



Integrated Development Plan

2017 - 2022

Draft 2nd Annual Review

2019/2020



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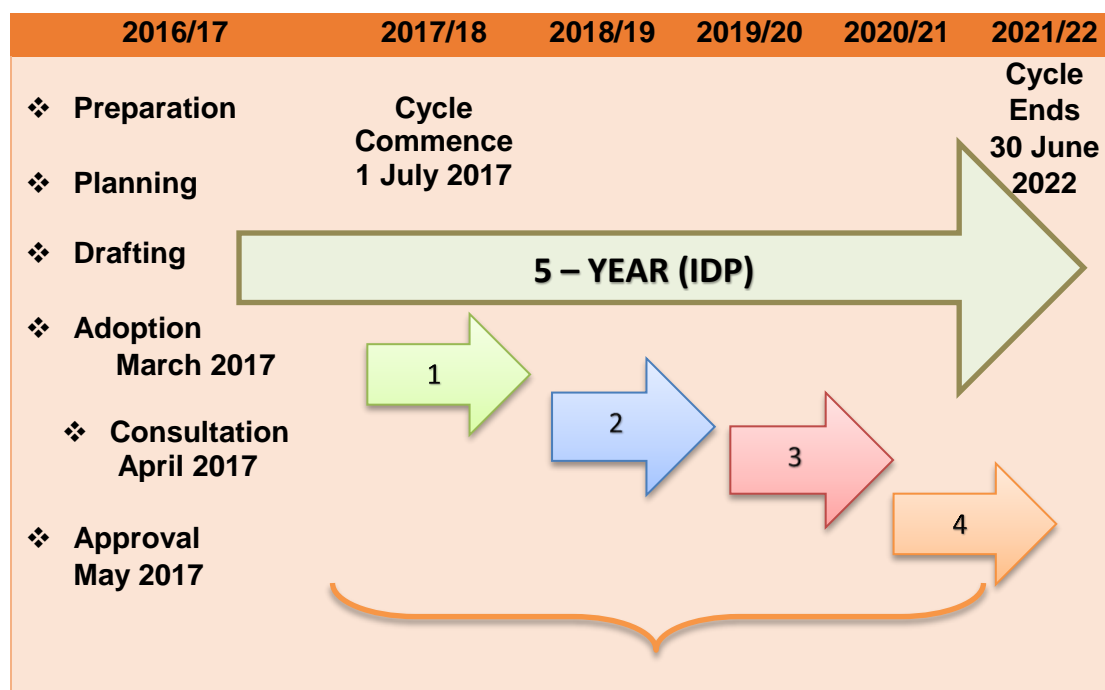
1. PURPOSE AND LEGAL BACKGROUND

1.1 Purpose of the IDP Review

This document represents the Second Review of Beaufort West Municipality's IDP for the current five-year local government planning and implementation time-frame, i.e. 2017 - 2022 and considers the 2019/2020 budget cycle. The document must be read together with the original IDP and the municipal-wide sector plans. This IDP review serves as an addendum to the 5-year IDP (2017-2022) that was approved by Council on the 30 June 2017.

In terms of the MSA Section 34, a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plans and strategies to include additional issues and to ensure that these plans and strategies inform institutional and financial planning.

This review as mentioned above, is the Second Review of the 2017-2022 IDP, as illustrated by the figure below, and should be read together with the 5-Year IDP.



The document sets out the results of the municipality's 2019/2020 IDP Review Process, and describes the following:-

- The process followed to review the Beaufort West Municipality's IDP, including the feedback from the community on the priorities for the new financial year;
- The key informants that have provided the basis for amending certain elements, if necessary, of the IDP;
- An assessment of implementation performance and achievement of IDP targets and strategic objectives;
- Review of sector strategies and plans, and cluster analysis reports inform the input of communities;
- An action plan for 2019/20 Financial Year.

Beaufort West Integrated Development Plan 2019/2020 Review

The main aims are to identify and consider (significant) change(s) that will impact on resource allocation and to inform communities about government programmes and projects in the municipal area. The major purpose can therefore be summarized as:

- To ensure that the planning processes of the municipality's internal departments are informed by the IDP and that there is sufficient capacity to implement the projects;
- To assess and report on progress and if required, apply corrective measures;
- To ensure that the IDP is the platform for structured inter-governmental engagement;
- To ensure that budget allocations and expenditure are in line with the IDP objectives;
- To ensure that the municipality's planning processes and outcomes are compliant;
- To ensure better alignment between the municipality's SDBIP and performance management system; and
- To ensure that the strategic objectives relates to the key performance areas.

The objectives of Local Government are based on a co-operative government framework that encourages participation of all Municipal Councils as well as the Provincial and National spheres of Government in public policy setting, development planning and the delivery of services. The Constitutional Mandate for Municipalities is that they strive, within their Financial and Administrative capacity, to achieve these objectives and carry out the developmental duties assigned to Local Government. Municipal Councils therefore take charge of the following principal responsibilities:

- The provision of democratic and accountable government without favour of prejudice;
- Encouraging the involvement of the local community;
- Providing all members of the local community with equitable access to the municipal services that they are entitled to;
- Planning at the local and regional levels for the development and future requirements of the area;
- Monitoring the performance of the Municipality by carefully evaluating Budget Reports and Annual Performance Reports to avoid financial difficulties, and if necessary, to identify causes and remedial measures for the identified Financial and Administrative challenges;
- Providing services, facilities and financial capacity within the guidelines provided by the Constitution and Legislative Authority.

Against this backdrop, Integrated Development Planning is a process through which a Municipality, various national, provincial and parastatal service providers, and private interested and affected parties come together to identify development needs, and to outline clear objectives and strategies which serve to guide the allocation and management of financial, human and infrastructure resources within the Municipality's jurisdictional area.

From this planning process emanates the Municipal Integrated Development Plan (IDP), with its main objective being the improvement of coordination and integration of planning, budgeting and development within the Municipal area. As a five (5) year budgeting, decision-making, strategic planning and development tool, the IDP is used by the Municipality to fulfil its role of '*developmental local governance*'. Central to this are the overarching objectives and strategies encapsulated in the plan, which guide the Municipality in the realm of:

- Municipal Budgeting;
- Institutional Restructuring in order to realize the strategic intent of the plan;
- Integrating various sectors in the form of Infrastructure, Land Use, Economic, Social and Ecological dimensions; and
- Performance Management.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan as referred to above, the Municipal Systems Act, Act 32 of 2000 (MSA) also requires that:

- The IDP be implemented;
- The Municipality monitors the implementation of the IDP;
- The Municipality evaluates its performance with regard to the implementation of the IDP; and
- The IDP be reviewed annually to effect improvements where necessary.

Section 34 of the Act deals with the Review and Amendment of the IDP and states that:

“The Municipal Council:

a) Must review its Integrated Development Plan

i) Annually in accordance with an assessment of its performance measures 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 the prescribed process”.

The annual review process thus relates to the assessment of the Municipality’s performance against organizational objectives as well as implementation delivery, and also takes into cognizance any new information or change in circumstances that might have arisen subsequent to the adoption of the previous IDP. The review and amendment process must also adhere to the requirements for public participation as articulated in Chapter 4 of the MSA (2000).”

The IDP process described above represents a continuous cycle of planning, implementation, monitoring and review. Implementation commences after the Municipal Council adopts the Final Draft IDP and Budget for the subsequent financial year and implementation feeds into the Performance Management System of the municipality. Public Participation remains pivotal throughout the process of the IDP.

In line with the above directives this document represents the Revised Integrated Development Plan as prepared by the Beaufort West Local Municipality (BWLM as part of its 2019/20 IDP Review process. It is submitted and prepared in fulfilment of the Municipality’s legal obligation in terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (MSA Act 32 of 2000).

1.2 IDP REVIEW PROCESS

The Beaufort West Municipal Council adopted and approved a Time Schedule for the drafting of the 2019/2020 review within its area of jurisdiction. This plan was adopted in accordance with Sections 28 and 29 of the MSA relevant legal prescripts and have dictated the process followed in reviewing this IDP.

During the review cycle, changes to the IDP process and content have been necessitated due to:

- Institutional Issues;
- Amendments in response to changing circumstances;

Organisational arrangements were put in place as per the Time Schedule and all legislative prescripts were adhered to.

1.2.1 Process Followed

In October 2018, the Beaufort West Municipal Council approved the IDP and Budget Time Schedule, detailing the process for the IDP and Budget development for 2019/2020 review. The purpose of the time schedule adopted is to indicate and manage the planned activities and strategies which the Municipality intends to follow.

In accordance with the provisions of the Time Schedule, the IDP was reviewed and further developed through the processes detailed below:

- Meetings with the public and some Ward Committees between October 2018 and March 2019.
- Meetings with the Budget steering committee.
- Workshop (provided layout and content of IDP document) with Council on the 25 March 2019
- The Draft IDP and Budget for 2019/2020 will be presented for adoption by Council on the 27 March 2019;
- The IDP will be submitted within ten (10) days after the tabling to the MEC of Local Government for comments;
- The adopted IDP will be advertised for public comments and meetings will be held with the public between April and May 2019;
- The Provincial IDP Evaluation Session (LGMTec) will take place during April 2019.
- The final IDP will be submitted for approval by Council before the end of May 2019

The municipality performed the following engagements as part of drafting the 2019/2020 IDP:

Ward	Type of Meeting	Date	Venue	Attendance
1	IDP Ward Engagement	13 March 2019	Murraysburg Town Hall	59
2	IDP Ward Engagement	06 February 2019	Restvale Primary School hall	46
3	IDP Ward Engagement	14 March 2019	Yellow Hall, Alfonso Avenue, Essopville	23
5	IDP Ward Committee Engagement	22 March 2019	Thusong Service Committee	8

6	IDP Ward Engagement	19 February 2019	Pinkster Eenheid Church	57
6	IDP Ward Committee Engagement	05 March 2019	Pinkster Eenheid Church	10
7	IDP Ward Engagement	20 February 2019	Merweville Sportsgrounds	91
4	IDP Ward Committee	24 March 2019	Beaufort West Youth Hub	Meeting cancelled due to the fact that only 5 Ward Committee members present and Ward councillor
	IDP/Budget Workshop with Council	25 March 2019	25 March 2019: Municipal Council Chambers	

Table 1: Public Participation Engagements

It should be noted that most of the public and ward committee meetings did not take place during October and November 2019 due to the fact that most of the scheduled IDP meetings with the public and ward committees was postponed or cancelled. In some of the wards meetings were scheduled for more than once and still could not take place due to poor attendance.

1.3 NATIONAL AND PROVINCIAL POLICY CONTEXT

Development in South Africa is broadly guided and directed by a wide range of legislation. Some legislation is sector specific e.g. housing, transport and environment, while others are more generic in nature, focusing on planning processes, alignment of planning processes and proposals, and the legal requirements pertaining to sector plans to be compiled.

The following section briefly deals with each of these, and highlights the most salient aspects emanating from the aforementioned policies/ plans.

1.3.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA 108 OF 1996

The Constitution of South Africa, contained in Act 108 of 1996, is the supreme law of South Africa. Amongst other things, it prescribes different functions to different tiers of government to ensure the equitable and functional distribution of roles, responsibilities and duties. Accordingly, it has assigned specific functional areas to national, provincial and local government.

In terms of the Constitution, the Beaufort West Local Municipality is legally obliged to:

- Structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and

- Participate in national and provincial development programmes.

1.3.2 NATIONAL DEVELOPMENT PLAN

The National Development Plan envisages an economy that serves the needs of all South Africans – rich and poor, black and white, skilled and unskilled, those with capital and those without, urban and rural, women and men. The Vision is that by 2030 the economy should be close to full employment, equip people with the skills they need; ensure that ownership of production is less concentrated and more diverse (where black people and women own a significant share of productive assets); and be able to grow rapidly while providing the resources to pay for investment in human and physical capital.

Subsequently, the National Development Plan proposes to create 11 million jobs by 2030 by:

- Realising an environment for sustainable employment and inclusive economic growth; Promoting employment in labour-absorbing industries;
- Raising exports and competitiveness;
- Strengthening government's capacity to give leadership to economic development;
- Mobilising all sectors of society around a national vision.

Proposals to increase employment and growth include the following:

- Raise exports, focusing on those areas where South Africa already has the endowments and comparative advantage, such as mining, construction, mid-skill manufacturing, agriculture and agro-processing, tourism and business services;
- Increase the size and effectiveness of the innovation system, and ensure closer alignment with companies that operate in sectors consistent with the growth strategy;
- Improve the functioning of the labour market to help the economy absorb more labour, through reforms and specific proposals concerning dispute resolution and discipline;
- Support small businesses through better coordination of activities in small business agencies, development finance institutions, and public and private incubators;
- Improve the skills base through better education and vocational training;
- Increase investment in social and economic infrastructure to lower costs, raise productivity and bring more people into the mainstream of the economy;
- Reduce the regulatory burden in sectors where the private sector is the main investor, such as broadband internet connectivity, to achieve greater capacity and lower prices;
- Improve the capacity to the state to effectively implement economic policy;
- The upgrading of informal settlements;
- Public transport infrastructure and systems, including the renewal of the commuter rail fleet, supported by station and facilities upgrades to enhance links with road-based services;
- Producing about 20 000 MW of renewable electricity by 2030, importing electricity from the region, decommissioning 11 000 MW of aging coal-fired power stations, and accelerated investments in demand-side savings, including technologies such as solar water heating;
- To create a million jobs through agricultural development based on effective land production;
- Ensuring food security and the empowerment of farm workers, and promote industries such as agro-processing, tourism, fisheries and small enterprises in rural areas where potential exists.

1.3.3 MEDIUM TERM STRATEGIC FRAMEWORK 2014-2019

The Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved and focuses on the following priorities:

- Radical economic transformation, rapid economic growth and job creation;
- Rural development, land and agrarian reform and food security;
- Ensuring access to adequate human settlements and quality basic services;
- Improving the quality of and expanding access to education and training;
- Ensuring quality health care and social security for all citizens;
- Contributing to a better Africa and a better world;
- Social cohesion and nation building.

Below is a summary of the priority national outcomes set out in the MTSF:

MTSF Outcome 1: Quality basic education

MTSF Outcome 2: A long and healthy life for all South Africans

MTSF Outcome 3: All people in South Africa are and feel safe

MTSF Outcome 4: Decent employment through inclusive growth

MTSF Outcome 5: A skilled and capable workforce to support an inclusive growth path

MTSF Outcome 6: An efficient, competitive and responsive economic infrastructure network

MTSF Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security

MTSF Outcome 8: Sustainable human settlements and improved quality of household life

MTSF Outcome 9: Responsive, accountable and efficient local government

MTSF Outcome 10: Protect and enhance our environmental assets and natural resources

MTSF Outcome 11: Create a better South Africa and contribute to a better Africa and a better world

MTSF Outcome 12: An efficient, effective and development-orientated public service

MTSF Outcome 13: A comprehensive, responsive and sustainable social protection system

MTSF Outcome 14: A diverse, socially cohesive society and national identity

1.3.4 INTERGOVERNMENTAL POLICY ALIGNMENT

Sustainable Development Goals

The Millennium Developmental Goals (MDGs) were agreed upon in September 2000 when 189 countries, including South Africa, committed themselves to the Millennium Declaration. The final MDGs Report was published in 2015 (available on <http://www.un.org/millenniumgoals>). As the MDGs era comes to a conclusion with the end of 2015, 2016 ushers in the official launch of the bold and transformative 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly on 25 September 2015.

The 17 Sustainable Development Goals and 169 targets demonstrate the scale and ambition of this new universal Agenda. They seek to build on the MDGs and complete what the MDGs did not achieve. They are integrated and indivisible and balance the three dimensions of sustainable development:

The economic, social and environmental goals are the following:

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

NATIONAL POLICY DIRECTIVES

National development plan (NDP) - November 2011

The President appointed a National Planning Commission in May 2010 to draft a vision and plan for the country. On 9 June 2011 the Commission released a diagnostic document and elements of a vision statement. On 11 November 2011 the vision statement and the plan was released for consideration. The Commission consulted widely on the draft plan. The National Development Plan was handed to President Zuma in August 2012 and was adopted by Cabinet in September 2012.

An approach to change

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory.

Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

Progress over the next two decades means doing things differently. Given the complexity of national development, the plan sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems.

The plan in brief

By 2030 to eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39% to zero.

- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.
- Enabling milestones
- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.

Integrated Development Plan for 2017-2022

- Increase the share of national income of the bottom 40% from 6% to 10%.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.

- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions

- A social compact to reduce poverty and inequality, and raise employment and investment.
- A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes
- Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
- Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
- An education accountability chain, with lines of responsibility from state to classroom.
- Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
- Public infrastructure investment at 10% of gross domestic product (GDP) financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
- Interventions to ensure environmental sustainability and resilience to future shocks.
- New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
- Reduce crime by strengthening criminal justice and improving community environments.

How the Municipality contributes to the National Development Plan

NDP chapter 3: Economy and development

This objective relates to the implementation of public employment programmes with which the Municipality aligns through its Expanded Public Works Programme (EPWP) implementation.

NDP chapter 4: Economic infrastructure

This objective relates to the provision and sustainability of services such as water, electricity and public transport. To achieve this, the Municipality will continuously maintain and invest in its water and electricity infrastructure.

NDP chapter 5: Environmental sustainability and resilience

This objective also relates to the implementation of public employment programmes, and the Municipality aligns through its Expanded Public Works Programme (EPWP) implementation.

NDP chapter 6: Inclusive rural economy, and chapter 7: South Africa in the region and the world

The Municipality participates in the Rural Towns Development Project in support of the chapter.

NDP chapter 8: Transforming human settlements

This objective relates to how municipalities should spatially enable the densification of towns and cities to promote a better mix of human settlements, which will allow people to live closer to their places of work, and the implementation of a better public transport system, which will in turn facilitate integration. The Municipality responds through its Spatial Development Framework that is being reviewed.

NDP chapter 9: Improving education, training and innovation

This objective relates to early childhood development (ECD), while also ensuring that artisans enter the job market. The Municipality's targeted ECD development programmes, contribute to this objective.

NDP chapter 10: Healthcare for all

This objective relates to access to primary healthcare by improving tuberculosis (TB) prevention and cure, reducing maternal, infant and child mortality, and reducing injury, accidents and violence. This is supported by the Municipality's preventive, promotional and curative services and TB control; fire and rescue service, and enhanced speed enforcement capacity.

NDP chapter 11: Social protection

This objective relates to the need for all children to have proper nutrition, employment opportunities to be created through skills development, and for all people, especially women and children, to feel safe. The Municipality promotes awareness raising, improving child safety, meeting wellness and nutrition needs, and leveraging the Municipality's resources (human and financial) to provide training and development opportunities for unemployed youth.

NDP chapter 12: Building safer communities

This objective relates to the need for all people, especially women and children, to feel safe at home, school and work, and to enjoy an active community life free of fear.

NDP chapter 13: Building a capable and developmental state

This objective relates to the state playing a developmental and transformative role. It entails that staff at all levels should have the competence, experience and authority to perform their jobs, and that the relationship between the spheres of government should improve and be managed more proactively. To comply, the Municipality will use property and land to leverage social issues and implement a human resources, talent management and skills development programme. The Municipality will also contribute to the creation of a capable and developmental state through on-going collaboration with the National Department of Transport, Province and will partner with Province and the District Municipality.

NDP chapter 14: Fighting corruption

This objective relates to achieving a corruption free society, high adherence to ethics throughout society, and a government that is accountable to its people. The Municipality aligns with this objective through its establishment of an external audit committee and an effective system to process complaints (and report corruption) and to train managers in identified core administrative business processes in order to ensure improved accountability.

NDP chapter 15: Nation building and social cohesion

This objective relates to the need for citizens to accept that they have both rights and responsibilities, and, most critically, the pursuit for a united, prosperous, non-racial, non-sexist and democratic South Africa. To achieve this outcome, the Municipality to provide community facilities, will make citizens feel at home. Strengthening community capacity to prevent crime and disorder and managing service delivery.

Basis for the Integrated Development Plan 2017-2022

The IDP is undertaken within the framework of National, Provincial and District plans and policies, with particular consideration being given to the following:

New Growth Path, 2009 (NGP)

The NGP aims to find job opportunities in both the traditional economic sectors as well as cross-cutting sectors. It further aims to develop strategies that would create the needed jobs in the economy of South Africa over the medium term. This strategy will combine micro and macro-economics in achieving its goal.

The main indicators for success will be:

- Jobs (number and quality)
- Growth (the rate, labour intensity & composition of economic growth)
- Equity (lower income and inequality)
- Environmental outcomes.

The Five pillars on which the NGP stands are:

i. Infrastructure:

- Public Sector - energy, transport, water, communications infrastructure and housing until 2015;
- 250 000 new jobs created annually

ii. Main Economic Sectors

- Agricultural value chain
 - 300 000 households in agricultural smallholder schemes
 - 145 000 in agro processing by 2020
 - Upgrade conditions for 660 000 farmer workers
- Mining value chain
 - Additional 140 000 jobs by 2020 & 200 000 by 2030
- Manufacturing sectors with IPAP2 targets
 - 350 000 jobs by 2020 in industries not covered elsewhere
- Tourism & certain high level services
 - 250 000 jobs

iii. Seizing the potential of New Economies

- The Green economy
 - 300 000 additional direct jobs by 2020 of which 80 000 is in manufacturing and up to 400 000 in construction, operations and management by 2030
- Growing the knowledge capital
 - 100 000 by 2020 based on current employment and taking out overlaps with niche tourism, IPAP2 and government services

iv. Investing in Social Capital and Public Services

- Social Economy – such as co-ops
 - 260 000 new jobs by 2020
- v. Spatial Development
 - Measurable improvements in livelihoods
 - 500 000 households in rural development areas targeted
 - African regional development
 - 60 000 direct jobs by 2015 and around 150 000 by 2020 from exports to SADC

National Development Plan

If the National Growth Plan is the strategy then the National Development Plan is the tactic to be used in achieving the aims moving towards 2030. The NDP focus on nine distinct areas for development in South Africa and it is the following:

- Create 11 million jobs by 2030
- Expand infrastructure
- Transition to low carbon economy
- An inclusive integrated rural economy
- Reversing the spatial effects of apartheid
- Education and Training
- Social protection
- Build a capable state
- Reforming the public service
- Provide quality Health Care
- Fight Corruption
- Transformation and Unity (National Development Plan 2030, 2011)
- National Spatial Development Perspective (NSDP)

The main purpose of the NSDP is to reconfigure apartheid spatial relations and to implement spatial priorities that meet the constitutional imperative of providing basic services to all and alleviating poverty and inequality. The NSDP is based on government's objectives of growing the economy, creating jobs, addressing poverty and promoting social cohesion.

NSDP principles are aimed at focusing government action and investment to enable the developmental state to achieve maximum social and economic impact within the context of limited resources. While the focus on government spending in areas of some economic potential is on economic infrastructure, in areas of low or no economic potential government spending should focus on human capital development.

Spatial marginalization from economic opportunities and social amenities continue to be a significant feature of the space economy and must be addressed to reduce poverty and inequality and to ensure shared growth (National Spatial Development Perspective, 2003).

Western Cape Provincial Growth and Development Strategy

The WCPGDS is defined as a framework against which provincial government departments define the parameters in which they formulate their strategic plans & budgets. It is a yardstick to measure departmental performance and is aligned to the electoral and budgeting process.

It is based on the social and economic analysis prevailing in the Province with sector specific programmes, strategies and project level opportunities and interventions and it seeks alignment with IDP's, Sector Development Plans and NSDP. The WGDS reflects opportunities for growth in the following sectors namely:

- Agriculture and Agro-Processing
- Fishing and Mari-culture
- Mining and Mineral Resources
- Construction
- Transport
- Manufacturing
- Tourism

Central Karoo District Growth and Development Strategy

The CKDGDS seeks to achieve a shared vision, amongst all sectors of its society, for the achievement of its goal of reducing poverty and improving the quality of life all its citizens. The DGDS reinforces the following principles:

- Integrated, sustainable, holistic and participatory growth and development;
- Providing for the needs of all the people;
- Ensuring community and/or beneficiary involvement and ownership;
- Long term sustainability on all levels;
- Equitable socio-economic development with equitable benefits for all.

Medium Term Strategic Framework

The strategic priorities, deriving from the popular mandate, can be summarized as follows:

- speed up economic growth and transform the economy to create decent work and sustainable livelihoods;
- massive programme to build economic and social infrastructure;
- comprehensive rural development strategy linked to land and agrarian reform and food security;
- strengthen the skills and human resource base;
- improve the health profile of society;
- intensify the fight against crime and corruption;
- build cohesive, caring and sustainable communities;
- pursue regional development, African advancement and enhanced international co-operation;
- sustainable resource management and use;

- build a developmental state including improvement of public services and strengthening democratic institutions.

Transversal Alignment

- *Transversal partnering* (between line-function Departments within the Municipality and with municipal entities).
- *Inter-governmental partnering* (between the Municipality and other spheres of Government, public entities and state-owned companies).
- *Cross-boundary partnering* (partnerships with other municipalities across municipal boundaries, within a functional region).
- *Cross-sector partnering* (partnering with external role-players such as business or civil society).

Horizontal Alignment of Key Strategies

Horizontal alignment is pursued through inter-governmental planning and consultation, co-ordination and ensured through aligning the respective vision, mission and strategic objectives of the respective municipalities in the region. The alignment of key national, provincial and regional strategies is illustrated in the table below:

Back to Basics Revised Chapter 9 Outcomes (Responsible, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
B2B 1: Members of society have sustainable and reliable access to basic services	MDG 1: Eradicate extreme poverty and hunger MDG 4: Reduce child mortality MDG 5: Improve maternal health MDG 6: combat HIV/AIDS, malaria and other diseases	SDG 1: No Poverty SDG 2: No Hunger SDG 3: Good Health SDG 6: Clean Water and Sanitation	Chapter 10: Health Care for all Chapter 11: Social Protection	Outcome 2: A long and healthy life for all South Africans Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	PSG 3: Increasing Wellness, Safety and Tackling Social Ills	SG 1: Promote Safe, Healthy and Socially stable communities through the provision of a sustainable environmental health service	Objective 1.2 - Provision of basic services to all the people in the municipal area.
B2B 3:	MDG 3: Promote gender	SDG 4: Quality Education	Chapter 9: Improving	Outcome 1: Improve the	PSG 2: Increase	SG 2: Build a well	Objective 3.1 Establishment

Back to Basics Revised Chapter 9 Outcomes (Responsive, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
Democratic, well governed and effective municipal institutions capable of carrying out their developmental mandate as per the constitution.	equality and empower women	SDG 5: Gender Equality SDG 8: Good Jobs and Economic Growth SDG 10: Reduced Inequalities	Education, training and innovation Chapter 15: Nation building and Social Cohesion	quality of basic education Outcome 5: A skilled a workforce to support inclusive growth	education outcomes Improving Education Outcomes and Opportunities for Youth Development	capacitated workforce, skilled youth and communities	of a well governed and accountable administration
B2B 3: Democratic, well governed and effective municipal institutions capable of carrying out their		SDG 7: Clean Energy SDG 9: Innovation and Infrastructure SDG 11: Sustainable	Chapter 4: Economic Infrastructure Chapter 5: Inclusive rural Economy	Outcome 6: An efficient, competitive and responsive economic infrastructure network	PSG 1: Create Opportunities for Growth and Jobs PSG 2: Improving Education Outcomes and	SG 3: Improve and maintain district roads and promote safe road transport	Objective 1.1 - To improve and maintain current basic service delivery through specific infrastructural

Back to Basics Revised Chapter 9 Outcomes (Responsive, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
developmental mandate as per the constitution.		Cities and Communities			Opportunities for Youth Development		development projects
B2B 3: Democratic, well governed and effective municipal institutions capable of carrying out their developmental mandate as per the constitution.	MDG 7: Ensure environmental sustainability	SDG 7: Clean Energy SDG 12: Responsible Consumption SDG 13: Protect the Planet SDG 14: Life below water SDG 15: Life on Land	Chapter 5: Environmental Sustainability and resilience Chapter 12: Building safer communities	Outcome 3: All people in South Africa protected and feel safe Outcome 10: Protection and enhancement of environmental assets and natural resources Outcome 11: A better South Africa, a better and safer	PSG 4: Enabling a Resilient, Sustainable, Quality and Inclusive Living Environment	SG 4: Prevent and minimise the impact of possible disasters and improve public safety in the region	Objective 2.3 – Sustainability of the environment and Agriculture

Back to Basics Revised Chapter 9 Outcomes (Responsive, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
				Africa and world			
B2B : 4 Sound Financial Management			Chapter 13: Building a capable and developmental state Chapter 14: Fighting corruption	Outcome 9: A responsive and accountable, effective and efficient local government system	PSG 5: Embedding Good Governance and Integrated Service Delivery through Partnerships and Spatial Alignment	SG 5: Deliver a sound and effective administrative and financial to achieve sustainability and viability in the region.	Objective 3.1 Establishment of a well governed and accountable administration Objective 4.1 Ensure liquidity of the administration Objective 5.1 Transparency and participation
B2B 2:	MDG 8: Develop a global		Chapter 13	Outcome 9: A responsive, accountable,	PSG 5: Embedding Good	G6: Facilitate Good Governance	Objective 1.2 - Provision of basic services

Back to Basics Revised Chapter 9 Outcomes (Responsive, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
Strengthened inter-governmental arrangements for a functional system of cooperative governance for local government	partnership for development	SDG 17: Partnerships for the Goals SDG 16: Peace and Justice SDG 10: Reduced Inequalities SDG 12: Responsible Consumption	Building a capable and developmental state Chapter 14: Fighting corruption Chapter 15: Nation building and social cohesion	effective and efficient local government system Outcome 12: An efficient, effective and development - orientated public service and an empowered, fair and inclusive citizenship.	Governance and Integrated Service Delivery through Partnerships and Spatial Alignment PSG 2: Improving Education Outcomes and Opportunities for Youth Development	principles and effective stakeholder participation	to all the people in the municipal area. Objective 1.3 - Provide for the needs of indigent households through improved services.
B2B: 5 Local public employment programmes expanded	MDG 1: Eradicate extreme poverty and hunger	SDG 8: Good jobs and economic growth	Chapter 3: Economy and Employment Chapter 6:	Outcome 4: Decent employment through inclusive	PSG 1: Create Opportunities for Growth and Jobs	G7: Promote regional economic development, tourism and	Objective 2.1 - To facilitate investment and maintenance of economic and

Back to Basics Revised Chapter 9 Outcomes (Responsive, accountable, effective and	Millennium Development Goals 2015	2016 Sustainable Development Goals	NDP 2030	National Outcomes (2010)	WC Strategic Plan (2014-2019) Provincial Strategic Goals	2012 -2017 Central Karoo Strategic Objectives	Beaufort West Municipality Objectives 2017-2022
through the Community Work Programme (EPWP)			Inclusive rural economy	economic growth Outcome 6: An efficient, competitive and responsive economic infrastructure network	PSG 2: Improving Education Outcomes and Opportunities for Youth Development	growth opportunities	social infrastructure to ensure infrastructure- led economic growth and development. Objective 2.2 - Create an investment friendly environment to attract investment to enable economic growth and job creation.

