

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



## **DRAFT INTEGRATED DEVELOPMENT PLAN**

**2017-2022**

**TABLED ON 30 MARCH 2017**

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#### **ABBREVIATIONS AND ACRONYMS**

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

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

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

## **CHAPTER 1: FOREWORD BY THE MAYOR**

It is my great honour and privilege to table the 2017-2022 Integrated Development Plan (IDP) for the current term of the new administration. This IDP represents a social contract between Council, Administration and the Community of the Blue Crane Route Municipality (BCRM). It represents a broad mandate and the aspirations of our people and community. The tabling of the 5 Year IDP, which is the Strategic Plan and Vision of the municipality is a key milestone in strengthening governance and delivery of basic services to our community.

The tabling of the IDP takes place against the background of declining grants from national fiscus to meet infrastructure requirements. The current term of this administration commits to focus and strengthening of Local Economic Development. It is through local economic initiatives that can generate new revenue streams to supplement the national grants.

The 5 Year IDP is a culmination and product of extensive consultation process. During the month of September/October 2016 I together with all councillors held public and community meetings at all wards of BCRM. The input from the community was further refined with concrete plans during a strategic planning session held during March 2017. The draft IDP was also tabled during the IDP Representative Forum meeting constituted of government departments and community stakeholders. I therefore table the draft IDP for your consideration and approval

**CLLR B MANXOWENI**

**MAYOR/SPEAKER**

**STATEMENT BY THE MUNICIPAL MANAGER**

**THABISO KLAAS  
MUNICIPAL MANAGER**



## 1.2. EXECUTIVE SUMMARY

This document sets out the Blue Crane Route Local Municipality's Draft Integrated Development Plan for the 2017-2022 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 to address the growing challenges of the community.

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

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

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

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

### **1.3. 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

### **1.4. 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.

### **1.5.IDP PLANNING PROCESS**

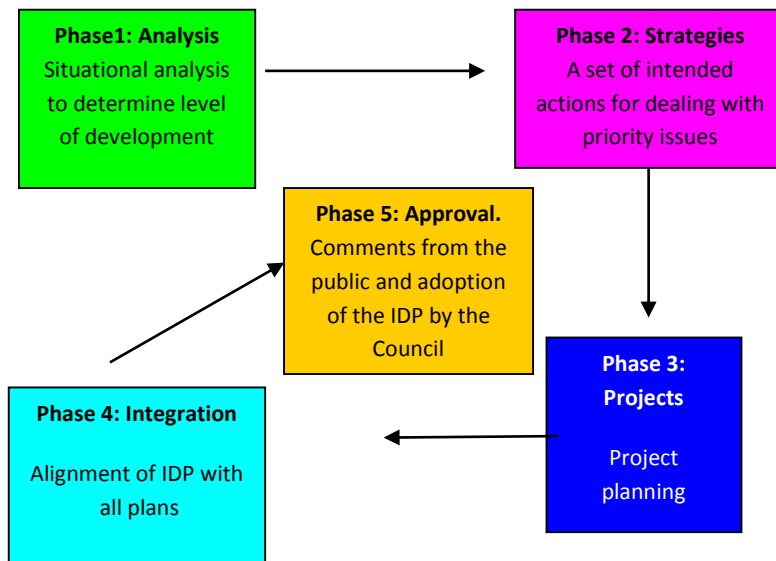
Integrated Development Planning (IDP) is a planning tool for promoting developmental local government. It enables the Municipality to identify its priorities and develop a strategic development plan for the short, medium and long term. The IDP process is a consultative process which requires of the Municipality 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 25 August 2016 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 to allow the communities to participate in the review process. The review focused more on the refinement of current strategies to ensure that projects that are planned contribute to the achievement of the five-year development priorities and that they have greater impact on service delivery.

The priority issues are determined through a combination of participatory community based processes and analysis of status quo information, facts and figures through desktop studies, and other research undertaken or commissioned by the municipality. The outcome is a holistic and informed outlook of how and where the municipality should allocate scarce resources. This helps to improve municipal planning and budget processes. The most important aspects are that there is consensus among stakeholders; ideally, these priority issues become the focal point for determining appropriate development strategies that meet priority issues, the needs of

communities and / or stakeholders. On the other hand, it is acknowledged that priority issues do not only emerge by analysing the status quo information, but also through public participation.

## 1.6. ORGANISATIONAL STRUCTURE (MECHANISMS)

To ensure smooth and well organized Integrated Development Planning processes for 2017/18 - 2021/2022 financial year, the municipality has identified role players to assist and inform the planning process as well as the roles and responsibilities attached. The following is the list of role players and their responsibilities.

### 1.6.1. Roles and Responsibilities of Role Players and Structures

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

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

	<ul style="list-style-type: none"> <li>○ the Chairperson and one selected representative of each of the organised structures or associations within the community;</li> <li>○ the officials who serve in the Steering Committee;</li> <li>○ Sector departments</li> <li>○ Ward committees and Community Development Workers</li> </ul>
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## 1.7. PROCESS PLAN TIMEFRAMES / MILESTONES

<b>TIMELINES: 2017/2018</b>		
<b>IDP PHASES</b>	<b>DELIVERABLES AND PROCESS MANAGEMENT</b>	<b>DATES</b>
<b>Preparation Phase</b>	IDP/PMS/BUDGET Steering committee meeting	17 August 2016
	IDP/Budget/PMS Rep Forum	29 August 2016
	Tabling of the IDP and Budget Process Plan to Council for approval and adoption	31 August 2016
	Draft Annual Report 2015/2016	
	Annual Performance Report 2015/2016	
	Advertisement of IDP and Budget Process Plan	08 Sept 2016
<b>Analysis Phase</b>	Mayoral roadshow	12 -15 Sept 2016
	IDP/PMS/Budget steering committee meeting: Report back from the community	21 Sept 2016
	Status of the implementation progress: 1 <sup>st</sup> quarterly review	10-14 Oct 2016
	IDP/PMS/Budget Steering Committee: Consideration, review and inclusion of any relevant and new information and report back from department on the review of situational analysis	19 Oct 2016
	IDP/PMS/Budget Representative Forum & IGR Meeting	17 Nov 2016



<b>TIMELINES: 2017/2018</b>		
<b>IDP PHASES</b>	<b>DELIVERABLES AND PROCESS MANAGEMENT</b>	<b>DATES</b>
<b>Strategies Phase</b>	Departmental IDP Strategic Session: Preparing for the development of strategies ,policies ,plans and organogram	22-25 Nov 2016
	IDP/Budget Steering Committee: Preparation of budget framework to provide parameters and request budget inputs from department and preparation for IDP Strategic session	01 December 2016
	Consolidation of the Mid-year budget and performance assessment report and present to council for approval	Jan 2017
	2 <sup>nd</sup> quarter review and progress report Amend 2015/2016 SDBIP where necessary	09 -13 Jan 2017
	IDP/PMS/Budget Steering Committee: Discussions : IDP Strategic session (update on the progress of preparations , Mid-year budget and performance assessment report)	18 Jan 2017
	Strategic Planning Session: development of municipal Strategies, Objectives, KPA's, KPI's and targets	1-3 Feb 2017
	IDP/PMS/Budget Steering Committee: Confirm contents of the IDP and Drafting of Service Delivery and Budget Implementation Plan(SDBIP)	09 Feb 2017
	IDP/PMS/Budget Representative Forum & IGR	28 Feb 2017
	Project Prioritization	01 March 2017
	Tabling of the Draft IDP and Budget	30 March 2017
	Advertise for public to comment on the Draft IDP/Budget	06 April 2017
	Submit to MEC :DLGTA	03 April 2017
<b>Integration/Approval Phase</b>	Status of the implementation progress: 3 <sup>rd</sup> quarter review	10-14 April 2017
	IDP/Budget Steering Committee: preparations for IDP /Budget Public Hearings	20 April 2017

<b>TIMELINES: 2017/2018</b>		
<b>IDP PHASES</b>	<b>DELIVERABLES AND PROCESS MANAGEMENT</b>	<b>DATES</b>
	IDP /Budget Public Hearings	18-20 April 2017
	IDP/Budget Steering Committee: Consider inputs preparing for final adoption of IDP/Budget	05 May 2017
	IDP/PMS/Budget Representative Forum: Present IDP /Budget	16 May 2017
	Tabling of the Final Draft IDP and Budget and Draft SDBIP	31 May 2017
	Advertise the adopted documents :IDP, Budget & SDBIP	08 June 2017
	Status of the implementation progress: 4 <sup>th</sup> quarter review	10-14 July 2017
	Consolidation of the Annual Performance report and Annual Report	July 2017

### **1.8 Powers and Functions of the Municipality**

The municipal mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, local government has the following functions.

<b>Schedule 4 Part B</b>	<b>Schedule 5 Part B</b>
<b>Powers exercised by the BCRM</b>	<b>Powers exercised by the BCRM</b>
<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Building regulations</li> <li>• Child care facilities</li> <li>• Electricity and gas reticulation</li> <li>• Firefighting services</li> <li>• Local tourism</li> <li>• Municipal airports</li> <li>• Municipal planning</li> <li>• Municipal health services</li> <li>• Municipal public transport</li> <li>• Municipal public works</li> <li>• Stormwater management systems in built-up areas</li> <li>• Trading regulations</li> <li>• Water and sanitation services</li> </ul>	<ul style="list-style-type: none"> <li>• Beaches and amusement facilities</li> <li>• Billboards and the display of advertisements in public places</li> <li>• Cemeteries, funeral parlours and crematoria</li> <li>• Cleansing</li> <li>• Control of public nuisances</li> <li>• Control of undertakings that sell liquor to the public</li> <li>• Facilities for the accommodation, care and burial of animals</li> <li>• Fencing and fences</li> <li>• Licensing of dogs</li> <li>• Licensing and control of undertakings that sell</li> </ul>

	food to the public • Local amenities • Local sport facilities • Markets • Municipal abattoirs • Municipal parks and recreation • Municipal roads • Noise pollution • Pounds • Public places • Refuse removal, refuse dumps and solid waste disposal • Street trading • Street lighting • Traffic and parking
Powers not exercised by the BCRM	Powers not exercised by the BCRM
Pontoons, ferries, jetties, piers and harbours,	

### 1.9 MEC COMMENTS RECEIVED BY THE BCRM ON THE ASSESSED 2014/15 IDP REVIEW

The BCRM IDP was assessed in July 2015 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 based on the six key focal areas. The ratings ranged from low, medium to high.

KPA	Rating 2012/2013	Rating 2013/2014	Rating 2014/2015	Rating 2015/2016
Spatial Development Framework	High	High	High	High
Service Delivery	Medium	High	Medium	Medium
Financial Viability	High	High	High	High

Local Economic Development	High	High	High	High
Good Governance & Public Participation	Medium	High	High	High
Institutional Arrangements	Low	Low	High	High
<b>OVERALL RATING</b>	Medium	HIGH	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 as well as the Community Survey 2016. The district perspective is presented to provide a better understanding of the context within which the BCR municipality operates.

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

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

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

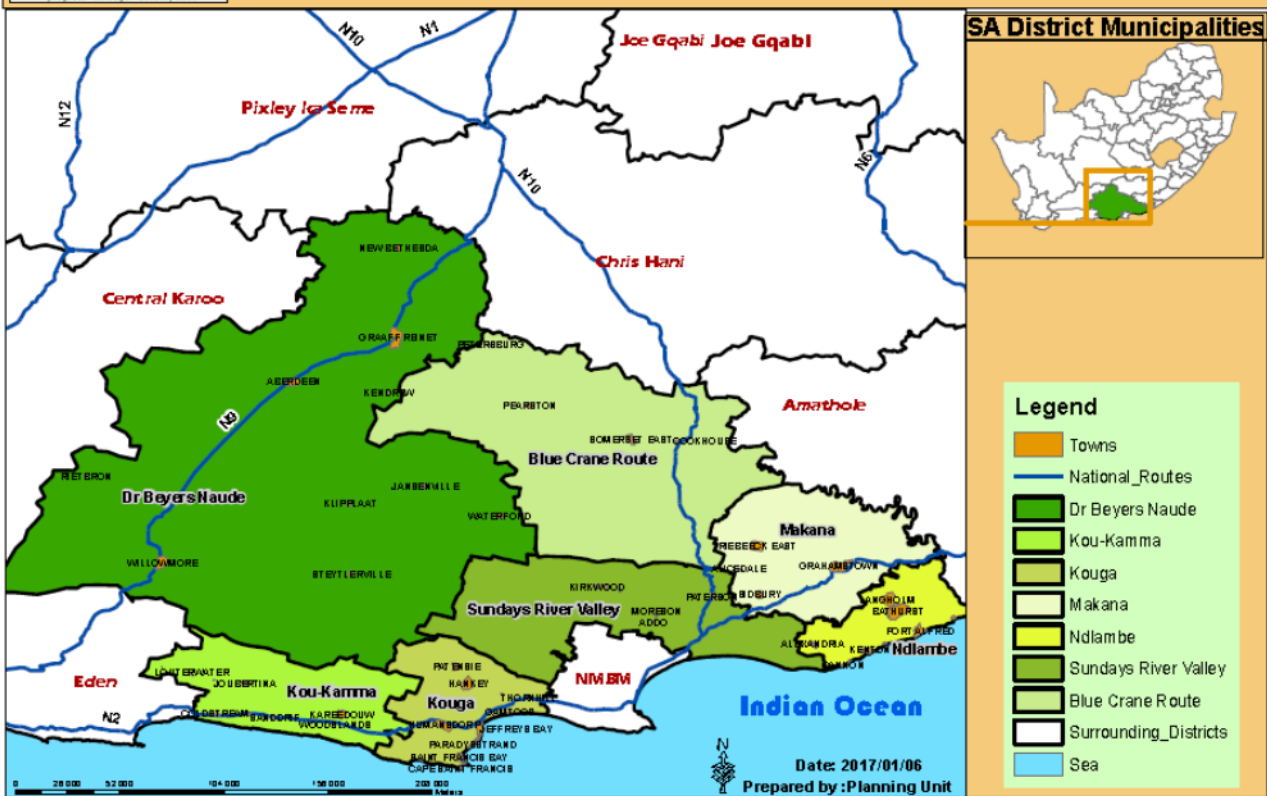


**Source:** Municipal Demarcation Board, 2011

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

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

# SARAH BAARTMAN DISTRICT MUNICIPALITY



**Source:** Sarah Baartman District Municipality



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



The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east by 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. Per the Community survey that was conducted 2016, the municipality's population has moved from 36002 to 36 063 ,1.7% growth rate.

The figures below reflect the findings per Census 2011, the community survey 2016 reflects the overall growth of the area not at ward level

- Somerset East (Wards 2, 3 and 5 = 19172)
  - 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.
- 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 km<sup>2</sup>- EC, CDM and BLM**

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

**Source:** StatsSA 2011

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

According to StatsSA -Census 2011, the total population of Blue Crane Route is 36 002, however as per the Community Survey conducted 2016, the population figures have increased from 36002 to 36063. This then therefore indicates that the growth rate of the population is very slow due to number of issues flowing from migration, death and birth rate.

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

The approximate distance between the towns is;

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



## 2.2.2. Demographics per ward

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

<b>DEMOGRAPHICS</b>								
<b>Age distribution</b>	<b>00 - 04</b>	<b>05 – 09</b>	<b>10 – 14</b>	<b>15 – 34</b>	<b>35 - 64</b>	<b>65 - 85+</b>	<b>Ward Total</b>	<b>%</b>
Ward 1	549	454	422	1555	1566	203	<b>4749</b>	<b>13.2</b>
Ward 2	814	583	591	1882	2265	611	<b>6747</b>	<b>18.7</b>
Ward 3	705	671	601	2185	2320	498	<b>6979</b>	<b>19.4</b>
Ward 4	661	668	570	1788	1817	428	<b>5933</b>	<b>16.5</b>
Ward 5	542	526	475	1628	1804	470	<b>5446</b>	<b>15.1</b>
Ward 6	686	550	449	2068	2083	313	<b>6148</b>	<b>17.1</b>
<b>Grand Total BCR</b>	<b>3956</b>	<b>3453</b>	<b>3108</b>	<b>11106</b>	<b>11856</b>	<b>2523</b>	<b>36002</b>	<b>100</b>
<b>Gender</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Total</b>			
Ward 1	2390	50.3	2359	49.7	<b>4749</b>			
Ward 2	3289	48.7	3458	51.3	<b>6747</b>			
Ward 3	3311	47.4	3668	52.6	<b>6979</b>			
Ward 4	2938	49.5	2995	50.5	<b>5933</b>			
Ward 5	2547	46.8	2899	53.2	<b>5446</b>			
Ward 6	3206	52.1	2943	47.9	<b>6149</b>			
Grand Total BCR	<b>17680</b>	<b>49.1</b>	<b>18322</b>	<b>50.9</b>	<b>36002</b>			
<b>Population Group</b>	<b>Black</b>	<b>Coloured</b>	<b>White</b>	<b>Indian/Asian</b>	<b>Other</b>	<b>Ward Total</b>		
Ward 1	3278	1143	289	10	28	<b>4749</b>		
Ward 2	3169	2370	1128	37	44	<b>6747</b>		
Ward 3	6493	378	68	19	21	<b>6979</b>		
Ward 4	2211	3365	287	26	43	<b>5933</b>		
Ward 5	1813	3387	203	15	28	<b>5446</b>		
Ward 6	4283	1246	479	10	131	<b>6148</b>		
Grand Total BCR	<b>21247</b>	<b>11888</b>	<b>2453</b>	<b>118</b>	<b>295</b>	<b>36002</b>		

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			
<b>Grand Total BCR</b>	<b>5927</b>	<b>60.7</b>	<b>3834</b>	<b>39.3</b>	<b>9761</b>			

**Source:** StatsSA 2011

### 2.2.3. Demographics Trends

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

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
<b>Blue Crane Route Total Population</b>	35407	36002		<b>0.17</b>	<b>36063</b>	<b>1.7%</b>
<b>Age distribution</b>	<b>35 005</b>	<b>36 003</b>				
0-14	10 293	10517	29.2	0.2	11825	2.34
15-64	22 485	22962	63.8	0.2	21892	-0.96
65+	2 227	2524	7.0	1.3	2347	-1.45
<b>Gender</b>	<b>35 003</b>	<b>36 002</b>				
Male	16806	17680	49.1	0.5	-	-
Female	18197	18322	50.9	0.1	-	-
<b>Population Grouping</b>	<b>35 003</b>	<b>36 001</b>				
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	-	-

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
<b>Blue Crane Route Total Population</b>	35407	36002		<b>0.17</b>	<b>36063</b>	<b>1.7%</b>
Other	0	295	0.8	-	-	-
<b>Head of Household: Gender</b>	<b>9 595</b>	<b>9 761</b>				
Male	6 486	5 927	60.7	-0.9	-	-
Female	3 109	3 834	39.3	2.3	-	-

**Source:** StatsSA

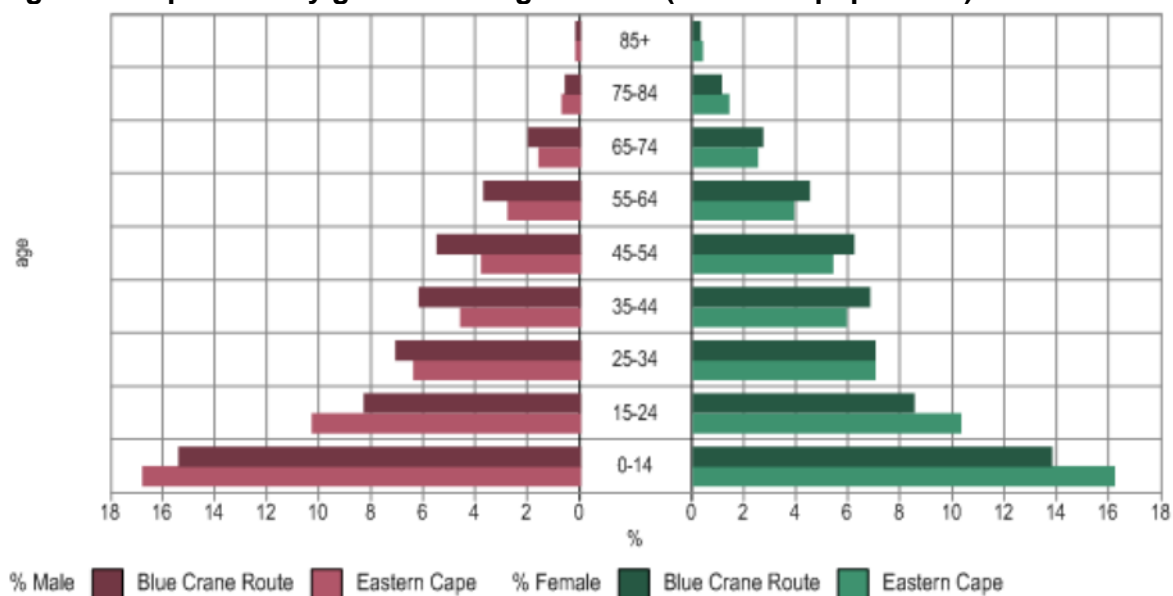
The population has increased by 595 people over the past 10 years. This is reflective of a 0.17% compound average population growth rate from 2001 to 2011. There is parity in the sex ratio with 9.6 males for every 10 females.

