

Table of Contents

CHAPTER 1: FOREWORD BY THE MAYOR	8
1.1. EXECUTIVE SUMMARY	10
1.2. BLUECRANE ROUTE MUNICIPAL VISION, MISSION AND VALUES:	11
1.3. THE LEGISLATIVE AND POLICY FRAMEWORK	12
1.4. IDP PLANNING PROCESS	13
1.5. ORGANISATIONAL STRUCTURE (MECHANISMS)	15
1.5.1. ROLES AND RESPONSIBILITIES OF ROLE PLAYERS AND STRUCTURES	15
1.6. PROCESS PLAN TIMEFRAMES / MILESTONES	17
1.7. MEC COMMENTS RECEIVED BY THE BCM ON THE ASSESSED 2014/15 IDP REVIEW	19
CHAPTER 2: SITUATION ANALYSIS	21
2. SITUATIONAL AND GAP ANALYSIS	21
2.1. LOCATION OF BLUE CRANE ROUTE WITHIN THE CONTEXT OF EASTERN CAPE	21
2.2. THE STUDY AREA: (BLUE CRANE ROUTE LM)	23
2.2.1. DEMOGRAPHIC PROFILE	24
2.2.2. DEMOGRAPHICS PER WARD	24
2.2.3. DEMOGRAPHICS TRENDS	26
2.3. SOCIO ECONOMIC DIMENSION	28
2.4. INFRASTRUCTURE DEVELOPMENT DIMENSIONS	33
2.4.1. WATER AND SANITATION	34
2.4.2. ELECTRICITY AND ENERGY	37
2.4.3. SOLID WASTE MANAGEMENT	38
2.4.4. HUMAN SETTLEMENT	39
2.4.5. ROADS AND STORMWATER	40
2.4.6. LAND INFORMATION SYSTEM	48
2.4.6.1 POLICY AND BYLAW FORMULATION	49
2.4.6.2 LAND AUDIT	50
2.5. SOCIAL SERVICES	51
2.5.1. LIBRARIES	51
2.5.2. TRAFFIC AND LICENCING SERVICES	52
2.5.3. DISASTER MANAGEMENT AND FIRE FIGHTING	52
2.6. OVERVIEW OF TOWN INFRASTRUCTURES	54
2.7. FINANCIAL SERVICES	57
2.7.1. FREE BASIC SERVICES	57
2.7.2. FINANCIAL STANDING OF BLUE CRANE ROUTE MUNICIPALITY	59
2.8. ECONOMIC ANALYSIS	60
2.8.1. THE FOLLOWING OPPORTUNITIES EXIST IN TERMS OF RENEWABLE ENERGY:	61
2.8.2. BROADENING ECONOMIC PARTICIPATION	62
2.8.3. DEVELOPING THE SKILLS BASE	63
2.8.4. RURAL ECONOMIC DEVELOPMENT INITIATIVES (REDI) – BENEFITS FOR BCM	63
2.8.5. YOUTH DEVELOPMENT INITIATIVES	65
2.9. INSTITUTIONAL ARRANGEMENT	66
2.9.1. OFFICE OF THE MAYOR/SPEAKER	66
2.9.2. OFFICE OF THE MUNICIPAL MANAGER (GOOD GOVERNANCE AND PUBLIC PARTICIPATION)	66
2.9.3. CORPORATE SERVICES DEPARTMENT (INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT)	69
2.9.4. TECHNICAL SERVICES DIRECTORATE	77
2.9.5. COMMUNITY SERVICES DIRECTORATE	79
2.9.6. BUDGET & TREASURY DIRECTORATE	80
CHAPTER 3: DEVELOPMENT STRATEGIES	81
3.1. WARD BASED PLANNING	81

3.2 MUNICIPAL VISION AND MISSION	82
3.3 LEGAL FRAMEWORK BEHIND THE ALIGNMENT OF SELECTED NATIONAL, PROVINCIAL, DISTRICT AND LOCAL STRATEGIES.....	82
3.3 DEVELOPMENT OBJECTIVES & STRATEGIES.....	87
CHAPTER 4: INTEGRATION OF STRATEGIES AND SECTOR PLANS.....	114
4. INTRODUCTION	114
4.1 STATUS OF THE MUNICIPAL SECTOR PLANS	114
4.2 HOUSING SECTOR PLAN	117
4.2.1 HOUSING NEEDS CHALLENGES.....	117
4.2.2 MUNICIPAL HOUSING PROFILE	118
4.2.3 CURRENT OPERATIONAL HOUSING PROJECTS	119
4.2.4 PROVISION OF HOUSING	120
4.3 BCRM INTEGRATED WASTE MANAGEMENT PLAN.....	121
4.4 ENVIRONMENTAL MANAGEMENT PLAN (EMP).....	121
4.5 BCRM FIRE AND DISASTER MANAGEMENT PLAN	123
4.6 BCRM TRAFFIC SECTOR PLAN.....	124
4.7 LOCAL ECONOMIC DEVELOPMENT /PROJECT INTERVENTION STRATEGY	124
4.8 RENEWABLE ENERGY SECTOR:.....	129
4.9 INTEGRATED LOCAL ECONOMIC DEVELOPMENT PROGRAMME	129
4.10BCRM TOURISM SECTOR PLAN	130
4.11BCRM COMMONAGE PROPOSAL.....	132
4.12INTEGRATED HIV/AIDS PROGRAMME	133
4.13INTEGRATED INSTITUTIONAL PROGRAMME	133
CHAPTER 5: THE BCR SPATIAL DEVELOPMENT FRAMEWORK	135
5. INTRODUCTION	135
CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM.....	139
6.1 BACKGROUND	139
6.2 MAIN PURPOSE.....	139
6.3 KEY OBJECTIVES	140
6.4 SCOPE OF THE POLICY MANUAL	140
6.5 GUIDING PRINCIPLES AND PRACTICES	140
6.6 PERFORMANCE MONITORING, REVIEWS AND ASSESSMENT	141
6.7 PERFORMANCE BONUS	141
6.8 MANAGERS DIRECTLY ACCOUNTABLE TO S56 MANAGERS AND STAFF BELOW	142
6.9 DISPUTE RESOLUTION	142
6.10GOVERNANCE ISSUES	142
6.11COMPETENCE AND CAPACITY TO IMPLEMENT.....	142
6.12RELEVANT LEGISLATION APPLICABLE TO THIS POLICY	142
CHAPTER 7: FINANCIAL PLAN.....	144
7 INTRODUCTION	144
7.1. FINANCIAL SYSTEM	145
7.2. BUDGET AND TREASURY OFFICE.....	145
7.3. INFORMATION AND COMMUNICATION TECHNOLOGY	146
7.4. VALUATION ROLL	147
7.5. SUPPLY CHAIN MANAGEMENT UNIT	147
7.5.1. PROCUREMENT TURNOVER RATE.....	148
7.6. AUDIT OUTCOMES.....	148
7.7. CREDITORS TURNOVER RATE	149
7.8. NATIONAL CONTEXT	149
7.9. GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES	151

7.10.	INTEREST RATES FOR BORROWING AND INVESTMENTS OF FUNDS	152
7.11.	RATES, TARIFFS CHARGES AND TIMING FOR REVENUE COLLECTION	152
7.12.	COLLECTION RATES FOR EACH REVENUE SOURCE AND CUSTOMER TYPE	152
7.13.	TRENDS IN POPULATION AND HOUSEHOLDS (GROWTH, DECLINE, STABLE)	153
7.14.	CHANGING DEMAND CHARACTERISTICS (DEMAND FOR SERVICES)	153
7.15.	TRENDS IN DEMAND FOR FREE (SUBSIDIZED) BASIC SERVICES	153
7.16.	IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES.....	154
7.17.	REVENUE ENHANCEMENT STRATEGY	154
7.18.	SALARY BUDGET OF THE MUNICIPALITY	154
7.19.	ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES	155
7.19.1.	OPERATING AND CAPITAL BUDGETS	155
7.20.	FINANCIAL PRINCIPLES AND POLICIES	172
ANNEXURE A – 2013/2014 AUDIT ACTION PLAN		177
ANNEXURE B – BCRM ORGANOGRAMME		195
ANNEXURE C – 2014/2015 ANNUAL FINANCIAL STATEMENT PLAN.....		208
ANNEXURE D - WARD BASED PLANNING: 2015/2016		211

ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CDA	Cacadu Development Agency
BCRM	Blue Crane Route Municipality
SBDM	Sarah Baartman District Municipality (Cacadu District)
CGTA	Cooperative Governance and Traditional Affairs
DEDEA	Department of Economic Development and Environmental Affairs
DFA	Development Facilitation Act
DLG&TA	Department of Local Government and Traditional Affairs
DOH	Department of Health
DOT	Department of Transport
DRPW	Department of Roads and Public Works
DSRAC	Department of Sport, Recreation, Arts and Culture
DWA	Department of Water
ECDC	Eastern Cape Development Corporation
ESKOM	Electricity Supply Commission
GAMAP	Generally Accepted Municipal Accounting Policies
GDS	Growth and Development Summit
GGP	Gross Geographic Product
HIV	Human Immunodeficiency Virus
IDEA	Individuals with Disabilities Education Act
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
ITP	Integrated Transport Plan

JIPSA	Joint Initiative on Priority Skills Acquisition
KPA	Key Performance Areas
KPI	Key Performance Indicators
LED	Local Economic Development
MDG	Millennium Development Goals
MFMA	Municipal Finance Management Act
MHS	Municipal Health Services
MLL	Minimum Living Level
MTSF	Medium Term Strategic Framework
MSA	Municipal Systems act
NDP	National Development Plan
NEMA	National Environmental Management Act
NSDP	National Spatial Development Perspective
PGDP	Provincial Growth and Development Plan
PHC	Primary Health Care
PMS	Performance Management System
PSF	Provincial Strategic Framework
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SETA	Skills Education Training Authorities
SLA	Service Level Agreement
SMMEs	Small, Medium & Micro Enterprises
SONA	State of the Nation Address
SOPA	State of the Province Address
SPU	Special Programmes Unit
SWOT	Strengths, Weaknesses, Opportunities & Threats
TB	Tuberculosis

WC	Water Conservation
WDM	Water Demand Management
WESSA	Wildlife and Environment Society of South Africa
WWF- SA	World Wide Fund for Nature South Africa
WSA	Water Services Authority
WSDP	Water Services Development Plan
WSP	Water Services Provider

CHAPTER 1: FOREWORD BY THE MAYOR

Let me take this opportunity to table the 2015/16 IDP/Budget Review of the Blue Crane Route Municipality. It is an honour for me to table this fourth term review as it proceeds the last term of this current Council. This IDP/Budget Review is the culmination of a wide and intensive process involving all stakeholders within our municipal boundaries and beyond. It takes place in a context of growing demand for municipal services and shrinking resources in terms of new internal revenue sources and declining grants from national government.

In reviewing the current IDP, the municipality embarked on the Ward Based Planning model, wherein all wards within the Blue Crane Route Municipality were consulted. Inputs from the wards were further refined in the IDP Steering Committees, IDP Representative Forums, IGR Forums and other stakeholder sessions.

The final IDP/Budget Review has been tabled to different stakeholders through Mayoral outreach programmes and IDP /Budget Rep Forum for consideration and inputs as mandated by law. I wish to thank all my colleagues, officials and other stakeholders who have made a valuable contribution to this process.

I hereby table the final 2015/16 IDP/Budget Review.



N.M. SCOTT
MAYOR

STATEMENT BY THE MUNICIPAL MANAGER

The Blue Crane Route Municipality (BCRM) is committed to building its institutional capacity to discharge its constitutional responsibility and mandate of providing basic services to its community. In this regard, the Integrated Development Plan (IDP) review process is a strategic policy instrument to realise this noble objective.

The Municipality is quite excited with the overall improvement in the credibility of the Blue Crane Route Municipality's IDP as evidenced during the MEC 2014/15 IDP Assessment. The Auditor General (AG) has also affirmed improvement when the BCRM moved from a disclaimer to qualified audit opinion in terms of performance information.

During the month of September the municipality embarked on the Ward Based Planning (WBP) Model in its engagement with local communities as part of the review process. At the heart of this Model is an attempt to locate municipal planning at the 'coal-face' of service delivery, which is at ward level. All the communities in all wards of BCRM were consulted through ward meetings. This culminated in a three day strategic session where further refinement was undertaken.

A special word of gratitude goes to the officials of the Department of Local Government and Traditional Affairs (DLGTA) for the role played in terms of capacitating the role players in the review process in order to ensure that the processes are smooth.

The BCRM as part of its institutional response to the implementation of the IDP filled all key vacant positions which were prioritised. All senior management positions have been filled. The municipality is in the processes of reviewing its Performance Management System (PMS) Framework to address the issues raised by the Auditor General. The PMS Framework will be tabled to Council after approving the Final Draft IDP Review 2015/2016. The Municipality is also in the processes of implementing performance management to all levels in order to improve performance of the institution so as to ensure accountability to the members of the community.

The municipality has remained stagnant with its Audit Outcome for the past 3 years and as a result the National Treasury is supporting the municipality in implementing a new Asset Management System that seeks to address all the Auditor General's Asset-related findings. The Sarah Baartman District Municipality has further appointed a service provider to provide technical assistance in addressing the remaining areas of qualification and Management is assisting in addressing all the audit findings. The municipality is confident that the audit outcome will be improving this time around.

The municipality is currently undertaking a review of its organisation structure (Organogram) and job evaluation processes are underway with the assistance of COGTA Eastern Cape. The 2015/16 IDP seeks to build on the good infrastructure improvements of the 2014/15 financial year as well as to address number of issues which were raised by communities during the Ward Based Planning sessions and further improve the standard of services delivery to the community.



THABISO KLAAS
MUNICIPAL MANAGER

1.1.EXECUTIVE SUMMARY

This document sets out the Blue Crane Route Local Municipality's Draft Integrated Development Plan for the 2015/16 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 developmental objectives, strategies and projects in order 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 also 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. BLUECRANE ROUTE 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

1.3. THE LEGISLATIVE AND POLICY FRAMEWORK

The Integrated Development planning process is highly regulated and the municipality is guided by the following important legislation;

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996, SECTION 152-MANDATES LOCAL GOVERNMENT TO:

Provide democratic and accountable government for local government

Ensure provision of services to communities in a sustainable manner

Promote social and economic development

Promote safe and healthy environment

Encourage the involvement of communities and community organization in matters of local government

THE WHITE PAPER ON LOCAL GOVERNMENT, 1998:

Introduced a notion of a developmental local government:

Defined as: “Local government that is committed to working with its citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.”

MUNICIPAL SYSTEMS ACT 32 OF 2000, as amended

Chapter 5, Section 25 states that:

Each Municipal Council must adopt a single, inclusive strategic plan

The IDP must be a 5-year strategic plan that provides a road map for the municipality

The IDP must be reviewed annually to adapt to changing circumstances

The IDP must identify all projects, plans and programs to be implemented within the municipality by any organ of state

The IDP should be aligned to national and provincial strategic plans and also integrate various projects within the municipality

The community must be given at least 21 days to comment on the draft IDP/Budget before it is submitted to Council for adoption by 31 May.

In terms of the Annual Review and Amendment of the IDP, Chapter 5, Section 34 states that:

A Municipal Council –

(a) must review its integrated development plan –

(i) annually in accordance with an assessment of its performance in terms of section 41; and

(ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process

PERFORMANCE MANAGEMENT

Municipal Systems Act Chapter 6, Section 38

Establishment of a performance management system:

A municipality must—

(a) establish a performance management system that is—

(i) commensurate with its resources;

(ii) best suited to its circumstances; and

(iii) in line with the priorities, objectives, indicators and

targets contained in its integrated development plan;

(b) promote a culture of performance management among its political structures, political office bearers and councillors and in its administration; and

(c) administer its affairs in an economical, effective, efficient and accountable manner.

1.4.IDP PLANNING PROCESS

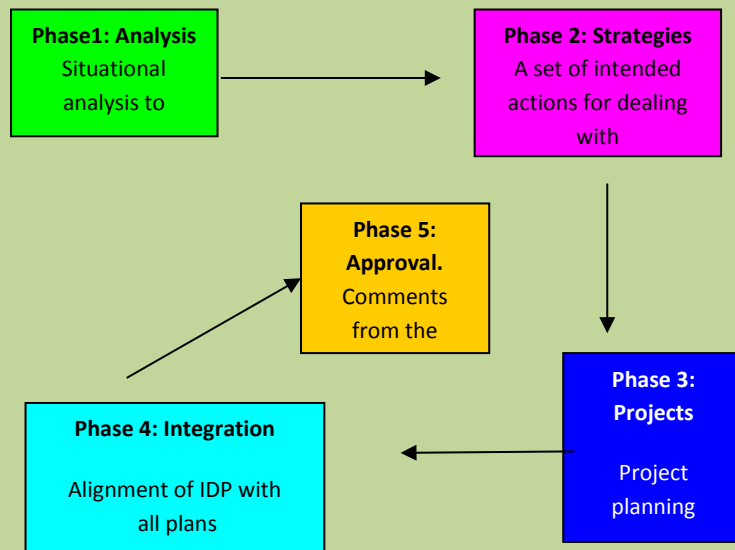
Integrated Development Planning (IDP) is a planning tool for promoting developmental local government. It enables the Municipality to identify its priorities and develop a strategic development plan for the short, medium and long term. The IDP process is a consultative process which requires of the Municipality 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 29th August 2014 as informed by the Sarah Baartman District Framework Plan to guide the review process and also 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 in order to allow the communities to participate in the review process .The review focused more on the refinement of current strategies in order 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 is 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 STRUCTURE (MECHANISMS)

In order to ensure smooth and well organized IDP Review processes for 2015 /2016 financial year, the municipality has identified role players to assist and inform the review process as well as the roles and responsibilities attached. 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
Council	<ul style="list-style-type: none"> • Prepares, decides on and adopt an IDP/Budget Process Plan. • Undertake the overall management and co-ordination of the IDP/PMS/Budget Process.
Ward Councilors	<ul style="list-style-type: none"> • Major link between the municipal government and the residents. • Links the IDP /Budget/PMS processes to their constituencies and / or wards; • Responsible for organizing public consultation and participation; • Ensure the annual business plans and municipal budget are linked to and based on the IDP.
Municipal Manager	<ul style="list-style-type: none"> • Responsible and Accountable for the implementation of the municipality's IDP, • Monitors progress with implementation of the plan.

	<ul style="list-style-type: none"> Responsible for championing the Integrated Development Planning process.
IDP/PMS/Budget Steering Committee (Technical and Political)	<ul style="list-style-type: none"> Ensures a smooth compilation and implementation of the IDP. Compiles the terms of reference and criteria for members of the IDP/PMS/Budget Representative Forum ; Facilitates the terms of reference for the various planning activities; commissions studies necessary for the compilation of the IDP; Processes and documents inputs from the public concerning IDP and Budget Processes, summarizes and documents outputs; Makes content recommendations; Facilitates control mechanisms regarding the effective and efficient implementation, monitoring and amendment of the IDP; Ensures the co-ordination and integration of sectoral plans and projects; and Ensures that the municipal budget is in line with the IDP.
IDP/PMS/Budget Representative Forum and IGR	<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"> Represents the interests of the constituents in the IDP process; Forms a structured link between the municipality and representatives of the public; Ensures communication between all the stakeholder representatives including the municipality; Provides an organizational mechanism for discussion, negotiation and decision making between the stakeholders including municipal governance;

	<ul style="list-style-type: none"> Integrates and prioritize issues, strategies, projects and programmes and identify budget requirements; and Monitors the performance of the planning and implementation process. <p>Composition:</p> <ul style="list-style-type: none"> all Councillors the Chairperson and one selected representative of each of the organised structures or associations within the community; the officials who serve in the Steering Committee; Sector departments Ward committees and Community Development Workers
--	--

1.6. PROCESS PLAN TIMEFRAMES / MILESTONES

IDP PHASES	DELIVERABLE AND PROCESS MANAGEMENT	DATES
Preparation phase	IDP/BUDGET Steering committee meeting	11 August 2014
	IDP/Budget/PMS Rep Forum	15 August 2014
	Tabling of the IDP and Budget Process Plan to Council for approval and adoption	29 August 2014
	Advertisement of IDP and Budget Process Plan	05 Sept 2014
	Workshop for the analysis phase	03 Sept 2014
Analysis Phase	Mayoral roadshow :To conduct ward based planning	08-12 & 15 Sept 2014

	IDP/Budget steering committee meeting : Report back from the community	19 Sept 14
	IDP/PMS/Budget Rep Forum & IGR	01 Oct 14
	Status of the implementation progress: 1 st quarterly review	06-10 Oct 2014
	IDP/Budget Steering Committee: Consideration, review and inclusion of any relevant and new information	16 Oct 2014
	IDP/PMS/Budget Representative Forum & IGR Meeting	12 Nov 14
Strategies Phase	Workshop on the IDP Strategic Phase	24 Nov 2014
	IDP/Budget Steering Committee: Preparation of budget framework to provide parameters and request budget inputs	26 Nov 2014
	Consolidation of the Mid-year budget and performance assessment report	Jan 2015
	2 nd quarter review and progress report	11 -15 Jan 15
	IDP/Budget Steering Committee: Discussions : for IDP Strategic session , Mid-year budget and performance assessment report	16 Jan 2015
	Strategic Planning Session: Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget	28-30 Jan 15
	IDP/Budget Steering Committee: Confirm contents of the IDP and Drafting of Service Delivery and Budget Implementation Plan(SDBIP)	10 Feb 15
	IDP/PMS/Budget Representative Forum & IGR	20 Feb 15
	Finalization of Project Prioritization	27 Feb 15
	Tabling of the Draft IDP and Budget	31 March 15

	Advertise for public to comment on the Draft IDP/Budget	02 April 15
	Submit to MEC :DLGTA	03 April 15
Integration/Approval Phase	Status of the implementation progress: 3 rd quarter review	06-10 April 15
	IDP/Budget Steering Committee: preparations for IDP /Budget Public Hearings	14 April 15
	IDP /Budget Public Hearings	21-28 April 15
	IDP/Budget Steering Committee: Consider inputs preparing for final adoption of IDP/Budget	05 May 15
	IDP/PMS/Budget Representative Forum: Present IDP /Budget	14 May 15
	Tabling of the Final Draft IDP and Budget and Draft SDBIP	28 May 15
	Advertise the adopted documents :IDP, Budget & SDBIP	04 June 15
	Status of the implementation progress: 4 th quarter review	06-10 July 15
	Consolidation of the Annual Performance report and Annual Report	July 2015

1.7. MEC COMMENTS RECEIVED BY THE BCRM ON THE ASSESSED 2014/15 IDP REVIEW

The BCRM IDP was assessed in July 2014 on its credibility. 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 on the basis of the six key focal areas. The ratings ranged from low, medium to high.

KPA	Rating 2012/2013	Rating 2013/2014	Rating 2014/2015
Spatial Development Framework	High	High	High
Service Delivery	Medium	High	Medium
Financial Viability	High	High	High
Local Economic Development	High	High	High
Good Governance & Public Participation	Medium	High	High
Institutional Arrangements	Low	Low	High
OVERALL RATING	Medium	HIGH	High

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. The district perspective is presented in order 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 km²) 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. Nine local municipalities have been established within the jurisdiction of Sarah Baartman DM, as reflected on Map no. 2 below.

2.2.THE STUDY AREA: (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 Nxuba Municipality, North-west of Inxuba Yethemba municipality, South of Makana Municipalities 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, two rural settlements and vast rural commercial farmlands. Nodes and settlements include:

- Somerset East (Wards 2, 3 and 5 = 19172)
 - 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.
- o Pearston(Ward 4 = 5 933)
 - Nelsig and Khanyiso
 -

Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Eleven councillors have been elected and the seat of the municipality is situated in Somerset East.

2.2.1. Demographic Profile

Table 1: Population and extent of Area km² 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
Area km ²	168 966 km ²	58 243.3 km ²	11 068.56 km ²

Source: StatsSA 2011

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 km².

The estimated population is in the region of 36 002. 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 to Pearston : 75km.

2.2.2. Demographics per ward

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

DEMOGRAPHICS								
Age distribution	00 - 04	05 – 09	10 – 14	15 – 34	35 - 64	65 - 85+	Ward Total	%
Ward 1	549	454	422	1555	1566	203	4749	13.2
Ward 2	814	583	591	1882	2265	611	6747	18.7

Ward 3	705	671	601	2185	2320	498	6979	19.4
Ward 4	661	668	570	1788	1817	428	5933	16.5
Ward 5	542	526	475	1628	1804	470	5446	15.1
Ward 6	686	550	449	2068	2083	313	6148	17.1
Grand Total BCR	3956	3453	3108	11106	11856	2523	36002	100
Gender	Male	%	Female	%	Total			
Ward 1	2390	50.3	2359	49.7	4749			
Ward 2	3289	48.7	3458	51.3	6747			
Ward 3	3311	47.4	3668	52.6	6979			
Ward 4	2938	49.5	2995	50.5	5933			
Ward 5	2547	46.8	2899	53.2	5446			
Ward 6	3206	52.1	2943	47.9	6149			
Grand Total BCR	17680	49.1	18322	50.9	36002			
Population Group	Black	Coloured	White	Indian/ Asian	Other	Ward Total		
Ward 1	3278	1143	289	10	28	4749		
Ward 2	3169	2370	1128	37	44	6747		
Ward 3	6493	378	68	19	21	6979		
Ward 4	2211	3365	287	26	43	5933		
Ward 5	1813	3387	203	15	28	5446		
Ward 6	4283	1246	479	10	131	6148		
Grand Total BCR	21247	11888	2453	118	295	36002		
Head Household: Gender	Male	%	Female	%	Total Ward			
Ward 1	823	70.1	351	29.9	1174			
Ward 2	1048	56.8	797	43.2	1845			
Ward 3	1161	57.5	859	42.5	2019			

Ward 4	914	57.6	671	42.3	1586			
Ward 5	769	51.7	719	48.3	1488			
Ward 6	1212	73.5	436	26.4	1649			
Grand Total BCR	5927	60.7	3834	39.3	9761			

Source: StatsSA 2011

2.2.3. Demographics Trends

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

DEMOGRAPHICS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Blue Crane Route Total Population	35407	36002		0.17
Age distribution	35 005	36 003		
0-14	10 293	10517	29.2	0.2
15-64	22 485	22962	63.8	0.2
65+	2 227	2524	7.0	1.3
Gender	35 003	36 002		
Male	16806	17680	49.1	0.5
Female	18197	18322	50.9	0.1
Population Grouping	35 003	36 001		
Black	20861	21247	59.0	0.19
Coloured	11515	11888	33.0	0.32
White	2606	2453	6.8	-0.6
Indian/Asian	21	118	0.3	46.2
Other	0	295	0.8	
Head of Household: Gender	9 595	9 761		
Male	6 486	5 927	60.7	-0.9

DEMOGRAPHICS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Blue Crane Route Total Population	35407	36002		0.17
Female	3 109	3 834	39.3	2.3

Source: StatsSA

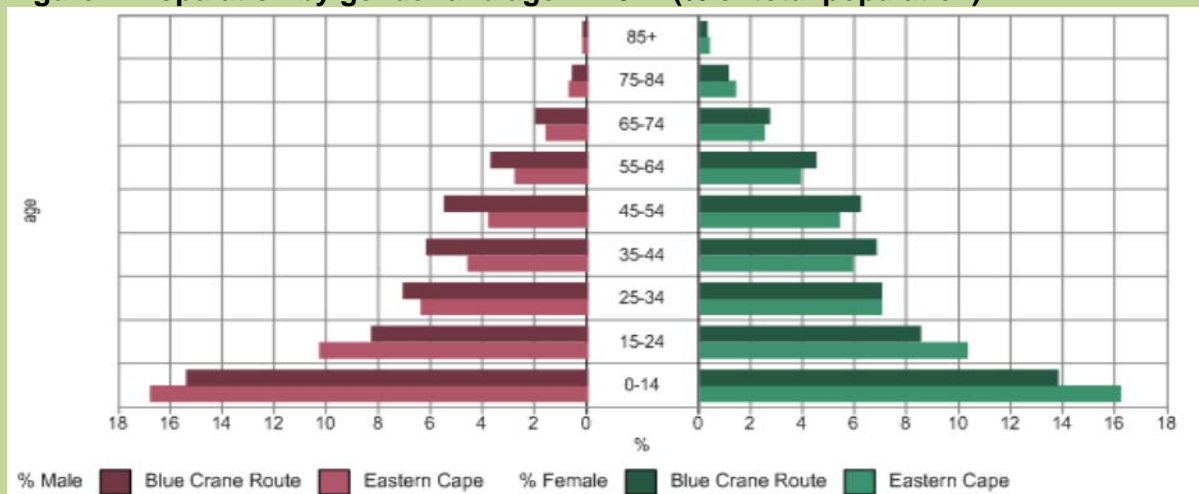
The population has increased by 595 people over the past 10 years. This is reflective of a 0.17% compound average population growth rate from 2001 to 2011. There is parity in the sex ratio with 9.6 males for every 10 females.

StatsSA 2011 reflects that 29% of the population are young and under 15 year of age, which requires intergovernmental planning efforts to jointly focus on improved education and providing sport and recreation facilities. Sport in particular plays an important part in youth development and relevant role-players should form partnerships to promote sport initiatives and youth programmes in Blue Crane Route. The high number of children could also be an indication of a dependency on child support grants.

According to StatsSA a 7% increase has occurred, from 32% to 39%, in respect of female headed households between 2001 and 2011. The increase is relatively high considering that the population growth rate has been very low over a 10 year period and the male to female sex ratio has only risen marginally. This could be reflective of males migrating in search of employment opportunities outside of the municipal area or the occurrence of single mothers deciding to create a basis for their young with the option of marriage later in life.

A large segment (50.1% -StatsSA 2011) of the population speaks IsiXhosa, followed by 42.2% communicating in Afrikaans. Black South Africans account for 59% of the population, followed by 33% Coloured South Africans. Stats 2011 also indicates that 95.5% of the population were born in South Africa.

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



Source: Statistics South Africa 2011

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.
Total Population				
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		
	35 011	36 002		

Source: StatsSA

StatsSA indicates that there has been an overall decline of -1.28% p.a. in the number of population 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.
Total Population				
Income 15 to 65				

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	
	7 846	22 791		

Source: StatsSA

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.
Total Population				
Labour status 15 to 65				

Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.84
Non economically active	9471	10935	50.5	1.55
	22665	21669		

Source: StatsSA

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.
Total Population				
Level of education 20 +				
No schooling	4 088	2 592	8.24	-3.7
Some primary	5 956	10 895	34.65	8.3
Complete primary	1 977	2 516	8.00	2.7
Some secondary	5 361	9 577	30.46	7.9
Std 10/Grade 12	2 437	4 420	14.06	8.1
Higher	1 075	1 392	4.43	2.9
Unspecified	0	49	0.16	

Source: StatsSA

Stats SA 2011 shows that 8.24% of the population over 20 years of age have not received any schooling. The figure is moderate and furthermore shows a decline or negative growth of -36.6% for the past decade (since 2001), when 4 088 or 19.6% of the population over 20 years had not undergone any schooling.

Table 8: School profile

Schools Profile				
Number of schools	Location of schools			Comment
	Farms	Townships	Town	
49	12	14	23	Pearston, Somerset East & Cookhouse
	Somerset East	Pearston	Cookhouse	

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

School name	Location
1. Johnson Nqonqoza High School 2. Aeroville High School 3. Gilbert Xuza Primary School 4. St' Teresa Primary School 5. Nojoli Junior Primary School 6. Nonzwakazi Primary School 7. William Oates Primary School 8. W.G Olivier Primary School 9. Gill Primary School 10. Gill College	Somerset East
1. Cookhouse Primary School 2. Visrivier Primary School 3. Msombovu Junior Primary School 4. Cookhouse High School	Cookhouse
1. Pearston High School 2. Pearston Primary School 3. Lukhanyiso Primary School	Pearston
1. De Hoop Primary School 2. Lushof Primary School 3. Braaifields Primary School 4. Golden Valley Primary School	Farm Area

Table 9: Crime Statistics for BCRM

CRIME STATISTICS	Somerset East	Cookhouse	Pearston	Total
Crime Category				
Assault GBH	113	84	49	246

CRIME STATISTICS	Somerset East	Cookhouse	Pearston	Total
Crime Category				
Common Assault	119	65	21	205
Common Robbery	20	10	0	30
Murder	8	0	3	11
Attempted murder	3	0	2	5
Sexual crimes	42	20	9	71
All Theft not categorised	88	55	27	170
Domestic violence	39	0	2	41
Robbery aggravating	8	5	1	14
House robbery	61	41	14	130
Business robbery	29	0	11	40
Robbery in farms	0	4	2	6
Stock theft	65	65	40	170
Drug related crime	32	32	12	246

Source: CrimeSA (#) and Somerset East SAPS (*)

Crime statistics in the table above indicate the levels of crimes from the period of 2014 to the beginning of 2015. The list above indicates crime in terms of frequency from high to low. Common assault, assault with intent to inflict grievous bodily harm and Stock theft seem to be the dominating crime in all three areas. Domestic violence is dominating in Somerset East followed by House robbery in Cookhouse and drug related crimes in all areas. On average the highest level of crime appears to be most prevalent in Cookhouse in all categories except for robbery in farms, domestic violence, robbery in farms and business robbery.

Table 10: HIV/AIDS Statistics for BCRM

Facility	Population
Aeroville Clinic	7,933
B Ngwente Clinic	6,294
Bedford Mobile	959
Bhongweni Clinic	5,778
Gracey Clinic	6,098

Pearston Mobile	1,235
Somerset East Mobile 2	1,104
Union Street Clinic	4,900
Vera Barford Clinic	5,529
Andries Vosloo Hosiptal	39,830

Source: ECDoH: 2014/2015

Table 11: HIV Positivity Rates - All Facilities

Indicator Name	2013/14	2014/15
Antenatal client HIV 1st test positive rate	12.8	7.3
Antenatal client HIV re-test positive rate	2.6	1.0
Infant 1st PCR test positive around 6 weeks rate	5.6	5.6
HIV prevalence amongst client tested 15-49 years rate	9.4	6.2

Source: ECDoH: 2014/2015

The table above depicts the kind of services offered pertaining to HIV/AIDS in health facilities and the trends in terms of the results.

There are different NGO'S supporting households affected by HIV/AIDS, these include:

- Hospice
- ACVV

Currently the Municipality interacts with these special groups through Local Aids Council. The Local Aids Council is a forum coordinated in the Mayor's office where all organisations/stakeholders of BCRM have a voice to address all issues related to HIV/AIDS. The forum is made up of NGOs, CBOs & civil society and other sectors. It is chaired by the Mayor of BCRM. The Municipality has recently appointed a coordinator/secretariat to ensure proper function of the council. The council meet on a quarterly basis to discuss progress in terms of its programmes.

2.4 INFRASTRUCTURE DEVELOPMENT DIMENSIONS

The Blue Crane Route Municipality received R3 Million for 2014/15 financial year from the Department of Water and Sanitation through the Accelerated Community Infrastructure Programme (ACIP) Grant to address the problem of ageing infrastructure and Water Conservation and Demand challenges that the BCRM face.

Water Conservation and Demand issues mainly entail high water losses in the municipal water reticulation and inadequate metering. Inadequate metering remains a huge challenge for the Municipality in its ongoing strive to reduce water losses in order to sustain the water resources.

The project included assessments of the Bulk Water Supply Network of the Municipality compared with the billing information supplied in order to calculate a Water Balance and to determine water losses, comprehensive assessment of all consumer meters and installations throughout the Municipality, training of Community (Barefoot) Plumbers and plumbing retrofitting in identified high “leak” areas and installation of bulk water meters.

Initial water balance calculations indicated a Non-Revenue Water figure of 831.7 ML of water (41.6% of total supplied) for the period of 1 July 2013 up to 30 June 2014. It is estimated that water savings of approximately 114 ML per annum was achieved as result of the implementation of this project. The project was successfully completed in February 2015.

Plans to address inadequate Water Resources and Ageing Infrastructure

The Blue Crane Route Municipality received R2.8 Million (for 2015 16 financial Year) from the Department of Water and Sanitation through the Accelerated Community Infrastructure Programme (ACIP) Grant to address the problem of ageing infrastructure and inadequate Water Resources.

The main objectives of the planed project are as follows:

The main objectives of the planed project are to facilitate the determination of the sustainable raw water supply from the current borehole well filed and the adequate treatment thereof for domestic consumption as well as the investigation into the development of the second well field to augment the existing raw water supply to Pearston. The project can be broken down as follows:

- To evaluate and refurbish the existing well field infrastructure (boreholes) to enable sustainable raw water supply and better quality water.
- To investigate the development of a second well field to augment the existing supply.
- Drill and develop new supply boreholes to meet the bulk requirements of the town
- To adequately treat the raw water from the borehole supply to meet the minimum standards for the domestic reticulation

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.