1.4 MUNICIPAL STRATEGIC AGENDA

In line with the above national and provincial Vision directives, the Beaufort West Local Municipality Strategic Agenda which includes a Vision, Mission, Municipal Values and Strategic Priorities are reflected below:-

VISION AND MISSION

VISION

Beaufort West, economic gateway in the central Karoo, where people are developed and live in harmony together

MISSION

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

Service Delivery:	To provide excellent services to the residents of Beaufort West Municipality
Growing the economy:	To implement infrastructure to grow the economy and create jobs;
Staff:	To have an equipped, skilled and motivated staff establishment;
Well-run administration:	establish a sound, efficient and effective administration for the Municipality;
Financial Sustainability:	Collecting all debtors and paying creditors in time;
Sport centre:	To become the sport and recreational mecca of the Karoo, creating harmony and unity
Safe place:	To create a crime-free, safe and healthy environment
Reduce Poverty:	To reduce poverty and promote the empowerment of women, youth and people living with disabilities

VALUES

In addition, the Municipality also embraces the following values:

- Integrity which includes honesty, fairness and respect
- Trust
- Responsibility and accountability
- Harnessing diversity
- Participative decision-making
- Transparency

- Professionalism including friendliness, and
- Efficient service delivery.

The above Municipal Strategic Agenda should be implemented in pursuance of the following six Key Performance Areas for Local Government as contained in the Municipal Planning and Performance Management Regulations (2006) as promulgated by National Government:

KPA1: Municipal Transformation and Institutional Development

To have a representative and motivated municipal work force with high ethical standards empowered to render optimal services.

KPA2: Municipal Financial Viability and Management

To manage the Municipality’s finances to ensure a financially viable Municipality able to meet all financial obligations.

KPA3: Spatial Rationale and Municipal Planning Alignment

To ensure that all development within the municipality is based on a coherent Spatial Rationale as defined in the Municipal Spatial Development Framework and that all sector plans are aligned to this rationale.

KPA4: Local Economic Development and Job Creation

To facilitate and implement local economic development initiatives and processes to promote sustainable economic growth for the municipal area.

KPA5: Basic Service Delivery

To render cost effective and sustainable services to the entire community with diligence and empathy.

KPA6: Good Governance and Public Participation

To ensure service delivery in accordance with “Batho-Pele” principles and legislative requirements and through extensive consultative processes with local stakeholders/ communities.

CHAPTER 2 - PROFILE OF THE MUNICIPAL AREA

This chapter provides a brief description of the historic significance, social, economic and institutional environment, and high-level development 'indicators' as imperatives for municipal planning in order to ensure economic growth, job creation and socio-economic improvement.

The situational analysis provides baseline information for future planning as it describes the profile of the community the Municipality serves.

2.1 Historical Overview

Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area once a swamp, now a semi-desert area named "thirst land", making it rich in history. This ancient area of the Karoo is considered one of the world's most interesting arid zones and holds intrigue for the scientist, the historian and the eco-tourist; fondly referred to as place of the pioneers. In February 1837, the Beaufort West Municipality became South Africa's first and therefore, oldest municipality. It is the centre of an agricultural district based mainly on sheep farming and meat production. It is also strategically positioned in that the N1 national road, which links Cape Town with the interior and northern parts of South Africa, bisects the municipal area. This transport related infrastructure contributes somewhat to the area's economic growth due to the high volume and diversity of road users.

2.1.1 Beaufort West

Beaufort West is the economic, political and administrative heart of the Central Karoo. Located 32°21'S 22°35'E, about 460 km North East of Cape Town, the town was founded on the farm Hooyvlakte in 1818. Beaufort West was originally established as a service centre for rail- and road transport and to a lesser degree for rural agriculture. The historical reason for the town's existence is, however, the railways. It is reported that during the 1970's and 80's, 90% of the towns economically active people were employed by the railways. Even though both rail transport and agriculture are in decline in terms of economic opportunities, the town has managed to maintain a minimal level of growth due to the high volume of passing road traffic. The National Road from Cape Town to Johannesburg (N1) bisects the town, and is still responsible for generating a significant portion of the town's income. The town has all the features of a modern town: Shopping Centres, Magistrate's Court, Internet Cafés, Hotels, Medical Facilities, Restaurants and all the other amenities and services usually found in modern towns around the world.

2.1.2 Merweville

Merweville is a small town situated 160km south-west of Beaufort West and 40km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often likened to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and

justice of the peace. He built a church that was later used as a school. Merweville lies in the Koup, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.

2.1.3 Murraysburg

Murraysburg, a typical old-world Great Karoo town that lays 160km south-west of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuwberg Mountains in a scenic mix of mountains and plains, offers tranquillity for environmentalists and eco-watchers. In the late 18th century a bloody and vicious war of revenge and retaliation raged for many years between the San and the farmers. Farms were attacked, houses set alight, herdsman murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers. The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm Eenzaamheid was bought from Mr Kootjie Burger. This farm became the town of Murraysburg. It was a "church town", meaning that the Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants. The new town was named after the Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".

2.1.4 Nelspoort

Nelspoort, situated 56km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding koppies and left their mark in rock engravings. A long time after the Bushmen, the area became a haven for those with chest ailments. As early as 1836, Beaufort West's dour but well-loved Dr John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to many TB sufferers. Established in 1924 through the efforts of Dr Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward. Today, both roles have declined.

2.2 Municipal wards

The municipal area covers 16 330.10 km² and is structured into the following 7 Wards:

WARD	AREAS
1	Murraysburg
2	Nelspoort, Central Town, section of Hospital Hill, Part of Hillside
3	Part of Rustdene, Essopville, Nieuveld Park
4	Part of Mandlenkosi, Die Lande, Part of Hospital Hill
5	Paddavlei, Paradise Valley, Section of Mandlenkosi, Part of Rustdene, Newlands, Hooyvlakte
6	Part of Rustdene, Prince Valley
7	Part of Hillside, Merweville, Hillside 2, Toekomsrus, Barrake, Surrounding Farms in Area.

Table 2 Municipal Wards

2.3 Social Analysis

2.3.1 Population

It is estimated that about 70% of the District population resides in Beaufort West, Beaufort West population in 2011 being 49 586. In 2011 of the people living in the Central Karoo District — the total population was 71 011. The Community Survey (CS) 2016, conducted by Stats SA, indicates that 69% of the population within the Central Karoo district resides in the Beaufort West municipal area. The increase in the number of people residing in the municipal area is because of the merging of administrative areas, i.e. the Beaufort West municipal area and the former District Management Area (DMA) and in-migration from other provinces. The population increased at an annual growth rate of 1.4% in the ten year period between census 2001 and 2011. The municipality experienced a growth rate of 0.59% per annum between census 2011 and 2016.

Although population growth is expected to slow down somewhat, it will still have a significant impact on the demand and the level of service delivery (especially in Beaufort West). Population density of the area in 2011 was 2.07 persons per km² and in 2016 marginally increased to 2.13 persons per km².

The table below illustrates the population in the municipal area since 2001:

Population	2001	2011	2016
Number of people residing in the Beaufort West municipal area	43 284	49 586	51080

Table 3: Population of Beaufort West Municipality

Data Source: Stats SA
Census 2011 & CS 2016

According to Census 2011, the Afrikaans language is spoken by more than 40 000 people, i.e. 80% plus, of the people residing in the municipal area, with IsiXhosa spoken by about 5000 residents. In 2001, the number of Afrikaans speaking residents were 37 000 which is about 85% of the total population. The languages most spoken in the household are; Afrikaans (83.0%), IsiXhosa (13.1%) and English (1.9%). Afrikaans has remained the predominant language spoken by households since census 2001.

2.3.2 Population by Race

The Coloured community stands at 75.1% of the Beaufort West municipality, with Black Africans making up 17.7%. The White population constitutes 7.0% and Indian/Asians 0.3% of the municipality. While there has been a decline in the white and Indian/Asian population in 2016, the Coloured and Black African population has seen an increase of 1.6% and 1.4% respectively since 2011.

Year	Black African	Coloured	Indian or Asian	White	Other	Grand Total
2001	6923	31792	42	4528	-	43284
2011	8103	36433	241	4539	270	49586
2016	9029	38368	129	3554	-	51080

Table 4: Population by race

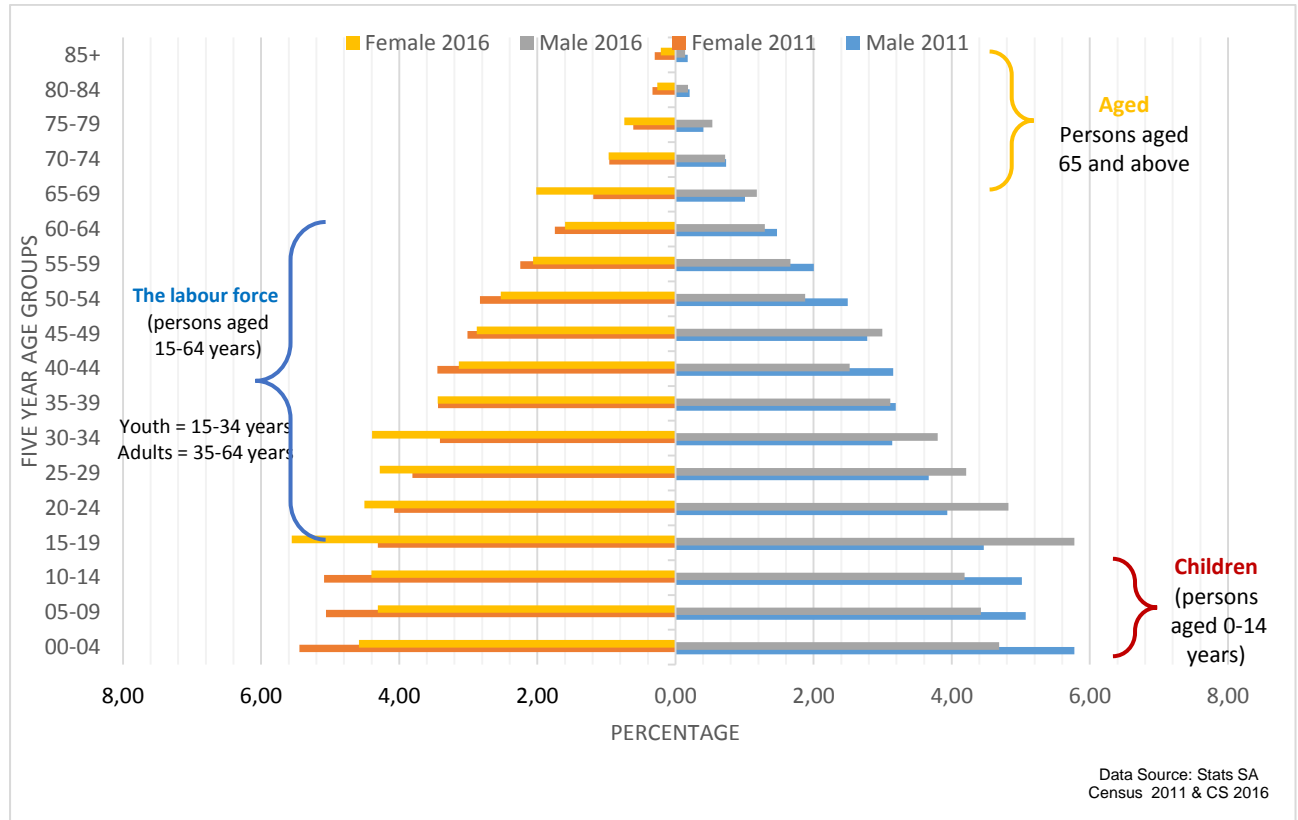
Data Source: Stats SA
Census 2011 & CS 2016

The 2011 population figures per ward are indicated in the table below.

Wards	Area	Black African	Coloured	Indian or Asian	White	Other	Grand Total
Ward 1	Murraysburg	1113	5778	15	527	21	7454
Ward 2	Nelspoort, Central Town, section of Hospital Hill, Part of Hillside	694	3877	38	1849	61	6519
Ward 3	Part of Rustdene, Essopville, Nieuvelde Park	153	7081	32	10	3	7280
Ward 4	Part of Mandlenkosi, Die Lande, Part of Hospital Hill	2426	1456	38	1382	47	5348
Ward 5	Paddavlei, Paradise Valley, Section of Mandlenkosi, Part of Rustdene, Newlands, Hooyvlakte	2492	4525	29	5	52	7103
Ward 6	Part of Rustdene, Prince Valley	135	4730	39	7	9	4921
Ward 7	Merweville, Part of Hillside, Hillside 2, Toekomsrus, Barrake, Surrounding Farms in Area	1089	8987	51	759	77	10962
Grand Total		8103	36433	241	4539	270	49586

Table 5: Population by race (per ward)

2.3.3 Population by age



The above pyramid indicates that there has been significant change to the structure of the population of Beaufort West Municipality between 2011 and 2016. There has been a significant decline in the percentage of persons in the age group 0-14 years which could be attributed to a decline in fertility rates within the municipality. In 2011 the children comprised 31.5% of the total population as compared to 26.6% in 2016. Furthermore, the distribution of males and females within this age group in 2016 was evenly distributed while in 2011 the male population aged 0-14 totalled more than their female counterparts.

The adverse is true with regards to the aged population, who in 2011 formed 5.9% of the population but has increased to 6.9% in 2016. This indicates that life expectancy has increased over the 5 year period since 2011. This is particularly the case among women aged 65-69 and 75-79. However women in the age groups 80-84 and 85+ have declined since 2016 as compared to 2011 figures.

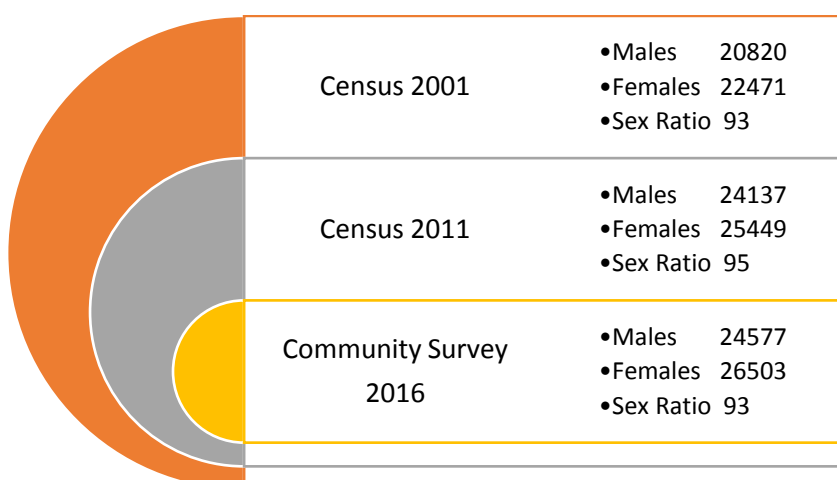
The labour force group comprises of the majority of the population with 2011 figures being 62.6% and 2016 figures being 66.5%. As the population has grown so has the population of those eligible for employment. This group can further be divided into what is statistically referred to as the youth and adult population. While in 2011 the adult population made up a slightly higher percentage of the labour force (50.8%), in 2016 the opposite is true with adults comprising 43.8% of the labour force group. The youth in 2016 make up 56.2% of the total population of the labour force. What has remained consistent in the five years since census 2011 is that there are more women in the labour force.



Data Source: STATS SA
Census 2011 & Com Survey 2016

The dependency ratios indicate that there has been a steady decline in Child Dependency on the labour force Group (those aged 15-64 years) since 2001, with the greatest decrease being in 2016. This is due to two factors, namely; a decline in population those aged 0-14 years and an increase in the labour force population in 2016. However as life expectancy has increased, we see an increased dependence of the aged on the labour force. Between 2001 and 2016, there has been a 12 percent (or 12 to every 100 persons) decrease in the total dependency ratio on the labour force. The lower ratio also indicates better persons and health care for persons, while higher ratios indicated financial stress between working people and dependents. The fewer people of working age, the fewer people who can support school goers, grant dependents, and the most vulnerable in society.

2.3.4 Population by gender



Data Source: STATS SA
Census 2011 & Com Survey 2016

The female population over time has consistently been greater than that of the male population. The sex ratio indicates the number of males to every 100 females within the municipality has only increased in 2011 but declined back to its 2001 figure in 2016. Within 2001, 2011 and 2016, those aged 0-4, 5-9 and 15-19 have consistently had a higher male to female ratio. In 2016 however there was also subsequently and increase in the male to female ratio of persons aged 20-24 and 45-49.

2.3.5 Employment Status

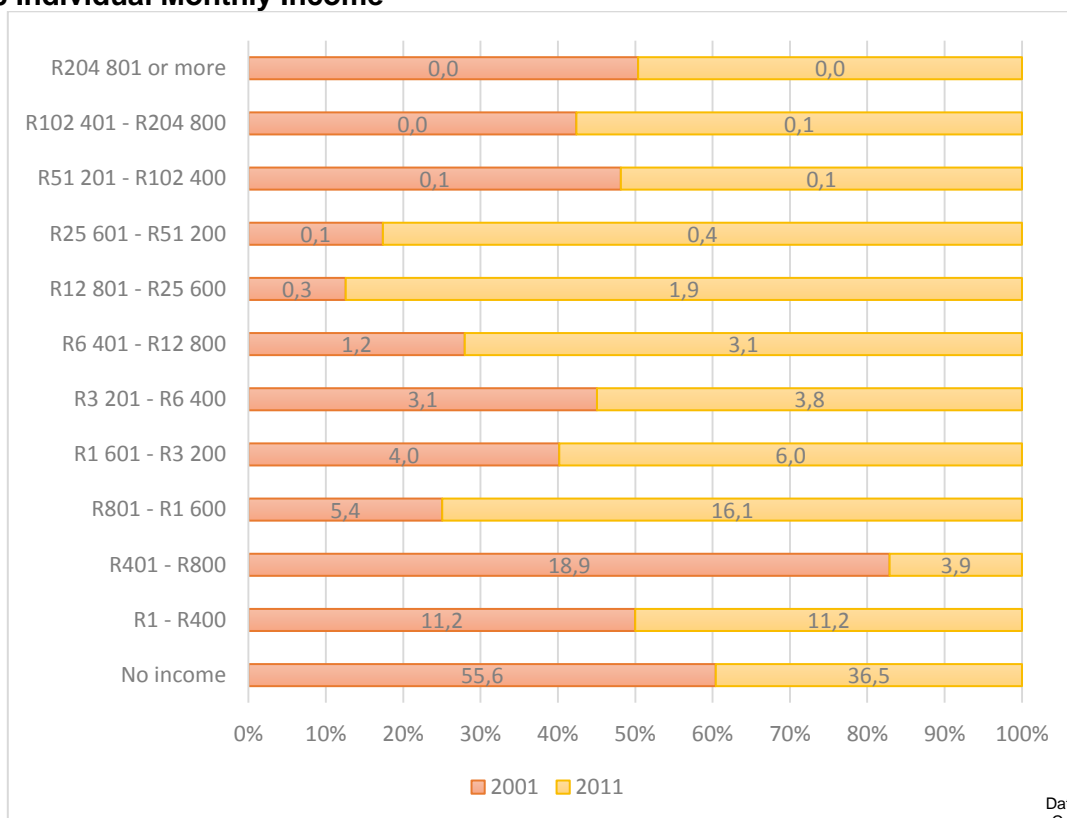
Number of persons employed		Number of Persons Unemployed		Unemployment Rate	
• 2001	9106	• 2001	5644	• 2001	38.3
• 2011	10932	• 2011	3731	• 2011	25.4

Please note that the CS 2016 labour force and economic data has not been released.
Census 2001 - 2011

Data Source: Stats SA

The unemployment rate in Beaufort West municipality has decreased by 12.9% in the 10 years between censuses. Although there has been a significant drop in the unemployment rate and the number of persons employed has increased, the municipality's 2011 unemployment rate is still higher than the district and provincial unemployment rates of 23, 1% and 21, 4% respectively.

2.3.6 Individual Monthly Income



In 2001 55.6% of people¹ within the municipality reported having no income while in 2011 only 36.5% of persons had reported having no income. Those having a monthly income of R1-R400, R51201-R102400 and those with incomes R204801 and above remained constant in both census years. The income with the most significant changes in percentages in 2001 and 2011 is that of the income brackets of R401-R800 (18.9% in 2001 and 3.9% in 2011) and 801-R1600 (with 5.4% of the population having this income in 2001 versus 16.1% in 2011). The greatest percentage of the population remains in the lower income categories while a small percentage of the population earns higher incomes, thus showing a great disparity of wealth and dependence on social grants within the municipal area.

2.3.7 Households

The number of households² in the municipality has increased by 4395 from census 2001 until CS 2016.

Households	2001	2011	2016
Number of households	10540	13080	14935

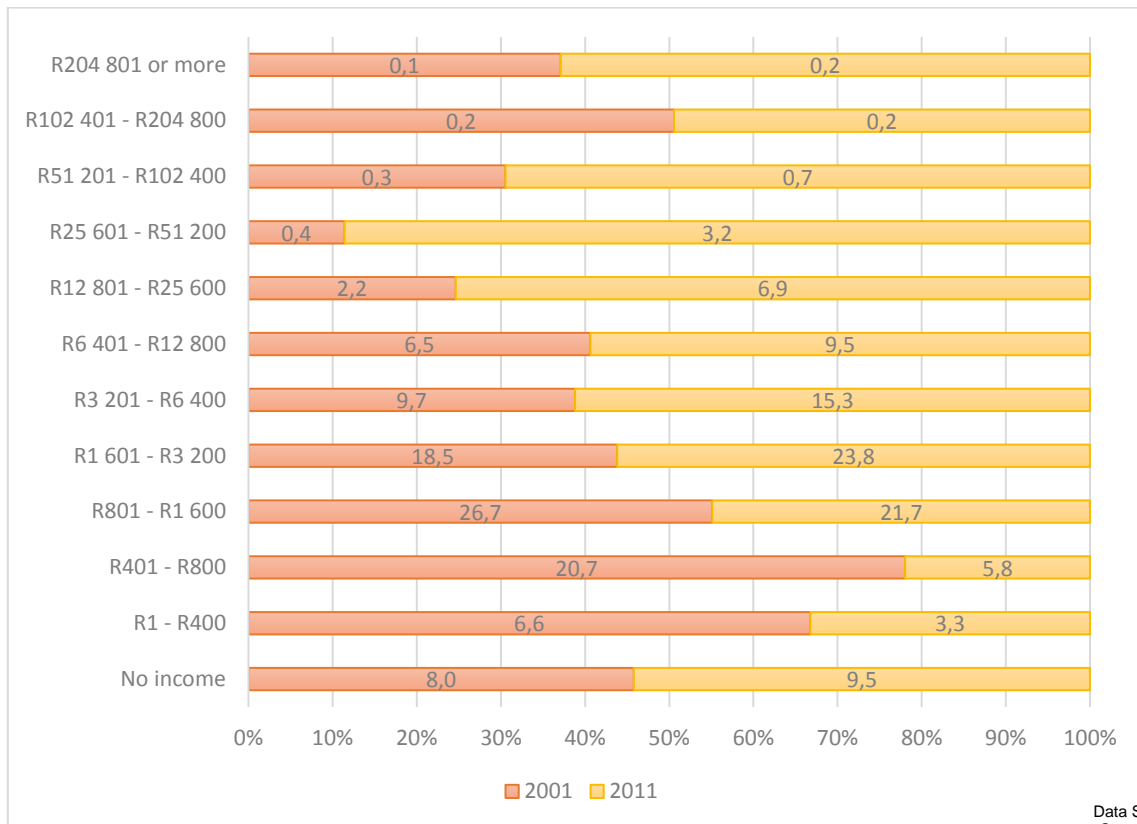
¹ This includes persons of all ages and includes all sources of income such as rentals, grants, salaries, UIF, investments et.al.

² The definition of a household is 'A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone' (Stats SA, Multilingual Statistical Terminology', 2013, 237)

Table 6: Total number of households

Data Source; Stats SA
Census 2001 – 2011 & CS 2016

2.3.8 Household Income



Data Source; Stats SA
Census 2001 – 2011

The above graph demonstrates an increase in monthly household income in the census 2011. While those earning a monthly income of R1600 and below have shown a decline since 2001, we see an increase in those households earning R1601 to R102400 per month. This indicates that more households have members who are employed thus not solely dependent on social grants as compared to households in 2001.

2.3.9 Household Access to Basic Services

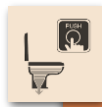
The table details household access to basic services in the Beaufort West municipal area based on the Community Survey 2016 data. The municipality has ensured that over 90% of households have access to basic services in the four main areas of service delivery. There is however problematic areas which needs attention, such as the 2.18% of households who do not have access to electricity, 0.51% of households having no toilet facilities and 0.46% of households having no refuse removal. There are also 0.67%³ of households still utilizing the bucket toilet system

³ This total is the sum of the percentage of household bucket toilets emptied by the household and those which are collected by the municipality.



Refuse removal

- Removed by local authority/private company/community members at least once a week. 91.70%
- Removed by local authority/private company/community members less often than once a week. 0.58%
- Communal container/central collection point 0.13%
- Communal refuse dump 1.37%
- Own refuse dump 4.99%
- Dump or leave rubbish anywhere (no rubbish disposal) 0.46%
- Other 0.77%



Toilet facilities

- Flush toilet connected to public sewerage system 95.25%
- Flush toilet connected to a septic tank/conservancy tank 2.17%
- Pit latrine/toilet with ventilation pipe 0.08%
- Pit latrine/toilet without ventilation pipe 0.19%
- Bucket toilet (collected by municipality) 0.18%
- Bucket toilet (emptied by the household) 0.49%
- Other 1.13%
- None 0.51%



Distance to get to main source of Water for drinking

- Inside the dwelling/yard 95.65%
- Less than 200m 1.83%
- 201m to 500m 0.37%
- 501m to 1km 0.83%
- More than 1 km 1.11%
- Do not know 0.21%

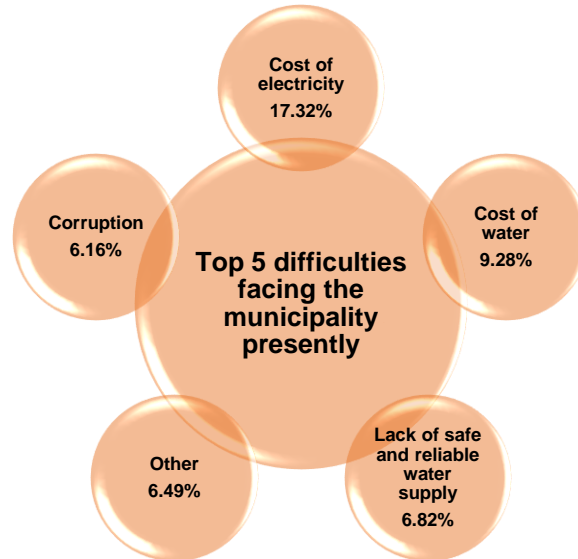


Access to electricity

- In-house convectonal meter 10.98%
- In-house pre-paid meter 85.29%
- Connection to other source which the household pays for 0.27%
- Connected to other source which the household doesnt pay for 0.04%
- Solar home system 0.85%
- Battery 0.03%
- Other 0.35%
- No access to electricity 2.18%

Data Source; Stats SA CS 2016

2.3.10 Household Perception of Difficulties facing the municipality presently

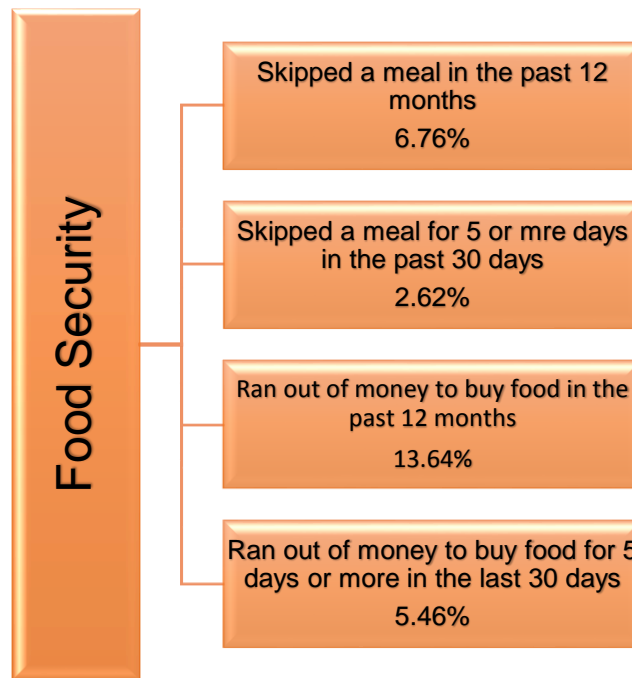


Data Source; Stats SA CS 2016

Of the 11753 households indicating that the municipality faces challenges, 17.32% indicated the cost of the electricity as being its greatest challenge, the cost of water and the lack of a safe and reliable source of water coming in at second and third respectively. Other issues not listed came fourth at 6.49% and fifth the challenge of corruption, with 6.16% of households indicating this as a difficulty facing the municipality presently.