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 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.

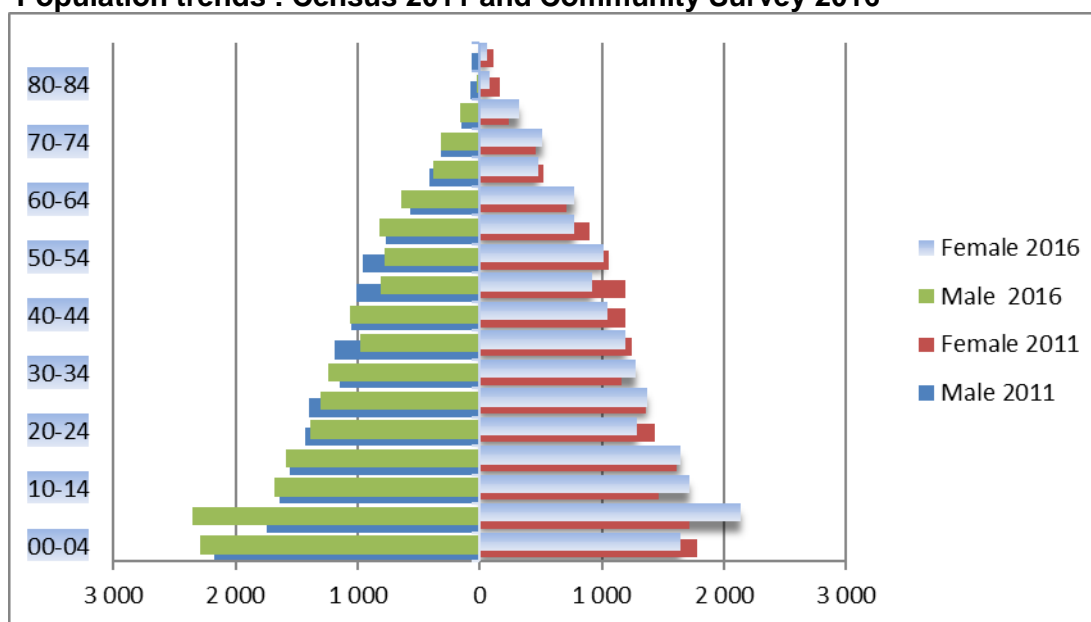
According to StatsSA a 7% increase has occurred, from 32% to 39%, in respect of female headed households between 2001 and 2011. The increase is relatively high considering that the population growth rate has been very low over a 10 year period and the male to female sex ratio has only risen marginally. 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).**



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



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

## 2.3 Socio Economic Dimension

**Table 4. Socio Economic**

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

**Source:** StatsSA

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.
<b>Total Population</b>				
<b>Income 15 to 65</b>				
No Income	180	10 504	46.09	573.6
R1 – R400	3 454	1 254	5.50	-6.4
R401 – R800	1 557	1 198	5.26	-2.3

R801 - R1600	929	4 924	21.61	43.0
R1601 – R3200	794	1 582	6.94	9.9
R 3 201 - R 6 400	566	933	4.09	6.5
R 6 401 - R 12 800	239	763	3.35	21.9
R 12 801 - R 25 600	58	489	2.15	74.3
R 25 601 - R 51 200	27	101	0.44	27.4
R 51 201 - R 102 400	32	30	0.13	-0.6
R 102 401 - R 204 800	7	28	0.12	30.0
R 204 801 or more	3	12	0.05	30.0
Unspecified	0	973	4.27	
	<b>7 846</b>	<b>22 791</b>		

**Source:** StatsSA

StatsSA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the poverty line. This is exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

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

**Table 6: Labour Status**

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

**Source:** StatsSA

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.
<b>Total Population</b>				
<b>Level of education 20 +</b>				
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.

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

School name	Location
<ol style="list-style-type: none"> <li>1. Johnson Nqonqoza High School</li> <li>2. Aeroville High School</li> <li>3. Gilbert Xuza Primary School</li> <li>4. St' Teresa Primary School</li> <li>5. Nojoli Junior Primary School</li> <li>6. Nonzwakazi Primary School</li> <li>7. William Oates Primary School</li> <li>8. W.G Olivier Primary School</li> <li>9. Gill Primary School</li> <li>10. Gill College</li> </ol>	Somerset East
<ol style="list-style-type: none"> <li>1. Cookhouse Primary School</li> <li>2. Visrivier Primary School</li> <li>3. Msombovu Junior Primary School</li> <li>4. Cookhouse High School</li> </ol>	Cookhouse
<ol style="list-style-type: none"> <li>1. Pearston High School</li> <li>2. Pearston Primary School</li> <li>3. Lukhanyiso Primary School</li> </ol>	Pearston

1. De Hoop Primary School 2. Lushof Primary School 3. Braaifields Primary School 4. Golden Valley Primary School	Farm Area
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**Table 8: Crime Statistics for BCRM**

CRIME STATISTICS	Somerset East	Cookhouse	Pearston	Total
<b>Crime Category</b>				
Assault GBH	113	84	49	246
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 9: HIV/AIDS Statistics for BCRM**

Facility	Population
Aeroville Clinic	7,933
B Ngwentle 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 10: 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 R 2 880 000 for the 2015/16 Financial year from the Department of Water and Sanitation through the Accelerated Community Infrastructure Programme (ACIP) to address the challenge of community water supply in Pearston as the town only relies on borehole water and previously had 3 boreholes which were used at capacity and sometimes beyond their designed safe yield.

Objectives of the project is to establish a sustainable raw water supply from the three existing boreholes, investigate possible sites/ well fields to augment the available water supply to ensure an adequate drinking water supply to the community of Pearston for the foreseeable future. The project will be implemented in the following manner:

- Sighting of possible boreholes/ well field
- Drilling of new boreholes and testing of the new and existing boreholes for sustainable (for the new boreholes, this is much dependent on the results of the sighting of boreholes)
- Develop, equip new boreholes and connect to the BCRM reservoir: Pearston water supply (dependent on whether there are any successful boreholes upon drilling on the sighted areas)
- Establish a treatment method to meet the minimum requirements for drinking water quality (This will be governed by the quality of raw water from the existing and new boreholes). The current method of treatment is only direct chlorination and is working very well as the quality of raw water from the existing boreholes is very good.

### **Plans to address water interruptions, non-revenue water and reduce water losses**

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.

The main objective of the project was to do an assessment of the of the bulk water Network in BCRM and compare it with the billing information in order to determine water balance, assessment of consumer meters in the entire BCRM and installation of new meters and replacement of severely damaged meters.

It was through this project that the need for improving the following was identified:

- Accurate billing - number of houses were not metered, had faulty meters and some with old meters beyond their useful life span which might give incorrect readings.
- Bulk metering – Bulk metering also improves response time to water losses. Often times, dependent on the soil type, a leak can take hours or even days to show on the surface. But with bulk meters you can always take the difference between the meters as an indication of a leak on a particular line.
- Retro-fitting.

The municipality then applied for funding implement the next phase of the project as the approved amount could not cover every fault established during the water loss audit.

### **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. Because 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 (needs upgrading) and the lack of on-going maintenance.

#### **2.4.1.1. Water Loss Audit:**

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

- Installation of bulk meters
- Retro-fitting in Pearston (With training of plumbers)
- Installation of strainers

#### **2.4.1.2. Augmentation of Pearston Water Supply:**

Pearston solely depends on borehole water and previously only had three boreholes which are used at full capacity with no back up. The project seeks to boost water supply in the town of Pearston and provide sustainable (security) water supply for a foreseeable future. The project is under construction as discussed in 2.4 above.

#### **2.4.1.3. Upgrading of Somerset East Waste Water Treatment Works:**

The BCRM had non-compliance of sewerage effluent in all three towns namely Somerset East, Cookhouse and Pearston which hampered development in the areas, it was important to implement the project to unlock housing developments in the area. Somerset East was a priority due to the severity of non-compliance of the sewerage effluent.

The project has been implemented in three different phases with different scope of works as follows:

- Phase 1: Comprising the essential works to achieve an activated sludge plant capable to produce effluent which will be to the General Limit Standard by DWS such that the effluent can be fed into the Little Fish River.
- Phase 2: Comprising the construction of sludge drying beds and the Rehabilitation of the existing ponds/ lagoons.
- Phase 3: Comprising the installation of an Irrigation Water Supply.

Phase 1 of the project is now practically complete. The physical completion of the Phase 1 depends on the completion of the 28 day trial period of the upgraded treatment plant (which is in progress) to determine the efficiency of the plant as per the required standards by the DWS. Thereafter, a training will be provided to staff for the operations and maintenance of the upgraded facility.

#### 2.4.1.4. Upgrading of Cookhouse Waste Water Treatment Works (WWTW)

Cookhouse effluent is discharged back to the river. This has resultant to a need for Cookhouse WWTW to be upgraded and the project is still at design stage. The project requires an Environmental Impact Assessment (EIA) which has been done and a Record of Decision (RoD) was obtained from the Department of Environmental Affairs.

Aims and objectives of the planned upgrading of the Cookhouse WWTW are:

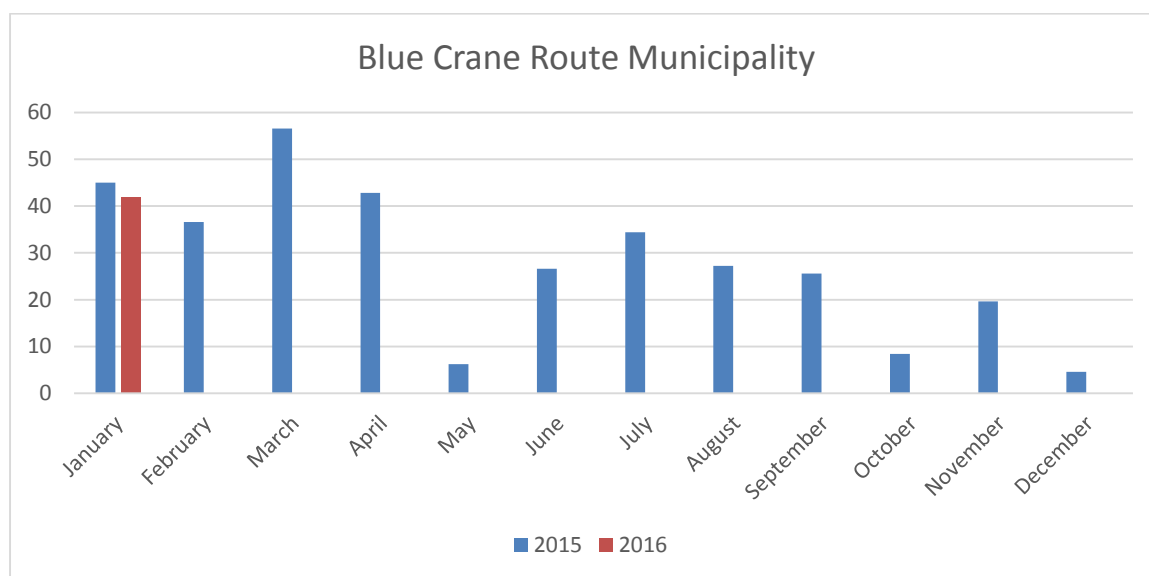
- To provide a wastewater treatment facility for the town of Cookhouse with sufficient capacity to accept flow from existing, medium and long term developments and expected future housing schemes.
- To treat all the Cookhouse waste water to the required DWS standard.
- To support the DWS initiative to eliminate the sanitation backlog in Cookhouse.
- To create job opportunities:
- During construction – training in labour based construction techniques will assist emerging contractors.
- After completion staff will be required for operation and maintenance of the upgraded facility.
- To promote a culture of reconstruction and development through community participation in the planning and implementation of the project.

**Table 11: Major Predominant Dams in BCR**

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

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

## Blue Crane Route Local Municipality:



**Source:** South African Weather Service

**Table 12: Water and Sanitation Provision**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total number of households</b>	9 595	9 761		1.7%
<b>Sanitation</b>	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	
<b>Water – Access to piped water</b>	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	
<b>Water – Source of water</b>		<b>9 760</b>		
Water scheme operated by municipality or other WSP		7830	80.2	
Borehole	128	955	9.8	64.6
Spring	5	30	0.3	50.0
Rain tank	196	275	2.8	4.0
Dam/stagnant water	207	317	3.2	5.3
River/stream	201	53	0.5	-7.4
Water vendor	17	31	0.3	8.2
Water Tanker		132	1.4	-2.7
Other	180	137	1.4	

**Source:** StatsSA

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

## 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 13: 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		
<b>Energy (Access)</b>	<b>9 470</b>	<b>9 760</b>		<b>3.06%</b>
Electricity	6 161	8 486	86.9	3.8
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. Roads and Stormwater

- The provision and maintenance of roads covers the functional areas of the Blue Crane Route Municipality.

**Table 14: 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 15: 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%
<b>Total</b>	100%	100%

According to the latest version of the Sarah Baartman/ Cacadu Intergraded Transport Plan (2011/12), the maintenance of roads throughout the entire Blue Crane Route Municipal Area is inadequate due to lack of funding. Urgent attention and funding 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 16: Road Infrastructure and Transport Modes**

BASIC SERVICE / INFRASTRUCTURE	Municipal Roads	Dept of Roads
Transport Modes	StatsSA 2001	%
On foot	14348	41.0
By bicycle	177	0.5
By motorcycle	36	0.1
By car as a driver	848	2.4
By car as a passenger	1093	3.1
By minibus/taxi	979	2.8
By bus	195	0.6
By train	26	0.1



Other	41	0.1
Not applicable	17264	49.3
	<b>35007</b>	

⇒ **Non-motorised transport**

**a. Bicycle transport & facilities**

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

**b. Sidewalks and walkways**

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

The length of sidewalks and walkways constructed is as follows:

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

⇒ **Scholar transport**

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

**Table 17: Modal Split for Scholars per School Type (Urban/Rural)**

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

**Source:** *Integrated Transport Plan*

⇒ **Public transport**

- Taxi Services

There are nine registered taxi associations in the BCR. The OLAS indicates a registered membership of 749 persons, who operate a total of 473 vehicles that have operating licenses and are operating legally. The only location where bakkie taxis were identified is in Port Alfred, but the extent of bakkie taxi utilization has not been quantified.

**Table 18: 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 19: Taxi facilities in the BCR**

Municipality	Formal	Informal	Stops
BCR	2	1	0

**Source:** *BCR Integrated Transport Plan*

**Table 20: 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 20: 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 21: 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**

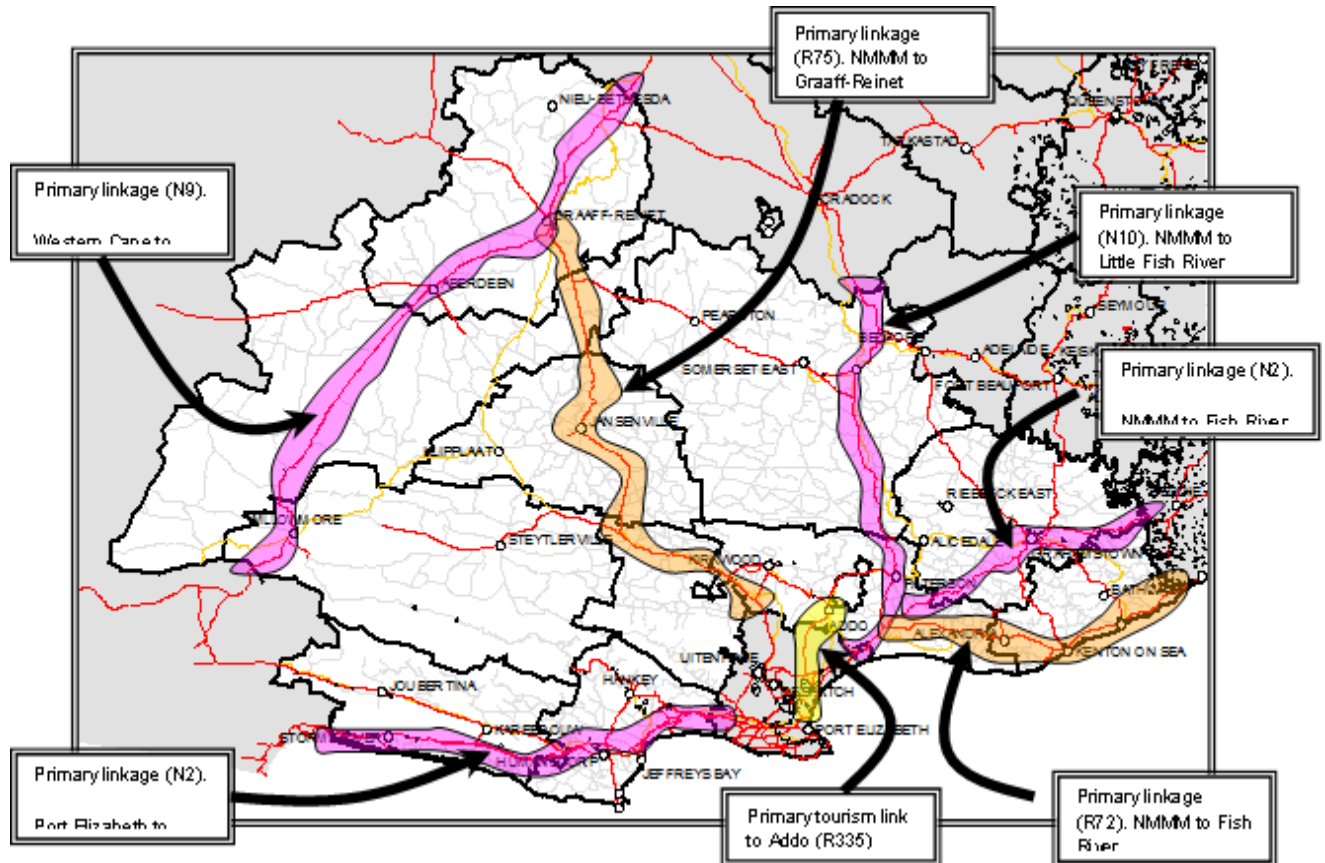
The maintenance of roads throughout the entire Blue Crane route Municipal Area (urban and rural) is not ideal due to the lack of sufficient funding. Urgent attention and funding is needed to address this problem. The upgrading of gravel roads to surfaced standard (and with suitable storm water drainage)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

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

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

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

**Map 4: Significant Primary Linkages**



⇒ **Rail Infrastructure**

The rail network that used to be a vibrant 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.