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. As a result of water being a scarce resource in Pearston, there are competing demands between servicing the community and servicing agricultural production.

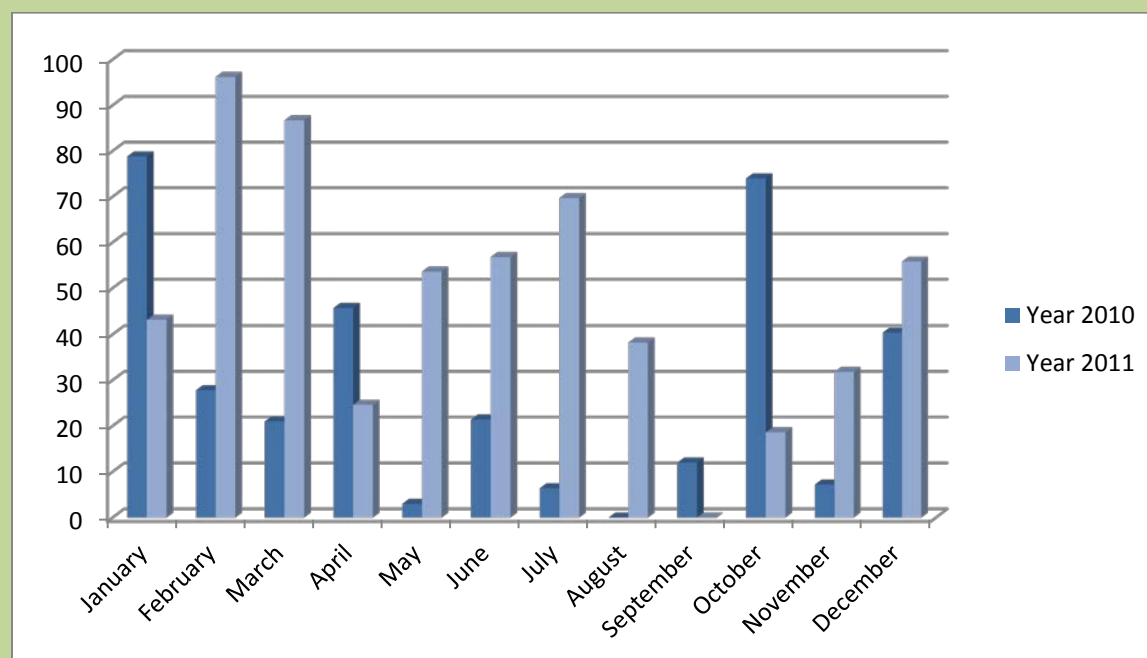
Bulk services in the BCR are under pressure due to overloading and the lack of ongoing maintenance.

Table 12: Major Predominant Dams in BCR

MAJOR DAM	MAJOR RIVER	MUNICIPALITY	USE
<ul style="list-style-type: none"> • Van Der Walt Dam • Bestershoek Dam • Cookhouse Dam • Lake Bertie 	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. Funding is required to successfully implement the proposed Rainwater Harvesting Project discussed above.

Blue Crane Route Local Municipality:



Source: South African Weather Service

Table 13: Funding Requirements for Rainwater Harvesting

LOCAL MUNICIPALITY	FUNDING REQUIRED
Blue Crane Route	R31,049,000

Source: South African Weather Service

Table 14: Water and Sanitation Provision

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	9 595	9 761		1.7%
Sanitation	9 470	9 760		3.06%
Flush toilets	4439	7856	80.5	7.7
Flush septic tank	390	395	4.0	0.1
Chemical	244	25	0.3	-9.0
VIP	127	83	0.9	-3.5
Pit latrines without ventilation	752	327	3.4	-5.7
Bucket latrine	1921	277	2.8	-8.6
None	1597	617	6.3	-6.1
Other		180	1.8	
Water – Access to piped water	8 530	9 740		12.4%
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	

Water – Source of water		9 760		
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

The level of improvement of flush toilets shows a positive 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 improved from 2001 to 2011.

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.

Table 15: Energy for Lighting

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	9 595	9 761		
Energy (Access)	9 470	9 760		3.06%
Electricity	6 161	8 486	86.9	3.8

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
None		39	0.4	

Source: StatsSA

Access to electricity has improved from 65.1% in 2001 to 86.9% in 2011. The dependency on paraffin and candles were reduced from 22.5% and 11.2% in 2001 to 3.1% and 9.0% in 2011.

2.4.3. Solid Waste Management

Table 16: Refuse Removal Services

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	9 595	9 761		
Refuse Removal	9 467	9 761	%	3.10%
How often by municipality?				
a) @ least once a week	6351	7842	80.3	2.35
b) Less often	28	51	0.5	8.21
How often is refuse bags provided	Once in 3 months	Once in 3 months		
Mode Disposal				
i) Communal dumping	59	78	0.8	3.22
ii) Own dump	2440	1444	14.8	-4.08
iii) No disposal	589	195	2.0	-6.69
Other	0	151	1.5	
No of Licensed Landfill sites		2		
No of un-licensed landfill sites		1		

Source: StatsSA 2011

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

In BCRM all residential areas have access to refuse removal services. There is a fixed schedule for household and business refuse collection. Both household and business refuse is collected once a week while garden refuse is collected at least once in two weeks even though there are times it gets collected once a month due to machinery problems. One form of intervention is the use of the EPWP programme to appoint casuals on need basis to do clean up campaigns. 58 casuals have been appointed for this financial for this purpose for a period of 6 months. Assistance from the Department of Environmental Affairs has also been received in a form of 9 youth appointed to do awareness campaigns. This is an area where BCRM has been lacking behind hence the creation of illegal dumps by the members of the community.

2.4.4. Human Settlements

Table 17: Dwelling type and Tenure status

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	9 595	9 761		
Dwelling Type	9 468	9 761		3.10%
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
Tenure Status		9 760		
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 occupation could signify that there is a still a growing need to address the provision of housing for farm workers.

2.4.5. Roads and Stormwater

- The provision and maintenance of roads covers the functional areas of the Department of Roads and Transport and the Local Municipality.

Table 18: Length of Surfaced & Gravel Roads

Municipality	Gravel Length (km)	Surfaced Length (km)	Total Length (km)
Blue Crane Route	40, 446	26, 964	67, 410

Source: Sarah Baartman DM Database

The general condition of the road networks in the Blue crane route municipal jurisdiction is summarised in the following table:

Table 19: Condition Index: Surfaced Provincial Roads

Condition	Paved Percentage (%)	Unpaved Percentage (%)
Very good	10%	10%
Good	40%	30%
Fair	30%	40%
Poor	10%	10%
Very poor	10%	10%
Total	100%	100%

According to the latest version of the Sarah Baartman/ Cacadu Intergrated 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 is 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 20: 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
	35007	

⇒ **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 creational sport activity.

b. Sidewalks and walkways

Visual assessments of the primary transport corridors in the BCR indicate a dire need for the provision of sidewalks and walkways. Given the limited income profile of the rural population, and the close proximity of residential townships to the business nodes in most of the towns, walking is one of the main transport modes in the BCR. Despite this, there are still no sufficient pedestrian facilities. The lack of verge maintenance along primary provincial routes often results in pedestrians sharing the travelled way with motorized transport.

The length of sidewalks and walkways is as follows:

Length of sidewalks (km) - 17, 97

Length of walkways (km) - 6, 71

⇒ **Scholar transport**

The majority of 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 21: 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
Total	100.0	100.0

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. The only location where bakkie taxis were identified is in Port Alfred, but the extent of bakkie taxi utilization has not been quantified.

Table 22: 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.

Table 23: Taxi facilities in the BCR

Municipality	Formal	Informal	Stops
BCR	2	1	0

Source: BCR Integrated Transport Plan

Table 24: 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 25: 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 26: 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 operates 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.

Route/ Corridor	Weekly Pax Boarding	Weekly Pax Alignment
Corridor 2 (PE, Cookhouse, Johannesburg)	4	4

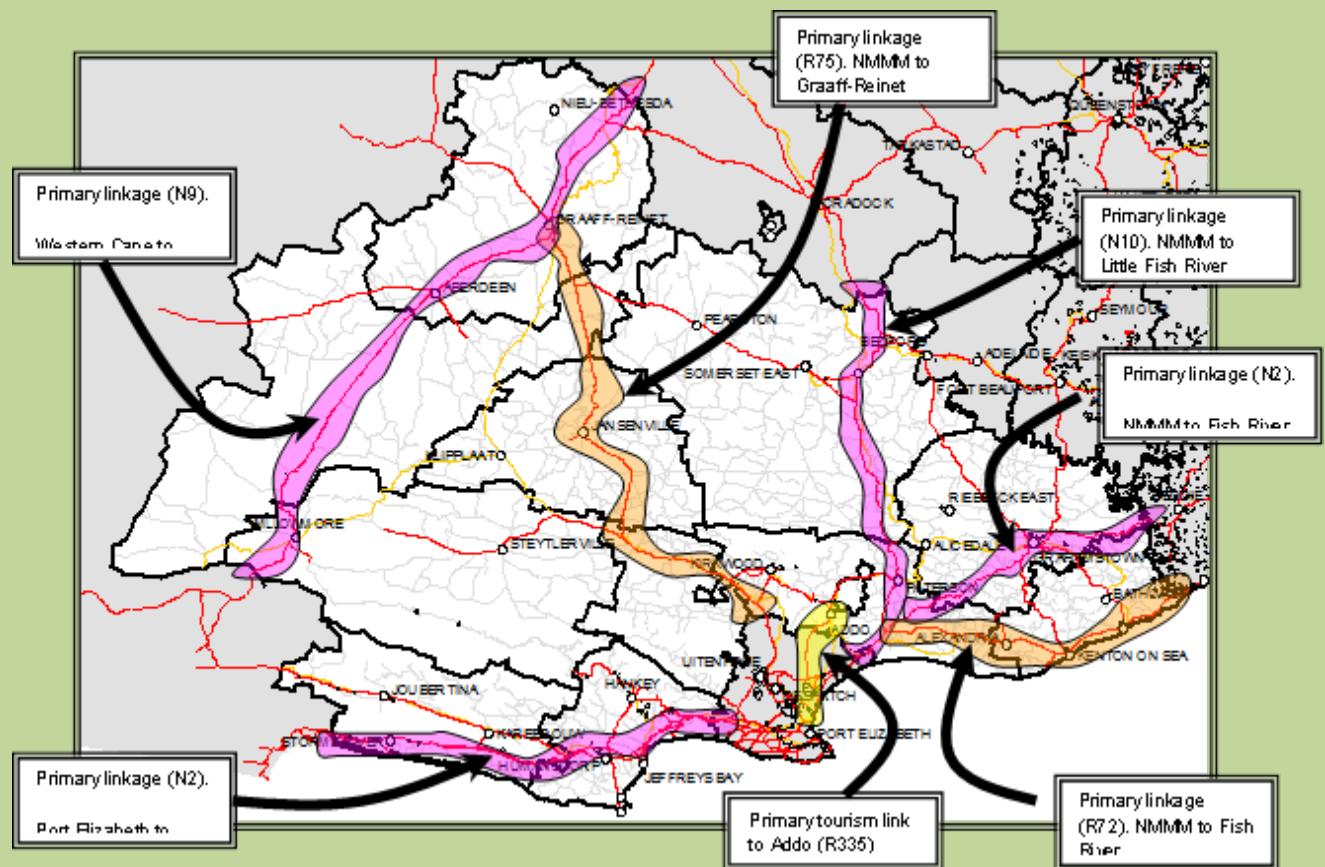
⇒ Maintenance of Roads

The maintenance of roads throughout the entire Blue Crane route Municipal Area (urban and rural) is not ideal due to the lack of sufficient funding. Urgent attention and funding is 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.

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.

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.

Figure 2: Significant Primary Linkages



⇒ Rail Infrastructure

The rail network that used to be a vibrant back-bone 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 vandalism 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.

2.4.6. Land Information System

Blue Crane Route Municipality has entered into exploratory interaction with Sarah Baartman 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 land owners 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 have to 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 falls 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.

2.5. SOCIAL SERVICES

2.5.1 Libraries

Library Services are a function of the province (DSRAC) and the municipality performing the function on an agency basis. There are six libraries in total in BCRM. One in Cookhouse, one in Pearston and 4 in Somerset East. Only one library doesn't have a librarian, the other 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. A new library in Aeroville, ward 2, constructed and officially opened in September 2013. Activities consist of Story hours, holiday programmes, outreach programmes and educational programmes for the children and adults.

2.5.2 Traffic and Licencing services

The Traffic law enforcement services are the function of BCRM. The Municipality is on service level agreement with the Provincial Department of Transport undertaking the following functions on agency basis: registering authority, driving license testing centre and vehicle testing station (VTS). Staff complement on the Traffic Law enforcement unit is currently short of staff but provision is made in the organogram for the recruitment of more officers. The recruitment process has already started. The registration authority and ENATIS desk has 3 ENATIS clerks. In the VTS, one examiner of vehicles and driving licences have been appointed recently. The DLTC is supervised by the management representative at present, who is also an examiner of driving licenses. Traffic and Licencing services are management by the Chief Protection Services.

2.5.3 Disaster Management and Fire Fighting

Disaster management is the responsibility of Sarah Baartman District Municipality. The BCR municipality has a responsibility to develop a disaster management plan based on the risks and vulnerabilities identified. A draft disaster management plan is available and the municipality is in the process of reviewing and adopting it with the involvement of other stakeholders. At the moment, the municipality does not staff for disaster but it is utilising fire fighters together with disaster volunteers to deal with disaster matters of a smaller magnitude.

2.5.3.1 Fire Fighting

Local municipalities are responsible for fire services. The municipality has three permanent fire fighters and one fire officer. There is a provision in the organogram for a Chief Fire Officer and 9 fire retainers. The Fire and disaster management centre is still under construction and hoped be complete by end of December 2014. The municipality only had one big incident of fire in this financial and it the burning of the Bosberg mountain. All neighbouring municipalities and the district were involved in combating the fire.

2.5.3.2 Potential disaster events

- Fire

Blue Crane Route Municipality does not have a fully equipped fire station at this stage. All the fire fighters are based in Somerset East and that negatively affects response time in case of

emergency. There are no satellite fire stations in Cookhouse and Pearston. The construction of a Fire and Disaster Management centre in Somerset East is almost complete and that will assist in the proper management of fire incidences.

- **Drought**

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

- **Severe Wind Storms**

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

2.5.3.3. 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 – Somerset East only
 - Clinics – At all three towns
 - Epidemic Outbreak Response Team
- Farmers Unions

2.5.3.4. 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

2.5.3.5. Preventative measures

- There are structures in place but they are fragmented and insufficient to effectively manage disaster incidents. The District has one satellite disaster management official serving this irregular basis. Joint Operation Centres are established as the incident occurs.

2.6 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
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
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	

Table 27: 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	Bongweni, Beatrice Ngwentle,	6

	Pearston, Aeroville, Vera Barford and Union	
Mobile clinics	Mobile clinics	1
Community Halls	Community Halls	5
Taxi Rank	Taxi Rank	2
Police stations	Somerset East, Cookhouse and Pearston.	3

Table 28: Powers & Functions

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

2.7 FINANCIAL SERVICES

2.7.1 Free Basic Services

Free basic services in the form of water, sanitation, electricity and refuse removal are generally provided throughout the BCRM. Attempts are made to update the indigent register annually and we are in the process of finalizing the 2014/15 Indigent Register update. The credibility of the

register and the associated credit control policy governing it will be improved this year as we have conducted various forms of awareness campaigns and outreaches to the community.

The review process of the register commenced in May 2014 where the Finance Department staff visited all the wards and invited people to the various Community Halls to register. This process yielded about 2,522 beneficiaries which was below our target of 4,000 people. We commenced a second round of public awareness through our IDP Meetings in September 2014; followed by a second round of Finance Department Staff visiting community halls in November 2014 and lastly a door-to-door campaign by Ward Committee members in February 2015. The new register will be approved by May 2015 for implementation.

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

Table 29: Free basic energy & refuse removal status quo report

FREE BASIC ENERGY & REFUSE REMOVAL STATUS QUO REPORT						
February 2015						
Municipality	Total No. Of H/holds	Total No. Of Indigent H/holds	No. Of Indigent H/holds provided by Eskom	No. Of Indigent H/holds provided by Municipality	No. Of Indigent H/holds accessing Alternative Energy	No. Of Indigent H/holds accessing Refuse Removal
February 2015						
Blue Crane LM	8 558	3 572	0	3 572	0	3 572
March 2015						
Blue Crane LM	8 558	3 783	0	3 783	0	3 783
April 2015						
Blue Crane LM	8 558	3 833	0	3 833	0	3 833

Table 30: Eastern Cape free basic water and sanitation status quo report

FREE BASIC WATER AND SANITATION STATUS QUO REPORT				
Water Service Authority	Total No. of Households	Indigent Households	No. of Indigents Served with FBW	No. of Indigents served with Free Basic Sanitation
February 2015				
Blue Crane LM	8 558	3 572	3 572	3 572
March 2015				

Blue Crane LM	8 558	3 783	0	3 783	0	3 783
April 2015						
Blue Crane LM	8 558	3 833	0	3 833	0	3 833

As at 28 February a total of 3,572 households benefitted from Indigent assistance. Details are elaborated in the Three Year Financial plan section of the IDP.

2.7.2 Financial standing of Blue Crane Route municipality

To provide an indication of the size of the municipal budget; operating expenditure; and the revenue sources, the summaries of the 2014/2015 budgets are detailed in the table below. The increase of Electricity Bulk Electricity Tariffs by Eskom and lesser amount of increase charged to consumers is creating a huge challenge for the sustainability of the municipality. Coupled with this the Equitable share grant is now decreasing on an annual basis by 1.1% and other revenue is only increasing by 5.4% whilst General Expenditure increases by 6% and Employee Costs by approximately 7% which has a serious impact on the finances of Municipalities which will result in operating losses on services accounts.

Table 31: Actual revenue and expenditure against budget revenue and expenditure

	REVENUE						EXPENDITURE					
	Operating Adjusted Budget Revenue	Actual Operating Revenue	% of Actual to Budgeted (Operating)	Capital Adjusted Budget Revenue	Actual Capital Revenue	% of Actual to Budgeted (Capital)	Operating Adjusted Budget Expenditure	Actual Operating Expenditure	% of Actual to Budgeted (Operating)	Capital Adjusted Budget Expenditure	Actual Capital Expenditure	% of Actual to Budgeted (Capital)
2012/2013	159,663	155,692	98%	37,332	26,879	72%	179,894	182,021	101%	37,332	26,879	72%
2013/2014	161,777	157,129	97%	37,276	39,989	107%	183,120	186,070	102%	37,276	39,989	107%

BCR relies heavily on conditional grant funding (MIG) to finance infrastructure projects and on equitable share of national revenues to finance operating expenditure.

Table 32: The equitable share of national revenues for BCR municipality in respect of the current financial year and outer years is detailed below.

	2014/2015	2015/2016	2016/2017	2017/2018
BLUE CRANE ROUTE	42,429	44,654	44,143	43,491

In spite of the generally acceptable level of collection rates in respect of property taxation and services charges the municipality struggles to produce funded budgets and to perform their legal mandates. As reflected earlier, the major challenge is that expenditure requirements are increasing at a higher rate than the tariff increase we pass on to our consumers. This results in the municipality having to find new revenue streams to increase the pool of revenue to deliver services to the communities.

A revenue enhancement strategy has been approved by Council on 11 December 2014 and the Finance Department is now in the Implementation phase and has commenced with intensifying its debt collection processes. The second phase will be cleansing of the debt book and third phase will be introduction of new revenue streams.

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.

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 BCRM has since the inception of the CDA (BCDA), strived to broaden the local economy through the establishment of a strong industrial sector. Initial studies, exploring the options of rural town local economic expansion's, confirmed that small rural towns can only be sustainable in the long term through the establishment of a strong industrial sector.

The local economy as demonstrated above produces many agricultural products that is exported out of town (something's the country) without any value adding to the products. 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 has resolved to disestablish the agency and it will operate under the district, Sarah Baartman and the municipality is in the process of establishing LED unit.

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 CDA has engaged with a potential investor that is currently exploring the possibility of utilising municipal waste to produce power. The council has already agreed to the investigation of the possibility through the conducting of a feasibility study by the investor.

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 has been confirmed by the announcement by the Department of Energy in terms of successful wind farm developments, as three of the eight approved wind farm developments are to be developed in the district, with an additional wind farm to be developed in Nelson Mandela Bay Municipality. One of the largest energy generating wind farms, i.e. Cookhouse Wind Farm (135MW) has been developed in the last year 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.

The existing training initiative which operates in conjunction with the Makana Meadery can be supported to provide training for new producers as per the above opportunity. An opportunity to exploit the production, harvesting and value adding of propolis for locally produced medicinal products on commercial scales should be investigated – a farmer between Cookhouse and Cradock (whose farm lies just outside BCR) harvests propolis from his hives, and is investigating the move of this enterprise closer to Grahamstown – this and the development of infrastructure for the production and post-harvest processing of propolis, could be the starting point for such a propolis research and medicinal production centre.

Organised and properly managed pollination services are and will increasingly be a demand from commercial fruit farmers in BCR, as well as farmers in the rest of the Eastern Cape (with special reference to the focus on berry production in the Amathole District).

Exotic fruits (with specific reference to “arid commodities”, including pomegranate, fig and prickly pear)

Based on the suitability for the production of exotic fruits in the Blue Crane Route geographical area, as well as the abundant water (compared to the rest of the BCR), the development of orchards in this area is proposed to supply local (BCR and South African) as well as export markets.

Training and extension services could be provided by experienced producers and consultants from the Western Cape to farmers that are relatively new to exotic fruits in BCR (capacity has already been build in the Western Cape which can be transferred).

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, the northern parts of Camdeboo, south of Klipplaat in Ikwezi, the Aberdeen Plain west of Willowmore and in the Kou-Kamma Municipality around Kareedouw. 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.

2.8.4 Rural Economic Development Initiatives (Redi) – Benefits for BCRM

The district has experienced a period of sluggish economic and demographic growth. Major challenges have included a period of consistent agricultural decline, the large geographic extent and sparse population of the district, aggravated by migration to larger urban nodes, growing inequality and poverty and municipal capacity. There are a number of objective factors that suggest that much stronger growth, than has occurred over the past decade, is possible.

In response to this latent growth potential, the Development Bank of Southern Africa initiated the Rural Economic Development Initiative. The Sarah Baartman Rural Economic Development Initiative (REDI), one of three pilot sites in South Africa, is a partnership between Sarah Baartman District Municipality, the Development Bank of Southern Africa (DBSA) and other major stakeholders in the region aimed at identifying and unlocking economic potential to realize the latent economic growth potential of the district. The idea is to build a strong strategic relationship between the municipality and local and regional stakeholders aimed at enhancing economic turn-around.

The first phase of the project was initiated in 2010 and is nearing the end, which will culminate in the development of a regional investment prospectus in 2012. Support from the Development Bank of Southern Africa for phase one includes a R7.8 million technical assistance grant and dedicated capacity in terms of a Process Facilitator (part-time) and Process Coordinator (full-time).

Areas of intervention include (a) agri-innovation primarily in the areas of agro-processing, aquaculture, natural fibre beneficiation; renewable energy and agri-tourism and (b) strategy and institutional development, culminating in the revision of the district's Economic Growth and Development Strategy coupled with the development of an investment prospectus and related investment strategies.

The REDI process has identified a number of catalytic factors that could accelerate economic growth in the District including renewable energy, fibre innovation, the potential for agro-processing in key niches, tourism development and growing the education sector.

REDI in Sarah Baartman has identified a wide range of opportunities in the district in these and other sectors linked to innovation, product diversification and expanding the value chain in key sectors. At end of January 2012 Sarah Baartman Phase one of the REDI programme identified more than 50 catalytic development projects, provided assistance to package more than 35 of these projects and referred more than ten to various financial institutions for finance. If the projects referred are approved more than R400 million will be invested in the Sarah Baartman District. In addition from this more than R15 million was crowded in, to co-fund some of the projects.

The deliverables emanating from CDM REDI phase one are as follows which could benefit BCR:

- Renewable Energy Rapid Assessment and Audit
- Provincial Renewable Energy Coordinating Forum
- Land Use and Location Policy for Renewable Energy Projects
- Implementation Study on the Generation of Hydro-electricity on mini/micro sites located within BCRM
- Preparation of a Project Plan for the Establishment of a Wind Research and Training Centre in BCRM
- Investigation into the Social Economy and Identification of Interventions to Address Poverty and Unemployment
- Development of a Municipal Services Finance Model for BCRM

REDI has also helped establish a much higher level of engagement between government, the private sector and other stakeholders. A number of strong development institutions and partnerships have emerged or have consolidated that are well-placed to support further development in the region.

These emerging opportunities, the stronger common vision and the increased level of networking and partnership formation now need to be consolidated in order to realize the potential through accelerated implementation, through a proposed second phase of the project.

The second phase would continue to work with and grow a large portfolio of projects through a process of intensive regional stakeholder engagement with an emphasis on facilitating the implementation of major regional projects and up-scaling or extending successful pilots to other areas.

The primary sector focus of REDI in BCR will be on improving the performance of agriculture-related sectors (including priority sectors from phase one research, renewable energy, land restoration, agro-tourism and aquaculture).

The REDI team will also provide secondary support for tourism, education and business development that strengthen regional competitiveness and job creation.

In addition, the second phase will also continue to focus strongly on building a range of multi-stakeholder partnerships and networks at local, regional and provincial level that promote innovation, learning and collaboration.

In its second phase REDI will be consolidated as a strategic rural development “project clearing house” with core capacities related to:

- Facilitating multi-stakeholder networks to support rural economic development
- Project identification, conceptualisation, evaluation and packaging aligned to regional development strategy development
- Packaged projects transferred to CDA for implementation

A key REDI phase two task will be to develop a model of economic development project planning and implementation based on three core concepts that experience has shown increase the chances of project success, sustainability and impact:

- Multi-stakeholder multi-level partnership including working an inter-district, regional, provincial and national level
- Co-funding
- Strong project management arrangements

As part of this, a key role of a small REDI team will be to manage the compilation and bi-annual update of a portfolio of credible strategically relevant projects with strong institutional arrangements for implementation for submission to IDC, ECDC, DBSA, etc and investors for enterprise development and infrastructure investment.

2.8.5 Youth Development initiatives

The Minister of Department of Rural Development and Land Reform initiated a programme for young people which started June 2010.

Purpose:

- To provide character building programmes, as well as soft and hard skills training in rural communities.
- To recruit unemployed youth in rural areas
- To train youth in through FET programmes linked to the identified developmental com Projects.
- To develop youth with multi-disciplinary skills through civic education.

- To increase the number of rural communities receiving support in their self-development through the CRDP.

A number of young people within the BCRM benefited from the program. The youth was trained on the following :

- Youth trained to be able to compete in employment opportunities
- Youth able to start their business opportunities
- Youth able to transfer skills to others at their communities

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 supporting the Mayor/Speaker office are under the supervision of the Municipal Manager due to the political commitments the Mayor /Speaker has which results in her not to be in the office all the time.

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 the following up of issues in his office. It excludes 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 her absence, for the staff in her 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 Unit

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 doesn't have a fully-fledged internal audit unit, the services are being outsourced, but the municipality is in the process of recruiting staff to establish an institutionalised Internal Audit.

The municipality has a fully functional Audit Committee which sits quarterly and the committee is also responsible for auditing the performance of the municipality quarterly.

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

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 the formation Public Participation & Petition Unit for Blue Crane(inclusive of CDWs)
- 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
- Facilitate that Political Leadership communicate government programmes through Izimbizo\Outreach
- 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

⇒ **Customer Care Unit**

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.

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

The purpose of the IDP.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.

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.

⇒ **Special Programmes and HIV programmes**

The Special Programmes Unit is located in the Office of the Mayor and by implication report administratively to the Municipal Manager. The role of this Unit is multi-faceted and includes 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.

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

ICT section is responsible for providing IT support to all the users of Blue Crane Route Municipality , Compiling IT policy, configuration of systems, responsible for IT Administration, provide IT trainings and promptly responds to any queries received from the users(calls that are logged by users).

⇒ **Events Management**

The unit is mainly responsible for ensuring the success of the Annual Biltong Festival. The purpose of the show is:

- To stimulate economic growth, and reduce unemployment
- To showcase the unique beauty of Somerset East and its setting under the iconic Boschberg mountain
- The showcase the “Karoo” lifestyle and Karoo food
- To showcase the diverse communities which make up this area
- To attract tourists, and increase the stop-over stay of tourists
- To promote the Province, the region, and the BCRM
- To show and encourage Local Talent
- To create an event with no racial barriers, where all communities of the BCRM work together
- To promote local produce in the form of Biltong, Dried Wors, and local food stalls e.g. Kudu Burgers

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. Housing and Land Use Management

⇒ **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 the all 6 wards of the municipality and there is a good working relationship between the Ward Committee Members and the Ward Councilor except in ward 1 and 6 where tensions have reached escalation point. Various interventions are embarked upon to address this anomaly. Regular 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 by the end of the current financial year. The municipality is facilitating the filling of vacancies due to death and resignations, the positions will be filled by the fourth quarter of the current financial year.

- **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 is well functioning in the municipality as all scheduled meetings were convened. Two capabilities session were organized with SALGBC to capacitate members on the functionality of the LLF. This has significantly improved relations and the nature of items that are brought to LLF for deliberation

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

All Section 56 and 57 position together with critical vacancies have been filled. Additional to senior management positions the following positions has since been filled; Head Electrician, IDP-PMS, PMU Technician to mention just a few. The filling of the outstanding vacancies will be done as soon the prioritization process, costing and budgeting exercise has been completed.

The municipality reviewed and adopted its organogram on the 30th June 2014. Subsequent to that a total of 15 vacancies were identified as reflected below:

- Human Resource Officer
- Administrative Clerk
- Occupational Health and Safety Officer
- Archivist/Filing Clerk
- Hall Caretaker
- Land Use & Spatial Planning Officer
- Supply Chain Manager
- Environmental Health Practitioner
- Senior Traffic Officer
- Examiner Grade A
- Examiner Grade L

- Examiner Grade F
- Environmental Officer
- Asset Manager

The current review of the organogram will be conducted in the 4th quarter of the current financial year. The Department of Cooperative Governance in the Eastern Cape Province has offered to assist with the implementation of the current process in order to ensure that the municipal organogram complies with all the necessary elements to make a credible structure. A team of official has been identified that will work with the CoGT-EC in order to ensure that there is transfer of skills and expertise to the municipality.

⇒ **Formulation of job descriptions**

The recent assessment conducted by the municipality has proven that the majority of employees do not have job descriptions and this has been like this since the amalgamation of municipalities. This situation has resulted to the Auditor General raising a query on this matter. The council has since approved a process of rectifying the situation by appointing a service provider who will develop job descriptions for all job categories in the municipality before the end of the current financial year. The newly developed job descriptions will be implemented at the beginning of the next financial year.

⇒ **Implementation of job evaluation**

The municipality is participating in the SALGA initiated process of implementing job evaluation system. The Sarah Baartman District Municipality is responsible for establishing a Job Evaluation Unit which will coordinate 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.

⇒ **Human Resource Plan (HR Plan)**

CoGTA-EC assisted the municipality in the formulation of the human resource plan and was adopted on the 30th 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.

⇒ **Employment of casual workers**

The employment of casual has been a major problem area as community members are always suspicious of any process that does not favor them. The municipality has commissioned the development of a policy to regulate the employment of casual which will lead to the development of jobseekers database. The database will ensure that opportunities are given to all deserving residents on a fair and equitable manner. The policy will take effect from the beginning of the next financial year.

⇒ **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 does not have an Occupational Health and Safety Officer as per requirements of the labour legislation. This has led to non-compliance with the department of labour. Significant steps were undertaken which led to the appointment of a consultant who assisted the municipality to develop a framework for the institutionalization of OHS in the organization. OHS Officer will be appointed in the fourth quarter of the current financial year.

⇒ **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.

⇒ **Housing and Land use management**

- 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 section is currently facilitating the following program
 - Implementation of Housing Sector Plan
 - Development of Social Housing Policy
 - Reviewal of Spatial Development Framework
 - Implementation of Pearston 50/100 Housing Project
 - Implementation of Cotani 5 Housing Project

- Implementation of Cookhouse 150 Rectification Project
- Implementation of Mnandi 93 Rectification Project
- Provision of destitute housing
- Electronic Housing Register
- Facilitation of new housing development in all three towns of the municipality
- Distribution of title deeds

2.9.4 Technical Services Directorate

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

- Civil Services Division
- Electro-Mechanical Services Division
- Project Management Unit (PMU)

⇒ 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:**

⇒ **Civil Services Division:**

This section is responsible for maintenance of the following sections:

- **Water and Sanitation:** 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.
- **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. 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.
- **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.
- **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 and also doing a water leaks project which is funded by Department of Water and Sanitation.

⇒ **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

All these projects vary in terms of what must be implemented but all fall under these identified units mentioned above.

The projects that are currently implemented:

- Paving of gravel roads (2014/15 Completed)
- Aeroville Multi-Purpose Centre (Complete)
- Electrification of farm houses (Completed)
- Refurbishment of High Mast Lights (in progress)
- Upgrading of WWTW: SE (in progress)
- Upgrading of WWTW: Cookhouse (in progress)
- Installation of Bulk Water Meters (in progress)
- Water Leaks(in progress)

2.9.5 Community Services Directorate

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

⇒ Environmental services

This department has four sections under it. It is responsible for the following services which focus on the cleaning of the towns, maintenance of parks, sport field and municipal open spaces and ensuring compliance with environmental health and environmental management regulations within BCRM jurisdiction.

- Solid Waste management
- Environmental Health Services
- Environmental Management
- Parks , Cemeteries and Open Spaces

⇒ Library Services

This service is a function of the Provincial Department of Sport, Recreation, Art and Culture. Blue Crane Route Municipality is rendering the service on agency basis. The municipality has 6 libraries in total. One is in Pearston, one in Cookhouse and four are in Somerset East. The

Libraries Services focus on ensuring that the culture of learning in Communities is revived. This is done by ensuring that the communities have access to academic books, novels and newspapers in our libraries. There are also programmes undertaken by qualified librarians to encourage learners and adults to read.

⇒ **Protection Services**

This department has three sections under it. The following sections are responsible for ensuring safety of the road users, compliance with traffic laws and prevention and management of local fires.

- Traffic services
- Disaster and fire services
- Commonage and Pound

2.9.6 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 an Clean Audit Report
- Assist with Internal Audit

CHAPTER 3: DEVELOPMENT STRATEGIES

In order 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 in order to respond to the development challenges within the municipality.

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 2014, BCRM conducted a Ward Based Plan. 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:

NO	WARD PRIORITIES	WARD
1	Re-surfacing and paving of roads	All
2	Storm water drains	All
3	Electricity	All
4	Housing	All
5	Water	All

6	Damaged and burnt houses	All
7	Employment, Youth development programmes and skills development	All
8	Access to land	All
9	Cemeteries	All

See attached Annexure D, for a detailed Ward based needs.

3.2 MUNICIPAL VISION AND MISSION

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

<p style="text-align: center;"><u>VISION</u></p> <p style="text-align: center;"><i>“A Municipality that strives to provide a better life for all its citizens.”</i></p> <p style="text-align: center;"><u>MISSION</u></p> <p style="text-align: center;"><i>Through responsible local government, zero tolerance for corruption and creating an environment for upliftment and sustainable economic growth.”</i></p>
--

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.

