in Blue Crane Route has made the internet available to many more people making on-line interaction with the municipality possible, including the payment of municipal accounts. The selling of prepaid electricity by all outside vendors assisted consumers to purchase prepaid electricity after hours and over weekends by means of the Service Provider, Ontec's Third Party Vendor System.

The growth of formal housing in prior years has impacted on the demand for services and challenges the municipality in how service is delivered.

### **7.3.9. TRENDS IN DEMAND FOR FREE (SUBSIDIZED) BASIC SERVICES**

Blue Crane Route's criteria for supporting free or subsidised basic services are set out in the Indigent Support Policy. The Government allocates revenue via the Division of Revenue Act (DoRA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services.

### **7.3.10. INDIGENT STEERING COMMITTEE**

The Indigent Steering Committee (ISC) was established in 2012, and the ISC has convened its meetings on a quarterly basis and an updated Indigent Register on a monthly basis.

The Indigent Committee must monitor, in conjunction with ward councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme, subject to the policy directions of the municipality and in consultation with the municipal manager.

### **7.3.10.1.INDIGENT REGISTER AND FREE BASIC SERVICES EXPENDITURE / BUDGET**

There are currently 3,975 indigent households out of 8,558 households. This is a 46.45% of households benefitting from the Indigent Policy assistance.

### **7.3.10.2.FREE BASIC SERVICES UNIT**

The municipality has a Free Basic Services Unit that focuses on Indigent support; credit control and debt management; as well as Debtors Control. This shared function is largely attributable to the small size of the municipality and the amount of work required maintaining the Free Basic Services function. We however have staff in place that exercise the various functions of free basic services as part of their daily tasks and this is executed by various levels of staff to ensure segregation of duties. We have Credit Control & Free Basic Services Co-ordinators that assist in filling and collecting the Indigent application forms together with the Debtors Clerks and the Ward Councillors perform the checking and verification; and the Accountant: Revenue that assesses the applications for approval or non-approval.

Blue Crane Route's criteria for supporting free or subsidised basic services are set out in the Indigent Support Policy. To assist our communities to alleviate poverty, inequality and unemployment the following social packages are included in the budget for indigent households:

#### **A TOTAL MONTHLY INCOME PER HOUSEHOLD OF:**

- **R0 – R3,600** - 50kWh Free Electricity, 6KI Free Water, and 100% Free Basic Charges Fee for Electricity, Water, Sewer/Sanitation and Refuse

## **7.4. FINANCIAL PRINCIPLES AND POLICIES**

### **7.4.1. IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES**

Blue Crane Route sees itself as working in partnership with national, provincial and district municipality spheres of Government in meeting the priority services needs of the people.

The Blue Crane Route Municipality have implemented the prescribed statutory financial related policies and they will be reviewed before end May 2019. The Financial Policies, By-Laws and Procedure Manuals of the Blue Crane Route Municipality are to provide sound, secure and fraud free management of financial services.

The detailed adopted budget related Policies, By-Laws and Procedure Manuals are not included in this budget documentation. However, they are available at the Council offices for viewing, as well as on the website.

The policy instruments direct strategic objectives and business operations with the view to achieve sustainable economic, social and environmental performance.

All relevant policies are promulgated into By-laws and Gazetted accordingly. The Property Rates tariffs and Council Resolution authorising the levying of rates have also been Gazetted for the 2018/19 financial year.

#### **7.4.2. REVENUE ENHANCEMENT STRATEGY**

The municipality is in the process of developing of the Cash-flow Turn-around Plan. Targets have been set to improve the municipality's own revenue base on liquidity ratio of the budget and the plan is included in the IDP, Budget and SDBIP.

#### **Tables – Lists of adopted and developed Financial Related Policies and Procedure Manuals underneath:**

The following twenty-one (21) finance related policies are adopted and implemented and there are no changes to be made.

	<b>Budget Related Policy</b>
<b>1</b>	<b>Asset Management Policy</b>
<b>2</b>	<b>Budget Policy</b>
<b>3</b>	<b>Cash Management and Payment of Creditors Policy</b>
<b>4</b>	<b>Cash Receipt and Banking Policy</b>
<b>5</b>	<b>Cost Estimation Policy</b>
<b>6</b>	<b>Financial Framework Policy</b>
<b>7</b>	<b>Investment Policy</b>
<b>8</b>	<b>Tariff ex Revenue By-Law</b>
<b>9</b>	<b>Rewards, Gifts and Favours Policy</b>
<b>10</b>	<b>Supply Chain Management Policy</b>
<b>11</b>	<b>Capital Infrastructure Investment Policy</b>
<b>12</b>	<b>Fruitless Wasteful Expenditure Policy</b>
<b>14</b>	<b>Borrowing Policy</b>
<b>15</b>	<b>Funding and Reserve Policy</b>
<b>16</b>	<b>Long-Term Financial Planning Policy</b>
<b>17</b>	<b>SCM Policy for Infrastructure and Delivery Management</b>
<b>18</b>	<b>Contract Management Policy</b>
<b>19</b>	<b>Petty Cash Policy</b>
<b>20</b>	<b>Appointment of Consultants Policy</b>
<b>21</b>	<b>Virement Policy</b>

**Source:** *Adopted Policies - Council Resolutions*

The following four (4) finance related policies has been reviewed and approved by Council:

- Rates Policy and By-Law
- Indigent Policy
- Credit Control and Debtor Collection Policy
- Cost Containment Policy

The following two (2) new finance related policies are developed but still need to be workshopped:

- Fleet Management Policy
- Write-Off Policy



	Procedure Manuals	Policy Status	Council Resolution Date
1	Fixed Assets Procedures	Developed	30-Jun-16
2	Purchasing Procedures	Developed	30-Jun-16
3	Petty Cash Procedures	Developed	30-Jun-16
4	Debtors Procedures	Developed	30-Jun-16
5	Bank Reconciliation Procedures	Developed	30-Jun-16
6	Creditors Payment Procedures	Developed	30-Jun-16
7	Budgeting Procedures	Developed	25-Jan-17
8	Cash Office Working Procedures	Developed	25-Jan-17
9	Loss Management Procedures	Developed	25-Jan-17
10	Payroll Working Procedures	Developed	25-Jan-17
11	Revenue Control Procedures	Developed	25-Jan-17
12	Valuation Levying of Assessment Rates Procedures	Developed	25-Jan-17
13	Meter Reading Procedures	Developed	new
14	Stores Procedures	Developed	10-Dec-15
15	S&T Procedures	Developed	10-Dec-15
16	Indigent Procedures	Developed	10-Dec-15
17	Accounting Procedures	Developed	10-Dec-15
18	AFS Procedures	Developed	10-Dec-15
19	Loans Procedures	Developed	10-Dec-15
20	Supply Chain Management Procedures	Developed	new
21	Contract Management Procedures	Developed	new
22	Housing/Human Settlements Procedures	Developed	new
23	Town Planning Procedures	Developed	Splum By-Laws
24	Property Valuation Procedures	Developed	new
25	Credit Control Procedures (Dis/Reconnection)	Developed	new
26	Opening Customer Accounts Procedures	Developed	new
27	Clearance Certificate Process - closing of accounts Procedures	Developed	new
28	Billing Procedure Manual	Developed	25-Jan-17

**Source:** Adopted Procedure Manuals - Council Resolutions

**Table - List of Financial Sector Plans and other:**

The status report on the Financial Sector Plans and other is as follows:

Section	Statutory Plans	Status
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	<b>Section</b>	<b>Statutory Plans</b>	<b>Status</b>
1	<b>Fraud Prevention Plan</b>	The objective of this plan is to facilitate the development of controls which will aid in the detection and prevention of fraud against BCRM. It is the intent of BCRM to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.	Approved
2	<b>Strategic Risk Management Register</b>	The objective of this register is to facilitate the implementation of mitigating actions to improve service delivery and minimize the impacts of the potential risks within BCRM	Approved
3	<b>Budget</b>	1) Financial Plan / Budget  2) Service Level Standards	Approved
4	<b>Financial Recovery Plan</b>	The Blue Crane Route Municipality does not have a financial recovery plan in place.	Not applicable
5	<b>Business Continuity Plan</b>	To prepare the Municipality in the event of extended service outages caused by factors beyond our control (e.g., natural disasters, man-made events), and to restore services to the widest extent possible in a minimum time frame.	Approved but need to be reviewed .
6	<b>Revenue Enhancement</b>	This Cash Flow Turn-Around Plan is to present to management, methods on how to improve the revenue of the Blue Crane Route Municipality (EC102).	Need to be approved
7	<b>MFMA Systems Delegations</b>	The principles document clarifies the roles and responsibilities between role players in the delegation process in order to ensure a hierarchy of delegations from executive authorities to officials in the administration. The executive (municipal councils) is responsible for providing political leadership by deciding on policies and outcomes whereas the municipal manager and other senior managers are responsible for implementation and outputs in respect of the expected deliverables.	Approved but need to be reviewed

**Source:** *Adopted Financial Sector Plans and other - Council Resolutions*

## 7.5. OPERATING AND CAPITAL BUDGET

### 7.5.1. SALARY BUDGET OF THE MUNICIPALITY

National Treasury guidelines require municipalities to contain their staff expenditure under 35% of their Operational Budget. Blue Crane Route Municipality has achieved this target throughout the years, but it must be noted that there are critical vacancies that have never been budgeted for and it exposes and / or restricts progress of the municipality in certain aspects. Below is a table indicating past trends and future projections of the Salary Bill percentage:

Description	Actual 2017/2018	Actual 2018/2019	Adjusted Budget 2019/2020	Estimated Budget 2020/2021	Estimated Budget 2021/2022	Estimated Budget 2021/2022
Operational Budget	R220m	R248m	R287m	R306m	R321m	R339m
Salary Bill	R79m	R80m	R80m	R89m	R93m	R97m
Percentage	36%	32%	28%	29%	29%	29%

*Source: 2020/2021 MTREF Budget*

A provisional increase in salaries of 6.25% is included in the budget as per Agreement between SALGA and the Unions. At this stage the CPI is at 4.9% but the minimum percentage agreed was 5% plus 1.25%.

### 7.5.2. ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES

Table SA35 underneath reflects the capital budget per vote.

EC102 Blue Crane Route - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present
		2019/20	+1 2020/21	+2 2021/22	2022/23	2023/24	2024/25	value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - MAYORAL EXECUTIVE		-	-	-				
Vote 2 - MUNICIPAL COUNCIL		-	-	-				
Vote 3 - ACCOUNTING OFFICER		40	50	60	10	10	10	10
Vote 4 - BUDGET & TREASURY		50	50	60	10	10	10	10
Vote 5 - TECHNICAL SERVICES		27 504	27 919	31 577	1 000	1 000	1 000	1 000
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		40	50	60	10	10	10	10
Vote 7 - CORPORATE SERVICES		40	50	60	10	10	10	10
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>27 674</b>	<b>28 119</b>	<b>31 817</b>	<b>1 040</b>	<b>1 040</b>	<b>1 040</b>	<b>1 040</b>
<b>Future operational costs by vote</b>	2							
Vote 1 - MAYORAL EXECUTIVE								
Vote 2 - MUNICIPAL COUNCIL								
Vote 3 - ACCOUNTING OFFICER								
Vote 4 - BUDGET & TREASURY								
Vote 5 - TECHNICAL SERVICES								
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES								
Vote 7 - CORPORATE SERVICES								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future revenue by source</b>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Financial Implications</b>		<b>27 674</b>	<b>28 119</b>	<b>31 817</b>	<b>1 040</b>	<b>1 040</b>	<b>1 040</b>	<b>1 040</b>

The Table SA36 reflects the detailed estimated capital expenditure for 2020/2021; 2021/2022 and 2022/2023 financial years.

EC102 Blue Crane Route - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	MTSF Service Outcome	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework				
					Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Parent municipality:</b>									
<i>List all capital projects grouped by Function</i>									
	<b>Executive and council</b>	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	30	40	50	60	
	Finance and administration	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	30	90	100	120	
	Energy sources	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	30	40	50	60	
	Energy sources	Transformers	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>HV Transmission Conductors</i>	353	350	400	450	
	<b>Energy sources</b>	Electricification of houses	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>LV Networks</i>	6 000	410	3 200	3 000	
	Water management	Pearston WTW	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Water Treatment Works</i>	22 727	13 000			
	Water management	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	30	30	40	50	
	Water management	Unidentified projects			42 300		10 000	13 000	
	Road transport	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	-	40	50	60	
	<b>Waste water management</b>	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>	30	30	40	50	
	Finance and administration	MIG: Parks and Playgrounds	<i>All people in South Africa are and feel safe</i>	<i>Public Open Space</i>	3 100	1 600	500		
	Finance and administration	MIG: Paving of Gravel Roads	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Road Structures</i>	2 846	3 650	4 639		
	Finance and administration	MIG: Cookhouse Bulk Water supply	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Bulk Mains</i>	7 465	7 000	9 000		
	Public Works	MIG: Stormwater - Westview	<i>Sustainable human settlements and improved quality of household life</i>	<i>Storm water Conveyance</i>		1 354			
	Finance and administration	Other projects			29 658	29 683		14 907	
	Community and social services	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Unspecified</i>		30	40	50	
	<b>Parent Capital expenditure</b>				<b>29 658</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	
							<b>31 817</b>		

**7.5.3. OPERATING AND CAPITAL BUDGET TABLES**

“On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Toward this end, Version 6.4 is released with MFMA Circular 98. Version 6.4 of the chart is effected from 2020/2021.”

The following MTREF Budget Tables A1 to A10 reflect the Version 6.4 of Schedule A1 (the Excel Formats) which is aligned to version 6.4 of the mSCOA classification framework that was used to compile the A Schedules of the 2020/2021 draft MTREF budget. The tables reflect the actuals for 2016/2017 to 2018/2019 financial years plus the current year's (2019/2020) budget, and the estimated for 2020/2021 to 2022/2023 financial years.