#### 2.4.4 Solid Waste Management

**Table 22: 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		
<b>Mode Disposal</b>				
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	
<b>No of Licensed Landfill sites</b>		3		
No of un-licensed landfill sites		0		

**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 three - four weeks even though there are instances where collection of garden refuse takes longer than the stipulated timeframe to aging fleet or mechanical breakdowns it gets collected once a month due to machinery problems. A partnership has been developed with the Expanded Public Works (EPWP) and Community Works Programs (CWP) to appoint casuals labour to conduct ongoing clean up campaigns and beautification of spots where illegal dumping has been eliminated. 60 casual have been appointed for this financial for this purpose for a period of 6 months. The Youth Jobs in Waste (YJOW) project, under the auspices of the Department of Environmental Affairs (DEA) has also extended the employment contracts of the been received in a form of 9 youth appointed to do awareness campaigns and education. Since this partnership was forged, there has been a significant improvement and / or reduction of illegal dumping I all spots where beautification had been done.

## 2.4.5 Human Settlement

**Table 23: Dwelling type and Tenure status**

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
<b>Total number of households</b>	<b>9 595</b>	<b>9 761</b>		
<b>Dwelling Type</b>	<b>9 468</b>	<b>9 761</b>		<b>3.10%</b>
House or brick structure on a separate stand, yard or farm	8 219	8 537	87.5	0.39
Mud/Traditional Dwelling	221	64	0.7	-7.10
Flat in block of flats	93	145	1.5	5.59
Town/cluster/semi-detached house (simplex: duplex: triplex)	70	541	5.5	67.29
House/Flat in back yard	92	127	0.2	3.80
Informal shack in yard	317	90	5.2	-7.16



Informal shack not in back yard e.g. in an informal settlement	409	196	1.3	-5.21
Room/flatlet not in back yard but on a shared property	32	7	0.9	-7.81
Caravan or tent	11	4	2.0	-6.36
Private ship/boat/Other	4	50	0.1	115.00
<b>Tenure Status</b>		<b>9 760</b>		
Occupied rent-free		1 760	18.03	
Rented		2 550	26.13	
Owned and fully paid off		4 489	45.99	
Owned but not yet paid off		611	6.26	
Other		350	3.59	
Not applicable		0		

**Source:** StatsSA 2011

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

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

Blue Crane Route Municipality has entered 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.

## Overview of Town Infrastructures

### Cookhouse

Description	Yes	No
Low cost housing settlements	X	
Formal housing suburbs	X	
Central business district / area		X

Light industrial area		X
Heavy industry		X
Hospitals / clinics	X (Clinic)	
Petrol stations	X	
Bulk fuel depots		X
Schools	X	
Large Shopping Centres		X
Railway lines	X	
National roads (e.g. N2)	X	
Airfields		X

### **Pearston**

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

### **Somerset - East**

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

National roads (e.g. N2)	X	
Airfields	x	

## 2.5. SOCIAL SERVICES

### 2.5.1 Library services

Library Services are a function of the province (DSRAC) and the municipality performs the function on an agency basis. There are six libraries in total in BCRM. One in Cookhouse (Cookhouse Library), one in Pearston (Ernst Van Heerden Library) and 4 in Somerset East (Dr N.B. Ngcipe, C. J Langenhoven, W. D West and Dr W. B. Rubusana). Only the one library doesn't have a librarian (W.B.Rubusana), 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. Activities consist of Story hours, holiday programmes, outreach programmes and educational programmes for the children and adults.

### 2.5.2. Traffic Services

The Traffic law enforcement and vehicle testing services are rendered by the municipality. The Municipality renders other traffic-related services through a Service Level Agreement (SLA) that has been entered into with the Provincial Department of Transport (PDoT). These functions are: registering authority (RA), Driving License Testing Centre (DLTC). During the 2015/16 period, the municipality appointed the Chief Traffic Officer and further filled the 2 vacant positions of Traffic Officers. One Traffic Officer tendered his resignation in December 2015, but the process of recruiting is underway. The registration authority and E-NATIS desk has 3 E-NATIS personnel and a general assistant.

The extension of the building housing traffic services of the municipality was completed during the 2015/16 period. It is now more than 3 times the previous building and a far better improved environment for employees. The testing grounds were also re-surfaced in some parts. This project took a little more than 13 months to complete. This project has ensured that most of the aspects that were constantly a concern for Department of Transport the Inspectorate that bi-annually inspects DLTC's for compliance with legal prescripts have been addressed to a large extent.

During the review of the organogram in 2015, the section dealing with Pounds and Commonage were incorporated into traffic services. This was done in order to improve coordination of dealing

with stray animals (particularly on the roads) and the impact they have on the road network. It is envisaged that once the pound is constructed, the positive benefit of this fusion would be seen.

The street signage and road marking sub-section/ unit of this service is set to significantly improve as the acquiring of a vehicle dedicated to this important function is well underway.

### **2.5.3 Fire Fighting**

The construction of the new Fire Station situated in Somerset East was eventually completed, and occupation of the facility happened in the first week of August 2015. Also, the municipality employed a Chief Fire Officer – a first for the municipality or its predecessor. This was to ensure that the municipality complies with the provisions of the Fire Brigades Services Act of 1987, which requires that a suitably qualified person should be appointed in such a position. The operational staff complement however remains with the same as in the previous period, *namely*, with three permanent fire fighters and one fire officer. The appointment of Retained Fire Fighters is under consideration, after taking due regard of the implications of the Labour Relations Amendment Act on such appointments. During this period, our fire crew was also involved in the extinguishing the fire that was raging in the Cape St Francis area (Kouga Municipality) over a period of almost a week. Our involvement was part of our commitment to co-operate with neighbouring municipalities, in the interest of saving life, limb and property.

The Fire Station, having it based in the precinct of the municipal airport which is almost operational, results in the resource being used as a dual facility, viz, a community and an airfield function. The effectiveness and efficiency of this approach is being looked to establish potential risks and develop strategies to mitigate them.

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

In terms of the Disaster Management Act of 2002, this function is primarily the responsibility of Sarah Baartman District Municipality. The BCR municipality, assisted by the district municipality, has a responsibility to develop a disaster management plan based on the risks and vulnerabilities identified. The municipality is assisted by a district-assigned Disaster Management Officer who renders the service for this and Sundays River Valley Municipality, amongst others. 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.

#### **2.5.4.1 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.

- 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.

- Epidemics

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

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

- Hazmat – Road and Railway

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

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

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

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



- Epidemic Outbreak Response Team
- Farmers Unions

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

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

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

#### **2.5.4.4 Preventative measures**

- The appointment of the Chief Fire Officer is anticipated to get our preparedness and response to potential disasters or incidences better coordinated. He has started to develop plans in place for this purpose and continues to assess the situation. This will ensure that the current fragmented structures are efficiently used. As indicated earlier in the report, the District has one satellite disaster management official serving this area, albeit in a manner that requires marked improvement. Joint Operation Centres (JOCs) are established as and when a(n) incident(s) occurs.

#### **2.5.4.5 Available resources**

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

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

## 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 the process of finalizing the 2016/2017 Indigent Register update was concluded on 30 June 2016 when Council approved the Indigent Register. 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 2016 where the Finance Department staff visited all the wards and invited people to the various Community Halls to register. This process yielded about 4383 beneficiaries which was above the target of 4,000 people. The new register was approved on 30 June 2016 for implementation.

During the 2016/17 Financial Year, the Municipality convened Indigent / Masakhane Outreach meetings in all wards and will be embarking on the Indigent Register update programme from April 2017 up to June 2017.

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

**Table 25: Free basic energy & refuse removal status quo report**

FREE BASIC ENERGY & REFUSE REMOVAL STATUS QUO REPORT						
February 2017						
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 2016						
Blue Crane LM	8 558	4 214	0	4 214	0	4 214

**Table 26: 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 2016				
Blue Crane LM	8 558	4 214	4 214	4 214

As at 28 February 2017 a total of 4,214 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 2016/2017 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 remaining at the same levels; The Municipal Systems Improvement Grant that contributed R930,000 has been abolished without warning; and other revenue is only increasing by 6.4% whilst General Expenditure is the same adjustment budget and Employee Costs by approximately 7.4% which has a serious impact on the finances of Municipalities which will result in operating losses on services accounts.

**Table 27: Actual revenue and expenditure against budget revenue and expenditure**

	REVENUE						EXPENDITURE					
	Operating Budget	Actual	%	Capital Budget	Actual	%	Operating Budget	Actual	%	Capital Budget	Actual	%
<b>2013/2014</b>	R 161 777	R 157 129	97%	R 37 276	R 39 989	107%	R 183 120	R 186 070	102%	R 37 276	R 39 989	107%
<b>2014/2015</b>	R 173 024	R 177 863	103%	R 20 384	R 21 943	108%	R 213 242	R 211 780	99%	R 44 686	R 38 508	86%
<b>2015/2016</b>	R 174 305	R 213 675	123%	R 20 011	R 12 331	62%	R 210 072	R 217 970	104%	R 20 011	R 12 331	62%

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

**Table 28:** The equitable share of national revenues for BCR municipality in respect of the current financial year and outer years is detailed below.

	2016/2017	2017/2018	2018/2019	2019/2020
<b>BLUE CRANE ROUTE</b>	44,713	45,735	48,252	50,664

Despite 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.

The CDA is currently in a planning phase to map the meaningful development of local industries in the district. This requires assessment visits to the various local municipalities which is currently in progress. This exercise will determine the actual key catalytic projects (KCP) per local municipality. Once these KCP are identified the CDA will assess these projects and where appropriate advance them into bankable projects. Replication of these projects will only be considered in other municipalities once they are tried and tested for sustainability.

The general planning will focus on key industrialization/ aviation/ agriculture/ tourism & renewable energy opportunities in the local municipalities. CDA has agreed to take over some of the work in progress projects from the former Blue Crane Development Agency.

The following progress has been made with these projects:

### **Somerset East Industrial Park:**

As an initial project (before assessment opportunity in other municipalities) the Somerset East Industrial Park is already fairly well developed and the focus for the next few months will be to secure government funding to construct the Industrial Park. The IP will be unique in several

instances, especially in building material and methods focusing on holistic “Green” development. The CDA has met with several National Government Departments, especially the DTI Nationally with the view to source funding for services (bulk and internal services) together with top structures to attract interested investors. This development is demand driven and based on expressions of interest made by investors wanting to establish business enterprises within the new park.

As a prerequisite to the fund sourcing process the CDA has commissioned a feasibility study to be compiled by an Independent Consultant. The study indicated a potential Gross Leasable Area of 71 900m<sup>2</sup> which over subscribes the project by 200 %. It is important to note that 60% of the finance secured to date originates from the private sector and therefore the proposed Somerset East Industrial Cluster is not solely reliant on Government funding for further development. A new costing study was prepared, forecasting expected expenditure to install bulks, internal services and top structures over a 3 year budget period. The total amount needed to develop the project is +- R148m. All the necessary institutional authorizations are already secured by CDA.

This project has the exponential potential to be the ultimate economic driver for the regional economy. Several foreign (Italian/ French/ Swiss) investors have indicated their interest in the potential establishment of their factories in the park as a footprint to serve the African markets.

The waste-to energy project will target supplying renewable energy to the Industrial Park with the view to utilise their municipal waste (relief pressure on waste dump sites) to generate electricity. This project is currently in development stage in the East London IDZ and will be rolled out to Sarah Baartman in the form of feasibility studies to determine long term viability. This project will have an overall effect of assisting municipalities with waste problems as well as developing a model to generate internal electricity for the benefit of local municipalities.

Funding for the studies and roll out is currently been secured by CDA & Service Provider (Procured by BCDA) and final planning and contract signing will take place as soon as the SLA’s are signed.

CDA did several presentations in the last few months to the Swiss government economic funding structures based in South Africa. They have agreed to fund the feasibility of the Blue Crane waste-to-energy project as well as to provide further funding to any other potential waste-to-energy projects in SBDM once the CDA has completed their assessment with the other local municipalities. The Swiss entities working with the SP/ CDA are, the IFAD supported ISASAR Project as well as SECO. The total funding sourced by the SP for these initial feasibilities is worth +- R20m in total.

A three day workshop between CDA & the SP was held to design the project framework. The following parameters were established:

#### *The Blue Crane Project:*

The feasibility study funding was received and various actions will commence. They are as follows:

- GIS data analysis to determine the Biomass (Physical verification will follow)
- Negotiations with farmers on Biomass harvesting
- BCRM electrical financial analysis to determine the potential impact as well as to plan the intervention to add revenue to municipal coffers

The technical aspects were thoroughly discussed and a project action plan was developed. Further value adding potential projects was also discussed and planned.

The CDA industrialization effort is also focusing on the greening of the natural fibre chain. This applies for Wool/ Mohair as well as any other fibre produced in the district. This opportunity speaks to all the local municipalities, wherever a reasonable supply of raw product could be found

the CDA will explore the value adding opportunities. The current focus is on the Mohair greening of the value chain.

While South Africa remains the largest mohair producer in the world, South African and global mohair production has dropped by nearly 40% over the last two decades. There is considerable opportunity to 'grow' the mohair market through exploiting niche market opportunities and diversifying mohair products into broader and new industrial applications like the aeronautical and mohair industries. However, to realise the opportunities will require additional mohair production and, preferably, the production of 'green' mohair.

The project will need to add value to the product for both the primary producer (farmer) as well as the processing facility (factory). The marketability (success) of the project will be based on how much value can be added to both market segments. The entire project needs to be qualified in term of a well-documented system that will define the exact measurable & traceable steps (NMMU to assist), as well as a registration "entity" (CSIR) to ensure creditable and reliable verification.

The project (value chain) is divided into two distinct sectors:

- Production Sector
- Processing Sector

The first step is to liaise the CDA efforts with the Mohair industry as a collective. The CDA has commenced with meetings with Mohair SA and will continue to engage within the next few months.

The nett effect is already a partnership with a company that has received substantial funding from the Swiss government to perform a feasibility study on the consequences of Greenhouse environmental effects on small scale farming and the value of the greening of the Mohair industry in the district.

The final outcome is envisaged to be an on farm greening of Mohair followed by processing and manufacturing possibilities in local municipalities.

The CDA's eventual interest is centred on a possible development of components for the aviation industry. The potential development of a carpet/ rug manufacturing business to enhance the local value adding component of the industry is also a possibility as interest in this regard was already expressed in certain manufacturing circles. The initial need is however on the on-farm greening.

### **Somerset East New Airport Runway:**

In terms of its original integrated master development, the development agency is responsible for this turn-key solution in conceptualizing and delivering a catalytic project designed specifically as a multi solution development. A critical Infrastructure project like this airport is key to the attraction of new economic investment in a rural environment like Somerset East. This development will unlock a number of aerospace and non-aviation related projects which will be enabled as a consequence. A number of investors have already indicated their intention of investing in the new park and have submitted letters of intention in this regard.

The original R5 million rand secured by the BCDA in 2006 and managed by the municipality was not fully utilised on the airfield construction with the result that only 65% of the main run way was completed. The BCDA with the assistance of the then LED officer successfully convinced Minister Nkwinti from the Department of Rural Development to invest just over R53 million rand for the completion of the airfield. The funding was approved in 2013. The new run way will initially be 18 m wide and 1 260 m long. A plan is on the table to extend to secure funding for expansion to 1 500 m x 23 m. The apron will be constructed as an all-weather parking area. The main run way



will be surfaced with an asphalt base while the taxi ways and apron will be surfaced by interlocking pavers. A further taxi way will be built that will service the hangars.

An exciting addition to the airport is the inclusion of fully automated runway lighting to enable night operations. A new fire station has recently been completed which will be a great asset to the Airport for future commercial operations. Existing infrastructure in the form of a terminal building and aircraft hangars were built during the first phase of the project. On completion the new Somerset East Airport will be one of the best rural airports in the country.

The progress on the construction of the new Somerset East runway and related infrastructure is on track to be completed in November this year. This is despite a number of days being lost due to rain and water logged terrain which delayed construction the project. A number of aerospace projects are already secured that are due to be attached to the airport on its completion in 2015. These include inter-alia an internationally accredited aviation academy and a number of programmes in association with Wits University and the North Western Michigan College in the United States.

The anchor tenant of the Airport will be the Progress Flight Academy, which will commence with basic flight training in January 2016.

### **Boschberg Tourism Hub:**

The Tourism Hub will be re-opened after a service level was signed between the CDA and the local municipality. CDA will henceforth be responsible for the hub as well as linked developments in the Boschberg Cluster. Occupation of the buildings (Restaurant etc.) is due early in January 2016.

### **R335 Road Project:**

The R335 road project is moving into final procurement phase. The R335 road project is a long term project that will be constructed in different phases. The initial phase will be the tarring of the road between Ann's Villa and Bracefield followed by the next phases linking this section to the Addo tar road. The reason for not starting on the Addo side is that there are still environmental issues outstanding on the pass area. The last phase will be the linking of the Bracefield section to Somerset East. The road will be a mixture of tar, concrete and paving. The agency is not in general responsible for road developments but was lucky to secure this funding from the DRDLR. The other local district road belongs to the Provincial Road Department and it is their responsibility to maintain these roads. The target market is the +\_ 200 000 visitors to the Addo park that could potential be lured into visiting the Blue Crane area as through route or destination visitors. This is a huge infrastructure project which is essentially also a job creation project. At least 35% local procurement and much more local labour will be forced on the successful contractor that will hugely benefit the local businesses and communities. It is envisaged that construction will commence early in 2016.

### **Somerset East Education**

For the past 5 years the BCDA was in partnership with the Govan Mbeki School for Mathematics Development Unit which is part of NMMU. The CDA took this project over and runs it. This program entails the concept of an incubator school program. Selected learners participate in 14 extra classes over weekends and 2 exam preparation classes. Local teachers are responsible for the lectures. All participating learners are provided with a tablet with the curriculum, a digital Casio calculator, work books and exam papers. Food is provided for the learners. Learners in grades 10, 11 and 12 participate in mathematics and science.

The duty of the CDA is to source funds and to facilitate the project. The responsible teachers are trained by GMMDU and all the material is supplied by GMMDU. The learners get rewarded as the top 3 candidates in each grade do receive a prize.

In the Blue Crane area 60 learners from 4 schools benefited from the programme. In Graaff Reinet 80 learners from 8 schools were involved. The total investment in the program is R540 000.00. 11 Teachers are involved.

The CDA also successfully assisted with the training of teachers from the districts of Graaff Reinet, Cradock, Uitenhage, Port Elizabeth and East London. 98 Teachers participated in the Maths Skills Upgrade Program and the Science Skills Upgrade Program over a period of 8 months.

The department of Education supports these programs.

### **Renewable energy**

There are 2 main focus areas. The Cookhouse area where there are 5 wind farms and the Humansdorp area where there are 6 wind farms.

The Cookhouse wind farm is the largest wind farm in Africa and is now fully operational. This wind farm has made contribution to social development projects. The main focus is on early childhood development. Various institutions in the area have benefitted from the wind farm (Huis Silwerjare old age home, all 27 schools received money for the yearend prize giving, the youth cycle club, Mary Coetzee child care centre,) A community trust was formed and currently busy evaluating the applications for assistance. The Amakhala and Nojoli wind farms are currently in construction phase and will be completed by the end of 2015. The Golden Valley and Nxuba Wind Farms are in the process to complete financial closure and will start with construction early in 2016. The CDA oversees the appointment of contractors and labourers in accordance with the rules and regulations as laid down by the DOE. The CDA also assist the developers in negotiations with local municipalities such as rezoning and approving of plans and development. The 5 farms are busy with an asset mapping and needs analysis which will be completed by September and will thereafter start with more investment in the area.

