

BLUE CRANE ROUTE MUNICIPALITY (EC102)



Draft ANNUAL REPORT 2023/2024

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

Circular 63 of the Municipal Finance Management Act (MFMA) 56 of 2003 enjoins the Mayor to table to the municipal Council the Draft Annual Report for a financial year under review. It is for this purpose that the Draft Annual Report for 2023/24 financial year is prepared for the Council and the community of Blue Crane Route Municipality. The purpose of such a report is to provide a record of the activities of the municipality during the financial year in which it relates. This report is prepared in recognition of our obligation as an accountable and transparent government. It reflects how we fared in the implementation of our Integrated Development Plan (IDP) and Budget for 2023/2024 financial year.

During the year under review, collective efforts of both Political and Administration strived to achieve the outcomes of service delivery for all residents of Blue Crane Route Municipality. Although there were many impediments in providing service delivery such as aging infrastructure, theft and vandalism, service delivery protests and heavy rains, the municipality strove to ensure its objectives were achieved.

BCRM has consistently received Unqualified Audit Opinions over the past 8 years. Despite the huge financial constraints, the municipality managed to keep afloat and was able to meet the third-party obligations.

It is therefore a pleasure to present the Draft Annual Report for 2023/2024 financial year.

CLLR B.A MANXOWENI
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

This 2023/24 Annual Report is prepared in terms of Section 121 of the MFMA of 2003, Section 46 of the Municipal Systems Act No. 32 of 2000 and National Treasury Circular No. 63, which seeks to give effect to BCRM legislative and constitutional mandate.

Blue Crane Route Municipality is a Category B municipality entrusted with discharging Section 155 and 156 of the Constitution of RSA (Act 108 of 1996) and Section 83 and 84 of the Municipal Systems Act.

The following services are performed on a shared basis: Fire and Disaster Management, Environmental Health (SBDM), Housing Development (DHS), Rural Roads (Dept. Of Roads & Transport), Library Services (DSRAC).

From a governance and Institutional Arrangement perspective the municipality is functional. All Senior Management positions have been filled. The Audit and Performance Committee term ended at the end of June 2024 and the appointment of the new committee will be done in the next financial year. The Internal Audit Unit is fully functional as they continue to discharge their respective statutory obligations. The municipality obtained an Unqualified Audit opinion for 2022/23 financial year with reduced matters of emphasis.

The following are the top 5 strategic risks the municipality has identified during the year under review:

Top 5 strategic risks	Action Plan
Low revenue base	Facilitate approval of revenue enhancement strategy
Inaccuracies in the systems generated reports	Ensure that relevant versions of the latest SAMRAS are implemented by engaging System vendors with a proven-on implementation;
Ineffective Asset Management	Asset Management Policy
Ineffective Records Management	Records Management Policy
Slow spending of grant money received	SCM Policy

It is important that I take this opportunity to thank our Municipal Council, Directors, Managers, and all staff members for their contribution towards the stability of the municipality even during difficult times.