LOCAL GOVERNMENT KEY PERFORMANCE AREAS	MUNICIPAL PRIORITY AREA	MUNICIPAL STRATEGIC OBJECTIVE	NATIONAL PRIORITY /GOVERNMENT PRIORITIES (SONA)	NATIONAL OUTCOME	DISTRICT DEVELOPMENT PRIORITIES	DISTRICT GOALS
Municipal Transformation & Institutional Development	Council oversight	Strengthening of oversight responsibilities by 2017		9. A responsive, accountable, effective and efficient local government system		
	Ward Committee Support	Ensure effectiveness of ward committee structures by 2017		9. A responsive, accountable, effective and efficient local government system		
	Human Resource Management	To ensure creation and maintenance of a harmonious and conducive work environment by 2017	Improving the quality of and expanding access to education and training	1. Improved quality of basic education 5. A skilled and capable workforce to support an inclusive growth path	1. Capacity building and support to municipality	Build institutional capacity and financial viability
	Human Settlements	Facilitate provision of decent, sustainable and equitable human settlement through effective and efficient housing management processes by 2017	Ensuring access to adequate human settlement and quality basic services	8. Sustainable human settlement and improved quality of house holds		
Service Delivery and Infrastructure	Water and Sanitation	To ensure efficient, economical and quality provision of	Water & Sanitation and	2. A long and healthy life for all South Africans.	1. Infrastructure development	Improve service delivery

Development		water and sewer Services by 2017 and beyond	Transport infrastructure	9. A responsive, accountable, effective and efficient local government system		
	Water Resource Management	To ensure improved drinking water quality and sustainable water resources by 2017 and beyond.	Water & Sanitation and Transport infrastructure	2. A long and healthy life for all South Africans. 9. A responsive, accountable, effective and efficient local government system	1. Infrastructure development	Improve service delivery
	Roads and Storm water	To ensure efficient, economical and quality and sustainable roads and storm water infrastructure by 2016 and beyond	Water & Sanitation and Transport infrastructure	9. A responsive, accountable, effective and efficient local government system	1. Infrastructure development	Improve service delivery
	Job Creation - EPWP and CWP	To strive for reduction on household poverty by 2017 and beyond	Radical economic transformation, rapid economic growth and job creations	4. Decent employment through inclusive economic growth	3. Economic development	Socio economic upliftment Job creation,
	Solid waste management	To ensure a well maintained, clean and healthy environment by 2017 and beyond		2. A long and healthy life for all South Africans 10. Environmental assets and natural resources that are well protected and continually enhanced.	4. Community services	Improve service delivery
	Environmental Health	To ensure a healthy environment to improve human health by 2017 and beyond		2. A long and healthy life for all South Africans 10. Environmental assets and natural resources that are	4. Community services	Improve service delivery

				well protected and continually enhanced.		
	Environmental management	To ensure a well-managed environment in compliance with environmental laws by 2017		2. A long and healthy life for all South Africans 10. Protect and enhance our environmental assets and natural resources	4. Community services	Improve service delivery
Local Economic Development	Local Economic Development	Promote local economic development and job creation by 2017	Radical economic transformation ,rapid economic growth and job creations	6. An efficient ,competitive and responsive economic infrastructure network	3. Economic development	Socio economic upliftment Job creation,
	SMME Development and Business Advisory Services	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMEs) businesses into the formal economy by 2017 and beyond	Radical economic transformation ,rapid economic growth and job creations Unlocking the potential of SMME's ,corporate ,township and rural enterprises	4. Decent employment through inclusive economic growth 6. An efficient ,competitive and responsive economic infrastructure network	3. Economic development	Socio economic upliftment Job creation,
	Chamber of Commerce	To ensure advancement of business opportunities in the BCRM region to improve the local economy by 2017	Radical economic transformation ,rapid economic growth and job creations	4. Decent employment through inclusive economic growth 6. An efficient ,competitive and responsive economic infrastructure network	3. Economic development	Socio economic upliftment Job creation,
	Agricultural Development	To sustain and grow a vibrant agricultural sector by 2017 and	Rural development ,land and agrarian	4. Decent employment through inclusive	3. Economic development	Socio economic upliftment Job

		beyond	reform and food security	economic growth 6. An efficient ,competitive and responsive economic infrastructure network		creation,
	Education (Secondary)	To positively contribute towards the up skilling of the local learners and thereby improving their access to tertiary education.	Improving the quality of and expanding access to education and training	1 .Improved quality of basic education 5. A skilled and capable workforce to support an inclusive growth path		
Municipal Financial viability	Revenue enhancement	To improve the municipality's revenue base to 80% by 2017				Build institutional capacity and financial viability
Good Governance and Public Participation	Internal Controls	To ensure effective Audit function and an improved compliance and clean administration by 2017		9. A responsive, accountable ,effective and efficient local government system		Improve service delivery
	Fraud and Anti-Corruption	To ensure effective implementation of the Fraud and Anti-corruption Policy by 2017	Fighting corruption and crime	9. A responsive, accountable ,effective and efficient local government system		Improve service delivery
	Public Participation	Ensure effective, efficient and compliant public participation by 2017 and beyond		9. A responsive, accountable ,effective and efficient local government system		Improve service delivery
	Social Cohesion and Moral Regeneration	To ensure mainstreaming of Special Programmes in the institution by 2017	Social cohesion and national building	14. A diverse ,social cohesive society with a common national identity		Improve service delivery

3.3 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

The **Revised Strategic Framework** for 2015/2016 Financial year is reflected in the tables underneath per KPA:

OBJECTIVES ,GOALS, KPI's and TARGETS									
KPA : MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
Performance Area	IDP Objectives	IDP Strategy	Key Performance Indicator	Measurement Source	Baseline	ANNUAL TARGETS		Person Responsible	KPI NO
						2015/16	2016/17		
Legal services	To ensure that the municipality execute its legal mandate by 2017	By implementing a municipal legal services strategy	No of reports submitted on implementation of Municipal Legal Services Strategy	Report to Council	0	4 reports submitted to Council	4 reports submitted to Council	Director Corporate Services	1
Council oversight	Strengthening of oversight responsibilities by 2017	By capacitating Council Members on adherence to Rules of Order, System of Delegations and Roles and Responsibilities	Number of capacity building initiatives conducted	Report and attendance register	0	1 Capacity building initiative	1 Capacity building initiative	Director Corporate Services	2
		By monitoring implementation of council resolutions	Number of reports on implementation of Council resolutions	Reports to council	4 reports	4 reports submitted to council	4 reports submitted to council	Director Corporate Services	3

Human Resource Management	To ensure creation and maintenance of a harmonious and conducive work environment by 2017	By promoting sound labour relations	Number of sessions conducted promoting organizational code of conduct	Reports to council	0	4 programmes	4 programmes	Director Corporate Services	4
			Number of Employees signing organisational code of conduct annually	Reports to council	310 employees	310 employees sign code of conduct	310 employees sign code of conduct		5
			Number of capacity building initiatives for managers, supervisors and union representatives on disciplinary procedures	Report to Corporate Services	1	1 Capacity building initiative for managers, supervisors and union representatives on disciplinary procedures	1 Capacity building initiative for managers, supervisors and union representatives on disciplinary procedures	Director Corporate Services	6
		By implementing Human Resource management Policies	no of reports submitted to council	Report to Council	27 HR Policies	4 reports submitted to council	4 reports submitted to council	Director Corporate Services	7

		By reviewing Human Resource management Policies	no of policies reviewed	Report to Council	27 HR Policies	Review 14 HR Policies	Review policies 13	Director Corporate Services	8
		By developing Job descriptions for employees for submission to Job Evaluation Unit	no of JB's developed	Report to Corporate Services	0	Develop Job description for all 310 positions in the organogram	N/a	Director Corporate Services	9
Human Resource Management	To ensure creation and maintenance of a harmonious and conducive work environment by 2017	By Filling all vacant and budgeted posts	no of vacant and budgeted posts filled	Reports	310 positions	Fill 11 vacant and budgeted posts	Fill 12 vacant and budgeted posts	Director Corporate Services	10
		By implementing WSP	Number of employees trained per Workplace Skills Plan	Reports generated	50 employees trained	Train 60 employees	Train 70 employees	Director Corporate Services	11
		By Implementing Integrated Employee Wellness Program	no of Employee Wellness Program Implemented	Reports to Corporate Services	1 Employee Wellness Program Implemented	Implement 2 Employee Wellness Programs	Implement 4 Employee Wellness Programs	Director Corporate Services	12

Organisational Health and Safety	To ensure an improved and Institutionalised Occupational Health and Safety by 2017	By implementing Occupational Health and Safety policy implemented	no of OHS programs Implemented	Reports to council	0	Implement 3 programmes per annum	Implement 3 programmes per annum	Director Corporate Services	13
Archives and records management	To ensure efficient ,effective and compliant safeguarding of municipal records by 2017	By Developing Integrated Record Management System and archiving services	Developed Integrated Record Management strategy	Report to Council	0	Develop Integrated Record Management strategy	n/a	Director Corporate Services	14
Municipal Facilities	To ensure efficient, effective and compliant municipal facilities by 2017	By developing policy on the maintenance of municipal facilities	Maintenance policy developed	Report to Corporate Service	0	Develop a maintenance policy	n/a	Director Corporate Services	15

Human Settlement s	Facilitate provision of decent, sustainable and equitable human settlement through effective and efficient housing management processes by 2017	By facilitating provision of housing development initiatives	No of housing initiatives facilitated	Submission of report to the Standing Committee and Attendance register	3	Facilitate 3 initiatives	Facilitate 3 initiatives	Director Corporate Services	16
Ward Committee Support	Ensure effectiveness of ward committee structures by 2017	By facilitating capacitation of ward committee structures	No of facilitated capacitations	Attendance register	0	Facilitate 1 capacity building initiative per annum	Facilitate 1 capacity building initiative per annum	Director Corporate Services	17
Administration	To ensure a standardise departmental operation by 2017	By Developing and implementing operational procedure manuals	Developed operational Procedure manual	Developed Operational procedure manual document	0	2 procedure manuals (HR and Admin)	Implement procedure manual	Director Corporate Services	18

OBJECTIVES ,GOALS, KPI's and TARGETS

KPA : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT : TECHNICAL SERVICES

Performance Area	IDP Objectives	IDP Strategy	Key Performance Indicator	Measurement Source	Baseline	ANNUAL TARGETS		Person Responsible	KPI NO
						2015/16	2016/17		
Water and Sanitation	To ensure efficient, economical and quality provision of water and sewer Services by 2017 and beyond	By upgrading waste water treatment works in Somerset East, Cookhouse and Pearston. (WWTW).	Waste Water Treatment Works upgraded in Somerset East	Quarterly reports	Existing WWTW in Somerset East	Upgrade WWTW in Somerset East (phase 1)	Upgrade WWTW in Somerset East (phase 2)	Director Technical Services	19
			Number of business plans developed to source funds	Quarterly reports	Existing WWTW in Cook House and Pearston	Develop business plans to source funds for Cookhouse and Pearston. (WWTW)		Director Technical Services	20
		By upgrading the Community Water infrastructure in Pearston	Upgraded Community Water Supply in Pearston	Quarterly reports	Water leaks repairs and meter installation	Upgrade Community Water Supply in Pearston (phase 1)	Upgrade Community Water Supply in Pearston (phase 2)	Director Technical Services	21

Job Creation - EPWP and CWP	To strive for reduction on household poverty by 2017 and beyond	By creating jobs through EPWP and CWP	Number of jobs created	Quarterly reports	300	650	650	Director Technical Services	22
		By strengthening functionality of EPWP steering committee	Number of sessions held	Quarterly reports	Terms of Reference	4 sessions	4 sessions	Director Technical Services	23
Electricity supply	To ensure uninterrupted electricity supply by 2017 and beyond	By refurbishing Somerset East Substation	Refurbished Somerset east Substation	Quarterly reports	Existing Main Feeder	Refurbish Somerset East Substation	Refurbish Somerset East Substation (continuation)	Director Technical Services	24
		By Upgrading the Rural Network	Upgraded rural network	Quarterly reports	Existing Rural Network	Upgrade Rural Network	Upgrade Rural Network	Director Technical Services	25
		By developing an Alternative Energy Strategy	Developed alternative energy strategy	Quarterly reports	None	Develop Alternative Energy Strategy		Director Technical Services	26
Social Facilities	To ensure that communities have access to well established social amenities by 2017 and beyond	By upgrading Sports facilities and parks	Number of sports facilities upgraded	Quarterly reports	8	Upgrade 2 Sportsfield in BCRM	Upgrade 1 Sportsfield in BCRM	Director Technical Services	27
			Number of parks upgraded	Quarterly reports	3	Upgrade 1 park	Upgrade 1 park	Director Technical Services	28

Water Resource Management	To ensure improved drinking water quality and sustainable water resources by 2017 and beyond.	By developing Water Safety Plan	Approved Water safety plan	Quarterly reports	0	Develop 1 Water Safety Plan		Director Technical Services	29
		By proper monitoring of water quality	Number of water samples that comply with SANS 241 (Chemical and Physical determinants)	Quarterly reports	159 samples per annum {144 (12 X12 per annum) samples for wastewater and 15 for water i.e. 3 for wastewater and 15 for water i.e. 3 for raw water and 12 for purified water}	159 samples per annum {144 (12 X12 per annum) samples for wastewater and 15 for water i.e. 3 for raw water and 12 for purified water}	159 samples per annum {144 (12 X12 per annum) samples for wastewater and 15 for water i.e. 3 for raw water and 12 for purified water}	Director Technical Services	30

		By developing water resource maintenance plan and be adopted by Council	Developed Water Resource Maintenance Plan	Quarterly reports	1 Risk abatement plan, approved by council and implement proposed guidelines	Develop water resource maintenance plan and be adopted by council		Director Technical Services	31
Roads and storm water	To ensure efficient, economical and quality and sustainable roads and storm water infrastructure by 2016 and beyond	By sourcing funds to develop roads and storm water maintenance plan	Number of business plans developed	Quarterly reports	0	Develop 1 business plan to source funds for the development of Roads and Storm Water maintenance plan		Director Technical Services	32

OBJECTIVES ,GOALS, KPI's and TARGETS									
KPA : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT : COMMUNITY SERVICES									
Performance Area	IDP Objectives	IDP Strategy	Key Performance Indicator	Measurement Source	Baseline	ANNUAL TARGETS		Person Responsible	KPI NO
						2015/16	2016/17		
Solid waste management	To ensure a well maintained, clean and healthy environment by 2017 and beyond	By conducting awareness campaigns on waste management	No of awareness campaigns conducted	Quarterly reports	Waste management unit	4 campaigns	4 campaigns	Director: Community Service	33
		By facilitating the reviewal of tariffs to cover costs in order to provide efficient refuse removal services to the entire BCRM	No of facilitation sessions	Quarterly reports	Tariffs policy and waste management tariffs	2 sessions	n/a	Director: Community Service	34
		By conducting recycling programmes	No of recycling programmes conducted	Quarterly reports	700 wheely bins,	One recycling programme		Director: Community Service	35
Social Amenities	To ensure well maintained social amenities in BCRM by 2017 and beyond	By establishing aeroville cemetery.	Established cemetery	Quarterly reports	Record of decision by DEA	Establish earoville cemetery (phase 1)	Establish earoville cemetery (phase 2)	Director: Community Services	36
		By identifying suitable land for cemeteries in Cookhouse and Pearston	Number of Suitable land identified for cemeteries	Quarterly reports on progress	Existing cemeteries that almost full	Identification of 2 suitable land for cemeteries in Cookhouse and Pearston	Commission environmental studies for suitable land for cemeteries in Cookhouse and Pearston	Director: Community Services	37

Environmental Health	To ensure a healthy environment to improve human health by 2017 and beyond	By implementing intervention measures to rectify the conditions arising from unhealthy human environment.	Number of Awareness and education campaigns conducted	Reports and attendance register	0	Conduct 4 Awareness and education campaigns	Conduct 4 Awareness and education campaigns	Director: Community Services	38
			Number of Inspections in compliance with relevant legislations	Inspection report and variation report	Relevant legislation to environmental health	Conduct 40 inspections per quarter	Conduct 40 inspections per quarter	Director: Community Services	39
			Number of water samples taken per month for bacteriological	Quarterly reports	168 samples	168 samples	168 samples	Director: Community Services	40
Environmental management	To ensure a well-managed environment in compliance with environmental laws by 2017	By establishing an environmental management unit that will promote environmental awareness and compliance with environmental laws	Appointed Environmental officer	Appointment letter for Environmental Officer	Environmental Management Plan	Appoint 1 Environmental Officer		Director: Community Services	41
Traffic services	To ensure that all road users comply with the roads and traffic laws by 2017 and beyond	By conducting law enforcement programmes	Number of law enforcement programmes conducted	Quarterly reports	Traffic services unit	12 law enforcement programmes	12 law enforcement programmes	Director: Community Services	42
		By developing transport plan	Developed Transport plan	Integrated Transport plan	0	Develop transport plan		Director: Community Services	43

		By establishing integrated community safety forum	Established integrated community safety forum	Terms of Reference	The traffic officers participate in community police forum	Establish Integrated Community safety forum		Director: Community Services	44
			Number of quarterly meetings held	Attendance register and minutes of the minutes	0	4	4	Director: Community Services	45
Commonage and Pound	To ensure that animals are kept away from the public roads and private properties to ensure safety of road users and private properties by 2017 and beyond	By constructing pounds	Number of pounds constructed	Progress report on construction and dated pictures completed pounds	Commonage and pound unit	1 pound constructed in Somerset East	1 pound constructed in Pearston	Director : Community Services	46
		By developing commonage register	Number of commonage registers developed	Commonage register	0	1 commonage register		Director Community Services	47
Fire & Disaster Services	To ensure prevention of fire and management of fire incidences to promote safety of the environment, property and humans by 2017.	By facilitating appointment of Chief Fire Officer	Appointed Chief Fire officer	Appointment letter of the Chief Fire Officer	0	Appoint Chief Fire Officer		Director Community Services	48
		By conducting fire prevention awareness programmes to schools and communities	Number of fire prevention awareness programmes conducted	Quarterly reports	0	12 fire prevention awareness programmes	12 fire prevention awareness programmes	Director Community Services	49
Library Services	To promote a culture of learning amongst the communities of BCRM by 2017 and beyond	By conducting library awareness campaigns amongst the communities to promote culture of learning	Number of awareness campaigns conducted	Attendance register and reports	0	4 library Awareness campaigns	4 library Awareness campaigns	Director Community Services	50

OBJECTIVES ,GOALS, KPI's and TARGETS

KPA : LOCAL ECONOMIC DEVELOPMENT

Performance Area	IDP Objectives	IDP Strategy	Key Performance Indicator	Measurement Source	Baseline	ANNUAL TARGETS		Person Responsible	KPI NO
						2015/16	2016/17		
Local Economic Development	Promote local economic development and job creation by 2017	By reviewing the new LED strategy.	Reviewed the LED Strategy.	Quarterly reports	0	4 Quarterly Reviews	4 Quarterly Reviews	Municipal Manager	51
		By establishing a local LED Unit	LED unit established	Quarterly reports	Municipal Development Agency (CDA)	Establishment of a functional LED unit	N/a	Municipal Manager	52
Chamber of Commerce	To ensure advancement of business opportunities in the BCRM region to improve the local economy by 2017	By facilitating communication between/and amongst business role players.	Number of meetings coordinated f	Quarterly Reports	0	4	4	Municipal Manager	53
Agricultural Development	To sustain and grow a vibrant agricultural sector by 2017 and beyond	By engaging the agricultural fraternity (Emerging & Commercial)	Number of engagements held	Quarterly reports	BCRM agricultural fraternity	4	4	Municipal Manager	54
		By facilitating the development of emerging farming projects to fully functional commercial farms	Number of Farms fully commercialized	Quarterly reports	21 undeveloped emerging farms in BCRM	3	3	Municipal Manager	55

SMME Development and Business Advisory Services	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMEs) businesses into the formal economy by 2017 and beyond	By providing meaningful business development support to SMMEs	Number of SMMEs supported	Quarterly reports	6	4	4	Municipal Manager	56
			Number of business support initiatives implemented	Quarterly reports	4	2	2	Municipal Manager	57
Boschberg Development Node	To ensure the successful development of the Boschberg Tourism Project that will enable the growth of the Tourism sector in BCRM by 2017 and beyond	By expanding and diversifying the Tourism hub section of the Boschberg project	Number of expansion projects implemented	Quarterly reports	0	1 initiative	1 initiative	Municipal Manager	58
		By managing the Boschberg Tourism Hub	% occupancy of Tourism hub buildings	Quarterly reports	90 % occupancy	100 % occupancy	100 % occupancy	Municipal Manager	59
Tourism Sector	To ensure a sustainable and growing vibrant local tourism sector by 2017 and beyond	By implementing tourism development/ marketing initiatives	Number of tourism development/ marketing initiatives implemented	Quarterly reports	2 (LTO's)	2 initiatives added	2 initiatives added	Municipal Manager	60
Education (Secondary)	To positively contribute towards the up skilling of the local learners and thereby improving their access to tertiary education.	By facilitating and monitoring the implementation of core subjects/courses in critical scarce fields of Maths and Science.	Number of support programmes implemented	Quarterly reports	2	2 programmes	2 programmes	Municipal Manager	61

Industrial Cluster Development	To facilitate establishment of industrial area to attract new investment to the BCRM region by 2017 and beyond.	By lobbying support from government departments for establishment of BCRM industrial cluster	Number of proposals submitted to government departments	Quarterly Reports	0	2	n/a	Municipal Manager	62
		By the construction of Infrastructure (Bulks/Internals) in two phases at the Industrial Cluster	Construction phases completed	Quarterly Reports	0	Phase 1	Phase 2	Municipal Manager	63
		By continuously marketing and promoting the new cluster to commercial investors	Number of marketing/promotional actions	Quarterly Reports	0	4	6	Municipal Manager	64
Residential Development	To ensure adequate middle income residential units for BCRM towns	By facilitating the development of middle income residential units	Number of units established	Quarterly Reports	0	5	5	Municipal Manager	65
Shale Gas Exploration	To ensure local beneficiation from local economic development initiatives by 2017 and beyond	By positioning BCRM as a central area for Gas processing.	No of engagements with potential gas developers	Quarterly Reports	1	2	2	Municipal Manager	66

Renewable Energy(Wind, Hydro, Solar, Biogas,)	To maximise utilisation of natural local resources to grow a local green economy by 2017 and beyond	By engaging government departments and potential commercial developers to develop new alternative energy projects in the BCRM areas	Number of engagement with government departments/ commercial developers	Quarterly Reports	4	6	6	Municipal Manager	67
Aerospace Development	To facilitate the creation of a foundation for a new aerospace industry for the SA by 2017	By facilitating development of a Commercial Airport	Completed airfield	Quarterly reports	Partially developed aerodrome	Complete development of the Commercial Airport	Management of the Airport	Municipal Manager	68
		By establishing a commercial flying school	On site established flying school	Quarterly Reports	0	Establish a commercial flying school	Management of the Flying school contract	Municipal Manager	69
		By establishing commercial aviation businesses at the airport	On site established commercial project	Quarterly Reports	0	Establishment of 1 commercial aviation business		Municipal Manager	70

OBJECTIVES , KPI's and TARGETS

KPA : Municipal Financial Viability

Performance Area	IDP Objectives	IDP Strategy	KPI	Measure ment Source	Baseline 2014/2015	ANNUAL TARGETS		Person Responsible	KPI NO
						2015/16	2016/17		
Record management	To ensure efficient, effective and compliant safeguarding of municipal records by 2017 and beyond	By developing and implementing a financial standard operating procedure for financial records	Developed Financial Standard Operating Procedure Manual	Procedur e Manual	None	FSOP approved by Council;	Implement and review of FSOP	Director: Finance	71
Asset management and control	To ensure compliant and effective Asset and Fleet Management by 2017	By maintain and updating a GRAP compliant Asset Register	Updated and Accurate Asset Register	Asset Register	Asset Register not fully GRAP compliant	Submit an updated and accurate Asset Register to the Auditor General by 31 August	Submit an updated and accurate Asset Register to the Auditor General by 31 August	Director: Finance	72
Revenue enhancement	To improve the municipality's revenue base to 80% by 2017	By implementing Revenue Enhancement Strategy	Total municipal own revenue as a % of the total actual budget	Quarterly reports	65%	To improve the municipality's Revenue base to 75%	To improve the municipality's Revenue base to 80%	Director: Finance	73

Supply Chain Management	To ensure effective, efficient, economical and compliant SCM processes by 2017	By monitoring compliance with relevant SCM legislation	Number of SCM reports submitted to Council	Quarterly Reports	4 SCM Reports To Council in 2013/14	4 SCM reports to Council per annum	4 SCM reports to Council per annum	Director: Finance	74
		By Implementation of effective Contracts Management	Number of SCM reports submitted to Council – Contract Management	Quarterly Reports	4 SCM Reports To Council in 2013/14	4 SCM reports to Council per annum	4 SCM reports to Council per annum	Director: Finance	75
				Number of Meetings	Meetings convened in 2014/15	To convene 12 Meetings per annum per Bid Committee	To convene 12 Meetings per annum per Bid Committee	Director: Finance	76
		By reducing average SCM turnover rate to 15 weeks by 2017	Reduced turnover rate	Quarterly reports	2013/14 SCM turnover rate at 25 weeks	4 quarterly reports to Council reflecting reduction in turnover rate to 17 weeks	4 quarterly reports to Council reflecting reduction in turnover rate to 15 weeks	Director: Finance	77
		By monitoring implementation of procurement plans by directorates	number of reports submitted to council reflecting compliance to procurement plans	Quarterly reports	4 SCM Reports To Council in 2013/14	4 quarterly reports to Council reflecting departments' compliance to procurement	4 quarterly reports to Council reflecting departments' compliance to procurement	Director: Finance	78

						plans	plans		
		By detecting and reporting on Unauthorised, Irregular, Fruitless & wasteful expenditure	Number of reports submitted to council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	Quarterly reports	0	4 quarterly reports to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	4 quarterly reports to Council reflecting Unauthorised Irregular; Fruitless & Wasteful Expenditure	Director: Finance	79
Financial Control	To ensure effective implementation of internal controls by 2017	By developing procedure manuals	No. of procedure manuals developed and approved by Council	Quarterly reports	2	Develop 10 procedure manuals	Develop 10 procedure manuals	Director: Finance	80
Operation Clean Audit	To achieve unqualified Audit Opinion without matters By 2017	By improving internal controls and processes	audit outcome (audit opinion expressed by AG)	Quarterly reports	Qualified Audit Opinion 2013 /14	Table 4 quarterly implementation of Audit Action plan reports to Audit Committee & MPAC	Table 4 quarterly implementation of Audit Action plan reports to Audit Committee & MPAC	Director: Finance	81

	To develop credible Annual Financial Statements and Annual Report that is compliant with legislation by 2017	By ensuring that the annual financial statements are aligned to GRAP standards and MFMA annually	Timeous submission of Annual Financial Statements according to GRAP Standards and MFMA	Audited Annual Financial Statements	Annual Financial Statement submitted timeously	Audited Annual Financial Statements aligned to GRAP Standards	Audited Annual Financial Statements aligned to GRAP Standards	Director: Finance	82
		By ensuring that the annual financial statements and annual report are aligned to treasury formats and MFMA annually	Timeous submission of Annual Financial Statements and Annual Report according to treasury format and MFMA	Approved Annual Report	0	Annual Report Approved by 31 March	Annual Report Approved by 31 March	Director: Finance	83
Indigent Management	To ensure improved provision of free basic services to communities by 2017	By convening Indigent Steering Committee meetings	No. of Indigent Steering Committee Meetings convened	No. of meetings	Indigent Steering Committee meetings convened	To convene 5 Indigent Steering Committee Meetings per annum	To convene 5 Indigent Steering Committee Meetings per annum	Director: Finance	84

		By updating the Indigent Register to capture qualifying beneficiaries	Updated Indigent Register	Indigent Register	Indigent register updated in 2014/15	To have an updated Indigent Register approved by Council by 30 June 2016	To have an updated Indigent Register approved by Council by 30 June 2017	Director: Finance	85
		By conducting Quarterly Indigent Outreach Meetings	No. of quarterly indigent outreach meetings convened	No. of meetings	0	To conduct 4 Quarterly Indigent Outreach Meetings per financial year	To conduct 4 Quarterly Indigent Outreach Meetings per financial year	Director: Finance	86

OBJECTIVES ,GOALS, KPI's and TARGETS
KPA : Good Governance and Public Participation

Performance Area	IDP Objectives	IDP Strategy	Key Performance Indicator	Measureme nt Source	Baseline 2014/2015	ANNUAL TARGETS		Person Responsi ble	KPI NO
						2015/16	2016/17		
Record management	To ensure efficient, effective and compliant safeguarding of municipal records by 2017 and beyond	By developing and implementing a Record Performance Information Standard Operating Procedure manual	Developed Record performance Information Standard Operating Procedure Manual	Procedure Manual	None	SOP approved by Council; Implement SOP	Implement and review of SOP	Municipal Manager	87
Internal Controls	To ensure effective Audit function and an improved compliance and clean administration by 2017	By monitoring implementation of audit action plan (internal and external audit recommendations)	No of Audit Action Plan progress report submitted	Quarterly reports	2013/2014 Audit Action Plan	4 quarterly reports on action plan report implementation	4 quarterly reports on action plan report implementation	Municipal Manager	88
		By convening Quarterly Audit Committee meetings	No of audit committee meetings held	Quarterly reports	Audit committee	4	4	Municipal Manager	89
Fraud and Anti-Corruption	To ensure effective implementation of the Fraud and Anti-corruption Policy by 2017	By Developing and institutionalization of the Fraud and Anti-corruption policy	Developed Fraud and Anti-corruption policy	Developed Fraud and Anti-corruption policy	Outdated Fraud Prevention plan	To Develop Fraud and Anti-corruption policy	To Review Fraud and Anti-corruption policy	Municipal Manager	90

			Number of awareness sessions held	Awareness sessions	0	4 sessions	4 sessions	Municipal Manager	91
Planning and Performance management	To ensure development of a credible Integrated Development Planning (IDP), implementation, monitoring, reporting and evaluation in order to inculcate and maintain an institutional performance driven culture by 2017	By improving quality of IDP in line with prescribed processes and guidelines – with full participation of municipal administration and ownership by political champion, IGR partners and communities	Improved quality of IDP	Quarterly reports	Approved IDP 2014/15	Credible IDP 2015/16	Credible IDP 2016/2017	Municipal Manager	92
		By Implementing Service Delivery & Budget Implementation Plan aligned to the IDP and Budget	Annual report submitted to Council	Quarterly reports	13/14 Annual report	2014/15 Annual Report	2015/16 Annual Report	Municipal Manager	93
		By conducting departmental performance reviews quarterly	no of performance reviews conducted	Quarterly reports	Approved Service Delivery & Budget Implementation Plan	4 performance reviews	4 performance reviews	Municipal Manager	94

Communication Management	To ensure well co-ordinated communication within and across the municipality by 2017	By maintaining an effective communication system between communities and the municipality	Number of Public Meetings convened with communities	No. of meetings	Communication strategy	2	2	Municipal Manager	95
		By publishing a newsletter for information dissemination	Number of Newsletters published	No. of newsletters	Newsletter Developed	4	4	Municipal Manager	96
Public Participation	Ensure effective, efficient and compliant public participation by 2017 and beyond	By reviewing public participation strategy	Public participation strategy reviewed and approved by Council	Public participation strategy reviewed	0	Review public participation strategy	Review public participation strategy	Municipal Manager	97
		By Implementing the public participation strategy	Number of initiatives undertaken to capacitate ward committees	No. of Capacity building initiatives	0	2	2	Municipal Manager	98
			Number of Public Participation sessions convened	No. of sessions	0	4	4	Municipal Manager	99
		By Strengthening Inter-governmental Relations	Reviewed IGR Terms of Reference	Reviewed TOR's	TOR Approved by Council	Review IGR Terms of Reference	Review IGR Terms of Reference	Municipal Manager	100
			Number of IGR meetings convened	No. of meetings	0	4	4	Municipal Manager	101

			Number of Reports on initiatives implemented by Gov Depts	Quarterly Reports	0	4	4	Municipal Manager	102
ICT Governance	To ensure a reliable, efficient and effective ICT governance by 2017 and beyond	By reviewing ICT policies annually	ICT policies reviewed and adopted by council	Reviewed policy	Existing ICT policies	All 7 ICT policies	all 7 ICT policies	Municipal Manager	103
		By developing and implementing IT Security measures	No. of Reports submitted to ICT Steering Committee	Quarterly Reports	IT Security policy in place	4	4	Municipal Manager	104
		By ensuring functionality of ICT Steering Committee	No of meetings held annually	Quarterly Reports	ICT steering committee approved TOR's	4	4	Municipal Manager	105
		By Developing and implementation of an ICT Strategy	Developed ICT Strategy	ICT Strategy	0	Develop ICT Strategy approved by Council	Implementation of ICT Strategy	Municipal Manager	106
IT Communication and Connectivity	To ensure a reliable, efficient and effective ICT systems for communication by 2017 and beyond	By upgrading current servers, network connectivity and telephone system	Upgraded IT infrastructure purchased	Upgraded IT infrastructure	0	Upgraded the telephone system and Network connectivity	Upgraded Network Servers	Municipal Manager	107

Customer Care Management	To ensure a functional and effective Customer Care Management by 2017 and beyond	By developing customer care management policy; Complaints Management Register; and Action plan	Developed Customer Care Management Policy	Customer Care Management Policy	0	Develop Customer Care Management Policy	Review Customer Care Management Policy	Municipal Manager	108
			Developed Complaints Management Register	Complaints Management Register	0	Develop Complaints Management Register	Review Complaints Management Register	Municipal Manager	109
			Number of Reports on Complaints addressed	Quarterly Reports	0	4	4	Municipal Manager	110
Social Cohesion and Moral Regeneration	To ensure mainstreaming of Special Programmes in the institution by 2017	By developing a SPU strategy	Developed SPU Strategy	SPU Strategy	0	Develop SPU Strategy	Review SPU Strategy	Municipal Manager	111
		By reviewing the HIV / AIDS policy	Reviewed HIV / AIDS policy	HIV / AIDS policy	Existing HIV / AIDS Policy	Review HIV / AIDS policy	Review HIV / AIDS policy	Municipal Manager	112
		By Strengthening Moral Regeneration Forum	Number of Sessions held	One event	0	1	1	Municipal Manager	113

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 Adoption	Status (Due for Reviewal or not)
CORPORATE SERVICES DEPARTMENT			
Spatial Development Framework	The Spatial Development Framework was reviewed in 2012 and was facilitated by Urban Dynamics. The SDF is up for reviewal as soon as funding is sourced however funding has not yet been secured from potential funders.	01 March 2012	Due for reviewal in 2016
Housing Sector Plan	(Described below)	April 2012 & reviewed in 2014	Due for reviewal in 3 yrs time
Human Resources Plan		31 June 2014	Due for reviewal in 2016
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.		
Recruitment and Selection Policy			
Leave Policy and Procedures	Regulation of leave management in the workplace		
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 effected for a fair reason and in accordance with a fair procedure and as last resort		

Dress Code Policy	Regulate and standardise appearance of Councillors, Managers and Officials attending council meetings and its committees		
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.		
Standby Allowance Policy	The administration and management of standby allowance	18 October 2012	Due for review in 2016
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.		
Telephone and Facsimile Usage	To ensure the effective and efficient use of municipal telephones and facsimile.		
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. 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.		
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.		
Telephone and Facsimile Usage	To ensure the effective and efficient use of municipal telephones and facsimile.		
TECHINICAL SERVICES DEPARTMENT			
WSDP (WATER SERVICES DEVELOPMENT PLAN)	It entails planning of new development that is taking place in the area and covers water and sanitation resources .The plan is reviewed annually	December 2014	To be reviewed in the next financial year
OFFICE OF THE MUNICIPAL MANAGER			
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 has recently reviewed its Housing Sector Plan which was finalized 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. The HSP indicate that the greatest need for housing is in Somerset East (1405) followed by Cookhouse (673) and lastly Pearston (471).

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.

Table 32: Current Capital Housing Projects

Town	Project	Units	Status	Challenges	Budget
Cookhouse	Rectification	150 + 5	Current	None	R8, 250 000.00
	Cotani 5	5	To increase budget	No budget for additional 5	R 399 820.10
Somerset East	Rectification	93	Current	Finalise budget	R8,8m
	Rectification	229	On procurement	Tender non responsive	R19,6m
	C Hani 400	8	8 outstanding	Tender stage	R5,8m
	Old Location	203	On procurement	To start tender process	R3,0m
	Aeroville Rectification	33	Issuing of title deeds	Title deeds not handed over	
	Kwanojoli rectification	136	current	Budget not secured	
All wards	Destitute houses	12	Funding approved	Finalise contracts	R9m

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

Table 33: Funding for infrastructure supporting housing development

Importance	Project Name	Project cost estimate
1. Extremely		
2. Moderately		
3. Relatively		
1	Construction of the main sub-station in SE (MV switch gear)	R15m
	Upgrading of CH Feeder (60km MV Line)	R7,2m
	Upgrading of Eastpoort Feeder (MV line)	R12,5m
2	Upgrading of Middleton Feeder (MV line)	R4,3m
	Upgrading of street lighting in BCRM	R2,6m
	Upgrading of the mini substations in BCRM	R5,3m
	Upgrading of facilities and workshop for Electricity Department	R180k
	Investigation and repairing of a sustainable power supply to Pearston	R57k
3	Upgrading of s/station yard, including replacement of transformer	R1,5m
	Ring supply to the Pearston Feeder (MV Line)	To be investigated

4.2.4 Provision of housing

The tables below indicate current and completed projects with respect to the BCR's area of jurisdiction. Information was derived from the Housing Sector Plans of Local Municipalities for the period 2011 to 2016:

Table 34: Housing Delivery

Major Towns & Settlements	Approved Projects			
	No. of Projects	Units Completed	Units under Construction	Total
Somerset East	4	1 679	169	1848
Cookhouse	2	669	155	824
Pearston	4	467	400	867
Total	10	2 815	724	3 539

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. An IWMP is a plan which has been compiled to provide the most cost-effective and technically and environmentally acceptable solutions to the total waste management of the organisation. It addresses the Status Quo, analyse the needs, and offer solutions to ensure responsible waste management. As such it addresses waste generation, waste minimisation and re-use, collection of all waste, disposal infrastructure (disposal facility requirements) and disposal according to environmentally sound practises and within the requirements of relevant legislation and regulations.