The draft annual budget of the municipality for the financial year 2020/2021 and the multi-year and single-year capital appropriations tabled as set out in the tables A1 to A5.

The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets tabled as set out in the tables A6 to A10.

## TABLE A1 – BUDGET SUMMARY

EC102 Blue Crane Route - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	10 094	11 152	12 098	13 478	13 478	13 478	13 478	18 027	19 515	21 137
Service charges	97 082	111 774	105 392	127 939	132 118	132 118	132 118	148 405	159 812	168 370
Investment revenue	1 446	1 281	1 140	1 000	1 300	1 300	1 300	850	850	850
Transfers recognised - operational	52 419	51 549	52 609	55 539	56 343	56 343	56 343	60 969	63 336	67 014
Other own revenue	8 913	10 821	14 331	8 224	7 356	7 356	7 356	7 618	8 015	8 436
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>169 953</b>	<b>186 578</b>	<b>185 571</b>	<b>206 180</b>	<b>210 594</b>	<b>210 594</b>	<b>210 594</b>	<b>235 869</b>	<b>251 529</b>	<b>265 807</b>
Employee costs	69 832	74 180	76 779	81 899	78 075	78 075	78 075	83 150	88 721	94 843
Remuneration of councillors	3 572	3 467	3 870	4 074	3 994	3 994	3 994	4 254	4 539	4 852
Depreciation & asset impairment	34 777	34 803	34 512	37 533	37 533	37 533	37 533	42 179	43 679	44 679
Finance charges	5 733	4 024	1 334	3 811	5 505	5 505	5 505	5 019	4 699	4 630
Materials and bulk purchases	67 997	78 382	74 413	85 897	88 128	88 128	88 128	101 972	110 054	115 780
Transfers and grants	-	769	1 010	783	1 021	1 021	1 021	884	943	1 008
Other expenditure	36 627	32 931	27 547	42 055	44 296	44 296	44 296	45 375	48 516	51 477
<b>Total Expenditure</b>	<b>218 537</b>	<b>228 556</b>	<b>219 464</b>	<b>256 052</b>	<b>258 551</b>	<b>258 551</b>	<b>258 551</b>	<b>282 832</b>	<b>301 152</b>	<b>317 270</b>
<b>Surplus/(Deficit)</b>	<b>(48 584)</b>	<b>(41 978)</b>	<b>(33 893)</b>	<b>(49 872)</b>	<b>(47 957)</b>	<b>(47 957)</b>	<b>(47 957)</b>	<b>(46 963)</b>	<b>(49 623)</b>	<b>(51 463)</b>
Transfers and subsidies - capital (monetary allocation)	18 170	21 827	31 310	69 411	114 475	114 475	114 475	27 014	27 339	30 907
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>69 841</b>	<b>114 655</b>	<b>114 655</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>
Transfers recognised - capital	5 612	15 435	29 658	69 411	114 225	114 225	114 225	27 014	27 339	30 907
Borrowing	3 300	-	-	-	-	-	-	-	-	-
Internally generated funds	3 419	1 317	-	430	430	430	430	660	780	910
<b>Total sources of capital funds</b>	<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>69 841</b>	<b>114 655</b>	<b>114 655</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>
<b>Financial position</b>										
Total current assets	40 366	37 770	32 377	42 204	32 204	32 204	32 204	36 200	39 250	39 800
Total non current assets	618 700	608 250	603 109	615 333	665 789	665 789	665 789	651 276	635 715	622 853
Total current liabilities	39 551	38 870	38 057	19 075	29 675	29 675	29 675	31 848	32 750	33 800
Total non current liabilities	60 640	59 910	52 771	58 000	52 000	52 000	52 000	49 000	51 000	53 000
Community wealth/Equity	558 875	547 241	544 658	580 462	616 318	616 318	616 318	606 628	591 215	575 853
<b>Cash flows</b>										
Net cash from (used) operating	16 172	13 796	26 913	69 570	118 140	118 140	118 140	31 529	26 386	29 417
Net cash from (used) investing	(12 325)	(16 054)	(29 521)	(69 641)	(114 455)	(114 455)	(114 455)	(27 670)	(28 119)	(31 817)
Net cash from (used) financing	(853)	(4 926)	(3 099)	(1 260)	(4 405)	(4 405)	(4 405)	(3 950)	(598)	50
<b>Cash/cash equivalents at the year end</b>	<b>14 113</b>	<b>6 929</b>	<b>1 223</b>	<b>444</b>	<b>503</b>	<b>503</b>	<b>503</b>	<b>909</b>	<b>(1 421)</b>	<b>(3 772)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	14 113	6 929	1 223	1 000	1 000	1 000	1 000	1 500	2 000	2 500
Application of cash and investments	8 336	5 443	2 426	(27 015)	(7 673)	(7 673)	(7 673)	(5 548)	(6 073)	(5 618)
<b>Balance - surplus (shortfall)</b>	<b>5 777</b>	<b>1 486</b>	<b>(1 204)</b>	<b>28 015</b>	<b>8 673</b>	<b>8 673</b>	<b>8 673</b>	<b>7 048</b>	<b>8 073</b>	<b>8 118</b>
<b>Asset management</b>										
Asset register summary (WDV)	618 690	608 244	603 106	615 325	665 782	665 782	665 782	651 276	635 715	622 853
Depreciation	34 777	34 803	34 512	37 533	37 532	37 532	37 532	42 180	43 680	44 680
Renewal and Upgrading of Existing Assets	-	120	-	6 000	13 611	13 611	13 611	27 024	24 629	28 467
Repairs and Maintenance	3 542	3 526	2 540	4 903	2 098	2 098	2 098	2 098	2 226	2 363
<b>Free services</b>										
Cost of Free Basic Services provided	12 589	14 225	15 079	15 465	15 465	15 465	15 710	15 710	17 049	18 492
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**TABLE A2 – BUDGET FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY “STANDARD CLASSIFICATION”)**

EC102 Blue Crane Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		39 827	42 014	41 483	42 712	53 904	53 904	60 522	64 493	68 550
Executive and council		20 223	20 330	20 908	22 258	19 053	19 053	20 812	22 087	23 489
Finance and administration		19 605	21 684	20 575	20 453	34 851	34 851	39 711	42 406	45 062
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4 116	5 275	5 440	3 246	6 019	6 019	3 496	3 598	3 709
Community and social services		3 642	2 576	2 496	2 400	2 510	2 510	2 522	2 534	2 547
Sport and recreation		-	-	-	-	408	408	130	138	146
Public safety		474	2 700	2 186	90	2 307	2 307	50	53	55
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	758	756	794	794	794	874	961
<i>Economic and environmental services</i>		19 339	21 700	13 538	15 413	3 070	3 070	2 992	1 665	1 753
Planning and development		632	125	12	14 117	488	488	-	-	-
Road transport		17 894	20 434	13 526	1 165	2 582	2 582	2 992	1 665	1 753
Environmental protection		813	1 142	-	130	-	-	-	-	-
<i>Trading services</i>		124 840	139 415	156 420	212 949	262 075	262 075	195 873	209 111	222 703
Energy sources		84 947	98 444	93 462	116 981	117 500	117 500	126 997	139 883	146 867
Water management		19 948	20 318	36 647	72 543	117 974	117 974	40 517	39 167	43 940
Waste water management		10 038	10 343	10 846	11 681	12 869	12 869	13 609	14 425	15 308
Waste management		9 907	10 309	15 465	11 743	13 732	13 732	14 751	15 636	16 589
<i>Other</i>	4	-	-	-	1 272	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>188 123</b>	<b>208 405</b>	<b>216 881</b>	<b>275 591</b>	<b>325 069</b>	<b>325 069</b>	<b>262 883</b>	<b>278 868</b>	<b>296 715</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		53 119	53 186	62 415	70 399	70 728	70 728	72 276	76 704	81 106
Executive and council		11 140	9 881	10 541	10 476	10 068	10 068	10 705	11 411	12 186
Finance and administration		41 980	43 305	51 874	58 404	59 030	59 030	59 859	63 469	66 973
Internal audit		-	-	-	1 519	1 630	1 630	1 712	1 824	1 947
<i>Community and public safety</i>		13 500	14 502	12 980	9 815	12 180	12 180	12 828	13 663	14 580
Community and social services		9 412	9 337	7 659	6 331	7 564	7 564	8 013	8 548	9 136
Sport and recreation		-	-	-	-	1 236	1 236	1 276	1 356	1 442
Public safety		4 088	5 165	5 321	2 432	2 676	2 676	2 804	2 977	3 167
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	1 052	704	704	735	783	835
<i>Economic and environmental services</i>		23 138	21 792	15 216	18 649	21 357	21 357	22 413	23 388	24 459
Planning and development		2 115	2 968	1 934	2 947	2 268	2 268	2 193	2 334	2 489
Road transport		20 090	17 927	12 723	14 720	19 089	19 089	20 220	21 054	21 970
Environmental protection		933	897	559	983	-	-	-	-	-
<i>Trading services</i>		128 779	139 076	128 854	153 734	154 286	154 286	175 316	187 397	197 126
Energy sources		87 923	93 280	86 638	105 578	105 697	105 697	120 767	129 492	136 929
Water management		15 765	18 683	16 692	18 004	19 710	19 710	23 561	25 532	26 588
Waste water management		9 832	9 825	9 651	10 888	10 675	10 675	12 155	12 770	13 131
Waste management		15 259	17 288	15 874	19 264	18 205	18 205	18 833	19 603	20 478
<i>Other</i>	4	-	-	-	3 454	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>218 537</b>	<b>228 556</b>	<b>219 464</b>	<b>256 052</b>	<b>258 551</b>	<b>258 551</b>	<b>282 832</b>	<b>301 152</b>	<b>317 270</b>
<b>Surplus/(Deficit) for the year</b>		<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>

**TABLE 3 – BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)**

**EC102 Blue Crane Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue by Vote</b>	1									
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		20 223	20 330	20 908	22 227	19 033	19 033	20 812	22 087	23 489
Vote 3 - ACCOUNTING OFFICER		632	125	12	31	508	508	-	-	-
Vote 4 - BUDGET & TREASURY		21 688	19 308	19 842	19 675	19 891	19 891	24 642	26 764	28 600
Vote 5 - TECHNICAL SERVICES		132 828	149 540	154 481	217 037	264 208	264 208	197 497	209 004	222 452
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		14 836	16 726	20 905	16 502	21 279	21 279	19 774	20 844	21 995
Vote 7 - CORPORATE SERVICES		(2 083)	2 376	733	120	150	150	159	169	179
<b>Total Revenue by Vote</b>	2	<b>188 123</b>	<b>208 405</b>	<b>216 881</b>	<b>275 591</b>	<b>325 069</b>	<b>325 069</b>	<b>262 883</b>	<b>278 868</b>	<b>296 715</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - MAYORAL EXECUTIVE		-	-	-	400	407	407	433	461	492
Vote 2 - MUNICIPAL COUNCIL		11 140	9 881	10 541	5 363	5 244	5 244	5 620	5 995	6 408
Vote 3 - ACCOUNTING OFFICER		2 115	2 968	1 934	8 168	8 315	8 315	8 557	9 113	9 722
Vote 4 - BUDGET & TREASURY		24 142	23 576	32 041	33 219	34 822	34 822	35 348	37 606	39 625
Vote 5 - TECHNICAL SERVICES		133 610	139 715	125 704	163 349	166 111	166 111	187 313	199 914	210 183
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		29 693	32 687	29 412	37 340	36 133	36 133	37 690	39 677	41 889
Vote 7 - CORPORATE SERVICES		17 838	19 729	19 832	8 213	7 518	7 518	7 873	8 386	8 951
<b>Total Expenditure by Vote</b>	2	<b>218 537</b>	<b>228 556</b>	<b>219 464</b>	<b>256 052</b>	<b>258 551</b>	<b>258 551</b>	<b>282 832</b>	<b>301 152</b>	<b>317 270</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>



## TABLE A4 – BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

EC102 Blue Crane Route - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue By Source</b>											
Property rates	2	10 094	11 152	12 098	13 478	13 478	13 478	13 478	18 027	19 515	21 137
Service charges - electricity revenue	2	79 264	90 155	85 031	104 155	104 735	104 735	104 735	119 382	129 048	135 760
Service charges - water revenue	2	9 398	12 535	10 406	12 988	14 808	14 808	14 808	15 694	16 635	17 633
Service charges - sanitation revenue	2	3 764	4 075	4 429	4 807	5 125	5 125	5 125	5 433	5 758	6 104
Service charges - refuse revenue	2	4 656	5 009	5 526	5 989	7 450	7 450	7 450	7 897	8 371	8 873
Rental of facilities and equipment		63	261	468	533	390	390	390	390	390	390
Interest earned - external investments		1 446	1 281	1 140	1 000	1 300	1 300	1 300	850	850	850
Interest earned - outstanding debtors		3 151	3 848	3 883	3 906	3 961	3 961	3 961	4 198	4 449	4 716
Dividends received											
Fines, penalties and forfeits		60	72	55	81	411	411	411	423	448	474
Licences and permits		745	832	566	600	480	480	480	480	509	540
Agency services		676	885	1 054	600	850	850	850	850	893	937
Transfers and subsidies		52 419	51 549	52 609	55 539	56 343	56 343	56 343	60 969	63 336	67 014
Other revenue	2	4 217	4 858	8 305	2 304	1 264	1 264	1 264	1 277	1 327	1 379
Gains on disposal of PPE		-	65	-	200						
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>169 953</b>	<b>186 578</b>	<b>185 571</b>	<b>206 180</b>	<b>210 594</b>	<b>210 594</b>	<b>210 594</b>	<b>235 869</b>	<b>251 529</b>	<b>265 807</b>
<b>Expenditure By Type</b>											
Employee related costs	2	69 832	74 180	76 779	81 899	78 075	78 075	78 075	83 150	88 721	94 843
Remuneration of councillors		3 572	3 467	3 870	4 074	3 994	3 994	3 994	4 254	4 539	4 852
Debt impairment	3	8 405	13 413	8 991	9 505	10 575	10 575	10 575	11 104	11 659	12 242
Depreciation & asset impairment	2	34 777	34 803	34 512	37 533	37 533	37 533	37 533	42 179	43 679	44 679
Finance charges		5 733	4 024	1 334	3 811	5 505	5 505	5 505	5 019	4 699	4 630
Bulk purchases	2	67 997	74 857	71 873	82 678	84 450	84 450	84 450	97 294	105 143	110 623
Other materials	8	-	3 526	2 540	3 220	3 678	3 678	3 678	4 678	4 912	5 157
Contracted services		-	5 204	6 533	8 373	8 405	8 405	8 405	8 453	9 284	9 664
Transfers and subsidies		-	769	1 010	783	1 021	1 021	1 021	884	943	1 008
Other expenditure	4, 5	27 900	14 313	11 873	24 177	25 316	25 316	25 316	25 817	27 573	29 572
Loss on disposal of PPE		322	-	150							
<b>Total Expenditure</b>		<b>218 537</b>	<b>228 556</b>	<b>219 464</b>	<b>256 052</b>	<b>258 551</b>	<b>258 551</b>	<b>258 551</b>	<b>282 832</b>	<b>301 152</b>	<b>317 270</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18 170	21 827	31 310	69 411	114 475	114 475	114 475	27 014	27 339	30 907
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(30 414)</b>	<b>(20 151)</b>	<b>(2 583)</b>	<b>19 540</b>	<b>66 518</b>	<b>66 518</b>	<b>66 518</b>	<b>(19 949)</b>	<b>(22 284)</b>	<b>(20 556)</b>