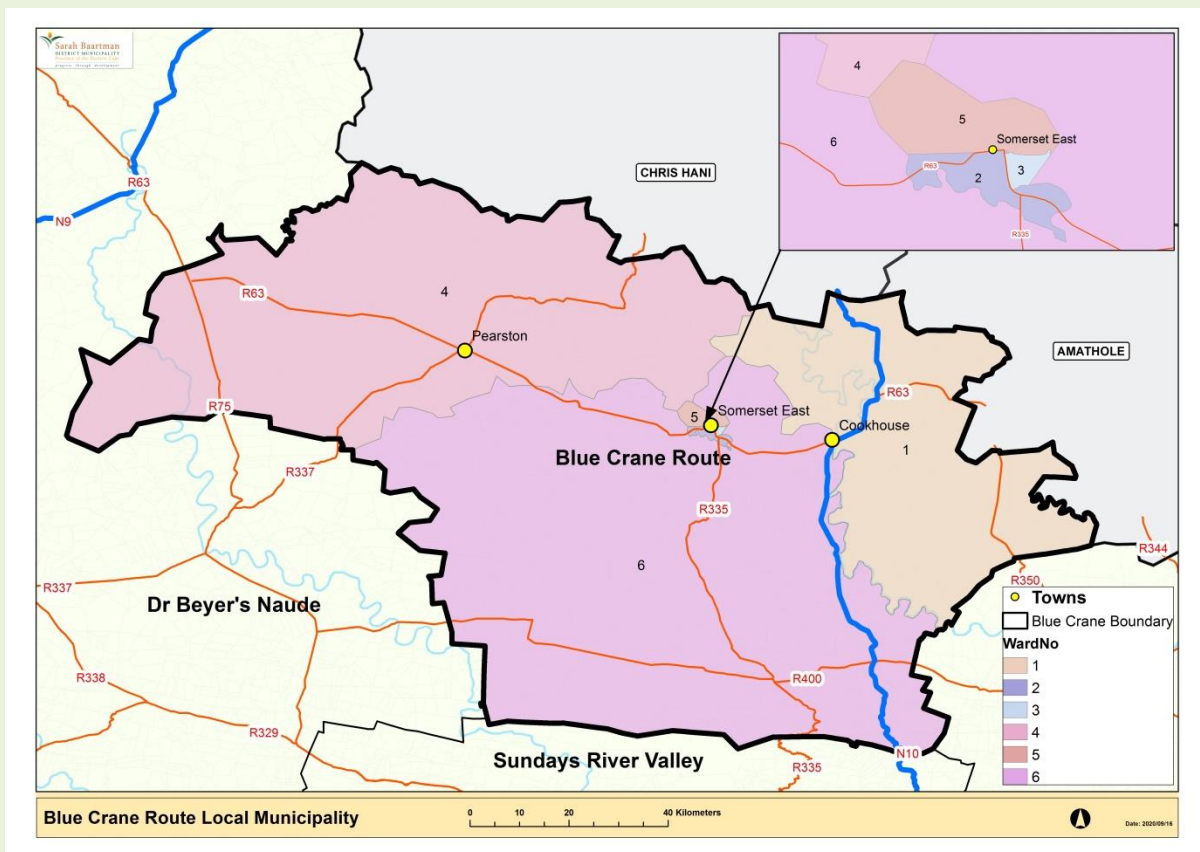
MR M.P NINI
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION TO BACKGROUND DATA

This section includes an analysis of the demographic, socio-economic and infrastructure development dimensions. The statistical information was sourced from StatsSA 2022. The district perspective is presented to provide a better understanding of the context within which the BCR municipality operates.