The IWMP was adopted by council in November 2008 and it gives the general background of the area as located at the western half of the Eastern Cape approximately 150 km north of Nelson Mandela Bay Metro. BCRM is comprised of Somerset East, Pearston and Cookhouse and recommendations contained in this document covers this whole area.

⇒ NEEDS ANALYSIS

The following needs were identified in the entire BCRM:

The municipality does not have any waste minimization strategies in place and they need to be developed and implemented.

The municipality needs to look into creating long term job opportunities by involving private contractors in waste collection.

Municipal bylaws need to be updated to include measures that will address waste minimization, recycling and penalties for deviations.

Authorization of landfill sites and compliance with minimum requirements for landfill sites.

The following projects have been identified for the implementation phase of this plan:

Development of a new regional landfill site for Cookhouse and Somerset East.

Closure and rehabilitation of the existing Cookhouse and Somerset East sites

Upgrading and permitting of the Pearston landfill site.

Establishment and authorization of waste transfer station in Cookhouse

The above mentioned projects are registered with MIG for funding for the implementation phase. At this stage no funds are available yet due to prior commitments in the MIG.

4.4 ENVIRONMENTAL MANAGEMENT PLAN (EMP)

BCRM council adopted its Environmental Management Plan (EMP) in June 2013. A project inception plan was held on the 15 February 2013. The EMP was prepared in accordance with

the requirements of Section 11 of the National Environmental Management Act(Act 107 of 1998) and Municipal Systems Act (Act 32 Of 2000).

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.

⇒ NEEDS ANALYSIS

The BCRM has been assisted by Sarah Baartman District Municipality to construct a Fire and Disaster Centre where the normal day to day operations can be done including the necessary

training for officers. The structure is not yet furnished hence no operations are taking place in it yet but it will be handed over within the 2014/15 financial year.

The adopted organogram at the end of June 2014 made provision for 9 Fire Retainers. It is envisaged that all nine positions will be filled within the next three financial years. The position of the Chief Fire Officer as approved in 2014 will also be filled in the 2014/15 financial year. Currently BCRM has one Fire officer and three Fire Fighters appointed. Until the Disaster and Fire Centre is operational, they operate in the office of Protection Services.

The space available in the building will enable the following services to be rendered:

A joint operation centre will be established, when necessary.

Over the MTEF period it is envisaged that the facility will operate on a 24 hour basis.

4.6 BCRM TRAFFIC SECTOR PLAN

The organogram approved in June 2014 makes provision for broadened services to be provided. This includes the extension of the building for more office space, the creation of new positions, the inclusion of the Commonage and Pound unit since stray animals have an impact on the safety on our roads network. New positions will be filled in the MTEF period.

⇒ 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.

Financial policies are reflected in the Financial Plan. Below is the summary of the Economic development interventions and programmes.

4.7 LOCAL ECONOMIC DEVELOPMENT /PROJECT INTERVENTION STRATEGY

The overall objective of the BCRM LED strategy is to stimulate economic growth and development, improve basic living conditions and reduce unemployment by harnessing the economic potential in the Blue Crane Route Municipality through integrated and coordinated economic planning.

The LED strategy identifies opportunities to boost economic growth and development through an assessment of the status quo, existing challenges to development and an analysis of the latent economic potential of the BCRM. It provides clear implementation and monitoring guidelines within an appropriate institutional model and thereby provides the BCRM with strategic guidelines and clear objectives for economic development that can be used to plan and implement LED activities in future.

In all the projects mentioned in this document the following has been completed:

Business plans/ EIA's / Rezoning/ surveys etc.

Alignment to government Policies:

Development in the BCRM cannot be a standalone function of the CDA; therefore all projects and planning are aligned to Government policy.

Linking to BCRM Planning Framework:

1- Integrated Development Plan (IDP).

CDA alignment:

The CDA participates in all the planning exercises of the BCRM in terms of drafting and regular reviewing of the BCRM IDP. All the CDA plans are included in the BCRM IDP and all the newly identified plans are annually included in the IDP.

2- All CDA projects comply with the BCRM Spatial Development Plan.

Linking to Sarah Baartman District Planning Framework:

Sarah Baartman District IDP (district Municipality).

Sarah Baartman District Spatial Development Plan.

Sarah Baartman District Economic Growth and Development Strategy (EGDS).

Linking to Province Planning Framework:

1- Provincial Growth and Development Plan (PGDP).

2- Spatial Development Plan: Eastern Cape Province.

Linking to National Planning Framework:

The Province of the Eastern Cape processes the following applicable plans:

National Framework for Local Economic Development in S.A.

National Spatial Development Perspective.

Accelerated & Growth Initiative for S.A.

IPAP (2) & Etc

All CDA projects are aligned to IPAP(2)

IPAP 2 emphasizes government's commitment to Tourism niche/Aerospace/ Agricultural and to rural development as critical development objectives.

The CDA can therefore deliver to our government and our country both of these objectives in one local municipality located in the Eastern Cape hinterland.

National Government buy in and support is crucial to the success of these project going forward.

LED Implementation Strategies:

TOURISM SECTOR:

Strategy - BCRM as a Tourism Destination:

It is widely acknowledged that the BCRM region tourism development is struggling because of the fact that the BCRM towns are not located on any of the main routes. The R10 main road runs past Cookhouse and the R63 bypasses Pearston. There is no alternative then, but to market and develop the BCRM towns as destinations. The CDA Tourism development section will concentrate all their efforts into destination development.

The objective to grow market share and lengthen periods of stay through product development, strategic marketing and positioning implies that the emphasis must be placed on a mass of activities, attracting overnight stays and increasing average length of stay. This means offering a concentrated and diversified experience that builds upon and reinforces the culture and environment of the Somerset East area. It also implies positioning the Somerset East area together with other destination/product itineraries.

No destination or business can be everything to all tourists. Destinations and businesses must make a series of hard decisions about where best to allocate their limited resources to achieve the best or optimal results. No two destinations are the same and, therefore, the choices made and the paths taken to sustainability will vary from destination to destination. Determining the best path to take involves understanding the unique situation facing each destination, its competitive situation, opportunities, strengths and weaknesses.

Promoting a destination needs ample product (Product ranges from an outdoor activity to specific events) to attract people to the area. We need to increase the number of people visiting our towns to be able to develop product. Product in terms of diverse activities is the main attraction for visitors. The more products available, the more people will be attracted, and in conjunction with establishing product, comes the establishing of good quality accommodation and restaurants. If the area has sufficient activities to keep tourists in our towns and encourage them to stay overnight, the next development will be the need for specific tourism related businesses; and this affords an opportunity to promote Black Economic Empowerment initiatives.

⇒ **Focus areas for a Destination development plan:**

A general plan to support this important issue needs to be formulated. The following important issues need to be incorporated:

Activity creation

Overnight facilities for tour groups

Events development

Quality country living

The Boschberg location and the regions strengths are excellently situated to accommodate these actions. It is therefore of the utmost importance for the BCRM region to develop Boschberg as a key Tourisms activity hub.

Projects:

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
Boschberg	R80m	Commercial/ Government	350	550
Tarring of road to ADDO	R600m	Government		250

⇒ **BUSINESS SECTOR:**

Strategy – (Developing the Aerospace & Industrial Sectors)

One of the approved projects undertaken by the CDA comprises the construction of a Civil Aviation Authority (CAA) approved and licensed commercial airport. The new airport is situated on the old Somerset East airfield site. This project was identified by the CDA as a critically strategic infrastructure project and reflected in the IDP of the BCRM. The investigation undertaken by the CDA revealed that the old Somerset Airfield was unsuitable for commercial aviation. As there was no existing regional airport to accommodate air based tourism in the area an opportunity was identified to establish a commercial airport to operate as a developmental economic and social catalyst for the region.

This project was specifically designed to serve as an economic growth catalyst and a development node that can exploit the growing regional investment and tourism opportunities in this unique area. Somerset East is situated only sixty kilometers from the Addo Elephant Park and the project offers an ideal business nucleus project to many small downstream entrepreneurial businesses such as tour operators and other support services.

The airport will give Somerset East and the region a substantial competitive advantage over neighbouring municipal precincts. A light industrial park has been planned and is to be established within the airport precinct. This park will enable private business to establish their enterprises on erven purchased from the municipality. The project has been spatially designed to develop a light industrial park within the airport precinct.

The project has the long term potential to create in excess of 1000 jobs.

Opportunities will be created for specialised and scarce skills training.

Job creation

Training of pilots

Projects:

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
Light Industrial park	R24m	Government	150	150
Tarring of runway	R35m	Government	35	40
Developing SkyWake	R8 - 18m	Commercial/ Govern	20	
Cookhouse Petro Port	R12m	Commercial	20	85
Paving projects Pearston/ S. East & Cookhouse	R2m each	Government	15 each	
SMME Business & resource development centre	R3,5m			

⇒ **AGRICULTURAL SECTOR:**

Strategy – (Emerging farmers & development of high value crops)

The other important issue is the assistance of newly established emerging farmers. The CDA will not get involved with the id of potential farmers or the purchasing of land but will assist with establishment of these farmers. The Cacadu Development Agency was mandated to investigate the potential to produce high value crops. The area is known for its well established extensive agricultural potential. The reason for high value crops is to create employment and to add value to produce and there for establish industries. Various studies have been conducted over the past years since 2004.

From these studies it was clear that a wide range of crops could be established. From these studies it is clear that the water is of good quality and more than sufficient to grow these crops. The water comes from the Gariiep dam and since 1974 there is permanent water available for irrigation purposes. The studies also confirmed that the soils are of exceptional good quality and leans it to all the different crops. Research was done on the climate over the past 20 years and it is also clear that the climate suits all the crops. Because of the climate fruit ripens 10- 14 days earlier in our region than in any other area.

By implementing the production of high value crops the economy will be stimulated. Employment will be created and the high jobless problem will be addressed. Value can be added to produce which will create industries, skills will be developed and the entire community will be uplifted.

Projects:

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
Pearston Vegetables	R2,5m	Government	35	
Cookhouse Vegetables	R2,5m	Government	35	
Emerging farmers	R70m	Government	100	

4.8 RENEWABLE ENERGY SECTOR:**Strategy – (Developing Wind/ Hydro & Solar Energy in the region)****⇒ Introduction:**

Due to the shortage and unavailability of electricity the CDA was mandated and tasked by its parent Municipality, Blue Crane Route Municipality, to investigate and explore option on renewable energy. A study was done by the University of Stellenbosch (Centre for Renewable Energy) on all the options and available sites in the area. Various commercial operations are already being implemented or are in the process of negotiations with the CDA.

Projects:

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
Hydro	R75m	Commercial	15	110
Wind	R16b	Commercial	100	900
Solar	R120m	Commercial	35	120

⇒ General Sector:**Strategy – (Developing education in the region)**

People are poor in the region; they have no finance to send children to be educated in the larger cities.

Projects:

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
Denel artisans training	R35m	Government	25	60

4.9 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 and BCRM organogram do not reflect the importance of LED.

Currently there is only one 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. In addition to the LED Officer and CDA there is a functional IDP Forum in BCR, which also acts as a LED Forum.

4.10 BCRM TOURISM SECTOR PLAN

This section sets out the strategic direction for tourism within the BCRM, derived from an analysis of the situational analysis, policies, strategic guidelines and discussion with key stakeholders concerned with tourism development. In order to assess the best strategic direction to grow tourism in the BCRM, the following issues are examined:

- Product strengths and Unique Selling Points (USP)
- Market segmentation and target markets
- Proposed strategic direction

In terms of the current market, the situational analysis for the BCRM showed the following:

- 74% of the visitors to the area are domestic tourists.
- The primary reason for international tourists to come to the area (26% of tourists) is for hunting and to visit natural attractions, and these visitors are primarily from Europe.
- In line with the trends within the province as a whole, the majority of tourists to the BCRM are from within the province (56%). This is followed by Gauteng and the Western Cape.

The RTSP plan is therefore based on the following five (5) focus areas, which are used as reference points to identify specific projects and actions for implementation:

- Focus Area 1: Tourism Product Development
- Focus Area 2: Tourism Marketing
- Focus Area 3: Tourism Infrastructure
- Focus Area 4: Human Resource Development
- Focus Area 5: Creating an Enabling Environment

The three main results of the development of the BCRM LED strategy are:

- Development of the LED strategy, including a situational analysis report and a development framework report
- LED training for LED practitioners and other relevant stakeholders involved in local economic development
- Development of an appropriate institutional model for the implementation and monitoring and evaluation of the BCRM LED strategy.

The objectives for the Blue Crane Route Local Economic Development Strategy are as follows:

1. Grow the local economy to achieve a 3% year-on-year growth rate from 2009 – 2013 and a 5% year-on-year growth rate from 2014.
2. Investor confidence in BCRM will be promoted through the provision of sound infrastructure and reliable services by 2012.
3. SMMEs will be promoted and supported to increase employment opportunities in BCRM by 2012.
4. Growth of the agricultural sector will be encouraged through diversification and value adding to primary products.
5. Increase tourism numbers to BCRM by 10% annually.

The economic vision and objectives guide the formulation of strategic development pillars. Six main pillars have been identified that will stimulate local economic development in Blue Crane Route Municipality, namely:

- Good governance & service delivery
- Alternative sources of energy
- Enterprise Development
- Agricultural Development
- Tourism Development
- Investment in Human Capital

Unique selling points identified

- Along primary linkage route (N10) linking coastal areas to hinterland areas of the province
- Situated between N10 and R75 linking Graaff – Reinet and Camdeboo National Park

- Situated in close proximity to Port Elizabeth
- Sunny dry climate
- Clear skies at night
- Cultural and historical heritage and sites well maintained
- Number of escarpment ridges, high peaks
- Fossil bearing gologyBoshberg mountain with critically endangered species.

4.11 BCRM COMMONAGE PROPOSAL

This proposal is a follow-on action that builds upon the preparatory work done during the project Commonage Management in the Blue Crane Route Municipality. This project compiled a commonage management policy for the Blue Crane Route municipality. Non-regulated usage of the commonage by persons who are not indigent continues to stand as an obstacle to the implementation of that policy.

⇒ OVERALL OBJECTIVES

- Relieve pressure for commonage from emergent commercial and semi-commercial stockowners by facilitating their acquisition of grazing land in their own name(s).
- Identify and quantify the residual uses and rights, mainly non-grazing, that benefit the poorest households and how these can be best be realised with respect to the commonage
- Facilitate the expanded usage of the commonage by user groups whose interests may range from cultural practises, entrepreneurship and leisure activities.

⇒ SPECIFIC OBJECTIVE

Provide an alternative and appropriate working model or precedent for the resolution of conflicts over municipal commonage and the more systematic and sustainable utilisation thereof.

⇒ TARGET GROUPS AND FINAL BENEFICIARIES

Blue Crane Route Municipality (BCRM)

Blue Crane Route Development Agency (BCRDA)

Established commercial stock farmers in Blue Crane Route Municipality

Emerging commercial and semi-commercial stock farmers in Blue Crane Route Municipality

Urban households with small numbers of large and small livestock in need of grazing, as distinct from the category above, e.g. one or two cows or goats in milk.

Marginal households dependent on the commonage for part of their sustenance

National Department of Land Affairs in the Eastern Cape (NDLA) and provincial Department of Agriculture (PDA).

⇒ **FINAL BENEFICIARIES**

1. Emerging commercial and semi-commercial stock farmers in Blue Crane Route Municipality
2. The general public of Blue Crane Route Municipality
3. Those sectors of the community with a direct interest in a properly managed natural environment, in particular, households with genuine needs for grazing by a small number of livestock, as well as the most marginal households who may be critically dependent on the commonage for their sustenance.

4.12 INTEGRATED HIV/AIDS PROGRAMME

The BCRM will mainstream HIV/AIDS into IDP to ensure that the Integrated Development Plan cycle of public consultation, needs analysis, project identification, review and evaluation is effectively used, to integrate socio-economic development factors linked with reducing HIV/AIDS prevalence and impact, into the Municipal core business. The BCRM embarked in the development HIV/AIDS Plan and identified six key priorities that are needed for the intervention to reduce prevalence and impact of HIV/AIDS:

- Prevention
- Treatment, Care and Support
- Care and Support of orphans and Vulnerable Children
- Monitoring and Evaluation and Action research
- Human rights and access to justice
- Mainstreaming HIV/AIDS into Municipal IDP

4.13 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. INTRODUCTION

The BCR SDF has been reviewed. The final draft was tabled to Council on 31 May 2013. 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, 35km².

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

- [illegible]

☐ 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1,424	1,626	1,568	1,736	1,777	1,777	1,905	2,017	2,130
Infrastructure - Road transport		427	585	544	613	654	654	700	741	783
Roads, Pavements & Bridges		427	585	544	613	654	654	700	741	783
Storm water										
Infrastructure - Electricity		572	777	698	754	754	754	780	826	872
Generation										
Transmission & Reticulation		572	777	698	754	754	754	780	826	872
Street Lighting										
Infrastructure - Water		396	234	256	337	337	337	390	413	436
Dams & Reservoirs						-				
Water purification						-				
Reticulation		396	234	256	337	337	337	390	413	436
Infrastructure - Sanitation		29	30	69	32	32	32	35	37	39
Reticulation		29	30	69	32	32	32	35	37	39
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	157	105	50	-	-	-	-	-
Parks & gardens			157	105						
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency					50					
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		1,617	1,363	1,202	1,942	1,995	1,995	2,321	2,352	2,484
General vehicles		1,061	939	727	946	1,003	1,003	1,345	1,425	1,505
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		226	170	159	338	327	327	328	348	367
Computers - hardware/equipment		20	40	35	119	134	134	131	139	146
Furniture and other office equipment										
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings		289	214	252	293	286	286	266	282	298
Other Buildings						-	-			
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other		20		30	245	245	245	250	159	168
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	3,042	3,147	2,875	3,727	3,771	3,771	4,226	4,369	4,614
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		0.9%	0.5%	0.4%	1.0%	0.6%	0.6%	0.6%	0.7%	0.7%
R&M as % Operating Expenditure		2.1%	1.7%	1.5%	1.9%	1.8%	1.8%	1.9%	1.9%	1.9%

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 prioritised 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).

Source: Approved Blue Crane Route PMS Framework and encompassed PMS legislation.

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:

- 3.1 Achievement of the organization's strategic objectives;
- 3.2 Identifying and addressing the required skills and competencies required for staff to contribute towards achieving organizational objectives;
- 3.3 Providing staff with the opportunity to actively manage their own performance;
- 3.4 To recognize and reward those employees who meet the policy criteria for reward;
- 3.5 To facilitate credible performance reporting by the municipality; and
- 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:

- 4.1 All managers as defined by section 56 of the Municipal System Act No 32 of 2000;
- 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 Work Place 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: Integrated Planning and Economic Development (IPD) 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 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 2014/15 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 2014/15 MIG allocation was fully spent by September 2014 and the procurement process for the Provision of External Loan financing commenced late. 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.

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 43, 48, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74 and 75). This plan has been prepared taking in consideration the priorities and direction established by municipality during the 2015/2016 budget deliberations.

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 balancing act is to achieve these objectives with available financial resources, and to always consider the effect of tariff adjustments on the community at large, and specifically the poor. In addition, the municipality did not escape the effect of the global economic downturn, as well as the recently announced tariff increases by Eskom, and this makes the achievement of the service delivery objectives so much more difficult. ESKOM is now seeking an even higher increase to cover the cost of running the Diesel generated electricity plants that are currently being used to increase the supply of electricity.

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 is sharing an Audit Committee with sister municipalities within the Sarah Baartman District Municipal area. The Audit Committee consists of 3 members all of whom are Chartered Accountants.

7.1. 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 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. 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 an Clean Audit Report
- Assist with Internal Audit

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.

Eighty-seven (87) percent of the Finance department posts are filled, meaning that only six (6) positions are vacant. One vacancy, Manager: Supply Chain & Asset Management has been advertised in March 2015, the short listing and interviews were held and an appointment was made, the person will report for duty as from 1 June 2015. The Accountant: Asset, Fleet & Liability Management post is due to be advertised in May 2015. It is hoped that these posts will be filled during the remainder of the 2014/2015 financial year. Two (2) vacancies, Senior Clerk: Debtors Control Clerk and the Electricity: Dis/Reconnection posts will be filled during the 2015/2016 financial year. The last two (2) posts, Senior Clerk: Payroll and Credit Negotiator: Pearston, are awaiting budget availability before they can be filled.

7.3. 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	Application System interfacing with the following below:
		Consolidated Billing <ul style="list-style-type: none"> • Receipting • Accounts • Debt Collection • General Ledger • Cashbook
		Consolidated Expenditure <ul style="list-style-type: none"> • Creditors • Stores • Assets • Supply Chain Management • General Ledger • Main Ledger • Trail Balance
		Payroll <ul style="list-style-type: none"> • Payroll • Cash Focus • Third Parties • SARS • Human Resource <ul style="list-style-type: none"> ○ Leave ○ Equity
Bytes Technology	SAMRAS	Caseware
Itron	Vending	Pre-paid Electricity
Deeds Office website	Title Deeds	Extracting Title Deed information electronically
ABSA Bank	Internet Banking CashFocus	Electronic payment <ul style="list-style-type: none"> • Creditors, Salaries
TGIS	GIS	Mapping areas, size of erven, etc
SITA	eNatis	Motor Vehicle Registration
Microsoft	MS Office 2010	Word; Excel; PowerPoint; Adobe; Publisher
Nuance	PDF Converter Professional	PDF
Esat	Antivirus Protection	Internet and point security
SARS	Easy File	PAYE – IRP5's
Pastel	SAGE Evolution	Fixed Asset Register

7.4. VALUATION ROLL

In terms of Section 49(1)(a)(i) of the Local Government Municipal Property Rates Act 2004 (Act 6 of 2004), the General Valuation Roll for the Financial years July 2012 – June 2016 was made open for public inspection at the Municipal Offices, from 30th May 2012 to 30 June 2012.

Any owner of property or other person who so desired was given the opportunity to lodge an objection with the Municipal Manager in respect of any matter reflected in, or omitted from the valuation roll within the abovementioned period. Attention was specifically drawn to the fact that, in terms of Section 50(2) of the Act an objection had to be in relation to a specific individual property and not against the valuation roll as such. No objections were received thereon. Council approved the General Valuation Roll after the inspection period above and it was then duly implemented.

Supplementary valuations has been conducted during 2012/2013; 2013/2014; and 2014/2015 financial years and the Supplementary Valuation Rolls was implemented. The Valuation Rolls are available on the municipal website www.bcrm.gov.za

All residential houses valued for up to R15, 000 receive a 100% rebate.

7.5. 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 nine (9) posts within the Supply Chain Management Unit and they have all been filled. The Manager: Supply Chain & Asset Management post will be filled as from 1 June 2015. The Accountant: Asset, Fleet & Liability Management post will be advertised in June 2015 and will be filled during the remainder 2015/2016 financial year.

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

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 will be reviewed during the remainder of the 2014/15 financial year.

The two (2) Supply Chain Management Practitioners are attending to the following areas within the SCM Unit:

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

The SCM practitioners are supervised by a Procurement Officer.

The SCM unit has also commenced with implementing Contract Management in its reporting. There is a SCM Practitioner employed to oversee 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. Performance has been average for all service providers combined.

7.5.1. Procurement Turnover Rate

The procurement turnover rate in previous years has proven to be unnecessarily long and resulted in projects being delayed. Poor planning also contributes to this and awards are often delayed due to preferred service providers not being registered on our SCM database. We advertise annually to invite service providers to register on our SCM database and the current ones to update their details. We now have a full complement of senior managers and more middle managers as well so that means that the bid committees are adequately skilled and filled. This will facilitate tenders moving faster through the bid committees and shortening the procurement turnover rate. The Procurement Rate has reduced from 23 weeks in 2013/14 to around 12 weeks in 2014/15. We are striving to maintain this procurement turnover rate into the next financial years.

7.6. AUDIT OUTCOMES

The following table reflects the five (5) year audit outcomes for the following financial book-years.

2013/14	2012/2013	2011/2012	2010/2011	2009/2010
<u>Qualified Audit Report received - Consolidated</u>	<u>Qualified Audit Report received - Consolidated</u>	<u>Qualified Audit Report received - Consolidated</u>	<u>Unqualified Audit Report received - Consolidated</u>	<u>Qualified Audit Report received - Consolidated</u>
Property, plant and equipment	Property, plant and equipment	Property, plant and equipment	Emphasis of Matter: Restatement of corresponding figures	Property, plant and equipment
Investment property	Investment property	Investment property	Emphasis of Matter: Provision for environmental rehabilitation – Landfill sites	Investment property
	Provision of environmental rehabilitation	Provision for Landfill site	Irregular expenditure	Change in accounting policy – conversion to GRAP
Irregular expenditure	Irregular expenditure	Irregular expenditure		Financial instruments disclosure
	Budget information disclosure	Contingent liabilities disclosure		Prior period errors and changes in accounting policy disclosures

	Distribution losses	Distribution losses		Cash and cash equivalents disclosures
	Unauthorised expenditure (prior year disclosure)	Unauthorised expenditure		
Basis of preparation	Basis of preparation			Minimum lease payments disclosures
	Aggregation of immaterial uncorrected misstatements	Aggregation of immaterial uncorrected misstatements		Contingent liabilities disclosure

Source: Office of Auditor-General Reports

There are still recurring audit findings, but the municipality has managed to reduce the audit findings in the 2013/14 financial year. An action 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 2013/14 Audit Action Plan is attached as an annexure.

7.7. 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 25th and month end for certain service providers that stipulate these cut-off dates. The actual creditors turnover rate payment period as at 30 June 2014 is 75 days

7.8. 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.

There are no allocations from the local municipality to the District Municipality.

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:

LOCAL GOVERNMENT MTEF ALLOCATIONS: 2015/16 - 2017/18			
B EC102 Blue Crane Route	2015/16 R thousands	2016/17 R thousands	2017/18 R thousands
Direct transfers			
Equitable share and related	44,654	44,143	43,491
Fuel levy sharing			
Infrastructure	13,982	14,369	14,950
Municipal infrastructure grant	13,982	14,369	14,950
Urban settlement development grant			
Public transport network grant			
Integrated national electrification programme (municipal) grant			
Neighbourhood development partnership grant (capital grant)			
Rural roads assets management systems grant			
Municipal water infrastructure grant			
Rural households infrastructure grant			
Municipal disaster recovery grant			
Capacity building and other current transfers	3,530	2,582	2,733
Local government financial management grant	1,600	1,625	1,700
Municipal systems improvements grant	930	957	1,033
Expanded public works programme integrated grant for municipalities	1,000		
Infrastructure skills development grant			
Water services operating subsidy grant			
Energy efficiency and demand side management grant			
Municipal disaster grant			
Integrated city development grant			
Municipal human settlements capacity grant			
Municipal demarcation transition grant			
Sub total direct transfers	62,166	61,094	61,174
Indirect transfers			
Total	62,166	61,094	61,174
Transfers from Provincial Departments			
Municipal Allocations from Provincial Departments	2,880	-	-
<i>of which</i>			
Department Water Affairs	2,880	-	-
Community Water supply: Pearston	2,880		
Total: Transfers from Provincial Departments	2,880	-	-
Municipal Allocations from District Municipality			
<i>of which</i>			
Sarah Baartman District Municipality	3,007	-	-
Library Operational	2,197		
Environmental Health	810		
Total: Transfers from District Municipality	3,007	-	-

Source: DoRA and SBDM

Each year, National Treasury issues a circular (see MFMA Circular 74 and 75) to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets.

The headline CPI forecast for fiscal year 2014 is 5.6%, 2015 is 6.2%, 2016 is 5.8%, 2017 is 5.5% and 2018 is 5.3%. 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. Unfortunately, as explained earlier on, the effect of the Eskom tariff adjustments *inter alia* forces the municipality to increase tariffs by much more than the CPI forecast. Basic services are provided to a large degree to all towns in the municipal boundaries, and there is a continuing effort in extending services.

The budget is cash funded, while at the same time, extending within financial means, service delivery and free basic 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 being 28.5% of operating budget and 34.3% of the total budget when including capital grants. 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. In this budget our maintenance expenditure equates to 2% of operating expenditure, which is in line with national averages, but the pressure on this type of expenditure is increasing every year.

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.

7.9. GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES

General inflation (CPI) is estimated 6.2% for the 2015/2016 financial year. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage, which is set at 6%.

Description	Draft MTREF Budget 2015/2016	Draft MTREF Budget 2016/2017	Draft MTREF Budget 2017/2018
General Inflation	6.2%	5.8%	5.5%

Source: MFMA Circular 74

7.10. INTEREST RATES FOR BORROWING AND INVESTMENTS OF FUNDS

The following assumptions are built into the MTREF:

Description	Draft MTREF Budget 2015/2016	Draft MTREF Budget 2016/2017	Draft MTREF Budget 2017/2018
Average Interest Rate – New Borrowing	9.75%	9.75%	9.75%
Average Interest Rate - Investments	6%	6%	6%

7.11. 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	Draft MTREF Budget 2015/2016	Draft MTREF Budget 2016/2017	Draft MTREF Budget 2017/2018
Rates	10%	6%	6%
Water	6%	6%	6%
Sewerage	6%	6%	6%
Sanitation	6%	6%	6%
Refuse	6%	6%	6%
Electricity – monthly consumption tariff	12.20%	12.20%	12.20%

Source: 2015/2016 MTREF Budget

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

7.12. 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 87.3%.

7.13. 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, 068.56km²) 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 km².

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

7.14. 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, Itron'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 are delivered.

7.15. 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.

7.15.1 Indigent Steering Committee

The Indigent Steering Committee (ISC) was establish in 2012, but remained dormant since the approval of the Indigent register in June 2012. The Eastern Cape Department of Local Government & Traditional Affairs (ECLGTA) convened a workshop in February 2014 with the

Indigent Steering Committee and presented the draft ISC Terms of Reference and Indigent Policy. The Finance Committee has since approved the Terms of Reference and ISC has convened its meetings on a quarterly basis with the development of an updated Indigent Register as its primary task due to be completed in June 2015.

7.15.1 Indigent Register And Free Basic Services Expenditure / Budget

There are currently 3,833 indigent households out of 8,558 households. This is a 44.8% of households benefitting from the Indigent Policy assistance. The following table depicts the budgeted funding for the 2014/15 and 2015/16 financial years to fund the Indigent beneficiaries:

7.15.2 Free Basic Services Unit

BUDGET FOR INDIGENT ASSISTANCE 2014/15 AND 2015/16 FINANCIAL YEARS

VOTE DESCRIPTION	ACTUAL EXPENSE 2013/14	ADJUSTED BUDGET 2014/15	ESTIMATED BUDGET 2015/16
INDIGENTS – FREE BASIC REFUSE	3 707 249	3 886 080	3 886 080
INDIGENTS – FREE BASIC WATER	3 262 183	3 379 200	3 379 200
INDIGENTS – FREE BASIC ELECTRICITY	1 747 659	1 837 440	1 850 000
INDIGENTS – FREE BASIC SEWERAGE	2 446 168	2 534 400	2 534 400
TOTAL	11 163 259	11 649 680	11 649 680

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 Negotiators that assist in filling and collecting the Indigent 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.

7.16. 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.

7.17. REVENUE ENHANCEMENT STRATEGY

The municipality approved its Revenue Enhancement Strategy on 11 December 2014 and has commenced implementation thereof in January 2015. Further Implementation is also factored into the 2015/16 MTEF Budget cycle. Targets have been set to improve the municipality's own revenue base to 80% of the budget and the strategy is included in the IDP, Budget and SDBIP.

7.18. 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 2013/2014	Adjusted Budget 2014/2015	Estimated Budget 2015/2016	Estimated Budget 2016/2017	Estimated Budget 2017/2018
Operational Budget	200,053,000	213,242,000	222,337,000	233,069,000	246,017,000
Salary Bill	53,550,000	60,519,000	69,727,000	71,534,000	75,541,000
Percentage	26.77%	28.38%	31.36%	30.69%	30.7%

Source: 2015/2016 MTREF Budget

7.19. ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES

The following table shows the trend of spending against the budget for the capital programme since 2011/2012:

Description	MTREF Budget 2011/2012	MTREF Budget 2012/2013	MTREF Budget 2013/2014
Capital Budget (adjusted)	24,238,000	37,331,970	46,873,000
Actual spending	19,707,213	26,879,000	39,989,000
Percentage	81.3%	72%	85%

Source: 2015/2016 MTREF Budget

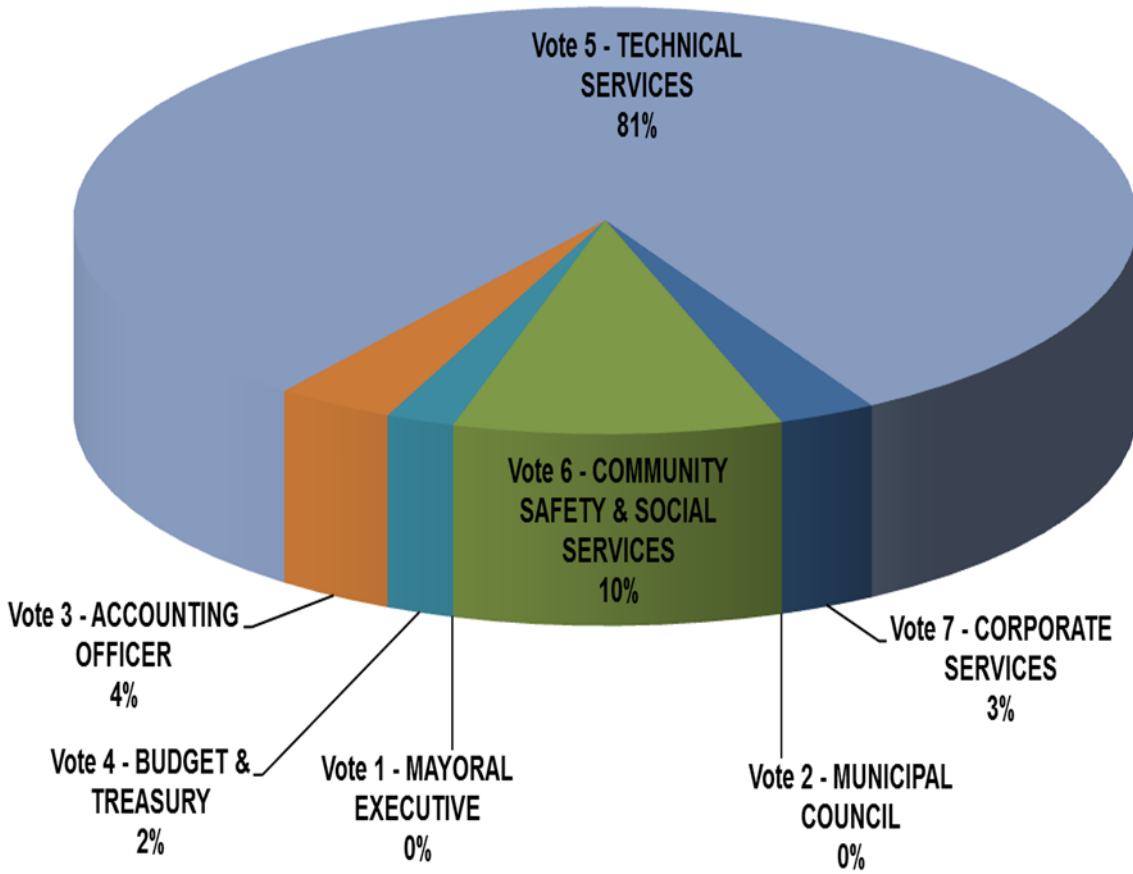
Spending is monitored closely throughout the year and the Directors must ensure that capital schemes are supported by robust planning. The municipality is continually reviewing its capital planning processes.