**TABLE A5 – BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		484	511	320	30	30	30	30	-	-	-
Vote 4 - BUDGET & TREASURY		292	12	24	30	30	30	30	-	-	-
Vote 5 - TECHNICAL SERVICES		7 429	11 248	26 648	19 671	19 824	19 824	19 824	21 604	9 000	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		3 093	4 664	1 364	30	30	30	30	-	-	-
Vote 7 - CORPORATE SERVICES		1 033	317	1 302	30	30	30	30	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>19 791</b>	<b>19 944</b>	<b>19 944</b>	<b>19 944</b>	<b>21 604</b>	<b>9 000</b>	<b>-</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	-	40	50	60
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	-	50	50	60
Vote 5 - TECHNICAL SERVICES		-	-	-	50 050	92 350	92 350	92 350	5 900	18 919	31 577
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	-	-	-	2 360	2 360	2 360	40	50	60
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	40	50	60
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>50 050</b>	<b>94 710</b>	<b>94 710</b>	<b>94 710</b>	<b>6 070</b>	<b>19 119</b>	<b>31 817</b>
<b>Total Capital Expenditure - Vote</b>		<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>69 841</b>	<b>114 655</b>	<b>114 655</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>1 809</b>	<b>840</b>	<b>1 414</b>	<b>170</b>	<b>13 551</b>	<b>13 551</b>	<b>13 551</b>	<b>13 734</b>	<b>14 289</b>	<b>15 087</b>
Executive and council		484	511	88	30	30	30	30	40	50	60
Finance and administration		1 325	329	1 326	140	13 521	13 521	13 521	13 694	14 239	15 027
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>2 543</b>	<b>4 664</b>	<b>1 364</b>	<b>7 500</b>	<b>2 390</b>	<b>2 390</b>	<b>2 390</b>	<b>40</b>	<b>50</b>	<b>60</b>
Community and social services		98	31	1 364	5 500	133	133	133	40	50	60
Sport and recreation		1 649	4 315	-	2 000	-	-	-	-	-	-
Public safety		796	313	-	-	2 257	2 257	2 257	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	5	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>745</b>	<b>2</b>	<b>9 884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>50</b>	<b>60</b>
Planning and development		-	-	232	-	-	-	-	-	-	-
Road transport		745	2	9 652	-	-	-	-	40	50	60
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>7 234</b>	<b>11 246</b>	<b>16 996</b>	<b>62 171</b>	<b>98 713</b>	<b>98 713</b>	<b>98 713</b>	<b>13 860</b>	<b>13 730</b>	<b>16 610</b>
Energy sources		1 792	2 348	1 851	6 230	6 383	6 383	6 383	800	3 650	3 510
Water management		3 107	245	159	28 668	65 057	65 057	65 057	13 030	10 040	13 050
Waste water management		1 785	8 654	14 986	27 273	27 273	27 273	27 273	30	40	50
Waste management		550	-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>69 841</b>	<b>114 655</b>	<b>114 655</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>
<b>Funded by:</b>											
National Government		3 199	15 149	-	69 411	111 711	111 711	111 711	27 014	27 339	30 907
Provincial Government		2 413	-	-	-	-	-	-	-	-	-
District Municipality		-	286	-	-	2 513	2 513	-	-	-	-
Other transfers and grants		-	-	29 658	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>5 612</b>	<b>15 435</b>	<b>29 658</b>	<b>69 411</b>	<b>114 225</b>	<b>114 225</b>	<b>114 225</b>	<b>27 014</b>	<b>27 339</b>	<b>30 907</b>
<b>Borrowing</b>	6	<b>3 300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>3 419</b>	<b>1 317</b>	<b>-</b>	<b>430</b>	<b>430</b>	<b>430</b>	<b>430</b>	<b>660</b>	<b>780</b>	<b>910</b>
<b>Total Capital Funding</b>	7	<b>12 331</b>	<b>16 752</b>	<b>29 658</b>	<b>69 841</b>	<b>114 655</b>	<b>114 655</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>

## TABLE A6 – BUDGETED FINANCIAL POSITION

EC102 Blue Crane Route - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1 452	3 468	1 066	1 000	1 000	1 000	1 000	1 500	2 000	2 500
Call investment deposits	1	12 661	3 460	156	-	-	-	-	-	-	-
Consumer debtors	1	18 694	22 444	23 917	35 000	25 000	25 000	25 000	27 500	30 000	30 000
Other debtors		6 685	7 436	6 199	5 000	5 000	5 000	5 000	6 000	6 000	6 000
Current portion of long-term receivables		3	3	3	4	4	4	4	-	-	-
Inventory	2	871	958	1 035	1 200	1 200	1 200	1 200	1 200	1 250	1 300
<b>Total current assets</b>		<b>40 366</b>	<b>37 770</b>	<b>32 377</b>	<b>42 204</b>	<b>32 204</b>	<b>32 204</b>	<b>32 204</b>	<b>36 200</b>	<b>39 250</b>	<b>39 800</b>
<b>Non current assets</b>											
Long-term receivables		10	6	3	8	8	8	8	-	-	-
Investments					-						
Investment property		25 507	25 392	25 323	25 392	25 323	25 323	25 323	25 323	25 323	25 323
Investment in Associate					-						
Property, plant and equipment	3	592 718	582 392	577 325	589 475	640 000	640 000	640 000	625 495	609 935	597 073
Biological											
Intangible		7	2								
Other non-current assets		458	458	458	458	458	458	458	458	458	458
<b>Total non current assets</b>		<b>618 700</b>	<b>608 250</b>	<b>603 109</b>	<b>615 333</b>	<b>665 789</b>	<b>665 789</b>	<b>665 789</b>	<b>651 276</b>	<b>635 715</b>	<b>622 853</b>
<b>TOTAL ASSETS</b>		<b>659 066</b>	<b>646 021</b>	<b>635 486</b>	<b>657 537</b>	<b>697 993</b>	<b>697 993</b>	<b>697 993</b>	<b>687 476</b>	<b>674 965</b>	<b>662 653</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	4 611	4 088	4 920	4 000	4 000	4 000	4 000	648	-	-
Consumer deposits		2 463	2 421	2 579	2 650	2 650	2 650	2 650	2 700	2 750	2 800
Trade and other payables	4	31 529	31 103	29 126	12 425	23 025	23 025	23 025	28 500	30 000	31 000
Provisions		949	1 258	1 432							
<b>Total current liabilities</b>		<b>39 551</b>	<b>38 870</b>	<b>38 057</b>	<b>19 075</b>	<b>29 675</b>	<b>29 675</b>	<b>29 675</b>	<b>31 848</b>	<b>32 750</b>	<b>33 800</b>
<b>Non current liabilities</b>											
Borrowing		13 671	9 564	5 910	3 000	3 000	3 000	3 000	-	-	-
Provisions		46 969	50 346	46 862	55 000	49 000	49 000	49 000	49 000	51 000	53 000
<b>Total non current liabilities</b>		<b>60 640</b>	<b>59 910</b>	<b>52 771</b>	<b>58 000</b>	<b>52 000</b>	<b>52 000</b>	<b>52 000</b>	<b>49 000</b>	<b>51 000</b>	<b>53 000</b>
<b>TOTAL LIABILITIES</b>		<b>100 191</b>	<b>98 780</b>	<b>90 829</b>	<b>77 075</b>	<b>81 675</b>	<b>81 675</b>	<b>81 675</b>	<b>80 848</b>	<b>83 750</b>	<b>86 800</b>
<b>NET ASSETS</b>	5	<b>558 875</b>	<b>547 241</b>	<b>544 658</b>	<b>580 462</b>	<b>616 318</b>	<b>616 318</b>	<b>616 318</b>	<b>606 628</b>	<b>591 215</b>	<b>575 853</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		558 875	547 241	544 658	580 462	616 318	616 318	616 318	606 628	591 215	575 853
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>558 875</b>	<b>547 241</b>	<b>544 658</b>	<b>580 462</b>	<b>616 318</b>	<b>616 318</b>	<b>616 318</b>	<b>606 628</b>	<b>591 215</b>	<b>575 853</b>

## TABLE A7 – BUDGETED CASH FLOW

EC102 Blue Crane Route - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		8 836	8 953	11 753	12 130	12 130	12 130	12 130	16 585	17 954	19 446
Service charges		88 048	101 815	98 992	120 353	122 890	122 890	122 890	140 381	147 027	154 900
Other revenue		9 165	4 010	6 109	14 837	21 445	21 445	21 445	6 944	7 132	7 751
Government - operating	1	52 419	52 798	50 962	55 539	56 343	56 343	56 343	60 969	63 336	67 014
Government - capital	1	23 298	17 983	30 742	69 411	114 475	114 475	114 475	27 014	27 339	30 907
Interest		1 409	1 251	1 127	4 320	1 300	1 300	1 300	4 628	4 854	5 189
Dividends					-				-	-	-
<b>Payments</b>											
Suppliers and employees		(165 691)	(171 609)	(171 714)	(204 921)	(203 918)	(203 918)	(203 918)	(223 647)	(240 172)	(254 711)
Finance charges		(1 311)	(1 404)	(1 057)	(1 317)	(5 504)	(5 504)	(5 504)	(461)	(142)	(73)
Transfers and Grants	1				(783)	(1 021)	(1 021)	(1 021)	(884)	(943)	(1 008)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>16 172</b>	<b>13 796</b>	<b>26 913</b>	<b>69 570</b>	<b>118 140</b>	<b>118 140</b>	<b>118 140</b>	<b>31 529</b>	<b>26 386</b>	<b>29 417</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		4	408	134	200	200	200	200	-	-	-
Decrease (Increase) in non-current debtors		3	3	3					4	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(12 331)	(16 466)	(29 658)	(69 841)	(114 655)	(114 655)	(114 655)	(27 674)	(28 119)	(31 817)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(12 325)</b>	<b>(16 054)</b>	<b>(29 521)</b>	<b>(69 641)</b>	<b>(114 455)</b>	<b>(114 455)</b>	<b>(114 455)</b>	<b>(27 670)</b>	<b>(28 119)</b>	<b>(31 817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing		3 300		1 460					-	-	-
Increase (decrease) in consumer deposits					240	171	171	171	50	50	50
<b>Payments</b>											
Repayment of borrowing		(4 153)	(4 926)	(4 559)	(1 500)	(4 576)	(4 576)	(4 576)	(4 000)	(648)	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(853)</b>	<b>(4 926)</b>	<b>(3 099)</b>	<b>(1 260)</b>	<b>(4 405)</b>	<b>(4 405)</b>	<b>(4 405)</b>	<b>(3 950)</b>	<b>(598)</b>	<b>50</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2 994</b>	<b>(7 184)</b>	<b>(5 706)</b>	<b>(1 331)</b>	<b>(719)</b>	<b>(719)</b>	<b>(719)</b>	<b>(91)</b>	<b>(2 330)</b>	<b>(2 351)</b>
Cash/cash equivalents at the year begin:	2	11 119	14 113	6 929	1 775	1 223	1 223	1 223	1 000	909	(1 421)
Cash/cash equivalents at the year end:	2	14 113	6 929	1 223	444	503	503	503	909	(1 421)	(3 772)

**TABLE A8 – CASH BACK RESERVES / ACCUMMULATED SURPLUS RECONCILIATION**

**EC102 Blue Crane Route - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	14 113	6 929	1 223	444	503	503	503	909	(1 421)	(3 772)
Other current investments > 90 days		-	-	-	556	497	497	497	591	3 421	6 272
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>14 113</b>	<b>6 929</b>	<b>1 223</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 500</b>	<b>2 000</b>	<b>2 500</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	8 336	5 443	2 426	(27 015)	(7 673)	(7 673)	(7 673)	(5 548)	(6 073)	(5 618)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>8 336</b>	<b>5 443</b>	<b>2 426</b>	<b>(27 015)</b>	<b>(7 673)</b>	<b>(7 673)</b>	<b>(7 673)</b>	<b>(5 548)</b>	<b>(6 073)</b>	<b>(5 618)</b>
<b>Surplus(shortfall)</b>		<b>5 777</b>	<b>1 486</b>	<b>(1 204)</b>	<b>28 015</b>	<b>8 673</b>	<b>8 673</b>	<b>8 673</b>	<b>7 048</b>	<b>8 073</b>	<b>8 118</b>