2.3.11 Household Food Security

Beaufort West Integrated Development Plan 2019/2020 Review

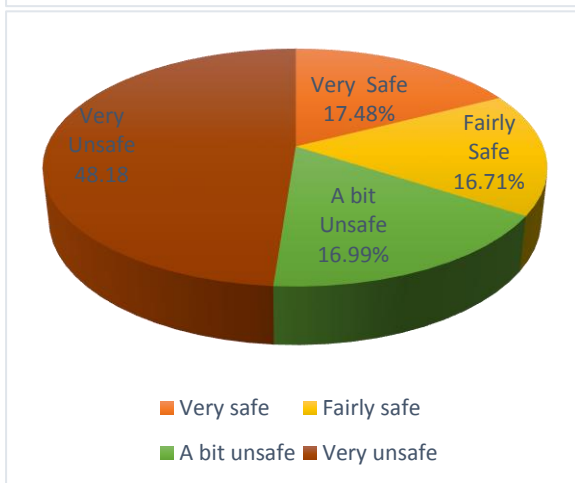
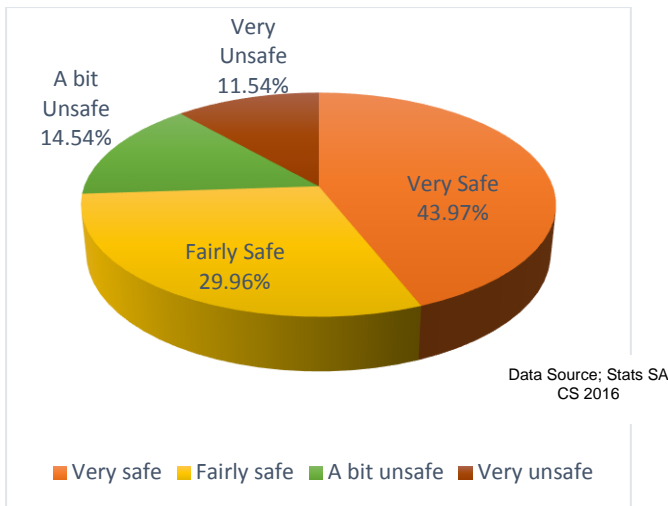


Data Source: Stats SA
CS 2016

2.3.12 Household Experiences and Perceptions of Crime

Safety during the day

Safety at night



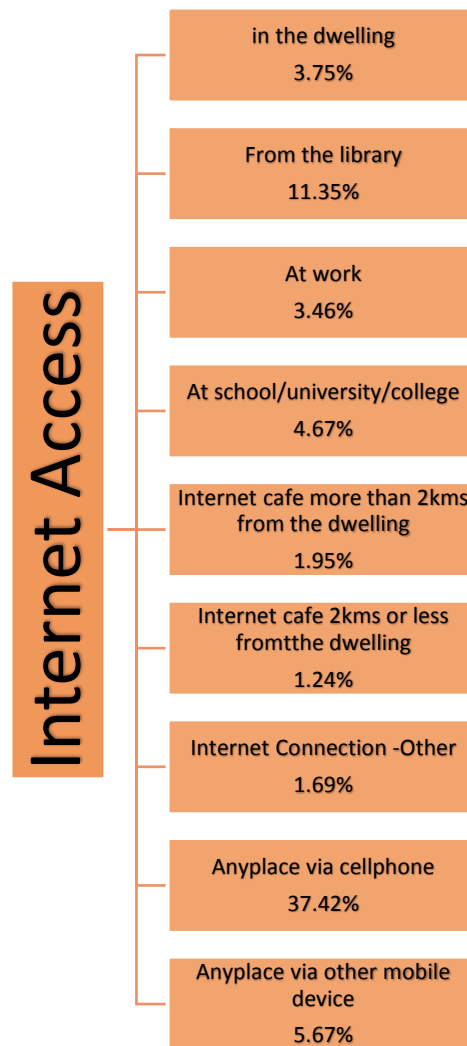
From the data depicted above, 43.97% of households indicated feeling very safe during the day while only 11.54% felt very unsafe. When it comes to safety at night a great percentage of households (48.18%) indicate feeling very unsafe and 17.48% felt very safe. This indicates that more safety measures (increased visibility of the police, neighborhood watch system to be in place or be more visible and coordinated et.al) need to be put in place during the evening for citizens of Beaufort West municipality to feel safe at night.

Household Experiences of Crime	
Home Robbery	1.69%
House Breaking	4.87%
Murder	0.22%
Robbery	3.08%
Theft of motor vehicle/motorcycle	0.35%
Other Crime	0.84%

Data Source: Stats SA CS 2016

Of the crimes experienced by households, “house breaking” and robbery”” have then highest percentages with 4.87% and 3.08% respectively. Home robbery comes in third with 1.69% of households experiencing this crime.

2.3.13 Household Internet Access



Data Source; Stats SA
CS 2016

The 2016 data illustrated above indicates that most households (37.42%) access the internet via their cellphones while the lowest percentage of household internet access is via an internet cafe 2kms or less from the dwelling (at 1.24% of households). Data also shows that there are more internet cafes which are situated at a greater distance from households (i.e. more than 2kms from the dwelling). The second most accessible point for households to use the internet is within the libraries, with 11.35% making use of the internet facilities available.

2.3.14 Total number of indigent households

Households	2015/16	2016/17	2017/18	2018/2019
Number of indigent households	5744	7390	6837	8084

Table 7: Total number of indigent households

2.4.1 Local Economic Development Environment

LED plays a central role in fighting the triple challenges of poverty, inequality and unemployment by striving to stimulate economic growth, development and transformation. In this case, with the development of a new LED Strategy the Municipality will strive to develop the Beaufort West local economy into a diversified and vibrant economy.

In partnership with all key role players, LED promotes and facilitates, enterprise development, skills development, economic transformation and poverty alleviation directed at five (5) focus areas:

- Enterprise Development
- Rural Development
- Economic Skills and Capacity Development and
- Investment Facilitation

Local economic development strategies forms a key part of a municipality's IDP. However the Beaufort West municipality expressed to SALGA that the LED strategy for Beaufort West is not up to date with the current trends. Given the latter, SALGA provided guidelines for LED Strategy Development to the municipality and hosted a workshop with all the Karoo municipalities to advise them on a step-by-step process for reviewing their strategies. This session took place during June 2018.

The Beaufort West Municipality's first LED Workshop was held on the 10 December 2018 as a first phase of a process to adoption of the new LED strategy.

An SMME Development Roadshow was also organized in Collaboration with the National Department: Economic Development which took place on the 08 March 2019 in order to further discuss SMME development in an effort to unlock local economic opportunities, both for the youth and the existing SMMEs as well as for those aspiring to register a business. Part of the commitments made by the department was ongoing support amongst other, a dedicated official from the department to work with the municipality, support with the development of a new LED Strategy as well as support with the establishment of a LED Forum for Beaufort West.

The review of the Local Economic Development Strategy shall address the issues as raised during the mini PACA process in 2014 and the PACA process in 2012 and shall align the economic strategies with the Provincial Growth strategy and the economic strategy of Central Karoo District.

Whereas the Municipality currently does not have a dedicated LED official and needs to review the LED strategy, the municipality is currently involved in some inter sectoral job creation opportunities including the EPWP programme, the Community Work Programme. The Community Work Programme currently provides for more than 1 300 temporary jobs in the 2019/2020 financial year.

2.4.2 Overall Economy of Beaufort West Local Municipality

Economic activity within municipal boundaries is important as it shows the extent of human development and the living standards of communities. Although municipalities have no power to increase or decrease taxes in order to stimulate economic activity, there are few levers that local government authorities have control over to contribute to economic performance, including, among others, procurement of goods and services, job creation through expanded public works programmes as well as creating an enabling environment for small businesses.

The ability of households to pay for services such as water, electricity, sanitation, and refuse removal depends on income generated from economic activities. A slowdown in economic activity may result in job losses and inability of households to pay for services, leading to reduced municipal revenues. Data on macroeconomic performance, especially the information on sectoral growth and employment, is useful for municipalities' revenue and expenditure projections.

ECONOMIC SECTOR PERFORMANCE

The total GDP for Beaufort West amounted to R1.979 billion in 2016, the majority of which originated from contributions from the tertiary sector (74.9 per cent; R1.481 billion). The overall economy grew by 2.4 per cent between 2006 and 2016, which is slightly below the CKD average of 2.7 per cent across the same period. Annual economic growth in Beaufort West however slowed in recent years to 1.1 per cent between 2013 and 2017 whereas CKD GDP was 1.5 per cent. Beaufort West's GDP for 2017 is estimated to be 1.1 per cent.

Beaufort West GDP performance per sector, 2006 – 2017									
Sector	Contribution to GDP (%) 2016	R million value 2016	Trend		Real GDP growth (%)				
			2006 - 2016	2013 - 2017	2013	2014	2015	2016	2017e
Primary Sector	12.8	253.5	6.8	0.9	3.0	8.5	-3.0	-9.8	6.0
Agriculture, forestry and fishing	12.7	252.2	6.8	0.9	3.0	8.5	-3.0	-9.9	6.0
Mining and quarrying	0.1	1.3	1.6	4.6	4.3	8.5	0.2	1.1	8.9
Secondary Sector	12.3	244.0	1.3	0.8	1.2	1.7	-0.2	1.0	0.3
Manufacturing	2.8	55.9	0.5	0.2	0.1	0.5	-0.4	0.0	0.8
Electricity, gas and water	5.1	101.1	0.1	-0.1	-0.5	-0.2	-0.7	-0.9	1.9
Construction	4.4	87.0	3.8	2.2	4.0	4.8	0.4	3.7	-1.7
Tertiary Sector	74.9	1 481.4	2.1	1.3	2.7	2.0	0.7	0.6	0.4
Wholesale and retail trade, catering and accommodation	14.8	293.7	1.4	0.1	0.8	0.1	0.6	0.3	-1.4
Transport, storage and communication	17.3	342.1	-0.2	-0.3	0.7	1.8	-2.1	-1.9	-0.1
Finance, insurance, real estate and business services	12.7	251.9	3.1	2.2	2.3	2.4	2.6	1.9	1.8
General government	21.1	417.2	3.9	2.4	4.7	3.8	1.5	1.5	0.5
Community, social and personal services	8.9	176.5	2.0	1.8	5.5	0.5	1.1	0.9	1.1
Total Beaufort West	100	1 978.9	2.4	1.1	2.6	2.9	0.1	-0.9	1.1

Source: Quantec Research, 2017 (e denotes estimate)

Given the relevance of agriculture in the Beaufort West region, the **primary sector** is almost exclusively supported by the agriculture, forestry and fishing sector which contributed 12.7 per cent to GDP in 2016. At 6.8 per cent, this was by far the fastest growing sector in the local economy between 2006 and 2016. Growth within the agriculture, forestry and fishing sector however slowed significantly to 0.9 per cent in more recent times (2013 – 2017) largely due to the prolonged impact of the drought. The sector is expected to recover notably in 2017 (6.0 per cent) which will subsequently bolster growth within the manufacturing sector (8.9 per cent in 2017).

The mining and quarrying sector only contributed 0.1 per cent to the Municipality's overall GDP in 2016. It is interesting to note that despite its minor contribution to GDP, this was the fastest growing sector in Beaufort West since 2013 (4.6 per cent).

Secondary sector activities collectively contributed R244.0 million to GDP in 2016 (12.3 per cent). The secondary sector maintained an average 1.3 per cent growth rate between 2006 and 2016; strong growth within the construction sector (3.8 per cent) was offset by weakened performance in the manufacturing (0.5 per cent) and electricity, gas and water (0.1) sectors. The construction sector continued its momentum in recent years (2.2 per cent across 2013 to 2017), growing at more than double the municipal average GDP (1.1 per cent).

Economic activities within the **tertiary sector** have been dominated by the general government (21.1 per cent; R417.2 million), transport, storage and communication (17.3 per cent; R342.1 million) and the wholesale and retail trade, catering and accommodation (14.8 per cent; R293.7 million) sectors. The tertiary sector as a whole grew by 2.1 per cent between 2006 and 2016, slightly below the municipal average for this period (2.4 per cent). Growth within this sector slowed in recent years (1.3 per cent between 2013 and 2017) and is expected to be 0.4 per cent in 2017.

LABOUR

Beaufort West contributed 12 120 jobs to formal and informal employment in the CKD in 2016.

Beaufort West employment growth per sector 2006 – 2017									
Sector	Contribution to employment (%)	Number of jobs	Trend			Employment (net change)			
	2016	2016							
Primary Sector	20.5	2 488	-935	436	134	-127	560	-77	-54
Agriculture, forestry and fishing	20.5	2 486	-935	436	134	-127	560	-77	-54
Mining and quarrying	0.0	2	0	0	0	0	0	0	0
Secondary Sector	6.7	811	-66	52	10	27	-3	11	7
Manufacturing	2.0	242	-72	9	7	2	-1	-10	11
Electricity, gas and water	0.6	67	27	9	2	1	3	1	2
Construction	4.1	502	-21	34	1	24	-5	20	-6
Tertiary Sector	72.8	8 821	833	479	114	135	143	-58	145
Wholesale and retail trade, catering and accommodation	23.4	2 841	249	228	32	15	96	-60	145
Transport, storage and communication	5.1	614	75	-17	9	-32	24	-24	6
Finance, insurance, real estate and business services	10.1	1 225	42	6	-1	2	20	-22	7
General government	19.0	2 306	589	70	-8	129	-32	44	-63
Community, social and personal services	15.1	1 835	127	192	82	21	35	4	50
Total Beaufort West	100	12 120	81	967	258	35	700	-124	98

Source: Quantec Research, 2018 (e denotes estimate)

Between 2006 and 2016 Beaufort West only created a net total of 81 jobs. Employment creation did however increase to 967 in more recent times between 2013 and 2017. The majority of job opportunities created since 2013 originated from within the agriculture, forestry and fishing (436) and wholesale and retail trade, catering and accommodation (228) sectors. The impact of the recent drought on overall employment creation in Beaufort West is evident upon noting that the Municipality shed 124 jobs in 2016. Most of these losses were concentrated within the agriculture, forestry and fishing sector (-77) and sectors closely associated with agricultural output namely, manufacturing (-10) and the wholesale and retail trade, catering and accommodation (-60) sectors.

The drought continues to impact on job creation within the agriculture sector which is estimated to shed an additional 54 jobs in 2017. It is also concerning to note that the general government sector is estimated to shed 63 jobs. These job losses are off-set by the creation of 145 employment opportunities within the wholesale and retail trade, catering and accommodation sector, equating to net employment creation in Beaufort West of 98 opportunities in 2017.

Beaufort West trends in labour force skills, 2006 - 2017					
Formal employment by skill	Skill level contribution (%)	Average growth (%)	Average growth (%)	Number of jobs 2016	
	2016	2006 - 2016	2013 - 2017e	2016	2017e
Skilled	20.4	2.1	1.3	1 882	1 869
Semi-skilled	42.7	0.0	1.2	3 937	3 876
Low skilled	36.9	-0.9	1.5	3 409	3 371
Total Beaufort West	100.0	0.0	1.4	9 228	9 116

Source: Quantec Research, 2018 (e denotes estimate)

In 2016, Beaufort West's labour force mostly consisted of semi-skilled (42.7 per cent) and low skilled (36.9 per cent) workers. The number of skilled workers increased notably during the period 2006 – 2016 (2.1 per cent), while semi-skilled workers remained unchanged. A slight decrease was observed in the low-skilled workforce (-0.9 per cent) during this period. All skill cohorts grew relatively equally between 2013 and 2017.

Unemployment Rates for the Western Cape (%)											
Area	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017e
Beaufort West	22.3	22.4	23.3	24.2	23.9	23.9	23.7	24.3	23.6	25.0	26.2
Central Karoo	20.5	21.0	22.0	22.9	22.6	22.4	22.1	22.6	21.7	23.0	24.0
Western Cape	13.3	12.9	14.2	15.5	15.7	15.8	15.7	16.1	16.2	17.4	18.2

Source: Quantec Research, 2018 (e denotes estimate)

Unemployment in Beaufort West (26.2 per cent) and across the CKD as a whole (24.0 per cent) is in 2017 estimated to be significantly above the Provincial average (18.2 per cent) which is particularly concerning given that this estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment. In turn, the broad definition generally refers to people that are able to work, but not actively seeking employment.

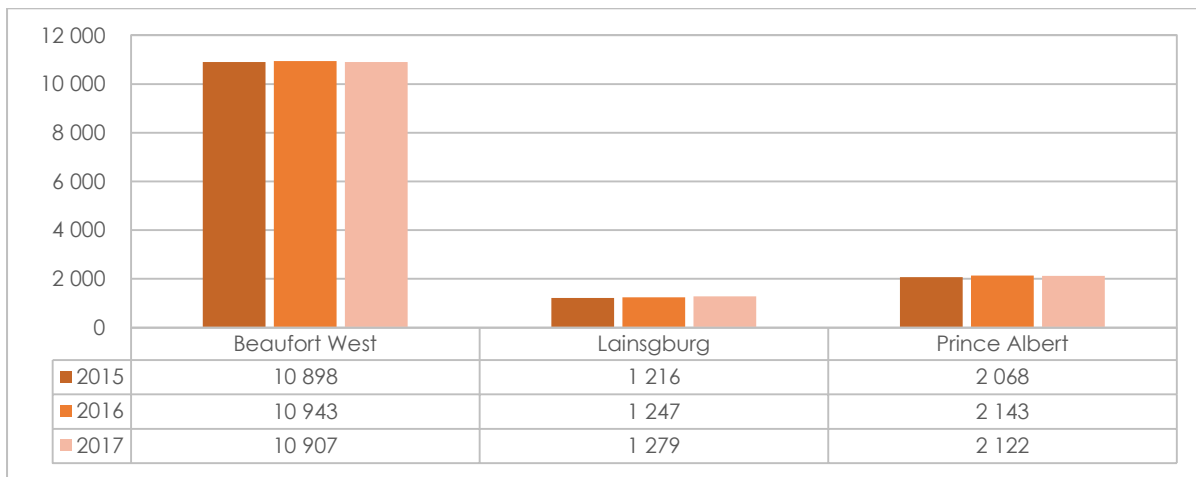
2.4.3 Supply Chain Management as a strategic tool to promote Local Economic Development

The Beaufort West Municipality acknowledges that supply chain is a strategic enabler for local economic development and therefore supports the combined concept of Supply Chain Management and Local Economic Development. The LED official and the Manager: Supply Chain are still busy with the drafting of a plan for tabling before council around the planning and implementation of the aforementioned concept within the Beaufort West Municipality. An SMME Development Roadshow was also organized in Collaboration with the National Department: Economic Development which took place on the 08 March 2019 in order to further discuss SMME development in an effort to unlock local economic opportunities, both for the youth and the existing SMMEs as well as for those aspiring to register a business. Part of the commitments made by the department was ongoing support amongst other, a dedicated official from the department to work with the municipality, support with the development of a new LED Strategy as well as support with the establishment of a LED Forum for Beaufort West.

2.5 EDUCATION LITERACY

Education and training improves access to employment opportunities and helps to sustain and accelerate overall levels of human development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare (*Data source: Western Cape Education Department, 2018.*)

LEARNER ENROLMENT

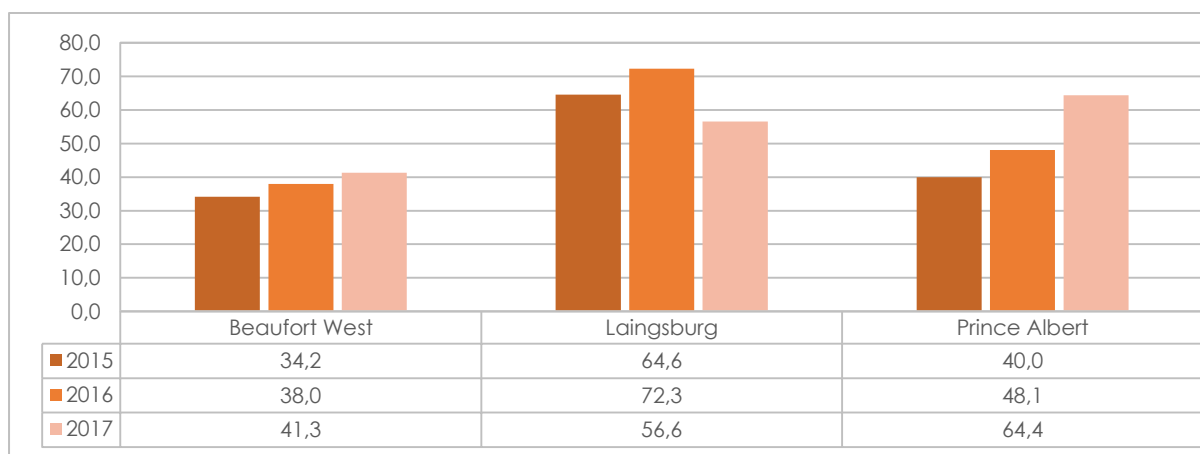


It is expected that the increase in learner enrolment would be attributed to learners in Beaufort West where the majority of pupils in the CKD are concentrated. The largest increase in learners between 2015 and 2016 were however observed in Prince Albert where the number of learners increased by 3.6 per cent. The growth in learners in Beaufort West was 0.4 per cent in 2016 before decreasing by 0.3 per cent towards 2017.

LEARNER-TEACHER RATIO

The learner-teacher ratio within Beaufort West was recorded as 30.8 in 2012. This number increased to 33.0 in 2013 before slightly declining to 32.2 in 2014. The number of learners per teacher however increased drastically to 44.9 in 2015. According to the Department of Education, the number of learners per teacher was 30.3 in 2010. Factors influencing the learner-teacher ratio includes the ability of schools to employ more educators when needed and the ability to collect school fees.

GRADE 12 DROP-OUT RATES (%)



Above graph reflects the change in learner enrolment across a three-year period between Grade 10 and Grade 12. For example, 34.2 per cent of learners that enrolled in Grade 10 in Beaufort West in 2013 did not enrol in Grade 12 in 2015 meaning that these children dropped out of the formal education system. The drop-out rate in Beaufort West continues to increase through 2016 (38.0 per cent) towards 2017 (41.3 per cent). Although the drop-out rate for Beaufort West is still concerningly high, it was the lowest in the CKD in 2017.

Such drop-out rates can be attributed to a way array of socio-economic ills such as unemployment and poverty that force children to leave school in order to support their families. Other contributing factors includes teenage pregnancies as well as substance abuse. Irrespective of the reasons, such high dropout rates are concerning given the increased labour market demand for skilled and semi-skilled workers.

EDUCATIONAL FACILITIES

The increased availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries/media centres could positively affect academic outcomes.

The number of schools within Beaufort West has remained unchanged at 20 between 2015 and 2017. Although learner-enrolment in Beaufort West slightly decreased between 2016 and 2017, the unchanged number of schools could negatively impact upon education outcomes going forward.

NO FEE SCHOOLS

According to the Western Cape Education Department, the proportion of no-fee schools in Beaufort West decreased from 80.0 per cent in 2016 to 75.0 per cent in 2017. This decrease is expected to have a significant impact on the ability of poor households within Beaufort West to afford school fees.

SCHOOLS WITH LIBRARIES

The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes.

EDUCATION OUTCOMES

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the broader market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economy and poverty reduction plans can be realised. This section reflects upon the matric pass rate within the various local municipalities of the CKD.

The matric pass rate for Beaufort West remained unchanged at 76.6 per cent between 2015 and 2016. Although the pass rate increased slightly to 78.6 per cent in 2017, it was still the lowest amongst the various local municipalities in the CKD.

Laingsburg, who in 2015 and 2016 maintained high pass rates of 90.9 and 90.3 per cent respectively, experienced a sudden drop to 80.0 per cent in 2017.

Prince Albert in turn recorded the highest matric pass rate in 2017 (89.7 per cent), a significant improvement from the 69.2 per cent achieved in 2016. Prince Albert was the only municipality in the District to achieve a pass rate higher than the Western Cape average of 82.1 per cent.

2.6 HIV/AIDS Treatment and Care

According to the District Health Barometer for 16/17 the HIV prevalence for the Western Cape was 5.1% 15 – 49 years, with Central Karoo on 2, 5%, with a testing coverage for 2016/17 of 58, 8 %. The highest HIV prevalence estimates remain amongst the age groups of 25-29 and 30-34 years. Although treatment and care is essential in controlling the disease, the critical need of preventative care must be emphasised, because no cure has as yet been found, but all HIV pos clients is eligible for ART irrespective of CD4 count and is available at all healthcare facilities in the Central Karoo. Total clients remain on ART in March 2017 for Central Karoo was 1 631 clients, with a total of 23 0931 clients for the Western Cape. For preventative care, Central Karoo distributed 89,2% male condoms during 2016/2017 financial year, which was second best in the Country. On-going campaigns to encourage the practice of safe sex.

In the Beaufort West Municipal area, the following Healthcare facilities are available, Murraysburg PHC Clinic, Nelspoort PHC Clinic, Nieuvelddpark PHC Clinic, Kwa Mandlenkosi PHC Clinic, Hillside Clinic PHC Clinic newly build in 2016/17 financial year, as well as Merweville Satellite Clinic, Beaufort West CDC, Murraysburg Mobile Clinic, Nelspoort Mobile Clinic, Beaufort West Mobile Clinic, Merweville Mobile Clinic, Beaufort West District Hospital, Murraysburg District Hospital and Nelspoort Specialised Hospital. All healthcare facilities cater for tuberculosis (TB) treatment, with a success rate for sensitive TB of 78,2% for 2015 and for drug resistant TB success rate of 53, 6%.for 2014. Training for 51 CHW (Community health Workers) was offered the last 2 years with competency for 2016/17 of 100% for Central Karoo. 31 CHW Learners will complete end of March 2018 there training.

2.7 Cultural Affairs and Sport

It is clearly indicated in the 2017-2022 Integrated Development Plan that the key needs of our communities include the provision of sport and recreation facilities such as libraries, parks, community and youth centers. However, all seven (7) wards currently have sport fields in the Beaufort West Municipal area but are still experiencing maintenance challenges due to the limited funds and resources.

The 2017-22 IDP also clearly reflect that the delivery of library services to the community plays an important part of the life of the community and therefore intends to form partnerships with 'Friends of the library' and other entities to enable libraries to deliver more socially inclusive services like storytelling, reading programmes and HIV/AIDS Awareness programmes.

During the public participation meetings the communities of ward 6 and 7 requested that the department should assist with the provision of libraries of Wheely Wagons in closer to the people given the far distances to their nearest libraries.

Central Karoo Sport Office

The Department of Cultural Affairs and Sport has opened a sport office within Beaufort West during April 2017 which is operating from the Dan De Villiers building in Beaufort West. The staff component at the office comprise of five (5) office based officials who are working under Sport Promotion and Sport Development units. The programmes under the Sport Promotion entails Club Development and Academies. The programmes under the Sport Development Programmes entails the MOD Programme, School Sport Programme, and Recreation (IG Games, Golden Games and Inter District Festivals). All of the mentioned programmes are after School programmes.

As part of the office package they reward performances for major events such as Disable Sport day, Better Together Games, and Sport Awards. The targets for the aforementioned events is three hundred (300) and more of which the biggest current asset of all these mentioned programmes is the MOD Program in the Western Cape However, there are a number of challenges experienced with the implementation of these programmes which include targets not being reached, lack of leadership, empowerment and a lack of resources, federations that do not report on events, usage/availability of facilities for all sport codes.

The office has already established partnerships with the Local Sport Councils, Federations, municipalities and other sport organizations. This office has built also a very strong relationship with the Central Karoo Sport Council and are willing to build trust with other businesses within the Central Karoo.

The department completed upgrading of the Merweville Sport Stadium which amounted to R12,5million.

This office also wants to strengthen and build better relationships with the Municipalities to ensure quality events in order to reach out to communities. fifteen (15) clubs are currently registered through this office under Club Development who are receiving assistance with transport as well as equipment. All schools are currently provided with a coach or assistant who supports the education with after school programmes within sport, arts and drama (MOD Programme).

In conclusion, the Beaufort West Municipality will further enter into discussions with the department of Cultural Affairs and Sport (DCAS) for the promotion and alignment of arts and culture projects (i.e annual festivals etc.). The municipality is also considering the development of a cultural and sport tourism strategy and will therefore enter into discussions with the Department Of Cultural Affairs and Sport for the realization of this imperative. The establishment of a local cultural forum is therefor of paramount importance for this purpose and will the municipality therefor submit a request for assistance to the department to establish this forum.

2.8 Youth Development

Although this domain has been central to the priorities of the municipality through the development of the completed Youth Hub, the municipality is still experiencing financial constraints to appoint a dedicated person to lead youth development in the municipality. The priority remains the development of Youth Units to facilitate and enhance youth development.

A youth summit was organised by the Municipality during last year to provide the youth and other stakeholders the opportunity to engage and debate the challenges facing the youth and reflect on the available services and support from government departments, businesses and parastatals. A task team was nominated amongst the youth with the mandate to sphere head the process of the establishment of a youth council for the Beaufort West Municipality.

A further request was made to the Department: Social Development to assist the Municipality with the development of a youth plan. Engagements are already entered into and the department indicated its willingness to support the Municipality with the development of a youth plan. It is envisaged that the youth plan will be adopted by council during the 2019/2020 financial year.

Current training interventions from which the youth are the main beneficiaries, include plumbing, electrical, painting apprenticeships as well as hair dressing and cooperatives. The Municipality also received fifty (50) bursaries for 25 TVET college and 25 University students to study who have been accepted and registered during the 2018 study year. Services SETA and Construction CETA also committed funding to the municipality to accommodate 50 Interns (graduates) for the 2018/2019 financial year as well as funding to implement a short skills programme in Hygiene and Cleaning for fifty (50) unemployed people. These two programmes has not yet commence and it is envisaged that it will commence during April/May 2019.

The Municipality also had discussions with the National Youth Development Agency to open a local office at the Beaufort West Youth Hub. The first engagement organised in collaboration with NYDA with the youth was to invite other services offered for example by National Student Financial Aid Scheme, SEFA and other agencies that could assist the youth with the challenges faced by them. Subsequently, a Lease Agreement has been entered into between the Municipality and NYDA for a period of 9 years and eleven (9yrs and 11 months), in order to provide the basket of services offered by NYDA to the youth of this area. This also has the opportunity to employ three people from Beaufort West permanently, (Office Manager and two office staff members).