1.2.2 POPULATION AND ENVIRONMENTAL OVERVIEW

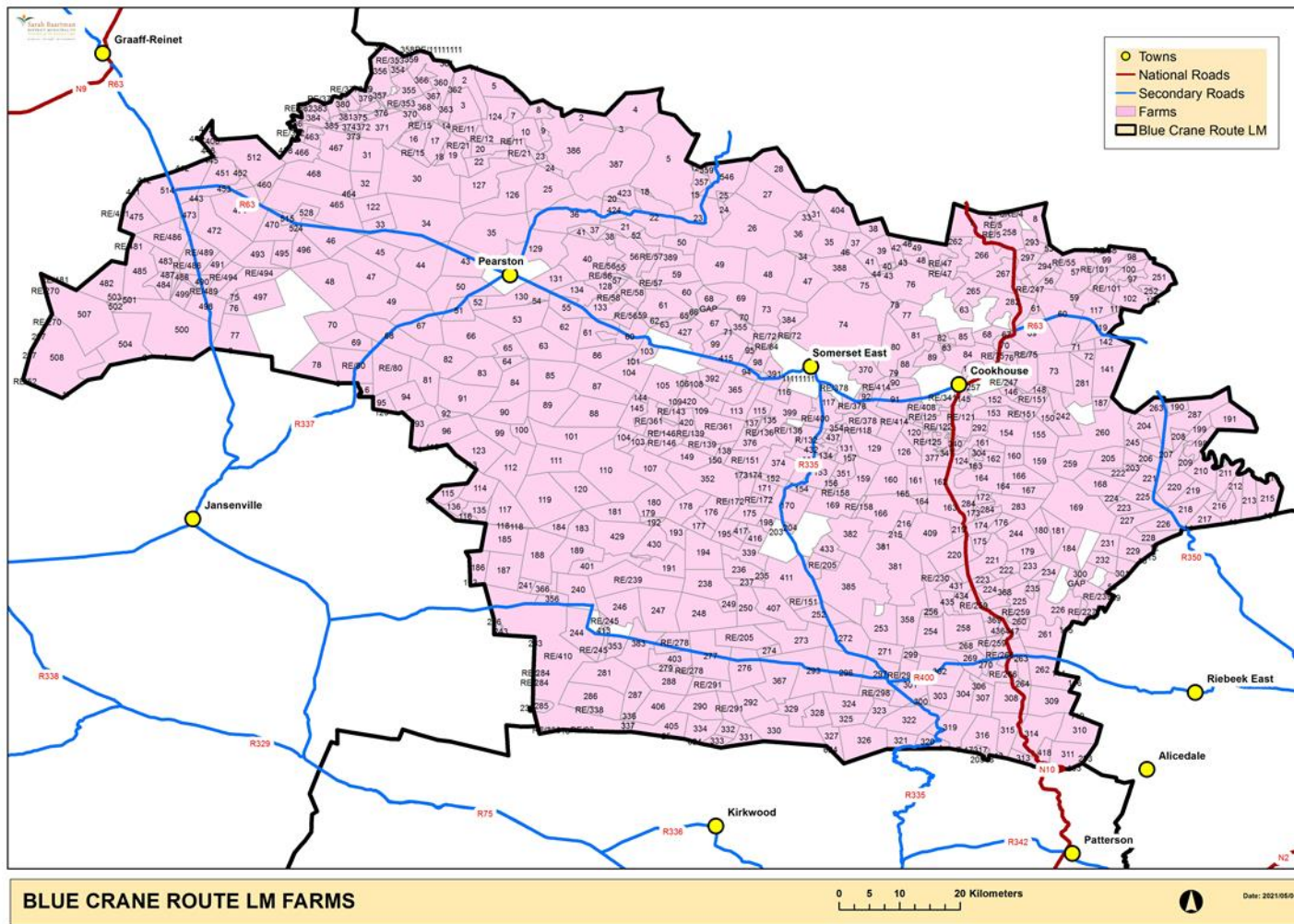


The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east of Raymond Mhlaba Municipality (Amathole DM), North-west of Inxuba Yethemba municipality (Chris Hani DM), South of Makana

Municipality and the South-west of Sundays River Valley municipality. The Blue Crane Route Municipality is located at 67 Nojoli Street, KwaNojoli.

The Blue Crane Route Municipality comprises of the primary node of KwaNojoli, which is the main commercial hub, two secondary service centres i.e. Pearston and Cookhouse, and vast rural commercial farmlands. According to Census conducted by StatsSA 2022, the population of Blue Crane Route Municipality has increased to 49 883 compared to Census 2011 which was 36 002 and Community survey conducted in 2016 which was 36063, reflecting 0,17 population growth rate. This therefore indicates that the growth rate of the population is very slow due to number of issues flowing from migration, death and birth rate.

KwaNojoli is a political and administrative seat of the municipality and is situated at the foot of the Boschberg Mountain. Blue Crane Route Municipality has 6 Wards and eleven (11) Councillors who constitute Council. In terms of the population per ward, Census 2022 reflects the overall growth of the area not at ward level.



1.2.3 DEMOGRAPHIC PROFILE

Table 1: Population and extent of Area km² - EC, SBDM and BCRM

Population figures	Province of the Eastern Cape	Sarah Baartman District Municipality	Blue Crane Route Local Municipality
Total Population Census (2011)	6 562 053	450 584	36 002
Total Population (Community Survey 2016)	6 996 976	479 923	36 063
Total Population Census (2022)	7 230 204	533 253	49 883
Area km ²	168 966 km ²	58 243.3 km ²	11 068.56 km ²

Source: StatsSA 2011 and StatsSA 2022

As indicated by the statistical information above, Blue Crane Route accounts for 8% of the Sarah Baartman District and 0.5% of the Provincial population. Geographically Blue Crane Route makes up 19% of the District municipality's landmass with a population density of 3.25 per km².