Each wind farms employs in the region of 420 workers during the time of construction and the total value of the 5 wind farms amounts to R9 billion. After construction 23 people is employed on permanent basis on each farm.

On the 6<sup>th</sup> of May a meeting was held with all the representatives of the wind farms. The meeting was chaired by the CEO, Mr Mvoko, and the purpose of the meeting was to find areas of collaboration and identify catalytic projects with huge impact and also projects catalytic in nature to cut across the SBDM area. All developers were in agreement and now work together.

#### **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

### LOCATION OF BLUE CRANE ROUTE MUNICIPAL OFFICES

ADDRESS	LOCATION
67 Nojoli Street, Somerset East	Main Municipal Office Buildings <ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Council Chambers</li> <li>▪ Mayor's Office</li> <li>▪ Municipal Managers Office</li> <li>▪ Offices for Financial Services</li> <li>▪ Main Municipal Cash Offices</li> </ul>
88 Nojoli Street, Somerset East	Corporate Services <ul style="list-style-type: none"> <li>▪ Human Resources</li> <li>▪ Administration</li> <li>▪ Archives</li> <li>▪ Telephone Switchboard</li> <li>▪ Housing</li> </ul>
Union Street, Somerset East	Community Services <ul style="list-style-type: none"> <li>▪ Environmental Health</li> <li>▪ Langenhoven Library</li> </ul>
Municipal Depot, Somerset East	Technical Services

	<ul style="list-style-type: none"> <li>▪ Offices</li> <li>▪ Mechanical Warehouse</li> <li>▪ Garage</li> <li>▪ Municipal Stores</li> </ul> Community Services <ul style="list-style-type: none"> <li>▪ Traffic Department</li> </ul>
New Brighton, Somerset East	<ul style="list-style-type: none"> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪ Building Control Section</li> </ul>
Main Street, Cookhouse	<ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Cookhouse Library</li> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪ Municipal Depot</li> </ul>
Main Street, Pearston	<ul style="list-style-type: none"> <li>▪ Town Hall</li> <li>▪ Cash Office</li> <li>▪ Housing Office</li> <li>▪</li> </ul>

### 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 , Risk Management and Fraud Prevention

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

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

The municipality has a fully functional Audit Committee which sits quarterly. Due to financial constraints and the fact the municipality is a plenary municipality; the Audit committee is also responsible for auditing the implementation of the IDP by reviewing performance of the municipality quarterly as per the requirements of Municipal Systems Act. The Audit Committees' roles and responsibilities for the review of the Municipal Performance Management System are detailed in the approved Audit Committee Charter that is reviewed annually and adopted by council. The Audit Committee is also responsible for Risk management and Fraud Prevention.

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

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

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

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 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 30<sup>th</sup> 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 4<sup>th</sup> 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 30<sup>th</sup> June 2015. CoGTA-EC also assisted with the formulation of an implementation plan which has since been implemented. The process was widely consultative and involved all relevant stakeholders including labor as they are a critical stakeholder in this regard.

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

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

## BLUE CRANE ROUTE MUNICIPALITY

### LIST OF EMPLOYEES ON A CASUAL AND FIXED TERM CONTRACT EMPLOYMENT OF CASUAL EMPLOYEES FROM JANUARY TO MAY 2016

NUMBER	Date	POSITIONS	DEPARTMENT
2	20 – 28 January 2016	Casuals: Folding of Municipal Accounts Casuals	Financial Services Department
4	04 January 2016 – 04 February 2016	Casuals: Contract Drivers (Renewal of Contracts)	Technical Services Department
4	5 January 2016 – 5 April 2016	Renewal of Casual Process Controllers Contracts	Technical Services Department
3	4 – 18 January 2016	Casuals: Cleaner / Messengers	Financial Services Department, Corporate Services Department and MM's Office
16	1 January 2016 – 31 March 2016	Casual Electro – Mechanical Services	Technical Services Department
12	18 January 2016 – 30 March 2016	Casuals: Maintenance Of Water & Waste Water Treatment Works in BCRM	Technical Services Department
2	6 – 13 January 2016	Casuals: Secretary Corporate Services	Corporate Services Department
1	1 – 29 January 2016	Pensioner's Casual Contract	Technical Services Department (Pearston)
1	1 January 2016 – 31 December 2018	Manager: Project Management Unit	Technical Services Department
1	20 April 2016 – 6 May 2016	Casual: Meter Reader	Financial Service Department
4	1 – 30 April 2016	Casuals: Contract Drivers (Renewal of Contracts)	Technical Services Department

2	22 – 29th April 2016	Casuals: Municipal Accounts Folders	Financial Services Department
1	1 April 2016 – 30 September 2016	LED Assistant	Municipal Manager's Office
8	28 April 2016 – 5 May 2016	Casuals: Distributors of Municipal Accounts Somerset East 5, Cookhouse 2, Pearston 1	Financial Services Department
13	1 April 2016 – 30 June 2016	Casuals: General Workers Electro-Mechanical Services	Technical Services Department
3	1 – 30 April 2016	Casuals: Process Controllers	Technical Services Department
1	1 April 2016 – 30 June 2016	Casual: HR Assistant (Intern)	Corporate Services Department
<b>TOTAL:</b> 78			

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

<b>POSITION</b>	<b>INCUMBENT</b>	<b>TIMEFRAME</b>
Municipal Manager	Mr. Thabiso Klaas	Contract ends August 2017
Director Community Services	Mr. Sizwe Mvunelwa	Contract ends August 2017
Director Corporate Services	Mr. Fezekile Cotani	Contract ends August 2017
Director Financial Services (CFO)	Mr. Gerard Goliath	Contract ends August 2017
Director Technical Services	Ms. Zukiswa Ntile	Contract ends August 2017

#### ⇒ **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**

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

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

### **3.1 WARD BASED PLANNING**

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

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

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

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

During the month of September 2015, 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:

1. Re-surfacing and paving of roads
2. Storm water drains
3. Electricity
4. Sports facilities
5. Housing
6. Water and Sanitation (water leaks)
7. Fencing of Water Reservoirs
8. Rainwater Harvest Tanks
9. Rectification of Damaged and burnt houses
10. Employment, Youth development programmes and skills development
11. Access to land
12. Cemeteries
13. Pounds
14. Fencing

### **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**

**VISION**

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

**MISSION**

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

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

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

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



**KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

**DIRECTORATE: CORPORATE SERVICES**

**CUSTODIAN: DIRECTOR CORPORATE SERVICES-MR FEZEKILE COTANI**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Town Planning</b>	To ensure that spatial planning and land use within the municipality is institutionalised in line with SPLUMA by 2022	By establishing a planning unit within the municipality	Reviewed organisational structure	Council approval	SPLUMA Bylaw	Develop an organisational Design and submit to council for adoption	Establish the planning unit	N/a	N/a	N/a
			Organisational Design	Integration of the unit in the newly designed organisational structure	0	Reflect the unit in the newly established organisational structure	N/a	N/a	N/a	N/a
<b>Land for development purposes.</b>	To acquire land for socio-economic development purposes by 2022	By engaging potential land owners	Land availability agreement	Council resolution	0	Engage potential landowners for purposes of obtaining land	Develop land availability agreement	Allocate land for development purposes	N/a	N/a
<b>State of Municipal Facilities</b>	To ensure improvement of municipal facilities to acceptable level of standard in compliance with Occupational Health and Safety standard requirements by 2022.	By implementing maintenance programs for upgrading of municipal facilities	Report to council on the implementation of maintenance program	Maintenance budget and schedule	0	Conduct assessment of municipal facilities and cost estimates	Develop maintenance program	N/a	N/a	Implement maintenance program
			Developed funding strategy for maintenance of municipal facilities	Funding strategy	0	Investigate the possibility of introducing the	Submit the recommendations to the draft IDP Budget for inclusion in new tariff structure	Implement the levy	Implement the levy	N/a

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
		municipal facilities				development levy				
<b>Municipal Housing Rental Flats</b>	To improve the administration of municipal housing rental Flats by 2022	By developing a housing rental Flats management model.	Developed housing rental stock management model	Council resolution	0	Conduct a desktop exercise to determine legal occupants	Conduct a cost benefit analysis to determine whether to sell or to retain the flats	Implement the model	Review the model	Review the model
<b>Land for housing development</b>	To identify and acquire land for housing development in the municipal area by 2022.	By conducting an audit of all municipal land suitable for housing development as per the Spatial Development Framework.	Land for housing development.	Council resolution		Conduct an assessment of all potentially suitable land for housing development	Conduct feasibility study and Budgeting	N/a	N/a	N/a
<b>Disused, abandoned and neglected houses</b>	To re-allocate disused, abandoned and neglected houses by 2022	By developing a housing re-allocation strategy	Strategy to re-allocate disused, abandoned and neglected housing units in BCRM	Housing re-allocation strategy	0	Conduct an assessment of all disused, abandoned and neglected houses.	Engage Department of Human Settlements on possible options to resolve the problem	Implement recommendations by re-allocating the housing units	N/a	N/a
<b>Completion of outstanding housing projects</b>	To provide decent, affordable houses for the residents of BCRM	By completing all outstanding housing projects	Completion of Aeroville snags, Pearston Housing, and electrification of	Approved budget	Housing projects	Source funding	Implement outstanding projects	N/a	N/a	N/a

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
			Mnandi and Cookhouse Rectification Projects							
<b>Relocation of Housing Section</b>	To establish organisational structure according to prescribed local government areas of responsibility by 2022	By redesigning the current organisational structure	Redesigned organisational structure	Council resolution	Organogram	Organisational design process and work study	Implement recommendations of the organisational design process	N/a	N/a	N/a
<b>Leave management</b>	To improve compliance in terms of employee work attendance by 2022	By developing and implementing Standard Operating Procedures (SOP) to deal with leave	Standard Operating Procedures (SOP) developed	SOP	0	Develop SOP	Implement SOP	Review SOP	Review SOP	Review SOP
			Number of reports submitted to the Standing Committee on leave management	4 reports per annum	0	4 reports	4 reports	4 reports	4 reports	4 reports
<b>HR Staffing</b>	To meet the standard benchmark ratio of 1 HR official for every 100 employees by 2022	By appointing adequate and capacitated staff members	Organogram	Report to council on approved and budgeted posts	Organogram	Source funding for	filling of vacancies	N/a	N/a	N/a

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Occupational Health and Safety</b>	To implement provisions of Occupational Health and Safety Act by 2022	By developing and reviewing Occupational Health and Safety Policies and Strategies	Reviewed OHS Policies and Strategies	OHS Policy and Strategy	OHS Act	Source budget	Embark on engagement sessions	Develop and review OHS policy and strategies	N/a	N/a
<b>LLF Functionality</b>	To strengthen LLF functionality and capacitation in order to create harmonious working environment by 2022	By capacitating members of LLF	Capacitated LLF members	Training program	ORA	Source funding and train LLF members	N/a	N/a	N/a	N/a
<b>Creation of middle management structure in Corporate Services</b>	To strengthen governance and accountability	By sourcing funding for filling of middle management positions in Corporate Services	Approved funding for middle management positions	Approved budget	Organogram	Source funding for filling of vacancies	Fill middle management positions	N/a	N/a	N/a
<b>Land for development purposes</b>	To acquire land for socio-economic development purposes by 2022	By acquiring land for socio-economic development purposes	Land availability agreement	Council resolution	Organogram	Engage potential land owners on land development plans	Conclude engagement for land development	Acquire land for socio-economic development	N/a	N/a
<b>Organisational</b>	To establish organisational structure as	By designing the	New Organisational Structure	Report to council approving the	Organogram	Conduct organisation	Implement recommendations			

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
Development	prescribed by legislation by 2022	structure of the organisation to be in line with legislation		new organogram		al design process				

**KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

**DIRECTORATE: TECHNICAL SERVICES**

**CUSTODIAN: DIRECTOR TECHNICAL SERVICES-MS ZUKISWA NTILE**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
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	Upgraded Sewer Plant Cookhouse	Quartely progress reports	Consultant appointed	Upgrade Sewer Plant in Cookhouse				
Job Creation	To strive for reduction on household poverty by labour intensive construction methods in 2017 and beyond	By creating jobs	Number of jobs created through EPWP	Quartely progress reports	161 work opportunities	151 Work opportunities	152 Work opportunities	153 Work opportunities	154 Work opportunities	155 Work opportunities

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
		By strengthening functionality of EPWP steering committee	Number of EPWP steering committee meetings held	Quarterly reports / Minutes and Registers	Terms of Reference	4 meetings held	4 meetings held	4 meetings held	4 meetings held	4 meetings held
<b>Electricity supply</b>	To ensure quality electricity supply and reduction of Electricity losses by 2022	Refurbishment of radio communication for safety	Refurbished and installed radio communication	Quarterly reports	Radio communication	Refurbish and install radio communication				
		By purchasing of transformers	No. of Transformers purchased	Quarterly reports	None	Purchase and delivery of 8 transformers	Purchase and delivery of 8 transformers	Purchase and delivery of 8 transformers	Purchase and delivery of 8 transformers	Purchase and delivery of 8 transformers
<b>Social Facilities</b>	To ensure that communities have access to well established social amenities by 2022 and beyond	By upgrading Sports facilities, community halls and parks	Number of parks upgraded in Cookhouse	Quarterly reports	1.Consultant appointed 2. Preliminary designs completed	Upgrade 1 park in Cookhouse				
		By upgrading Sports facilities, community halls and parks	Upgraded Somerset East sportsfield	Quarterly reports	Existing sportfield	Upgraded Somerset East sportsfield (Ward 3)				
			Constructing of community hall in Mnandi	Quarterly reports		Construction of Community Hall in Mnandi (Ward 3)				

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Water Resource Management</b>	To ensure improved drinking water quality and sustainable water resources by 2022 and beyond.	By purchasing of backwash pumps (standby)	No of backwash pumps purchased	Quarterly reports		Purchase 2 backwash standby pumps				
		By purchasing of safety jackets	No of safety jackets	Quarterly reports		Purchase of 3 safety jackets for 3 WTW				
		By upgrading of Orange Fish Water Treatment Works	Upgrading of bulk water supply from Beestershoek to town	Quarterly reports		upgrading of Orange Fish Water Treatment Works				
		Upgrading of bulk water supply from Beestershoek to town	Upgrading of bulk water supply from Beestershoek to town	Quarterly reports		Purchasing of jar test for Cookhouse and Bestershoek				
<b>Roads and stormwater</b>	To ensure efficient, economical and quality and sustainable roads and storm water infrastructure by 2022	Upgrading of gravel roads in BCRM	kilometres of gravel roads paved	Quarterly reports	35.8 km	0.65 km of gravel roads in BCRM paved	0.65 km of gravel roads in BCRM paved	0.65 km of gravel roads in BCRM paved	0.65 km of gravel roads in BCRM paved	0.65 km of gravel roads in BCRM paved

**KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

**DIRECTORATE: COMMUNITY SERVICES**

**CUSTODIAN: DIRECTOR COMMUNITY SERVICES-MR SIZWE MVUNELWA**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Environmental Health Services</b>	To ensure that Environmental Health Services are fully staffed as stipulated in the norms and standards by 2022	Facilitation with the SBDM the recruitment of one EHP	Written request for budget for additional EHP from SBDM	Written request and feedback from SBDM	Municipality short of 1 EHP in terms of National Environmental Health Standards	Formal request to SBDM for 1 EHP	n/a	n/a	n/a	
<b>Traffic services</b>	To ensure a fully equipped Traffic Services Building by 2022	By budgeting for equipment and procure equipment	Furniture and VTS equipment procured	Expenditure report, Delivery note	VTS has no hydraulic jack and uses mobile jacks and furniture	Procuring one set of hydraulic lacks and 3 desks and 3 chairs	n/a	n/a	n/a	
<b>Commonage and Pound</b>	To ensure that animals are kept away from roads by 2022	By completing the pound in Somerset East as temporal shelter for impounded animals	Fully constructed pound facility	Before and after pics, expenditure report	No pound available and animals are roaming the streets	Construction of remainder of the pound as per the plan	n/a	n/a	n/a	
<b>Parks, open spaces and cemeteries</b>	To ensure adequate equipment for maintenance of parks and cemeteries by 2022	by budgeting for appointment of cemetery caretaker	Salary budget for One caretaker per town	Approved budget and memo to Corp Serv to requesting recruitment	No cemetery caretakers in entire BCRM	Salary Budget for 3 cemetery caretakers approved				
		By budgeting for procurement	10 edge cutters, one tractor and	Expenditure report and deliver note	3 edge cutters and no tractor	Procurement of 10 edge cutters	Procurement of tractor and blower mower			



		of equipment for maintenance	blower mower							
<b>Fire Services</b>	To ensure that the fire station is fully equipped to deliver fire services effectively by 2022	By budgeting and procuring fire services equipment	Two way radio system, 2 desk top computers	Expenditure report and delivery note	One laptop and no telephone or internet connection	Procuring two way radio system	Procure 2 desk top computers	N/a	N/a	N/a
		By budgeting (top up) and replacing a written off Skid unit and response vehicle	Procuring LDV for skid unit	Expenditure report and delivery note	1x Skid unit to service entire BCRM Area	One skid unit procured	n/a	n/a		
		By budgeting and constructing two satellite Fire Stations for Pearston and Cookhouse	Two satellite fire stations	Progress report, expenditure report, dated pictures of constructed building	No satellite fire stations in Pearston and Cookhouse. These areas are serviced by Somerset East staff	Sourcing funding for construction	Construction depending on funds available			
	To ensure that the generator is located in an adequately ventilated room to prevent overheating	By extending existing generator room	Extension of generator room	Expenditure report, approved building plan and before and after photos	Generator located in an inadequately ventilated room resulting in over heating	Extended generator room	n/a	n/a	n/a	

**KPA: LOCAL ECONOMIC DEVELOPMENT**

**DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER**

**CUSTODIAN: MUNICIPAL MANAGER: MR THABISO KLAAS**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Local Economic Development</b>	Promote local economic development and job creation	By reviewing the LED strategy.	Reviewed LED Strategy.	Quarterly reports	0	Reviewed the LED Strategy		Reviewed the LED Strategy		Reviewed the LED Strategy
		By establishing a functional LED Unit	LED unit established	Quarterly reports	0	Establishment of a functional LED unit				
		By establishing Blue Crane Route business forum	Established Blue Crane Route business forum	Quarterly reports	0	Establishing Blue Crane Route business forum				
<b>SMME Development and Business Advisory Services</b>	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMEs) businesses into the formal economy by 2017 and beyond	By providing meaningful business development support to SMMEs	Number of SMMEs supported	Quarterly reports	6	8 SMMEs	10 SMMEs	12 SMMEs	14 SMMEs	16 SMMEs
			Number of business support	Quarterly reports	4	2 businesses	4 businesses	6 businesses	8 businesses	10 businesses

			initiatives implemented							
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**KPA: MUNICIPAL FINANCIAL VIABILITY**