2.8.1 MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPALITY AND THE DEPARTMENT SOCIAL DEVELOPMENT

The municipality has not yet signed the Memorandum of understanding with the Department of Social Development to deliver an integrated service regarding Social Welfare and Community Development. It is envisaged that the Municipality will soon have a meeting with the DSD to fast track the process of discussing the draft Memorandum of Understanding and the signing thereof between the two parties, before the start of the 2019/20 financial year as this is a very important partnership that will have to be established in order to tackle issues affecting the youth, in particular.

CHAPTER 3 - PROFILE AND SITUATIONAL ANALYSIS OF THE MUNICIPALITY

This chapter provides a synopsis of the profile and analysis of the municipality as the institution responsible for service delivery and related matters. It does not serve to be a complete analysis or impact assessment, but an overview to provide baseline information for the review process and to indicate the extent to which the municipality has the capacity to implement the IDP.

The Beaufort West Local Municipality was established as a Category B municipality in terms of the provisions of the Municipal Demarcation Act 1998.

3.1 POWERS, DUTIES AND FUNCTIONS

In line with the provisions of the Municipal Structures Act (117 of 1998) the BWM has been assigned the following statutory Powers, Duties and Functions

Table 8: Allocated Powers, Duties and Functions of BWM

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes

Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 8: Powers and Functions

3.2 Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

a) *Intergovernmental structures*

To adhere to the principles of the Constitution as mentioned above, the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Outcomes of engagements/topics discussed
Municipal Managers forum	South African Government Association (SALGA) neighbouring municipalities Municipal Managers	District base initiative

Premiers Coordinating	Municipal Managers and Executive Mayor	Responsive, effective and efficient local government system
SALGA Working Groups	All Councillors participates in the different SALAGA working groups	Cooperative governance, consultation, coordinate by the on and participative decision-making
Integrated development plan (IDP) Managers forum	IDP manager	IDP process plans adopted, progress with regards to joint planning initiatives as agreed upon by the Municipality and sector departments
Local Economic development (LED) Managers forum	IDP manager	Departments of Economics Development to assist in review of the LED strategy
Supply Chain Management (SCM) forum	Manager: SCM	Enhance municipality financial and administrative capability
Integrated Waste Management forum	Waste Management: Superintended	Waste minimisation and campaigns
IDP Indabas	IDP Manager and all directors	Resources Agree on joint priorities and commit resources to implement these priorities
Provincial Public Participation and Commutation forum	Personal assistant to the speaker	Ensure the coordinated and Coherent implementation and establishment of the ward participatory process to encourage the involvement of communities and organisations ensure in matters of local government
Provincial Skills Development	Skills Development Facilitator	Ensure and improve training delivery system in the province
HR Practitioners forum	Manager: HR	Educational attainment, skills development, science and innovation and labour, market/ employment policies

Table 9: Intergovernmental structures

b) Joint projects and functions with sector departments

All the functions of government are divided between the different spheres of government. The Municipality therefore share their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions.

The table below provides detail of such projects and functions:

Name of project/ function	Expected outcomes of the project	Sector departments involved	Contribution of sector department
Skills treat Centre	Construction Centre for practical development	Cervices and construction seta's	Funding
Development of boreholes	Supply of water	Department of Mineral and resources	Funding
Water awareness campaign	Educate communities about the shortage of water, and how their will save waters	Department of water and sanitation GCIS Department of local government	Funding

3.3 POLITICAL LEADERSHIP AND GOVERNANCE STRUCTURES

After the 2016 local government elections, 13 councillors were elected to the Beaufort West Local Council. Of which 7 were directly elected in the 7 wards across the municipality and the remainder (6) were elected proportionally.

Table 10: Party-political representation of Councillors

GENDER DISTRIBUTION			
POLITICAL PARTY	NUMBER OF COUNCILLORS	MALE	FEMALE
DA	6	3	3
ANC	6	4	2
KDF	1	1	
TOTAL	13	8	5

Table 10: Party-political representation of Councillors

a) Speaker

The Council elected the Speaker, **Cllr Michael Sinki Motsoane** in terms of section 36 of the Municipal Structures Act, Act 117 of 1998, to chair Council meetings and he is also responsible to capacitate Councillors and Ward Committees.

b) Executive Mayor

The municipality operates within an Executive Mayoral System under the leadership of Executive Mayor **Cllr. Noel Constable**, who was appointed as per section 55 of the Municipal Structures Act, Act 117 of 1998.

c) Mayoral Committee

The Mayoral Committee consists of **3/4 members**, each of which heads a portfolio of the Council Committees.

d) Council Committees

Council furthermore established the following committees in terms of Section 79, 80 the Municipal Structures Act and Section 160 of the Constitution of the Municipal Structures Act of 1998 to give political guidance and direction to the Municipal Council and specific technical issues:

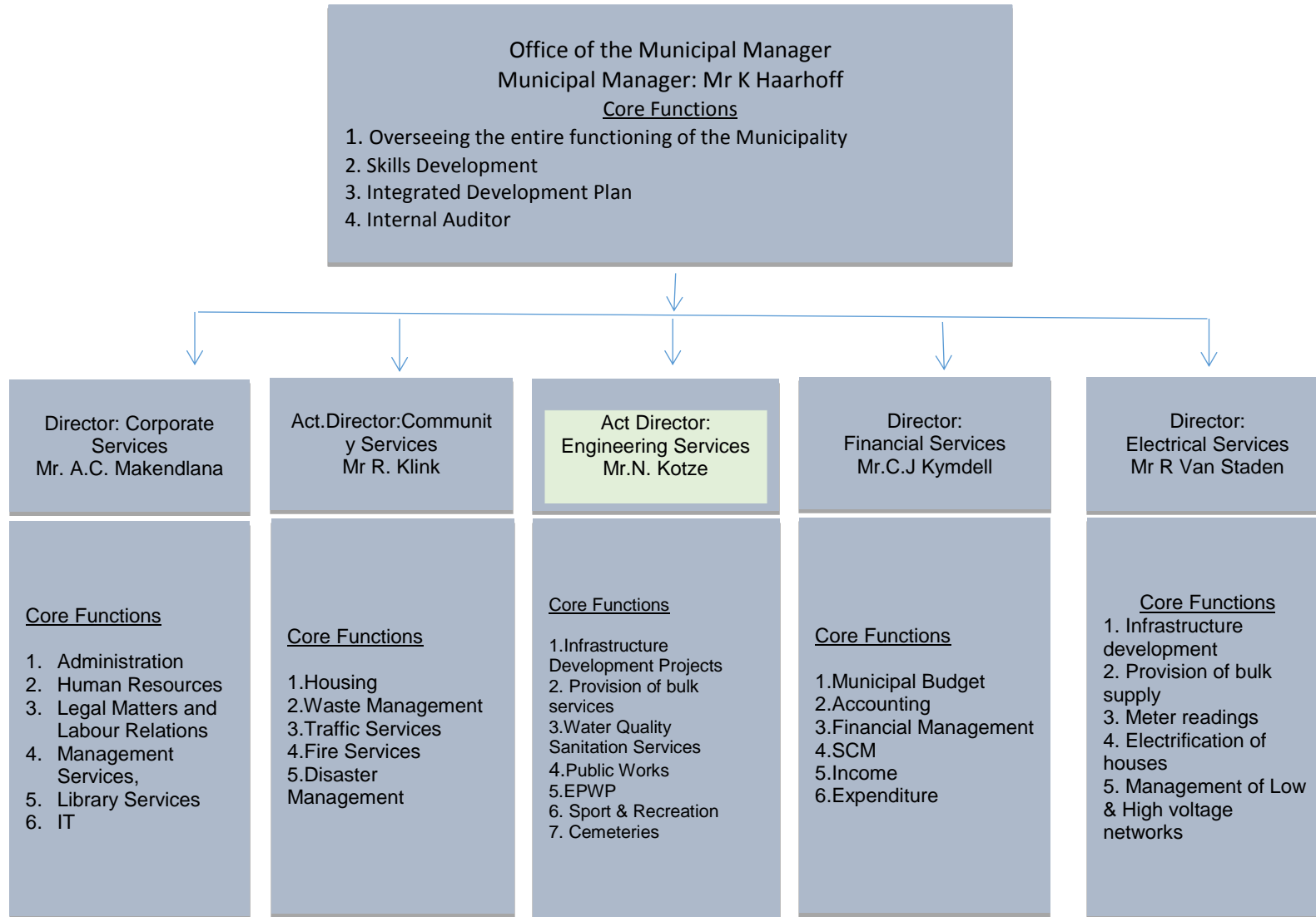
- Financial Services and Development Committee
- Corporate Services and Social Development Committee
- Human Resource Development Committee
- Municipal Resource Development Committee
-

Other Committees

- Audit Committee
- Performance Audit Committee
- Municipal Public Accounts Committee (MPAC)
- Local Labour Forum (LLF)
- Oversight Committee
- Municipal Planning Tribunal

3.4 The Management Structure

The administrative structure of the municipality includes the following departments:



A comprehensive Organizational Study has been undertaken during the 2015/16 financial year to redesign a new organizational structure as to inter alia address the ability and capacity of the municipality to implement the IDP. The proposed Organizational Structure has been adopted by Council for implementation from 1 July 2018 **attached to this IDP as an annexure.**

At this stage two of the critical positions are vacant and is it envisaged that the posts will be filled soon and all other funded vacant posts will be filled in phases depending on the availability of funds.

3.4.1 BWM HEADS OF DEPARTMRNTS STRUCTURE

This structure is headed by the Municipal Manager. The Municipal Manager is the head of the Administration and Accounting Officer, and is supported by Line Function Directorates headed by Directors and Managers. The Municipal Manager together with his team drives the implementation of the municipal strategy and its objectives as determined from the Powers, Duties and Functions assigned to it.

3.5. POLICY FRAMEWORK AND BY-LAWS

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies. The Municipality has developed an extensive number of multi-sectoral policies and by-laws over the years in order to enhance systems, processes and procedures.

Below is a list of the by-laws developed and reviewed during the 2017/18 financial year:

By-law developed/revised	Date proclaimed	Public participation conducted prior to adoption of by-Law Yes/No
Rates	29 May 2018	No
Indigent	29 May 2018	No
Credit Control and Debt	29 May 2018	No

By-laws developed and reviewed

3.6 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2017/18)	
		Learnerships	
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Technicians and associate professionals	Female	0	0
	Male	0	0
Clerks	Female	0	0

	Male	0	0
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	2	2
Elementary occupations	Female	5	5
	Male	3	3
Sub-total	Female	5	5
	Male	5	5
Total		10	10

Table 11: Skills development

3.6.1 Skills development - Budget allocation

The table below indicates the budget allocated towards the workplace skills plan:

Financial year	Total personnel budget	Total allocated		Total spent	% Spent
		R'000			
2016/17	86 951	380	205	53.95	
2017/18	91 292	315	67	21.27	

Table 12: Budget allocated and spent for skills development

3.6.2 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	0
Senior managers	12	12	2	12
Any other financial officials	7	6	N/A	6
Heads of SCM Units	0	0	0	0
SCM senior managers	1	1	1	1
Total	22	21	5	20

Table 13: MFMA competencies

3.6.3 SKILLS DEVELOPMENT WITHIN BEAUFORT WEST MUNICIPALITY

The Beaufort West Local Municipality approved a Study Aid Policy to assist all permanent employees who wish to pursue part-time studies towards formal recognized tertiary qualifications but was recently forced to put a moratorium on the approval of financial aid to employees due to financial constraints. The Municipality also complies with the Skills Development Act and Skills Development Levies Act by paying a monthly skills levy amounting to 1% of the municipal salary bill to SARS. The municipality also receives an annual Mandatory Grant from LGSETA which is paid to the municipality in tranches, as well as funding (discretionary grant) to roll out other skills development initiatives which forms part of the municipality's WSP.

The Work Skills Plan of the municipality is focused on the following priority areas:

LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area
Good Governance and Institutional Development	Good Governance and the Linking of Democracy	Transparent Organisation
Traditional Leadership and Development	Municipal transformation and institutional Development	Well-run Administration
Financial Management	Municipal Financial Viability and Management	Financial Sustainability
Infrastructure Development Basic Services	Basic Service Delivery and Infrastructure Development	Services to the People
Municipal Planning	Sustainable Local Economic Development	Sustainable Economic Growth

a) Implementation of Learnership Programmes

The Municipality has claimed Discretionary Grants from LGSETA for the implementation of the following Training interventions since 2017/18. The table below depicts the training programmes funded by LGSETA for the 2018/2019:

No.	Training Interventions	Training Authority
1	MS Excel	LGSETA
2	MS PowerPoint	LGSETA
3	Will interns	LGSETA
4	Intern (Finance & Administration)	LGSETA
5	MS Excel	LGSETA
6	MS Excel	LGSETA
7	MS PowerPoint	LGSETA
8	Bricklayer	LGSETA
9	Plumber	LGSETA
10	Further Education and Training Certificate: Local Government Accounting	LGSETA
11	Further Education and Training Certificate: Local Government Accounting	LGSETA
12	Miscellaneous	LGSETA
13	Further Education and Training Certificate: Community Development	LGSETA
14	National Certificate: Community Development	LGSETA
15	National Certificate: Professional Driving	LGSETA
16	National Certificate: Organizational Transformation and Change Management	LGSETA
17	Miscellaneous	LGSETA
18	National Certificate: Professional Driving	LGSETA
19	National Certificate: Water and Wastewater Process Control	LGSETA

b) Building of the Skills Development and Trade Test Centre

The Beaufort West Municipality in collaboration with the SSETA and CETA is currently in the process to build a Skills Development and Trade Test Centre which will be the first in the region. The Beaufort West Municipality has rolled out a number of learnership and apprenticeship programmes with the financial assistance of SSETA, CETA, and CHIETA as well as with the support of other Training Authorities. The main reason for the building of the construction of the Centre is that the municipality is facing huge challenges with placements of learners to do their practical work, which forms a critical part of the courses and on the other part, there is also only a very few qualified Artisans in the municipal area. There is currently a challenge to transport learners to town's e.g. George to do their practical training.

The total cost for the establishment of this skills development and trade test Centre is estimated at R27.5 million and scheduled for completion by 2019.

3.7 Corporate Services

a) Introduction to Corporate Services

The purpose of the Corporate Service Department is to provide corporate support to the institution. Corporate Services support the efficient organizational and administrative processes of the Municipality and includes the following functions:

- provide legal and administrative support
- render HR management and support services to the Municipality that will sustain optimal utilization of municipal human capital
- coordinate and provide functional and administrative support to the political office bearers
- provide library information services to the community
- coordinate administrative processes and activities pertaining to the Thusong Centres
- provides ICT support to the Municipality

b) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The number of Council and special Council meetings increased significantly	Council to maintain the schedule for meetings as adopted
Council chambers not suitable to host Council meetings	Alternative venue will be identified and funding made available
Tablets issued to Councillors not optimally utilised for agenda	Council to be strict on the maximum usage of tablets to avoid issuing of paper agendas

Table 14: Corporate Services challenges

3.8 INFORMATION AND COMMUNICATION TECHNOLOGY ENHANCEMENT

a) Highlights: Introduction to ICT services

Information and Communications Technology (ICT) has become a vital part of any organisation’s capability. The defining character of modern times is the importance of gathering and dissemination of information, a phenomenon referred to as “Information Society” or the “Knowledge Age”. What is seen is an unprecedented proliferation of ICT technologies to the point where all key processes of service delivery have information as a key core ingredient of execution. The rapidity and extensiveness of distribution of information as a key determinant of the effectiveness of organizations. This centrality of information calls for a strategic approach to the design and deployment of information systems in the Beaufort West Municipality in order to achieve the following objectives:

- Improved customer relationship management
- Cost reduction
- Develop a high performance organization
- Effective and automated IT asset management system
- Creating a paperless environment (e-government)
- Enhance network security.

b) *Highlights: ICT services*

The following table indicates the highlights of the financial year:

Highlights	Description
Implementation of mSCOA related infrastructure	In order for the Municipality's ICT infrastructure to mSCOA ready on 1 July 2017 servers and network connections needed to be upgraded within a limited budget and capacity. However the required upgrades were completed
Upgrading of wireless backbone	The Municipality successfully implemented VOIP which created a considerable cost saving for the municipality on its monthly Telkom bill
Network connectivity with Murraysburg Office	A sufficient internet link were established between the Beaufort West head office and the Murraysburg Office
Upgrade of internet bandwidth	Telkom being the main communications service provider in rural areas could only provide ADSL connectivity with a band width of 4Mbps and a maximum upload speed of 512Kbps, which proved to be insufficient for mSCOA to function properly. The Municipality eventually succeeded to acquire the services of Vodacom being the only communications service provider to be able to provide a 20Mbps internet link

Table 15: ICT Services highlights

c) *Challenges: ICT services*

The table below indicates the challenges faced during the financial year:

Description	Description
ICT operation vs ICT governance	The Auditor-General places a high emphasis on ICT governance matters and requirements. With the limited resources and capacity available to the Municipality, an ongoing challenge exists to comply with the day to day operational requirements which is crucial for service delivery vs governance requirements that does not have a direct negative impact on day to day service delivery, resulting thereto that not all the governance requirements are met to the standard of the AG ultimately resulting in audit findings on governance issues, but overlooking the high standard maintained on operations in order to enable the Municipality to deliver basic services and so fulfilling its constitutional mandate
Limited funding	Limited funding allocated for capital expenditure remains a constant challenge and makes it almost impossible to replace aging hardware and to keep up with the ever-growing development of technology
Wireless free-range spectrum	The 5Ghz free range spectrum in Beaufort West, used by the Municipality is currently over utilized due to private wireless service providers using the same frequency range. The Municipality's wireless network is being used for communication in order to provide in basic service delivery and constant signal interference from private service providers are encountered. Due to the vast extent of the Municipality's wireless network and budget restraints the Municipality cannot afford the cost of licensed spectrum and the associated cost of upgrading the routers to communicate on a dedicated frequency. However, the Municipality are in the process of investigating more affordable alternatives

Table 16: Challenges: ICT services

3.9 FINANCE DEPARTMENT AND BUDGET AND TREASURY OFFICE

Financial Services

a) *Highlights: Financial Services*

The following table indicates the highlights of the financial year:

Highlights	Description
In-house compilation of Budget and Annual Financial Statements (AFS)	Less dependency on consultants resulting in huge cost savings
Integrated Recovery Plan developed	Plan adopted by Council and Implementation Manager appointed

Table 17: Financial Services highlights

b) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Vacancies in critical positions not yet filled	Positions advertised, vacancies to be filled
Limited office space – Historic building	Redesign and upgrade of office facilities
Implementation of mSCOA, new financial system	Vendor on-site to assist, staff received training, monthly Steering Committee meetings held
Lack of resources (funds, human capital)	Apply for all available funding, organisational structure reviewed

Table 18: Financial Services challenges

c) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2016/17			2017/18			2018/19		
	Billed In Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
	R'000	%	R'000	%	R'000	%			
Property Rates	23 386	20 941	89	32 892	26 323	80	37 156	32 629	88
Electricity	44 426	44 828	101	42 908	42 602	99	78 474	75 335	96
Water	13 446	11 992	89	24 656	13 039	53	20 008	17 607	88
Sanitation	12 449	8 845	71	14 756	11 088	75	15 517	13 655	88
Refuse	5 362	3 180	59	7 535	4 911	65	8 166	7 186	88

Table 19: Debt recovery

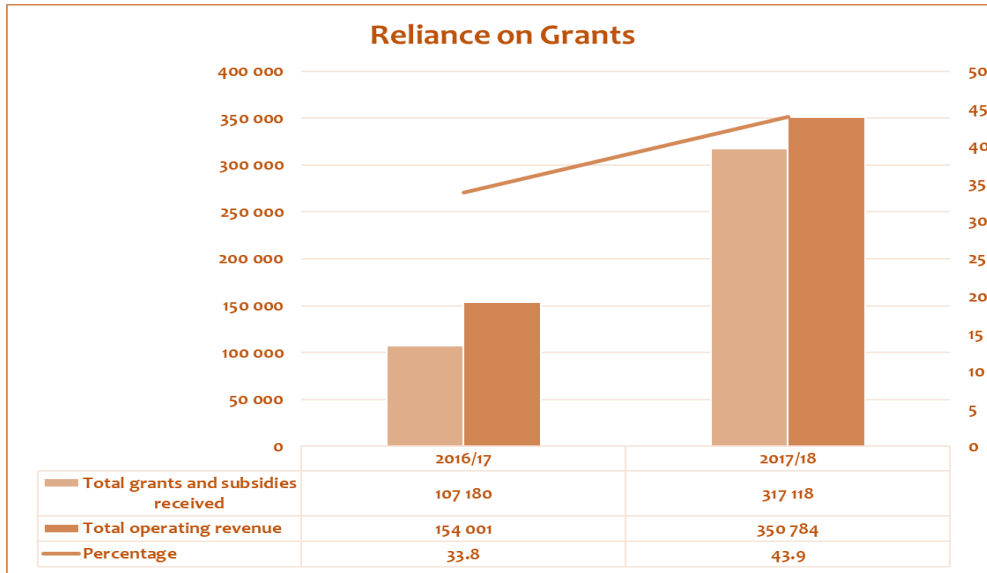
Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2016/17	107 180	317 118	33.80
2017/18	154 001	350 784	43.90

Table 20: Reliance on grants

The following graph gives a visual relationship between the two financial years and the trend based on grant received and operating revenue



Reliance on grants

Audited outcomes

The table below indicates the audit opinion received for the past 3 financial years:

Year	2015/16	2016/17	2017/18
Opinion received	Unqualified	Disclaimer	Qualified

BUDGET AND TREASURY OFFICE UNIT

The Budget and Treasury Office (BTO) of the Beaufort West Local Municipality is responsible for the financial management of the organisation as a whole. The mandate of BTO is to ensure that all directorates are provided with the resources to enable them to perform their functions. BTO is the face of the municipality to the public and it has to ensure that there is sufficient funds for all directorates to function properly.

In order to fulfil this mandate, the BTO comprises the following five units each performing a specific function and which collectively seek to enhance the financial viability of the municipality:

- **Billing:** The billing unit is responsible for ensuring that the consumers of Beaufort West Municipality get billed for basic services, consumption, rates and taxes. This ensures that the municipality receives an income.
- **Financial Management:** The financial management unit is responsible for ensuring that the service providers of the municipality as well as its employees are paid. Financial management is also the custodian of the asset registers, investments, bank accounts and loans of the municipality.
- **Revenue:** The revenue unit is responsible for the collection of funds due to the municipality. This function includes the debt collection, credit control, client services and finalisation of accounts.
- **Supply Chain Management:** The supply chain management unit is responsible for ensuring that all goods and services procured by the municipality is in accordance with applicable legislations. The unit is also responsible for contract management including reporting on commitments and ensuring that new contracts are entered into to prevent irregular expenditure.
- **Budget and Reporting:** The budget and reporting unit is responsible for management of the municipality's budget, including the approved budget, virements and assisting with the adjustment budget. Reporting includes section 71 reports, section 72 reports, monthly and annual financial statements.

The following is a brief summary of the internal challenges experienced by BTO:

BTO has a significant shortage of staff from lower levels up to senior management:

The position of Budget Control Officer has become vacant. This position should be filled with a competent and motivated person. The positions not budgeted for should be included in the labour budget during the 2019/2020 budget process. The organogram was reviewed and positions were identified which need to be filled.

Skilled staff is scarce in the directorate where it is expected that BTO should consist of a strongly skilled work force of highly professional people. Training should be scheduled and provided to staff and management should encourage staff to further their studies.

The following have been identified as the major **operational issues** impacting on the financial sustainability of the Municipality:

System and billing challenges

- Lower cash flows (lack of reserves)
- Lack of technological advances within the directorate
- Other directorates procuring goods and services for which there is no allocated budget and not in accordance with the SCM processes.
- The quality of work from service providers
- Consumers not paying their bills and the revenue collection rate drop
- Other directorates not being involved in the regularity audit
- Unrealistic budgets (Income) and excessive budgets (Expenditure) from other directorates which cannot be supported by the cash flow
- There is a lack of communication between BTO and other directorates

Own source funding

- The Municipality does not have adequate reserves to fund capital projects currently.
- Credit control will be intensified in order to improve cash flow
- Cost containment measures are being implemented to reduce expenditure.
- Long term debt
- The Municipality balance sheet is overstrained
- It will be expensive for the Municipality to raise debt during the current economic conditions

Free basic services:

- The municipality is keeping a register of all indigents. A total number of 8048 households have been registered on the indigents register.

Critical Success Factors towards enhanced financial sustainability have been identified as follow:

- Cost containment measures to curb spending on non-core services (Expenditure)
- Incurring of expenditure only in accordance with the approved budget

BTO priorities for 2019/2020 and beyond include the following:

Proposed Interventions: Short term

- Intensive implementation of Credit Control Policy
- Suspension of services on consumers who owe the Municipality
- Blocking of prepaid meters
- Restriction of water
- Acceleration of capital grant expenditure in order to attract additional funding
- Tabling of Cost Containment Policy for Council approval
- Implementation of cost containment measures
- Continuous education of user directorates to curb cost

Proposed Interventions: Medium term

- Unitization of debt collectors to collect long outstanding debts

- Capacitation of SCM unit
- Filling of BTO positions

Proposed Interventions: Long term

- Increase revenue base through introduction of catalytic projects
- Diversification of Municipal Revenue
- Automation of SCM activities

3.10 BASIC SERVICE DELIVERY

Beaufort West Municipality is primarily responsible for the delivery of basic services and the development and maintenance of infrastructure. One of the aspects that remains a challenge or is still outstanding is the drafting of a Consolidated Infrastructure Plan (CIP) that will integrate all the infrastructure needs and plans and will not only enable the municipality to plan for future developments, but also to cost infrastructure development against financial affordability and sustainability.

The municipality furthermore is still struggling to compile or draw up an Infrastructure Operation and Maintenance Plan (IOMP), indicating how maintenance will be addressed within the municipality. This will ensure that assets and infrastructure is properly maintained.

3.10.1 DIRECTORATE ENGINEERING SERVICES

In general, it should be stated that the **following Strategies** need to be put in place to facilitate continued provision of water, sanitation, and electricity in the Municipal area.

i) Operational and Maintenance Plan

Council does not have a current documented Operational and Maintenance Plan. This Plan will need to be developed as part of future revisions.

ii) Renewal and Replacement Strategy

Council does not have a current documented Renewal and Replacement Strategy for the infrastructure. This Strategy will need to be developed as part of future revisions.

3.10.1.1 WATER SERVICES

a) Introduction to Water Services

The Directorate Engineering Services is also responsible to ensure that the municipality complies to the following obligations:

- Basic water services by all communities;
- Basic sanitation services; and
- Providing strong support to all other functions of the Municipality by ensuring availability, management and maintenance of the municipal fleet.

Beaufort West is dependent on three different water sources:

- Surface water (Gamka Dam, Springfontein Dam and Walker Dam)
- Boreholes (9 boreholes in 6 aquifers)
- Water reclamation plant (WRP)

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 6.3 mega litres per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter, only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.

Water losses are reduced to the minimum from the source to sector meters. There is a loss of approximately 44% from sector meters to billing. A water meter audit was done and showed that the challenge faced is billing and not only water losses by leakages in the network.

b) Beaufort West Municipality as a Water Service Provider

The Municipality is a Water Service Provider (WSP) according to the Water Services Act.

The Municipal functions as a Water Service Provider are to:

- Ensure provision of portable water supply and sanitation services within the municipal jurisdiction, to all consumers and industries.
- Abstracting water raw water from the Dams or other different sources
- Water purification
- Storage and distribution of portable water through municipal network
- Installation and maintenance of water meters
- Collection of sewer effluent through municipal sewer network
- Treatment of sewerage effluent

The Water Services Development Plan has been approved by Council and is being reviewed and audited annually. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

c) Water Network

The municipality has a water network of approximately 75.4 km of pipelines and three (3) bulk reservoirs. There is an average of approximately seven (7) to ten (10) pipe bursts/leaks that are reported daily and the municipality is able to respond to an average six (6) pipe burst/leaks per day.

d) Blue Drop Status (BDS)

The Department of Water Affairs initiated the drinking water quality regulation programme in 2005. The objective of the programme is to ensure that improvement of tap water quality by means of compliance monitoring of all Water Services Authorities (WSA). The Water Services Authorities that scored 95% and more received the Blue Drop Certification.