1.2.4 DEMOGRAPHIC TRENDS

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

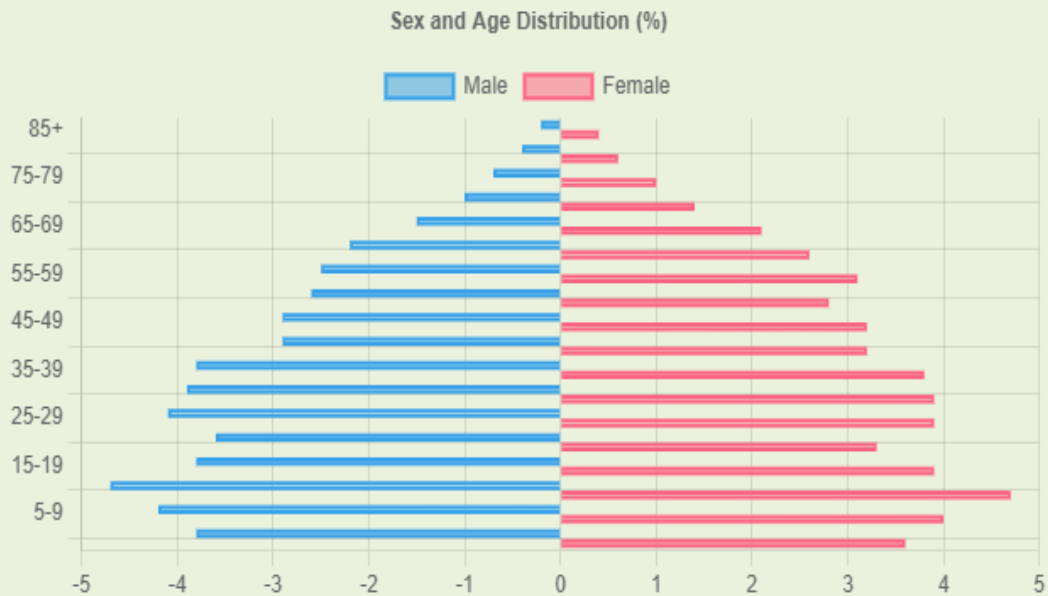
DEMOGRAPHICS	STATSSA CENSUS 2011	%	GROWTH % p.a.	COMSURVEY 2016	%	STATSSA CENSUS 2022
Blue Crane Route Total Population	36002		0.17	36063		49 883
Age distribution	36 002			36063		49 883
0-14	10517	29.2	0.2	11824	32.8	12 471
15-64	22962	63.8	0.2	20471	56.8	32 823
65+	2524	7.0	1.3	3768	10.5	4 589
Gender	36 002			36063		
Male	17680	49.1	0.5	17841	49.5	24 193
Female	18322	50.9	0.1	18223	50.5	25 690
Population Grouping	36 002					
Black	21247	59.0	0.19	21283	59.0	25 889
Coloured	11888	33.0	0.32	13283	36.8	17 217
White	2453	6.8	-0.6	1448	4.0	5 542
Indian/Asian	118	0.3	46.2	50	0.1	342
Other	295	0.8	-	-		891
Head of Household: Gender	9 761					16 117
Male	5 927	60.7	-0.9	-		

Female	3 834	39.3	2.3	-		
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Source: StatsSA 2011/ Com Survey 2016/ StatsSA 2022

Census 2022 reflects that the population is dominated by young people between the age of 15 and 39, which requires intergovernmental planning efforts to jointly focus on improved education system, creation of employment opportunities and provision of sports and recreation facilities. The high number of children could also be an indication of a dependency on child support grants.

Figure 1. Population by gender and age in 2022 (% of total population).



Source: Statistics South Africa, Census 2022

1.2.5 WATER AND SANITATION PROVISION

Table 3: Water and Sanitation Provision

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761		1.7%	
Sanitation	9 470	9 760		3.06%	
Flush toilets	4439	7856	80.5	7.7	88.4
Flush septic tank	390	395	4.0	0.1	-
Chemical	244	25	0.3	-9.0	0.1
VIP	127	83	0.9	-3.5	-
Pit latrines without ventilation	752	327	3.4	-5.7	4.1
Bucket latrine	1921	277	2.8	-8.6	2.9
None	1597	617	6.3	-6.1	3.5
Other		180	1.8	-	-
Water – Access to piped water	8 530	9 740		12.4%	91.2
Household	2289	5022	51.5	11.94	-
In yard	5027	3903	40.0	-2.24	-
Community stand <200 m	526	323	3.3	-3.86	-
Community Stand >200m	688	172	1.7	-7.50	-

No access to piped (tap) water		340	3.5		8.8
Water – Source of water		9 760			
Water scheme operated by municipality or other WSP		7830	80.2		-
Borehole	128	955	9.8	64.6	-
Spring	5	30	0.3	50.0	-
Rain tank	196	275	2.8	4.0	-
Dam/stagnant water	207	317	3.2	5.3	-
River/stream	201	53	0.5	-7.4	-
Water vendor	17	31	0.3	8.2	-
Water Tanker		132	1.4	-2.7	-
Other	180	137	1.4		-

Source: StatsSA 2011 and CS 2016

The level of waterborne system/connection shows a growth of 7.7% p.a. over a period of 10 years (2001 to 2011). The number of bucket latrines reflects a negative growth of -8.6% p.a. over the same period which in effect means that bucket toilets have been reduced by 85.6% from 20.3% in 2001 to 2.8% in 2011. The standard and provision of sanitation and water shows a significant improvement from 2001 to 2011. The BCRM has a total of 8929 houses which has access to drinking water and basic level of sanitation. Three hundred and fifty (350) households which make (4%) of the households are people living in the informal settlements, their access to sanitation is in a form of bucket system and have access to drinking water in a form of community stand pipes which are within 200m walking distance from the households.