## TABLE A9 – ASSET MANAGEMENT

EC102 Blue Crane Route - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	618 690	608 244	603 106	615 325	665 782	665 782	651 276	635 715	622 853
<i>Roads Infrastructure</i>		105 257	96 695	113 629	90 649	91 202	91 202	84 105	77 156	65 579
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>		203 796	209 066	108 127	207 685	207 824	207 824	200 084	195 184	189 134
<i>Water Supply Infrastructure</i>		85 208	77 776	93 673	125 208	173 255	173 255	168 417	173 475	172 533
<i>Sanitation Infrastructure</i>		49 722	54 258	140 135	157 533	157 833	157 833	162 263	152 703	143 153
<i>Solid Waste Infrastructure</i>		39 329	37 443	7 115	8 400	8 400	8 400	8 400	8 400	8 400
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
<b>Infrastructure</b>		<b>483 312</b>	<b>475 239</b>	<b>462 679</b>	<b>589 475</b>	<b>638 514</b>	<b>638 514</b>	<b>623 269</b>	<b>606 918</b>	<b>578 799</b>
<b>Community Assets</b>			4 315	7 693				500	1 000	15 907
<b>Heritage Assets</b>			458	458		458	458	458	458	458
<b>Investment properties</b>		458	25 392	25 323	458	25 323	25 323	25 323	25 323	25 323
<b>Other Assets</b>		26 146	102 838	106 953	25 392	1 486	1 486	1 486	1 486	1 486
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		108 775	2							
<b>Computer Equipment</b>										
<b>Furniture and Office Equipment</b>								170	370	610
<b>Machinery and Equipment</b>								70	160	270
<b>Transport Assets</b>										
<b>Land</b>										
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>618 690</b>	<b>608 244</b>	<b>603 106</b>	<b>615 325</b>	<b>665 782</b>	<b>665 782</b>	<b>651 276</b>	<b>635 715</b>	<b>622 853</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>38 319</b>	<b>38 329</b>	<b>37 051</b>	<b>42 436</b>	<b>39 631</b>	<b>39 631</b>	<b>44 278</b>	<b>45 906</b>	<b>47 043</b>
<b>Depreciation</b>	7	34 777	34 803	34 512	37 533	37 532	37 532	42 180	43 680	44 680
<b>Repairs and Maintenance by Asset Class</b>	3	<b>3 542</b>	<b>3 526</b>	<b>2 540</b>	<b>4 903</b>	<b>2 098</b>	<b>2 098</b>	<b>2 098</b>	<b>2 226</b>	<b>2 363</b>
<i>Roads Infrastructure</i>			628		439			40	42	44
<i>Storm water Infrastructure</i>								376	399	422
<i>Electrical Infrastructure</i>			1 502	2 540	884			100	105	110
<i>Water Supply Infrastructure</i>			410		1 058					
<i>Sanitation Infrastructure</i>			109		135					
<i>Solid Waste Infrastructure</i>					345	2 098	2 098			
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
<b>Infrastructure</b>			<b>2 649</b>	<b>2 540</b>	<b>2 861</b>	<b>2 098</b>	<b>2 098</b>	<b>516</b>	<b>546</b>	<b>577</b>
<b>Community Facilities</b>										
<b>Sport and Recreation Facilities</b>										
<b>Community Assets</b>										
<b>Heritage Assets</b>										
<i>Revenue Generating</i>										
<i>Non-revenue Generating</i>										
<b>Investment properties</b>										
<i>Operational Buildings</i>		3 542	321		390					
<i>Housing</i>										
<b>Other Assets</b>		<b>3 542</b>	<b>321</b>		<b>390</b>					
<b>Biological or Cultivated Assets</b>										
<i>Servitudes</i>										
<i>Licences and Rights</i>										
<b>Intangible Assets</b>										
<b>Computer Equipment</b>			334		429			500	534	570
<b>Furniture and Office Equipment</b>										
<b>Machinery and Equipment</b>			221							
<b>Transport Assets</b>					1 223			1 082	1 147	1 216
<b>Land</b>										
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>38 319</b>	<b>38 329</b>	<b>37 051</b>	<b>42 436</b>	<b>39 631</b>	<b>39 631</b>	<b>44 278</b>	<b>45 906</b>	<b>47 043</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.7%	0.0%	8.6%	11.9%	11.9%	97.7%	87.6%	89.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.3%	0.0%	16.0%	36.3%	36.3%	64.1%	56.4%	63.7%
<i>R&amp;M as a % of PPE</i>		0.6%	0.6%	0.4%	0.8%	0.3%	0.3%	0.3%	0.4%	0.4%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		1.0%	1.0%	0.0%	2.0%	2.0%	2.0%	4.0%	4.0%	5.0%

## TABLE A10 – BASIC SERVICE DELIVERY MEASUREMENT

EC102 Blue Crane Route - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017	5 017
Piped water inside yard (but not in dwelling)		4 744	4 744	4 744	4 744	4 744	4 744	4 744	4 744	4 744
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9 761	9 761	9 761	9 761	9 761	9 761	9 761	9 761	9 761
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	9 761	9 761	9 761	9 761	9 761	9 761	9 761	9 761	9 761
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		7 258	7 258	7 258	7 258	7 258	7 258	7 258	7 258	7 258
Flush toilet (with septic tank)		561	561	561	561	561	561	561	561	561
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819
Bucket toilet		358	358	358	358	358	358	358	358	358
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		358	358	358	358	358	358	358	358	358
<b>Total number of households</b>	5	8 177	8 177	8 177	8 177	8 177	8 177	8 177	8 177	8 177
<b>Energy:</b>										
Electricity (at least min.service level)		1 658	1 658	1 658	1 658	1 658	1 658	1 658	1 658	1 658
Electricity - prepaid (min.service level)		6 934	6 934	6 934	6 934	6 934	6 934	6 934	6 934	6 934
<i>Minimum Service Level and Above sub-total</i>		8 592	8 592	8 592	8 592	8 592	8 592	8 592	8 592	8 592
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	8 592	8 592	8 592	8 592	8 592	8 592	8 592	8 592	8 592
<b>Refuse:</b>										
Removed at least once a week		7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838
<i>Minimum Service Level and Above sub-total</i>		7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838	7 838
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		4 403	4 403	4 403	4 403	4 403	4 200	4 300	4 400	
Sanitation (free minimum level service)		4 403	4 403	4 403	4 403	4 403	4 200	4 300	4 400	
Electricity/other energy (50kwh per household per month)		4 403	4 403	4 403	4 403	4 403	4 200	4 300	4 400	
Refuse (removed at least once a week)		4 403	4 403	4 403	4 403	4 403	4 200	4 300	4 400	
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		3 741	4 266	4 522	4 452	4 452	4 452	4 885	5 299	
Sanitation (free sanitation service to indigent households)		2 793	3 085	3 270	3 466	3 466	3 466	3 804	4 126	
Electricity/other energy (50kwh per indigent household per month)		1 850	2 145	2 274	2 233	2 233	2 233	2 529	2 743	
Refuse (removed once a week for indigent households)		4 205	4 729	5 013	5 314	5 314	5 314	5 831	6 324	
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	
<b>Total cost of FBS provided</b>		12 589	14 225	15 079	15 465	15 465	15 465	17 049	18 492	
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	
Sanitation (Rand per household per month)		96	96	96	96	96	100	106	112	
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	
Refuse (average litres per week)		100	100	100	100	100	100	100	100	
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	
Housing - top structure subsidies		-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	
<b>Total revenue cost of subsidised services provided</b>	6	-	-	-	-	-	-	-	-	

Table SA4 reflects the reconciliation of IDP strategic objectives and budget (revenue), Table SA5 reflects the reconciliation of IDP strategic objectives and budget (operating expenditure) and Table SA6 reflects the reconciliation of IDP strategic objectives and budget (capital expenditure).

EC102 Blue Crane Route - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Stormwater, and maintaining infrastructure of the city			132 828	149 540	154 481	217 037	264 208	264 208	197 497	209 004	222 452	
Community Services	Effective cleansing, waste removal; working with partners such as SAPS to address crime; effective enforcement of health and safety regulations.			14 836	16 726	20 905	16 502	21 279	21 279	19 774	20 844	21 995	
Local Economic Development	Marketing of the BCRM, promote investment in BCRM in agriculture, tourism, SMME development, alternative energy.			632	125	12	-	488	488	-	-	-	
Financial Management	Implement fully compliant GRAP annual financial statements, mSCOA readiness, updating indigent register, revenue enhancement strategies for financial sustainability, operational efficiency.			21 688	19 308	19 842	19 675	19 891	19 891	24 642	26 764	28 600	
Governance & Institutional Transformation	Oversee implementation of council policies, performance management, safekeeping council records, sound administrative principals, create a culture of service delivery and improve public participation.			18 139	22 706	21 641	22 378	19 203	19 203	20 971	22 256	23 667	
Allocations to other priorities			2										
<b>Total Revenue (excluding capital transfers and contributions)</b>				1	188 123	208 405	216 881	275 591	325 069	325 069	262 883	278 868	296 715



EC102 Blue Crane Route - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Stormwater, and maintaining			133 610	139 715	125 704	163 349	166 111	166 111	187 313	199 914	210 183	
Community Services	Effective cleansing, waste removal; working with partners such as SAPS to			29 693	32 687	29 412	37 340	36 133	36 133	37 690	39 677	41 889	
Local Economic Development	Marketing of the BCRM, promote investment in BCRM in agriculture, tourism, SMME			-	-	-	681	995	995	842	893	948	
Financial Management	Implement fully compliant GRAP annual financial statements, mSCOA			24 142	23 576	32 041	33 219	34 822	34 822	35 348	37 606	39 625	
Governance & Institutional Transformation	Oversee implementation of council policies, performance management, safekeeping			31 092	32 579	32 307	21 463	20 490	20 490	21 640	23 062	24 625	
Allocations to other priorities													
<b>Total Expenditure</b>				1	218 537	228 556	219 464	256 052	258 551	258 551	282 832	301 152	317 270

EC102 Blue Crane Route - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Stormwater, and maintaining	A		7 234	11 246	16 996	62 171	98 713	98 713	13 860	13 730	16 610
		B										
Community Services	Effective cleansing, waste removal; working with partners such as SAPS to	C		2 543	4 664	1 364	7 500	2 390	2 390	40	50	60
		D										
Local Economic Development	Marketing of the BCRM, promote investment in BCRM in agriculture, tourism, SMME	E		745	2	9 884	-	-	-	40	50	60
		F										
Financial Management	Implement fully compliant GRAP annual financial statements, mSCOA	G		1 325	329	1 326	140	13 521	13 521	13 694	14 239	15 027
		H										
Governance & Institutional Transformation	Oversee implementation of council policies, performance management, safekeeping	I		484	511	88	30	30	30	40	50	60
Allocations to other priorities			3									
<b>Total Capital Expenditure</b>			1	12 331	16 752	29 658	69 841	114 655	114 655	27 674	28 119	31 817

EC102 Blue Crane Route - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	MTSF Service Outcome	Asset Class	Asset Sub-Class	2019/20 Medium Term Revenue & Expenditure Framework				
						Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Parent municipality:</b>										
<i>List all capital projects grouped by Function</i>										
	<b>Executive and council</b>	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Computer Equipment</i>	<i>Unspecified</i>		30	40	50	60
	Finance and administration	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Computer Equipment</i>	<i>Unspecified</i>		30	90	100	120
	Energy sources	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Machinery and Equipment</i>	<i>Unspecified</i>		30	40	50	60
	Energy sources	Transformers	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Electrical Infrastructure</i>	<i>HV Transmission Conductors</i>		353	350	400	450
	<b>Energy sources</b>	Electricification of houses	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Electrical Infrastructure</i>	<i>LV Networks</i>		6 000	410	3 200	3 000
	Water management	Pearston WTW	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Water Supply Infrastructure</i>	<i>Water Treatment Works</i>		22 727	13 000		
	Water management	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Machinery and Equipment</i>	<i>Unspecified</i>		30	30	40	50
	Water management	Unidentified projects					42 300		10 000	13 000
	Road transport	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Machinery and Equipment</i>	<i>Unspecified</i>		-	40	50	60
	<b>Waste water management</b>	Equipment and Tools	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Machinery and Equipment</i>	<i>Unspecified</i>		30	30	40	50
	Finance and administration	MIG: Parks and Playgrounds	<i>All people in South Africa are and feel safe</i>	<i>Sport and Recreation Facilities</i>	<i>Public Open Space</i>		3 100	1 600	500	
	Finance and administration	MIG: Paving of Gravel Roads	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Roads Infrastructure</i>	<i>Road Structures</i>		2 846	3 650	4 639	
	Finance and administration	MIG: Cookhouse Bulk Water supply	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Water Supply Infrastructure</i>	<i>Bulk Mains</i>		7 465	7 000	9 000	
	Public Works	MIG: Stormwater - Westview	<i>Sustainable human settlements and improved quality of household life</i>	<i>Storm water Infrastructure</i>	<i>Storm water Conveyance</i>			1 354		
	Finance and administration	Other projects				29 658	29 683			14 907
	Community and social services	<b>Office Equipment/Computers</b>	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Computer Equipment</i>	<i>Unspecified</i>		30	40	50	60
	<b>Parent Capital expenditure</b>					<b>29 658</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>
<b>Entities:</b>										
<i>List all capital projects grouped by Entity</i>										
	<b>Entity A</b>									
	Water project A									
	<b>Entity B</b>									
	Electricity project B									
	<b>Entity Capital expenditure</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Capital expenditure</b>					<b>29 658</b>	<b>114 655</b>	<b>27 674</b>	<b>28 119</b>	<b>31 817</b>