The municipality received Blue drop status with a percentage scoring of 95.22%, during the 2014 assessment.

e) Highlights: Water Services

The table below indicates the highlights and achievements during the financial year:

Highlight	Description
Steenrotsfontein aquifer	Development of 5 new boreholes and 1 pumpstation
Boreholes	Development of HR18, flagship and Brandwacht 11

Table 21: Water Services highlights

f) **Challenges: Water Services**

The table below indicates the challenges faced during the financial year:

Description	Actions to address
2017/18 drought	Apply for funding

Table 22: Water Services challenges

Other Water Challenges

- Dilapidated and failing bulk water and sanitation infrastructure;
- Inadequate fleet
- Insufficient funding allocation for O&M
- High water distribution losses
- Vandalism of the infrastructure
- Reactive maintenance approach instead of preventative
- Illegal connections

g) **Total use of water by sector**

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2016/17	0	0	52 065	2 358 964
2017/18	0	0	51 305	2 052 175

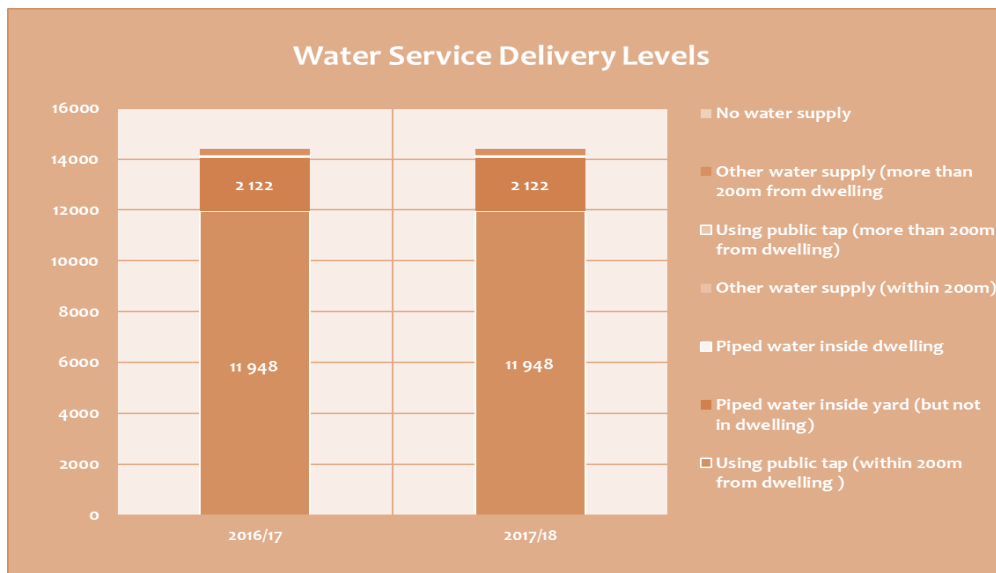
Table 23: Total use of water by sector (cubic meters)

h) **Water service delivery levels**

The table below indicates the water service delivery levels:

Households		
Description	2016/17	2017/18
	No.	No.
Piped water inside dwelling	11 948	11 948
Piped water inside yard (but not in dwelling)	2 122	2 122
Using public tap (within 200m from dwelling)	49	49
Other water supply (within 200m)	31	31
<i>Minimum service level and above sub-total</i>	14 150	14 150
<i>Minimum service level and above percentage</i>	98	98
<i>Water_ (below min level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	260	260
No water supply	0	0
<i>Below minimum service level sub-total</i>	260	260
<i>Below minimum service level percentage</i>	2	2
Total number of households	14 410	14 410

Table 24: Water service delivery levels



Water service delivery levels

i) Access to water

The table below indicates the number of households that has access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2016/17	14 410	98%	DFD/ DGD
2017/18	14 410	98%	DFD

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute
6 000 litres of potable water supplied per formal connection per month

Table 25: Access to water

j) Employees: Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2016/17		2017/18		
	Number	Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	3	1	1	0	0
Semi-skilled	6	10	8	2	20
Unskilled	11	12	12	0	0
Total	21	23	21	2	8.69

Table 26: Employees: Water Services

k) *Capital expenditure: Water Services*

The table below indicates the capital expenditure incurred:

Capital projects	2017/18			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
®				
Beaufort West : Investigation for New Aquifers	860 374	735 741	645 387	90 354
Drought Relief Project	0	2 895 000	2 892 174	2 826
5 boreholes and a 5 km pipeline to Reclamation Plant	0	22 996 034	20 149 973	2 846 061
Development of Boreholes - GeoScience	0	2 000 000	1 609 676	390 324
Water Supply Infrastructure : Distribution (S1 IRDP Project)	0	2 062 418	2 062 418	1
Upgrade of Existing Bulk Water Infrastructure	0	2 548 242	2 771 843	223 600
Beaufort West : Rehabilitate Bulk Water Scheme - Klein Hans Rivier	410 616	5 900 000	4 357 297	542 703
Total	1 270 990	39 137 435	34 488 767	3 648 669

Table 27:Capital expenditure: Water Services

3.10.1.2 Drought and Dam level/s

Beaufort West Municipality has experienced very very low rain fall over the past years and the drought is felt in many areas of the town. The Gamka dam which is the catchment area is currently on 12% and water is not abstracted from the dam. Seepage water is however transferred to the WTW.

The Municipality is declared a disaster area due to the drought and water availability. A reduction in demand and strict water restrictions in the area, as well as the efficient use of disaster assistance and MIG funding have ensured a sustained water supply for the town.

BOREHOLES

Beaufort West Municipality has 40 boreholes that form part of the bulk water supply scheme. With the rainfall recorded in February 2019 the water level of 2 boreholes has improved and the status of boreholes are as follow:

Boreholes that dried up - 16 boreholes
 Boreholes contributing to bulk water supply - 24 boreholes

Registered abstraction – 11 031 Kl / day
 Current abstraction – 4 000 Kl / day

WATER RECLAMATION PLANT

The water reclamation plant works well but can only supply water if raw water flows into the Waste Treatment Works. Sewage blockages causes less water to flow into the Waste Water Treatment Works and that leads to the reclamation plant supplying less potable water.

Design Capacity – 2 100 Kl / day
 Current Supply – 1 000 Kl / day

RAINFALL

The recorded rainfall at the Engineering Offices for 2019:

- Feb 2019 - 16 mm
- March 2019 - 10 mm

The recorded rainfall at the Gamka Dam for 2019:

- Feb 2019 - 38.5 mm

- March 2019 - 17.5 mm

RESERVOIR LEVELS

Since the implementation of water shedding the reservoir levels has shown an upwards trend. The reservoirs levels as recorded on 24 March 2019 at 19:00 were:

- Res 1 – 29.9%
- Res 2 – 44.9%
- Res 3 – 40.5%

WATER CONSUMPTION

Below is a summary of the water consumption of Beaufort west for the last 4 months.

November 2018 4.9 ML/day
December 2018 4.1 ML/day
January 2019 4.3 ML/day
February 2019 4.5 ML/day

Attached is a graph indicating the water consumption of Beaufort West for the period – 1 March 2019 to 24 March 2019:

PROJECTS IN PROGRESS

- A service provider has been appointed to repair all pre-paid water meters to reduce water losses and improve revenue collection. Pre-paid water meters are set to allow the consumers a maximum water consumption of 350l/day and the valve opens at 05:00 every morning.
- The Department of Local Government appointed a Geohydrologist to investigate the possibility of any further ground water development. Four areas have been identified and further investigation has to be done at two of the areas to determine if the development will be feasible. Funding for the project must be confirmed by DLG.

FUNDING ALLOCATED FOR PROJECTS AND COMPLETED

- Equipping of borehole SRK 4 - Completed
- Equipping of borehole located on Rhenosterkop. - Completed
- Interconnection of reservoirs - Completed

During the 2018/2019 Financial year the Department of Mineral Resources in partnership with the Council of Geo-Science donated two boreholes to the municipality. Boreholes to these two new aquifers have already been drilled and one is fully equipped.

The Beaufort West community currently receive their water supply from boreholes and the water reclamation plant. In the event that the reclamation plant is serviced the municipality supply water to the areas through water tanks.

The message to the broader public is that we still have a water crisis and we need to save water in order to prevent a "Day Zero". Only by working together can we get through this crisis. The town also urges visitors and travellers passing through in the coming period, to take the situation in consideration and assist the local community in their water saving efforts

3.10.1.3 SANITATION SERVICES

a) *Introduction to Sanitation Services*

The Engineering Services directorate is also responsible for the provision of waste water and sanitation services to all consumers in the municipality.

The Municipality has four Waste Water Treatment Works (WWTW) that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Nelspoort, Murraysburg and Merweville has recently been upgraded and are operating within the design capacity and the final effluent is of good quality.

The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

Studies are being done on the Beaufort West WWTW as the biological trickle filter system has been de-commissioned and this increases the load on the activated sludge process.

Due to a continuous urbanization and implementation of various low-cost housing developments, the existing wastewater treatment works are experiencing unit capacity problems. The upgrading of the existing works was identified in the IDP and confirmed in the WSDP.

The final effluent of the Beaufort West WWTW is reclaimed by the reclamation plant and treated to drinking water standards. The remaining effluent is used to irrigate the sport grounds.

b) *Highlights: Waste Water (Sanitation) Services*

The following table indicate the highlight of the financial year:

Highlights	Description
Murraysburg WWTW	Upgrading the existing pond system including a new inlet works and irrigation system

Table 28: Sanitation Services highlight

c) *Challenges: Sanitation Services*

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism of pump station and manholes	Increase security measures

Table 29: Sanitation Services challenge

Other Sanitation Challenges

- Dilapidated and failing bulk water and sanitation infrastructure;
- Inadequate fleet
- Insufficient funding allocation for O&M
- Vandalism of the infrastructure
- Reactive maintenance approach instead of preventative

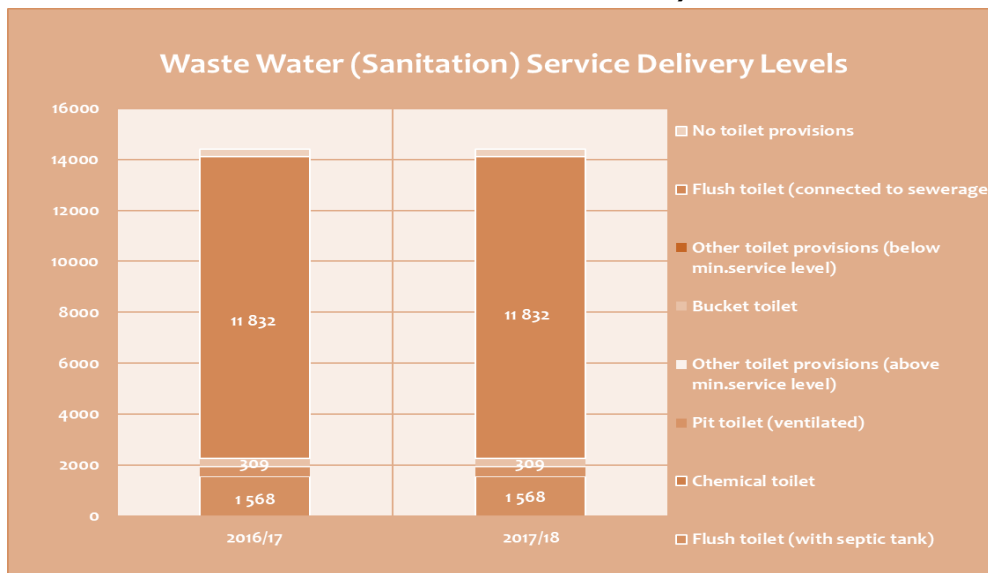
d) *Sanitation service delivery levels*

The table below indicates the service delivery levels for sanitation:

Households		
Description	2016/17	2017/18
	Actual	Actual
	No.	No.
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	11 832	11 832
Flush toilet (with septic tank)	1 568	1 568

Chemical toilet	0	0
Pit toilet (ventilated)	355	355
Other toilet provisions (above min.service level)	31	31
Minimum service level and above sub-total	13 786	13 786
Minimum service level and above percentage	96	96
<u>Sanitation/sewerage:</u> (below minimum level)		
Bucket toilet	309	309
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	305
Below Minimum Service Level sub-total	614	614
Below Minimum Service Level Percentage	4	4
Total households	14 400	14 400
Including informal settlements		

Table 30: Sanitation service delivery levels



Sanitation service delivery levels

e) *Employees: Sanitation Services*

The table below indicates the number of staff employed within the unit:

Occupational level	2016/17		2017/18		
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technical, superintendents, etc.	0	1	1	0	0
Semi-skilled	8	11	9	2	18.18
Unskilled	11	14	13	1	7.14
Total	19	27	24	3	11.11

Table 31: Employees: Sanitation Services

f) *Capital expenditure: Sanitation Services*

The table below indicates the capital expenditure incurred:

Beaufort West Integrated Development Plan 2019/2020 Review

Capital projects	2017/18			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Sanitation Infrastructure : Reticulation (S1 IRDP Project)	0	15 582 710	15 582 710	0
Bulk Sewerage Upgrade : S1	0	3 751 758	3 369 198	382 560
Murraysburg : Rehabilitate Sanitation : Oxidation Ponds	2 114 347	2 114 347	1 854 910	259 437
Total	2 114 347	21 448 815	20 806 817	641 7

Table 32: Capital expenditure: Sanitation Services

g) Sewer Network

The municipality is fully serviced with a formal sewer reticulation system. The reticulation system consists of 126.7 km of gravity pipelines and 1.1 km of rising mains. There are three (3) sewer pump stations operated by Beaufort West Municipality. The capacity of the Beaufort West WWTW is 4.659 Ml/day.

There is an average of approximately 12 sewer blockages that are reported daily and average of 12 blockages are attended to daily that could result in a series of sewer environmental contraventions. This is only in the event when there are no main sewer line blockages reported and attended to.

h) Green Drop System

The Municipality has performed well on the previous Green Drop assessments by obtaining a percentage score of 93.73 during the 2013 assessment.

As per the assessment outcome, abovementioned good performance was a result of the following:

- Competent Process Controllers
- Effective effluent quality monitoring

3.10.1.4 PROVISION OF SERVICES ON FARMS

The municipality currently does not deliver any services on the surrounding farms. The only service rendered on some of the surrounding farms is the removal of sewerage from septic tanks.

3.10.2.1 DIRECTORATE: ELECTRO TECHNICAL SERVICES

a) Introduction to Electricity Services

The Municipality is a licensed distributor of electricity through a license issued by the National Energy Regulator of South Africa (NERSA). The Directorate: Electro Technical Services is responsible for the safe, effective and efficient provision of electricity to residents, businesses (Beaufort West, Nelspoort, Merweville and surrounding rural areas) and also ensuring public lighting. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg. The municipality has an approved Electricity Master Plan. The units' core functions are:

- Is to purchase and distribute electricity.
- Planning and construction of networks i.e. major/minor upgrades, new connections etc.
- Repair and maintenance of networks
- Installations and maintenance of public lighting

The department takes supply from Eskom at 132 000 volt at Katjieskop substation and distribute 11 000 volt to the supply areas.

Electricity purchases for the 2017/18 financial year amounted to R53.458 million (Incl. VAT) for 57 649 425 kWh. The electricity is sold to industrial, commercial and domestic customers. Approximately 32.58% of the electricity is sold to industrial and commercial customers, 28.25% to domestic customers, 14.98% to

indigents, 4.26% for street lighting and 0.76% for own use. Energy losses during the financial year amounted to 13.49 %.

There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service but are differentiated in terms of connection size in relation to connection fees paid.

i) Service backlogs

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure.

ii) Infrastructure

Although the Municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the Municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department.

b) *Highlights: Electricity Services*

The table below indicates the highlights of the financial year:

Highlights	Description
Energy Efficiency Demand Side Management (EEDSM) project	Replacement of 1100 x 25 watt street lights with 40W LED; 900 in Beaufort West; 200 in Murraysburg. Replacement of 46 x 400 watt street lights and Donkin Street with 200 watt LEDs. Replacement of 305 x 400 watt high mast lights with 200 watt LEDs
New switching substation for s1 house development	Installation of 400 m 11KV cable with switch gear
High and low voltage overhead network: s1 housing development	Building of high and low voltage network for housing development, Phase 1 – 264 houses

Table 33: Electricity Services highlights

c) *Challenges: Electricity Services*

The table below indicates the challenges faced during the financial year:

Description	Actions to address
High cost of electricity	EEDSM - ongoing projects
Service delivery	Still a challenge with shortage of funding
Discipline	Still a problem

Table 34: Electricity Services challenges

Some of the other challenges faced by the unit includes the following:

- Extension of the distribution network in support of new housing developments .
- Dramatic increase in the cost of key resources i.e. labour and material including bulk purchases.
- Dilapidated and aged electrical infrastructure.
- Outdated technology.
- Electrical distribution losses.
- Illegal connections and unmetered installations.
 - Vandalism and theft adversely affect the integrity of distribution networks (i.e overhead networks) to deliver sustainable electricity supply.

Key to addressing this challenges is to:

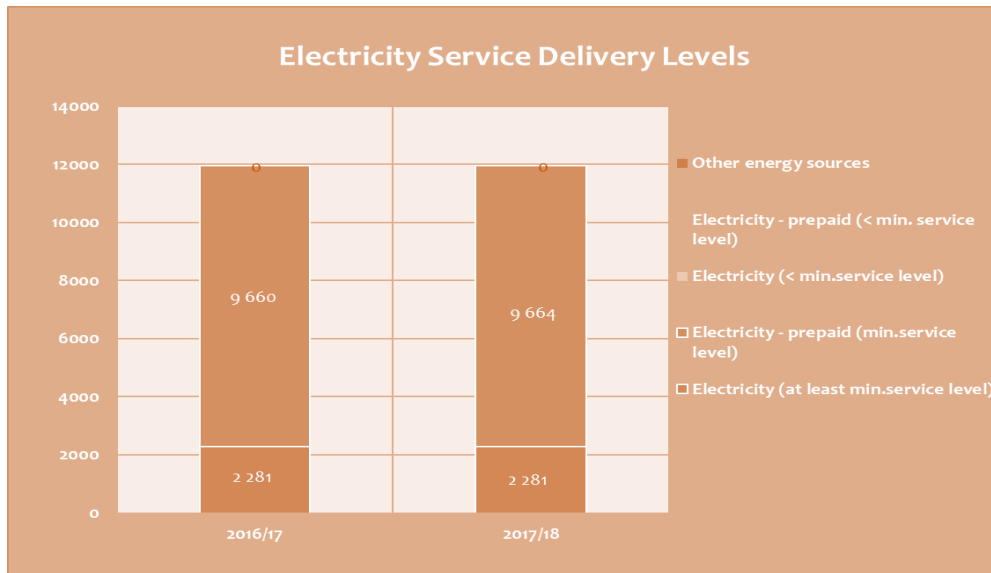
- Reduce the average age of the distribution network where it is in excess of 20 years through refurbishment or/upgrade and replacement of obsolete or/and unreliable equipment for which spares are no longer available.
- Undertaking of routine maintenance on critical plant i.e. bulk transformers and switchgears in main distribution substation/s.
- Performing condition monitoring of critical equipment and its associated components through both infrared and ultrasonic scanning i.e. cable terminations, medium voltage terminations on overhead lines and transformer terminations.
- Addressing and improving safety on the network i.e. replacement of high risk equipment and provision of relevant PPE to personnel.

d) *Electricity service delivery levels*

The table below indicates the service delivery levels for electricity:

Households		
Description	2016/17	2017/18
	Actual	Actual
	No.	No.
<i>Energy: (above minimum level)</i>		
Electricity (at least min.service level)	2 281	2281
Electricity - prepaid (min.service level)	9 660	9664
<i>Minimum service level and above sub-total</i>	11 941	11945
<i>Minimum service level and above percentage</i>	100	100
<i>Energy: (below minimum level)</i>		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<i>Below minimum service level sub-total</i>	0	0
<i>Below minimum service level percentage</i>	0	0
Total number of households	11 941	11 45

Table 35: Electricity service delivery levels



Electricity service delivery levels

e) *Employees: Electricity Services*

The table below indicates the number of staff employed within the unit:

Occupational level	2016/17		2017/18		
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	2	0	0	0	0
Skilled technical, superintendents, etc.	4	6	6	0	0
Semi-skilled	11	13	11	2	15.38
Unskilled	8	9	7	2	22.22
Total	25	28	24	4	14.29

Table 36: Employees: Electricity Services

f) *Capital expenditure: Electricity Services*

The table below indicates the capital expenditure incurred:

Capital projects	2017/18			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Machinery and Equipment	200 000	200 000	71 813	128 187
Housing Development S1 (264 Houses)	0	3 828 000	3 328 696	499 304
New 22 KV Substation S1	0	2 772 000	2 410 435	361 565
New High Mast Lighting: Greater Beaufort West Ph2	2 674 527	0	0	0
New High Mast Lighting: Murraysburg	1 155 648	0	0	0
Total	4 030 175	6 800 000	5 810 944	989 6

Table 37: Capital expenditure: Electricity Services

g) Network Assessment

The electricity network or/and infrastructure of the Municipality has aged and some parts tend to malfunction which results in a lot of unplanned outages. This scenario leads to key components or/and equipment of the network being susceptible to damage and also posing a risk to operational teams, which might lead to fatalities. Most of the infrastructure has exceeded its life span with old technology on it; as such the municipality is spending too much on repairs, reactive maintenance and overtime expenditure.

3.10.2.2 ROADS

a) Introduction to Roads

The Directorate: Engineering Services also has the responsibility to provide basic services to the community of Beaufort West Municipality in terms of provision of new roads as well as the maintenance of existing infrastructure. Provision of access to roads and well-functioning/properly maintained storm water drainage system. Ensures that roads are paved, re-gravelled and re-surfaced and construction of new roads to reduce the current backlogs.

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the EPWP standards to create job opportunities. All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction. The following road sections were resurfaced which amounted to 2 175m²:

- Danie Theron Street (From Donkin – Bird Street)
- Church Street (From Donkin – Bird Street)

Beaufort West Municipality has a total road network distance of 163.9 km of which 107.9 km are tarred (paved) and 56 km are gravel (unpaved). The road network distance excludes the Provincial and National roads.

The majority of the paved roads range from good to fair surface conditions implying that these roads had fair readability condition. The gravel or earth roads range from fair to poor gravel quality and quantity implying that these roads are in poor condition. The need for upgrading of these roads are therefore found to be very high.

i) Status of maintenance of Roads.

Tar Patching and Resealing of Roads

- The total spending on Reseal of roads amounted to R1 107 990 and for maintenance R 1 091 548 for 2017/2018 financial year, and nothing was budgeted for speed humps. The latter is done through the Maintenance budget.
- Tar Patching involves Pothole repairs and slurry seals to keep the road in a good riding condition.
- Resealing of Roads-involves resurfacing of the roads with crushed stones and bitumen to prolong the lifetime of the Infrastructure.
- Preventive Treatment Works: These works comprise fog sealing and rejuvenation. The fog sealing can be described as the machine application of slow- setting asphalt emulsion diluted new asphalt surfaces and to seal small cracks and surface voids, etc.; the activity may be followed by machine spreading of sand. The activity can be carried out on a scheduled basis, or in response to a set of specified intervention criteria.

The general maintenance of tarred and gravel roads were delayed due to budget constraints and unreliable machinery.

b) Highlights: Roads

The following table indicate the highlight of the financial year:

Highlights	Description
Resurfacing of Voortrekker Street	Additional funds were received to complete the section from Bird Street to Jackson Street, resulting in a two year budget project. The section from Bird to De Villiers Street was done with the 2017/2018 budget and the section from De Villiers to Jackson Street will be funded by the 2018/2019 budget (Provincial Road)

Table 38: Roads highlight

c) *Challenges: Roads*

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Unreliable machinery	Purchase new grader
Roads deteriorating	Apply for funds to reseal roads
Vacant post	Fill post

Table 39: Roads challenges

d) *Gravel roads infrastructure: Kilometers*

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained (km)
2016/17	56.80	0	0.80	18.00
2017/18	56	0	0	24.00

Table 40: Gravel road infrastructure

e) *Tarred road infrastructure: Kilometers*

The table below indicates the number of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2016/17	106.71	1.20	0	0	14 608.70
2017/18	107.91	1.57	1.17	0	31 52

Table 41: Tarred road infrastructure

f) *Cost of maintenance and construction of roads*

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and replacements	Resealed	Maintained
2016/17 (Main roads)	0	0	0
2016/17 (Other roads)	0	0	0
2017/18 (Main roads)	0	1 179	0
2017/18 (Other roads)	0	1 108	1 092

The cost for maintenance includes stormwater

Table 42: Cost of construction/maintenance of roads and stormwater

Stormwater Cleaning

- The budget for this service forms part of the total budget roads and storm water for the 2017/2018 financial year.
- Cleaning of open Storm water channels.
- Cleaning of drainage channels.
- Installation and maintenance of storm water systems

3.10.3. DIRECTORATE: COMMUNITY SERVICES

3.10.3.1. WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

a) Introduction: Waste management

In 2015, the Beaufort West Municipality developed and approved its second IWMP by council. Since then there have been several developments in waste management in the Municipality as well as in national legislation and policy. These include, amongst others, the coming into force of the Waste Act (Act 59 of 2008) in July 2009 and the release of the National Waste Management Strategy in 2011.

Within the Municipality, new developments include amongst others, the conversion of all four (4) landfill sites to transfer stations. These and other changes are part of an update to the plan (3rd IWMP Review) that considers not only changes to legislative and policy directives, but plots a way forward for the Municipality to fulfil its role in a cohesive, integrated and sustainable manner.

This service enables the municipality to employ ten (10) additional temporary workers for refuse collection, to clean streets and open spaces and pick up litter. The municipality has also received EPWP funds to the amount of R 1 924 000.00 of which 60% will be allocated to environmental and social projects (Waste Minimisation and call centre). The budget that is set aside for environmental and social sector projects for the 2019/20 financial year amounts to R 1 154 400.00. The remainder of the funding is allocated to the Department: Engineering Services. (R 769 600.00). The EPWP programme is administered and reported on by the Director: Engineering Services.

In terms of conducting section 30 matters within the Beaufort West Municipality, envisaged to employ the designated waste management officer during the 2018/19 financial year, but due to capacity problems in the environmental section, this appointment has not finalized. Once the appointment of the official in terms section 30 has been finalized, the necessary budget to this office will be allocated. Builder's rubble is removed by the community itself and the Municipality removes only when it is dumped illegally. General workers are responsible for litter removal and sweeping of streets. Street bins along pavements are emptied on a daily basis by waste removal trucks.

i) Service delivery

The Unit provides a weekly door-to-door waste removal service to households and bi-weekly to businesses. Domestic and garden waste is removed on daily basis and placed either in the 85 litre refuse bins or bags. Medical waste generated from hospitals, clinics and general practitioners are collected by a private company. The private company is responsible for spillage removal along the N1 national road transversing the Beaufort West area. Builders rubble is removed by the community with their own transport, and the Municipality removes when dumped illegally on open spaces on upon request from households at minimal costs.

Expanded Public Works Programme (EPWP) beneficiaries clean open spaces, litter picking and streets sweeping to other residential areas where there are no permanent staff allocated.

ii) Landfill site disposal sites

The four waste management facilities within the Beaufort West municipal area are situated in:

- Vaalkoppies
- Merweville
- Nelspoort
- Murraysburg
-

In addition, Beaufort West has a recycling facility which requires upgrades. All landfill sites are operational of which one has a permit.

ii) Waste minimization

The Municipality developed a Waste Minimization Strategy in 2002 in partnership with Southern Cape Recycling which was made possible by contributions from the Department of Environmental Affairs. The initiative targeted the high income residential areas. Blue bags were supplied to all households to collect only cardboard boxes, cans, paper and newspapers. Recyclable waste is collected once a week and taken to the reclamation depot where it is sorted, baled and transported to Cape Town or Oudtshoorn.

iii) Waste awareness and education

Due to limited staff to conduct education and awareness to the community, waste awareness and education is done through the distribution of pamphlets on a quarterly basis. The target for these initiatives are schools, businesses and communities.

b) *Highlights: Waste management*

The following table indicates the highlights of the financial year:

Highlights	Description
EPWP	<p>±R 900 000 was received from the Department of Transport and Public Works for the following projects:</p> <ul style="list-style-type: none"> ▪ Operation and maintenance of all waste disposal sites (WDS) within Beaufort West jurisdiction. 20 Beneficiaries employed on a fixed term contract ▪ EPWP Administrator: 1 beneficiary employed on contract {responsible for admin of EPWP and reporting on the Integrated Pollutant and Waste Information System (IPWIS) of waste collected, disposed and recovered at WDS}
Learnership: Environmental Practise Level 1	<p>Funded by the Department of Environmental Affairs and Development Planning's (DEADP) Environmental Protection and Infrastructure Programmes (EPIP). ±25 beneficiaries were recruited. The learnership consisted of 40% theory and 60% practical. Project started in March 2018 and will end in November 2019</p>

Table 43: Waste management highlights

c) *Challenges: Waste management*

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Non-compliance and unlicensed WDS	<p>Address mediation agreement between the Municipality and DEADP in 2015 (short term).</p> <p>An integrated plan between Beaufort West Municipality and Central Karoo District Municipality for a regional WDS and transfer stations (proposed long term plan). Murraysburg landfill sites project funds will be used and other additional funds for this plan</p>

Closure and rehabilitation of old abattoir WDS	Submit funding application to DEADP and Local Government: Municipal Support
Insufficient and ageing infrastructure	Sufficient budget and /or implementation of shared services
Illegal dumping on open spaces	Erection of illegal dumping sign boards. Education and awareness to community

Table 44: Waste management challenges

d) Waste management service delivery levels

The table below indicates the service delivery levels for waste management:

Description	Households	
	2016/17	2017/18
	Actual	Actual
	No.	No.
<i>Solid waste removal: (minimum level)</i>		
Removed at least once a week	11 491	11 491
<i>Minimum service level and above sub-total</i>	11 491	11 491
<i>Minimum service level and above percentage</i>	100	100
<i>Solid waste removal: (below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below minimum service level sub-total</i>	0	0
<i>Below minimum service level percentage</i>	0	0
Total number of households	11 491	11 91

Table 45: Waste management service delivery levels



Waste management service delivery levels

e) *Employees: Waste management*

The table below indicates the number of staff employed within the unit:

Occupational level	2016/17	2017/18			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	0	0	0	0
Skilled technical, superintendents, etc.	6	1	1	0	0
Semi-skilled	2	11	10	1	9.09
Unskilled	33	22	21	1	4.54
Total	42	34	32	2	5.88

Table 46: Employees: Waste management

Employees: Basic Services: Merweville, Murraysburg and Nelspoort

The table below indicates the number of staff employed within the unit:

Occupational level	2016/17	2017/18			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	5	3	3	0	0
Semi-skilled	7	13	10	3	23.08
Unskilled	22	22	22	0	0
Total	34	38	35	3	7.89

Table 47: Employees: Basic Services: Merweville, Murraysburg and Nelspoort

3.10.3.3 Infrastructure Services: Air Quality Management

The municipality must comply with the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004). A draft Air Quality Management Plan has been developed and submitted for comments to DEADP. The process that will follow will be the public participation process for the community within the Beaufort Municipal area to request inputs and or comments from the general public. A planning meeting is scheduled to take place during April 2019.

3.10.3.4 TRAFFIC AND LAW ENFORCEMENT

The core functions of this unit within the Municipality are as follows:

- To manage and regulate public transport
- To manage, regulate and control, vehicular and pedestrian traffic flow as well as to render traffic policing
- To render crime prevention services
- To enforce municipal by-laws and other legislations.

licensing and testing

The Municipality serves on an agent basis and all systems are linked to the Provincial Department of Public Safety and or the Department of Transport. The licensing and testing should comply with the Provincial and or National legislations as well as the code of practice, regulations and standards. This includes the following services:

- Registration and Licensing of motor vehicles
- Testing and licensing of motor vehicles (learners and drivers licences)
- Testing of applicants for their learners and driver's licenses
- Testing of all categories of motor vehicles for roadworthiness.

challenges experienced in the traffic unit includes the following:

- Lack of capacity (shortage of personnel)
- Lack of infrastructure (Vehicle Fleet and equipment i.e. blue lights/PA Systems)

Progress during the past financial year include the following:

- Engagements with the Department of Justice, Western Cape for the establishment of an additional Court at the Beaufort West Weighbridge
- The functions of the abovementioned court will mainly be to handle traffic violations, by-laws and criminal cases.