Financial Performance Year 2023/2024: Water Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	34 186	42 193	42 627	36 870	-14%
Total Operational Expenditure:	23 005	28 683	28 128	22 582	-27%
Net Operational Expenditure (Surplus)	-11 181	-13 510	-14 499	-14 288	5%

Capital Expenditure Year 2023/2024: Water Services					
R' 000					
Capital Projects	2023/2024				
	Original Budget	Adjustment Budget	Actual	Variance from original budget	Total Project Value
Total All	9 007	8 746	14 476	61%	

Financial Performance Year 2023/2024: Sewerage Services					
R'000					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 025	16 211	19 283	9 001	-80%
Total Operational Expenditure:	6 743	12 831	14 216	3 704	-246%
Net Operational Expenditure	718	-3380	-5067	-5297	36%

Capital Expenditure Year 2023/2024: Sewerage Services					
R' 000					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual	Variance from original budget	Total Project Value
Total All	485	579	0	-100%	

1.2.6 ELECTRICITY

Table 4: Energy for Lighting

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761			
Energy (Access)	9 470	9 760		3.06%	
Electricity	6 161	8 486	86.9	3.8	88.9
Gas	23	17	0.2	-2.6	-
Paraffin	2 135	306	3.1	-8.6	-
Candles	1 057	876	9.0	-1.7	-
Solar	34	36	0.4	0.6	-
Other	60	0	0.0	-10.0	11.1
None		39	0.4		-

Source: StatsSA 2011: Community Survey 2016

Access to electricity has improved from 65.1% in 2001 to 86.9% in 2011. Community survey conducted in 2016 also shows a slight change from 86.9% to 88.9%. The dependency on paraffin and candles were reduced from 22.5% and 11.2% in 2001 to 3.1% and 9.0% in 2011. BCRM also supply's farm areas that are >100km radius. The current backlogs in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. Electricity is supplied to all schools, hospital (Andre Vosloo) and KwaNojoli correction services.

Financial Performance Year 2023/2024: Electricity Services					
Details	R'000				
	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	112 610	182 010	161 010	127 343	-43%
Total Operational Expenditure:	125 804	159 390	136 744	122 950	-30%
Net Operational Expenditure	13 194	-22 620	-24 266	-4 393	-415%

Capital Expenditure Year 2023/2024: Electricity Services					
					R' 000
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual	Variance from original budget	Total Project Value
Total All	4 706	5 167	4 610	-2%	

1.2.6 SOLID WASTE MANAGEMENT

Table 5: Refuse Removal Services

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761			
Refuse Removal	9 467	9 761	%	3.10%	
How often by municipality?					
a) @ least once a week	6351	7842	80.3	2.35	86.1
b) Less often	28	51	0.5	8.21	0.4
How often is refuse bags provided	Once in 3 months	Once in 3 months			
Mode Disposal					
a) Communal dumping	59	78	0.8	3.22	4.3
b) Own dump	2440	1444	14.8	-4.08	6.4
c) No disposal	589	195	2.0	-6.69	2.6
Other	0	151	1.5		0.1
No of Licensed Landfill sites		3			
No of un-licensed landfill sites		0			

Source: StatsSA 2011 and CS 2016

In 2011, 80.3% of households in the BCRM had access to a weekly refuse removal service as compared to 67.1% in 2001. In 2016 it has increased to 86.1. All residential areas, excluding farm areas, have access to refuse removal services. There is a fixed schedule for household and business refuse collection. Both household and business refuse are collected once a week. The municipality does not have a schedule for garden refuse. Waste Collection Strategies include skip bins and kerb side collections on a weekly basis. The Illegal dumping sites are cleared monthly. This is not without challenges due to availability of equipment as well as fleet.