<b>BLUE CRANE ROUTE MUNICIPALITY - EC 102</b>						
<b>DRAFT CAPITAL BUDGET: 2020/21</b>						
<b>CAPITAL ITEM DESCRIPTION</b>		<b>FUNDING</b>	<b>DRAFT BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>DRAFT BUDGET 2022/23</b>	
<b>ACCOUNTING OFFICER</b>						
Office Equipment		Municipal own Funds	10 000	15 000	20 000	
			<b>10 000</b>	<b>15 000</b>	<b>20 000</b>	
<b>BUDGET PLANNING &amp; IMPLEMENTATION</b>						
Office Equipment		Municipal own Funds	10 000	15 000	20 000	
			<b>R 10 000</b>	<b>R 15 000</b>	<b>R 20 000</b>	
<b>TECHNICAL SERVICES : ELECTRICITY</b>						
Equipment and Tools		Municipal own Funds	50 000	60 000	70 000	
Upgrading of Somerset East main sub-station		INEP	3 200 000	2 000 000	400 000	
Upgrading of Power Factor correction		INEP	800 000			
Electrification of low cost housing in BCRM		INEP	1 000 000	97 000	3 000 000	
<b>Ringfencing projects from Electricity revenue</b>	<b>1 785 000</b>					
Capital Expenditure: Transformers	500 000	Municipal own Funds	500 000	550 000	600 000	
Operation Expenditure - Material for maintenance	1 285 000					
			<b>R 5 550 000</b>	<b>R 2 707 000</b>	<b>R 4 070 000</b>	
<b>TECHNICAL SERVICES : WATER</b>						
Bestershoek Water Treatment works		WSIG	2 000 000			
Improvement of Orange Fish WTW process efficiency		WSIG	3 000 000	3 000 000		
Upgrade of Orange Fish WTW		WSIG		6 120 000	7 200 000	
Construction of 3 X 3ML reservoirs in BCRM		WSIG		8 000 000	6 424 000	
Water equipment and tools		Municipal own Funds	40 000	50 000	60 000	
			<b>R 5 040 000</b>	<b>R 17 170 000</b>	<b>R 13 684 000</b>	
<b>TECHNICAL SERVICES : PUBLIC WORKS</b>						
Generators		External Loans	R 1 200 000			
Replacement of Vehicles/bakkies		External Loans	R 1 500 000			
Equipment and Tools		Municipal own Funds	50 000	60 000	70 000	
			<b>R 2 750 000</b>	<b>R 60 000</b>	<b>R 70 000</b>	
<b>TECHNICAL SERVICES : SEWERAGE</b>						
Sewer equipment and tools		Municipal own Funds	40 000	50 000	60 000	
Upgrade Pearston WWTW		WSIG	10 000 000	2 880 000		
			<b>R 10 040 000</b>	<b>R 2 930 000</b>	<b>R 60 000</b>	
<b>TECHNICAL SERVICES : MUNICIPAL INFRASTRUCTURE GRANT (MIG)</b>						
Upgrading of Aeroville Sportfields		MIG Grant	2 000 000	2 000 000	400 000	
Upgrading of West View Sportfields		MIG Grant		3 000 000	3 000 000	
Paving of Gravel roads: Pearston		MIG Grant	700 000	800 000	1 200 000	
Paving of Gravel roads: Cookhouse		MIG Grant	1 200 000	1 400 000	1 800 000	
Paving of Gravel roads: Somerset East		MIG Grant	1 138 850	1 800 000	2 500 000	
Cookhouse Bulk water supply (Phase 2 B)		MIG Grant	200 000			
Cookhouse Bulk water supply (Phase 2 C)		MIG Grant	5 000 000	2 472 597	1 200 000	
Upgrading of Westview stormwater		MIG Grant	2 701 500	1 500 000		
Provision of Pearston Bulk Services (Planning)		MIG Grant	600 000	1 391 403	4 867 250	
			<b>R 13 540 350</b>	<b>R 14 364 000</b>	<b>R 14 967 250</b>	
<b>COMMUNITY, SAFETY &amp; SOCIAL SERVICES : ADMINISTRATION</b>						
Office Equipment		Municipal own Funds	10 000	15 000	20 000	
			<b>10 000</b>	<b>15 000</b>	<b>20 000</b>	
<b>COMMUNITY, SAFETY &amp; SOCIAL SERVICES : COMMONAGE</b>						
Construction of pound		External Loans	450 000			
			<b>R 450 000</b>	<b>R -</b>	<b>R -</b>	
<b>COMMUNITY, SAFETY &amp; SOCIAL SERVICES : FIRE SERVICES</b>						
Fire Equipment and Vehicle		SBD MUN GRANT				
			<b>R -</b>	<b>R -</b>	<b>R -</b>	
<b>CORPORATE SERVICES: ADMINISTRATION</b>						
ICT Equipment/computers		Municipal own Funds/FMG	170 000	200 000	220 000	
Office Equipment		Municipal own Funds	10 000	15 000	20 000	
			<b>R 180 000</b>	<b>R 215 000</b>	<b>R 240 000</b>	
<b>GRAND TOTAL OF CAPITAL BUDGET</b>						
			<b>R 37 580 350</b>	<b>R 37 491 000</b>	<b>R 33 151 250</b>	
<b>SUMMARY OF CAPITAL FUNDING</b>						
Grants			<b>R 33 540 350</b>	<b>R 36 461 000</b>	<b>R 31 991 250</b>	
Municipal own Funding from surplus funds			<b>R 890 000</b>	<b>R 1 030 000</b>	<b>R 1 160 000</b>	
External Loan			<b>3 150 000</b>	<b>0</b>	<b>0</b>	
			<b>R 37 580 350</b>	<b>R 37 491 000</b>	<b>R 33 151 250</b>	

## WARD BASED PLANNING: DRAFT IDP REVIEW 2020/2021

### WARD 1 & 6

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Paving of roads	The project will be implemented in ward 1& 6 and will commence in February 2020	The project will be implemented in ward 1& 6 and will commence in February 2020. Councillors and ward committee will determine the streets to be paved	DTS (BCRM)	June 2020
Construction of stormwater drains	Business plan to be developed to source funding	Business plan to be developed to source funding	DTS (BCRM)	June 2020
Construction of Speedhumps	The Municipality to consider the construction and the reduction of the existing speedhumps in the outer years	No new speedhumps will be constructed due to budget constraints, however maintenance of the existing will be done.	DTS (BCRM)	2020/2021
EPWP	Ongoing	An amount of R1.4m has been set aside for EPWP programmes for job creation in all wards in the BCRM	DTS (BCRM)	Ongoing
Access to Land For Agricultural Purposes	1Hector 1 Household	Project in progress	MM	To be determined by the department
Fencing of Cookhouse landfill site	To lobby funding for the fencing in the next financial year	The landfill site is partly fenced. Currently there is no budget for fencing. Will look at outer years.	D Com S (BCRM)	2020/2021
Maintenance of gravel streets, paving & stormwater	Ongoing	This project is part of the maintenance routine	DTS (BCRM)	Ongoing

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Electrification of farm areas	The farm owners to submit application to the municipality. The municipality can only submit the applications to the Dept of energy upon receiving applications from the farm owners	The farm owners to submit application to the municipality. The municipality can only submit the applications to the Dept of energy upon receiving applications from the farm owners	DTS(BCRM)	Ongoing
Electrification of rectified houses		Completed	DTech Serv	2019/2020
Upgrade of Waste Water Treatment Works	<ul style="list-style-type: none"> <li>• Refurbishment of the secondary pond.</li> <li>• Upgrading of the rising main.</li> </ul>	Completed	DTS(BCRM)	2019/2020
Sewer and septic tanks	Cookhouse sewerage has been upgraded. Funding for connection of septic tanks to be sourced from Dept of Water and Sanitation		DTS(BCRM)	2019/2020
Bhongweni Rectification		The DHS has planned to construct 350 Masizame units and 3 destitute units in Cookhouse	D Tech S	To be determined by the department
Backlog: Informal Settlement (200 Units)		The matter has been referred to the DHS, awaiting response.	D Tech S	To be determined by the department

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Multi-Purpose Centre	To engage with DHS and develop business plan to source funds.	To engage with DHS and develop business plan to source funds.	DTS	To be determined by the department
<b>Health Services</b>				
Expansion of clinic and 24hr clinic services	The project is implemented	Work is in progress	D. Community Services	To be determined by the department
<b>Rural Development and Agrarian Reform</b>				
Fencing for the main dam	Currently lobbying funds		DTS	To be determined by the department
<b>Education and Training</b>				
Construction of FET College in Cookhouse	To engage with DOE further	A letter of request was written to the Department highlighting the need of the community in this regard. No response was received from the department	MM	To be determined by the department
<b>Skills Development Programmes For Young People</b>				
Shortage of Teachers at Soqaqamba High School		The matter was referred to the DBE. Subsequently a Geography teacher was employed, Maths and Xhosa teachers are still outstanding.	MM	To be determined by the department
Construction of a shopping center in Cookhouse	A site was allocated to an investor and the construction of U-Save is in progress.	A site was allocated to an investor and the construction of U-Save is in progress.	MM	Ongoing
Safety and Security: Establish A Structure To	To facilitate establishment of	There was a meeting with the Department of Safety and	Mayor/MM and D Com Serv	June 2020

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Work Towards Crime Eradication	Community Safety Forum	Community Liason late last year. They made an undertaking to develop terms of reference for the Safety Forum. They also undertook to facilitate a workshop. A follow up was made. Still waiting a date for the workshop.		
Development of programmes to combat crime		The programmes will be developed once the Community Safety Forum has been established	D COM Serv	2020/2021
Sports and Recreation.	Upgrading of N10 Sportsfield to be considered in the outer years	Council has reprioritised its plans for the next three (3) financial years.	DTS/D COM Serv	2022/2023
Construction of a netball field	To be considered in the outer years		DTS	2022/2023
Construction of a library		Awaiting for DPW to appoint a contractor. The advert will be out in November	D Com Serv	To be determined by the department
Economic and Infrastructure Development: Infrastructure to support Local Economic Growth and Development		Infrastructure plans have been developed and submitted to relevant departments for funding	DTS	To be determined by the department
Upgrading Of Rural Roads (Roads And Transport )		This is a provincial government function. Engagements are on going.	Mayor / MM / DTS	To be determined by the department
Renovation of Community Halls		Madiba hall will be renovated in the current financial year through the assistance of the Amakhala Emoyeni Cookhouse Community Trust.	DTech Serv)	2019/2020



PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Fire satellite station		A structure has been erected next to the Police Station	DCS	2019/2020
Dumping sites and Gravel Road	No dumping warning signage will be erected at all relevant sites.		DCS/DTS	Ongoing
SMME support/development through utilising the local businesses	The is in the process of appointing personnel for the LED Unit. LED strategy, policy and incubation programmes will be developed.	The is in the process of appointing personnel for the LED Unit. LED strategy, policy and incubation programmes will be developed.	MM/CFO	2020/2021
Employment of security guards for the sports field .	The municipality is considering reviewing the organogram and make provision for care takers		D Corp Sr	2021/2022
Construction of an electricity station	Electricity operations and maintenance plan will be developed and Electricity Master Plan will be developed to cater all the electricity needs of BCRM	Electricity operations and maintenance plan will be developed and Electricity Master Plan will be developed to cater all the electricity needs of BCRM	D Tech Serv	2021/2022
Erection of flood lights to the sportsfield.		Completed	D Tech Serv	2019/2020
Installation of street lights - Commissioner street, Main street (near municipal	Amakhala Emoyeni Community Fund Trust has made funding	Amakhala Emoyeni Community Fund Trust has made funding provision for installation of solar	D Tech Serv	2019/2020

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
offices)	provision for installation of solar street lights and floodlights.	street lights and floodlights.		
Land for new cemetery	The land has been earmarked, EIA processes to unfold .	Masizame Trust Land has been identified for extension of cemetery	D Tech Serv	2020/2021

## Ward 2

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Upgrade sidewalks in Town	The project will be implemented in the outer years due to financial constraints	The project will be implemented in the outer years due to financial constraints	Director Technical Services	2020/2021 FY
Construct a walkway along the R335 road to Aeroville	To engage with SANRAL and DRPW. Both roads are not municipal roads(R63/R335)	The meeting will be arranged with SANRAL and DRPW. Both roads are not municipal roads(R63/R335)	DTS	To be determined by the departments involved
Maintenance of streets in town	Repair potholes continuous	(Annual Implementation from operating budget)	DTS	On going
Paving (Flamingo street, Newtown)	Budgeted in the current financial year.	The project will be implemented in this financial year.	Director Technical Services	2019/2020 FY
Construction of stormwater drains (Perseverance Street and Hope street)	Business plan to be developed to source funds.	To be considered in the outer years	Director Technical Services	2020/2021 FY
Restoration of burnt and	The project will form part	Application has been submitted to	D Tech Serv	To be considered by

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
abandoned houses	of the 37 destitute units to be constructed by Department of Human Settlement	DHS		the department
Residential houses used for business purposes (bylaw enforcement)	The municipality has conducted an audit regarding the buildings and currently in the process of benchmarking enforcement mechanisms		D Corp Serv	June 2020
Upgrade of the landfill site	The municipality has an agreement with the recycling company to do recycling.	Discussions are in progress with DEDEAT for funding .The municipality has an agreement with the recycling company to do recycling.	D Comm Serv	Ongoing
Development of Aeroville cemetery	The municipality is currently sourcing funds to implement the project	Site identified and approved by DEAET. Realignment of road was done and site was also cleared. There is no funding for fencing in the current financial year.	D Comm Serv	2020/2021
Construction of Ablution facility	Site to be identified and the project to be included in the next financial year.	Due to non-availability of municipal land for such facility. Public Private Partnership (PPP) with land owners will be considered including renting mobile toilets.	DTS	2020/2021 FY
Upgrading of Parks	The project is implemented in the current financial year	Aeroville park – ablution block and walkway has been completed. The project is delayed due to incomplete	DTS	2019/2020