**DIRECTORATE: FINANCIAL SERVICES**

**CUSTODIAN: DIRECTOR FINANCIAL SERVICES-MR NIGEL DELO**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
Supply Chain Management	To ensure smooth, effective and integrated demand management process that will eliminate UIF and Wasteful expenditure by 2022	By implementing ongoing training and development on Demand Management element of SCM	Number of trainings facilitated with PT and SBDM	Agendas, minutes and registers	0	4 trainings	4 trainings	4 trainings	4 trainings	4 trainings
		By developing Procurement Plans and submitting for approval	Procurement plans developed and adopted	Council resolution on Procurement plans	1 per year ,Council did not approve 2016/2017	Adopted procurement plans	Adopted procurement plans	Adopted procurement plans	Adopted procurement plans	Adopted procurement plans
		By centralising Supply Chain processes	Number of workshop on SCM processes to departments	Agendas, minutes, and registers	1 workshop for Finance	2 Workshops( Technical and Community	2 Workshops ( Technical and Community			

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
		By monitoring compliance with SCM check lists	Number of reports on compliance with SCM Policies and Legislation	Monthly reports	0	12 reports				
		By convening meetings for Bid Committees	Number of specification com meetings	Monthly reports	1 per month	12 reports				
			Number of evaluation com meetings	Monthly reports		12 reports				
			Number of bid adjudication com meetings	Monthly reports		12 reports				
		By monitoring and identifying irregular expenditure on a monthly basis	Number of reports to senior management on UIFW		1 per quarter, only for irregular. Not for Unauthorised and Fruitless and wasteful	12 reports				
		By reporting to council on a quarterly basis	Number of reports to council		1 per quarter, only for irregular. Not for Unauthorise	4 reports				

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
					d and Fruitless and wasteful					
<b>Fleet management</b>	To ensure effective use as well optimal safeguarding of municipal fleet by 2022	By monitoring the use of the municipal fleet on a monthly basis including fuel expenditure	Number of reports to Senior management and finance Com	Monthly reports	None	12 reports				
		By procuring a vehicle tracking system	Vehicle Tracking system procured	Tax invoice Service level agreement	None	Vehicle tracking system installed				
		By allocating funds for appointment of Fleet Officer system	Budget provision for Fleet Officer	Approved Salary Budget	None	N/A	Budget available for appointment of Fleet Officer			
		By introducing fuel card system	Fuel Card service provider appointed	Service level agreement	None	Fuel card system operational				
<b>Revenue Management</b>	To ensure that the municipality is financially viable and that it can sustain its short, medium and long term obligations to provide services to	By developing & adoption of a revenue enhancement plan	Revenue enhancement plan that has been developed and approved	Council Resolution to implement the Revenue enhancement plan	2013/14 Revenue Enhancement plan	Adopted Revenue Enhancement plan by 30 July 2017				

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
	the community in a sustained manner by 2022.									
		By implementation and monitoring of the revenue enhancement plan	Number of progress reports submitted to management & Mayor	Monthly reports	N/A	12 reports	12 reports	12 reports	12 reports	12 reports
		By reducing the budget deficit	Reduced budget deficit approved by Council	Council Resolution to approve the annual budget	Current adjustment Budget (2016-17) with a budget deficit amount of R 6.4 M	Reduce deficit by at least R 1,6 m	Reduce deficit by at least R 2m	Reduce deficit by at least R 2.8 m	R 0 Deficit	R 0 Deficit
<b>Financial Management &amp; Reporting</b>	Optimal use of the mSCOA financial system to ensure that we improve the operations of the municipality by generating accurate, valid, complete	By implementing ongoing training and development on mSCOA	Number of training and workshop sessions facilitated by NT, PT and SAMRAS.	Agendas, Minutes of meetings, Attendance registers.	Monthly reports to Treasury and audit report of 2015/16	4 workshops & training sessions	2 workshops & training sessions	2 workshop & training session	N/A	N/A

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
	and cost-effective financial and performance information by 2022.									
			Number of training and workshop sessions facilitated by Finance Department.	Agendas, Minutes of meetings, Attendance registers.	Audit report of 2015/16 as well as monthly reports to Council	4 workshops & training sessions	2 workshops & training sessions	2 workshop & training session	N/A	N/A
		By assessing the quality of reports generated and implications thereof	Number of reports generated and submitted to the Mayor and Council	Approved reports, Council resolutions	Excel format reports	S71 – 12 Reports (Monthly) S54 – 4 (Quarterly) S72 – 1 (Mid Year) S29 – 1 (Adjustment Budget) S24 – 1 (Annual Budget)	S71 – 12 Reports (Monthly) S54 – 4 (Quarterly) S72 – 1 (Mid Year) S29 – 1 (Adjustment Budget) S24 – 1 (Annual Budget)	S71 – 12 Reports (Monthly) S54 – 4 (Quarterly) S72 – 1 (Mid Year) S29 – 1 (Adjustment Budget) S24 – 1 (Annual Budget)	N/A	N/A

**KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

**DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER**

**CUSTODIAN: MUNICIPAL MANAGER -MR THABISO KLAAS**

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
<b>Internal Controls, Risk management and Corporate Governance</b>	To ensure effective Audit, Risk management and Corporate governance function that will result in improved compliance and clean administration by 2022	By monitoring the implementation of the audit outcome improvement plan	Number of AOIP follow up reports submitted to the AC	Quarterly Reports	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports
		By acquiring auditing software for automated audits	Automated Audit software procured	Service level agreement	N/A	Automated Audit software installed	4 user License renewed	4 user License renewed	4 user License renewed	4 user License renewed
		By reviewing Risk Management activities of the municipality	Number of strategic and operational risks follow ups Submitted	Risk reports	4 risk reports	4 risk reports	4 risk reports	4 risk reports	4 risk reports	4 risk reports
			Risk management Framework reviewed	Risk management Framework	Adopted reviewed Risk Management Framework	Adopted reviewed Risk Management Framework	Adopted reviewed Risk Management Framework	Adopted reviewed Risk Management Framework	Adopted reviewed Risk Management Framework	Adopted reviewed Risk Management Framework



PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
			Number of Risk self-assessments workshops	Minutes	1 Strategic risk assessment	One strategic risk assessment workshop	One strategic risk assessment workshop	One strategic risk assessment workshop	One strategic risk assessment workshop	One strategic risk assessment workshop
		By reviewing fraud prevention and anti-corruption mechanism	Number of workshops on Fraud prevention	minutes	Two workshops	Two workshops	Two workshops	Two workshops	Two workshops	Two workshops
			Reviewed Fraud prevention policy and plan	Fraud Prevention Plan		Reviewed Fraud prevention plan submitted to council	Reviewed Fraud prevention plan submitted to council	Reviewed Fraud prevention plan submitted to council	Reviewed Fraud prevention plan submitted to council	Reviewed Fraud prevention plan submitted to council
		By reviewing municipal internal controls through execution of the Internal Audit Plan	Number of report on progress against approved IAP to AC	Quarterly Reports	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports
		By convening regular audit committee meetings	Number of AC meetings held	Minutes	4 meetings	4 meetings	4 meetings	4 meetings	4 meetings	4 meetings
<b>IT Communication and Network connectivity</b>	To ensure a reliable, efficient and effective ICT systems and Network infrastructure for	By upgrading the internet connectivity and connect new sites (network infrastructure)	Connected office sites, Upgraded internet sites  Increased internet bandwidth (fast internet connectivity)	Report on progress report	Upgraded network connection Fast internet connection	Upgrade switches and firewall	Upgrade PC's and Notebooks	Upgrade Servers,	Upgrade Network Infrastructure and bandwidth	Data centre for recovery

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
	communication and connectivity by 2022 and beyond									
<b>ICT Governance</b>	To ensure Effective ICT Governance and Controls by 2022	By developing ICT Strategy	ICT Strategy developed	ICT Strategy Council resolution	0	Developed and adopted ICT strategy	Review ICT Strategy and submit for Councils approval	Review ICT Strategy and submit for council's approval	Review ICT Strategy and submit for council's approval	Developed and adopted ICT strategy
		By reviewing ICT policies	No of ICT policies reviewed	ICT policies and council resolution	6 ICT policies	6 ICT policies reviewed	6 ICT policies reviewed	6 ICT policies reviewed	6 ICT policies reviewed	6 ICT policies reviewed
<b>Planning and Performance management</b>	To ensure that the municipality is responsive to the needs of the community as well as to strengthen a culture of performance management by 2022	By improving quality of IDP in line with prescribed processes and guidelines – with full participation of municipal administration and ownership by political champion	Compliant and credible 2017/18 IDP submitted to Council for approval	Develop improved IDP	Approved IDP 2016/17	Develop Credible IDP 2017/18	Develop Credible IDP 2018/19	Develop Credible IDP 2019/20	Develop Credible IDP 2020/21	Develop Credible IDP 2021/22
		By Implementing Service Delivery & Budget Implementation Plan	Annual report submitted to Council	Quarterly reports	15/16 Annual report	Develop 2016/17 Annual Report	Develop 2017/18 Annual Report	Develop 2018/19 Annual Report	Develop 2019/20 Annual Report	Develop 2020/21 Annual Report

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
		aligned to the IDP and Budget								
		By conducting institutional performance assessment quarterly	no of performance assessment conducted and reviewed by Internal Audit	Quarterly reports	Approved Service Delivery & Budget Implementation Plan	Generate 4 performance assessment reports	Generate 4 performance assessment reports	Generate 4 performance assessment reports	Generate 4 performance assessment reports	Generate 4 performance assessment reports
<b>Public Participation</b>	Ensure effective, efficient and compliant public participation by 2022 and beyond	By reviewing public participation strategy	Public participation strategy reviewed and approved by Council	Public participation strategy reviewed	0	Review public participation strategy submit to Council for Approval	Review public participation strategy submit to Council for Approval	Review public participation strategy submit to Council for Approval	Review public participation strategy submit to Council for Approval	Review public participation strategy submit to Council for Approval
		By Implementing the public participation strategy	Number of Public Participation imbizos/workshop convened per quarter	No. of sessions. Quarterly report	0	Conduct 4 Public Participation sessions	Conduct 4 Public Participation sessions	Conduct 4 Public Participation sessions	Conduct 4 Public Participation sessions	Conduct 4 Public Participation sessions
		By Strengthening Inter-	No of IGR meetings convened	No. of meetings	IGR Structure	Convene 4 IGR meetings	Convene 4 IGR meetings	Convene 4 IGR meetings	Convene 4 IGR meetings	Convene 4 IGR meetings

PRIORITY AREA	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	MEASUREMENT SOURCE	BASELINE	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
		governmental Relations								
<b>Communications Management</b>	To ensure open, honest and accountable two-way dialogue with BCRM stakeholders as well to strengthen and improve internal communication systems by 2022	By reviewing and implementing Communications Strategy	Reviewed Communications strategy	Reviewed Communications strategy	Communication Strategy	Reviewed and adopted 5 year Communications Strategy	One Communications Review Workshop	One Communications Review Workshop	One Communications Review Workshop	One Communications Review Workshop
		By developing and implementing a Branding Manual	Developed Branding Manual	Branding Manual	0	Developed and adopted branding manual				
		By developing internal and external newsletter	Developed internal and external Newsletter	Quarterly Newsletters	4 external and internal newsletter	4 external and internal newsletter	4 external and internal newsletter	4 external and internal newsletter	4 external and internal newsletter	4 external and internal newsletter

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

## 4.2 HOUSING SECTOR PLAN

The Municipality's 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 1. Extremely 2. Moderately 3. Relatively	Project Name	Project cost estimate
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**

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

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	

NAME	CAPEX	SOURCE	JOBS	
			Perm	Temp
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 Gariep 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, 35km<sup>2</sup>.

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

- Somerset East, including Aeroville, Mnandi Old Location, New Brighton, Westview and Clevedon
- Pearston, including Nelsig and Khanyiso
- Cookhouse, including Bhongweni and Newtown





❑ 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 617	1 568	1 750	1 905	1 915	1 915	2 067	2 190	2 322
Infrastructure - Road transport		576	544	564	700	700	700	780	827	876
Roads, Pavements & Bridges		576	544	564	700	700	700	780	827	876
Storm water										
Infrastructure - Electricity		777	698	749	780	773	773	800	848	899
Generation										
Transmission & Reticulation		777	698	749	780	773	773	800	848	899
Street Lighting										
Infrastructure - Water		234	256	433	390	387	387	387	410	434
Dams & Reservoirs										
Water purification										
Reticulation		234	256	433	390	387	387	387	410	434
Infrastructure - Sanitation		30	69	5	35	55	55	100	106	112
Reticulation		30	69	5	35	55	55	100	106	112
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		1 529	1 306	1 585	2 321	3 031	3 031	2 813	2 982	3 161
General vehicles		939	727	878	1 345	1 846	1 846	1 741	1 845	1 956
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		170	159	311	328	325	325	415	439	466
Computers - hardware/equipment		206	168	191	131	127	127	133	141	149
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings		214	252	205	266	583	583	375	398	421
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other					250	150	150	150	159	169
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>3 147</b>	<b>2 873</b>	<b>3 336</b>	<b>4 226</b>	<b>4 946</b>	<b>4 946</b>	<b>4 880</b>	<b>5 172</b>	<b>5 483</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		0.5%	0.5%	0.5%	0.6%	0.8%	0.8%	0.8%	0.9%	1.0%
<b>R&amp;M as % Operating Expenditure</b>		1.7%	1.6%	1.7%	1.9%	2.4%	2.4%	2.2%	2.2%	2.2%

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

### **INTRODUCTION**

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

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

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, 75, 78,79,85 and 86). This plan has been prepared taking in consideration the priorities and direction established by municipality during the 2017/2018 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 has established its own Audit, Risk and Performance Committee with effect from 01 July 2015. The Audit Committee consisted of four (4) members comprising two (2) Chartered Accountants; one (1) Performance management / HR specialist; and one (1) Legal / compliance specialist up until November 2015 when the PMS / HR Specialist, who was also the Chairperson, resigned. A one (1) Chartered Accountant appointed as a chair and the new member was appointed in March 2016 a Local government and development specialist.

## **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 municipality is also in the process of aligning its business process to the Municipal Standard Chart of Accounts (mSCOA) format which is legislatively regulated to be implemented by 01 July 2017.

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
- Developing & adoption of the revenue enhancement plan
- Implementation and monitoring of the revenue enhancement plan

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

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

Eighty-one (81) percent of the Finance department posts are filled, meaning that only nine (9) positions are still vacant. The post of Clerk: Consolidated Billing was filled but got vacant during 2016 as the incumbent resigned. This post will be advertised during 2017, the remaining vacancies 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 / Frontier	Application System interfacing with the following below:
		<b>Consolidated Billing</b> <ul style="list-style-type: none"> <li>• Receipting</li> <li>• Accounts</li> <li>• Debt Collection</li> <li>• General Ledger</li> <li>• Cashbook</li> </ul>
		<b>Consolidated Expenditure</b> <ul style="list-style-type: none"> <li>• Creditors</li> <li>• Stores</li> <li>• Assets</li> <li>• Supply Chain Management</li> <li>• General Ledger</li> <li>• Main Ledger</li> <li>• Trail Balance</li> </ul>
		<b>Payroll</b> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Cash Focus</li> <li>• Third Parties</li> <li>• SARS</li> <li>• Human Resource <ul style="list-style-type: none"> <li>○ Leave</li> <li>○ Equity</li> </ul> </li> </ul>

<b>Bytes Technology</b>	SAMRAS	Caseware
<b>Bytes Technology</b>	SAMRAS	mSCOA
<b>Itron</b>	Vending	Pre-paid Electricity
<b>Durchame Asset Management Portal</b>	Assets	Asset Management
<b>Deeds Office / Windeed websites</b>	Title Deeds	Extracting Title Deed information electronically
<b>FNB Bank</b>	On-line Banking	Electronic payment • Creditors, Salaries
<b>TGIS</b>	GIS	Mapping areas, size of erven, etc
<b>SITA</b>	eNatis	Motor Vehicle Registration
<b>Microsoft</b>	MS Office 2010/2016	Word; Excel; PowerPoint; Adobe; Publisher
<b>Nuance</b>	PDF Converter Professional	PDF
<b>ESET</b>	Antivirus Protection	Internet and point security
<b>SARS</b>	Easy File	PAYE – IRP5's

## 7.4. 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. The municipality has applied for extension of the validity of the Valuation Roll and the MEC: COGTA-EC extended the validity with the effect from 1 July 2016 and remain valid until 30 June 2019.

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; 2014/2015; 2015/2016 and 2016/2017 financial years and the Supplementary Valuation Rolls was implemented. The Valuation Rolls are available on the municipal website [www.bcrm.gov.za](http://www.bcrm.gov.za)

All residential households receive a R15, 000 rebate from their property valuation for municipal property rates.

## 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 ten (10) posts within the Supply Chain Management

Unit and they have all been filled, with the exception of the Accountant: Supply Chain Management and the Fleet Officer.

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

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

Training of the Bid Committee members and potential members was conducted during 2016.

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

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 the Manager: Supply Chain and Assets Management.

#### **7.5.1. Contract Management**

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

The SCM practitioner is assisting on the above while the post is vacant and the Manager: Supply Chain & Asset Management then oversees the function to ensure that Contract Management is being done correctly.

#### **7.5.2. 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, around 11 weeks for 2015/16 and 2016/2017. 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.

2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
<b><u>Unqualified Audit Report received</u></b>	<b><u>Unqualified Audit Report received</u></b>	<b><u>Qualified Audit Report received - Consolidated</u></b>	<b><u>Qualified Audit Report received - Consolidated</u></b>	<b><u>Qualified Audit Report received - Consolidated</u></b>
<b>Emphasis of Matter:</b> Unauthorised expenditure	<b>Emphasis of Matter:</b> Restatement of corresponding figures	Property, plant and equipment	Property, plant and equipment	Property, plant and equipment
<b>Emphasis of Matter:</b> Irregular expenditure	<b>Emphasis of Matter:</b> Material Losses	Investment property	Investment property	Investment property
<b>Emphasis of Matter:</b> Material Losses	<b>Emphasis of Matter:</b> Irregular expenditure		Provision of environmental rehabilitation	Provision for Landfill site
<b>Emphasis of Matter:</b> Restatement of corresponding figures		Irregular expenditure	Irregular expenditure	Irregular expenditure
			Budget information disclosure	Contingent liabilities disclosure
			Distribution losses	Distribution losses
			Unauthorised expenditure (prior year disclosure)	Unauthorised expenditure
		Basis of preparation	Basis of preparation	
			Aggregation of immaterial	Aggregation of immaterial

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

There are still recurring audit findings, but the municipality has managed to further reduce the audit findings in the 2015/16 financial year and received an Unqualified Audit Opinion. 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 2015/16 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 25<sup>th</sup> and month end for certain service providers that stipulate these cut-off dates. The actual creditors turnover rate payment period as at 30 June 2016 is 68 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:

<b>BLUE CRANE ROUTE MUNICIPALITY - Supporting Table SA18 Transfers and grant receipts</b>				
Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>				
<b>RECEIPTS:</b>	1, 2			
<b>Operating Transfers and Grants</b>				
<b>National Government:</b>		<b>49 160 080</b>	<b>50 960 710</b>	<b>53 664 340</b>
Local Government Equitable Share		45 735 280	48 251 510	50 664 090
Finance Management		1 700 000	1 955 000	2 215 000
EPWP Incentive		1 000 000		
MIG PMU		724 800	754 200	785 250
<b>Provincial Government:</b>		<b>2 300 000</b>	<b>2 300 000</b>	<b>2 300 000</b>
Sport and Recreation		2 300 000	2 300 000	2 300 000
MIG PMU				
<b>District Municipality:</b>		<b>1 375 700</b>	<b>1 448 800</b>	<b>1 525 920</b>
Fire and disaster		472 000	490 880	510 520
Environmental Health		903 700	957 920	1 015 400
<b>Other grant providers:</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Operating Transfers and Grants</b>	5	<b>52 835 780</b>	<b>54 709 510</b>	<b>57 490 260</b>
<b>Capital Transfers and Grants</b>				
<b>National Government:</b>		<b>30 771 200</b>	<b>22 329 800</b>	<b>22 919 750</b>
Municipal Infrastructure Grant (MIG)		13 771 200	14 329 800	14 919 750
Regional Bulk Infrastructure		17 000 000		
INEP			8 000 000	8 000 000
<b>Provincial Government:</b>		<b>0</b>	<b>0</b>	<b>0</b>
Other capital transfers/grants [insert description]				
<b>District Municipality:</b>		<b>0</b>	<b>0</b>	<b>0</b>
Fire and disaster				
<b>Other grant providers:</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Capital Transfers and Grants</b>	5	<b>30 771 200</b>	<b>22 329 800</b>	<b>22 919 750</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>83 606 980</b>	<b>77 039 310</b>	<b>80 410 010</b>

Source: DoRA & SBDM

Each year, National Treasury issues a circular, (see MFMA Circular 85 and 86) to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets.