3.10.3.5 SPORT AND RECREATION

The community loves their sport, but the main challenge is to raise enough funds to develop different sport fields as only 15% of the MIG funds are available for the development of recreational and sport facilities.

All sport and recreation areas are mowed and irrigated on a regular basis. The Municipality is proud to say that it has upgraded the Merweville Sportgrounds in the 2017/2018 financial year.

a) *Highlights: Sport and recreation*

The following table indicate the highlight of the financial year:

Highlights	Description
Upgrading Merweville Sportgrounds	Upgrade of all sport facilities including a new multi-purpose hall

Table 48: Sport and recreation highlight

b) *Challenges: Sport and recreation*

Vandalism and theft is a big concern for the Municipality at the sport and recreation facilities. The Municipality will try to invest in upgrading security controls at each of these facilities.

c) *Service statistics for sport and recreation*

The table below indicates performance statistics of sport and recreation services:

Type of service	2016/17	2017/18
Community parks		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
Swimming pools		
Number of visitors per annum	0	0
R-value collected from entrance fees	0	0
Sport fields		

Number of wards with sport fields	7	7
R-value collected from utilization of sport fields	DFD	DFD
Sport halls		
Number of wards with sport halls	7	7
Number of sport associations utilizing sport halls	5	5
R-value collected from rental of sport halls	DFD	DFD

Table 49: Service statistics for sport and recreation

3.10.3.6 Infrastructure Services: Cemeteries

There are enough burial ground in all the towns under the jurisdiction of Beaufort West for the near future. However, new cemeteries will have to be developed. Challenges remain vandalism of perimeter fencing and the tombstones and animals entering the cemeteries and damaging the graves and perimeter fence flowers.

3.10.4 Risk Management:

The Municipal Finance Management Act, 2003, section 62 (1) (c) (i) states that: “the accounting Officer of the municipality is responsible for managing the financial administration of the municipality, and for this purpose take all responsible steps to ensure- that the municipality maintains an effective, efficient and transparent systems of financial and risk management and control” for the achievement of the objectives of the municipality as contained in the IDP.

During the 2019 financial year the municipality has improved in terms of implementation and compliance of risk management by ensuring that all systems are in place. The municipality has ensured that a (i) Risk Management Committee was established with the Municipal Manager appointed as Chairperson, a member of the Audit Committee was nominated to serve on the Risk Committee and the different directors serve as members of the Committee (ii) reviewed the Risk Management Policy and Strategy, (iii) and have an approved Risk Management Implementation Plan and a Risk Committee Charter. The municipality’s Anti-Fraud and Corruption Strategy and Response Plan was approved in April 2018 by council and Fraud Risk Assessments was conducted during October – November 2017 to improve the management of risk and fraud in the municipality.

The following table presents a high-level summary of the top five (5) risks of the Beaufort West Municipality.

	Risk	Impact	Likelihood	Inherent Risk Rating	Corrective actions necessary	Responsible person	Due date
1	Impact of drought	10	10	100	1. The recycling plant where water is purified helps minimise the impact of drought. 2. Water restrictions are in place. 3. Awareness is raised in the local newspapers, on the notice boards and radio Gamakaland and flyers distributes and posters in community. 4. Develop new boreholes 5. Draft Drought Communication Strategy 2017 drawn up and still needs to be workshopped and approved. 6. Weekly drought meetings in place. 7. Distribution of 5l water bottles in affected areas where the water were off. 8. Internal Newsletter developed where impact of drought is communicated.	Municipal Manager	Continuous

2	Lack of funding (need to expand the landfill site in the near future)	10	10	100	1. Apply for external funding to expand landfill site 2. Compile business plan in support of application 3. Appoint service provider to assist with business plan. 4. Establish a regional landfill site.	Director: Community Services	30/06/2019
3	Misuse and abuse of municipal vehicles	10	10	100	1. Compile a Fleet management policy. 2. Monitoring of tracker reports. 3. Completion of log sheet daily and must be reviewed by supervisors daily	Director: Engineering Services	30/06/2019
4	Impact of loss of fines on short term financial feasibility.	10	10	100	None	CFO	30/06/2019
5	Financial Feasibility in the long term	9.5	9.5	90.3	1. Review long term financial plan 2. Develop strategies in support of long term financial plan 3. Revenue enhancement strategy was conducted by Agito Minds. Awaiting final report.	CFO	Continuous

Table 50: Top five (5) risks of the BWM

3.10.5 DISASTER MANAGEMENT

The Beaufort West Municipality's Strategic Disaster Management Plan aims to follow **AN INTEGRATED ALL-HAZARDS APPROACH**, at the strategic (high) level, to the preparedness for, and response to, identified hazards which may have disaster-risk implications. The Contingency Plans will also be drafted for all the specific hazards that might occur within the area. These Contingency plans will cover the tactical and operational levels and will thus deal with the specific aspects applicable to the area.

Emergency plans must be developed, implemented and co-ordinated to ensure that an emergency and disaster management service is rendered to victims in the shortest space of time and in the most cost – effective manner. This emergency and disaster management planning is aimed at the protection of life and property, the continuation of essential service and the continuation of important administrative function.

In doing this, it needs to focus on addressing the following safety related conditions:

a) **Hazards:** Hazards are threats to life, well-being, material goods and the environment. Extreme natural processes or technology causes them. When a hazard results in great suffering or collapse, it is usually termed a disaster.

b) **Risk And Risk Assessment:** Risk may be defined as the expected damage or loss caused by any hazard. Risk usually depends on a combination of two factors:

- How often and severe the hazard (e.g. floods and drought)
- Vulnerability of the people exposed to these hazards.

Risk perceptions are very complex as they are rooted in history, politics and economy.

c) **Vulnerability:** No matter where one is located, whether in an urban or rural environment, one's chances of experiencing a disaster are usually strongly linked to one's vulnerability to the event. The more vulnerable a community, the greater the physical, economic and emotional costs of a disaster. Vulnerability, then is the degree to which an individual, family, community or region is at risk of experiencing misfortune following extreme events.

The Disaster Management Plan for Beaufort West Local Municipality was adopted and approved during 2014/2015 financial year and will be reviewed during the 2019-2020 Financial year.

The purpose of the Municipality’s Disaster Management Plan is:

- Institutional arrangements for Disaster Risk Management Planning
- To assign primary and secondary responsibilities for priority disaster risks posing a threat in the Municipality.
- To establish operational procedures for disaster risk reduction planning as well as the emergency procedure in the event of a disaster occurring or threatening in the municipal area
- To facilitate an integrated and coordinated approach to disaster risk management
- To establish risk reduction, resilience building
- Develop adequate capabilities for readiness, and effective and rapid response and recovery.

The table below provides a summary of Disaster Management related hazards identified in the Beaufort West Municipality:

HAZARD IDENTIFICATION IN PRIORITY ORDER

Hazard	Risk priority order (High; Medium; Low)
• Drought	H
• Extreme Weather (heat waves or extreme cold weather)	H
• Fracking	H
• Uranium Mining	H
• Snowfalls	M
• Windstorms	M
• Dust storms	M
• Disruption of Electricity Supply/ Power Failure (continuous)	H
• Road Traffic Incident, incl. Road Transportation Disruption/ Blockades/ Traffic Congestion, hazardous waste spillage, road accidents, and truck looting or vandalism	M
• Disruption of Sanitation & Storm water Systems	M
• Disruption of Solid Waste Removal Services	M
• Bombing/ Explosion/ Terrorism/ Arson	L
• Fire – Structural or Effects of Pyrotechnics	L
• Aircraft Incident	L
• Rail Incident	L
• Disruption of Water Supply	H
• Epidemic/ Major Infectious Disease Outbreak, incl. Food Safety issues	L
• Structural Collapse	L
• Bomb Threat/ Hostage-taking	L
• Disruption of Commercial or Governmental Activities.	L
• Hooliganism/ Civil Unrest/ Rioting/ Public Disorder	L

Table 51: hazard identification in priority order

Based on the above hazards/risks assessment, the Beaufort West Municipal Disaster Management Plan identified the following generic and risk/hazard specific services (disaster response actions) to be provided in the municipal area:

- road/rail/aviation traffic incident
- **incident at stadiums and other venues**
- hooliganism / civil unrest / rioting / public disorder / xenophobia
- **disruption of electricity supply**
- disruption of water supply
- drought
- **extreme weather/floods/snowfalls/windstorms**
- waste management incident

Note: A summary of all the disaster response action can be viewed in the Disaster Risk Management Plan 2014/2015 **attached as an Annexure** to the 2019/2020 Reviewed Integrated Development Plan.

(AFTER DISASTER) RELIEF AND REHABILITATION MEASURES

POST DISASTER RECOVERY

- Assessment of extent of situation and planning for recovery;
- Financial provision (emergency relief funding identified);
- Declaration of local state of disaster through the Disaster Management Act, 57 of 2002, as required, for access to additional Provincial and National Funding and other resources needed;
- Application of the necessary resources to restore the situation and / or venue as soon as possible.

The municipality currently does not have specific projects/programmes in place emanating from the Municipality's Disaster Management Plan.

CHAPTER 4 – MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK, HUMAN SETTLEMENTS AND SECTOR PLANS

4.1 Municipal Spatial Development Framework

The Directorates responsible for spatial planning and human settlement development responsibilities includes the following:

- Implementation of the Municipal Spatial Development Framework
- Ensure compliance with the Municipal Land Use Management Scheme (Monitoring of illegal land uses)
- Ensure compliance with the National Building Regulations
- Provision of sustainable human settlements
- Acquiring land for human settlements

Land use and development planning and its relationship with the Land Use Management System in the Municipality is guided by the Spatial Development Framework (SDF) and the Land Use Management Scheme (LUMS). The compilation and content of both these documents are guided by the provisions of the Spatial Planning and Land Use Management Act 2013 (SPLUMA), and the Municipal Systems Act (Chapter 5) identifies the SDF as one of the core components of a municipal Integrated Development Plan (IDP). The main purpose of the SDF is to guide the form and location of the future physical development within a Municipal Area.

In this regard, the SDF should:

- Act as a strategic, indicative and flexible forward planning tool to guide planning and decision on land development.
- Develop a clear argument or approach for spatial development in the area of jurisdiction of the Municipality.
- Develop a spatial logic which guides private sector investments.
- Ensure the social, economic and environmental sustainability of the area.
- Establish priorities for public sector development and investment.
- Identify spatial development priorities and places.

The purpose of the SDF is not to infringe upon existing land use rights but to guide future land uses, and the maps should be used as a systematic representation of the desired spatial form to be achieved by the municipality. Essentially it provides a tool which ensures development is sustainable. Proposals counteracts, spatial problems and provides strategies for more desired land use patterns, direction of growth, special development areas and areas which are to be conserved. The SDF is based on the vision of the municipal area, the development objectives and the strategies and outputs identified in the IDP.

IMPORTANT SPATIAL PERSPECTIVE OF THE IDP OF THE MUNICIPALITY WHEN DRAFTING THE 2013 MSDF

Because the SDF should also include a spatial representation of the IDP, understanding and interpreting the IDP spatially is seen as an important phase of the process. Therefore, this section should also include the following:

- Highlight the vision and mission of the IDP and its spatial implications;
- Confirm the interrelationship of the municipality's vision and that of the district from a spatial planning point of view;
- Identify key principles and strategies as contained in the IDP and how they translate spatially;
- Delineate the municipal boundary, settlements, farms and wards; and,
- Map the area where the main pressing needs and the proposed multisector project(s) are located.

Given the abovementioned considerations and perspective it should be noted that the Beaufort West Municipal Council has adopted its 2013 Spatial Development Framework with the 2017-2022 Integrated Development Plan which may result in some mismatches. For instance, the Vision for 2017-2022 in the first

place as well as the Mission of the current Council reads different from the 2012-2017 Integrated development Plan. It is therefore that the need exist to Review the current Municipal Spatial Development Framework

Climate change and the world getting hotter

Of most concern is the next 10-15 years which is called the energy interregnum a period of generally high energy prices and major fluctuations as the world adjusts to an alternative energy scenario.

To cope Municipalities would need to plan for:

- public transport and rail freight;
- extensive use of solar water heating
- Stringent energy conservation in business and industry
- Recycling or energy from waste

Amazing new Technologies

- Manufacturing will need fewer and more skilled workers
- Tele-processing will reduce the need for meeting travel
- 50% of people will work from home by 2050.

Development Facilitation Act Principles

The Development Facilitation Act (DFA) provides an important set of overarching guidelines in the principles contained in Chapter 1 of the Act.

Promote efficient and integrated land development:

- Integrate social, economic, institutional and physical aspects of land development;
- Integrate land development in rural and urban areas;
- Promote availability of residential and employment opportunities in close proximity to each other;
- Optimise the use of existing resources;
- Promote a diverse combination of land uses;
- Discourage the phenomenon of urban sprawl and contribute to development of more compact towns and cities;
- Contribute to the correction of historically distorted spatial patterns of settlement in the Republic; and,
- Encourage environmentally sustainable land development.

Key themes contained in these principles include:

- Socio-economic integration;
- Rural and urban integration;
- Promoting high levels of access to minimise the use of private motor vehicles; and,
- Limiting urban sprawl so as to increase urban efficiencies relating to business thresholds and minimise the impact of urban growth on agricultural land, areas of scenic beauty and areas of high biodiversity potential.

Implications for Beaufort West Municipality

- The outward growth of settlements should be restricted to prevent the consumption of valuable agricultural and natural environments. This is especially a concern for Merweville and Nelspoort that have vacant land in the inner parts of the settlement.
- Emphasise the creation of integrated settlements especially with regards to poorer communities.
- Provide compact urban environments.

The National Spatial Development Framework

The NSDP aims to direct where government invests its money. It targets areas that have high economic growth potential for the infrastructural (major physical) and social investment. Other areas that do not have high economic growth potential may receive only social capital investment i.e. investing in people, in educating, empowering, and uplifting the people.

It is argued that people who are located in areas of low or no economic growth potential will most likely move to areas of higher economic growth potential and in that way the investment in infrastructure in the low economic growth potential areas will be wasted. Therefore, it is considered more beneficial to invest in the people who can then take the skills with them. Alternatively the people may improve their current living conditions and standards in areas of low growth potential which may eventually result in their area improving its economic potential. By following this strategy government would have invested wisely and ensured the best return for public investment.

Implications for Beaufort West Municipality

- Beaufort West is identified as a tertiary node at the national level.
- Beaufort West Municipality's areas of opportunity focus mainly on the N1 corridor that traverses Beaufort West town.

The N1 corridor has an estimated Average Annual Daily Traffic (AADT) Volume of between 27000 – 105000 vehicles. The areas of Murraysburg, Merweville and Nelspoort represent a challenge in terms of prioritizing capital expenditure and these areas should be the focus of social development grants. A band across the north western and south eastern parts of the municipality is identified as the location of Integrated

Sustainable Rural Development Programme (ISRDP) rural nodes.

A thin band traversing the municipality from west to east, located north of Beaufort West is identified as SANBI scarpment. Beaufort West is identified as a town with high development potential and a high social need. Merweville is identified as a town with low development and a very high social need. Murraysburg is identified as a town with very low development potential and a very high social need. Beaufort West should be the focus of both infrastructure and social interventions, while the smaller settlements (Murraysburg, Merweville and Nelspoort) should be provided with social interventions and basic services.

Department Of Environmental Affairs And Tourism: South Africa's National Biodiversity Strategy and Action Plan

The Department of Environmental Affairs and Tourism prepared the National Biodiversity Strategy and Action Plan (NBSAP) "to develop a plan of action for the conservation and sustainable use of the country's biological diversity." During the NBSAP preparation, the National Biodiversity Implementation Plan identified objectives, outcomes and activities required for the NBSAP to achieve its goals.

These objectives and targets include:

Strategic Objective One: A policy and legislative framework that allows the integration of biodiversity management objectives into the economy.

Targets:

- o South Africa is to meet its international obligations with regards to biodiversity
- o Biodiversity issues become integrated in the macro-economy, informing policy, planning, budgeting and decision making at all levels

Strategic Objective Two: Ensure good governance in the biodiversity sector by enhancing institutional effectiveness and efficiency.

Targets:

- o Biodiversity concerns occupy a significant place on the national agenda
- o Government, stakeholders and role-players work together (effectively and efficiently) to achieve biodiversity management

objectives

Strategic Objective Three: Integrated terrestrial and aquatic management to minimise the impacts of threatening processes on biodiversity, enhances ecosystem services and improve socioeconomic security.

Targets:

- o By focusing on programmes aimed at poverty alleviation, effective control of priority invasive species is achieved
- o Meet biodiversity objectives within all biodiversity priority areas
- o Produce disaster prevention and management plans incorporating wise ecosystem management principles and practices
- o Genetically modified organisms which threaten biodiversity, are not to be released into the environment
- o Consider biodiversity in all aspects of resource use

Strategic Objective Four: Enhance human well-being and development by enhancing the sustainable use of biological resources and equitable sharing of benefits.

Targets:

- o Economies based on the use of species and genetic resources are optimized and sustainably managed
- o Priority fish stocks recover to sustainable levels
- o No species status declines
- o National products sector contribution to GDP grows by 50%
- o With more effective and equitable resources, poverty is alleviated

Strategic Objective Five: Maintain key ecological processes across the landscape and seascape.

Targets:

- o Comprehensive biodiversity monitoring systems inform planning
- o Protected area network in marine environmental hence contribution to representation targets in priority areas
- o No further loss of endangered ecosystems
- o Establish protected environments and manage effectively

Implications for Beaufort Municipality

There are four biomes in the Municipality (Nama-Karoo, Azonal vegetation, Grassland Biome and Fynbos). Special policies need to be formulated in this regard in order to protect these vegetation types. Terrestrial CBAs are to be effectively managed especially. Ensure that Beaufort West's transport hub (rail, road and passenger) is developed to accommodate future growth and to exploit the competitive advantage of Beaufort West along the N1 transport corridor.

Regional Industrial Development Strategy (RIDS)

The Department of Trade and Industries (DTI) Regional Industrial Development Strategy (RIDS) seeks to move South Africa's industrial development policy from the apartheid era's top-down localized approach to a bottom-up approach that treats regions as functional entities and builds on locally available skills and resources and relies on external investment. Therefore, it also seeks to strengthen world-class regions. These are high performance regions that contain companies or networks of companies which need to constantly upgrade so that they do not fall behind in global competition. (The DTI, *ibid*). One strategy here is to concentrate a critical mass of firms in a chosen industry sector together with its upstream suppliers and service providers in a specific geographic location. Necessary support infrastructure includes transport, logistics, communications, education and training. Gauteng's Blue IQ is an example of such a regional economic development strategy.

Implications for Beaufort West Municipality

- Promote Beaufort West as the main driver of the Beaufort West municipal economy.
- Beaufort is the main business and administrative hub of the municipality.
- Forward and backward linkages need to be developed to support economic activities.

Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements (2004)

Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements was prepared in 2004 with the purpose of outlining a plan for the development of sustainable human Settlements.

The policy states the following objectives:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Utilising provision of housing as a major job creation strategy;
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor;
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump; and,
- Utilizing housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring. The policy notes that its initiative is to move beyond the provision of basic shelter towards achieving the broader vision of sustainable human settlements and more efficient cities, towns and regions.

Spatial restructuring will be enhanced by:

- Progressive Informal Settlement Eradication;
- Promoting Densification and Integration;
- Enhancing Spatial Planning;
- Enhancing the location of new housing projects;
- Supporting Urban Renewal and Inner City Regeneration;
- Developing social and economic infrastructure; and,
- Enhancing the Housing Product.

**Western Cape Provincial Spatial Development Framework (WCPSDF)
(November 2009)**

The Western Cape Provincial Spatial Development Framework was approved by the provincial cabinet in December 2009 and aims to give direction and guidance for spatial development within the Western Cape.

This policy document formulates proposals that deal with the following areas of intervention: social economic development; urban restructuring and environmental sustainability.

The WCPSDF is guided by the following objectives:

Objective 1: Align the future settlement pattern of the province with the location of environmental resources for economic opportunities

Objective 2: Deliver human development and basic need programs wherever they may be required

Objective 3: Strategically invest scarce public sector resources where they will generate the highest socio-economic returns

Objective 4: Support land reform

Objective 5: Confirm and strengthen the sense of place of important cultural landscapes, artefacts and buildings

Objective 6: Heal the apartheid structure of urban settlements

Objective 7: Conveniently locate urban activities and promote public and non-motorised transport

Objective 8: Protect biodiversity and agricultural resources

Objective 9: Minimize the consumption of scarce environmental resources particularly water, fuel, burning materials, mineral resources, electricity and land.

The WC-PSDF aims to:

- “Be the spatial expression of the Provincial Growth and Development Strategy;

- Guide IDP's, SDF's and provincial and municipal SDP's;
- Help prioritise and align investment and infrastructure plans other provincial departments as well as national departments;
- Provide clear signals to the private sector about desired development directions;
- Increase predictability in the development environment;
- Redress the spatial legacy of apartheid."

The strategies of the PSDF for the Central Karoo are:

- Reinforce development potential and urban efficiencies of towns with economic growth potential like Beaufort West, Prince Albert and Laingsburg.
- Support the work of SANBI and the Department of Agriculture's Soil Conservation Committees to achieve synergy with veld management programs that will improve both biodiversity conservation and stock carrying capacity.

Implications for Beaufort West Municipality

The order of development priority for Beaufort West Municipality is as follows:

- Beaufort West;
- Merweville, Murraysburg and Nelspoort.

A combined road and rail transport corridor is indicated along the railway that passes through Beaufort Municipality and onwards to the Northern Cape. An area located north of Beaufort West is identified as a tourism development area. Ecological corridors are located along the southern and northern region of the municipality in an east-west direction. The Municipality lacks a public transport and affordable accessibility and mobility. There is a significant need for the implementation of the Central Karoo Mobility Strategy to integrate scholar, health and general public transport services into a single service.

Given the criteria, issues and facilities for determining Urban Edges, Urban Edges should be determined to:

- Exclude prominent landforms and environmental character areas from the urban area;
- Exclude valuable soils for agricultural purposes;
- Exclude valuable soils for mining purposes;
- Exclude surface and ground water resources that could be used to produce potable water;
- Exclude surface and ground water features;
- Exclude ecological resources and establish suitable; ecological corridors to link resource areas;
- Exclude all statutorily declared, proclaimed and protected natural areas;
- Exclude high intensity use and high potential agricultural resources and activity areas;
- Exclude scenic routes and routes of tourism significance;
- Exclude cultural and heritage resource areas and sites;
- Exclude areas that have visual sensitivity, skylines, mountainsides, ridgelines and hilltops; and
- Exclude the WC-PSDF defined core areas.

Implications for Beaufort West Municipality

In the Beaufort West Municipality the following elements play a critical role in delineating the urban edge (DEA&DP, 2005):

- Agricultural land: currently farmed land, high potential agricultural land, agri-processing (wine tasting Facilities, restaurants and guesthouses);
- Rivers, wetlands and floodplains: 1:50 year flood plains, 1:100 year floodplains and the 30m buffer zone around river corridors;
- Heritage aspects such as landscapes, viewsheds, rural landscapes and gateways;
- Topography: Major topographical features (hills, ridgelines and focal points), visual or aesthetic quality of scenery, slopes;

- The policy plans for desired direction and pattern of growth.

MUNICIPAL POLICY

Beaufort West Municipality Integrated Development Plan (2017- 2022)

The Integrated Development Plan (IDP) has the following vision and Mission for the municipality:

VISION

Beaufort West, economic gateway in the central Karoo, where people are developed and live in harmony together

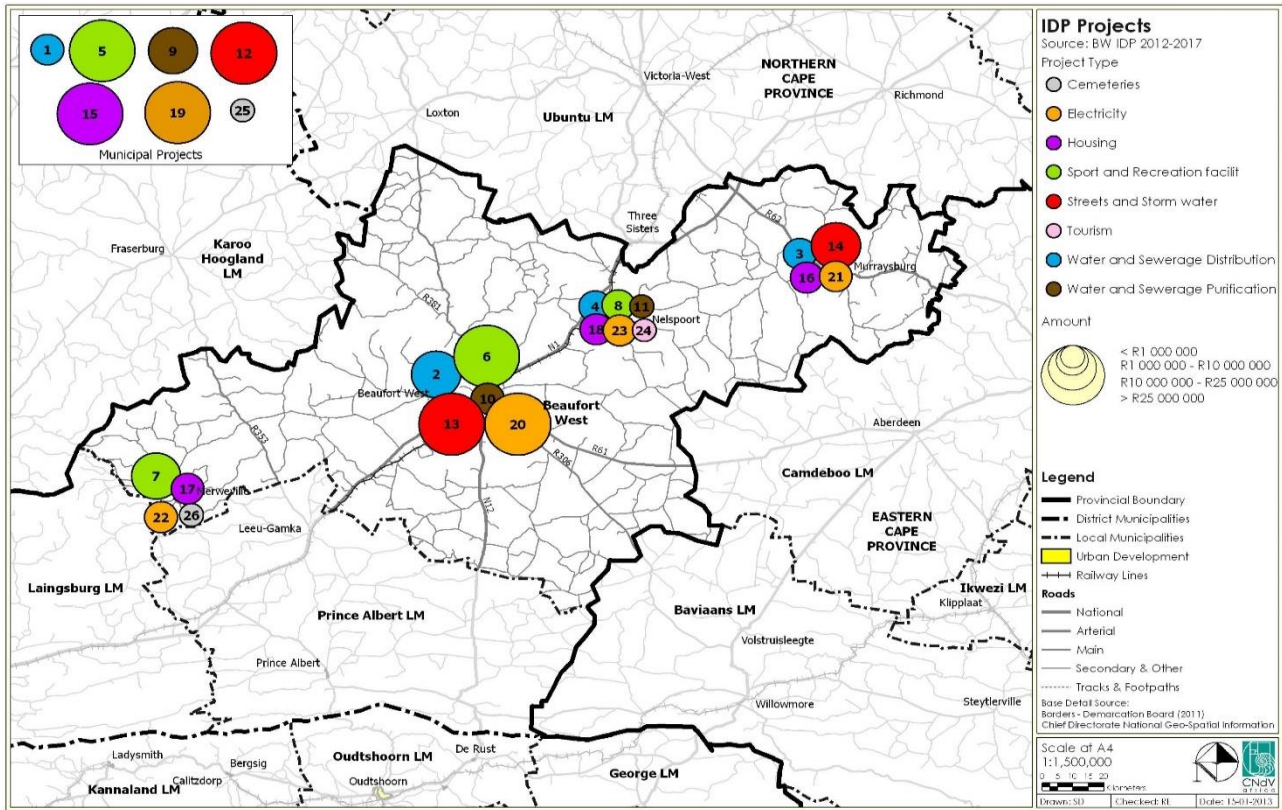
MISSION

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

Service Delivery:	To provide excellent services to the residents of Beaufort West Municipality
Growing the economy:	To implement infrastructure to grow the economy and create jobs;
Staff:	To have an equipped, skilled and motivated staff establishment;
Well-run administration:	establish a sound, efficient and effective administration for the Municipality;
Financial Sustainability:	Collecting all debtors and paying creditors in time;
Sport centre:	To become the sport and recreational mecca of the Karoo, creating harmony and unity
Safe place:	To create a crime-free, safe and healthy environment
Reduce Poverty:	To reduce poverty and promote the empowerment of women, youth and people living with disabilities

The IDP service delivery and infrastructure projects as contained in the MSDF of 2013 for the period 2012-2017, (Beaufort West Municipal IDP 2012-2017, Sec 6) is identified by the previous council and is it difficult to align it with the current Budget for some projects.

The map below indicate the major IDP Infrastructure Projects identified during the 2012-2017 Integrated development plan.



The reality is that there is a gap between the 2017-2022 IDP *'wish list'* and the actual municipal budget.

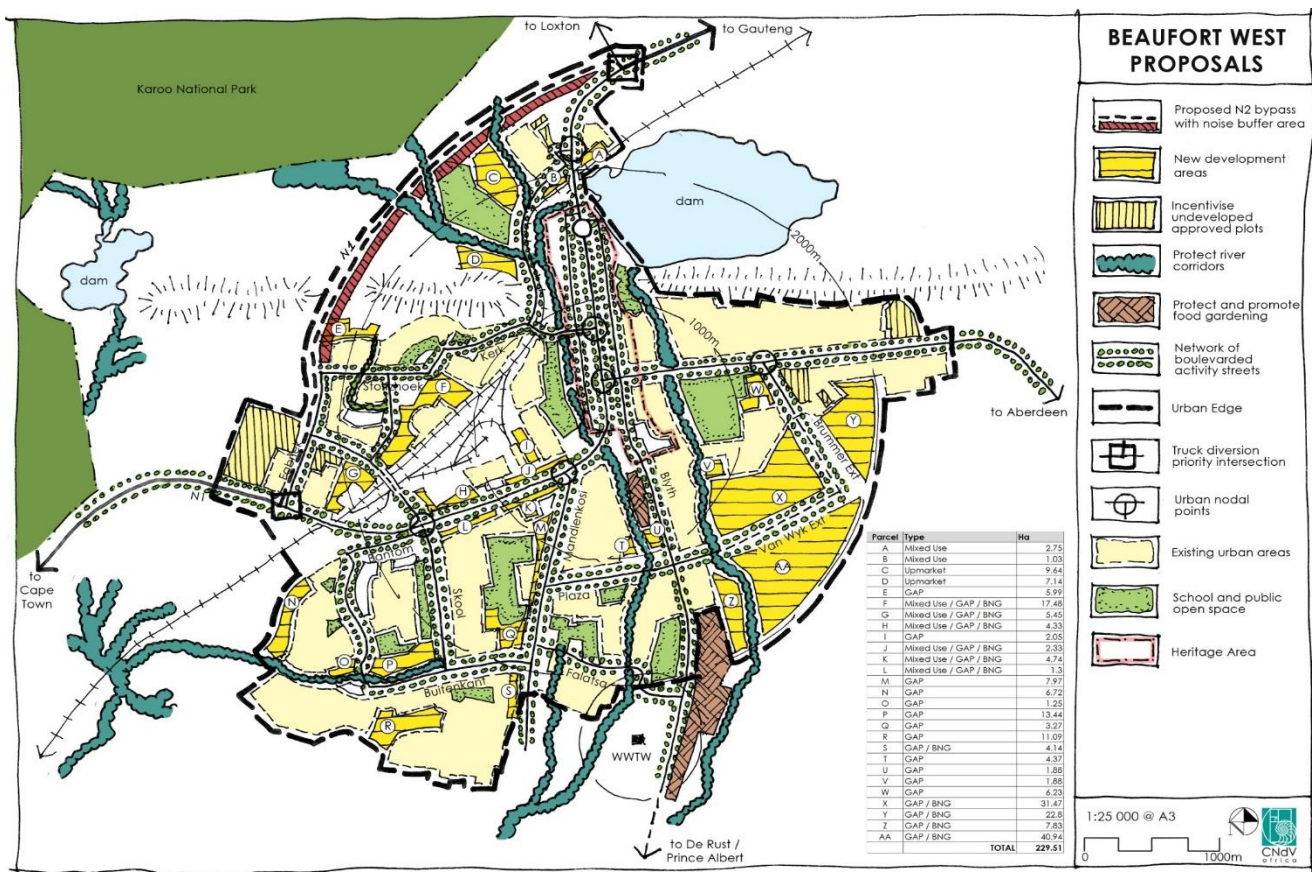
Major Tourism Destination in the Municipal Area

The following are the main tourism destinations:

1. Karoo National Park and existing and future Nuweberg conservancies open to the public;
2. Urban heritage precincts in the main settlements and associated overnight and refreshment facilities; and,
3. Karoo farm stays throughout the municipality, particularly heritage properties.