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
		subdivision and consolidation.		
Development of Sport Facility	The project is implemented in the current financial year	The project is at tender stage : appointment of consultant to be concluded .	Director Technical Services	2019/20 FY
Implementation of Tree Care Program	No funding, trees in private property to be done by private owners	Problematic trees in public spaces and those that interrupts power lines to be reported to our Electricity department in order to be dealt with as part of maintenance. The department initiated a tree planting project with the assistance of the Department of Forestry.	D Comm Serv	Ongoing
Installation of tourist signages	Engagements with SANRAL and Tourism agencies are in progress	Engagements with SANRAL and Tourism agencies are in progress.	MM	Ongoing
Solar panels for The Houses	Applied for Funding To D. O. Energy	Awaiting response from D. O. Energy	DTS	Ongoing
Installation of streetlights at (R335 Road towards Fire Station, from R335 intersection to the bridge near Clevedon and Nojoli Street towards Pearston (R63 road )	To apply for funding from DOE and engage with SANRAL and DRPW.	To apply for funding from DOE and engage with SANRAL and DRPW.	DTS	To be determined by the departments involved
Resourcing of the MPC with Sports Facilities	To partner with DSRAC	Engagements with DSRAC are ongoing. The department has advised that the municipality	D Com Serv	Ongoing

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
		engage with the local sports council to submit the application to the department (DSRAC). National Lottery was also approached. DSRAC is communicating with Federations to facilitate the election of office bearers for the Sport Council.		
Construction of a Primary School in Aeroville	Proposal submitted to D OE	Site has been identified and handed over to the department. Sod turning was also done. Awaiting confirmation from the D of Education of a start date.	Mayor / MM	To be determined by DOE
Access to land for emerging farmers	The matter is receiving attention of DRDAR and the municipality		Mayor / MM	To be determined by DRDAR
Maintenance of rural roads	Matter referred to the Provincial Dpt of Roads and Public Works	Awaiting response from the department		To be determined by DRPW
Construction of a satellite Police Station	Meeting to be reconvened with SAPS to discuss the matter further	The matter is in in the hands of SAPS in terms of the feasibility thereof. Upon positive outcome of the feasibility study, the Municipality will provide the required land.	Mayor / MM	To be determined by SAPS
Street names	To be considered in the outer years due to budget constraints	Some street names have been replaced as part of our maintenance.	D Com Serv	2019/2020
SPU to develop	The office of the Mayor	In Progress	MM	2019/2020

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
programmes and provide assistance for the disabled	through the SPU to facilitate the establishment of the BCRM disability forum			
Review Tourism Sector plan	The municipality has sought funding from SBDM to develop LED strategy which shall inform reviewal of Tourism Sector Plan	In Progress	MM	2019/2020
Upgrade mountain drive	To engage with CDA .		D Tech Serv	Ongoing
Commonage control	The municipality is currently busy with the construction of a pound	The overhead structure has been completed. Building of wall is complete. Council looking for funding to complete the project.	D Comm	June 2020
Installation of traffic signs	Some traffic signs have been replaced. There are challenges with budget.	Some replaced.	D Comm	Ongoing.
Fencing of grazing fields	Some of the fence was stolen and is difficult to replace due budget.	This will be budgeted in the outer years.	D Comm	2019/20
Dipping tanks	The matter was referred to DRDAR.	A response received was that there is no budget currently.	D Comm	Ongoing
Construction of school for the kids with disability	The matter to be referred to the department of Education		MM/Mayor	To be determined by Dept of Education

### WARD 3

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Paving of Roads		<p>Grootboom street commenced in the last financial year with constructing v-drains and kerbs. The project will be completed in the current financial year.</p> <p>The following streets were raised in the previos IDP meeting :Paving of Xola street, New Brighton ,Khuboni and Hermaansbooï however a new/revised list is required from the ward councilor and the community .</p>	DTS	2019/2020 FY
LED Projects CWP EPWP	EPWP (R1m) & CWP are continuous running projects	In progress	DTS/ D Com Serv	Ongoing
Road Maintenance: Surfaced roads and Storm Water drainage		Patching of surfaced roads and cleaning of stormwater channels are part of routine maintenance and will be attended to.	DTS	Ongoing
Sportsfield		Glen Avon sportsfield ablution block is 95% complete only Sewer connection that needs to be completed .	DTS	2019/2020

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Parks		Potential site has been identified: Mayila Street (adjacent to AstroTurf soccer field ), To be considered in the outer years due to budgetary constraints	DTS	2020/2021
Water: Installation of Jojo Tanks		Request was made to the Department of Water and Sanitation. The municipality is currently waiting for the response.	DTS	To be determined by DWS
Cemetery <ul style="list-style-type: none"> <li>Develop A Strategy to Upgrade or develop new cemetery</li> </ul>		A new site was identified, and an Environmental Impact Assessment was approved by DEDEA. A road going through the proposed site was diverted. The challenge the municipality is facing now is funding for fencing.  Council has resolved that in the interim bereaved residents can make use of town cemetery at the same rate .	D Com S	2019/2020
Sustainable Human Settlement: <ul style="list-style-type: none"> <li>Burnt and abandoned houses</li> <li>Rectification of house</li> </ul>		Destitute cases are being attended by the department	D Tech S	Ongoing
Community Hall		Project will be implemented by the Department of Human Settlements. Project has been	DTS	To be considered by the DHS



PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
		converted to Multi-Purpose Centre.		
Mayila pump station	The pump station was refurbished in the previous financial year. Panels and floats components	Upgrading will be done in the outer years due to financial constraints	DTS	Completed
Overflowing main hole	Inspections are being done on a weekly basis and being attended to		DTS	Ongoing
Development of Youth programmes	To liase with relevant departments for skills development programmes		D Corporate services	Ongoing

**WARD 4**

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
Paving of Roads		Grootboom, Grens, Karoo, Waterkant, and Marula streets were completed in 2017/18FY. Rawson street is 95% complete as at 2018/2019 FY, delays were due to budget constraints and community disruptions.	DTS	2019/2020
EPWP	Ongoing	EPWP continuous running project	DTS	Ongoing
Road Safety: Road and Storm Water maintenance, Potholes and speed humps.		Patching of surfaced roads, cleaning of stormwater channels and Potholes are part of routine maintenance. Speedhumps have been erected in town.	DTS	Ongoing
Installation of stormwater drains at Vaalblock location	An investigation to be conducted by the municipality and the funding will be sourced thereafter.	An investigation will be conducted during the current financial and the next financial year. The project will be conducted in the outer years.	DTS	2020/2021

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
Khanyiso and Nelsig Bridge		Business plan has been developed. The municipality has approached the Office of the Premier for funding.	DTS	To be determined by OTP (awaiting response)
Installation of street lights in millennium park and at the sportsfield	Streetlights will be installed in the outer year due to budget constraints.	Currently conducting assessment on functionality of street lights or need for new street lights in the entire BCRM	DTS	2020/2021
Weak Electricity Supply in Pearston	The municipality is currently upgrading the SE main substation. The substation will benefit the entire BCRM.	SE substation has been completed	DTS	2018/2019
Solar Geysers	Funding application submitted and awaiting response from Department of Energy.	Application for funding is in progress to be made with the Department of Energy for renewable energy projects	DTS	To be determined by DOE
Upgrading of Sewer System in Pearston	Conduct an investigation on the sewer reticulation network of Pearston	Ongoing	DTS	2020/2021
Upgrading of Pearston Waste Water Treatment works	Funding has been approved by the Department of Water and Sanitation. Project will be implemented in the current financial	Project is completed The Waste Water Treatment works has been upgraded in the last financial year	DTS	Completed

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
	year.			
Shortage of water in Commonage	Beneficiaries to submit applications with the management plan and lease agreement to DRDAR	Treated water from Pearston Waste Water Treatment Works will be channelled to the commonage land once technical issues are concluded	D Com Serv / DTS	2019/2020
Identify a new Landfill site	The existing site is licensed now and just require maintenance	Ongoing	DCS	Completed
Recycling Project		Council took a decision to allow Green Waste Solution to implement recycling project.	DCS	To be determined by department
Provision for a new cemetery		Currently there are still burial sites available.	DCS	Completed
Renovation of old municipal building	The municipality is currently facing financial challenges. The renovations will be undertaken in the outer years	Assessment of municipal buildings was done for the entire BCRM. Costing will be done and Council to allocate a budget	DTS	2020/2021
Construction of a community hall in Millennium Park		Business plan has been developed to source funding for the implementation of the project.	DTS	2020/2021

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
Elimination of septic tanks		Business plans developed to source funding.	DTS	2020/2021
Installation of rubbish bins		Business plans developed to source funding.	DCS	2020/2021
Sport Facilities	An amount of R600 000 has been set aside for the construction of ablution facilities in the 2018/19 Financial Year	The progress is at 95%. Only the connection of the sewer line is outstanding due to presence of hard rock	DTS	2019/2020
Sustainable Human Settlement	The DHS has planned plastering and ceiling of 50 units in Pearston .Pearston 11 is under construction.		DTS	To be determined by Dept of HS
Problem of RDP houses being converted to businesses	The municipality has conducted an audit regarding the buildings and currently in the process of benchmarking enforcement mechanisms	The municipality has conducted an audit regarding the buildings and currently in the process of benchmarking enforcement mechanisms	Dpt Corp Services	2020/2021
Health Services <ul style="list-style-type: none"> <li>Ambulance services and sufficient supply of medicine (12 hour clinic)</li> </ul>		The matter was conveyed to the department, the municipality is waiting for response.	Mayor /MM	To be determined by DoH

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
Libraries		The matter with regards to the extension of the library was referred to DSRAC. An assessment will be done by the department. A follow up was made with the department and the indication is that this will not be done in this financial year as they will be constructing a new library in Cookhouse.	DCS	To be determined by DSRAC
Small town	This project was initiated by the former MEC. The municipality will include it in the outer years		MM	2020/2021
Learner testing center	The municipality to embark on a feasibility pilot study in the outer years due to financial constraints		DCS	2021/2020
SMME Support and Training		In the process of appointing LED Manager. In the meantime, any other SMME support required will be facilitated through SBDM	MM	Ongoing
Fencing of cemeteries		No budget for fencing in this financial year. To be	DCom Serv	2020/2021

<b>WARD 4</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIMEFRAME</b>
		considered in outer years		
Maintenance of dumping sites		The municipality is facing challenges in respect of equipment for maintenance.	DCom Serv	Ongoing
Bulk infrastructure	To be considered in the outer years		DTS	2020/2021
Construction of a satellite Fire Station		The process of establishing a satellite fire station has commenced. The department will be procuring a container that will be used as a control room. A skid unit will be allocated. Retainer fire fighters will be appointed.	D Com Serv	2020/2021

<b>WARD BASED PLANNING 2020/2021: WARD 5</b>				
<b>PROBLEM AREA</b>	<b>PROJECT /ACTION PLAN</b>	<b>PROGRESS TO DATE</b>	<b>CUSTODIAN</b>	<b>TIME FRAME</b>

LED Projects CWP EPWP	EPWP (R1m) & CWP are continuous running projects	In progress	DTS/ D Com Serv	Ongoing
Paving and storm water drains				
Roads and Storm Water Maintenance		Patching of surfaced roads, cleaning of stormwater channels and regravelling of gravel roads are part of routine maintenance.	D Tech S	Ongoing
Walkway (Non- Motorised Transport)	To be implemented in the outer years	Insufficient budget to construct walkways in the current financial year.	D Tech S	2020/2021
Construction of Speedhumps at Khalela street and Primrose street	Maintenance of the existing speedhumps is planned for the outer years		D Tech S	2020/2021
Installation of street lights at 2 <sup>nd</sup> Ave-Old location, Francis Street and Primrose Street	Assessment has been done for number of streetlights to be installed. Municipal funds will be utilised to install floodlights. Ward councillor and ward committees to engage Windfarm Trustees for assistance for installation of street lights	Maintenance is currently being done on street lights.	D Tech S	Ongoing



Recycling Project		Recycling is taking place at low scale at waste disposal site. Community and school are educated on recycling. Schools are issued with wheely bins to encourage separation at source.	D Com S	Ongoing
Parks	To be considered in the outer years due to financial constraints		D Com S	2020/2021
Erection of ablution facility in the existing sportsfield.		Glen Avon sportsfield ablution block is 95% complete	D Tech S	2019/2020
Upgrading of a rugby field at Westview	To be considered in the outer years due to financial constraints		D Tech S	2020/2021
Upgrading of Mountain Drives	To engage with CDA		Mayor /MM	Ongoing
Resuscitation of the Tourism Hub	Discussions with CDA are ongoing		Mayor /MM	2021/2022
Sustainable Human Settlement • Uninhabited Houses (Old Location)	The matter is being attended by DoHS .	Destitute cases are being attended to and the list has been submitted to the DHS.	D.Tech S	To be considered by the department
Construction of New Houses (Westview )	The municipality has reprioritised the MIG funding to provide for bulk services		D Tech S	2020/2021

Extension of previously constructed houses (2 rooms)		Project 300 for demolition and rebuilding is submitted to DHS.		To be considered by the Department of Human Settlement
Rectification of Houses	The matter is being attended by DoHS.	Destitute cases are being attended to and the list has been submitted to the DHS.	D Tech S	To be considered by the Department of Human Settlement
Commonage control	No work was done in the previous financial year due to budgetary constraints.	The overhead structure and the walls have been completed. The municipality is looking for funding to complete the whole structure.	D Comm	2020/2021
Provision of land for commonage	To be included in the outer years		D Comm	2020/2021
Installation of Jojo tanks	The matter has been referred to DRDAR		D Tech S	To be considered by the department
Solar panels	Funding application submitted and awaiting response from Department of Energy.	Application for funding is in progress to be made with the Department of Energy for renewable energy projects	D Tech S	To be considered by the department
Construction of stormwater drains	Feasibility study and technical report will be concluded by March 2020.	A panel of consultants have been appointed to design the stormwater drains	D Tech S	2019/2020
Installation of stop signs		The project is part of routine maintenance. Due to budgetary constraints, the municipality could not cover all areas.	D Comm	2020/2021