7.19.1. Operating and Capital Budgets

The following charts be noted:

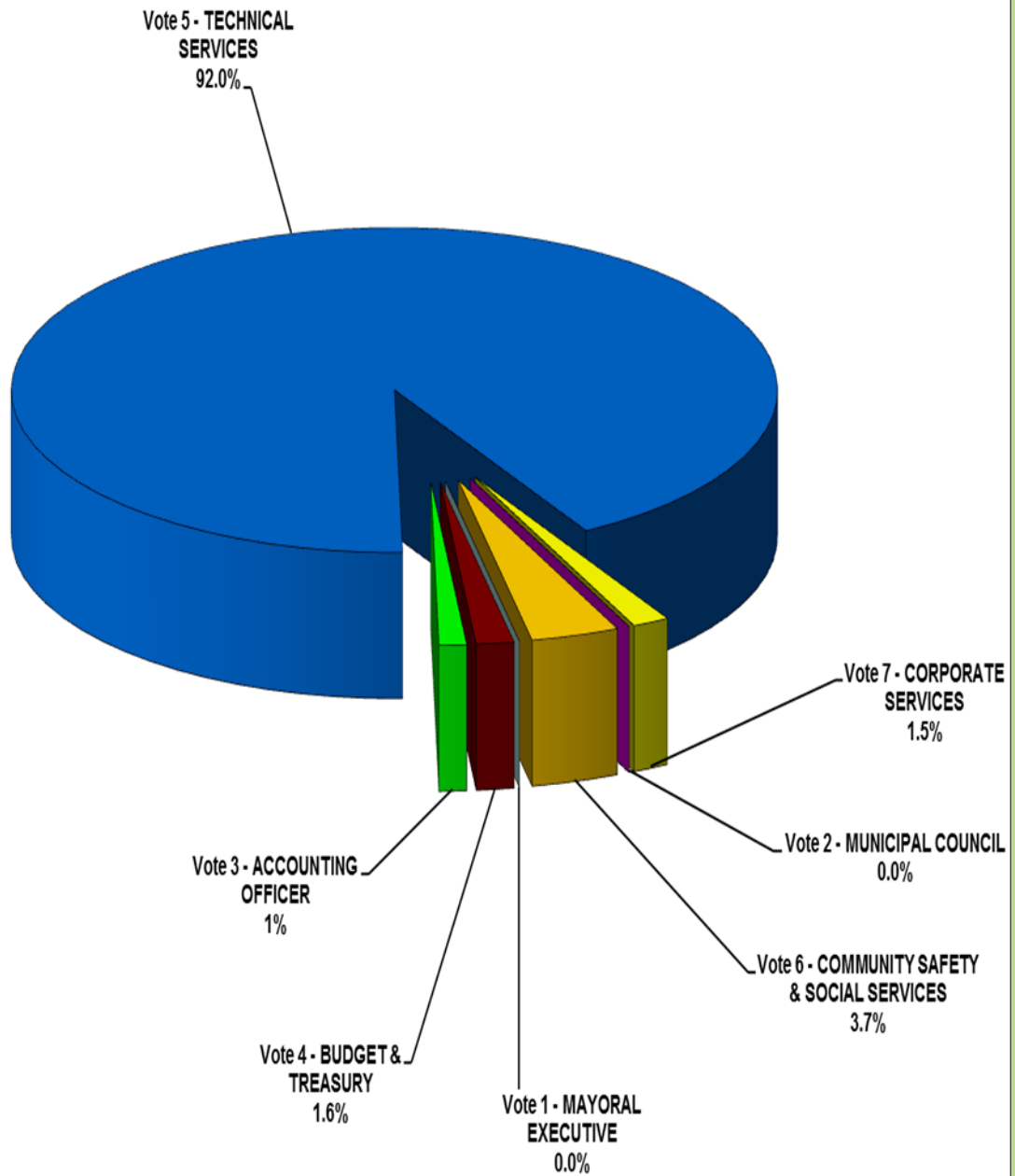
- 2015/2016 Budget Year Capital Expenditure Program per Vote
- 2015/2016 – 2017/2018 MTREF (3year total) Capital expenditure program per vote
- 2015/2016 – 2017/2018 Capital funding by source

2015/16 Budget Year
Capital expenditure program per vote



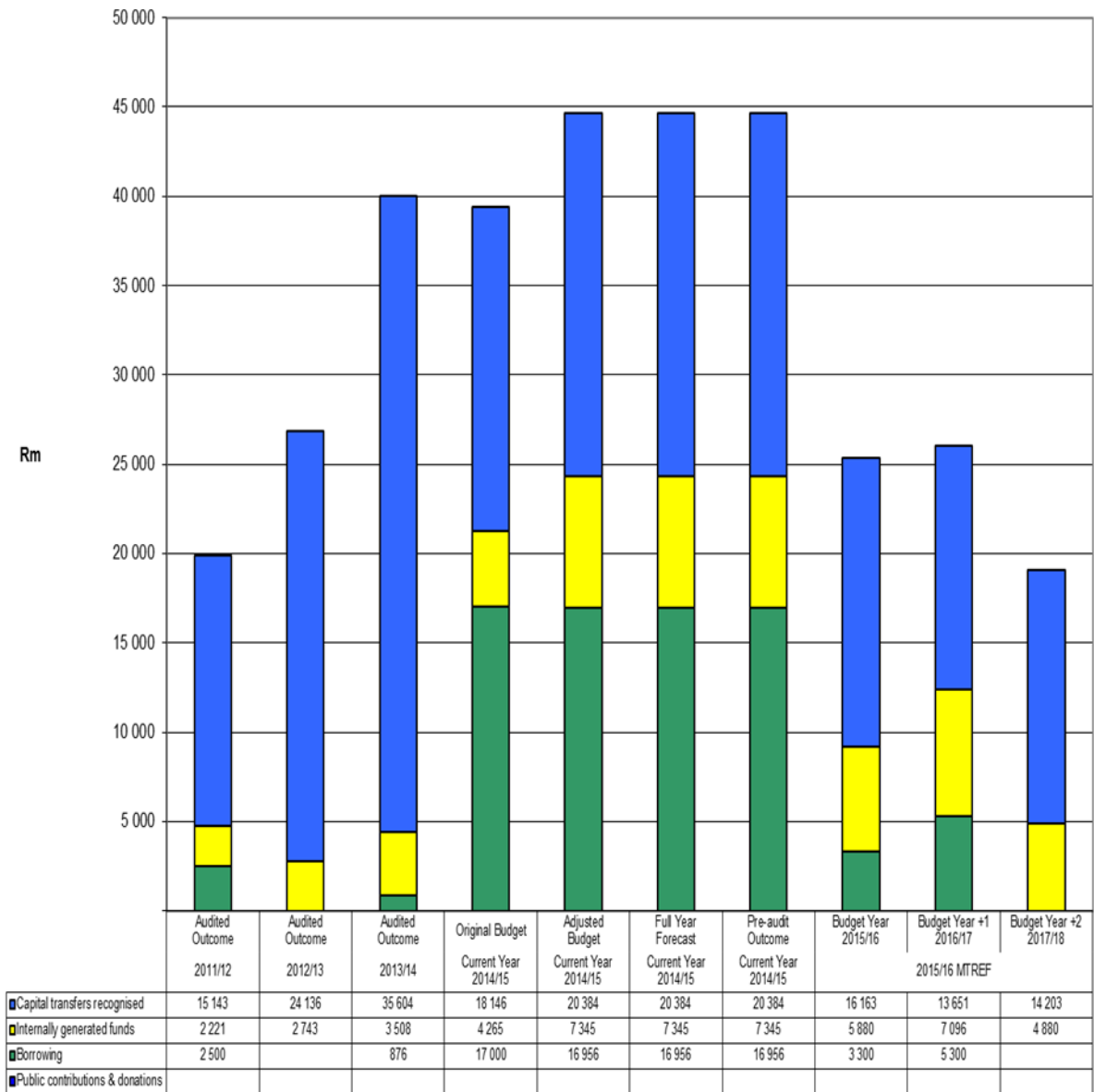
Source: 2015/2016 MTREF Budget

**2015/16 - 2017/2018 MTREF (3 year total)
Capital expenditure program per vote**



Source: 2015/2016 MTREF Budget

Capital funding by source - Chart A13



Source: 2015/2016 MTREF Budget

Table A1 – Budget Summary:

EC 102 Blue Crane Route - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	7 557	8 002	8 496	9 080	9 078	9 078	9 078	9 988	10 193	10 763
Service charges	68 634	79 164	81 148	106 447	103 407	103 407	103 407	111 600	118 184	124 803
Investment revenue	1 430	1 629	1 705	1 478	1 201	1 201	1 201	1 201	1 272	1 343
Transfers recognised - operational	46 401	54 200	55 448	50 061	51 118	51 118	51 118	51 890	50 501	50 078
Other own revenue	7 314	12 698	10 333	6 503	8 422	8 422	8 422	7 190	7 084	7 481
Total Revenue (excluding capital transfers and contributions)	131 335	155 692	157 129	173 570	173 226	173 226	173 226	181 868	187 234	194 468
Employee costs	49 212	51 469	56 783	63 162	62 796	62 796	62 796	69 727	71 534	75 541
Remuneration of councillors	2 452	2 739	3 047	3 215	3 938	3 938	3 938	4 140	4 384	4 629
Depreciation & asset impairment	14 466	36 537	35 424	21 624	36 774	36 774	36 774	36 802	38 973	41 156
Finance charges	1 980	2 546	2 821	1 281	3 410	3 410	3 410	4 121	4 044	4 157
Materials and bulk purchases	41 377	49 117	53 651	59 920	55 696	55 696	55 696	59 932	64 475	68 086
Transfers and grants	300	312	330	350	352	352	352	1 090	392	414
Other expenditure	37 765	39 299	34 014	49 917	50 478	50 478	50 478	46 525	49 268	52 035
Total Expenditure	147 552	182 021	186 070	199 469	213 444	213 444	213 444	222 337	233 069	246 017
Surplus/(Deficit)	(16 217)	(26 329)	(28 941)	(25 900)	(40 218)	(40 218)	(40 218)	(40 468)	(45 835)	(51 549)
Transfers recognised - capital	15 143	24 136	35 604	18 146	17 384	17 384	17 384	16 163	13 651	14 203
Contributions recognised - capital & contributed assets	-	-	-	-	3 000	3 000	3 000	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 305)	(32 185)	(37 347)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 305)	(32 185)	(37 347)
Capital expenditure & funds sources										
Capital expenditure	19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083
Transfers recognised - capital	15 143	24 136	35 604	18 146	20 384	20 384	20 384	16 163	13 651	14 203
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	2 500	-	876	17 000	16 956	16 956	16 956	3 300	5 300	-
Internally generated funds	2 221	2 743	3 508	4 265	7 345	7 345	7 345	5 880	7 096	4 880
Total sources of capital funds	19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083
Financial position										
Total current assets	34 947	45 541	52 855	29 603	31 757	31 757	31 757	28 002	30 502	31 502
Total non current assets	370 296	703 494	708 622	416 154	716 438	716 438	716 438	693 776	680 849	658 774
Total current liabilities	39 494	53 868	57 398	31 800	21 624	21 624	21 624	44 090	60 475	73 782
Total non current liabilities	17 944	15 103	17 611	40 373	59 650	59 650	59 650	27 428	23 699	23 017
Community wealth/Equity	347 805	680 063	686 468	373 584	666 922	666 922	666 922	650 260	627 177	593 477
Cash flows										
Net cash from (used) operating	13 803	31 208	27 516	17 027	18 304	18 304	18 304	22 100	17 331	12 043
Net cash from (used) investing	(18 611)	(23 384)	(34 520)	(39 308)	(40 583)	(40 583)	(40 583)	(21 243)	(21 941)	(14 971)
Net cash from (used) financing	1 438	(1 469)	(1 012)	16 250	16 350	16 350	16 350	(1 200)	50	(5 500)
Cash/cash equivalents at the year end	20 284	26 639	18 623	10 469	12 694	12 694	12 694	12 351	7 792	(636)
Cash backing/surplus reconciliation										
Cash and investments available	20 284	26 639	18 623	11 000	11 000	11 000	11 000	8 000	9 500	11 000
Application of cash and investments	4 636	11 244	(882)	(25 756)	(746)	(746)	(746)	(7 094)	(27)	4 424
Balance - surplus (shortfall)	15 648	15 395	19 505	36 756	11 746	11 746	11 746	15 094	9 527	6 576
Asset management										
Asset register summary (WDV)	370 274	703 475	708 607	416 139	716 423	716 423	693 762	693 762	680 836	658 762
Depreciation & asset impairment	14 466	36 537	35 424	21 624	36 774	36 774	36 802	36 802	38 973	41 156
Renewal of Existing Assets	481	-	799	400	1 345	1 345	1 345	1 290	1 490	1 080
Repairs and Maintenance	3 042	3 147	2 875	3 727	3 771	3 771	4 226	4 226	4 369	4 614
Free services										
Cost of Free Basic Services provided	474	5 902	13 816	12 842	14 266	19 741	20 728	20 728	21 855	23 044
Revenue cost of free services provided	9 784	13 215	10 071	12 288	12 288	12 288	12 342	12 342	13 064	13 791
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Source: 2015/2016 MTREF Budget

Table A2 – Budget Financial Performance (revenue and expenditure by “standard classification”):

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

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		24 614	31 728	24 553	23 198	25 713	25 713	25 910	23 281	22 156
Executive and council		1 676	6 971	7 381	6 855	8 026	8 026	7 731	4 512	2 329
Budget and treasury office		19 906	17 344	14 618	15 974	15 861	15 861	16 878	17 392	18 373
Corporate services		3 031	7 413	2 554	369	1 826	1 826	1 300	1 377	1 454
<i>Community and public safety</i>		3 487	6 843	9 128	5 137	9 333	9 333	4 961	5 128	5 292
Community and social services		690	4 105	6 176	2 520	3 506	3 506	2 555	2 576	2 597
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		1 833	1 922	2 115	1 734	5 058	5 058	1 594	1 688	1 782
Housing		–	–	–	–	–	–	–	–	–
Health		964	815	837	882	769	769	813	864	913
<i>Economic and environmental services</i>		16 297	18 484	32 164	17 918	16 401	16 401	15 052	14 443	15 028
Planning and development		279	4 281	1 107	952	1 289	1 289	–	–	–
Road transport		16 018	14 203	31 056	16 966	15 112	15 112	15 052	14 443	15 028
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		102 080	122 773	126 889	145 463	142 162	142 162	152 108	158 033	166 194
Electricity		63 374	74 190	76 354	91 566	88 082	88 082	94 850	100 446	105 382
Water		17 080	18 831	18 733	23 698	23 679	23 679	25 122	23 554	24 873
Waste water management		10 621	18 245	20 090	14 096	14 238	14 238	15 028	15 914	16 806
Waste management		11 005	11 507	11 712	16 103	16 164	16 164	17 109	18 118	19 133
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	146 478	179 828	192 733	191 716	193 610	193 610	198 031	200 885	208 670
Expenditure - Standard										
<i>Governance and administration</i>		40 851	44 851	41 264	45 897	46 577	46 577	49 404	51 594	54 490
Executive and council		8 771	9 705	10 001	9 920	10 300	10 300	10 580	10 675	11 273
Budget and treasury office		20 827	20 405	18 357	22 791	24 074	24 074	26 342	27 763	29 325
Corporate services		11 253	14 741	12 906	13 185	12 203	12 203	12 482	13 155	13 892
<i>Community and public safety</i>		7 561	9 062	10 207	14 313	14 207	14 207	15 461	16 179	17 086
Community and social services		4 459	5 190	5 795	9 245	8 780	8 780	7 587	7 928	8 372
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2 293	3 131	3 608	4 070	4 483	4 483	6 940	7 262	7 669
Housing		–	–	–	–	–	–	–	–	–
Health		809	741	803	998	944	944	935	990	1 045
<i>Economic and environmental services</i>		16 914	31 194	27 997	24 351	32 460	32 460	29 727	29 384	31 029
Planning and development		4 807	4 827	4 892	6 370	6 992	6 992	3 120	2 283	2 410
Road transport		12 107	26 367	23 104	17 981	25 468	25 468	26 606	27 101	28 619
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		82 226	96 915	106 603	114 908	120 200	120 200	127 744	135 913	143 411
Electricity		53 042	66 308	72 971	75 453	79 206	79 206	84 722	90 624	95 653
Water		11 462	10 151	11 605	15 715	14 396	14 396	14 875	15 770	16 653
Waste water management		5 120	6 775	7 232	8 344	10 226	10 226	10 837	11 290	11 747
Waste management		12 602	13 681	14 794	15 397	16 371	16 371	17 310	18 229	19 358
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	147 552	182 021	186 070	199 469	213 444	213 444	222 337	233 069	246 017
Surplus/(Deficit) for the year		(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)

Source: 2015/2016 MTREF Budget

Table A3 – 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - MAYORAL EXECUTIVE		–	–	2	–	–	–	–	–	–
Vote 2 - MUNICIPAL COUNCIL		795	6 211	6 819	6 855	8 005	8 005	7 231	4 512	2 329
Vote 3 - ACCOUNTING OFFICER		1 159	5 041	1 668	952	1 310	1 310	500	–	–
Vote 4 - BUDGET & TREASURY		19 906	17 344	14 618	15 974	15 861	15 861	16 878	17 392	18 373
Vote 5 - TECHNICAL SERVICES		109 364	132 317	148 583	146 678	142 881	142 881	151 292	155 671	163 477
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		14 491	18 350	20 840	21 240	25 497	25 497	22 070	23 246	24 425
Vote 7 - CORPORATE SERVICES		762	565	204	16	56	56	60	64	67
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	146 478	179 828	192 733	191 716	193 610	193 610	198 031	200 885	208 670
Expenditure by Vote to be appropriated	1									
Vote 1 - MAYORAL EXECUTIVE		242	258	285	304	300	300	314	332	351
Vote 2 - MUNICIPAL COUNCIL		3 796	4 489	4 985	5 279	5 099	5 099	5 321	5 635	5 951
Vote 3 - ACCOUNTING OFFICER		9 540	9 785	9 623	10 708	11 893	11 893	8 066	6 990	7 382
Vote 4 - BUDGET & TREASURY		20 827	20 405	18 357	22 791	24 074	24 074	26 342	27 763	29 325
Vote 5 - TECHNICAL SERVICES		87 209	117 721	121 822	124 468	135 679	135 679	143 169	151 274	159 524
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		20 163	22 743	25 001	29 710	30 578	30 578	32 771	34 408	36 444
Vote 7 - CORPORATE SERVICES		5 775	6 620	5 996	6 209	5 821	5 821	6 353	6 667	7 040
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	147 552	182 021	186 070	199 469	213 444	213 444	222 337	233 069	246 017
Surplus/(Deficit) for the year	2	(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)

Source: 2015/2016 MTREF Budget

Table A4 – Budgeted Financial Performance (revenue and expenditure):

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	7 557	8 002	8 496	9 080	9 078	9 078	9 078	9 988	10 193	10 763
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	52 630	62 882	65 313	80 025	76 214	76 214	76 214	82 753	87 636	92 543
Service charges - water revenue	2	7 893	8 453	8 146	12 038	12 388	12 388	12 388	13 132	13 906	14 685
Service charges - sanitation revenue	2	3 482	3 377	3 349	6 094	6 236	6 236	6 236	6 610	7 000	7 392
Service charges - refuse revenue	2	4 422	4 229	4 161	8 290	8 350	8 350	8 350	8 887	9 411	9 938
Service charges - other		206	223	178		218	218	218	218	231	244
Rental offacilities and equipment		158	86	43	54	54	54	54	50	53	56
Interest earned - external investments		1 430	1 629	1 705	1 478	1 201	1 201	1 201	1 201	1 272	1 343
Interest earned - outstanding debtors		2 075	2 196	2 421	2 423	2 569	2 569	2 569	2 723	2 883	3 045
Dividends received		–	–	–		–	–	–			
Fines		140	76	44	95	80	80	80	70	74	78
Licences and permits		832	741	767	613	855	855	855	793	840	887
Agency services		584	614	655	668	668	668	668	660	699	738
Transfers recognised - operational		46 401	54 200	55 448	50 061	51 118	51 118	51 118	51 890	50 501	50 078
Other revenue	2	2 509	8 985	2 800	2 549	4 095	4 095	4 095	2 794	2 429	2 586
Gains on disposal of PPE		1 016	–	3 605	100	100	100	100	100	106	112
Total Revenue (excluding capital transfers and contributions)		131 335	155 692	157 129	173 570	173 226	173 226	173 226	181 868	187 234	194 468
Expenditure By Type											
Employee related costs	2	49 212	51 469	58 783	63 162	62 796	62 796	62 796	69 727	71 534	75 541
Remuneration of councillors		2 452	2 739	3 047	3 215	3 938	3 938	3 938	4 140	4 384	4 629
Debt impairment	3	10 189	8 598	4 134	6 270	6 100	6 100	6 100	6 335	6 709	7 085
Depreciation & asset impairment	2	14 466	36 537	35 424	21 624	36 774	36 774	36 774	36 802	38 973	41 156
Finance charges		1 980	2 546	2 821	1 281	3 410	3 410	3 410	4 121	4 044	4 157
Bulk purchases	2	41 377	49 117	53 651	59 920	55 696	55 696	55 696	59 932	64 475	68 086
Other materials	8					–					
Contracted services		–	–	–	–	–	–	–	–	–	–
Transfers and grants		300	312	330	350	352	352	352	1 090	392	414
Other expenditure	4, 5	27 572	30 264	29 880	43 647	44 378	44 378	44 378	40 190	42 559	44 950
Loss on disposal of PPE		4	437								
Total Expenditure		147 552	182 021	186 070	199 469	213 444	213 444	213 444	222 337	233 069	246 017
Surplus/(Deficit)											
Transfers recognised - capital		15 143	24 136	35 604	18 146	17 384	17 384	17 384	16 163	13 651	14 203
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets						3 000	3 000	3 000			
Surplus/(Deficit) after capital transfers & contributions		(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)
Taxation											
Surplus/(Deficit) after taxation		(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(1 074)	(2 192)	6 663	(7 753)	(19 834)	(19 834)	(19 834)	(24 306)	(32 185)	(37 347)

Source: 2015/2016 MTREF Budget

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding:

EC102 Blue Crane Route - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		229	3 706	191	150	150	150	150	910	1 000	500
Vote 4 - BUDGET & TREASURY		315	118	565	150	180	180	180	530	700	850
Vote 5 - TECHNICAL SERVICES		18 277	20 928	37 999	35 431	36 404	36 404	36 404	20 623	18 567	17 233
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		737	2 061	966	3 580	7 786	7 786	7 786	2 530	5 400	350
Vote 7 - CORPORATE SERVICES		307	66	269	100	165	165	165	750	380	150
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083
Single-year expenditure, to be appropriated	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 SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083
Capital Expenditure - Standard											
Governance and administration		844	431	1 720	400	1 115	1 115	1 115	2 190	2 080	1 500
Executive and council		72	247	191	150	150	150	150	910	1 000	500
Budget and treasury office		315	118	565	150	180	180	180	530	700	850
Corporate services		457	66	964	100	785	785	785	750	380	150
Community and public safety		481	3 254	8 776	5 480	10 158	10 158	10 158	9 780	7 600	250
Community and social services		51	2 705	193	600	640	640	640	1 300	1 200	250
Sport and recreation		16	439	8 133	4 500	4 913	4 913	4 913	8 000	6 000	
Public safety		414	110	434	380	4 605	4 605	4 605	480	400	
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	17	-	-	-	-	-	-	-	-
Economic and environmental services		6 876	6 417	11 712	4 200	4 775	4 775	4 775	2 310	2 570	3 780
Planning and development		157	113	-	-	-	-	-	-	-	-
Road transport		6 524	6 282	11 712	4 200	4 775	4 775	4 775	2 310	2 570	3 780
Environmental protection		195	23	-	-	-	-	-	-	-	-
Trading services		11 664	16 777	17 780	28 601	28 638	28 638	28 638	11 063	13 797	13 553
Electricity		1 792	568	1 338	1 330	2 880	2 880	2 880	2 070	936	200
Water		9 420	7 148	3 862	3 250	3 192	3 192	3 192	3 710	3 410	1 050
Waste water management		390	8 694	12 264	21 721	20 125	20 125	20 125	4 533	5 651	12 203
Waste management		61	366	316	2 500	2 441	2 441	2 441	750	3 800	100
Other		-	-	-	530	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083
Funded by:											
National Government		12 250	10 843	25 557	15 146	14 753	14 753	14 753	13 283	13 651	14 203
Provincial Government		2 893	12 080	10 047	3 000	2 632	2 632	2 632	2 880	-	-
District Municipality		-	1 213	-	-	3 000	3 000	3 000	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15 143	24 136	35 604	18 146	20 384	20 384	20 384	16 163	13 651	14 203
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	2 500	-	876	17 000	16 956	16 956	16 956	3 300	5 300	-
Internally generated funds	6	2 221	2 743	3 508	4 265	7 345	7 345	7 345	5 880	7 096	4 880
Total Capital Funding	7	19 864	26 879	39 989	39 411	44 686	44 686	44 686	25 343	26 047	19 083

Source: 2015/2016 MTREF Budget

Table A6 – Budgeted Financial Position

EC102 Blue Crane Route - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		1 643	2 275	3 811	6 000	6 000	6 000	6 000	6 000	6 000	6 000
Call investment deposits	1	18 641	24 364	14 812	5 000	5 000	5 000	5 000	2 000	3 500	5 000
Consumer debtors	1	10 204	15 768	23 304	15 000	17 755	17 755	17 755	17 000	18 500	18 000
Other debtors		2 802	1 618	10 023	2 000	2 000	2 000	2 000	2 000	1 500	1 500
Current portion of long-term receivables		4	3	3	3	3	3	3	2	2	2
Inventory	2	1 653	1 513	901	1 600	1 000	1 000	1 000	1 000	1 000	1 000
Total current assets		34 947	45 541	52 855	29 603	31 757	31 757	31 757	28 002	30 502	31 502
Non current assets											
Long-term receivables		21	18	16	15	15	15	15	14	13	12
Investments						-	-	-			
Investment property		20 190	29 916	31 205	25 000	31 205	31 205	31 205	20 000	20 000	20 000
Investment in Associate						-	-	-			
Property, plant and equipment	3	350 085	673 559	677 385	391 139	685 202	685 202	685 202	673 742	660 816	638 742
Agricultural						-	-	-			
Biological						-	-	-			
Intangible		0	0	17		17	17	17	20	20	20
Other non-current assets						-	-	-			
Total non current assets		370 296	703 494	708 622	416 154	716 438	716 438	716 438	693 776	680 849	658 774
TOTAL ASSETS		405 243	749 034	761 477	445 757	748 196	748 196	748 196	721 779	711 351	690 276
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	598	657	730	13 350	2 500	2 500	2 500	3 090	3 375	3 682
Consumer deposits		1 713	1 895	1 997	1 950	1 996	1 996	1 996	2 000	2 100	2 100
Trade and other payables	4	19 781	26 381	28 089	14 000	17 128	17 128	17 128	12 000	20 000	26 000
Provisions		17 403	24 935	26 583	2 500				27 000	35 000	42 000
Total current liabilities		39 494	53 868	57 398	31 800	21 624	21 624	21 624	44 090	60 475	73 782
Non current liabilities											
Borrowing		2 947	1 887	1 854	8 873	15 650	15 650	15 650	11 428	7 699	4 017
Provisions		14 997	13 216	15 756	31 500	44 000	44 000	44 000	16 000	16 000	19 000
Total non current liabilities		17 944	15 103	17 611	40 373	59 650	59 650	59 650	27 428	23 699	23 017
TOTAL LIABILITIES		57 438	68 971	75 009	72 173	81 274	81 274	81 274	71 518	84 174	96 799
NET ASSETS	5	347 805	680 063	686 468	373 584	666 922	666 922	666 922	650 260	627 177	593 477
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		347 805	680 063	686 468	373 584	666 922	666 922	666 922	650 260	627 177	593 477
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	347 805	680 063	686 468	373 584	666 922	666 922	666 922	650 260	627 177	593 477

Source: 2015/2016 MTREF Budget

Table A7 – Budgeted Financial Position

EC102 Blue Crane Route - Table A7 Budgeted Cash Flows

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			6 046	6 408	6 793	7 200	7 200	7 200	7 200	8 181	8 664	9 149
Service charges			71 246	67 402	69 315	108 400	89 800	89 800	89 800	103 135	109 220	115 336
Other revenue			7 866	6 717	6 637					4 367	4 042	4 269
Government - operating		1	44 105	61 032	43 532	50 061	50 778	50 778	50 778	51 890	50 501	50 078
Government - capital		1	15 143	24 136	35 604	18 146	19 146	19 146	19 146	16 163	13 651	14 203
Interest			1 430	1 629	1 705	1 478	1 201	1 201	1 201	3 516	3 723	3 931
Dividends										-	-	-
Payments												
Suppliers and employees			(129 935)	(135 824)	(135 833)	(167 877)	(149 569)	(149 569)	(149 569)	(162 971)	(171 242)	(183 741)
Finance charges			(2 096)	(292)	(237)	(381)	(604)	(604)	(604)	(1 091)	(835)	(768)
Transfers and Grants		1					352	352	352	(1 090)	(392)	(414)
NET CASH FROM/(USED) OPERATING ACTIVITIES			13 803	31 208	27 516	17 027	18 304	18 304	18 304	22 100	17 331	12 043
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1 035	30	4 323	100	100	100	100	100	106	112
Decrease (Increase) in non-current debtors						3	3	3	3	-	-	-
Decrease (Increase) other non-current receivables							-	-	-	-	-	-
Decrease (Increase) in non-current investments			1	4	3		-	-	-	-	-	-
Payments												
Capital assets			(19 647)	(23 419)	(38 846)	(39 411)	(40 686)	(40 686)	(40 686)	(21 343)	(22 047)	(15 083)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(18 611)	(23 384)	(34 520)	(39 308)	(40 583)	(40 583)	(40 583)	(21 243)	(21 941)	(14 971)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans						13 000	-	-	-	-	-	-
Borrowing long term/refinancing						4 000	17 000	17 000	17 000	3 300	5 300	-
Increase (decrease) in consumer deposits							100	100	100	-	-	-
Payments												
Repayment of borrowing			1 438	(1 469)	(1 012)	(750)	(750)	(750)	(750)	(4 500)	(5 250)	(5 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES			1 438	(1 469)	(1 012)	16 250	16 350	16 350	16 350	(1 200)	50	(5 500)
NET INCREASE/ (DECREASE) IN CASH HELD			(3 370)	6 355	(8 016)	(6 031)	(5 928)	(5 928)	(5 928)	(343)	(4 559)	(8 428)
Cash/cash equivalents at the year begin:		2	23 655	20 284	26 639	16 500	18 623	18 623	18 623	12 694	12 351	7 792
Cash/cash equivalents at the year end:		2	20 284	26 639	18 623	10 469	12 694	12 694	12 694	12 351	7 792	(636)

Source: 2015/2016 MTREF Budget

Table A8 – Cash back reserves/accumulated surplus reconciliation

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	20 284	26 639	18 623	10 469	12 694	12 694	12 694	12 351	7 792	(636)
Other current investments > 90 days		–	–	–	531	(1 694)	(1 694)	(1 694)	(4 351)	1 708	11 636
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		20 284	26 639	18 623	11 000	11 000	11 000	11 000	8 000	9 500	11 000
Application of cash and investments											
Unspent conditional transfers		1 750	7 493	1 592	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	2 886	3 751	(2 474)	(4 132)	(746)	(746)	(746)	(7 094)	(27)	4 424
Other provisions					(21 624)						
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		4 636	11 244	(882)	(25 756)	(746)	(746)	(746)	(7 094)	(27)	4 424
Surplus(shortfall)		15 648	15 395	19 505	36 756	11 746	11 746	11 746	15 094	9 527	6 576

Source: 2015/2016 MTREF Budget

Table A9 – Asset Management

EC102 Blue Crane Route - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	19 383	26 879	39 190	39 011	43 341	43 341	24 053	24 557	18 003
Infrastructure - Road transport		3 239	6 220	11 361	2 000	2 430	2 430	1 000	2 000	2 000
Infrastructure - Electricity		473	568	1 192	1 330	2 180	2 180	350	350	150
Infrastructure - Water		9 420	6 998	3 779	3 100	2 632	2 632	3 130	860	250
Infrastructure - Sanitation		66	8 694	12 249	21 671	20 075	20 075	4 283	5 651	12 203
Infrastructure - Other		61	302	-	150	-	-	-	450	100
Infrastructure		13 259	22 782	28 581	28 251	27 317	27 317	8 763	9 311	14 703
Community		95	3 017	8 313	4 650	9 003	9 003	8 500	6 670	430
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	6 029	1 081	2 296	6 110	7 021	7 021	6 790	8 576	2 870
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	481	-	799	400	1 345	1 345	1 290	1 490	1 080
Infrastructure - Road transport		-	-	-	-	-	-	450	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	390	-
Infrastructure - Water		-	-	-	150	360	360	100	100	100
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		481	-	267	-	-	-	-	-	-
Infrastructure		481	-	267	150	360	360	550	490	100
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	532	250	985	985	740	1 000	980
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport		3 239	6 220	11 361	2 000	2 430	2 430	1 450	2 000	2 000
Infrastructure - Electricity		473	568	1 192	1 330	2 180	2 180	350	740	150
Infrastructure - Water		9 420	6 998	3 779	3 250	2 992	2 992	3 230	960	350
Infrastructure - Sanitation		66	8 694	12 249	21 671	20 075	20 075	4 283	5 651	12 203
Infrastructure - Other		542	302	267	150	-	-	-	450	100
Infrastructure		13 741	22 782	28 847	28 401	27 677	27 677	9 313	9 801	14 803
Community		95	3 017	8 313	4 650	9 003	9 003	8 500	6 670	430
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	6 029	1 081	2 828	6 360	8 006	8 006	7 530	9 576	3 850
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	19 864	26 879	39 989	39 411	44 686	44 686	25 343	26 047	19 083
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5		174 750	159 542		176 100	176 100	160 050	143 518	125 947
Infrastructure - Electricity			277 896	267 127		268 627	268 627	257 477	246 039	233 328
Infrastructure - Water			46 135	45 490		50 490	50 490	51 910	50 953	49 279
Infrastructure - Sanitation			97 422	107 396		130 396	130 396	131 504	133 792	142 444
Infrastructure - Other			302 266	14 813	316 139	43 115	43 115	41 595	40 435	38 835
Infrastructure			302 266	611 017	316 139	668 728	668 728	642 536	614 737	589 834
Community					35 000	719	719	9 121	15 687	16 008
Heritage assets										
Investment properties			29 916	31 205	25 000	31 205	31 205	20 000	20 000	20 000
Other assets			47 818	62 542	40 000	15 755	15 755	22 086	30 392	32 901
Agricultural Assets			-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-
Intangibles			0	17	-	17	17	20	20	20
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	370 274	703 475	708 607	416 139	716 423	716 423	693 762	680 836	658 762
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		14 466	36 537	35 424	21 624	36 774	36 774	36 802	38 973	41 156
Repairs and Maintenance by Asset Class	3	3 042	3 147	2 875	3 727	3 771	3 771	4 226	4 369	4 614
Infrastructure - Road transport		427	585	544	613	654	654	700	741	783
Infrastructure - Electricity		572	777	698	754	754	754	780	826	872
Infrastructure - Water		396	234	256	337	337	337	390	413	436
Infrastructure - Sanitation		29	30	69	32	32	32	35	37	39
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		1 424	1 626	1 568	1 736	1 777	1 777	1 905	2 017	2 130
Community		-	157	105	50	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 617	1 363	1 202	1 942	1 995	1 995	2 321	2 352	2 484
TOTAL EXPENDITURE OTHER ITEMS		17 508	39 684	38 298	25 351	40 546	40 546	41 027	43 342	45 770
Renewal of Existing Assets as % of total capex		2.4%	0.0%	2.0%	1.0%	3.0%	3.0%	5.1%	5.7%	5.7%
Renewal of Existing Assets as % of deprecn"		3.3%	0.0%	2.3%	1.8%	3.7%	3.7%	3.5%	3.8%	2.6%
R&M as a % of PPE		0.9%	0.5%	0.4%	1.0%	0.6%	0.6%	0.6%	0.7%	0.7%
Renewal and R&M as a % of PPE		1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Source: 2015/2016 MTREF Budget