BEAUFORT WEST SETTLEMENT PROPOSAL

The map below depicts the Settlement Proposals for Beaufort West as contained in the 2013 MSDF:-



(Note: Murraysburg, Nelspoort and Merweville have their own Settlement Proposals)

The 2013 Reviewed SDF also highlights the following critical aspects:

- The landscapes that provide resilience to climate change need to be identified and protected these are:
 - Kloofs, which provide important connectivity and provide both temperature and moisture refuges.
 - Topographically diverse areas, which contain important altitudinal and climatic gradients which are important for climate change adaptation as well as ensuring a range of micro-climates are protected.
- Riverine corridors, which provide important connectivity in extensive arid environments, are also important.

Biodiversity

1. Biomes

The different biomes that are present in the municipality are as follows. These biomes are in order of magnitude of land cover:

- Nama-Karoo Biome (91.51%);
- Azonal vegetation (7.56%);
- Grassland Biome (0.67%);
- Fynbos Biome (0.25%).

Nama-Karoo Biome makes up the largest area of the municipality. It is the third largest biome in South Africa. Its dominant vegetation is a grassy, dwarf shrub land. Grasses tend to be more common in depressions and on sandy soils, and less abundant on clay soils.

Azonal vegetation is located along the rivers and at the wetlands located throughout the municipality. rassland biome, mostly containing Vaal-Vet Sandy Grassland, is found around small isolated area south of Rosedene.

Fynbos biome, small pockets of which are located along the western boundary of the municipality has the greatest number of plant species of any biome in the country. It includes both Fynbos and Renosterveld vegetation. Fynbos tends to grow on poor soil and is extremely rich in plant species. Renosterveld grows on richer soil and can support more animals.

Biodiversity Conservation

2 Conservation

The Beaufort West Municipality is protected through mechanisms such as:

- National Parks: 96%;
- Informal protected areas: 4%.

The Karoo National Park is located in the central area of the Municipality, west of Beaufort West. One private nature reserve (informal protected area) is located in the central area of the Municipality, west of Beaufort West.

A Riparian Habitat Rehabilitation Project is underway in and around the municipality. The purpose of the rehabilitation project is to repair river systems. These rivers have been damaged by poor farming practices and other human activities and has led to the Riverine Rabbit (an important biological indicator species) becoming endangered. The project consists of four conservancies of which the Sakriver Conservancy and the Kromriver Conservancy fall within the Beaufort West Municipality. Refer to Figure 3.2.7.1 for the location of these conservancies.

Finally the 2013 Reviewed and adopted MSDF stipulates inter alia the following:

- Vegetation within the municipality is classified as Least Threatened. Proper management and policies should be ensured to maintain this status.
- No urban development should be permitted in the areas identified as CBAs or the Protected Areas.
- The municipality must promote and encourage the actions taken to improve riverine environments, especially the Riparian Habitat Rehabilitation Project undertaken by the Climate Action Partnership.

The municipality also note that there are critical areas (CBA) that have been assigned to Core 1b, with Core 1a given to formally protected conservation areas in terms of Spatial Planning Category (SPC) in the MSDF that gives specific and careful attention to promoting the protection of the CBAs. However, the municipality currently does not have a plan in place for alien invasive plants removal. This matter will receive attention during the next financial year given budgetary constraints

Conclusion

The Reviewal of the Municipal Spatial Development Framework will have to be fasttracked and the Department of Environmental Affairs and Development Planning will have to assist the Municipality due to the fact that the municipality does not have the necessary finances or in-house capacity to manage the Review process.

4.2 HUMAN SETTLEMENTS APPROVED PIPELINE

The funding allocated to the Beaufort West Municipality for the implementation of Human Settlement projects over the MTEF has been adjusted as follows:-

- **2019/20: R 15,660,000**
- 2020/21 R 16,220,000

- 2020/21 R 21,200,000

The table below depicts the delivery targets for the 2019/2020 provincial financial year (1 April 2019 to 31 March 2020)

No	Municipal Area	Programme	Sites	Units	Funding R'000
1.	Beaufort West S1	IRDP	0	100	13 000
2.	Murraysburg Housing upgrades	IRDP			1 000
3.	Murraysburg Toilets	IRDP			1 000
4.	Murraysburg (300)	IRDP			660
SUB TOTAL			0	100	15 660

Table 52: Delivery targets for the 2019/2020 financial year

Water Crisis Response Policy Guidelines for the Western Cape, issued in terms of Circular 1 of 2018

•The Beaufort West municipality welcome the Water Crisis Response Policy Guidelines for the Western Cape, Circular 1 of 2018 and pledge to adhere to the two broad themes namely **Technical interventions** relating to norms and standards and contractor activities and **Behavioural and Administrative Intervention**.

A more detailed housing development section will be included in the final 2019/2020 Integrated Development Plan that will highlight future housing development plans

4.3 Sector plans

It is imperative that all sector plans prepared within a multi-level governance system and related to the municipal-wide development process, must articulate the municipality's vision, mission and objectives. Although the rationale of each sector plan would differ, the combined output must provide an objective picture of what is aimed at, viz. goals, achievable (with specific time frames) and what is needed to get specific processes unfolded and/or needs addressed. In this regard, the IDP should be the point of convergence for comprehensive municipal-wide long-term planning.

The following table highlights the status quo of the (institutional) sector plans as also discussed in detail within the original 5-year IDP: (The sector plans are electronically available on the municipal website at www.beaufortwetmun.co.za)

Sector Plan	Status	Strategic Objectives	Actions	Resources Requirements	Budget	Responsible Department
Water & Sewerage Master Plan	Approved - process to be reviewed	1.1 To improve and maintain current basic service delivery through specific infrastructural development projects	Sewerage; Water Conservation; Water Treatment; Waste Water Treatment			Engineering Services
Integrated Waste Management Plan	Draft approved by Council		Capacity Building; Waste Water Treatment; Infrastructure maintenance	Funding; Technical Support; Provincial & National Support		Community Services
Integrated Transport Management Plan	District Plan – approved		Public Transport; Capacity Building; Infrastructure; Non-motorized transport			Engineering Services
Disaster Management Plan	Approved; Will be reviewed during 2019-20 Fin Year		Future Planning; Risk mitigation; Risk Assessment; Capacity Building	Funding; Technical Support; Provincial & National Support		Community Services
Spatial Development Framework	Approved 20 May 2014. Needs to be reviewed.		Strategic Planning; Land use; Integrated human settlement	Funding; Technical, Provincial & National Support		All Municipal Departments
Local Economic Development Strategy	Currently busy with process to develop new LED Strategy with the support of SALGA. The National Departm. Economic Dev also confirmed support		2.1 To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	LED initiatives; Programme; SMME's support; Project support; Infrastructure development	Funding Technical Support; Provincial support; National Support	
Performance Management	Approved; Implemented	3.1 Establishment of a well-governed	Managing of staff; Alignment with Legislation, IDP,	Funding; Technical support;		All Departments

Policy Framework		and accountable administration	Budget and SDBIP & PDO's	Provincial Support; National Support		
Risk Management Plan & Strategy	Approved; being implemented	2.3 Sustainability of the environment and agriculture	Risk Identifications, Mitigations, Measures; Response System; Risk Assessment	Funding; Technical Support; Provincial Support; National support		Internal Auditor; Office of the Municipal Manager
Air Quality Management Plan	DEADP is engaging with the municipality on drafting the plan		N/A	N/A	N/A	Community Services
Credit Control and Debt Collection Policy	Approved; being implemented	4.1 Ensure liquidity of the administration	Credit Control; Debt Control	Own Revenue		Financial Services
Indigent Policy	Approved; being implemented.	1.3 Provide for the needs of indigent households through improved services	Regular updating of Indigent Register	National support		Financial Services
Workplace Skills Plan	Approved; being implemented	2.2 To enable education and skills development to equip people with economic skills	Skills Demand; Skills Identification; Capacity Building; Skills Gap; Utilization and training of staff.	Funding; Provincial Support; National Support		HR
Integrated Human Settlement Plan	Draft approved; being implemented	1.1 To improve and maintain current basic service delivery through specific infrastructural development projects	GAP Housing; Consumer Education, Backlogs			Community Services
Long Term Financial Plan	Draft finalized	4.1 Ensure liquidity of the administration	Training; Improve system; Compile and review policies; Credit control; Debt Control	Funding; Provincial support; National support	R400 000	Financial Services
Electricity and Energy Master Plan	Completed. Funding still needed to update electricity info on GIS system	1.1 To improve and maintain current basic service delivery through specific infrastructural development projects	N/A	Funding; Provincial Support; National support		Electrical Services

Table 53: Sector Plans of the Beaufort West Municipality

CHAPTER 5 – OVERVIEW OF THE 2018/19 FINANCIAL YEAR

5.1 Projects identified and implemented: 2018/19

As can be viewed from the IDP Review process of 2019/20, a number of projects have been identified to enable the fulfilment of the strategic objectives of Council. This section serves to provide a short overview of the progress regarding the completion of these projects as it provides a base on whether the projects are completed, whether it would have to be carried over into the new financial year or whether it is incomplete. The projects are outlined as per the strategic objectives and SD-BIP

PROGRESS FUNDED PROJECTS 2018/19

Project								
Programme	PROJECT Description	STRATEGIC OBJECTIVE	WARD	RESPONSIBLE PERSON	FINANCIAL RESOURCES	ESTIMATED COSTS	Progress	
Furniture and office equipment/machinery	Community Services Programme	Furniture and Office Equipment	Provision of basic services to all the people in the municipal area	ALL	Vote 1 - Municipal Manager	CRR	50,000	
Furniture and office equipment/machinery	Community Services Programme	Furniture and Office Equipment	Provision of basic services to all the people in the municipal area	ALL	Vote 2 - Director: Corporate Service	CRR	50,000	
Furniture and office equipment/machinery	Liquidity Programme	Furniture and Office Equipment	Ensure liquidity of the administration	ALL	Vote 3 - Director: Financial Services	CRR	200,000	
Furniture and office equipment/machinery	Community Services Programme	5 X Laptops / PC Workstation Completed	Provision of basic services to all the people in the municipal area	ALL	Vote 2 - Director: Corporate Service	CRR	74,200	
Furniture and office equipment/machinery	Community Services Programme	Fibre Connectivity Infrastructure	Provision of basic services to all the people in the municipal area	ALL	Vote 2 - Director: Corporate Service	CRR	40,800	
Furniture and office equipment/machinery	Community Services Programme	5 X MS Office 2016 Licenses	Provision of basic services to all the people in the municipal area	ALL	Vote 2 - Director: Corporate Service	CRR	10,000	

Furniture and office equipment/machinery	Community Services Programme	Cyberoam Firewall	Provision of basic services to all the people in the municipal area	ALL	Vote 2 - Director: Corporate Service	CRR	75,000	
Furniture and office equipment/machinery project	Community Services Programme	Machinery and Equipment	Provision of basic services to all the people in the municipal area	ALL	Vote 4 - Director: Engineering Services	CRR	200,000	
Beaufort West sport field project	Human Settlements Programme	Beaufort West Sports Stadium : Upgrade Rugby Field	Provision of basic services to all people in the municipal area	2	Vote 4 - Director: Engineering Services	MIG	902,000	Progress: Construction will start in April 2019 and will be completed by 30 June 2019
Beaufort West tennis court project	Human Settlements Programme	Beaufort West: Voortrekker Street Sports Fields - Upgrade Tennis Courts	Provision of basic services to all people in the municipal area	2	Vote 4 - Director: Engineering Services	MIG	635,543	Progress: Construction will start in April 2019 and will be completed by 30 June 2019
Mandlenkosi Sport field project	Human Settlements Programme	Kwa-Mandlenkosi : Upgrade Sports Stadium	Provision of basic services to all people in the municipal area	4	Vote 4 - Director: Engineering Services	MIG	635,543	Progress: Construction will start in April 2019 and will be completed by end of December 2019 (Multi Year Project)

Rustdene Sport Stadium upgrade	Human Settlements Programme	Rustdene : Upgrade Existing Regional Sport Stadium Ph2	Provision of basic services to all people in the municipal area	5	Vote 4 - Director: Engineering Services	MIG	135,865	Funds was re-allocated with 2018/19 adjustment budget
	Human Settlements Programme	Nelspoort: Upgrade Sport Stadium	Provision of basic services to all people in the municipal area	2		MIG	500,00	Project not registered at MIG and will be done during 2019/2020 Fin year
Sewer Pump Station Project	Sanitation Services Programme	Prince Valley, Area S8 : New Bulk Sewer Pump Station & Rising Main	To improve and maintain current basic service delivery through specific infrastructural development projects	6	Vote 4 - Director: Engineering Services	MIG	317,205	Funds was re-allocated with 2018/19 adjustment budget
	Roads Programme	Merweville: Upgrade Roads	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	7	Vote 4 - Director: Engineering Services	MIG	1,023,000	Project not registered at MIG and will be done during 2019/2020 Fin year
Roads Rehabilitation Project	Roads Programme	Nelspoort : Upgrade Roads - Freddie Max Crescent	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	2	Vote 4 - Director: Engineering Services	MIG	1,300,000	Project will be completed by 30 June 2019
Roads Rehabilitation Project	Roads Programme	Prince Valley (Ward 6) : Upgrade Streets - James	To facilitate investment and maintenance of economic	6	Vote 4 - Director: Engineering Services	MIG	2,754,898	Project will be completed by

		Smith/Michael de Villiers Avenue	and social infrastructure to ensure infrastructure-led economic growth and development					by 30 June 2019
Furniture and office equipment/machinery project	Community Services Programme	Machinery and Equipment	Provision of basic services to all the people in the municipal area	ALL	Vote 5 - Director: Community Services	CRR	200,000	
		Beaufort West : New Refuse Transfer Station		2	Vote 5 - Director: Community Services	MIG	-	
Electrification equipment project	Electricity Programme	Machinery and Equipment	To improve and maintain current basic service delivery through specific infrastructural development projects	ALL	Vote 6 - Director: Electrical Services	CRR	200,000	Completed
S1 –S4 Housing electrification project	Electricity Programme	Electrification of 257 Houses (S1 Development) Phase 1	To improve and maintain current basic service delivery through specific infrastructural development projects	7	Vote 6 - Director: Electrical Services	INEP	3,983,500	Still in progress. Will be completed by 30 June 2019
Lou Smith substation project Ph2b	Electricity Programme	Upgrading of Low Smith Substation (Phase 2)	To improve and maintain current basic service delivery through specific infrastructural development projects	4 5 6	Vote 6 - Director: Electrical Services	INEP	2,800,000	Still in progress
Katjieskop Substation Project	Electricity Programme	Upgrading of Beaufort West Substation - Katjieskop (Phase 3)	To improve and maintain current basic service delivery through specific infrastructural development projects	2	Vote 6 - Director: Electrical Services	INEP	716,500	Still in progress. Will be completed by 30 June 2019.

S1 –S4 Housing electrification project	Electricity Programme	New S1 Development Substation	To improve and maintain current basic service delivery through specific infrastructural development projects	7	Vote 6 - Director: Electrical Services	MIG	2,500,000	Still in progress. Will be completed by 30 June 2019.
High Mast lighting project	Electricity Programme	Greater Beaufort West Ph2 : New High Mast Lighting	To improve and maintain current basic service delivery through specific infrastructural development projects	ALL	Vote 6 - Director: Electrical Services	MIG	2,704,703	Completed
Roads Rehabilitation Project	Roads Programme	Murraysburg : Rehabilitate Roads & Stormwater	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	1	Vote 4 - Director: Engineering Services	MIG	1,023,128	Project will be completed by 30 June 2019
High Mast lighting project	Electricity Programme	Murraysburg : New High Mast Lighting	To improve and maintain current basic service delivery through specific infrastructural development projects	1	Vote 6 - Director: Electrical Services	MIG	1,155,315	Completed

Table 54: Progress of 2018/19 Funded Projects

Apart from the projects implemented above and the community needs identified during the 2019/2020 public participation process, a number of other electricity priority projects which could not be funded during the start of the 2018/2019 financial year are populated in the table below:

No.	Area	Number of high lights needed	Amount	Possible funding (i.e MIG)
1.	Graceland	6	R 2,4 mil	MIG
2.	Rustdene (Bantom/N1)	5	R 1,9 mil	MIG
3.	Rustdene	4	R 1,6 mil	MIG
4.	Hooyvlakte	1	R 400 000	MIG
5.	Lande	3	R 1,2 mil	MIG
6.	Nelspoort	3	R 1,2 mil	MIG
7.	Prince Valley	2	R 800 000	MIG

CHAPTER 6 - MUNICIPAL ACTION PLAN FOR 2019/20 FINANCIAL YEAR

6.1 Introduction

This section consists out of the following three sub-sections:

Subsection 1: Projects 2019/20 Financial Year

This section describes the various projects that will have to be implemented in the 2019/20 Financial Year.

Subsection 2: Financial Viability of the Municipality

The municipality can only implement projects successfully and therefore achieve its strategic objectives given the extent of the financial viability of the municipality. This section gives a brief overview of the anticipated financial viability in the 2019/20 financial year.

Subsection 3: Intergovernmental sector projects

All the levels of government have a responsibility to deliver services given the respective mandates. As a number of government departments will be implementing their projects in the Beaufort West municipal area of jurisdiction, it is important to give an overview of these projects as to ensure successful alignment.

6.3 Section 2: Consolidated Financial Review

This section gives an overview of the Financial Viability of the municipality as the implementing agent for the IDP. In essence this section will also contain multi-year budgets with a 3 year commitment and a strategy for municipal revenue generation, external grants over a medium or long term including the final budget. The following is a brief exposition of related process in the formulation of the draft budget.

6.3.1 Budget Summary 2019/20

- **Total Revenue**
Total revenue projected amounts to R 348,583 million.
- **Property rates**
Total projected property rates amounts to R 38,791 million (12.20%) of total budgeted revenue.
- **Service charges**
Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality's revenue budget. It constitutes 39.72% of total revenue. Municipalities are advised to structure their 2019/20 electricity tariffs based on the approved 11.75 percent NERSA (National Energy Regulator of South Africa) guideline tariff increase.
- **Expenditure by type**
 - Total expenditure excluding capital expenditure amounts to R 337,498 million.
 - Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

- **Employee related costs**

Employee related cost increased from R 107,480 (2018/19) to R 110,109 million (2019/20). Employee related costs constitutes about 32.63% of total expenditure

Bulk purchase

Bulk purchases increased from R 67,280 million (2018/19) to R 70,500 million (2019/20). These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water increases from Water Reclamation Plant. Municipalities are advised to structure their 2019/20 electricity tariffs based on the approved 13.8 per cent NERSA (National Energy Regulator of South Africa) guideline tariff increase.

6.3.2 Capital Budget

A capital budget amounting to R 31,923 million is proposed for 2019/20 (R 19,687 million and R 23,528 million for the outer years). The capital budget will be funded as follows:

Vote Description	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand			
Funded by:			
National Government	28,673	18,787	19,527
Provincial Government	2,050	900	4,001
District Municipality	–	–	–
Other transfers and grants	–	–	–
Transfers recognised - capital	30,723	19,687	23,528
Borrowing	–	–	–
Internally generated funds	1,200	–	–
Total Capital Funding	31,923	19,687	23,528

6.3.3 Financial Viability

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & INDICATOR	2015/16	2016/17
Debt coverage (Total operating revenue-operating grants received): debt service payments due within the year)	25 times	24 times
Service debtors to revenue - (Total outstanding service debtors: revenue received for services)	19.94%	31.7%
Cost coverage (Available cash + investments): Monthly fixed operating expenditure	0.6 times	0.4 times

National KPI's for financial viability and management

An important factor considered by investors in relocating to an area, is the ability of the authorities to demonstrate adequate provision of services, financial discipline, affordable tariffs, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports.

Highlights: Financial Services

The following table indicates the highlights of the financial year:

Highlights	Description
In-house compilation of Budget and Annual Financial Statements (AFS)	Less dependency on consultants resulting in huge cost savings
Integrated Recovery Plan developed	Plan adopted by Council and Implementation Manager appointed

Financial Services highlights

Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Vacancies in critical positions not yet filled	Positions advertised, vacancies to be filled
Limited office space – Historic building	Redesign and upgrade of office facilities
Implementation of mSCOA, new financial system	Vendor on-site to assist, staff received training, monthly Steering Committee meetings held
Lack of resources (funds, human capital)	Apply for all available funding, organisational structure reviewed

Financial Services challenges

6.3.4 Revenue raising strategies

The municipality will strive to increase its revenue by implementing the following strategies:

- Strategy 1:** The guidance on how to improve the payment ratio of the area can be found in the credit control and debt collection policy. This policy highlights the procedures to be followed in the collection of all moneys owed to the Municipality.
- Strategy 2:** To ensure through Local Economic Development that employment opportunities are generated which will enable families to start paying for services.
- Strategy 3:** To create a climate for investment in the area, this will in turn also generate employment opportunities.
- Strategy 4:** To ensure that the figures in respect of families that qualify in terms of the indigent policy, are correct so as to qualify for an increased amount from national government.

- Strategy 5:** To introduce a system through which services payment by employed people is guaranteed by having such payments deducted by their employers before salaries are paid out.
- Strategy 6:** The installation of prepaid meters is essential in securing future payment for services by residents.
- Strategy 7:** To enlarge the revenue base of the municipality by ensuring that all properties are correctly zoned. (The property rates tariffs are based on the zoning)
- Strategy 8:** To enlarge the revenue base of the municipality, by implementing an alternative energy project where energy can be supplied to citizens and surplus fed into the grid, resulting in an on-going source of revenue for the municipality.

6.3.5 Expenditure management strategies

The municipality will strive to curb its expenditure by implementing the following strategies:

- Strategy 1:** To reduce expenditure on non-core functions, by considering Public Private Partnerships.
- Strategy 2:** To limit operating and capital expenditure to essential items.
- Strategy 3:** To investigate and limit water and electricity losses.
- Strategy 4:** To limit employee related expenditure, by introducing a fingerprint time and attendance system.
- Strategy 5:** To introduce a fleet management system to reduce fuel and other operating vehicle related costs.
- Strategy 6:** To reduce interest and redemption expenditure by exploring alternative ways (possible grant funding) to pay off the long-term loans.

6.3.6 Asset management strategies

A GRAP compliant asset register forms the back bone to any system of asset management. In addition to an effective maintenance program, it is also critical that adequate, comprehensive insurance coverage is in place at all times.

The municipality will be examining all its inventory and equipment to ensure that redundant and unused items are disposed of according to prescription. This will ensure a more accurate asset register as well as reduce risk and therefore insurance costs.

In order to comply with audit and financial disclosure requirements, often-used items and consumables will be taken onto inventory and managed accordingly. Council has adopted an Asset Management Policy in December 2012

6.3.8 FUNDED PROJECTS 2019/20

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade Kwa-Mandlenkosi Library	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Community Facilities:Libraries	800,000	900,000	1,000,000
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade of Cemeteries - Beaufort West, Nelspoort, Murraysburg and Merweville	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Community Facilities:Cemeteries/Crematoria	940,367	1,000,000	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade Sports Stadium - Kwa-Mandlenkosi	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities	1,297,000	-	-

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade Sports Fields Ph2 - Merweville Sports Fields	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities	-	-	2,626,908
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade Existing Regional Sport Stadium Ph2 - Rustdene	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities	2,144,632	2,144,632	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	09. Responsive, accountable, effective and efficient local government	02. Inclusion and access	Provision of basic services to all the people in the municipal area	Community Services Programme	Upgrade of Nelspoort Sportsground - Nelspoort	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities	600,000	2,120,768	4,483,982

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Sanitation Services Programme	Rehabilitate Sanitation: Oxidation Ponds - Nelspoort	Capital:Infrastructure:Existing:Renewal:Sanitation Infrastructure:Waste Water Treatment Works	-	-	2,134,647
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Streets - Kwamandlenkosi: Dliso Ave & Matshaka St	Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads	1,505,340	-	-
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Roads - Nelspoort: Freddie Max Crescent	Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads	730,788	-	-

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Streets - Prince Valley: (Ward 6) James Smith/Michael de Villiers Ave	Capital:Infrastructure:Existing: Upgrading:Roads Infrastructure:Roads	100,000	-	-
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Rehabilitate Gravel Roads - Rustdene, Kwamandlenkosi & Hillside II	Capital:Infrastructure:Existing: Upgrading:Roads Infrastructure:Roads	1,945,200	-	-
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Gravel Roads - Pieter Street	Capital:Infrastructure:Existing: Upgrading:Roads Infrastructure:Roads	-	1,073,542	-

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade of Kamp Street - Merweville	Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads	2,104,593	2,104,593	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Solid Waste Programme	New Refuse Transfer Station - Beaufort West	Capital:Infrastructure:New:Solid Waste Infrastructure:Waste Transfer Stations	-	532,874	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	03. Growth	To improve and maintain current basic service delivery through specific infrastructural development projects	Electricity Programme	Electrification 291 Houses S1 Phase 3	Capital:Infrastructure:New:Electrical Infrastructure:LV Networks	4,714,000	-	-

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	03. Growth	To improve and maintain current basic service delivery through specific infrastructural development projects	Electricity Programme	Extention of Beaufort West Katjieskop Sub-station Phase 4	Capital:Infrastructure:New:Electrical Infrastructure:HV Substations	2,800,000	5,000,000	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	03. Growth	To improve and maintain current basic service delivery through specific infrastructural development projects	Electricity Programme	Beaufort West Main Sub-station	Capital:Infrastructure:New:Electrical Infrastructure:MV Substations	7,886,000	-	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	03. Growth	To improve and maintain current basic service delivery through specific infrastructural development projects	Electricity Programme	New Extension Louw Smit Substation	Capital:Infrastructure:New:Electrical Infrastructure:MV Substations	-	-	5,000,000

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Water Services Programme	New Water Supply Pipelines & Upgrade Boreholes & Pump Station - Beaufort West: Klein Hans River	Capital:Infrastructure:Existing: Upgrading:Water Supply Infrastructure:Boreholes	-	-	2,732,415
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Water Services Programme	New Bulk Water Supply - Nelspoort	Capital:Infrastructure:Existing: Upgrading:Water Supply Infrastructure:Bulk Mains	-	810,961	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Water Services Programme	Boreholes	Capital:Infrastructure:Existing: Upgrading:Water Supply Infrastructure:Boreholes	1,250,000	-	-
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	08. Sustainable human settlements and improved quality of household life	02. Inclusion and access	To improve and maintain current basic service delivery through specific infrastructural development projects	Water Services Programme	Boreholes	Capital:Infrastructure:Existing: Upgrading:Water Supply Infrastructure:Boreholes	-	-	3,001,000

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Rehabilitate Roads & Stormwater - Murraysburg	Capital:Infrastructure:Existing: Upgrading:Roads Infrastructure:Roads	1,905,480	1,905,480	-
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Streets - Murraysburg: Setlaars, Paarden & Perl Rds	Capital:Infrastructure:Existing: Upgrading:Roads Infrastructure:Roads	-	-	2,549,448
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	New Stormwater Drainage - Murraysburg	Capital:Infrastructure:New:Storm water Infrastructure:Storm water Conveyance	-	1,539,000	-

National KPA	MTSF	IUDF	Own Strategic Objectives	IDP Programme	Project Name	SCOA Project	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
KPA 2: LOCAL ECONOMIC DEVELOPMENT	06. An efficient, competitive and responsive economic infrastructure network	02. Inclusion and access	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development	Roads & Storm Water Management	Upgrade Stormwater Channel - Murraysburg South	Capital:Infrastructure:Existing: Upgrading:Storm water Infrastructure:Storm water Conveyance	-	555,500	-

Table 55: Funded Projects 2019/2

6.4 Section 3: National and provincial projects

As stated, a number of national and provincial departments currently either implement projects in relation to their respective mandates or will be implementing projects in the Beaufort West area of jurisdiction. It is important to align these projects with the municipality's planning processes.

The following information include municipal-wide projects of national and provincial departments to be implemented during the next three years, i.e. **2019/20 to 2020/2021**.

6.4.1 Department of Transport and Public Works

The **Department of Transport and Public Works** has **two (2) infrastructure and/or capital expenditure projects** listed on the pipeline with a budgeted allocation **value of R 56 million** over the MTEF period 2019/20 to 2021/2022.