The headline CPI forecast for fiscal year 2016 is 4.6%, 2017 is 6.4%, 2018 is 6.1%, 2019 is 5.9% and 2020 is 5.9%. However these figures can change very fast due to external factors as recently experienced.

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

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 20% of operating budget and 21% 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 BCMR 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 6.4% for the 2017/2018 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 2017/2018	Draft MTREF Budget 2018/2019	Draft MTREF Budget 2019/2020
General Inflation	6.4%	6.1%	5.9%

*Source: MFMA Circular 86*

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

The following assumptions are built into the MTREF:

Description	Draft MTREF Budget 2017/2018	Draft MTREF Budget 2018/2019	Draft MTREF Budget 2019/2020
Average Interest Rate – New Borrowing	11 %	12%	13%
Average Interest Rate - Investments	7.5%	8.5%	8.5%

## 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 2017/2018	Draft MTREF Budget 2018/2019	Draft MTREF Budget 2019/2020
Rates	10%	10%	10%
Water	6.4%	6.4%	6.4%
Sewerage	6.4%	6.4%	6.4%
Sanitation	6.4%	6.4%	6.4%
Refuse	6.4%	6.4%	6.4%
Electricity – monthly consumption tariff	1.88%	1.88%	1.88%

**Source:** 2017/2018 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 debtor's accounts are currently 83.96%.

### **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, 068.56km<sup>2</sup>) are 36, 002. Within the Sarah Baartman District Municipal (SBDM) area the BCRM accounts for 8% of the SBDM and 0.5% of the Eastern Province population. Geographically BCRM makes up 19% of the SBDM landmass with a population density of 3.25 people per km<sup>2</sup>.

There 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 2017.

#### **7.15.1 Indigent Register And Free Basic Services Expenditure / Budget**

There are currently 4,214 indigent households out of 8,558 households. This is a 49% of households benefitting from the Indigent Policy assistance. The following table depicts the budgeted funding for the 2015/16 and 2017/18 financial years to fund the Indigent beneficiaries:

#### **7.15.2 Free Basic Services Unit**

## BUDGET FOR INDIGENT ASSISTANCE: 2015/16 TO 2017/18 FINANCIAL YEARS

VOTE DESCRIPTION	ESTIMATED BUDGET 2015/2016	ESTIMATED BUDGET 2016/2017	ESTIMATED BUDGET 2017/2018
INDIGENTS HOUSEHOLDS – FREE BASIC REFUSE	3 886 000	3 886 000	4 500 000
INDIGENTS HOUSEHOLDS – FREE BASIC WATER	3 379 000	3 379 000	4 200 000
INDIGENTS HOUSEHOLDS – FREE BASIC ELECTRICITY	1 700 000	1 700 000	2 090 000
INDIGENTS HOUSEHOLDS – FREE BASIC SEWERAGE	2 534 000	2 534 000	3 000 000
<b>TOTAL</b>	<b>11 499 000</b>	<b>11 499 000</b>	<b>13 790 000</b>

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 2016/17 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 2014/2015	Estimated Budget 2015/2016	Estimated Budget 2016/2017	Estimated Budget 2017/2018	Estimated Budget 2018/2019	Estimated Budget 2019/2020
Operational Budget	213,242,000	210,072,000	217,576,000	231,563,000	247,017,000	242, 879,000

Salary Bill	60,519,000	69,659,000	73,523,000	77,935,000	82,611,000	79,893,000
Percentage	28.38%	33.16%	33.81%	33.69%	33.78%	32%

**Source:** 2017/2018 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 2012/2012:

Description	MTREF Budget 2011/2012	MTREF Budget 2012/2013	MTREF Budget 2013/2014	MTREF Budget 2014/2015	MTREF Budget 2015/2016
Capital Budget (adjusted)	24,238,000	26,879,000	39,454,000	39,528,000	25,343,000
Actual spending	19,707,213	26,879,000	39,989,000	39,528,000	25,343,000
Percentage	81.3%	100%	100%	100%	100%

**Source:** 2017/2018 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.

### 19.1 Operating and Capital Budgets

The following MTREF Budget Tables A1 to A10 reflect the actuals for 2013/2014 to 2015/2016 financial years plus the current year's (2016/2017) budget, and as per mSCOA implementation the separate Tables A1 to A10 reflecting 2017/2018 to 2019/2020 financial years.

The capital expenditure and funding source charts will reflect in the final reviewed IDP document to be approved by 31 May 2017.

The reconciliation of IDP Strategic objectives and Budget: Revenue – Table SA4; Operating Expenditure – Table SA5 and Capital Expenditure – Table SA6 and the charts will reflect in the final IDP document to be approved by 31 May 2017

**TABLE A1 – BUDGET SUMMARY**

EC102 Blue Crane Route - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	8 496	9 055	10 098	11 090	11 140	11 140	-	-	-	-
Service charges	81 194	90 569	97 432	108 317	117 135	117 135	-	(12 480)	(13 262)	(14 095)
Investment revenue	1 701	820	1 446	1 001	1 001	1 001	-	-	-	-
Transfers recognised - operational	60 815	51 880	52 419	51 654	51 959	51 959	-	-	-	-
Other own revenue	10 359	12 373	34 110	9 757	11 036	11 036	-	-	150	200
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>162 565</b>	<b>164 697</b>	<b>195 505</b>	<b>181 819</b>	<b>192 271</b>	<b>192 271</b>	<b>-</b>	<b>(12 480)</b>	<b>(13 112)</b>	<b>(13 895)</b>
Employee costs	54 128	61 519	69 757	73 523	76 389	76 389	-	-	-	-
Remuneration of councillors	3 047	3 149	3 572	4 136	4 051	4 051	-	-	-	-
Depreciation & asset impairment	31 584	33 775	34 699	35 189	34 449	34 449	-	-	-	-
Finance charges	1 794	3 692	5 454	3 749	5 945	5 945	-	-	-	-
Materials and bulk purchases	53 651	57 718	67 997	65 378	76 244	76 244	-	-	-	-
Transfers and grants	-	-	-	1 053	1 053	1 053	-	-	-	-
Other expenditure	38 242	39 484	36 492	34 548	37 176	37 176	-	-	-	-
<b>Total Expenditure</b>	<b>182 446</b>	<b>199 337</b>	<b>217 970</b>	<b>217 576</b>	<b>235 307</b>	<b>235 307</b>	<b>-</b>	<b>(12 480)</b>	<b>(13 112)</b>	<b>(13 895)</b>
<b>Surplus/(Deficit)</b>	<b>(19 881)</b>	<b>(34 641)</b>	<b>(22 465)</b>	<b>(35 757)</b>	<b>(43 036)</b>	<b>(43 036)</b>	<b>-</b>	<b>(12 480)</b>	<b>(13 112)</b>	<b>(13 895)</b>
Transfers recognised - capital	23 281	20 665	18 170	24 983	23 695	23 695	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	<b>-</b>	<b>(12 480)</b>	<b>(13 112)</b>	<b>(13 895)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	<b>-</b>	<b>(12 480)</b>	<b>(13 112)</b>	<b>(13 895)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers recognised - capital	35 391	19 661	5 612	24 983	19 056	19 056	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	821	13 544	3 300	-	-	-	-	-	-	-
Internally generated funds	3 242	5 304	3 419	8 214	1 575	1 575	-	-	-	-
<b>Total sources of capital funds</b>	<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial position</b>										
Total current assets	44 316	37 581	40 384	31 840	28 540	28 540	-	-	-	-
Total non current assets	655 693	684 835	687 565	633 497	636 559	636 559	-	-	-	-
Total current liabilities	29 996	30 597	47 433	17 090	26 212	26 212	-	-	-	-
Total non current liabilities	24 839	55 624	48 616	30 312	55 898	55 898	-	-	-	-
Community wealth/Equity	645 173	636 195	631 900	615 670	582 988	582 988	-	(12 480)	(13 112)	(13 895)
<b>Cash flows</b>										
Net cash from (used) operating	27 305	13 833	16 172	19 601	(980)	(980)	-	-	-	-
Net cash from (used) investing	(34 307)	(33 245)	(12 325)	(18 183)	(17 757)	(17 757)	-	-	-	-
Net cash from (used) financing	(978)	12 024	(853)	(11 418)	(3 958)	(3 958)	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>18 506</b>	<b>11 119</b>	<b>14 113</b>	<b>(0)</b>	<b>(8 584)</b>	<b>(8 584)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	18 506	11 119	14 113	6 000	1 000	1 000	-	-	-	-
Application of cash and investments	3 860	(783)	9 461	(13 832)	8 174	8 174	-	-	-	-
<b>Balance - surplus (shortfall)</b>	<b>14 645</b>	<b>11 901</b>	<b>4 651</b>	<b>19 832</b>	<b>(7 174)</b>	<b>(7 174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Asset management</b>										
Asset register summary (WDV)	655 693	684 823	687 556	667 007	636 565	636 550	-	-	-	-
Depreciation & asset impairment	31 584	33 775	34 699	35 189	34 449	34 449	-	-	-	-
Renewal of Existing Assets	762	1 390	-	5 640	4 959	4 959	4 959	-	-	-
Repairs and Maintenance	2 873	3 336	3 542	4 880	3 766	3 766	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	11 163	10 983	12 590	12 480	13 790	13 790	11 500	11 500	12 480	13 262
Revenue cost of free services provided	616	652	718	790	720	720	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	0	0	0	1	0	1	0	0	0	0
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

EC102 Blue Crane Route - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	12 254	13 479	14 827
Service charges	-	-	-	-	-	-	-	121 114	124 636	128 300
Investment revenue	-	-	-	-	-	-	-	1 000	1 000	1 000
Transfers recognised - operational	-	-	-	-	-	-	-	51 932	53 752	56 475
Other own revenue	-	-	-	-	-	-	-	13 103	13 416	13 744
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	-	-	199 403	206 284	214 347
Employee costs	-	-	-	-	-	-	-	79 893	84 420	90 184
Remuneration of councillors	-	-	-	-	-	-	-	3 805	4 076	4 357
Depreciation & asset impairment	-	-	-	-	-	-	-	34 289	35 052	35 845
Finance charges	-	-	-	-	-	-	-	5 634	5 415	5 167
Materials and bulk purchases	-	-	-	-	-	-	-	80 230	81 231	82 186
Transfers and grants	-	-	-	-	-	-	-	1 053	1 095	1 139
Other expenditure	-	-	-	-	-	-	-	37 973	39 736	41 551
<b>Total Expenditure</b>	-	-	-	-	-	-	-	242 879	251 024	260 427
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	(43 476)	(44 740)	(46 080)
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	30 771	22 330	22 920
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	(12 705)	(22 410)	(23 161)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	(12 705)	(22 410)	(23 161)
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	31 061	22 700	23 320
Transfers recognised - capital	-	-	-	-	-	-	-	30 771	22 330	22 920
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	290	370	400
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	31 061	22 700	23 320
<b>Financial position</b>										
Total current assets	-	-	-	-	-	-	-	30 154	31 704	32 705
Total non current assets	-	-	-	-	-	-	-	631 583	628 371	619 467
Total current liabilities	-	-	-	-	-	-	-	18 610	20 307	18 716
Total non current liabilities	-	-	-	-	-	-	-	53 603	50 804	51 000
Community wealth/Equity	-	-	-	-	-	-	-	589 523	588 964	582 455
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	-	-	-	-	26 619	17 525	19 318
Net cash from (used) investing	-	-	-	-	-	-	-	(27 212)	(19 888)	(20 432)
Net cash from (used) financing	-	-	-	-	-	-	-	(3 285)	(3 627)	(581)
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	(2 878)	(8 868)	(10 563)
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	-	-	-	-	2 500	3 000	3 500
Application of cash and investments	-	-	-	-	-	-	-	(12 493)	(12 434)	(11 932)
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	-	-	14 993	15 434	15 432
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	631 574	631 574	628 363	619 459
Depreciation	-	-	-	-	-	-	34 449	34 449	35 211	36 004
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	4 903	4 903	5 099	5 303
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	27 580	27 580	28 683	29 831
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



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

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

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		28 918	40 183	65 268	41 624	42 440	17 382	-	-	-
Executive and council		12 049	21 629	20 223	20 276	20 317	-	-	-	-
Budget and treasury office		14 315	13 964	21 693	16 889	17 382	17 382	-	-	-
Corporate services		2 554	4 591	23 352	4 459	4 741	-	-	-	-
<b>Community and public safety</b>		9 812	10 906	4 116	5 378	5 795	-	-	-	-
Community and social services		6 860	2 607	3 642	2 618	2 658	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 115	4 866	474	1 904	2 282	-	-	-	-
Housing		-	2 655	-	-	-	-	-	-	-
Health		837	778	-	856	856	-	-	-	-
<b>Economic and environmental services</b>		22 364	16 942	19 339	21 754	20 760	-	-	-	-
Planning and development		1 104	-	632	-	305	-	-	-	-
Road transport		21 260	16 942	17 894	21 754	20 454	-	-	-	-
Environmental protection		-	-	813	-	-	-	-	-	-
<b>Trading services</b>		124 753	117 331	124 952	138 046	146 971	146 971	-	-	-
Electricity		76 255	77 039	85 057	98 319	106 946	106 946	-	-	-
Water		16 695	20 360	19 949	18 380	19 161	19 161	-	-	-
Waste water management		20 090	9 909	10 038	10 682	10 401	10 401	-	-	-
Waste management		11 712	10 022	9 908	10 665	10 463	10 463	-	-	-
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	185 846	185 362	213 675	206 802	215 966	164 353	-	-	-
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		41 809	45 823	52 553	53 726	55 785	55 785	-	-	-
Executive and council		10 001	15 235	11 140	10 758	10 672	10 672	-	-	-
Budget and treasury office		18 903	23 782	24 142	27 780	27 972	27 972	-	-	-
Corporate services		12 906	6 806	17 271	15 188	17 141	17 141	-	-	-
<b>Community and public safety</b>		10 207	20 933	13 500	17 917	16 774	16 774	-	-	-
Community and social services		5 795	8 672	9 412	10 847	10 414	10 414	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3 608	3 509	4 088	6 025	5 334	5 334	-	-	-
Housing		-	7 926	-	-	-	-	-	-	-
Health		803	826	-	1 044	1 027	1 027	-	-	-
<b>Economic and environmental services</b>		23 827	17 485	23 138	21 137	22 883	22 883	-	-	-
Planning and development		4 562	-	2 115	3 015	3 360	3 360	-	-	-
Road transport		19 265	17 485	20 090	18 123	19 523	19 523	-	-	-
Environmental protection		-	-	933	-	-	-	-	-	-
<b>Trading services</b>		106 603	115 096	128 779	124 796	139 864	139 864	-	-	-
Electricity		72 971	75 566	87 923	86 442	97 330	97 330	-	-	-
Water		11 605	15 685	15 765	14 449	16 811	16 811	-	-	-
Waste water management		7 232	10 135	9 832	10 886	9 620	9 620	-	-	-
Waste management		14 794	13 711	15 259	13 019	16 104	16 104	-	-	-
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	182 446	199 337	217 970	217 576	235 307	235 307	-	-	-
<b>Surplus/(Deficit) for the year</b>		3 400	(13 975)	(4 295)	(10 775)	(19 341)	(70 954)	-	-	-

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

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	58 736	62 117	65 620
Executive and council		-	-	-	-	-	-	20 770	21 912	23 006
Finance and administration		-	-	-	-	-	-	37 965	40 206	42 615
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	4 077	4 166	4 260
Community and social services		-	-	-	-	-	-	2 538	2 548	2 558
Sport and recreation		-	-	-	-	-	-	120	125	130
Public safety		-	-	-	-	-	-	512	532	554
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	907	961	1 019
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	4 281	3 352	3 427
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	4 281	3 352	3 427
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	163 080	158 977	163 960
Energy sources		-	-	-	-	-	-	103 668	113 884	116 126
Water management		-	-	-	-	-	-	37 274	21 535	22 831
Waste water management		-	-	-	-	-	-	10 972	11 659	12 353
Waste management		-	-	-	-	-	-	11 166	11 899	12 650
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	-	-	-	-	-	-	<b>230 174</b>	<b>228 613</b>	<b>237 267</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	65 803	69 550	73 443
Executive and council		-	-	-	-	-	-	10 229	10 850	11 496
Finance and administration		-	-	-	-	-	-	54 181	57 209	60 355
Internal audit		-	-	-	-	-	-	1 393	1 490	1 592
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	11 949	12 729	13 540
Community and social services		-	-	-	-	-	-	7 517	8 031	8 565
Sport and recreation		-	-	-	-	-	-	993	1 051	1 111
Public safety		-	-	-	-	-	-	2 355	2 494	2 638
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	1 084	1 153	1 225
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	23 356	23 155	23 985
Planning and development		-	-	-	-	-	-	3 179	3 362	3 552
Road transport		-	-	-	-	-	-	20 177	19 792	20 432
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	141 771	145 591	149 459
Energy sources		-	-	-	-	-	-	98 112	100 006	101 954
Water management		-	-	-	-	-	-	17 371	18 311	19 226
Waste water management		-	-	-	-	-	-	9 583	9 766	9 941
Waste management		-	-	-	-	-	-	16 705	17 507	18 338
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	<b>242 879</b>	<b>251 024</b>	<b>260 427</b>
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>

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

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

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>	1									
Vote 1 - MAYORAL EXECUTIVE		-	2	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		12 047	615	20 223	20 276	20 286	20 286	-	-	-
Vote 3 - ACCOUNTING OFFICER		1 785	21 012	632	-	337	337	-	-	-
Vote 4 - BUDGET & TREASURY		14 315	13 964	21 693	16 889	17 382	17 382	-	-	-
Vote 5 - TECHNICAL SERVICES		134 305	126 905	154 588	153 525	161 594	161 594	-	-	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		20 840	18 273	16 395	16 043	16 258	16 258	-	-	-
Vote 7 - CORPORATE SERVICES		2 554	4 591	144	89	110	110	-	-	-
<b>Total Revenue by Vote</b>	2	<b>185 846</b>	<b>185 362</b>	<b>213 675</b>	<b>206 822</b>	<b>215 966</b>	<b>215 966</b>	-	-	-
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - MAYORAL EXECUTIVE		285	303	303	348	347	347	-	-	-
Vote 2 - MUNICIPAL COUNCIL		1 090	1 338	1 338	5 135	4 849	4 849	-	-	-
Vote 3 - ACCOUNTING OFFICER		8 626	13 594	9 498	8 290	8 835	8 835	-	-	-
Vote 4 - BUDGET & TREASURY		18 903	23 782	24 142	27 780	27 972	27 972	-	-	-
Vote 5 - TECHNICAL SERVICES		115 608	126 796	145 554	138 161	153 195	153 195	-	-	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		25 028	26 718	28 431	30 936	32 878	32 878	-	-	-
Vote 7 - CORPORATE SERVICES		12 906	6 806	8 704	6 927	7 230	7 230	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>182 446</b>	<b>199 337</b>	<b>217 970</b>	<b>217 576</b>	<b>235 307</b>	<b>235 307</b>	-	-	-
<b>Surplus/(Deficit) for the year</b>	2	<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 755)</b>	<b>(19 341)</b>	<b>(19 341)</b>	-	-	-