Table A10 – Basic Service Delivery Measurement

EC102 Blue Crane Route - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		5 026	5 026	5 026	5 026	5 026	5 017	5 017	5 017	5 017
Piped water inside yard (but not in dwelling)		3 904	3 904	3 904	3 904	3 904	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>		8 930	8 930	8 930	8 930	8 930	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>		-	-	-	-	-	-	-	-	-
Total number of households	5	8 930	8 930	8 930	8 930	8 930	9 761	9 761	9 761	9 761
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		5 800	5 852	5 852	5 852	5 852	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>		6 361	6 413	6 413	6 413	6 413	7 819	7 819	7 819	7 819
Bucket toilet		369	369	369	369	369	358	358	358	358
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		369	369	369	369	369	358	358	358	358
Total number of households	5	6 730	6 782	6 782	6 782	6 782	8 177	8 177	8 177	8 177
Energy:										
Electricity (at least min.service level)		730	730	750	730	730	1 658	1 658	1 658	1 658
Electricity - prepaid (min.service level)		7 732	7 732	6 696	7 732	7 732	6 934	6 934	6 934	6 934
<i>Minimum Service Level and Above sub-total</i>		8 462	8 462	7 446	8 462	8 462	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>		-	-	-	-	-	-	-	-	-
Total number of households	5	8 462	8 462	7 446	8 462	8 462	8 592	8 592	8 592	8 592
Refuse:										
Removed at least once a week		7 838	7 838	7 361	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	7 361	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>		-	-	-	-	-	-	-	-	-
Total number of households	5	7 838	7 838	7 361	7 838	7 838	7 838	7 838	7 838	7 838
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		2 000	2 494	3 790	4 220	4 220	4 220	3 950	4 000	4 050
Sanitation (free minimum level service)		2 000	2 585	3 070	4 220	4 220	4 220	3 950	4 000	4 050
Electricity/other energy (50kwh per household per month)		2 000	3 380	3 400	4 220	4 220	4 220	3 950	4 000	4 050
Refuse (removed at least once a week)		2 000	2 740	3 220	4 220	4 220	4 220	3 950	4 000	4 050
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		156	1 272	5 170	3 460	3 844	3 143	3 300	3 509	3 730
Sanitation (free sanitation service)		118	1 231	1 380	2 415	2 683	4 938	5 184	5 444	5 716
Electricity/other energy (50kwh per household per month)		78	3 130	2 736	1 681	1 868	3 413	3 583	3 810	4 051
Refuse (removed once a week)		122	269	4 530	5 285	5 871	8 248	8 660	9 093	9 548
Total cost of FBS provided (minimum social package)		474	5 902	13 816	12 842	14 266	19 741	20 728	21 855	23 044
Highest level of free service provided										
Property rates (R value threshold)		15 000	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	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		60	35	37	39	39	39	41	43	46
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		100	100	100	100	100	100	100	100	100
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)						-	-			
Property rates (other exemptions, reductions and rebates)		733	580	615	651	651	651	692	727	763
Water		2 260	2 771	3 567	3 379	3 379	3 379	3 379	3 579	3 779
Sanitation		1 647	2 059	1 357	2 534	2 534	2 534	2 534	2 684	2 834
Electricity/other energy		1 171	1 483	1 427	1 837	1 837	1 837	1 850	1 959	2 069
Refuse		2 495	3 126	3 104	3 886	3 886	3 886	3 886	4 115	4 346
Municipal Housing - rental rebates						-	-			
Housing - top structure subsidies						-	-			
Other		1 478	3 195			-	-			
Total revenue cost of free services provided (total social package)		9 784	13 215	10 071	12 288	12 288	12 288	12 342	13 064	13 791

Source: 2015/2016 MTREF Budget

Table SA4 – Reconciliation of IDP strategic objectives and budget (revenue)

EC 102 Blue Crane Route - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Storm water, and maintaining infrastructure of the city			109 364	132 317	148 583	146 678	142 881	142 881	151 292	155 671	163 477
Community Services	Effective cleansing, waste removal, working with partners such as SAPS to address crime, effective enforcement of health and safety regulations.			14 491	18 350	20 840	21 240	25 497	25 497	22 070	23 246	24 425
Local Economic Development	Marketing of the BCRM, promote investment in BCRM in agriculture, tourism, SMME development, alternative energy.			809	5 041	607	952	1 289	1 289	500	-	-
Financial Management	Implement fully compliant GRAP annual financial statements, updating indegent register, revenue enhancement strategies for financial sustainability, operational efficiency.			19 906	17 344	14 618	15 974	15 861	15 861	16 878	17 392	18 373
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.			1 908	6 776	8 086	6 871	8 082	8 082	7 291	4 575	2 396
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	146 478	179 828	192 733	191 716	193 610	193 610	198 031	200 885	208 670

Source: 2015/2016 MTREF Budget

Table SA5 – Reconciliation of IDP strategic objectives and budget (operating expenditure)

EC102 Blue Crane Route - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Stormwater, and maintaining			87 209	117 721	121 822	124 468	135 679	135 679	143 169	151 274	159 524	
Community Services	Effective cleansing, waste removal; working with partners such as SAPS to			20 163	22 743	25 001	29 710	30 578	30 578	32 771	34 408	36 444	
Local Economic Development	Marketing of the BCRM, promote investment in BCRM in agriculture, tourism, SMME			5 810	6 383	5 550	5 922	6 992	6 992	2 739	1 349	1 424	
Financial Management	Implement fully compliant GRAP annual financial statements, updating indegent			20 827	20 405	18 357	22 791	24 074	24 074	26 342	27 763	29 325	
Governance & Institutional Transformation	Oversee implementation of council policies, performance management, safekeeping			13 543	14 769	15 339	16 579	16 121	16 121	17 316	18 276	19 300	
Allocations to other priorities													
Total Expenditure				1	147 552	182 021	186 070	199 469	213 444	213 444	222 337	233 069	246 017

Source: 2015/2016 MTREF Budget

Table SA6 – Reconciliation of IDP strategic objectives and budget (capital expenditure)

EC102 Blue Crane Route - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Infrastructure	Provision of Electricity, Water, sanitation, Roads & Stormwater, and maintaining infrastructure of the city	A		18 277	20 928	37 999	35 431	36 404	36 404	20 623	18 567	17 233
		B										
Community Services	Effective cleansing, waste removal; working with partners such as SAPS to maintain public safety	C		737	2 061	966	3 580	7 786	7 786	2 630	5 400	350
		D										
Local Economic Development	Marketing of the BCMR, promote investment in BCMR in agriculture, tourism, SMME and other sectors	E		157	3 459	–	–	–	–	–	–	–
		F										
Financial Management	Implement fully compliant GRAP annual financial statements, updating indegent	G		315	118	565	150	180	180	530	700	850
		H										
Governance & Institutional Transformation	Oversee implementation of council policies, performance management, safekeeping	I		379	313	460	250	315	315	1 660	1 380	650
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities				3								
Total Capital Expenditure				1	19 864	26 879	39 989	39 411	44 686	44 686	25 343	26 047
											19 083	

Source: 2015/2016 MTREF Budget

7.20. FINANCIAL PRINCIPLES AND POLICIES

The Blue Crane Route Municipality have implemented the prescribed statutory financial related policies and they are reviewed on an annually basis. The Financial Policies and By-Laws of the Blue Crane Route Municipality are to provide sound, secure and fraud free management of financial services.

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

The following 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 2014/15 financial year.

Table – List of adopted Financial Related Policies:

	Policy/By-Law Name	Short Description of Policy/By-Law
1	Accounting Policies	The basic objective of Accounting Standards is to remove variations in the treatment of several accounting aspects and to bring about standardization in the presentation. They intent to harmonize the diverse accounting policies followed in the preparation of financial statements by different reporting enterprises so as to facilitate intra-firm and inter-firm comparison.
2	Asset Management Policy	The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.
3	Borrowing Policy	The purpose of this policy is to ensure that borrowing forms part of the financial management procedures of the Municipality and to ensure that prudent borrowing procedures are consistently applied in a prudent and accountable manner.
4	Budget Policy	The aim of the policy is to set out the budgeting principles, which the municipality will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.
5	Capital Infrastructure Investment Policy	This policy sets out the process and methodology for capital infrastructure investment regardless of the funding source.
6	Cash Management and Payment of	The objective of this policy is to ensure that the Municipality has a sound cash management and payment system.

	Policy/By-Law Name	Short Description of Policy/By-Law
	Creditors Policy	
7	Cash Receipt and Banking Policy	The objectives of this policy are – to ensure that the Municipality’s bank account(s) are effectively managed and accounted for; and to ensure that receipts of revenue are adequately safeguarded and accounted for.
8	Cost Estimation Policy	The Municipality needs to have an appropriate methodology of cost estimation in order to ensure that – The cost of producing and supplying goods and services to consumers is accurately determined in order to ensure that consumer charges and tariffs reflect the cost involved in their supply; The Municipality is able to quantify savings and /or losses that it may bring about; Expenditure budgets are realistic; When it executes work for third parties the cost incurred is recovered; and; The cost of inter-departmental service provision is accurately determined and charged out.
9	Credit Control and Debt Collection ex Revenue By-Law	The purpose is to ensure that credit control and debt collection forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.
10	EPWP Policy	The purpose of this policy document is to provide a framework for the implementation of the Expanded Public Works Programme (EPWP) within the Blue Crane Route Municipality (BCRM), which include the operations of all the municipal entities. The policy framework seeks to create work opportunities for the unemployed using BCRM expenditure in the short-to medium term (next 5 years), in line with the government’s directive.
11	Financial Framework Policy	The financial framework policy of the Blue Crane Route Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services to the citizens within the Blue Crane Route Municipal area.
12	Fruitless Wasteful Expenditure Policy	To prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and to see to that this policy implement effective, efficient and transparent processes of financial and risk management.
13	Funding and Reserve Policy	This policy sets outs the assumptions and methodology for estimating the following:- (a) Projected billings, collections and all direct revenues; (b) The provision for revenue that will not be collected; (c) The funds the Municipality can expect to receive from investments; (d) The proceeds the Municipality can expect to receive from the transfer or disposal (sale) of both its fixed and movable assets; (e) The Municipality’s borrowing requirements; and (f) The funds to be set aside in reserves.

	Policy/By-Law Name	Short Description of Policy/By-Law
14	Indigent Policy	The objective of this policy will be to ensure the following: The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council; The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization; Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy; The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative governance with other spheres of government.
15	Investment Policy	This policy deals with the investment of the Municipality's money not needed for the immediate purposes of the Municipality.
16	Policy related to Long-Term Financial Planning	The Policy on Long-Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets.
17	Rates Policy and Rates By-Law	To determine or provide criteria for the determination of categories of properties for the purpose of levying different rates and categories of properties, for the purpose of granting exemptions, rebates and reductions
18	Recruitment Policy	To apply consistent, transparent, procedurally and substantively fair recruitment and selection procedures; To give effect to fair recruitment and selection processes; To ensure that the recruitment process complies with the relevant legislations; To provide an effective system to be used by line management and Corporate Services Department in filling vacant positions; To provide guidelines for the systematic process through which line managers can request the approval and filling of vacancies; To ensure that all candidates are selected objectively and on merit; To attract and retain the interests of suitable candidates and to project a positive image of the municipality to outsiders.
19	Rewards, Gifts and Favours Policy	To set out in clear terms the rules that apply to offers of a reward, gift or favours from persons having or proposing to have a contractual relationship with the municipality and the responsibilities of councillors and staff members in this regard. The Code of Conduct and Rewards, Gifts and Favours Policy is aimed at ensuring that councillors and staff members conduct themselves so that their good faith and integrity should

	Policy/By-Law Name	Short Description of Policy/By-Law
		not be open to question.
20	Risk Management Policy	The objectives of this policy are – To provide a framework for the effective identification, measurement, avoidance/ management, and reporting, of the Municipality's risks; To define and assign risk management roles and responsibilities within the Municipality; and; To define a reporting framework which ensures regular communication of risk management information to the Council, portfolio committees, the audit committee and senior management and officials engaged in risk management activities.
21	Roles and Responsibilities & the Delegation of Powers Policy and Standing Rules & Order	In this policy, the specific roles and areas of responsibility of each political office-bearer, political structure and the Municipal Manager are defined to ensure: good relationships between these bodies and persons; appropriate lines of accountability and reporting for these bodies and persons; the minimisation and prevention of unnecessary overlapping of responsibilities and duplication of powers between these bodies and persons; that disputes that may arise between these bodies and persons are resolved amicably and timely; and dynamic and productive interaction between these bodies and persons, other Councillors and officials of the Municipality.
22	Supply Chain Management Policy	The primary goal of BCRM's supply chain management system is – To ensure that the Municipality obtains the best value for money possible when it contracts for the supply of goods and services and the execution of work. The secondary objectives of the supply chain management system are – To promote local economic development by giving preference to local service providers and contractors; To promote Black economic empowerment by facilitating access by historically disadvantaged individuals to acquisitions and disposals; To combat corruption in procurement; To promote accountability for procurement decisions and contract management.
23	Tariff ex Revenue By-Law	The object of this by-law is to ensure that – Tariffs are determined in order to facilitate and ensure sustainable and affordable services.
24	Virement Policy	To provide directives relating to virements and to enable the accounting officer to amend budgets in the light of experience or to provide for anticipated changes. Allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen

	Policy/By-Law Name	Short Description of Policy/By-Law
		expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.






Source: Adopted Policies - Council Resolutions

List of Financial Sector Plans:

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

	Section	Statutory Plans	Status
1	Fraud Prevention Plan	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	Strategic Risk Management register	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	Budget	1) Financial Plan 2) Budget	Approved March 2015 To be approved May 2015
4	Financial Recovery Plan	The Blue Crane Route Municipality does not have a financial recovery plan in place as the municipality is not experiencing a cash flow problem as the municipality is running a sound financial system	Not applicable

ANNEXURE A – 2013/2014 AUDIT ACTION PLAN

EC102 BLUE CRANE ROUTE MUNICIPALITY											
					Today =	4/6/2015	INFO TO BE UPDATED BY RESPONSIBLE DEPARTMENTS				
OPCA Plan 2013/14 - External Audit Queries				Impact on audit report							
				Other important matters							
				Administrative matters							
As per Management Letter and Audit report 2014						New					
					Old		INPUT Cell	INPUT Cell	INPUT Cell	INPUT Cell	INPUT Cell
Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
AREAS OF QUALIFICATION											
Property, Plant and Equipment											
1	The municipality did not have adequate systems in place to ensure Fixed Asset Register agreed to underlying accounting records resulting in PPE being overstated by R4.8m. Sufficient evidence not available to substantiate costs of PPE	Internal Control Deficiency	PPE	Impact on audit report	The municipality should: • Employ consultants with the necessary experience in reviewing useful lives and residual values as well as valuing infrastructure assets. • Review work completed by consultants to ensure guidelines have been adhered to and ensuring that there is evidence of work done.	Old	30-Jun-15	Consultants that were previously employed has been tasked to rectify the errors in their work and provide adequate evidence. Management to review Work when done.	Martin Meyer		FINALIZED
2	Municipality did not recognise all PPE i.t.o GRAP 17. A number of properties were identified from the deed search that are not included in the Asset Register and the converse. PPE understated by R1.7m	Misstatements in financial statements	PPE	Impact on audit report	The municipality should: • Ensure the necessary controls are in place so that all property owned by the municipality is recorded as either property, plant and equipment or investment property. • A check or reconciliation should be performed between what is recorded and the properties listed per the title deed download on an annual basis.	New	30-Jun-15	Finance to conduct a deed search and update the asset register. A check balance must also be conducted from Asset Register to Deed Search	Sizeka Hulana		Okay - manageable issues
Investment Property											
3	Municipality did not recognise all Investment Property i.t.o GRAP 16. A number of properties were identified from the deed search that are not included in the Investment Property schedule and the converse. Investment Property understated by R36m	Misstatements in financial statements	PPE	Impact on audit report	The municipality should: • Ensure the necessary controls are in place so that all property owned by the municipality is recorded as either property, plant and equipment or investment property. • A check or reconciliation should be performed between what is recorded and the properties listed per the title deed download on an annual basis.	Old	30-Jun-15	Finance to conduct a deed search and update the Investment Property Schedule. A check balance must also be conducted from Investment to Deed Search	Sizeka Hulana		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Distribution Losses											
4	In the prior year the municipality did not include particulars of water distribution losses for Cookhouse and Pearston in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The amount could not be quantified. The auditor's opinion has been modified because of the (possible) effects of the unresolved matter on the comparability of the current year's figures and the corresponding figures.	Internal Control Deficiency	AFS	Impact on audit report	Monitoring and regular follow up on distribution losses should be performed and management should ensure that all relevant disclosures are made in the annual financial statements, as per the MFMA guideline	Old	30-Jun-15	The finding has been addressed in the current year. The qualification related to the 2012/13 year where we could not obtain a balance. The qualification will fall away in 2014/15	Zukiswa Ntile		FINALIZED
Irregular Expenditure											
5	The municipality did not include particulars of irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. The municipality made payments in contravention of the supply chain management requirements that were not included in irregular expenditure, resulting in irregular expenditure being understated by at least R21,9 million (2012-13: R934 939).	Misstatements in financial statements	Procurement	Impact on audit report	It is recommended that the accounting officer of the municipality ensures that they have a comprehensive understanding of the Municipal Finance Management Act 56 of 2003, particularly the areas covered by the act regarding their responsibilities. Practices need to be put in place that cover disclosure of these types of expenditure to the parties mentioned in the act. The disclosure also gives the municipality the opportunity to indicate to the mayor and MEC the level of their efforts in trying to recover these amounts from the responsible parties. It is further, recommended that the municipality investigate all non-compliance with applicable laws and hold the officials responsible for non-compliance. It is further recommended that expenditure against the budget is strictly monitored and officials held accountable for overspending the budget.	Old	30-Jun-15	Management to implement measures to adequately monitor expenditure. Early detection and reporting of UIF&W must be practised. Investigation and reporting of all UIF&W must commence a.s.a.p	Ayanda Mbebe		Bad - unmanageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Basis of Preparation											
6	GRAP 3: requires the preparers of the financial statements to disclose the nature of prior period errors. The municipality did not adequately disclose the nature of the prior period errors and the adjustment to the comparative figures disclosed in notes 42 of the financial statements	Internal Control Deficiency	AFS	Impact on audit report	All disclosure requirements in the relevant accounting framework should be complied with	New	30-Jun-15	Management / Officials to ensure GRAP and Accounting Framework compliance when compiling AFS	Martin Meyer		Good - going as planned
Aggregation of immaterial uncorrected misstatements in corresponding figures											
7	The corresponding amounts in the financial statements are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following items making up the statement of financial performance and the notes to the financial statements: <ul style="list-style-type: none"> • Service Charges understated by R643 801. • Employee related costs overstated by R1,2 million. • General Expenditure understated by R305 034. • Gain on investment properties fair valuation is understated by R277 456. 	Misstatements in financial statements	AFS	Impact on audit report	Management should ensure that the financial statements are free of material errors	Old	30-Jun-15	The finding has been addressed in the current year. The qualification related to the 2012/13 year where we could not obtain a balance. The qualification will fall away in 2014/15. Management must however monitor internal controls throughout the year and reduce errors to zero to prevent a re-occurrence of this qualification	Gerard Goliath		Okay - manageable issues
EMPHASIS OF MATTERS											
Restatement of corresponding figures											
8	As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during the current financial period in the financial statements of the municipality at, and for the year ended, 30 June 2013 and 30 June 2012	Misstatements in financial statements	AFS	Other important matters	Management should ensure that the financial statements are free of material errors	Old	30-Jun-15	Management must monitor internal controls throughout the year and reduce errors to zero to prevent a re-occurrence of this finding	Gerard Goliath		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Material losses / Impairments											
9	As disclosed in note 8 and 9 to the financial statements, other receivables from non-exchange transactions and trade receivables from exchange transactions were impaired by R1,9 million and R21,8 million respectively as it is unlikely that the municipality will recover the amount from the debtors	Internal Control Deficiency	Revenue	Other important matters		Old	30-Jun-15	Management must implement measures to reduce arrear debt which will prevent impairments.	Sizeka Hulana		Okay - manageable issues
10	As disclosed in note 27 to the financial statements, electricity losses of 27% and water losses of 42% were incurred during the financial year.	Internal Control Deficiency	Operating Expenditure	Other important matters	Monitoring and regular follow up on distribution losses should be performed and management should ensure that all relevant disclosures are made in the annual financial statements, as per the MFMA guideline	New	30-Jun-15	Management must implement measures to reduce distribution losses	Zukiswa Nile		Okay - manageable issues
Irregular Expenditure											
11	As disclosed in note 48 to the financial statements, irregular expenditure to the amount of R9,1 million (2012-13: R20,3 million) was incurred as a result of contravention of the supply chain management requirements	Misstatements in financial statements	Procurement	Other important matters	Management must enforce MFMA and SCM Regulations	Old	30-Jun-15	Management must enforce MFMA and SCM Regulations	Municipal Manager		Bad - unmanageable issues
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS											
Predetermined objectives											
Usefulness of reported performance information											
12	Twenty six percent of significantly important indicators were not verifiable. These findings were due to management not adhering to the requirements of the FMPP1 as there is a lack of proper performance management systems and processes in place and no technical indicator descriptions for all indicators and targets	Internal Control Deficiency	PDO	Other important matters	Management should perform a complete review of the SDBIP going forward to ensure that it is in-line with the best practices as recommended by Treasury. Management should ensure that indicators are well-defined by considering that the indicator should have a definition that has a clear meaning to the user (both the implementer of the project and the public), and it should be easy to understand and use	New	31-Jan-15	Departments will be trained on developing targets during the development of the new SDBIP - in accordance with the SMART principles.	Samela Hanabe		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Reliability of reported performance information											
13	Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance	Internal Control Deficiency	PDO	Other important matters	Management should ensure adequate planning, follow up in execution with effective review of information. This should be combined with implementation of adequate effective controls over the entire FMS.	New	31-Jan-15	Departments will be trained on developing targets during the development of the new SDBIP - in accordance with the SMART principles.	Samela Hanabe		Okay - manageable issues
Compliance with legislation											
Financial Statements and annual report											
14	Material misstatements of non-current assets, accumulated surplus and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion	Misstatements in financial statements	AFS	Impact on audit report	Management should ensure that the financial statements are free of material errors	Old	30-Jun-15	Management must monitor internal controls throughout the year and reduce errors to zero to prevent a re-occurrence of this finding	Gerard Goliath		Okay - manageable issues
Strategic Planning and performance management											
15	Measurable performance targets for the financial year with regard to each of the objectives and key performance indicators were not set in the IDP, as required by section 41(1)(b) of the MSA and the Municipal planning and performance management regulations, 2001 (Government Gazette 22605 of 2001) (MPPMR) 12(1) and 12(2)(e)	Misstatements in annual performance report	PDO	Other important matters	The Municipality should ensure the IDP is review and revised as a whole to ensure all information contained speaks to each other. The Municipality should also ensure the SDBIP is prepared as an action plan and serves to create a clear link between budget and IDP	New	30-Jun-15	Municipality to review IDP and include strategic plan and SDBIP in the reviewed IDP	Samela Hanabe		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
16	The adopted IDP did not reflect and identify a financial plan and the key performance indicators and targets, as required by sections 26 and 41 of the MSA, as well as the MPPMR 2(1)(c).	Non-compliance with laws & regulations	PDO	Other important matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the Municipal Systems Act, but also with other legislation. This should be delegated to the IDPPMS official who will be trained in ensuring that all compliance is met.	New	31-Mar-15	The Financial Plan must be reviewed and amended to include the Key Performance Indicators	Gerard Goliath		Okay - manageable issues
17	The local community was not afforded the opportunity to comment on the final draft of the IDP before adoption, as required by section 42 of the MSA and MPPMR 9, 13(1), 13(4)(c) and 15(3)	Internal Control Deficiency	PDO	Administrative matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the Municipal Systems Act, but also with other legislation. This should be delegated to the IDP official who will be trained in ensuring that all compliance is met	New	31-May-15	The Community was given 20 days instead of 21 days to comment last year; Community must be given at least 21 days to comment on IDP.	Samela Hanabe		Good - going as planned
18	The IDP was not annually reviewed based on the assessment of its performance measurements and changing circumstances, as required by section 34 of the MSA and MPPMR 3 and 11	Internal Control Deficiency	PDO	Other important matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the Municipal Systems Act, but also with other legislation. This should be delegated to the IDP official who will be trained in ensuring that all compliance is met	New	31-May-15	IDP review must be based on Assessment of Performance measurements and changing circumstances	Samela Hanabe		Good - going as planned
19	Key performance indicators, including input, output and outcome indicators, in respect of each of the development priorities and objectives were not set out in the IDP, as required by section 41(1)(a) of the MSA and the MPPMR 1 and 9(1)(a)	Internal Control Deficiency	PDO	Other important matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the Municipal Systems Act, but also with other legislation. This should be delegated to the IDP official who will be trained in ensuring that all compliance is met	Old	31-May-15	The Strategic Plan must be updated to accurately reflect the changes to input, output and outcome indicators.	Samela Hanabe		Okay - manageable issues
20	The performance of the municipality were not assessed during the first half of the financial year, as required by section 72(1)(a)(ii) of the MFMA	Internal Control Deficiency	PDO	Other important matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the MFMA, but also with the Municipal Systems Act. Oversight responsibility should be exercised to monitor the compliance	New	25-Jan-15	Management to ensure Section 72 Mid-year report is prepared in full compliance with the section	Municipal Manager		FINALIZED

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
21	The annual performance agreements for the municipal manager and all senior managers are not linked to the measurable performance objectives approved with the budget and to the service delivery budget implementation plan (SDBIP) as required in terms of section 53(1)(c)(iii) of the MFMA and section 57(1)(b) of the MSA	Misstatements in annual performance report	PDO	Other important matters	Management should draft a compliance checklist of all applicable legislation. This should be not based only on compliance with the Municipal Systems Act, but also with other legislation. This should be delegated to the IDP/PMS official who will be trained in ensuring that all compliance is met	New	31-Jan-15	Performance agreements must be linked to budget and SDBIP	Municipal Manager		FINALIZED
22	The performance management system and its related controls were inadequate as it did not describe and represent the processes of performance (planning, monitoring, measurement, review, reporting and improvement) and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the MPPMR	Internal Control Deficiency	PDO	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	Old	30-Jun-15	Management should put measures in place to improve functionality of PMS	Samela Hanabe		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Asset management											
23	An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA	Internal Control Deficiency	PPE	Impact on audit report	Municipality must implement a proper system for recording of Assets	Old	30-Jun-15	Management to ensure implementation of an adequate Information system to record Assets	Martin Meyer		Okay - manageable issues
24	An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA	Internal Control Deficiency	PPE	Other important matters	Municipality must implement a proper system for recording of Assets	Old	30-Jun-15	Management to ensure implementation of an adequate Information system to record Assets	Martin Meyer		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Liability management											
25	The municipality issued guarantees for debts of the Department of Minerals and Energy which were not provided for in the approved budget, in contravention of section 50(a) of the MFMA	Non-compliance with laws & regulations	Liabilities	Other important matters	Management should strive to fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	Old	30-Jun-15	Management must review its Securities and Guarantees to ensure compliance with legislation	Sizeka Hulana		Okay - manageable issues
26	Securities were issued without a resolution by the municipal council, as required by section 48(1) of the MFMA	Non-compliance with laws & regulations	Liabilities	Other important matters	Management should strive to fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	Old	30-Jun-15	Management must review its Securities and Guarantees to ensure compliance with legislation	Sizeka Hulana		Okay - manageable issues
27	The municipality issued securities for purposes other than those provided for in section 48(1) of the MFMA	Non-compliance with laws & regulations	Liabilities	Other important matters	Management should strive to fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	Old	30-Jun-15	Management must review its Securities and Guarantees to ensure compliance with legislation	Sizeka Hulana		Okay - manageable issues
Expenditure Management											
28	Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA	Internal Control Deficiency	Internal Control	Other important matters	It is recommended that the accounting officer of the municipality ensures that they have a comprehensive understanding of the Municipal Finance Management Act 56 of 2003, particularly the areas covered by the act regarding their responsibilities. Practices need to be put in place that cover disclosure of these types of expenditure to the parties mentioned in the act. The disclosure also gives the municipality the opportunity to indicate to the mayor and MEC the level of their efforts in trying to recover these amounts from the responsible parties. It is further, recommended that the municipality investigate all non-compliance with applicable laws and hold the officials responsible for non-compliance. It is further recommended that expenditure against the budget is strictly monitored and officials held accountable for overspending the budget	Old	30-Jun-15	Management must enforce MFMA and SCM Regulations and implement Consequence Management	Municipal Manager		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Procurement and Contract Management											
29	Sufficient appropriate audit evidence could not be obtained that all contracts and/ or quotations were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as supporting documentation could not be provided	Non-compliance with laws & regulations	Procurement	Impact on audit report	Management should implement effective internal controls to ensure compliance with all applicable laws and regulations.	Old	30-Jun-15	Management / Officials to strictly enforce SCM Policy and Regulations	Ayanda Mbebe		Okay - manageable issues
30	Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) and (c).	Non-compliance with laws & regulations	Procurement	Impact on audit report	Management should ensure that for all purchases above R2 000 have at least three quotes to ensure the best possible price is obtained, and if the Procurement Process is not followed, an appropriately authorized Supply Chain Deviation Form be filled out for these instances and supported with appropriate reasons why the process was not followed. These deviations must also be disclosed in the Notes to the Financial Statements	Old	30-Jun-15	Management / Officials to strictly enforce SCM Policy and Regulations	Ayanda Mbebe		Okay - manageable issues
31	Bid adjudication was not always done by committees which were composed in accordance with SCM regulation 29(2).	Non-compliance with laws & regulations	Procurement	Impact on audit report	A supply chain management section staff member should be assigned to draft the reports and management should ensure that these reports are submitted to council within the time frames prescribed by the supply chain management regulations.	New	30-Jun-15	Management / Officials to strictly enforce SCM Policy and Regulations - ensure Bid committees are constituted properly.	Ayanda Mbebe		FINALIZED
32	The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1)(a).	Non-compliance with laws & regulations	Procurement	Impact on audit report	The bid specification and evaluation committees' structures should be approved by the municipal manager and be kept in the tender file of the winning bidder. Management should also implement an effective internal control monitoring system to prevent and detect all non-compliance with applicable laws and legislation	Old	30-Jun-15	SCM officials to ensure the PPPFA is complied with for awards greater than R30,000	Ayanda Mbebe		Okay - manageable issues
33	Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c)	Non-compliance with laws & regulations	Procurement	Impact on audit report	Management should inform the CDB as soon as possible if they are experiencing any difficulties when uploading tender advertisements onto their website to prevent non-compliance with legislation.	Old	30-Jun-15	SCM officials to ensure all declarations of interest are made by suppliers with awards greater than R10,000	Ayanda Mbebe		Good - going as planned

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
34	Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act and CIDB regulation 18	Non-compliance with laws & regulations	Procurement	Impact on audit report	Management should implement effective internal control procedures to prevent and detect non-compliance with all applicable laws and regulations. The supply chain management clerk should ensure that for all tenders awarded, the bid results are placed on the website and, a screen print maintained with the tender file as evidence that this has been done.	Old	30-Jun-15	SCM officials to ensure all the construction contracts are registered with CIDB and advertised on CIDB website.	Ayanda Mbebe		Okay - manageable issues
35	Contracts were extended and modified without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA	Non-compliance with laws & regulations	Procurement	Impact on audit report	It is recommended that before procurement transactions are entered into the senior accountant should review the transactions to ensure compliance with the applicable laws and regulations.	New	30-Jun-15	Management / Officials to strictly enforce SCM Policy and Regulations	Municipal Manager		Okay - manageable issues
36	Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43	Non-compliance with laws & regulations	Procurement	Impact on audit report	It is suggested that management consider mechanisms to ensure that the required laws and regulations are adhered to in all respects. This could be achieved by creating and completing a compliance checklist.	Old	30-Jun-15	Management / Officials to strictly enforce SCM Policy and Regulations	Ayanda Mbebe		Bad - unmanageable issues
Consequence Management											
37	Unauthorised, Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA	Non-compliance with laws & regulations	Procurement	Administrative matters	Management should report any difficulties that they have in accessing the website of the CIDB as soon as possible in order to avoid non-compliance with applicable laws and regulations.	Old	30-Jun-15	Management must enforce MFMA and SCM Regulations and implement Consequence Management	Municipal Manager		Okay - manageable issues
Human Resource Management											
38	Job descriptions were not established for all posts in which appointments were made in the current year, in contravention of section 66(1)(b) of MSA	Non-compliance with laws & regulations	Internal Control	Other important matters	Management should take into consideration all the compliance requirements and implement procedures and processes to ensure that all the necessary requirements are met prior to the appointment being made	New	30-Jun-15	Management to ensure job descriptions are at prepared for each position in the organogram	Fezekile Cotani		Okay - manageable issues
39	Sufficient appropriate audit evidence could not be obtained that newly appointed managers directly accountable to the municipal manager submitted proof of previous employment prior to appointment as per the requirements of regulation 4 of GNR 805	Non-compliance with laws & regulations	Internal Control	Other important matters	The municipality should take into consideration all the compliance requirements and implement procedures and processes relating to the appointment of s66 managers to ensure that these compliance requirements are met	New	30-Jun-15	The information was available, but not submitted timeously. Information must be adequately filed and readily available	Fezekile Cotani		FINALIZED

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
40	Sufficient appropriate audit evidence could not be obtained that the senior managers dismissed for financial misconduct in a previous position and re-appointed before the expiry of 10 years in contravention of section 57A of the MSA	Non-compliance with laws & regulations	Internal Control	Other important matters	The municipality should take into consideration all the compliance requirements and implement procedures and processes relating to the appointment of s56 managers to ensure that these compliance requirements are met	New	30-Jun-15	The information was available, but not submitted timeously. Information must be adequately filed and readily available	Fezekile Cotani		FINALIZED
41	The competencies of financial and/or supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by the Municipal Regulations on Minimum Competency Levels regulation 13	Non-compliance with laws & regulations	Internal Control	Other important matters	There should be performance evaluation for all staff members to ensure that all the employees are able to deliver work up to the required standard thus helping the municipality to deliver on its mandate	New	30-Jun-15	Performance evaluation of all staff must be done at least once per annum.	Fezekile Cotani		Okay - manageable issues
42	The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Regulations on Minimum Competency Levels regulation 14(2)(a).	Internal Control Deficiency	Internal Control	Other important matters		New	30-Jun-15	The report was submitted and presented to auditors. Finding should not have been raised in Audit Report	Martin Meyer		FINALIZED
43	The municipality did not develop and adopt appropriate systems (policies) and procedures to monitor measure and evaluate performance of staff in contravention of MSA section 67(d).	Non-compliance with laws & regulations	PDO	Other important matters	There should be performance evaluation for all staff members to ensure that all the employees are able to deliver work up to the required standard thus helping the municipality to deliver on its mandate	New	30-Jun-15	Performance Management framework was adopted and is being implemented.	Samela Hanabe		FINALIZED

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Budgets											
44	Expenditure was not incurred in accordance with the approved budget and was incurred in excess of the limits of the amounts provided for in the votes of the approved budget in contravention of section 15 of the MFMA	Non-compliance with laws & regulations	Operating Expenditure	Other important matters	It is recommended that the accounting officer of the municipality ensures that they have a comprehensive understanding of the Municipal Finance Management Act 56 of 2003, particularly the areas covered by the act regarding their responsibilities. Practices need to be put in place that cover disclosure of these types of expenditure to the parties mentioned in the act. The disclosure also gives the municipality the opportunity to indicate to the mayor and MEC the level of their efforts in trying to recover these amounts from the responsible parties. It is further, recommended that the municipality investigate all non-compliance with applicable laws and hold the officials responsible for non-compliance. It is further recommended that expenditure against the budget is strictly monitored and officials held accountable for overspending the budget	Old	30-Jun-15	Management must enforce MFMA and SCM Regulations and implement Consequence Management	Sizeka Hulana		Okay - manageable issues
Audit Committee											
45	The audit committee did not advise the council and the accounting officer on matters relating to performance management and performance evaluation as required by section 166(2)(a) of the MFMA	Non-compliance with laws & regulations	PDO	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	Audit Committee to advise Council and AO on Performance Management and Performance Evaluation	Chairperson: Audit Committee		Okay - manageable issues
46	The audit committee did not review the municipality's performance management system and make recommendations to the council, as required by Municipal planning and performance management regulation 14(4)(a)(ii).	Non-compliance with laws & regulations	PDO	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	Audit Committee to evaluate PMS and make recommendations to Council	Chairperson: Audit Committee		Okay - manageable issues

Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
47	The audit committee did not review all the quarterly internal audit reports on performance measurement, as required by Municipal planning and performance management regulation 14(4)(a)(i).	Non-compliance with laws & regulations	PDO	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	PMS reports to be submitted timeously for IA review and Audit Committee Oversight.	Samela Hanabe		Okay - manageable issues
48	The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by Municipal planning and performance management regulation 14(4)(a)(iii).	Non-compliance with laws & regulations	PDO	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	Old	30-Jun-15	Chairperson: Audit Committee to submit two audit reports on the review of PMS to Council	Chairperson: Audit Committee		Okay - manageable issues