## AUDIT ACTION PLAN 2019/2020

No.	Reporting Area	Finding Title	Description	ROOT CAUSE	Management Action Plan	Completion Date	Responsible person - Position
1	Human Resources	<b>Business process HR: No signed performance agreements and assessments performed</b>	<p>There were no performance agreements nor assessments done for lower-level staff which included the following:</p> <ul style="list-style-type: none"> <li>- Key performance areas</li> <li>- Performance Indicators</li> <li>- Weighting's (for every indicator in the individual's performance agreement)</li> <li>- Targets</li> </ul> <p>Oversight by management to ensure that performance assessments are done.</p> <p>The municipal objectives might be achieved as planned per the SDBIP</p>	PMS not cascaded	<ul style="list-style-type: none"> <li>- Convene a workshop of Management, Councillors &amp; organised labour/trade unions to review the organogram by 15 February 2020</li> <li>- Table the draft organogram for consultation to the Special LLF by 28 Feb 2020</li> <li>- Table the organogram by 31 March 2020 to Council for adoption</li> <li>- Review and approve the JDs for all posts by 30 April 2020</li> <li>- Draft Workplans developed by Supervisors and subordinates by 31 May 2020</li> <li>- Send the JDs to the Principal Job Evaluation Committee for analysis</li> <li>- Review the PMs Policy</li> </ul>	2019/07/30 -ASAP -ASAP	<b>Director Corporate Services</b>

2	Human Resources	<b>Business process HR: No reviews performed on employee files records keeping</b>	No reviews performed on employee file record keeping that is performed by the HR intern. Oversight by management to implement internal controls over monitoring of employee files. Contents of the employee files might be inaccurate and incomplete.	Lack of supervisory reviews	<ul style="list-style-type: none"> <li>- Review the checklist at management meeting by 05 February 2020 (Management)</li> <li>- Review existing files and files on a quarterly basis.</li> <li>- Updating to be done by the Intern</li> <li>- Review to be performed by the HR Clerk</li> <li>- Both to sign as evidence of performing the procedure</li>   <li>- For new intakes, the preferred system is to ensure that Personal Files are up to date and reviewed upon date of commencement.</li> </ul>	- Monthly - 30 June 2020	<b>LAZOLA MQOTA - HR OFFICER</b>
3	Human Resources	<b>Business process HR: Minimum competencies were not reflected on annual report</b>	Lack of oversight by management to ensure that assessments are done for supply chain officials.  Non-compliance with the above mentioned legislation.	- Annual Reporting template does not have provision to report on the minimum competencies	<ul style="list-style-type: none"> <li>- To review the annual report for 2018/19 to ensure the minimum competencies are reflected.</li> <li>- Develop a register of all positions that require minimum competencies</li> </ul>	10-Mar-20	HR Officer PMS Manager & CAE

4	Human Resources	<b>Business process: Employee related costs - Job evaluations not performed</b>	<p>It was noted that no job evaluations were currently performed before posts are advertised.</p> <p>Lack of oversight by management to implement the process of job evaluations.</p> <p>Employees could be inaccurately compensated per task grade and duties specified on adverts</p>	<ul style="list-style-type: none"> <li>- Outdated organogram</li> <li>- Outdated job descriptions</li> </ul>	<ul style="list-style-type: none"> <li>- Convene a workshop of Management, Councillors &amp; organised labour/trade unions to review the organogram by 15 February 2020</li> <li>- Table the draft organogram for consultation to the Special LLF by 28 Feb 2020</li> <li>- Table the organogram by 31 March 2020 to Council for adoption</li> <li>- Review and approve the JDs for all posts by 30 April 2020</li> <li>- Draft Workplans developed by Supervisors and subordinates by 31 May 2020</li> <li>- Send the JDs to the Principal Job Evaluation Committee for analysis</li> <li>- Review the PMs Policy</li> </ul>	30-Jun-20	Municipal Manager
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5	Expenditure	<b>Understanding the Entity and its Environment: Invoice not paid within 30 days</b>	<p>The supplier was not paid within 30 days of receiving the for the following project:</p> <p>The services were rendered in 2017, but an invoice was received on 2 January 2019, and a verification process commenced, to ensure that J Phillips Repairs had performed the repairs, and the final approval for payment was done on 4 February 2019, and the payment was processed on 5 February 2019.</p>	Disputes to invoices	<p>- A dispute register is in process which will give a better control of all invoices received with reason if payment are delayed</p> <p>- All invoices for the 2019/20 financial year will be reviewed</p> <p>- All invoices received by the Creditors Office are stamped to indicate the "Date Received"</p>	29-Feb-20	EXPENDITURE ACCOUNTANT
6	Performance Management	<b>Planning: Performance assessments not done</b>	<p>There were no performance assessments performed for top management during the year under review.</p> <p>The performance appraisals are not done for the lower or senior management of the BCRM Municipality.</p> <p>This might result into objectives of the municipality not being met.</p>	No full time Accounting Officer	<p>To conduct performance assessments for Directors by 15 March 2020 (Full panel)</p> <p>Performance assessments for staff to be done in the 2020/21 year</p>	28-Feb-20	<b>Municipal Manager</b>

7	Human Resources	<b>Business process HR: Performance agreement not dated</b>	<p>It was noted that the performance agreement of Ms L Nkanjeni (Director of Corporate Services) was not dated.</p> <p>The management misunderstood a court judgement relating to the postponement of implementation of 2011 MSA amendments.</p>	Misintepretation of the High Court judgement	PMS/Internal Audit to Review all performance agreements by 15 February 2020		<b>Municipal Manager</b>
8	Revenue	<b>Business process Purchases: No verification that amount paid is for the units received</b>			<p>Verification of the Eskom billing vs bulk meter reading by 29 February 2020</p> <p>BCRM to develop/amend the contract with the "Bulk meter service provider" to buy software to load and read the information logged in the bulk meters and compare it with Eskom account (Technical Services/SCM) by</p> <p>- Electricity department to reconcile the Eskom account to the Bulk meter reading monthly before payment is made</p>	Monthly	<b>DTS/CFO</b>

9	Performance Management	<b>Measures taken to improve performance are not supported by corroborating evidence</b>	During the current year (2018/19) audit, it was identified that the following targets per performance information were not met during the 2018/19 financial year and no measures to improve performance were disclosed in the annual performance report and where measures disclosed, there were no supporting corroborating evidence to support the measures:	Non-submission of the APR to IA for review	"- Develop a year end AFS plan and include performance management submission dates for APR - Develop a documents management platform to scan evidence electronically	30-Jun-20	<b>IDP/PMS Manager</b>
10	Performance Management	KPA2: Indicator and Target not measurable and inconsistent	The following target and indicator were identified as not being specific, inconsistency and not measurable: <b>ANNEXURE C</b>  This is due to inadequate review of the planning documents (2018/19 SDBIP) to ensure that the SMART criteria is used accurately do design the indicators. This is further due to the inadequate implementation of the prior finding recommendations as the misstatement of indicator number 1 was identified in the prior year 2017/18.	Lack of appropriate implementation of the PMS Policy and review of SDBIP	SDBIP will be reviewed by departments, PMS and Internal Audit	<b>28-Feb-20</b>	<b>IDP/PMS Manager</b>



11	Performance Management	<b>Prior year corresponding achievements not disclosed in the APR</b>	<p>During the current year (2018/19) audit we have identified that the 2018/19 financial year annual performance report (APR) did not disclose comparison of targets of the current year with the prior year performance for all indicators on the APR as per the requirement of MSA act s46(1)(b).</p> <p>This is due to inadequate review of the annual performance report and lack of compliance with the municipal systems Act requirements by the municipality. This will result in non-compliance with Municipal Systems act s46(1)(b) and annual performance report not being presented and disclosed adequately, therefore not useful and material misstated.</p>	Non-submission of the APR to IA for review	- Develop year end AFS Plan and include PMS	30-Jun-20	IDP/PMS Manager
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12	Performance Management	<b>AoPO: Inaccurate reported library campaigns (Indicator: Number of library awareness campaigns conducted)</b>	<p>The number of library awareness campaigns conducted that are recorded in an Annual Performance Report are 9 and per evidence evaluated there are 8 number of library awareness campaigns conducted.</p> <p>This is caused by inadequate reviews of the Annual Performance Report</p> <p>This is will result in inaccurate reported information for the indicator in the Annual Performance Report and overstatement of performance achievement.</p>	Non-submission of the APR to IA for review	- Develop year end AFS Plan and include PMS		IDP/PMS Manager
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13	Performance Management	<b>AoPO: Unable to confirm accuracy of % progress of the project (Indicator: Upgrade of sports fields Somerset East)</b>	<p>The auditor is unable to confirm the accuracy of the % progress of the project due to the following:</p> <ul style="list-style-type: none"> <li>- % Progress reported was taken from the progress report prepared by the contractor and that was not verified by the consultant for validity and reliability.</li> <li>- Progress report used for the reported % project was never tabled in site meetings.</li> <li>- The % time lapsed before completion of the project is 67% based on site meetings and was reported on the site meetings attended by the contractor and does not agree with the % progress reported and on progress report.</li> </ul> <p>Therefore, it is unclear as to whether the disclosed performance is correct, if so how did the municipality arrived at the percentage disclosed in the APR.</p> <p>This was caused by BCRM accepting the progress report prepared by the contractor without it being verified by the consultant employed for that job. This is further due to inadequate reviews of the performance information.</p> <p>This will result in limitation of scope material misstatement to the target and indicator in the APR due to inaccurate performance achievement disclosed.</p>	A consultant responsible for the project pulled out of the contract due to non-payment	<ul style="list-style-type: none"> <li>- A project reporting template was developed and is being implemented</li> <li>- All project related reporting is done by the consultant</li> <li>- Verification is done by the relevant Project Manager</li> <li>- All project reports are approved by the Director Technical Services</li> <li>- Annual review the project register of all projects (Finance/Technical)</li> </ul>	Monthly	DTS/CFO
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14	Performance Management	<b>AoPO: Inaccurate reported distance covered to install water pipes (Indicator: Number of Kms of water pipes connected to Cookhouse WTW)</b>	The municipality reported the achievement of the target as 2840 meters' distance of water pipes installed and connected to Cookhouse WTW as at 30 June 2019 even though only 2672 meters completed in 30 June 2019 and 2840 meters were only completed after year-end	Non-submission of the APR to IA for review	"- Develop a year end AFS plan and include performance management submission dates for APR - Develop a documents management platform to scan evidence electronically	30-Jun-20	IDP/PMS Manager
15	SCM	<b>Interest Family: Employees not declaring interest in Suppliers</b>	The following suppliers that are related to employees of the municipality did not declare their interest at the municipality and further to that the awards to the suppliers were not disclosed on the annual financial statements. SEE ANNEXURES		These suppliers did declare and they are on the list of Related Parties for the year in question and the current financial year - AFS Error	Completed	Director Corporate Services
16	SCM		The following employees are spouse/family members of directors of the companies listed above and the employee did not declare their interest that they had on the suppliers:	- Employees did not declare	- Enforce consequence management- Council to implement Section 32 of the MFMA to investigate the irregular expenditure- Vet all declarations made by employees with the AG prior to year end/preparation of AFS	28-Feb-20	Director Corporate Services

17	SCM	<b>Deviation: BCRM participated in an irregular awarded contract</b>	The bid was procured at Sundays River Municipality by the BAC that was not duly constituted in terms of the SCM regulations and policies.		- Revise the SCM Policy to be in line with MFMA Circular 96 - Table the irregular expenditure to Council and DB by end of 28 Feb 2020		Ayanda Mbebe - SCM Manager
18	SCM	<b>Competitive bids: The bid was advertised for period less than 14 days</b>	Bid No T27/2018 was advertised for a period less than 14 days. The SCM manager did not review the advertisement before it was placed on the local newspaper, eTender and BCRM website.	Lack of supervisory reviews	- Review the procurement plan to allow for 20 days advertisement for bids to be on the safe side - Review the final draft for approval from the publication and advert by the CFO - Refer the expenditure to Council and DB		Ayanda Mbebe - SCM Manager
19	SCM	<b>Deviation: Declaration of interests were not obtained</b>	The municipality did not obtain the declaration of interest from the below service providers:	Reg 32 appointment	"These were s32 - which as per above recommendation not to be used again  Revise the SCM policy	31-May-20	Ayanda Mbebe - SCM Manager

20	SCM	<b>PPPF Act 2017: The supplier was considered non-responsive while responsive</b>	<p>The supplier was considered non-responsive due to a municipal billing clearance being incorrectly declared invalid by BEC.</p> <p>This was as a result of expired directors' municipal billing clearance certificates were also considered instead of the company's certificate only as the company is the juristic person in this case.</p>	Outdated Tender Data	Review the tender data to ensure it applies to companies only by SCM Manager by 28 February 2020		Ayanda Mbebe - SCM Manager
21	Assets	Property, plant and equipment: Incorrect presentation and disclosure	<p>Difference between depreciation on the register and the Financial statements</p> <p>Difference between prior Year Note 12 and Note 36 on Maintenance of assets:</p> <p>3) Average useful life of Landfill sites were not disclosed in the Accounting Policies to the Financial Statements</p>	Landfill site provision calculation of depreciation not reviewed	Review of AFS by Manager Financial Reporting / Internal Audit:	30-Jul-20	Conrad Everson - Assets Accountant