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

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>	1									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	20 739	21 880	22 974
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	31	31	31
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	18 700	20 318	22 070
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	173 641	168 425	173 312
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		-	-	-	-	-	-	16 953	17 844	18 760
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	110	114	119
<b>Total Revenue by Vote</b>	2	-	-	-	-	-	-	<b>230 174</b>	<b>228 613</b>	<b>237 267</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	372	398	424
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	5 363	5 668	5 986
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	9 066	9 636	10 230
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	29 107	30 771	32 497
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	156 842	160 004	164 231
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICE		-	-	-	-	-	-	34 465	36 415	38 441
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	7 664	8 131	8 618
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>242 879</b>	<b>251 024</b>	<b>260 427</b>
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	8 496	9 055	10 098	11 090	11 140	11 140	-	-	-	
Property rates - penalties & collection charges						-	-				
Service charges - electricity revenue	2	65 290	71 388	79 373	87 673	96 221	96 221	-	-	-	
Service charges - water revenue	2	8 216	9 884	9 399	10 596	11 377	11 377	-	-	-	
Service charges - sanitation revenue	2	3 349	4 013	3 764	4 417	4 132	4 132	-	-	-	
Service charges - refuse revenue	2	4 161	5 077	4 657	5 412	5 187	5 187	-	-	-	
Service charges - other		178	207	239	218	218	218				
Rental of facilities and equipment		43	45	63	75	63	63				
Interest earned - external investments		1 701	820	1 446	1 001	1 001	1 001				
Interest earned - outstanding debtors		2 421	3 186	3 153	2 723	3 150	3 150				
Dividends received						-	-				
Fines		44	40	60	70	70	70				
Licences and permits		767	802	745	632	820	820				
Agency services		655	600	676	660	750	750				
Transfers recognised - operational		60 815	51 880	52 419	51 654	51 959	51 959				
Other revenue	2	2 142	7 608	29 414	5 498	5 694	5 694	-	-	-	
Gains on disposal of PPE		4 289	92		100	489	489		-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>162 565</b>	<b>164 697</b>	<b>195 505</b>	<b>181 819</b>	<b>192 271</b>	<b>192 271</b>	-	-	-	
<b>Expenditure By Type</b>											
Employee related costs	2	54 128	61 519	69 757	73 523	76 389	76 389	-	-	-	
Remuneration of councillors		3 047	3 149	3 572	4 136	4 051	4 051				
Debt impairment	3	4 133	7 664	8 405	6 335	7 965	7 965				
Depreciation & asset impairment	2	31 584	33 775	34 699	35 189	34 449	34 449	-	-	-	
Finance charges		1 794	3 692	5 454	3 749	5 945	5 945				
Bulk purchases	2	53 651	57 718	67 997	65 378	76 244	76 244	-	-	-	
Other materials	8					-	-				
Contracted services		-	-	-	-	-	-				
Transfers and grants		-	-	-	1 053	1 053	1 053				
Other expenditure	4, 5	34 108	31 820	27 765	28 213	29 211	29 211	-	-	-	
Loss on disposal of PPE		-		322		-	-				
<b>Total Expenditure</b>		<b>182 446</b>	<b>199 337</b>	<b>217 970</b>	<b>217 576</b>	<b>235 307</b>	<b>235 307</b>	-	-	-	
<b>Surplus/(Deficit)</b>		<b>(19 881)</b>	<b>(34 641)</b>	<b>(22 465)</b>	<b>(35 757)</b>	<b>(43 036)</b>	<b>(43 036)</b>	-	-	-	
Transfers recognised - capital		23 281	20 665	18 170	24 983	23 695	23 695				
Contributions recognised - capital	6	-	-	-	-	-	-				
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	-	-	-	
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	-	-	-	
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	-	-	-	
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>3 400</b>	<b>(13 975)</b>	<b>(4 295)</b>	<b>(10 775)</b>	<b>(19 341)</b>	<b>(19 341)</b>	-	-	-	

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	12 254	13 479	14 827
Service charges - electricity revenue	2	-	-	-	-	-	-	-	98 475	100 404	102 371
Service charges - water revenue	2	-	-	-	-	-	-	-	12 312	13 135	14 010
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	4 560	4 894	5 250
Service charges - refuse revenue	2	-	-	-	-	-	-	-	5 768	6 204	6 670
Service charges - other											
Rental of facilities and equipment									378	391	405
Interest earned - external investments									1 000	1 000	1 000
Interest earned - outstanding debtors									3 277	3 408	3 544
Dividends received											
Fines, penalties and forfeits									90	166	173
Licences and permits									753	783	815
Agency services									890	926	963
Transfers and subsidies									51 932	53 752	56 475
Other revenue	2	-	-	-	-	-	-	-	7 715	7 742	7 844
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	<b>199 403</b>	<b>206 284</b>	<b>214 347</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	79 893	84 420	90 184
Remuneration of councillors									3 805	4 076	4 357
Debt impairment	3	-	-	-	-	-	-	-	7 965	8 284	8 615
Depreciation & asset impairment	2	-	-	-	-	-	-	-	34 289	35 052	35 845
Finance charges									5 634	5 415	5 167
Bulk purchases	2	-	-	-	-	-	-	-	76 634	77 491	78 296
Other materials	8	-	-	-	-	-	-	-	3 596	3 740	3 889
Contracted services									2 043	2 166	2 294
Transfers and subsidies									1 053	1 095	1 139
Other expenditure	4, 5	-	-	-	-	-	-	-	27 966	29 286	30 642
Loss on disposal of PPE											
<b>Total Expenditure</b>		-	-	-	-	-	-	-	<b>242 879</b>	<b>251 024</b>	<b>260 427</b>
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	<b>(43 476)</b>	<b>(44 740)</b>	<b>(46 080)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									30 771	22 330	22 920
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)											
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		-	-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		-	-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-			
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	<b>(12 705)</b>	<b>(22 410)</b>	<b>(23 161)</b>

**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	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		142	273	484	1 000	524	524	-	-	-	-
Vote 4 - BUDGET & TREASURY		329	132	292	200	15	15	-	-	-	-
Vote 5 - TECHNICAL SERVICES		38 274	30 995	9 655	27 672	19 848	19 848	-	-	-	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		613	7 021	1 444	4 124	229	229	-	-	-	-
Vote 7 - CORPORATE SERVICES		96	87	456	200	15	15	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	-	-	-	-
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>2 058</b>	<b>910</b>	<b>1 809</b>	<b>1 680</b>	<b>811</b>	<b>811</b>	-	-	-	-
Executive and council		142	134	484	1 000	524	524	-	-	-	-
Budget and treasury office		329	132	292	200	15	15	-	-	-	-
Corporate services		1 587	644	1 033	480	272	272	-	-	-	-
<b>Community and public safety</b>		<b>8 740</b>	<b>4 624</b>	<b>2 543</b>	<b>2 903</b>	<b>4 692</b>	<b>4 692</b>	-	-	-	-
Community and social services		199	79	98	1 673	150	150	-	-	-	-
Sport and recreation		8 127		1 649		4 514	4 514	-	-	-	-
Public safety		397	4 545	796	1 230	28	28	-	-	-	-
Housing								-	-	-	-
Health		17						-	-	-	-
<b>Economic and environmental services</b>		<b>11 443</b>	<b>14 562</b>	<b>745</b>	<b>20 263</b>	<b>92</b>	<b>92</b>	-	-	-	-
Planning and development			138					-	-	-	-
Road transport		11 443	14 423	745	20 242	71	71	-	-	-	-
Environmental protection					21	21	21	-	-	-	-
<b>Trading services</b>		<b>17 213</b>	<b>18 412</b>	<b>7 234</b>	<b>8 350</b>	<b>15 036</b>	<b>15 036</b>	-	-	-	-
Electricity		1 301	3 019	1 792	5 900	4 601	4 601	-	-	-	-
Water		3 862	3 342	3 107	1 000	288	288	-	-	-	-
Waste water management		12 051	9 654	1 785	250	10 147	10 147	-	-	-	-
Waste management			2 397	550	1 200	-	-	-	-	-	-
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	3	<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	-	-	-	-
<b>Funded by:</b>											
National Government		25 852	12 583	3 199	24 983	19 056	19 056				
Provincial Government		9 539	2 954	2 413							
District Municipality			3 986								
Other transfers and grants			138								
<b>Transfers recognised - capital</b>	4	<b>35 391</b>	<b>19 661</b>	<b>5 612</b>	<b>24 983</b>	<b>19 056</b>	<b>19 056</b>	-	-	-	-
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6	821	13 544	3 300							
<b>Internally generated funds</b>		3 242	5 304	3 419	8 214	1 575	1 575				
<b>Total Capital Funding</b>	7	<b>39 454</b>	<b>38 508</b>	<b>12 331</b>	<b>33 196</b>	<b>20 631</b>	<b>20 631</b>	-	-	-	-

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

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	80	90	50	
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	30	40	50	
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	30 891	22 490	23 120	
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	-	-	-	-	-	30	40	50	
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	30	40	50	
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	31 061	22 700	23 320	
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	31 061	22 700	23 320	
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	170	210	200	
Executive and council								80	90	50	
Finance and administration								90	120	150	
Internal audit											
<b>Community and public safety</b>		-	-	-	-	-	-	7 000	6 500	3 500	
Community and social services								5 000	6 500	500	
Sport and recreation								2 000		3 000	
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	6 771	3 000	3 000	
Planning and development											
Road transport								6 771	3 000	3 000	
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	17 120	12 990	16 620	
Energy sources								90	8 120	8 150	
Water management								17 030	4 870	8 470	
Waste water management											
Waste management											
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	3	-	-	-	-	-	-	31 061	22 700	23 320	
<b>Funded by:</b>											
National Government								30 771	22 330	22 920	
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	30 771	22 330	22 920	
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>								290	370	400	
<b>Total Capital Funding</b>	7	-	-	-	-	-	-	31 061	22 700	23 320	

**TABLE A6 – BUDGETED FINANCIAL POSITION**

**EC102 Blue Crane Route - Table A6 Budgeted Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		3 694	887	1 452	1 000	1 000	1 000				
Call investment deposits	1	14 812	10 231	12 661	5 000	-	-	-	-	-	-
Consumer debtors	1	14 928	17 786	18 840	20 236	20 236	20 236	-	-	-	-
Other debtors		9 977	7 536	6 557	4 500	6 500	6 500				
Current portion of long-term receivables		3	3	3	3	3	3				
Inventory	2	901	1 137	871	1 100	800	800				
<b>Total current assets</b>		<b>44 316</b>	<b>37 581</b>	<b>40 384</b>	<b>31 840</b>	<b>28 540</b>	<b>28 540</b>	-	-	-	-
<b>Non current assets</b>											
Long-term receivables		16	13	10	9	9	9				
Investments						-	-				
Investment property		47 089	69 535	95 004	59 000	59 000	59 000				
Investment in Associate						-	-	-			
Property, plant and equipment	3	608 114	614 818	592 087	573 230	577 086	577 086	-	-	-	-
Agricultural						-	-	-			
Biological						-	-	-			
Intangible		16	12	7	800	5	5				
Other non-current assets		458	458	458	458	458	458				
<b>Total non current assets</b>		<b>655 693</b>	<b>684 835</b>	<b>687 565</b>	<b>633 497</b>	<b>636 559</b>	<b>636 559</b>	-	-	-	-
<b>TOTAL ASSETS</b>		<b>700 009</b>	<b>722 416</b>	<b>727 949</b>	<b>665 336</b>	<b>665 098</b>	<b>665 098</b>	-	-	-	-
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	962	3 783	13 214	2 090	3 212	3 212	-	-	-	-
Consumer deposits		1 997	2 238	2 463	2 500	2 500	2 500				
Trade and other payables	4	26 560	24 068	31 256	9 000	20 000	20 000	-	-	-	-
Provisions		478	508	500	3 500	500	500				
<b>Total current liabilities</b>		<b>29 996</b>	<b>30 597</b>	<b>47 433</b>	<b>17 090</b>	<b>26 212</b>	<b>26 212</b>	-	-	-	-
<b>Non current liabilities</b>											
Borrowing		1 828	14 948	5 068	3 312	9 898	9 898	-	-	-	-
Provisions		23 011	40 676	43 548	27 000	46 000	46 000	-	-	-	-
<b>Total non current liabilities</b>		<b>24 839</b>	<b>55 624</b>	<b>48 616</b>	<b>30 312</b>	<b>55 898</b>	<b>55 898</b>	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>54 836</b>	<b>86 221</b>	<b>96 049</b>	<b>47 401</b>	<b>82 110</b>	<b>82 110</b>	-	-	-	-
<b>NET ASSETS</b>	5	<b>645 173</b>	<b>636 195</b>	<b>631 900</b>	<b>617 935</b>	<b>582 988</b>	<b>582 988</b>	-	-	-	-
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		645 173	636 195	631 900	615 670	582 988	582 988	-	-	-	-
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>645 173</b>	<b>636 195</b>	<b>631 900</b>	<b>615 670</b>	<b>582 988</b>	<b>582 988</b>	-	-	-	-



EC102 Blue Crane Route - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>ASSETS</b>											
<b>Current assets</b>											
Cash									1 500	1 500	1 500
Call investment deposits	1	-	-	-	-	-	-	-	1 000	1 500	2 000
Consumer debtors	1	-	-	-	-	-	-	-	22 000	22 500	23 000
Other debtors									4 500	5 000	5 000
Current portion of long-term receivables									4	4	5
Inventory	2								1 150	1 200	1 200
<b>Total current assets</b>		-	-	-	-	-	-	-	<b>30 154</b>	<b>31 704</b>	<b>32 705</b>
<b>Non current assets</b>											
Long-term receivables									9	8	8
Investments											
Investment property									60 000	67 000	70 000
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	571 474	561 263	549 259
Agricultural											
Biological											
Intangible									100	100	200
Other non-current assets											
<b>Total non current assets</b>		-	-	-	-	-	-	-	<b>631 583</b>	<b>628 371</b>	<b>619 467</b>
<b>TOTAL ASSETS</b>		-	-	-	-	-	-	-	<b>661 736</b>	<b>660 075</b>	<b>652 171</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	3 510	3 857	816
Consumer deposits									2 600	2 700	2 900
Trade and other payables	4	-	-	-	-	-	-	-	12 000	13 200	14 400
Provisions									500	550	600
<b>Total current liabilities</b>		-	-	-	-	-	-	-	<b>18 610</b>	<b>20 307</b>	<b>18 716</b>
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	6 103	1 304	-
Provisions		-	-	-	-	-	-	-	47 500	49 500	51 000
<b>Total non current liabilities</b>		-	-	-	-	-	-	-	<b>53 603</b>	<b>50 804</b>	<b>51 000</b>
<b>TOTAL LIABILITIES</b>		-	-	-	-	-	-	-	<b>72 213</b>	<b>71 111</b>	<b>69 716</b>
<b>NET ASSETS</b>	5	-	-	-	-	-	-	-	<b>589 523</b>	<b>588 964</b>	<b>582 455</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)									589 523	588 964	582 455
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	-	-	-	-	-	-	<b>589 523</b>	<b>588 964</b>	<b>582 455</b>

**TABLE A7 – BUDGETED CASH FLOW**

**EC102 Blue Crane Route - Table A7 Budgeted Cash Flows**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		6 793	7 244	8 836	9 427	7 869	7 869		-	-	-
Service charges		69 315	84 500	88 048	97 506	98 093	98 093		-	-	-
Other revenue		5 947	8 416	9 165	6 935	24 914	24 914		-	-	-
Government - operating	1	50 467	49 636	52 419	51 654	50 544	50 544		-	-	-
Government - capital	1	28 456	19 541	23 298	17 983	18 666	18 666		-	-	-
Interest		1 701	787	1 409	3 179	1 339	1 339		-	-	-
Dividends					-	-	-		-	-	-
<b>Payments</b>											
Suppliers and employees		(135 136)	(156 035)	(165 691)	(164 753)	(199 770)	(199 770)		-	-	-
Finance charges		(237)	(256)	(1 311)	(1 278)	(1 916)	(1 916)		-	-	-
Transfers and Grants	1				(1 053)	(720)	(720)		-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>27 305</b>	<b>13 833</b>	<b>16 172</b>	<b>19 601</b>	<b>(980)</b>	<b>(980)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		4 323	100	4	100	100	100		-	-	-
Decrease (Increase) in non-current debtors				3					-	-	-
Decrease (increase) other non-current receivables			3	-					-	-	-
Decrease (increase) in non-current investments		3		-					-	-	-
<b>Payments</b>											
Capital assets		(38 632)	(33 347)	(12 331)	(18 283)	(17 857)	(17 857)		-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(34 307)</b>	<b>(33 245)</b>	<b>(12 325)</b>	<b>(18 183)</b>	<b>(17 757)</b>	<b>(17 757)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing			13 000	3 300	-				-	-	-
Increase (decrease) in consumer deposits					50	224	224		-	-	-
<b>Payments</b>											
Repayment of borrowing		(978)	(976)	(4 153)	(11 468)	(4 181)	(4 181)		-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(978)</b>	<b>12 024</b>	<b>(853)</b>	<b>(11 418)</b>	<b>(3 958)</b>	<b>(3 958)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(7 979)</b>	<b>(7 387)</b>	<b>2 994</b>	<b>(10 000)</b>	<b>(22 695)</b>	<b>(22 695)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash/cash equivalents at the year begin:	2	26 485	18 506	11 119	10 000	14 111	14 111		-	-	-
Cash/cash equivalents at the year end:	2	18 506	11 119	14 113	(0)	(8 584)	(8 584)		-	-	-

EC102 Blue Crane Route - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates									9 500	10 450	11 495
Service charges									96 406	98 846	101 365
Other revenue									23 902	25 302	26 785
Government - operating	1								52 111	53 955	56 705
Government - capital	1								30 771	22 330	22 920
Interest									3 390	3 533	3 685
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees									(186 900)	(194 598)	(201 613)
Finance charges									(1 508)	(1 198)	(885)
Transfers and Grants	1								(1 053)	(1 095)	(1 139)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	-	-	-	-	<b>26 619</b>	<b>17 525</b>	<b>19 318</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									70	70	73
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets									(27 282)	(19 958)	(20 505)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	-	-	-	-	<b>(27 212)</b>	<b>(19 888)</b>	<b>(20 432)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									225	230	235
<b>Payments</b>											
Repayment of borrowing									(3 510)	(3 857)	(816)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	<b>(3 285)</b>	<b>(3 627)</b>	<b>(581)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2								<b>1 000</b>	<b>(2 878)</b>	<b>(8 868)</b>
Cash/cash equivalents at the year end:	2								<b>(2 878)</b>	<b>(8 868)</b>	<b>(10 563)</b>