Department of Transport and Public Works				
Strategic Objective:				
Approved IDP Project Reference Number	Nature of Investment	Infrastructure type	Project Programme Name	MTEF Total
Vote	Refurbishment and Rehabilitation	Resealing	C1123 PRMG Reseal B/West – Willowmore 38 km	50 000 000
Vote10	Refurbishment and Rehabilitation	Reasealing	C1085 B/West – Willowmore Reseal	8 000 000

Table 56: Department of Transport and Public Works

6.4.2 Department of Health

The **Department of Health** has **four (4) infrastructure and/or capital expenditure projects** listed over the MTEF for implementation with a budgeted allocation **value of R 11,600 million** over the period of 2019/20 to 2021/2022.

Department of Health				
Strategic Objective:				
Approved IDP Project Reference Number	Nature of Investment	Infrastructure type	Project Programme Name	MTEF Total
Vote 6	Refurbishment and Rehabilitation	Other Specialised	Nelspoort Hospital –Repair to Wards	1 5000

Vote 6	Refurbishment and Rehabilitation	Hospital District	B/West Hospital-Rationalisation	8 000 000
Vote 6	Non Infrastructure	Health Technology	Nelspoort Hospital –HT-Repairs to Wards	1 500 000
Vote 6	Non Infrastructure	Health Technology	B/West – Kwamandlenkosi Clinic – HT – General upgrade	600 000

Table 57: Department of Health

6.4.3 Department of Human Settlements

The **Department of Human Settlements** listed **three (3) infrastructure and/or capital expenditure projects** with a budgeted allocation **value of R 53,080 million** over the period of 2019/20 to 2021/2022. The projects fall within the categories municipal planning, services and infrastructure projects and is currently being planned and implemented.

Department of Human Settlements					
Strategic Objective:					
Approved IDP Project Reference Number	Nature of Investment	Infrastructure type	Project Programme Name	MTEF Total	
Vote 8	Infrastructure transfers - Capital	Municipal Project: Planning	Murraysburg (220) IRDP	36 060 000	
Vote 8	Infrastructure transfers - Capital	Municipal Project: Top Structures	Beaufort West: S1: 883 Sites - IRDP	13 000 000	
Vote 8	Infrastructure transfers - Capital	Municipal Project: Services	Beaufort West: Essopville G2 – 67 - IRDP	4 020 000	

Table 58: Department of Human Settlements

6.5 Other Departments implementing projects in the Municipal area/jurisdiction

6.5.1 National Department Cooperative Government and Traditional Affairs

The abovementioned Department is currently implementing the Community Work Programme within the municipal space which provide a number of Jobs for unemployed people in Beaufort West.

The Site Profile is as follows:-

The Site Name: Beaufort West

- Number of Participants: 1357

- Female participants: 890
- Male participants: 467
- Youth: 493
- Disable persons: 59

It is worth noted that the Beaufort West site has increased with the total amount of 257 new participants. Secondly, there is also a noticeable increase in the number of disable participants during the 2018/2019 financial year

Participants are placed at the following institutions, schools, clinics, crèches, ECD centres, advice offices, Thusong centres, municipalities, churches, play parks, different sector departments, open spaces, police stations, libraries and at the Association for People with Disabilities.

The areas of participations includes inter alia Health, Environment, sport and recreation, crime prevention and people with disabilities.

The budget details for the 2019/20 financial year for the CWP is reflected in the table below:

Budget Item	Budgeted Amount
Wages	R 11,710,028.00
Protective gear and equipment	R,845,884.00
Material and tools	R 710,543.00
Training and Technical Support	R 744,378.00
UIF/COIDA	R 351,301.00
TOTAL	R 14,362,134.00

Table 59: CWP Budget Allocation 2019/2020

The Municipality will further strengthen its relationship with the CWP to ensure the effective utilization of the participants to serve our communities even better. The Beaufort West CWP site is being regarded as the best site in South Africa.

Challenges in the programme:

The Local Reference Committee is established but does not function effectively as it should be. This is also due to the vastness of the Beaufort West Municipal area. The site is divided into seven (7) wards as reflected below:

No.	Town	Ward
1	Murraysburg	1
2.	Nelspoort	2 A
3.	Beaufort West	2 B, 3, 4, 5, 6 and 7 B
4.	Merweville	7 A

Environmental Projects for 2019/20 between Municipality and CWP:

A number of complaints has been raised during the Public participation meetings held for the 2019/20 Review regarding the waste that the community dump in residential areas which could result in health problems. Given the aforementioned, the Municipality and the Community Work Programme will jointly compile a programme to address this challenge during the 2019/2020 financial year. Meaning that both stakeholders will commit available resources to this project.

The Municipality and the CWP will also strive to work together on a project to eradicate invader plants in an attempt to protect our water resources. The Municipality and the CWP will further collaborate to ensure that the CWP site plan is aligned with the Municipal Integrated Development priorities and programmes.

6.5.2. National Department Public Works

The National Department of Public Works is mandated to lead and coordinate the EPWP. The Expanded Public Works Programme involves creating work opportunities for unemployed persons. The goal of the EPWP Integrated Grant is to provide EPWP funding to expand job creation in specific focus areas, where labour intensive delivery methods can be maximized and the expansion of job creation in line with the EPWP guidelines. The EPWP Integrated Grant allocation for the 2019/20 financial year the amount of R 1 924 000.00.

Once received, the EPWP Integrated Grant cannot be used for any other purpose except EPWP approved projects. The EPWP Integrated Grant must be applied to continuing or expanding job creation in any sectors and for this purpose it is a performance indicator on the Director: Engineering Services Performance plan. The municipality must complete a Business plan/ Project list on an annual basis and must be submitted to National Department of Public Works for consideration for funding

6.5.3 Beaufort West Thusong Centre

The Thusong Service Centre (formerly known as Multi-Purpose Community Centres — MPCCs) programme of government was initiated in 1999 as one of the primary vehicles for the implementation of development communication and information and to integrate government services into primarily rural communities. This was done to address historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services. The Beaufort West Thusong Service Centre was first called the Beaufort West Multipurpose Centre. It officially opened on the 7 February 2003 under a Non – profit Organisation and was transferred to the Beaufort West Municipality on 1 March 2012.

At the Beaufort West Thusong Service Centre, government departments render services monthly. Some Government Departments are located within the proximity of the local Beaufort West Thusong Service Centre.

SERVICE PROVIDERS

- ✓ Cash Pay Masters
- ✓ Beaufort West Municipality
- ✓ Department of Home Affairs
- ✓ Department of Housing
- ✓ Molo Songololo
- ✓ Beaufort West Municipality Indigent Grants
- ✓ Radio Gamkaland
- ✓ Tele Centre
- ✓ Conference Room

Financial Responsibilities of the three spheres of government

The Local Municipality should cover all costs associated with infrastructural maintenance of the Thusong Service Centres. All Lease Agreements should be entered into with the Local Municipality and contract management should be a function performed by the Local Municipality. All municipal services, namely rates, water, electricity and refuse should be covered by the Local Municipality.

The Provincial Department of Local Government should contribute operational funding towards the salaries of the Thusong Service Centre Management Staff who are responsible for the day to day operational management of the Thusong Service Centre. The Provincial Government should also continue to play a strategic provincial co-ordination role and facilitate the process of the anchor local, provincial and national departments being based at the Thusong Service Centre.

National Departments would contribute to the Thusong Service Centres funding through their lease payments.

REVENUE INCOME: MUNICIPALITY

The estimated revenue that will be generated from the lease income for the 2019/2020 financial year is indicated in the table below and should be utilized by the municipality to defray some of the Thusong Service Centres operational expenses.

Tenants	Monthly Rental	Annual Rental
Department of Home Affairs	R 10039.17	R 120470.04
SASSA	R2287.87	R 27454.44
Radio Gamka	R 3135.00	R 37620.00
Molo Songololo	R 667.50	R 8010.00

6.5.4 Initiation of Thusong Economic Projects

The Thusong service centre is in the process to apply for funding from the Department: Local Government to fund two (2) Local Economic projects for Nelspoort and Merweville during the 2019/2020 financial year.

6.6.1 Provincial allocations

The provincial allocations to the Beaufort West Municipality as gazetted, amount to:-

- ✓ 2019/2020 – R 25,800 mil
- ✓ 2020/2021 – R 23,698 mil
- ✓ 2021/2022 - R 32,132 mil

PROVINCIAL GRANT	Department	2019/2020 (R'000)	2020/2021 (R'000)	2021/2022 (R'000)
Library Services: Replacement funding for most vulnerable B3 municipalities	Cultural affairs and Sport	5 856	6 172	6 511
Community Library Services Grant	Cultural affairs and Sport	800	900	1 000
Human Settlements Development Grant	Human Settlements	15 660	16 220	21 200
Community Development Workers (Operational Support Grant)	Local Government	204	204	204
Thusong Service Centre's Grant (Sustainability: Operational Support Grant)	Local Government	110	110	-
Financial assistance to municipalities for maintenance and construction of transport infrastructure	Transport and Public Works	50	58	58
Financial Management Support Grant	Provincial Treasury	330	-	-
Financial Management Capacity Building Grant	Provincial Treasury	380	-	-
Municipal Accreditation and Capacity Building Grant		224	238	252
Fire Services Capacity Building Grant		-	-	3 001
Municipal Drought Relief Grant		2 500	-	-
Support Grant		-	110	110
TOTAL		25 800	23 698	32 132

Table 60: Grant allocations - Provincial Government

6.6.2 National Allocations

GRANT	2019/2020 (R'000)	2020/2021 (R'000)	2021/2022 (R'000)
Equitable Shares	62 434	67 202	72 482
Local Government Financial Management Grant	1 700	1 700	1 964
Expanded Public Works Programme Integrated Grant for Municipalities	1 924	-	-
Municipal Infrastructure Grant	13 972	14 513	15 292

Integrated National Electrification Programme (Municipal)	15 400	5 000	5 000
Regional Bulk Infrastructure Grant	5 000	5 000	9 999
TOTAL	100 430	93 415	104 737

Table 61: Grant allocations - National Government

6.6.3 Establishment of E-Centres (Department of the Premier)

The department of the Premier has already established e-centres in Beaufort West, Merweville and Murraysburg which is fully operational. The Department has indicated its readiness regarding an available budget to establish a centre for Nelspoort during the 2018/2019 financial year. The process to establish the E-Centre in Nelspoort is well under-way. The target was to complete the centre by end of March 2019. Part of the delay was the identification of a suitable site which comply to the technical requirements of Cape Access.

Further discussions has been entered into with the department to establish at least one more e-centre in ward 7, to cover the areas of Hillside, Hillside 2, Toekomsrus the Barrakke and the new S1 area.

6.7 FINANCIAL PLAN

Section 26 of chapter 5 of the Local Government Municipal Systems Act, No 32 of 2000 prescribes the core components of the Integrated Development Plan (IDP). Section 26(h) requires the inclusion of a financial plan, which should include a budget projection for at least the next three years. This financial plan aims to determine the financial affordability and sustainability levels of the Municipality over the medium term.

The Municipal Budget and Reporting Regulations (MBRR) (part 2: “Budget-related policies of municipalities”) require the accounting officer to see to it that budget-related policies are prepared and submitted to Council. One of these is the long-term financial plan policy, which aims to ensure that all long-term financial planning is based on a structured and consistent methodology, thereby securing the Municipality’s long-term financial affordability and sustainability.

A municipality’s financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the IDP. It provides guidance for the development of current budgets and assesses financial impacts on outer years’ budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.

The Municipality has done long term financial planning in order to determine the appropriate mix of financial parameters and assumptions within which the municipality should operate to facilitate budgets that are affordable and sustainable at least ten years into the future. This helps to identify the consequential financial impact of planned capital projects on the municipality’s operating budget.

The planning is reviewed annually to determine the most affordable level at which the municipality can operate optimally, taking into account the fiscal overview, economic climate, national and

provincial influences, IDP and other legislative imperatives, internal governance and community consultation.

6.7.1 Financial strategy

The 2019/20 MTREF period represents the third year of the municipality's next five-year IDP horizon.

It commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook, and consultation with various role players. The process encompassed the following:

- •Framework for and strategic direction of the budget;
- •Forecast taking above direction into account.
- •Departmental budget presentations to execute the Municipality's strategies, business improvement measures and implementation readiness of capital programmes.
- •Utility Services presentations on their proposed budgets and tariff increases.

6.7.2 Key Financial Drivers

Ensuring congruence between the Municipality's strategy and budget included alignment with the:

- •IDP;
- •Development Strategies;
- •Core economic, financial and technical data obtained at local and national level; and
- •Other issues, policies and strategies stemming deemed important in this regard.

6.7.3 Management and governance frameworks

The outcome of the modelling incorporated the above as well as the assumptions outlined below. The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- •higher-than-inflation repairs and maintenance provision to attain nationally benchmarked levels, thereby ensuring and enhancing the preservation of municipal infrastructure;
- •higher increases to selected cost elements subjected to higher-than-average inflationary pressure, such as staff costs;
- •the assumption of a 100% capital expenditure implementation rate;
- •credible collection rates based on collection achievements to date, and also incorporating anticipated improvements in selected revenue items; and
- •national and provincial allocations as per the 2019 Division of Revenue Act (DORA) and
- •Province's 2019/20 MTREF allocations circular to municipalities.

6.7.4 Economic outlook/external factors

The slowdown in emerging markets has led to downward revisions of economic growth forecasts, particularly for developing countries. The sluggish growth experienced in the South African economy is exacerbated by the lower export commodity prices, drought conditions, constraints in electricity supply and a decline in business confidence. According to the Bureau of Economic Research (BER),

real growth is projected to average 1,5% over the next year and then strengthen moderately to 2.1% in 2021. It is expected that the factors causing the slow growth, such as the electricity and severe drought in the Karoo constraints, will improve in the next two years.

The value of the rand against the US dollar has declined continuously over the past five years, which can be attributed to various factors, including the decline in global commodity prices, poor business confidence and the electricity supply crisis. The BER projects that over the medium term, the rand is expected to stabilise at an average of R16, 60 against the dollar.

Oil prices declined over the past year, mainly driven by the supply of the commodity exceeding its demand. The fall in the oil price partly cushioned the impact of the weaker rand exchange rate. The consumer price index (CPI) has fluctuated between 4, 3% and 6, 1% over the past five years, but is expected to surpass the South African Reserve Bank (SARB) inflation target range of between 5.2% and 5.4%. CPI forecasts for at least the next two years are expected to remain above the 5% upper inflation target, as per the latest BER forecast.

The Municipality's CPI forecast for the next three financial years is 5, 2% and 5, 4%. The national inflation forecast set out in National Treasury Circular 94 is 5, 2%, 5, 4% and 5, 4% for the national fiscal years 2019 to 2022.

6.7.5 National and provincial influences

In drafting the MTREF, the following national and provincial influences received special attention:

a) Medium-Term Budget Policy Statement (MTBPS)

The MTBPS highlighted that the South African economy had grown slower compared to what was projected at the beginning of 2018. The prolonged effect of the drought weighed heavily on the province's economic growth; it is estimated that the provincial economy has contracted by 0.1 per cent in 2018, mainly due to a huge slump in the agriculture, forestry and fishing sector. This slow growth is due to various factors, which include the global growth slowdown, energy constraints, weak business confidence and low household demand.

To maintain healthy public finances and support social and economic transformation, the MTBPS set out the following measures:

- Narrow the budget deficit and stabilise the national debt-to-GDP ratio.
- Support restructuring of the electricity sector, and reduce the immediate risks Eskom poses to the economy and the public finances.
- Renew economic growth by strengthening private-sector investment, improving the planning and implementation of infrastructure projects, and rebuilding state institutions.
- Build the energy capacity, water and transport networks and communication systems we need, expanding investments by state-owned companies and the private sector alongside departmental and municipal initiatives.
- Ensure that public debt remains affordable and that the public expenditure ceiling is maintained, while flagship social and economic programmes are protected.
- Improve living standards and accelerate social development, working with municipalities to strengthen planning and concentrate investment in urban hubs and economic growth zones.

- •Enhance state capacity and the quality and integrity of governance, reinforce financial management and procurement reforms, and step up public-sector training and institutional renewal.
- •Rapidly implement the National Development Plan, working with the business sector, organised labour and social stakeholders to maintain a stable labour relations environment, improve confidence and promote broad-based development.

With regard to the measures above, the Municipality is continuously investing in the Expanded Public Works Programme (EPWP) and to implement cost containment measures, including reducing the cost of national and international travel, catering and entertainment. These measures are revisited and assessed on an annual basis to ensure that maximum efficiencies are attained.

b) National Treasury Municipal Financial Management Act (MFMA) circulars.

The key circulars relating to the MTREF are as follows:

MFMA Circular 94, which mainly focused on the grant allocations per the 2019 Budget Review and the 2019 Division of Revenue Bill. It included and advised on, inter alia, the following:

- •Local government reforms and changes to the fiscal framework, including allocations, grants, MBRR requirements, reporting indicators and the Municipal Standard Chart of Accounts (mSCOA).
- •The need for a conservative approach in projecting revenue as economic challenges continues to put pressure on municipal revenue generation and collection.
- •These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures.
- •Keeping increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households and other customers, and ensure the financial sustainability of the municipality.
- •Ensuring that municipalities' tariffs are adequate to at least cover the costs of bulk services, as well as ensuring that all properties are correctly billed for property rates and all services rendered.
- •Guidelines for the MTREF electricity, water and sanitation tariffs.
- •Considering improving the effectiveness of revenue management processes and procedures, paying special attention to cost containment measures by, inter alia, controlling unnecessary spending on nice to- have items and non-essential activities.

6.7.6 Expenditure analysis –A three-year preview

a) General inflation outlook and its impact on municipal activities

CPI projected for the Municipality is 5, 2% for 2019/20 and 5, 4% for each of the two outer years of the MTREF period. These levels are within the SARB inflation targeting range of between 3% and 6%.

b) Management and governance framework

The Municipality's projected inflation rate is to remain below 6%. However, various budget elements, including salaries, repairs and maintenance, interest and depreciation cost, will experience higher-than-CPI increases. This creates a fiscal gap, which necessitates higher than- CPI increases.

c) Interest rates for borrowing and investment of funds

Borrowing interest rates are factored in at a rate of 11% for 2019/20 and 12% for each of the outer years. An average investment interest rate of between 6% and 6.5% is forecast over the MTREF.

d) Collection rate for revenue services

In accordance with relevant legislation and national directives, the Municipality's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the debt impairment, the following collection rates were applied:

Table 7.1: Collection rates

- Rates 95%
- Electricity 98%
- Water 90%
- Sanitation 90%
- Refuse 90%
- Housing 55%

The collection rates for rates and service charges are expected to remain constant over the MTREF period, except for refuse services. On-going debt management initiatives are being implemented, which are intended to improve the collection rate to targeted levels. The housing collection rate is also expected to increase over the MTREF period.

e) Salary increases

A three-year salary and wage collective agreement with Unions. In the absence of an agreement for the outlying years of this MTREF period, the provisions for 2019/20 were assumed for those years as well. In terms of the agreement, the salary and wage increases are to be annually calculated for all three years using the average CPI for the period 1 February of the previous year to 31 January of the forecast budget year + 1%. This formula was used in determining the staff cost provisions over the MTREF.

f) Ensuring maintenance of existing assets repairs and maintenance

National Treasury Circular 94 reminded municipalities to consider the budget management issues discussed in previous circulars. Circulars 54, 55 and 58 stressed the importance of securing the health of a municipality's asset base by increased spending on repairs and maintenance. Circular 55 further stated that "allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the benchmarks".

Circulars 55 and 70 set the ratio of operational repairs and maintenance to asset value (write-down value) of the municipality's property, plant and equipment (PPE) at 8%. The municipality averages 9, 4% over the MTREF period. To give effect to the above directives, but still ensure that rates and tariffs are affordable, repairs and maintenance was budgeted at 1% above CPI over the MTREF period, as opposed to 3% above CPI in previous years.

g) Operating financing of capital depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is calculated based on simulated SAP data that reflect actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

h) Borrowing and credit rating outlook

The Municipality's borrowing occurs in terms of chapter 6 of the MFMA, according to which a long-term loan will only be entered into if it is affordable and sustainable. This is also influenced by the capital investment requirement over the MTREF period. The municipality's credit rating demonstrates the administration's ability to meet its short- and long-term financial obligations. Potential lenders also use the rating to assess the municipality's credit risk, which in turn affects the pricing of any subsequent loans taken. Factors used to evaluate the creditworthiness of municipalities include the economy, debt, finances, politics, management and institutional framework.

i) Capital expenditure

The total capital budget included for the three-year MTREF period is as follows:

Capital budget over the MTREF

Grants received from National Government and from Province remain a significant funding source over the MTREF period.

6.7.7 Revenue analysis – a three-year preview

a) Growth or decline in municipal tax base

The current unstable economic climate has restricted material service growth projections. The respective projected growth for the Municipality's services is as follows:

Rates: Service growth for rates is projected at 0, 25% for the 2019/20 to 2021/22 financial years, and is expected to increase to 1% in the years thereafter. The projected growth can be ascribed to economic growth that is not at sustainable levels to encourage new developments and/or home improvements. This position is expected to improve in the third year of the MTREF.

Water and sanitation: Water and sanitation projected zero growth over the next three years there is an expected physical reduction as a result of water restrictions. However, due to the adjusted tariff levels, this is neutral revenue within the MTREF projections. Projections are based on the latest trends flowing from current economic conditions as well as water-saving initiatives.

Electricity: Electricity has projected a 1, 5% annual shrinkage on sales revenue over the MTREF period due to the impact of energy-saving plans and increasing tariffs, which all serve to reduce consumption.

Refuse: A 2% service growth was applied over the MTREF period for refuse. This is as a result of growth in the demand for refuse services and increasing of tariffs.

b) Major tariffs and charges: Rates and trading services

The adverse impact of the current economic climate, the demand for new and upgraded infrastructure, savings initiatives and lower demand for services made tariff increases at higher-than-CPI levels inevitable.

National Treasury Circular 94 of March 2019 stated the following: "National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2019/20 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

The Municipality has therefore included the following revenue increases in the MTREF period.

Property rates: An average rates tariff increase of 7.05% is proposed for 2019/2020 and 7% for the two financial years. The higher than- CPI increases will provide for recurring operating costs, new budget realities as well as investments in new infrastructure for rates funded services. Further contributing factors include lower projected rates service growth and higher-than-CPI salary and capital cost increases.

Electricity: The National Energy Regulator of South Africa (NERSA) published their new multi-year price determination for the period from 2019/20 to 2021/22 on 7 March 2019. Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. The Municipality will apply a 11, 75% revenue increase for 2019/2020, 12.6% and 9.6% for the next two financial years. Business for this service comprises the purchasing and redistribution of electricity, with bulk purchases averaging 63% of the service's total budget. The higher-than-CPI average electricity tariff

increase is therefore mostly attributed to the NERSA-approved Eskom increase on bulk purchases, which is 13, 8% for the 2019/20 financial year. In addition, electricity sales are reducing due to energy-saving plans, load-shedding as well as elasticity as a result of increasing tariffs. This increase will also provide for the continual operating costs of the service as well as investments in new infrastructure.

Water and sanitation: According to National Treasury Circular 78, “municipalities should consider the full cost of rendering the water and sanitation services when determining tariffs related to these two services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time”.

Mindful of this, the water and sanitation average tariff increase was set at 7, 0% for 2019/20 and 7% for each of the two outer years of the MTREF period. The higher-than-CPI tariff increase is due to various factors, including the financial impact of the capital programme (new infrastructure, expansion and rehabilitation of current infrastructure to address capacity constraints and ensure system efficiency), repair and maintenance programmes, cost of the social package provided, severe drought, and recurring operating costs.

Due to the current climatic conditions, water restrictions were introduced accompanied by a 20% reduction-level tariff. This tariff will be applicable for the next three financial years until further decisions regarding the water restrictions are made.

Solid waste: Circular 78 reminds municipalities that budget management issues dealt with in previous circulars are still applicable. Circular 70 advised that “in many instances waste tariffs do not cover the cost of providing the different components of the service. Where this is the case, municipalities should aim to have appropriately structured, cost reflective solid waste tariffs in place by 2015”. Solid waste charges two tariffs, namely for disposal and for refuse. The average disposal tariff increases for 2019/20 is 9, 0%, while the increase for the two outer years is 9, 0% and 9, 0% respectively. These increases are required for capital investment and related operating expenses.

Housing rental (Council rental properties): The monthly rental charge for the municipality’s housing rental properties is based on a rate per square metre applied to the size of the unit being rented, coupled with a set of premiums/deductions based on the location, maintenance level and facilities of the specific property. Through addressing the economic challenges faced by many poorer residents, particularly those residing in municipal rental stock, the total average increase in rental charges 2019/20 has been retained at an affordable level, namely an annual increase of 6,05% for units with separate water meters, or 8,61% for units where rental charges include water. Acknowledging the on-going multi-year implications of inflation on the costs associated with the management of rental properties, including the maintenance of the properties as well as administrative costs, the annual increase in rental charges is not directly aligned with the full economic cost of operating the rental units. Instead, the Municipality subsidises the difference between the rental based on economic cost recovery (CPI-linked) and the actual amount charged. Tenants who were occupying the Municipality’s rental properties in 2007 receive a subsidy of 20% of the rental charge, being the final portion of the phase-out programme that was not fully implemented to facilitate affordability for longstanding tenants.

6.7.8 2019 Division of Revenue Act - Equitable share

The reviewed equitable share formula includes a subsidy for the provision of free basic water, electricity, sanitation and refuse removal services to the poor. It also provides funds for the institutional costs of municipalities, and a community services component that provides funding towards the provision of core municipal services not included under basic services.

To ensure that the funds for institutional costs and non-trading services are targeted at poorer municipalities, the formula applies a revenue adjustment factor reflecting municipalities' ability to generate their own revenue. The revised formula used statistics from the 2011 Census, which are to be updated annually to reflect estimated population growth and projected increases in the cost of services such as water and electricity. Equitable share provisions included in the budget are based on the 2019 DORA.

The following amounts were allocated to the Municipality:

- 2019/20 – R62, 434 million
- 2020/21 – R67, 202 million
- 2021/22 – R72, 482 million

6.7.9 COLLECTION RATES

- ✓ Rates 95% 95% 95%
- ✓ Electricity 98% 98% 98%
- ✓ Water 90% 90% 90%
- ✓ Sanitation 90% 90% 90%
- ✓ Refuse 90% 90% 90%
- ✓ Housing 55% 56, 5% 58%

6.7.10 REVENUE PARAMETERS

- ✓ Rates 7.05% 7, 0% 7, 0%
- ✓ Electricity 11, 75% 12, 5% 9, 6%
- ✓ Water 7, 0% 7, 0% 7, 0%
- ✓ Sanitation 7, 0% 7, 0% 7, 0%
- ✓ Refuse 9, 0% 9, 0% 9, 0%
- ✓ Disposal 9, 0% 9, 0% 9, 0%

6.7.11 GROWTH PARAMETERS

- ✓ Rates 0, 25% 0, 25% 1%
- ✓ Electricity -1, 5% -1, 5% -1, 5%
- ✓ Water 0% 0% 0%
- ✓ Sanitation 0% 0% 0%
- ✓ Refuse 2% 2% 2%

6.7.12 EXPENDITURE PARAMETERS

- ✓ Salary increases

- ✓ Salary (South African Local Government Bargaining Council agreement) 6, 5% 7, 0% 7, 0%
- ✓ Increment provision 2% 2% 2%
- ✓ General expenses 5, 9% 5, 5% 5, 5%
- ✓ Repairs and maintenance 6, 9% 6, 5% 6, 5%
- ✓ Interest rates
- ✓ Interest paid 11% 12% 12%
- ✓ Interest on investment 6, 5% 7% 7, 5%

6.7.13 OTHER

- ✓ Capital (CRR component) expenditure R1, 2 mil R0 R0
- ✓ Equitable share allocation R62, 434 R67, 202 R72, 482

CHAPTER 7 - PERFORMANCE MANAGEMENT

Integrated Development Planning enables the achievement of the planning stage of performance management. Performance management fulfills the implementation, management, monitoring and evaluation of the Integrated Development Plan. The performance of an organization is integrally linked to that of its staff. It is therefore vitally important for any municipality to periodically review its own performance as well as that of its employees.

The Municipality's Performance Management Framework and Policy is not fully in place. Key performance indicators have been refined in support of the municipality's development priorities and objectives to ensure consistency in measuring and reporting on long term strategies and projects.

Measurable performance targets about each of these development priorities and objectives were developed and are reflected on the Top Layer Service Delivery and Budget Implementation Plan (SDBIP). A process to ensure regular reporting is in place and gets reported quarterly to the Council through the Performance Audit Committee.

Individual performance agreements and performance plans for the Municipal Manager and Directors are prepared annually in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette). These agreements are fully implemented and aligned with the SDBIP in line with the Municipal Finance Management Act 56 of 2003.

Performance Evaluation Panels have been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager and performance assessment is taking place after each financial year.

The Municipality is also busy to put a process in place to implement Individual Performance Management, to enhance its capability to be able to effectively, efficiently and progressively cascade Performance Management to the lower levels of its Administrative echelons.

The Municipality is also currently busy to address some of the audit findings of the 2017/18 financial year in order to prevent recurring findings for the 2018/2019 financial year on performance management.

LIST OF ACRONYMS

AG	Auditor General
DBSA	Development Bank of South Africa
DEAT	Department of Environment Affairs and Tourism
DHSS	Department of Health and Social Services
DLA	Department of Land Affairs
DLG&H	Department of Local Government and Housing
DM	District Municipality
DMA	District Management Area
DME	Department of Mineral and Energy
DoL	Department of Labour
DoRT	Department of Roads and Transport
DPLG	Department of Provincial and Local Government
DPW	Department of Public Works
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EDU	Department of Education
EFF	External Financing Fund (Ad Hoc)
EHS	Environmental Health Services
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EMP	Environmental Management Plan
EPIP	Environmental Protection and Infrastructure Programme
EPWP	Expanded Public Work Programme
FBS	Free Basic Services
FMG	Finance Management Grant
GIS	Geographic Information System
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HOD	Head of Department
ICT	Information and Communication Technology
IDP	Integrated Development Planning
IEM	Integrated Environmental Management
IGR	Intergovernmental Relations
INEP	Integrated National Electricity Program
IT	Information Technology
SCM	Supply Chain Management