22	SCM	<b>Deviations: Deviation have not been disclosed in the 2018/19 AFS</b>	Deviations for the following suppliers were not disclosed in the 2018/19 AFS:  Deviation register is not updated regularly, and it is the source used for the disclosure in the AFS, and the deviation above was not listed in the deviation register.	Deviations Register not updated regularly	- All deviations to be done through the deviation form over and above the memo if there is one, checklist is being used.	Monthly	Ayanda Mbebe - SCM Manager
23	SCM	<b>No declaration of Interests obtained</b>	No delegated official assigned into ensuring that all the returnable documents are submitted by the service providers. The above instance will result in non-compliance with the SCM regulations and irregular expenditure of R786 881.60	No delegated official	- Review the supplier database to ensure that all service providers on the database have submitted declaration of interests  - Continue implement the checkilt for orders.  - Senior SCM Clerk to implement the controls and SCM Manager to review  - Internal Audit to conduct a full scope review of <b>Tenders &amp; Deviations</b>	Per transaction	Ayanda Mbebe - SCM Manager
24	SCM	<b>Quotations: Approved invalid deviations</b>	For the following deviations, the reasons provided do not comply with SCM Regulation 36(2):	Decentralization of SCM	- Review the SCM and bid committee system - Schedule an institutional wide workshop of all role		Ayanda Mbebe - SCM Manager

					players to review the entire system of procurement		
25	BTO	<b>Incomplete bank account disclosed</b>		AFS MUST BE PROPERLY REVIEWED	INTERIM AFS FOR REVIEWING PURPOSES	30-Jun-20	Martin Meyer - Budget & Reporting
26	OMM	<b>NON-SUBMISSION OF INFORMATION</b>	INFORMATION NOT SUBMITTED BY DEPARTMENTS	- Poor records management	- Integrate the Finance records management system with the Corporate Services Records Framework  - Scan and reference all documents into the integrated records management system		CAE
27	BTO	<b>Commitments: Differences identified</b>	<b>Differences identified on the disclosed commitments figure:</b>	INCORRECT COAF	INCORRECT COAF	INCORRECT COAF	Martin Meyer - Budget & Reporting
28	BTO	<b>Irregular expenditure: Incorrect presentation</b>	Incorrect presentation	DO MONTHLY CALC OF DEBT IMPAIRMENT	- Request assistance from the SAMRAS to allow for calculation debt impairment per account on a monthly basis  - CHECK POSSIBLE UNAUTHORISED EXP	25-Feb-20	Martin Meyer - Budget & Reporting



29	SCM	<b>Irregular expenditure: Incomplete disclosure</b>	The following prohibited awards were not included in the irregular expenditure register.		<ul style="list-style-type: none"> <li>- Table the irregular expenditure to Council and refer to the DB</li> <li>- Review the similar audit findings issued in 2017/18 to formulate an appropriate response</li> </ul>		Ayanda Mbebe - SCM Manager
30	BTO	<b>VAT payable: Incorrect presentation</b>	<p>Taxes – Value Added Tax Accounting policy 1.24 does not state the VAT preparation basis whether on invoice or payment basis.</p> <p>Taxes – Value Added Tax Accounting policy 1.24 does not indicate if liabilities are recognised net of the amounts of VAT.</p> <p>This was as a result of inadequate reviews implemented on AFS preparation.</p>	ACC POLICIES MUST BE PROPERLY REVIEWED	<p>INTERIM AFS FOR REVIEWING PURPOSES</p> <ul style="list-style-type: none"> <li>- Review the Accounting Policy</li> <li>- Approach the AG to validate the review</li> </ul>	30-Jun-20	Martin Meyer - Budget & Reporting

31	Revenue	<b>Bulk purchases - Electricity: No verifications performed on electricity purchases</b>	<p>Eskom send the invoice to relevant parties in the BCRM such as the CFO and the head of electricity V. Appolis. The head of electricity V Appolis signs the invoice then it is sent to the control expenditure for the payment to be processed. There is no control implemented to verify if the amount paid to Eskom is for the units that were received.</p> <p>The municipality does not have a system in place for meter readings on Eskom usage.</p> <p>This will result into a limitation material misstatement on bulk purchases – Electricity by R79 992 493.00.</p>				CFO
32	Expenditure	<b>Compliance - payments not made within 30 days</b>	<p><b>During the testing of expenditure, the following was noted:</b></p> <p><b>1. Payments for the following invoices were not made within 30 days of receipt of invoice</b></p>				EXPENDITURE ACCOUNTANT
33	Expenditure	<b>Invoices not stamped</b>	The following invoices were not stamped on receipt of the invoice and therefore could not evaluate when the invoice was received and whether the 30-day payment period was complied with:				EXPENDITURE ACCOUNTANT
34	BTO	<b>Related parties: The listing does not agree to the AFS</b>	The related party's listing amount does not agree to the amount disclosed in the Annual Financial Statements, the details are on the table below:	AFS MUST BE PROPERLY REVIEWED	INTERIM AFS FOR REVIEWING PURPOSES	30-Jun-20	Martin Meyer - Budget & Reporting

35	Revenue	<b>Revenue Indigent: Incorrect submitted information</b>  <b>SUSBEQUENTLY RESOLED</b>	The 2019/2020 application forms were received and not the 2018/2019 application forms.	IMPLEMENT RECORDS MANAGEMENT SYSTEM	- All forms are on a spreadsheet, which indicates which fields must be checked and documents attached and sign off by the credit Negotiator and supervisor.  - We also going to send the spreadsheet to the AG to check if there are people that is working, because we do not have access to a program that can check info for us.	<b>31-May-20</b>	Verona - Revenue Accountant
36	BTO	<b>Related parties: Incomplete disclosure</b>	<b>The following employees were not disclosed as acting senior managers:</b>	AFS MUST BE PROPERLY REVIEWED	INTERIM AFS FOR REVIEWING PURPOSES	30-Jun-20	Martin Meyer - Budget & Reporting
37	SCM	<b>Expenditure management: No prevention of irregular and unauthorised expenditure</b>	<b>The municipality did not prevent the irregular and unauthorised expenditure as disclosed in 49 and 51.</b>		Managemnt to convene a workshop to review the entire SCM and Procurement systems		Ayanda Mbebe - SCM Manager

38	BTO	<b>Expenditure: No accounting policies</b>	<p>The following significant financial statements items do not have accounting policies as part of the financial statements:</p> <ul style="list-style-type: none"> <li>• Bulk purchases</li> <li>• Contracted services</li> <li>• Inventory consumed</li> <li>• Contracted services</li> <li>• Operational cost</li> </ul>	ACC POLICIES MUST BE PROPERLY REVIEWED	INTERIM AFS FOR REVIEWING PURPOSES	30-Jun-20	Martin Meyer - Budget & Reporting
39	SCM	<b>Consequence management: Prior years unauthorised expenditure not investigated</b>	<p>During the audit it was noted that prior year unauthorised expenditure to the amount of R11 053 442 were not investigated to determine if any person is liable for the expenditure.</p> <p>Management will consider the unauthorised expenditure during the 2019/20 adjustment budget.</p> <p>This might result in material non-compliance with section 32 of MFMA</p>		<p>- Refer to the Disiplinary Board</p> <p>- Table unauthorized expenditure to Council</p>		Ayanda Mbebe - SCM Manager

40	BTO	<b>Budget vs Actual - Differences noted on actual amounts</b>	During the audit of statement of comparison of budget and actual, it was noted that the actual amount on comparable basis per the statement of comparison of budget and actual does not agree with actual amounts as per statement of financial performance. Also, no reconciliation has been disclosed in the annual financial statement between the two actual amounts. The differences are as follows:	INCORRECT COAF	INCORRECT COAF	INCORRECT COAF	Martin Meyer - Budget & Reporting
41	Revenue	<b>Water Losses: Incorrect meter readings</b>	In the testing performed on water losses it was noted that the kiloliters as documented per the stock count performed at year end and the calculations performed by management were not aligned. Differences were as follows:		- Take regular bulk water readings during the year on a monthly basis (Meter readers) - Analyse the readings to pick if there are issues	Monthly	Verona - Revenue Accountant
42	Revenue	<b>Indigent</b>	Understatement of revenue and trade receivables		Provide the AG with the full list of indigent at year end - Review the Indigent Policy to include vetting processes for applicants	Monthly	Verona - Revenue Accountant

**ANNUAL FINANCIAL STATEMENT ACTION PLAN: 2019/2020**

<b><u>BLUE CRANE ROUTE MUNICIPALITY</u></b>			
<b><u>TIMETABLE FOR THE COMPLETION OF THE ANNUAL FINANCIAL STATEMENTS FOR 30 JUNE 2020</u></b>			
<b>Item nr</b>	<b>Description</b>	<b>Responsible person</b>	<b>Deadline</b>
	<b><u>Expenditure</u></b>		
1	Cancel all outstanding orders	L Stofile	30 June 2020
2	Balance creditors control account and suspense account	L Stofile	2 July 2020
3	Balance provision for creditors (2018/19) - Opening Balance	C Botha	14 June 2020
4	Balance wages register with ledger expenditure votes	C Botha	15 July 2020
5	Perform stock count, process adjustments and balancing stock control account Issue stock certificate	A Mbebe	26 June - 3 July 2020
6	Balancing petty cash and issue final cheque	L Stofile	01 July 2020
7	Balancing salary suspense votes	L Koekemoer	19 July 2020
8	Provision for Performance Bonusses	M Meyer	19 July 2020
9	Calculate 13th cheque bonus for 6 months and adjust provision	C Botha	15 July 2020
10	Payroll reconciliation with operating account	C Botha	31 July 2020
11	List of creditors at year end 30 June 2020 - Journalised	C Botha	31 July 2020
12	List of retention monies outstanding at year end	M Meyer	15 July 2020
13	Compile register of Irregular expenditure (SCM)	A Mbebe	05 August 2020

	<b>Revenue</b>		
1	Balancing debtors control votes to billing	V Gowar	3 July 2020
2	Balancing consumer deposits with control account and Electronic/hard copy of list of deposits	V Gowar	3 July 2020
3	Billing: Electronic age analysis & hardcopy	V Gowar	05 July 2020
	Provision for bad debts	M Meyer	05 July 2020
	Reconcile write offs with provision and bad debts expense	M Meyer	30 June 2020
	Summary of balances - customer classification	V Gowar	05 July 2020
	Summary of balances - Services & Sundry debtors	V Gowar	05 July 2020
	Determine the total usage/selling of water and elect	C Botha/M Meyer	15 July 2020
4	Property rates reconciliation for 2019/20	V Gowar	15 July 20120
5	Long-term receivables: sporting bodies, other loans	M Meyer/V Gowar	15 July 2020
6	Calculate payments received in advance: Pre-paid elect	M Meyer	15 July 2020
7	Calculate elect and water losses for the full year (sales vs purchases/purified)	C Botha/M Meyer	05 August 2020
8	Calculate and journalised water/elect levied in July for June	M Meyer/V Gowar	15 July 2020
9	Balancing Town Hall and Bestershoek deposits with ledger	C BOTHA	15 July 2020
	<b>Financial accounting</b>		
1	Balancing bank account to Bank control account and clear all items on bank reconciliation	L Stofile	05 July 2020
2	Provision for rehabilitation of all landfill sites	M Meyer/A2A Kopano	15 July 2020
3	Provision for leave with leave gratuity schedules	C Botha	31 July 2020
4	Summarise conditional grants balancing to Ledger and AFS	M Meyer	19 July 2020
5	VAT Reconciliations and balancing votes	C Botha	31 July 2020
6	Related parties transactions (transactions between management and family)	A Mbebe	31 July 2020

7	Calculation of unsold water at 30 June 2020	M Meyer	05 August 2020
8	External Loan/finance leases - calculate interest/redemption and Notes to AFS	M Meyer	05 August 2020
9	Additional disclosures in terms of MFMA: SALGA	M Meyer	31 July 2020
	Audit Fees	M Meyer	31 July 2020
	PAYE, UIF, Pension, medical aid	C Botha	31 July 2020
	Council Arrear accounts	L de Lange	31 July 20120
	Section 57 cost to employer	C Botha	31 July 2020
	Councillors remuneration	C Botha	31 July 2020
	with statement of Aofficer as per MFMA 124(1)(a)	M Meyer	31 July 2020
10	Capital Commitments/Project register	M Meyer/A Mbebe	31 July 2020
11	Contingent liabilities - progress reports from Lawyers	C Botha	31 July 2020
12	Leases: Operating leases & finance leases - tables and journal entries	M Meyer	15 July 2020
13	Investments register and calculation of accumulated interest and request balance certificates from Banks	L Stofile	12 July 2020
14	Analysis of unappropriated surplus vote and correction of prior year errors	M Meyer	15 July 2020
17	Appoint consultants to calculate post-retirement benefits:		
	Medical - aid and Long service awards	M Meyer	21 June 2020
	Do year-end journals for above	M Meyer	15 July 2020
18	Check Ledger accounts for corrections/adjustments and errors	M Meyer	28 June 2020
			and 19 July 2020
20	Inform auditors (External and Internal) of stock count on water at 30 June 2020	A Mbebe	14 June 2020
21	Take water stock count on 28 June 20120 with Ext auditors/Internal auditors	M Meyer/F Goosen	28 June 2020
	<b>Assets</b>		



1	Fully GRAP compliant assets register with calculation of depreciation	C Everson	05 August 2020
2	Journal entries for assets additions/depreciations/write offs and adjustments	M Meyer/C Everson	05 August 2020
	<u>Financial Statements</u>		
1	Compile draft GRAP compliant AFS for 2019/20 and submit to Audit Comm	M Meyer	16 Aug 2020
2	Review of AFS - submit comments	Internal Audit/Prov Treas	23 Aug 2020
3	Review of AFS - submit comments	Audit Committee	23 Aug 2020
4	Submitting of final AFS to AG Office in East LondOn after adjustments (Review)	M Meyer	30 Aug 2020