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	18 506	11 119	14 113	(0)	(8 584)	(8 584)	-	-	-	-
Other current investments > 90 days		-	-	-	6 000	9 584	9 584	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>18 506</b>	<b>11 119</b>	<b>14 113</b>	<b>6 000</b>	<b>1 000</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1 507	1 211	6 339	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	2 353	(1 993)	3 122	(13 832)	(7 215)	(7 215)	-	-	-	-
Other provisions						15 389	15 389				
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>3 860</b>	<b>(783)</b>	<b>9 461</b>	<b>(13 832)</b>	<b>8 174</b>	<b>8 174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall)</b>		<b>14 645</b>	<b>11 901</b>	<b>4 651</b>	<b>19 832</b>	<b>(7 174)</b>	<b>(7 174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(2 878)	(8 868)	(10 563)
Other current investments > 90 days		-	-	-	-	-	-	-	5 378	11 868	14 063
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 500</b>	<b>3 000</b>	<b>3 500</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	(12 493)	(12 434)	(11 932)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12 493)</b>	<b>(12 434)</b>	<b>(11 932)</b>
<b>Surplus(shortfall)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 993</b>	<b>15 434</b>	<b>15 432</b>

**TABLE A9 – ASSET MANAGEMENT**

**EC102 Blue Crane Route - Table A9 Asset Management**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	38 692	37 118	12 331	27 556	15 672	15 672	-	-	-
Infrastructure - Road transport		11 092	2 474	506	2 871	-	-	-	-	-
Infrastructure - Electricity		1 155	2 265	345	-	-	-	-	-	-
Infrastructure - Water		3 779	3 295	2 732	700	50	50	-	-	-
Infrastructure - Sanitation		12 035	16 450	1 535	15 087	9 997	9 997	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		28 061	24 484	5 117	18 658	10 047	10 047	-	-	-
Community		8 308	2 872	1 649	2 925	4 664	4 664	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 323	9 762	5 565	5 974	961	961	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	762	1 390	-	5 640	4 959	4 959	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	5 200	4 586	4 586	-	-	-
Infrastructure - Water		-	-	-	100	223	223	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		267	-	-	-	-	-	-	-	-
Infrastructure		267	-	-	5 300	4 809	4 809	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	495	1 390	-	340	150	150	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		11 092	2 474	506	2 871	-	-	-	-	-
Infrastructure - Electricity		1 155	2 265	345	5 200	4 586	4 586	-	-	-
Infrastructure - Water		3 779	3 295	2 732	800	273	273	-	-	-
Infrastructure - Sanitation		12 035	16 450	1 535	15 087	9 997	9 997	-	-	-
Infrastructure - Other		267	-	-	-	-	-	-	-	-
Infrastructure		28 328	24 484	5 117	23 958	14 856	14 856	-	-	-
Community		8 308	2 872	1 649	2 925	4 664	4 664	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2 818	11 152	5 565	6 314	1 111	1 111	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	39 454	38 508	12 331	33 196	20 631	20 631	-	-	-

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5								
Infrastructure - Road transport		474 487	477 109	105 257	157 243	157 519	157 519		
Infrastructure - Electricity		1 155	3 356	203 796	148 558	148 838	148 838		
Infrastructure - Water		3 779	6 865	85 208	107 624	107 827	107 827		
Infrastructure - Sanitation		12 035	27 816	49 722	162 576	162 902	162 902		
Infrastructure - Other		105 532	99 671	39 329					
Infrastructure		596 988	614 818	483 312	576 000	577 086	577 086	-	-
Community		8 308			9 121				
Heritage assets		458	458	458		458	458		
Investment properties		47 089	69 535	95 004	59 000	59 000	59 000	-	-
Other assets		2 834		108 775	22 086				
Agricultural Assets		-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-
Intangibles		16	12	7	800	20	5	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>655 693</b>	<b>684 823</b>	<b>687 556</b>	<b>667 007</b>	<b>636 565</b>	<b>636 550</b>	-	-
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>		31 584	33 775	34 699	35 189	34 449	34 449	-	-
<b>Repairs and Maintenance by Asset Class</b>	3	2 873	3 336	3 542	4 880	3 766	3 766	-	-
Infrastructure - Road transport		544	608	617	780	435	435	-	-
Infrastructure - Electricity		698	749	774	800	800	800	-	-
Infrastructure - Water		256	433	291	387	387	387	-	-
Infrastructure - Sanitation		69	5	68	100	50	50	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-
Infrastructure		1 568	1 794	1 751	2 067	1 672	1 672	-	-
Community		105	74	9	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Other assets	6, 7	1 200	1 467	1 783	2 813	2 094	2 094	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>34 457</b>	<b>37 110</b>	<b>38 241</b>	<b>40 068</b>	<b>38 214</b>	<b>38 214</b>	-	-
<b>Renewal of Existing Assets as % of total capex</b>		1.9%	3.6%	0.0%	17.0%	24.0%	24.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		2.4%	4.1%	0.0%	16.0%	14.4%	14.4%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.5%	0.5%	0.6%	0.9%	0.6%	0.6%	0.0%	0.0%
<b>Renewal and R&amp;M as a % of PPE</b>		1.0%	1.0%	1.0%	2.0%	1.4%	1.4%	0.0%	0.0%

EC102 Blue Crane Route - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	-	-	-	-	-	28 561	22 700	19 820
Roads Infrastructure		-	-	-	-	-	-	6 771	3 000	3 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	60	8 080	8 100
Water Supply Infrastructure		-	-	-	-	-	-	17 000	4 830	8 420
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	23 831	15 910	19 520
Community Facilities		-	-	-	-	-	-	4 500	6 500	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	4 500	6 500	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	30	40	50
Furniture and Office Equipment		-	-	-	-	-	-	140	170	150
Machinery and Equipment		-	-	-	-	-	-	60	80	100
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	-	-	-	-	-	2 500	-	3 500
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	2 500	-	3 500
<b>Community Assets</b>		-	-	-	-	-	2 500	-	3 500
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	6 771	3 000	3 000
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	60	8 080	8 100
<i>Electrical Infrastructure</i>		-	-	-	-	-	17 000	4 830	8 420
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	23 831	15 910	19 520
Community Facilities		-	-	-	-	-	4 500	6 500	-
Sport and Recreation Facilities		-	-	-	-	-	2 500	-	3 500
<b>Community Assets</b>		-	-	-	-	-	7 000	6 500	3 500
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-



<b>Other Assets</b>		-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	30	40	50
Furniture and Office Equipment		-	-	-	-	-	140	170	150
Machinery and Equipment		-	-	-	-	-	60	80	100
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		-	-	-	-	-	31 061	22 700	23 320
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5								
<i>Roads Infrastructure</i>							105 257	104 361	103 005
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>							203 796	199 721	192 410
<i>Water Supply Infrastructure</i>							85 208	83 504	82 418
<i>Sanitation Infrastructure</i>							147 533	144 582	142 702
<i>Solid Waste Infrastructure</i>							9 630	9 437	9 315
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>									
<b>Infrastructure</b>		-	-	-	-	-	551 424	541 605	529 850
Community Facilities									
Sport and Recreation Facilities									
<b>Community Assets</b>		-	-	-	-	-	-	-	-
<b>Heritage Assets</b>									
Revenue Generating									
Non-revenue Generating							458	458	458
<b>Investment properties</b>		-	-	-	-	-	458	458	458
Operational Buildings							60 000	67 000	70 000
Housing									
<b>Other Assets</b>		-	-	-	-	-	60 000	67 000	70 000
<b>Biological or Cultivated Assets</b>									
Servitudes									
Licences and Rights							100	100	200
<b>Intangible Assets</b>		-	-	-	-	-	100	100	200
Computer Equipment									
Furniture and Office Equipment							4 152	4 069	4 016
Machinery and Equipment							667	654	646
Transport Assets							14 773	14 477	14 289
Libraries									
Zoo's, Marine and Non-biological Animals									
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	631 574	628 363	619 459

<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation</b>	7	-	-	-	-	-	-	34 449	35 211	36 004
<b>Repairs and Maintenance by Asset Class</b>	3	-	-	-	-	-	-	4 903	5 099	5 303
<i>Roads Infrastructure</i>		-	-	-	-	-	-	439	457	475
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	884	920	956
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	1 058	1 100	1 144
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	135	140	146
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	345	359	373
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	2 861	2 975	3 094
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	390	406	422
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	390	406	422
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	429	446	464
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	1 223	1 272	1 323
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	-	-	-	-	-	39 352	40 311	41 308
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	0.0%	15.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	0.0%	9.7%
<i>R&amp;M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%	1.0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%

**TABLE A10 – BASIC SERVICE DELIVERY MEASUREMENT**

**EC102 Blue Crane Route - Table A10 Basic service delivery measurement**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>										
<b>Water:</b>										
Piped water inside dwelling	1	5 026	5 026	5 017	10 034	5 017	10 034	5 017	5 017	5 017
Piped water inside yard (but not in dwelling)	2	3 904	3 904	4 744	9 488	4 744	9 488	4 744	4 744	4 744
Using public tap (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		8 930	8 930	9 761	19 522	9 761	19 522	9 761	9 761	9 761
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>8 930</b>	<b>8 930</b>	<b>9 761</b>	<b>19 522</b>	<b>9 761</b>	<b>19 522</b>	<b>9 761</b>	<b>9 761</b>	<b>9 761</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		5 852	5 852	7 258	14 516	7 258	14 516	7 258	7 258	7 258
Flush toilet (with septic tank)		561	561	561	1 122	561	1 122	561	561	561
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		6 413	6 413	7 819	15 638	7 819	15 638	7 819	7 819	7 819
Bucket toilet		369	369	358	716	358	716	358	358	358
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		369	369	358	716	358	716	358	358	358
<b>Total number of households</b>	5	<b>6 782</b>	<b>6 782</b>	<b>8 177</b>	<b>16 354</b>	<b>8 177</b>	<b>16 354</b>	<b>8 177</b>	<b>8 177</b>	<b>8 177</b>
<b>Energy:</b>										
Electricity (at least min.service level)		730	750	1 658	3 316	3 316	3 316	1 658	1 658	1 658
Electricity - prepaid (min.service level)		7 732	6 696	6 934	13 868	13 868	13 868	6 934	6 934	6 934
<i>Minimum Service Level and Above sub-total</i>		8 462	7 446	8 592	17 184	17 184	17 184	8 592	8 592	8 592
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>8 462</b>	<b>7 446</b>	<b>8 592</b>	<b>17 184</b>	<b>17 184</b>	<b>17 184</b>	<b>8 592</b>	<b>8 592</b>	<b>8 592</b>
<b>Refuse:</b>										
Removed at least once a week		7 838	7 361	7 838	15 676	15 676	15 676	7 838	7 838	7 838
<i>Minimum Service Level and Above sub-total</i>		7 838	7 361	7 838	15 676	15 676	15 676	7 838	7 838	7 838
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>7 838</b>	<b>7 361</b>	<b>7 838</b>	<b>15 676</b>	<b>15 676</b>	<b>15 676</b>	<b>7 838</b>	<b>7 838</b>	<b>7 838</b>
<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)	7	-	-	-	4 442	4 442	4 442	-	-	-
Sanitation (free minimum level service)		-	-	-	4 442	4 442	4 442	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	4 442	4 442	4 442	-	-	-
Refuse (removed at least once a week)		-	-	-	4 442	4 442	4 442	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)	8	3 262	3 023	3 741	3 717	4 200	4 200	3 379	3 717	3 940
Sanitation (free sanitation service to indigent households)		2 446	3 023	2 793	2 788	3 000	3 000	2 534	2 788	2 955
Electricity/other energy (50kwh per indigent household per month)		1 748	1 677	1 850	1 700	2 090	2 090	1 700	1 700	1 836
Refuse (removed once a week for indigent households)		3 707	3 259	4 205	4 275	4 500	4 500	3 886	4 275	4 531
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		<b>11 163</b>	<b>10 983</b>	<b>12 590</b>	<b>12 480</b>	<b>13 790</b>	<b>13 790</b>	<b>11 500</b>	<b>12 480</b>	<b>13 262</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	15 000	15 000	15 000	15 000	15 000	15 000	-	-
Water (kilolitres per household per month)		-	6	6	6	6	6	6	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	50	50	50	50	50	50	-	-
Refuse (average litres per week)		-	100	100	100	100	100	100	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		616	652	718	790	720	720	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		<b>616</b>	<b>652</b>	<b>718</b>	<b>790</b>	<b>720</b>	<b>720</b>	<b>-</b>	<b>-</b>	<b>-</b>

EC102 Blue Crane Route - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	4 200	4 368	4 543	
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	3 000	3 120	3 245	
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	2 090	2 174	2 261	
Refuse (removed once a week for indigent households)		-	-	-	-	-	4 500	4 680	4 867	
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	13 790	14 342	14 915	
<b>Total cost of FBS provided</b>		-	-	-	-	-	27 580	28 683	29 831	
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6									
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

<b>BLUE CRANE ROUTE MUNICIPALITY - EC 102</b>				
<b><u>DRAFT CAPITAL BUDGET: 2017/18</u></b>				
<b><u>CAPITAL ITEM DESCRIPTION</u></b>	<b><u>FUNDING</u></b>	<b>DRAFT BUDGET: 2017/18</b>	<b>DRAFT BUDGET: 2018/19</b>	<b>DRAFT BUDGET: 2019/20</b>
<b>JUNTING OFFICER</b>				
Tools of trade for Councillors	Municipal own Funds	50 000	50 000	
Office Furniture/computer equipment	Municipal own Funds	30 000	40 000	50 000
		<b>R 80 000</b>	<b>R 90 000</b>	<b>R 50 000</b>
<b>GET PLANNING &amp; IMPLEMENTATION</b>				
Office Furniture / Computer Equipment	Municipal own Funds	30 000	40 000	50 000
		<b>R 30 000</b>	<b>R 40 000</b>	<b>R 50 000</b>
<b>INICAL SERVICES : ELECTRICITY</b>				
Equipment and Tools	Municipal own Funds	30 000	40 000	50 000
Transformers	Municipal own Funds	60 000	80 000	100 000
Install 11kv Switchgear in main substation	INEP Grant		8 000 000	8 000 000
		<b>R 90 000</b>	<b>R 8 120 000</b>	<b>R 8 150 000</b>
<b>INICAL SERVICES : WATER</b>				
Water equipment and tools	Municipal own Funds	30 000	40 000	50 000
Water Infrastructure upgrade - Cookhouse	GRANT - WATER	17 000 000		
		<b>R 17 030 000</b>	<b>R 40 000</b>	<b>R 50 000</b>
<b>INICAL SERVICES : MUNICIPAL INFRASTRUCTURE GRANT (MIG)</b>				
Sport Facilities - Pearston	MIG Grant			
Sport Facilities - Cookhouse	MIG Grant			
Sport Facilities - Somerset East	MIG Grant	2 000 000		3 000 000
Upgrading of Parks in SE & Cookhouse	MIG Grant	500 000		500 000
Upgrading of Gravel Roads (Areoville)	MIG Grant	6 771 200	3 000 000	3 000 000
Upgrade Bulk Water Supply - Cookhouse	MIG Grant		4 829 800	8 419 750
Construction of Mhandi Multi Purpose centre	MIG Grant	4 500 000	6 500 000	
Office Equipment - MIG Office	MIG Grant			
		<b>R 13 771 200</b>	<b>R 14 329 800</b>	<b>R 14 919 750</b>
<b>IMUNITY, SAFETY &amp; SOCIAL SERVICES : ADMINISTRATION</b>				
Furniture and Equipment	Municipal own Funds	30 000	40 000	50 000
		<b>R 30 000</b>	<b>R 40 000</b>	<b>R 50 000</b>

<u>CAPITAL ITEM DESCRIPTION</u>	<u>FUNDING</u>	DRAFT BUDGET: 2017/18	DRAFT BUDGET: 2018/19	DRAFT BUDGET: 2019/20
<b>PORATE SERVICES: ADMINISTRATION</b>				
Computers/Office furniture	Municipal own Funds	30 000	40 000	50 000
		R 30 000	R 40 000	R 50 000
<b>ND TOTAL OF CAPITAL BUDGET</b>		<b>R 31 061 200</b>	<b>R 22 699 800</b>	<b>R 23 319 750</b>
<b>SUMMARY OF CAPITAL FUNDING</b>				
Grants		R 30 771 200	R 22 329 800	R 22 919 750
Municipal own Funding from surplus funds		R 290 000	R 370 000	R 400 000
		R 31 061 200	R 22 699 800	R 23 319 750

## 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, By-Laws and Procedure Manuals of the Blue Crane Route Municipality are to provide sound, secure and fraud free management of financial services.

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

The 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 2016/17 financial year.

**Table – List of adopted Financial Related Policies:**

	Budget Related Policy	Policy Status	Council Resolution Date
1	Asset Management Policy	Developed	to be reviewed before 31 May 2017
2	Budget Policy	Developed	to be reviewed before 31 May 2017
3	Cash Management and Payment of Creditors Policy	Developed	to be reviewed before 31 May 2017
4	Cash Receipt and Banking Policy	Developed	to be reviewed before 31 May 2017
5	Cost Estimation Policy	Developed	to be reviewed before 31 May 2017
6	Credit Control and Debt Collection ex Revenue By-Law	Developed	to be reviewed before 31 May 2017
7	Financial Framework Policy	Developed	to be reviewed before 31 May 2017
8	Investment Policy	Developed	to be reviewed before 31 May 2017
9	Rates Policy	Developed	to be reviewed before 31 May 2017
10	Rates By-Law	Developed	to be reviewed before 31 May 2017
11	Risk Management Policy	Developed	to be reviewed before 31 May 2017
12	Roles and Responsibilities and the Delegation of Powers Policy	Developed	to be reviewed before 31 May 2017
13	Standing Rules and Order	Developed	to be reviewed before 31 May 2017
14	Tariff ex Revenue By-Law	Developed	to be reviewed before 31 May 2017
15	Rewards, Gifts and Favours Policy	Developed	to be reviewed before 31 May 2017
16	Recruitment Policy	Developed	to be reviewed before 31 May 2017
17	Supply Chain Management Policy	Developed	to be reviewed 30 March 2017
18	Fraud Prevention Plan	Developed	to be reviewed before 31 May 2017
19	Indigent Policy	Developed	28 February 2017
20	Capital Infrastructure Investment Policy	Developed	to be reviewed before 31 May 2017
21	Fruitless Wasteful Expenditure Policy	Developed	to be reviewed before 31 May 2017
22	Borrowing Policy	Developed	to be reviewed before 31 May 2017
23	Funding and Reserve Policy	Developed	to be reviewed before 31 May 2017
24	Long-Term Financial Planning Policy	Developed	to be reviewed before 31 May 2017
25	EPWP Policy	Developed	to be reviewed before 31 May 2017
26	SCM Policy for Infrastructure and Delivery Management	Developed	to be reviewed 30 March 2017
27	Contract Management Policy	Developed	to be reviewed before 31 May 2017
28	Petty Cash Policy	Developed	to be reviewed before 31 May 2017
29	Business Continuity Plan	Developed	to be reviewed before 31 May 2017
30	MFMA Systems Delegations	Developed	Dec-16
31	Fleet Management Policy	Developed	new
32	Appointment of Consultants Policy	Developed	new

**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	<b>Fraud Prevention Plan</b>	The objective of this plan is to facilitate the development of controls which will aid in the detection and prevention of fraud against BCRM. It is the intent of BCRM to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.	Approved

	<b>Section</b>	<b>Statutory Plans</b>	<b>Status</b>
<b>2</b>	<b>Strategic Risk Management register</b>	The objective of this register is to facilitate the implementation of mitigating actions to improve service delivery and minimize the impacts of the potential risks within BCRM	Approved
<b>3</b>	<b>Budget</b>	1) Financial Plan 2) Budget	To be approved by 31 March 2016  To be approved by 31 May 2016
<b>4</b>	<b>Financial Recovery Plan</b>	The Blue Crane Route Municipality does not have a financial recovery plan in place.	Not applicable



# **ANNEXURE A – 2015/2016 AUDIT OUTCOME IMPROVEMENT PLAN**

# **ANNEXURE B – 2015/2016 ANNUAL FINANCIAL STATEMENT ACTION PLAN**