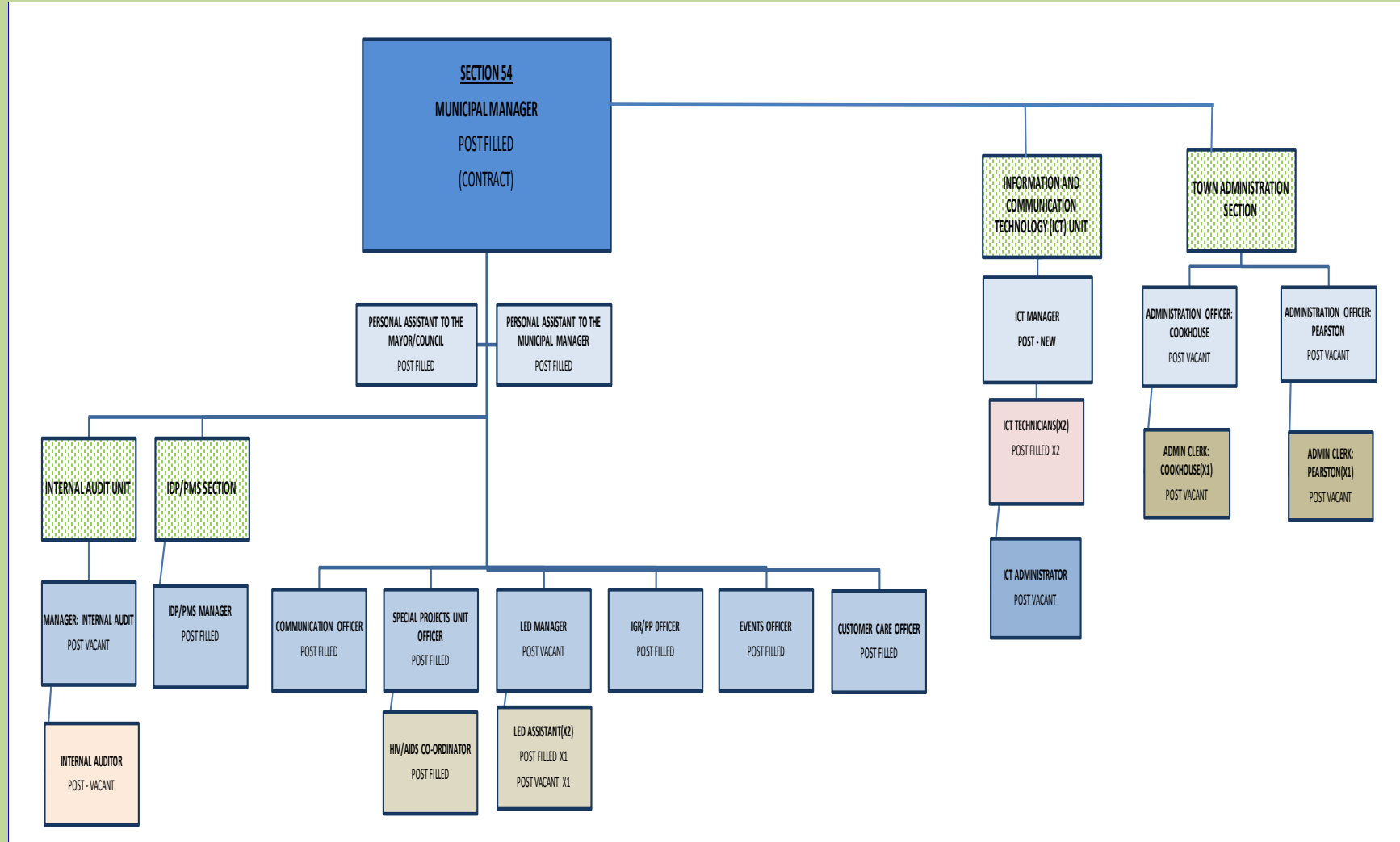
Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Internal Audit											
49	The internal audit unit did not function as required by section 165(2) of the MFMA, in that it did not advise the accounting officer and/or report to the audit committee on matters relating to internal controls, accounting procedures and practices and loss control	Non-compliance with laws & regulations	Internal Control	Impact on audit report	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	IA to review its scope to ensure compliance with s 165 of MFMA	Manager: Internal Audit		Okay - manageable issues
50	The internal audit unit did not advise the accounting officer and/or report to the audit committee on matters relating to compliance with the MFMA, the DoRA and other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA	Non-compliance with laws & regulations	Internal Control	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	Old	30-Jun-15	PMS reports to be submitted timeously for IA review and Audit Committee Oversight. IA to adhere to s 165 of MFMA	Manager: Internal Audit		Okay - manageable issues
Internal Control											
Leadership											
51	The effectiveness of leadership in the current year is concerning with regards to guiding the municipality's activities and setting the tone for its daily operations at all functional levels. Sixty percent of the senior manager positions were vacant for a portion of the year, which has had a negative effect on the leadership structure. Oversight responsibility has been negatively affected by the high vacancy rate at the municipality, as accountability is undermined by the unstable leadership structure.	Internal Control Deficiency	Internal Control	Other important matters	Vacancies should be filled within reasonable time to ensure continuity of operations.	New	30-Jun-15	Effort should be made that all vacant posts should be advertised in reasonable time. Organogram should be reviewed to reduce unnecessary vacant posts.	Fezekile Cotani		Okay - manageable issues

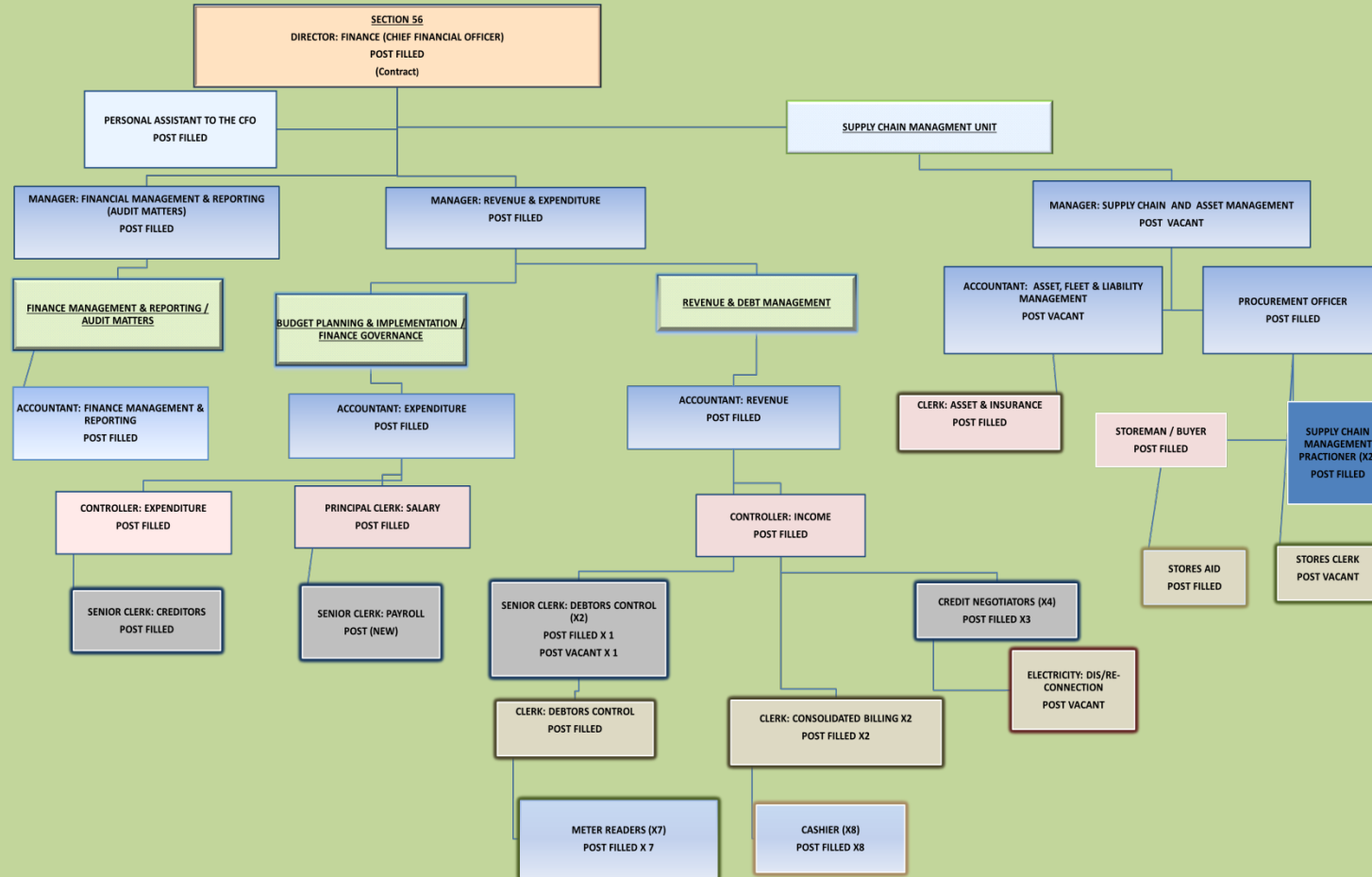
Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
52	There was a lack of consequence management and recourse taken by oversight mechanisms to address transgressions in laws and regulations governing procurement and supply chain management processes. There is no evidence that leadership has followed up or investigated transgressions by officials. Leadership's inability to address and prioritise this critical area has a direct bearing on the number of compliance findings reported	Internal Control Deficiency	Internal Control	Other important matters	It is recommended that the accounting officer of the municipality ensures that they have a comprehensive understanding of the Municipal Finance Management Act 56 of 2003, particularly the areas covered by the act regarding their responsibilities. Practices need to be put in place that cover disclosure of these types of expenditure to the parties mentioned in the act. The disclosure also gives the municipality the opportunity to indicate to the mayor and MEC the level of their efforts in trying to recover these amounts from the responsible parties. It is further, recommended that the municipality investigate all non-compliance with applicable laws and hold the officials responsible for non-compliance. It is further recommended that expenditure against the budget is strictly monitored and officials held accountable for overspending the budget	Old	30-Jun-15	Management must enforce MFMA and SCM Regulations and implement Consequence Management	Municipal Manager		Okay - manageable issues
53	Policies and procedures are either not implemented or not monitored, and the deficiencies identified in the previous audit have not been addressed, symptomatic of a slow response to and inadequate monitoring of our prior year messages. This is indicative of a leadership structure not managing the affairs of the municipality, the result being the numerous material misstatements identified in the financial statements and the lack of effective service delivery as evidenced by the qualified opinion on the reliability of the annual performance report	Internal Control Deficiency	Internal Control	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	Management must intensify the implementation of PMS	Municipal Manager		Okay - manageable issues

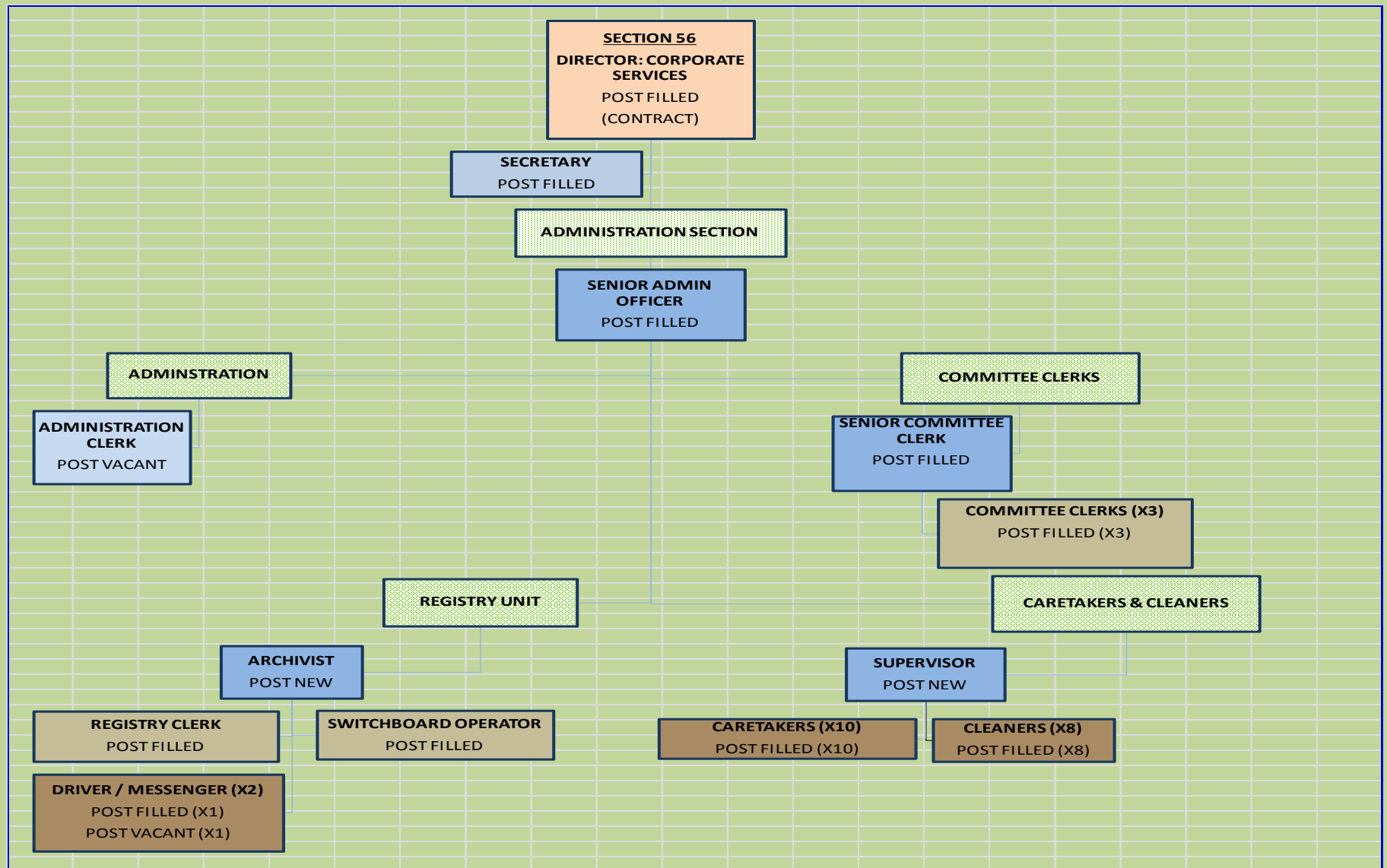
Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Financial and Performance Management											
54	The financial statements contained material misstatements. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework and the municipality still having to appoint external parties to compile the fixed asset registers due to a shortage or lack of in-house skills and competencies. However, the municipality must adopt a proper strategy to ensure that the opportunity exists for the necessary skills transfer to the responsible employees	Misstatements in financial statements	AFS	Other important matters	The municipality should: <ul style="list-style-type: none"> • Employ consultants with the necessary experience in reviewing useful lives and residual values as well as valuing infrastructure assets. • Review work completed by consultants to ensure guidelines have been adhered to and ensuring that there is evidence of work done 	New	30-Jun-15	Consultants that were previously employed have been tasked to rectify the errors in their work and provide adequate evidence. Management to review Work when done.	Martin Meyer		Okay - manageable issues
55	There is an inadequate control environment at the municipality over proper record keeping and reporting occurring in non-current assets and liabilities. This has resulted in the qualified opinion on the financial statements and the material findings on the annual performance report. Management relied on external parties to compile underlying accounting records for the financial statements, not ensuring that the underlying information can be relied upon through the proper review. The financial statements were therefore submitted for audit containing material misstatements that were not identified by the municipality's own system of control	Internal Control Deficiency	Internal Control		The municipality should: <ul style="list-style-type: none"> • Employ consultants with the necessary experience in reviewing useful lives and residual values as well as valuing infrastructure assets. • Review work completed by consultants to ensure guidelines have been adhered to and ensuring that there is evidence of work done 	New	30-Jun-15	Consultants that were previously employed have been tasked to rectify the errors in their work and provide adequate evidence. Management to review Work when done.	Martin Meyer		Okay - manageable issues
Governance											

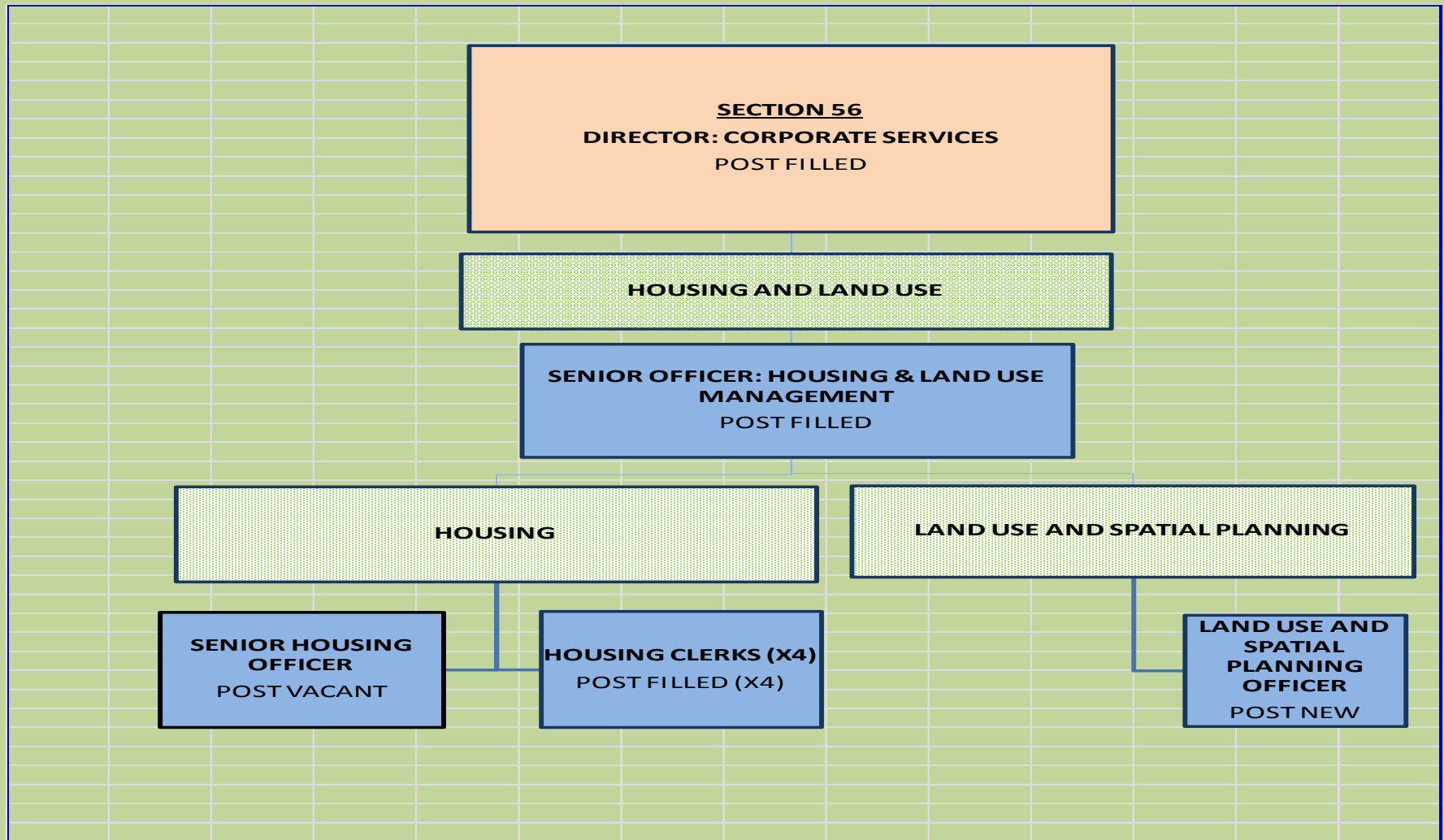
Control no.	Finding	Classification	Area	Impact/Rating	Audit Recommendation	New / Old issue	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
Financial and Performance Management											
Governance											
56	Due to the breakdown of assurance structures within the municipality in performing their roles and responsibilities effectively, there has been inadequate response to mitigate the risks identified by management, internal audit, external audit and those charged with governance from the current and prior years. The internal audit function was inadequately resourced and therefore could not function effectively for a part of the financial year. Action plans to address risks identified by the municipality's internal audit department have not been effectively implemented. The audit committee cannot be considered effective without a well-functioning internal audit unit within the municipality. In addition, the audit committee does not hold management accountable for not implementing the recommendations that are made by internal and external audit	Internal Control Deficiency	Internal Control	Other important matters	Management should ensure that an adequate performance management system is in place so that the Audit Committee is able to play an oversight role over the Internal Audit function and ensure that performance management is appropriately considered and therefore enabling the audit committee to adequately review the performance management system and make recommendations given to council	New	30-Jun-15	Management must intensify the implementation of PMS and improve the functioning of Internal Audit	Manager: Internal Audit		Okay - manageable issues

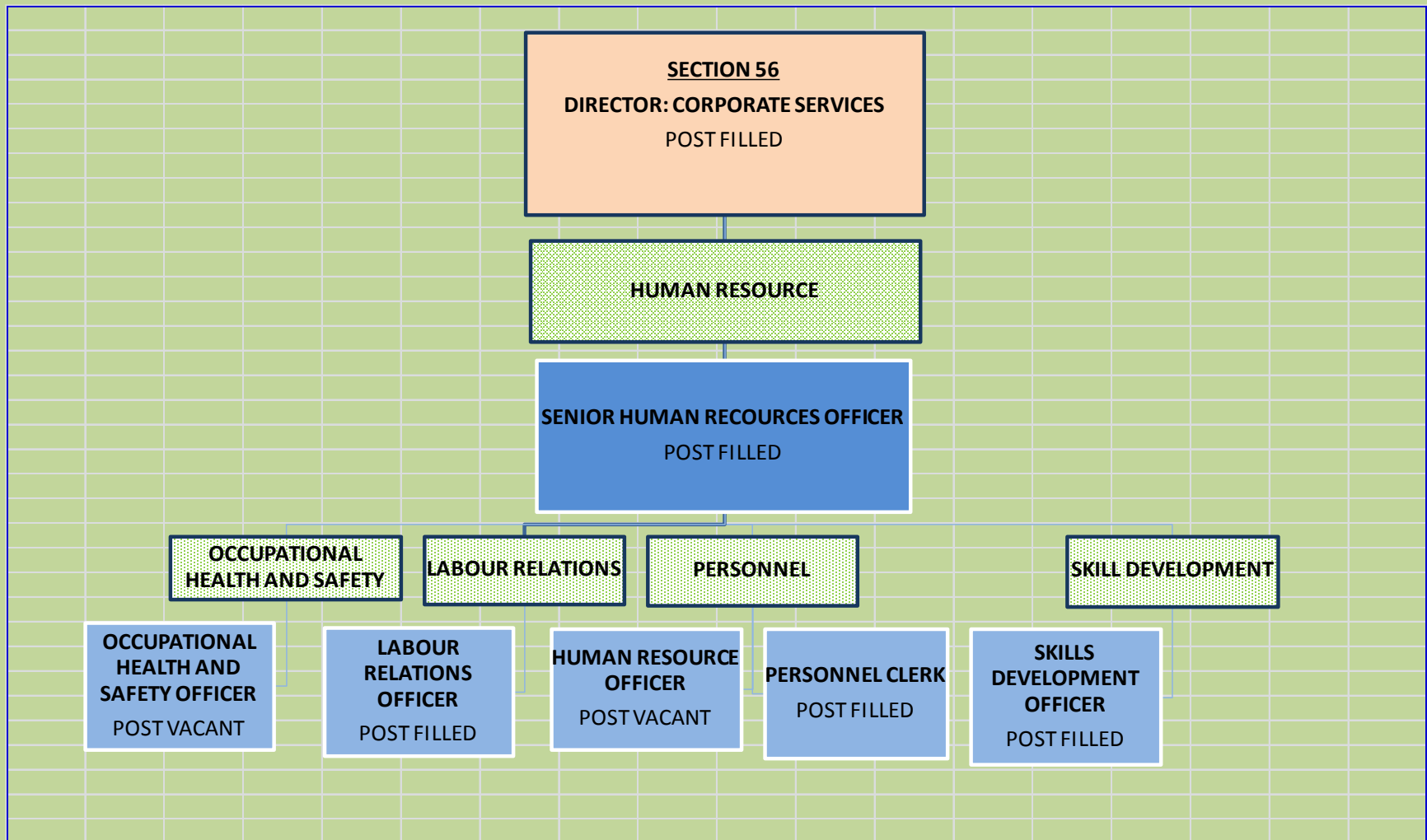
ANNEXURE B – BCRM ORGANOGRAMME

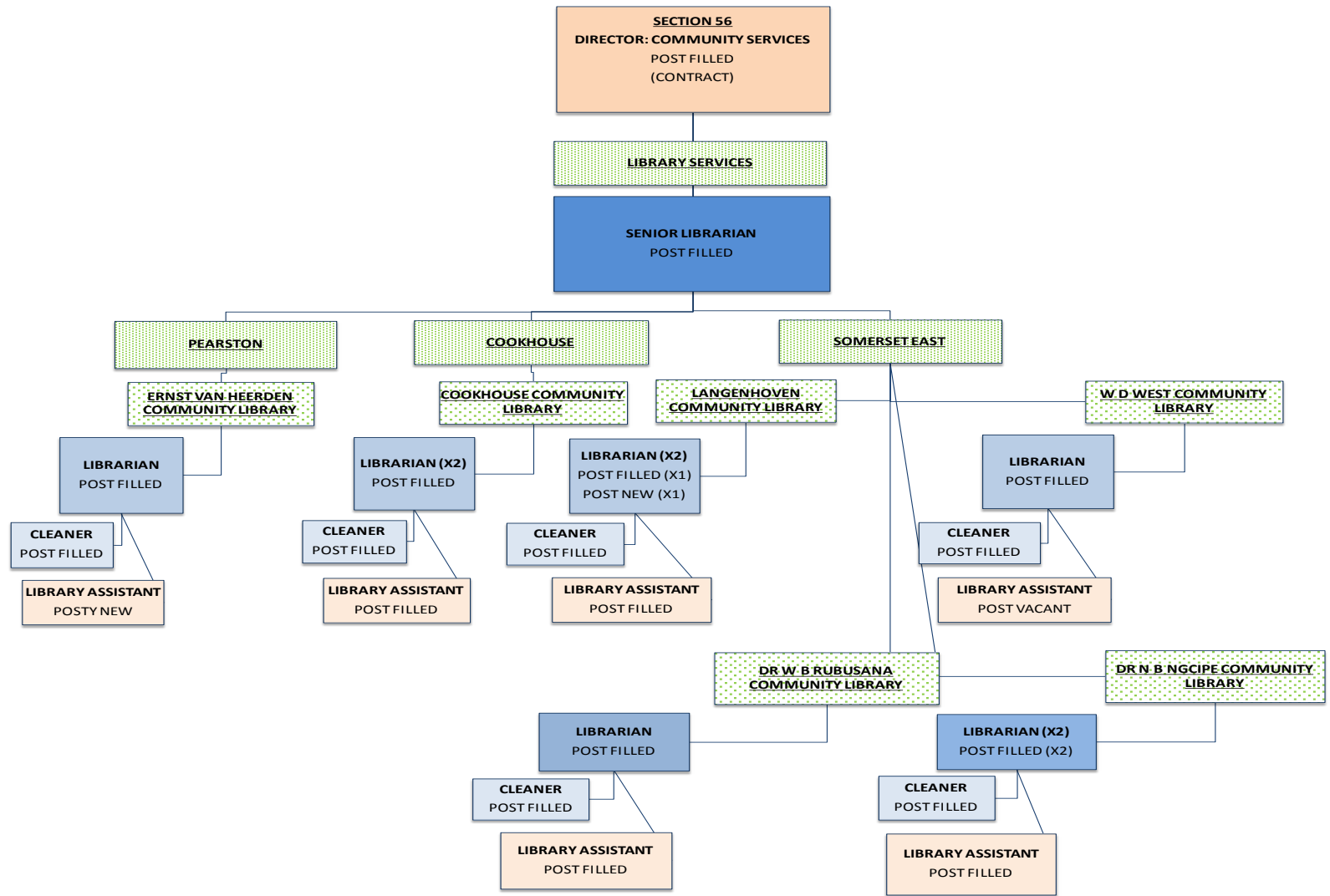


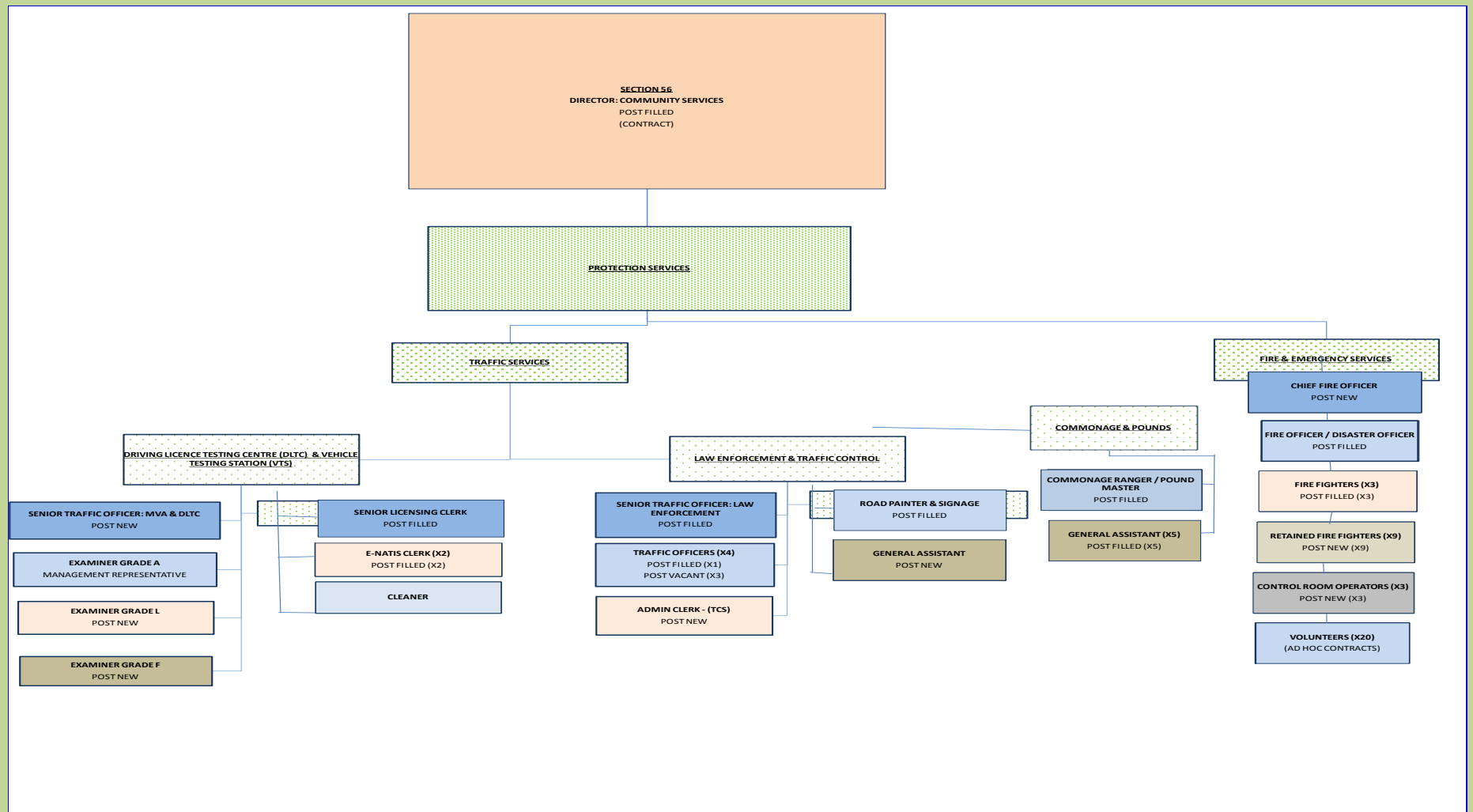


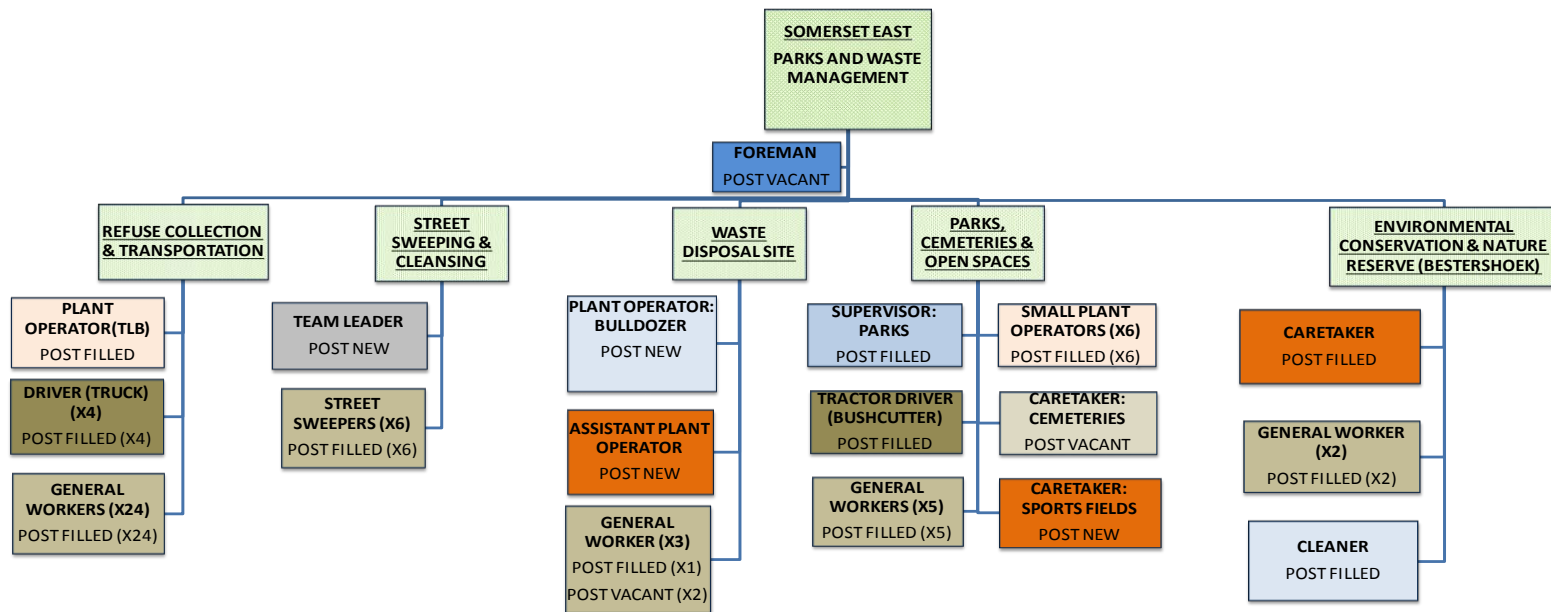


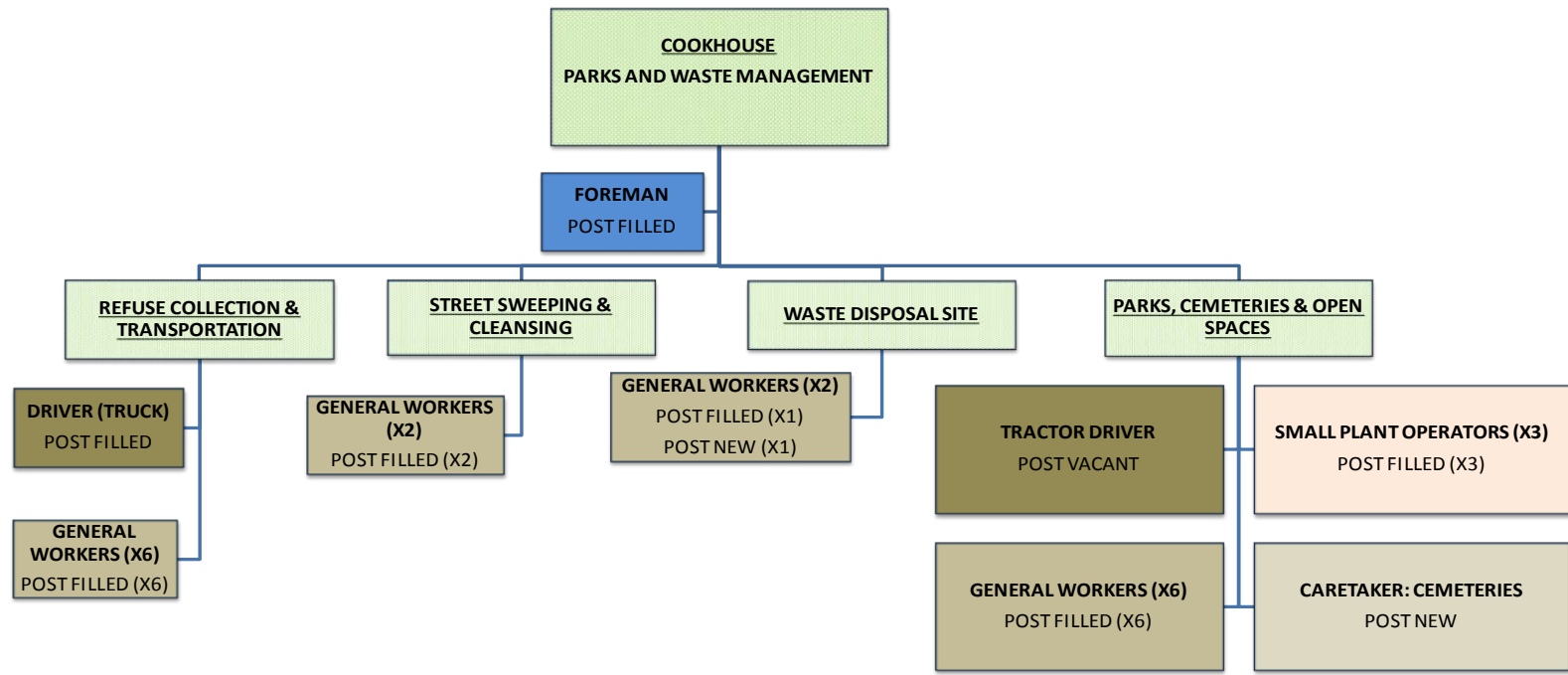


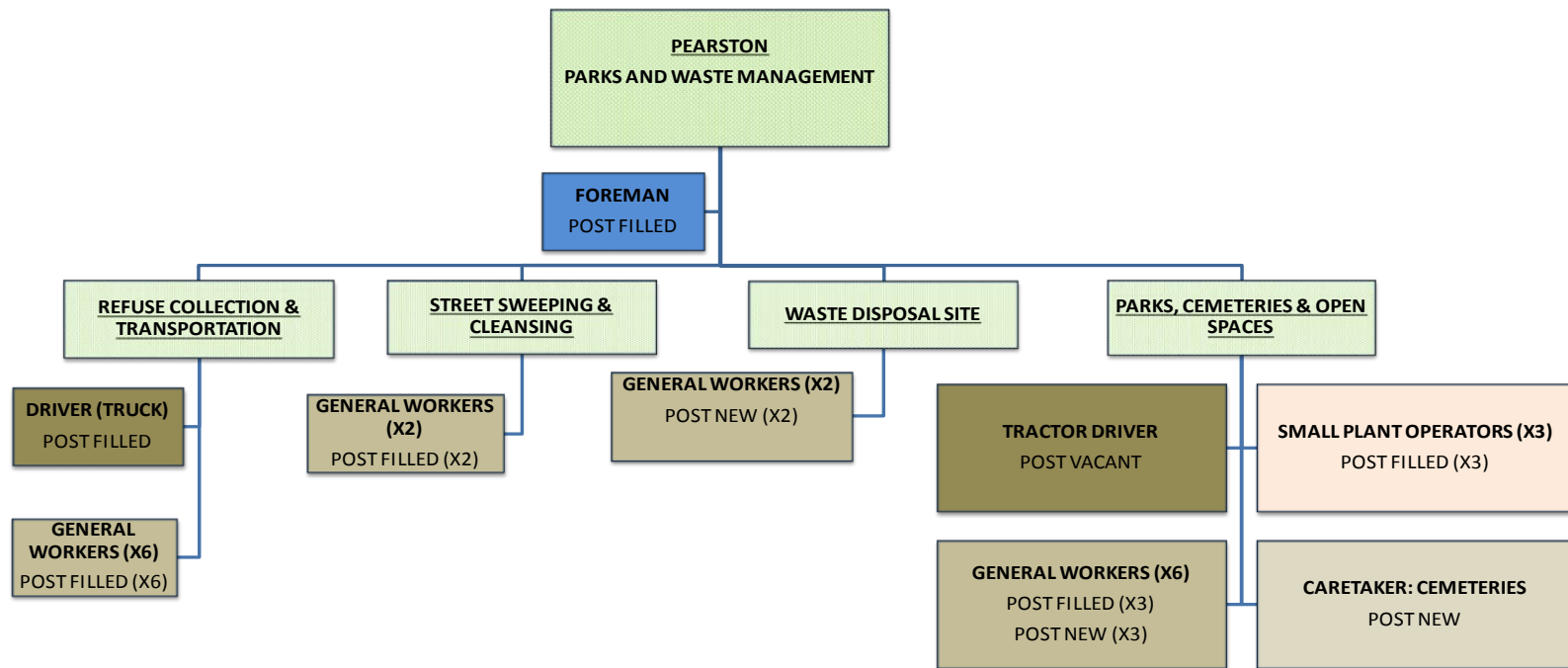


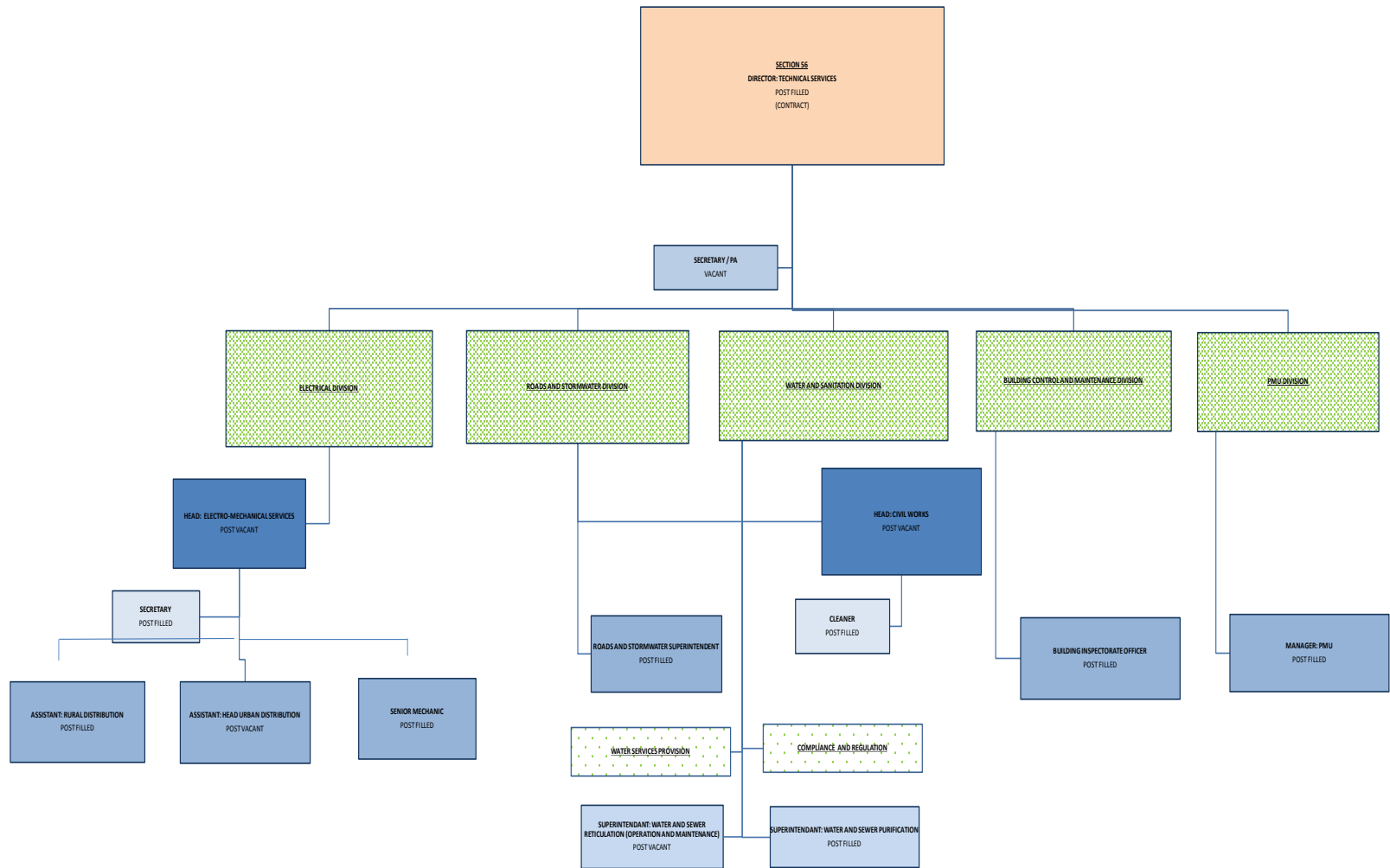


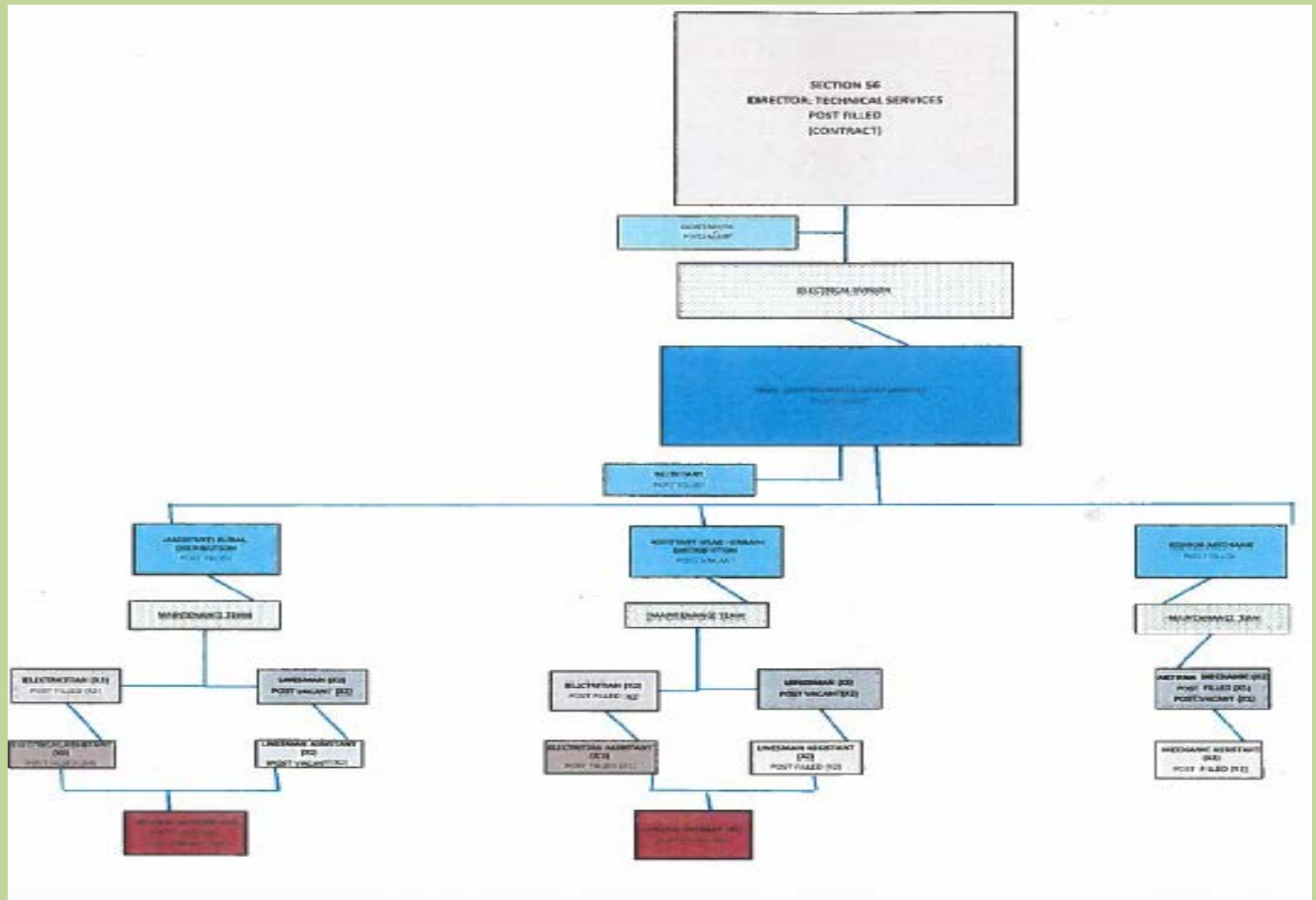


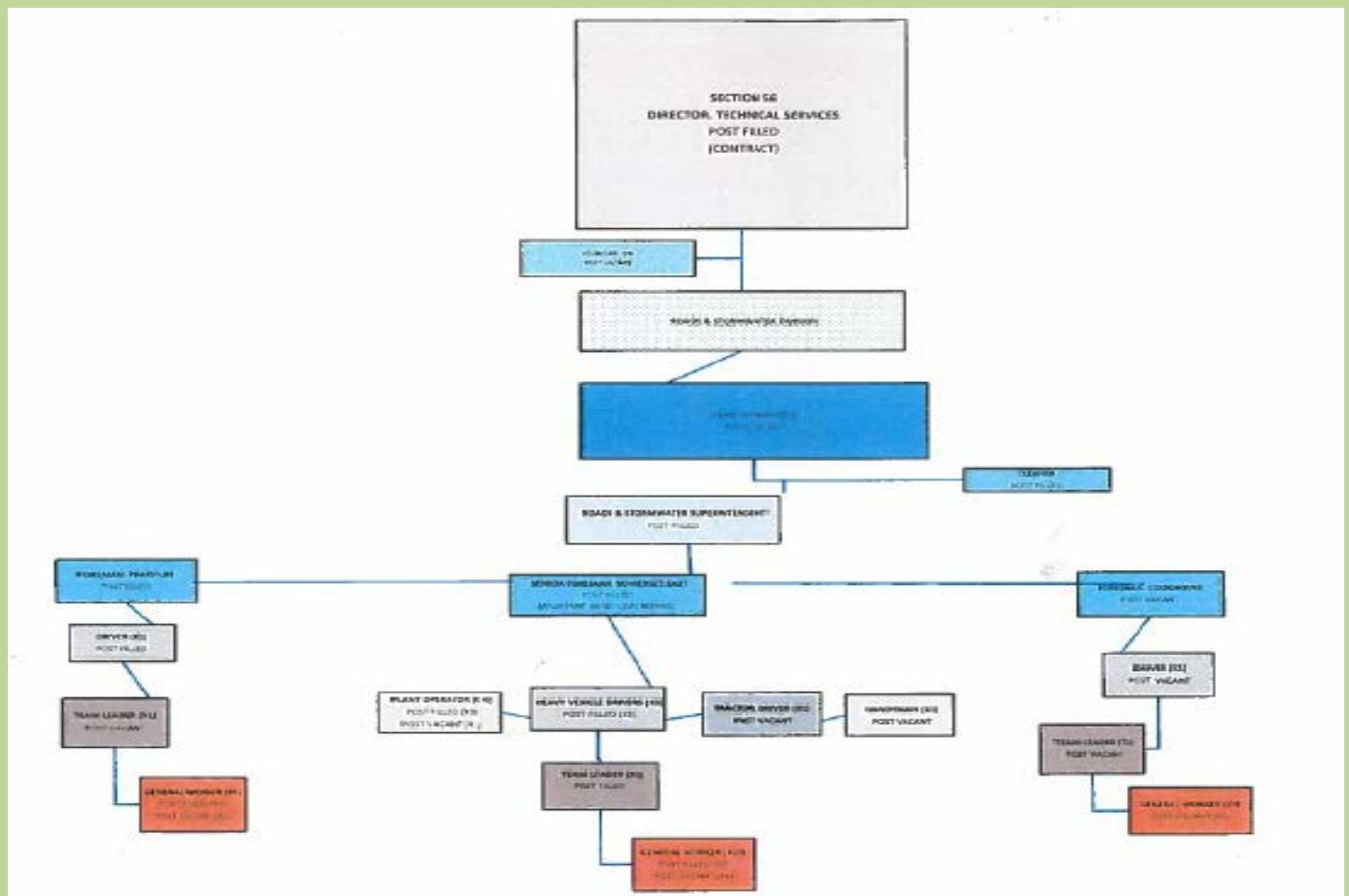












ANNEXURE C – 2014/2015 ANNUAL FINANCIAL STATEMENT PLAN

BLUE CRANE ROUTE MUNICIPALITY			
TIMETABLE FOR THE COMPLETION OF THE ANNUAL FINANCIAL STATEMENTS FOR 30 JUNE 2015			
Item nr	Description	Responsible person	Deadline
	Expenditure		
1	Cancel all outstanding orders	L Balasane	30 June 2015
2	Balance creditors control account (Votes 30030021 & 30030361)	L Balasane	3 July 2015
3	Balance provision for creditors (2013/14) - Opening Balance (Vote 30030120 & 40380070)	C Botha	26 June 2015
4	Balance wages register with ledger expenditure votes	C Botha	24 July 2015
5	Perform stock count, process adjustments and balancing stock control account Issue stock certificate (Vote 40300010)	A Mbebe/L Balasane	3 July 2015
6	Balancing petty cash and issue final cheque	E Vermeulen	30 June 2015
7	Balancing salary suspense votes (Votes 30030370 - 30032000)	L Koekemoer	10 July 2015
8	Provision for Performance Bonusses and 13th cheque (Vote 30030130)	M Meyer	30 June 2015
9	Payroll reconciliation with operating account	C Botha	24 July 2015
10	List of creditors at year end 30 June 2015 - Journalised	C Botha	24 July 2015
11	List of retention monies outstanding at year end	M Meyer	24 July 2015
12	Compile register of Irregular expenditure (SCM)	A Mbebe	24 July 2015
	Revenue		
1	Balancing debtors control votes to billing (Votes 40360010 - 40360290)	V Gowar	03 July 2015
2	Balancing consumer deposits with control acc and Electronic/hard copy of list of deposits (Vote 30050010)	V Gowar	03 July 2015
3	Billing: Electronic age analysis & hardcopy	V Gowar	01 July 2015 (after receipts)
	Provision for bad debts	M Meyer	10 July 2015
	Reconcile write offs with provision and bad debts expense	M Meyer	30 June 2015
	Summary of balances - customer classification	V Gowar	01 July 2015 (after receipts)
	Summary of balances - Services & Sundry debtors	V Gowar	01 July 2015 (after receipts)
	Determine the total usage/selling of water and elect	C Botha/M Meyer	24 July 2015
4	Property rates reconciliation for 2014/15 (Vote 143502)	V Gowar	17 July 2015
5	Long-term receivables: sporting bodies, other loans (Vote 40820050)	M Meyer/V Gowar	03 July 2015
6	Calculate payments received in advance: Pre-paid elect	M Meyer	17 July 2015
	Town Hall rentals	M Meyer	17 July 2015
7	Calculate elect and water losses for the full year (sales vs purchases/purified)	C Botha/M Meyer	04 August 2015
8	Calculate and journalised water/elect levied in July for June	M Meyer/V Gowar	15 July 2015

Item nr	Description	Responsible person	Deadline
	Financial accounting		
1	Balancing bank account to Bankcontrol account and clear all items on bankreconciliation (Votes 40400010 - 40400093)	C Botha	06 July 2015
2	Provision for rehabilitation of all landfill sites	M Meyer/Ducharme Cons	31 July 2015
3	Provision for leave with leave gratuity schedules (Vote 30030280)	C Botha	31 July 2015
4	Conditional grants as per Appendix F per AFS and balancing to operating account (Votes 30150010 - 30150440)	M Meyer	17 July 2015
5	VAT Reconciliations and balancing votes (Votes 40380010 - 40380110)	C Botha	17 July 2015
6	Related parties transactions (transactions between management and family)	G Goliath/A Mbebe	03 August 2015
7	Calculation of unsold water at 30 June 2015	M Meyer/Nel Potgieter	10 July 2015
8	External Loan - calculate interest/redemption and short-term portion	M Meyer	10 July 2015
9	Additional disclosures in terms of MFMA: SALGA	M Meyer	24 July 2015
	Audit Fees	M Meyer	24 July 2015
	VAT	C Botha	24 July 2015
	PAYE, UIF, Pension, medical aid	C Botha	24 July 2015
	Council Arrear accounts	V Gowaar	24 July 2015
	Section 57 cost to employer	C Botha	24 July 2015
	Councillors remuneration	C Botha	24 July 2015
	with statement of Aofficer as per MFMA 124(1)(a)	M Meyer	24 July 2015
10	Capital Commitments	M Meyer	31 July 2015
11	Contingent liabilities - progress reports from Lawyers	L Botha	24 July 2015
12	Leases: Operating leases & finance leases - tables and journal entries	M Meyer	30 June 2015
13	Investments register and calculation of accumulated interest also calculate/reconcile total interest received as income	L Balasane	10 July 2015
14	Analysis of unappropriated surplus vote and correction of prior year errors	M Meyer	30 June 2015
15	Construction work in progress as at 30 June 2015	M Meyer	17 July 2015
16	Reconciliation/calculation of RDP housing projects and Inventory	M Meyer	17 July 2015
17	Appoint consultants to calculate post-retirement benefits:		
	Medical - aid	M Meyer	12 June 2015
	Do year-end journals for above	M Meyer	10 July 2015
18	Check Ledger accounts for corrections/adjustments and errors	M Meyer	30 June 2015
19	Journalised all assets and liabilities balances of BCDA into BCM ledger	M Meyer	30 June 2015
20	Inform auditors of stock count on water and consumables at 30 June 2015	A Mbebe	12 June 2015
21	Take water stock count on 30 June 2015	M Meyer	30 June 2015

Item nr	Description	Responsible person	Deadline
	<u>Assets</u>		
	Fully GRAP compliant assets register with calculation of depreciation and additions with journal entries in ledger	Ducharme/M Meyer	03 August 2015
		Ducharme/M Meyer	03 August 2015
	<u>Financial Statements</u>		
1	Compile draft GRAP compliant AFS for 2014/15	M Meyer	14 Aug 2015
2	Review of AFS	A2A Kopano	21 Aug 2015
3	Review of AFS	Audit Committee	21 Aug 2015
4	Submitting of AFS to AG Office in East Londen	M Meyer	28 Aug 2015

ANNEXURE D - WARD BASED PLANNING: 2015/2016

The Local Government Systems Act No 32 of 2000, Chapter 4 section 16(1) requires the municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including; the preparation, implementation and review of its Integrated Development Plan and the preparation of its Budget

In compliance with the above legislation, from the 04th -7th May 2015 Blue Crane Route Local Municipality conducted IDP/Budget public road show within the municipal wards to get public input towards the final IDP/Budget Review 2015/16 and further gave report back to the community on the progress made with regards to their needs.

The following is the list of community needs and the progress made in addressing them:

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
1	Cllr Mjikelo	PAVING OF ROADS	On-going implementation
		EPWP	In progress; CWP in progress
		BCDA LED PROJECTS	On-going implementation
		ACCESS TO LAND FOR AGRICULTURAL PURPOSES	DRDAR assisting with farms- MM/Mayor & Councillors on Task team
		HOUSING :TRANSFER OF TRANSNET LAND	In discussion with Transnet and Dept. Human Sett
		NEW CEMETERY: CURRENT CEMETERY IS FULL & CLOSE TO RIVERBED	Not addressed
		MAINTENANCE OF GRAVEL STREETS, PAVING & STORMWATER	On-going
		ELECTRICITY: IMPLEMENT STREETLIGHT ERECTION	In Progress – material procured and High Masts being refurbished
		FENCING OF COOKHOUSE LANDFILL SITE	Included in 3 year budget
		UPGRADE WWTW: SEWER CONNECTION OF SEPTIC TANKS	Design / EIA in progress – applying for funding
		UPGRADE OF SPORT FIELDS	N10 field design complete – Sports field implementation plan to be finalized.

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		SWIMMING POOL	Not yet addressed
		BULK WATER SUPPLY: PHASE 2	Awaiting funds
		SEWER PIPELINE PHASE 3	Not addressed
		SUSTAINABLE HUMAN SETTLEMENT	<ul style="list-style-type: none"> BHONGWENI RECTIFICATION (155 UNITS) (WARD 1 & 6) VANDALISED HOUSES IN NEWTOWN (3 IN 155 UNITS) (W1) BACKLOG; Informal settlement must be formalised (200 units)
		MULTI-PURPOSE CENTRE	Application for funding made to Provincial Planning Treasury (Coega Development Corporation)
		HEALTH SERVICES (sent to Province)	<ul style="list-style-type: none"> Additional clinic staff needed Expansion of clinic
		RURAL DEVELOPMENT AND AGRARIAN REFORM	<ul style="list-style-type: none"> Commonage Agriculture Equipment & Infrastructure
		REDISTRIBUTION OF LAND	Not addressed
2	Cllr Bradfield	PAVING OF ROADS	R335 AND AIRPORT PAVING (Projects commenced)
		EPWP	In progress; CWP in progress
		BCDA LED PROJECTS	Ongoing Implementation
		INDUSTRIAL PARK DEVELOPMENT	(CDA lobbying for funding)
		CONSTRUCTION OF SHOPPING MALL	Design in progress – by Shoprite)
		ROAD MAINTENANCE, PAVING AND STORM WATER	<ul style="list-style-type: none"> UPGRADE PAVEMENTS IN TOWN (In progress) RESURFACING OF TARRED ROADS IN TOWN (In Progress – Ongoing project) COSTRUCT A WALKWAY ALONG THE R335 ROAD TO AEROVILLE MAINTENANCE OF STREETS IN TOWN (On-

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
			<p>going)</p> <ul style="list-style-type: none"> • MAINTENANCE OF GRAVEL ROADS (On-going) • IMPLEMENT PAVING OF GRAVEL ROADS (Not in current year) • UPGRADING OF R335 AND SOMERSET AIRPORT PAVING (In Progress) • IMPLEMENT STORM WATER DRAINAGE IMPROVEMENTS (On-going)
		ROAD SAFETY	SPEED HUMPS IN AEROVILLE (on-going implementation)
		ELECTRICITY NETWORK	<ul style="list-style-type: none"> • IMPROVE ELECTRICITY NETWORK IN AEROVILLE (On-going Implementation) • IMPLEMENT STREET LIGHTS ERECTION (In Progress – material procured)
		PROPERTY - RELATED	RESTORATION OF BURNT AND ABANDONED HOUSES (In progress, on-going project with budget constraints)
		RESIDENTIAL HOUSES USED FOR BUSINESS PURPOSES	DEVELOPMENT OF BY-LAWS / RATES (In progress)
		DISABLED FRIENDLY ACCESS BUILDINGS / FACILITIES, ETC.	In Progress – ongoing implementation
		NUMBERING OF HOUSES	Not addressed
		WASTE SERVICES	UPGRADE OF THE LANDFILL SITE (Internal management improvement)
		HEALTH SERVICES – (submitted to Province)	<ul style="list-style-type: none"> • ADDITIONAL STAFF AT AEROVILLE AND UNION STREET CLINICS (not addressed) • CONSIDER TO CONVERT OLD POST OFFICE TO REPLACE UNION STREET CLINIC (not addressed)

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		RURAL DEVELOPMENT	<ul style="list-style-type: none"> • SIYAZONDLA • ACCESS TO LAND FOR EMERGING FARMERS
		DROP-OFF BAYS ALONG R63 ROAD AT AEROVILLE TURNOFF	Construction nearing completion
		RURAL ROADS MAINTENANCE	Not addressed
		FENCING BETWEEN THE ROAD AND THE TOWNSHIP	Not addressed
3	Cllr Yantolo	PAVING OF ROADS	R335 AND AIRPORT PAVING (Projects commenced)
		EPWP	In Progress; CWP in progress as well
		BCDA LED PROJECTS	In progress - Ongoing
		CONSTRUCTION OF SHOPPING MALL	Design in progress
		ROAD MAINTENANCE, PAVING AND STORM WATER	<ul style="list-style-type: none"> • PAVING OF ROADS (On-going project) • ROAD MAINTENANCE OF GRAVEL ROADS (On-going) • STORM WATER DRAINAGE (On-going)
		ELECTRICITY	IMPLEMENT STREETLIGHT ERECTION (In Progress – material procured; High Masts being refurbished)
		SPORT FIELD	Not in current Budget
		PARKS	Designs in progress, no implementation plan yet

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		WATER SUPPLY	IMPROVED WATER QUALITY (On-going; staff are being trained to improve skills)
		CEMETERY	DEVELOP A STRATEGY TO UPGRADE OR DEVELOP NEW CEMETERY – EMP (Currently planning Aeroville Cemetery for construction)
		SUSTAINABLE HUMAN SETTLEMENT	<ul style="list-style-type: none"> BURNT AND ABANDONED HOUSES (In progress, on-going project with budget constraints) RECTIFICATION (Waiting for temporary structures and dohs to finalise contract and implement – delays at provincial level) COMMUNITY HALL (Application for funding for MPC made to Provincial Planning Treasury (Coega Development Corporation) NEW BRIGHTON RECTIFICATION (not addressed) UPGRADE ZINYOKA INFORMAL SETTLEMENT (not addressed)
		HEALTH SERVICES – (Forwarded to Province)	<ul style="list-style-type: none"> ADDITIONAL CLINIC STAFF NEEDED APPOINT A NEW MOBILE SISTER – REPLACE RETIREE (not addressed
		RURAL DEVELOPMENT AND AGRARIAN REFORM	<ul style="list-style-type: none"> FENCING OF GRAZING CAMPS AND SKILLS(not addressed) SIYAZONDLA(not addressed) ACCESS TO LAND / COMMONAGE (not addressed)
4	Cllr Mali	PAVING OF ROADS	On-going project
		EPWP	EPWP in progress; CWP in progress
		BCDA LED PROJECTS	(On-going project identification)

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		ROAD MAINTENANCE, PAVING AND STORM WATER	<ul style="list-style-type: none"> ROAD SAFETY <ul style="list-style-type: none"> POTHoles AND SPEED HUMPS (On-going) UPGRADE OF SIDEWALKS/PAVEMENTS IN TOWN (On-going) KHANYISO BRIDGE (Application for funding made to Provincial Planning Treasury (Coega Development Corporation)) NELSIG BRIDGE (As above) SPEED HUMPS (On-going project)
		WATER SUPPLY	<ul style="list-style-type: none"> INVESTIGATE GRAVITATION WATER SUPPLY FROM CANAL TO PEARSTON (Community Water Supply investigation in progress – exploring more water sources) ASSESSMENT OF WATER TREATMENT PLANT (In Progress) SHORTAGE OF WATER IN COMMONAGE (In Progress)
		LANDFILL SITE	<ul style="list-style-type: none"> IDENTIFY A NEW LANDFILL SITE (In Progress) RECYCLING PROJECT – BCDA (To be investigated by dept.)
		ELECTRICITY NETWORK	<ul style="list-style-type: none"> IMPLEMENT STREETLIGHTS (In Progress – material procured; High masts currently being refurbished) WEAK ELECTRICITY SUPPLY TO PEARSTON (applications for funding submitted) SOLAR GEYSERS (BCDA to facilitate)
		CEMETERY	Not addressed
		ELIMINATION OF SEPTIC	Not addressed

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		TANKS	
		SWIMMING POOL	Not addressed
		PARKS	In Progress
		SPORT FACILITIES	Designs complete – included in 3 year budget
		SUSTAINABLE HUMAN SETTLEMENT	<ul style="list-style-type: none"> • POORLY CONSTRUCTED HOUSES – CURRENT PROBLEM (not addressed) • REPLACEMENT OF ASBESTOS ROOFS IN NELSIG (not addressed) • RECTIFICATION IN MILLENNIUM PARK (not addressed) • OUTSTANDING TITLE DEEDS(not addressed) • MULTI-PURPOSE CENTRE – MILLENNIUM PARK (Application for funding made to Provincial Planning Treasury (Coega Development Corporation) • PROBLEM OF RDP HOUSES BEING CONVERTED TO BUSINESSES (By-law review In progress) • BURNT AND ABANDONED HOUSES (In progress, on-going project with budget constraints)
		SOCIAL SERVICES	CONSTRUCTION OF AN EARLY CHILDHOOD FACILITY (not addressed)
		HEALTH SERVICES	CONSTRUCTION OF A HOSPITAL IN PEARSTON (sent to province – no immediate plans for hospital / 24 hour clinic)
5	Cllr Nontyi	PAVING OF ROADS	R335 AND AIRPORT PAVING (Projects commenced
		EPWP	EPWP commenced; CWP commenced
		BCDA LED PROJECTS	In progress – ongoing implementation

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		CONSTRUCTION OF SHOPPING MALL	Design in progress
		ROAD MAINTENANCE, PAVING AND STORM WATER	<ul style="list-style-type: none"> PAVING OF GRAVEL ROADS IN OLD LOCATION (Completed 1st & 2nd Avenue in 2013/14 – ongoing project) IMPROVE STORMWATER DRAINAGE (On-going – included in budget) ROAD MAINTENANCE OF GRAVEL ROADS (On-going) WALKWAY (NON-MOTORISED TRANSPORT) SPEEDHUMPS
		ELECTRICITY	IMPLEMENT STREETLIGHT ERECTION (In Progress – material procured; high masts being refurbished)
		WATER AND SANITATION	<ul style="list-style-type: none"> AC PIPES TO BE REPLACED (DWA) (Application made to DWA) ERADICATE BUCKET SYSTEM (Application to DoHS) PUBLIC TOILETS
		LANDFILL SITE	<ul style="list-style-type: none"> IDENTIFY A NEW LANDFILL SITE (trying to improve current one) RECYCLING PROJECT – BCDA
		CEMETERY	Currently Aeroville Cemetery in budget only
		PARKS	Designing standardized parks currently
		SPORT FACILITIES	Not addressed
		UPGRADING OF MOUNTAIN DRIVES	Not addressed
		SUSTAINABLE HUMAN SETTLEMENT	<ul style="list-style-type: none"> BURNT AND ABANDONED HOUSES (In progress, on-going project with budget constraints) UNINHABITED HOUSES (OLD LOCATION) NEW HOUSES RECTIFICATION OF HOUSES

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		RURAL DEVELOPMENT	<ul style="list-style-type: none"> • ADVISE WITH KEEPING AND BRANDING STOCK (Not addressed) • NEED PLOUGHING SKILLS (Not addressed) • COMMONAGE CONTROL (CMP) (Not addressed)
6	Cll Funiselo	PAVING OF ROADS	Ongoing multi-year project
		EPWP	EPWP in progress; CWP in progress
		BCDA	In progress – ongoing implementation of job creation
		ACCESS TO LAND	<ul style="list-style-type: none"> • LAND LOCKED: TRANSNET LAND NEEDED FOR 100 UNITS TO REPLACE TEMPORARY STRUCTURES (In discussion with Transnet & D.o.H.S) • NEED COMMONAGE – GRAZING FIELDS (DRDAR assisting with farms) • LAND FOR FARMING PURPOSES AND WATER FOR CROPS (DRDAR assisting with farms – Mayor /MM on task team)
		SUSTAINABLE HUMAN SETTLEMENT:	<ul style="list-style-type: none"> • MULTI-PURPOSE CENTRE (Application for funding made to Provincial Planning Treasury (Coega Development Corporation) • RECTIFICATION IN BHONGWENI (not addressed) • UNOCCUPIED HOUSES(not addressed) • OWNERSHIP OF ERVEN URBAN DYNAMICS)

WARD	WARD COUNCILLOR	KEY ISSUES	INTERVENTION REQUIRED /STATUS
		ELECTRICITY NETWORK	<ul style="list-style-type: none"> ELECTRICITY NETWORK (Application for funding submitted) ELECTRICITY: IMPLEMENT STREETLIGHT ERECTION (In Progress – material procured – high masts being refurbished first)
		SOLID WASTE	Not addressed
		SPORTS FIELDS	RENOVATION OF SPORT FIELD – PITCH UPGRADE (N10 field design complete, Bhongweni in Tender stage for construction but tender prices far exceeds budget availability – implementation to be finalised)
		WATER SUPPLY	INSUFFICIENT WATER SUPPLY IN COMMONAGE - BULK WATER SUPPLY: PHASE 2 (awaiting funds)
		ESTABLISHMENT OF PARK IN COOKHOUSE	In design stages
		HEALTH SERVICES	<ul style="list-style-type: none"> ADDITIONAL CLINIC STAFF NEEDED(not addressed) EXPANSION OF CLINIC (not addressed)
		RURAL DEVELOPMENT	<ul style="list-style-type: none"> GRAZING FIELDS(not addressed) LAND FOR PLOUGHING AND WATER SUPPLY FOR CROPS(not addressed) REDISTRIBUTION OF LAND(not addressed)