Municipal Environmental Programme is supported with Community Works Programs (CWP) and Expanded Public Works Programme (EPWP) on an on-going basis. Community awareness programmes are conducted to educate the community about environmental issues; however communities have not fully embraced the concept of keeping the area clean and there are still illegal dumping spots. There is a private company conducting on site recycling.

Financial Performance Year 2023/2024: Solid Waste Management Services					
					R'000
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9 558	18 562	21 877	11 603	-60%
Total Operational Expenditure:	18 205	18 227	18 523	11 545	-58%
Net Operational Expenditure	8 647	-335	-3 354	-58	-478%

1.2.8 ECONOMIC ANALYSIS

Local economic development is vital to the future development of the BCRM; the economy of this Municipality is based primarily on agriculture and Tourism. In essence the activities that dominate are Agriculture: Intensive Farming operations (Cash crops/ Lucerne production, dairy's, etc) Extensive farming operations: Cattle & Goat farming, game farming. Agriculture dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment.

Summary of the Economic Sector:

Agriculture: Farming (livestock abattoir), Game hunting, Exotic Fruits, Citrus Fruits and Manufacturing (dairy)

Agro - processing: Mohair

Tourism: Museum, Art gallery, game reserves, Hiking trails with waterfall, B'nB's and Hotels and Bestershoeek Lodge

Renewable energy: Wind Farms and potential Hydro- energy and solar panels

Largest threats: Climate change, localised droughts, cheap imports, changing economic climate in South Africa, Disasters (floods), unemployment and crime rate, vandalism.

The municipality appointed LED Manager in August 2024. The primary responsibility of the LED Unit is to build the economic capacity of the Municipality to improve the socio- economic environment of the area, furthermore, to create a conducive environment for all role players to work collectively to improve economic growth and create sustainable employment. The Unit has developed an action plan that was adopted by the council were several support programs have been implemented such as a workshop on SMME'S compliance, Suppliers Day, Local and Regional Economic Development (LRED) workshop for funding, SMME's Digital Transformation training, establishment of interim LED forums and business start-up were informal traders were given vouchers to the value of R3000 each to support their businesses. The Unit through its partnership with the Mineworkers Development Agency (MDA) has supported 10 emerging businesses with Bee Keeping equipment including 100 bee hives and PPE's as a first phase of the project. On the 27 -29 June 2024 the Municipality through its partnership with SALGA, CoGTA and relevant stakeholders have developed an LED strategy. The document was developed within the broader context of Small-Town Regeneration, poverty alleviation, investment promotion, agriculture and tourism development to mention a few, critically, was the development of LED strategic areas and action plan.

The following are the economic infrastructure/projects within the municipal area which are being implemented through the Cacadu Development Agency:

1. KwaNojoli Industrial Park

This project has the potential to be the ultimate economic driver for the municipal economy. Launch and handover of bulk infrastructure at the Industrial Park was done. Funding for the project is R28m. The municipality in partnership with the CDA are in the process of engaging potential investors to utilise the industrial park to create sustainable jobs and change the economic outlook of the municipality.

2. KwaNojoli Aerodrome

The construction of the KwaNojoli Aerodrome was completed in 2016 and is registered with South African Civil Aviation Authority. During the visit of SACAA they advised CDA to de-licence the Aerodrome whilst they are repairing everything that was vandalised (fencing and fixing of hangars and installation of a runway lights). The Aerodrome was open for hunting season last year June 2024 and the first flight landed on the 26 June 2024. Currently the are three casual workers employed for a period of six months to control the landing of flights.

3. Boschberg Tourism Hub

Currently the Boschberg Tourism Hub is a responsibility of CDA. The current challenge with the Tourism Hub is the lack of security. The building is vandalised, and the Service Level Agreement (SLA) has been renewed between CDA and the municipality. Furthermore, the Project Steering Committee (PSC) has been established and the process of appointing service provider to do costing for renovations is underway, to be completed in the financial year.

Other LED beneficiation projects

1. R355 Road Project

The R355 road project is underway. The local SMME's and local communities are participating in the project.

2. Renewable Energy (Wind farms)

There are windfarms within the Province of the Eastern Cape. There are six (6) within Blue Crane Route jurisdiction situated in Cookhouse area. These windfarms have made contribution to social development projects focusing on early childhood development programmes, capacity building programmes (learnerships, internships) and Education (bursaries)

3. Revitalisation of the rail

The project was implemented in Cookhouse by Transnet and +- 100 job opportunities were created.

4. South African National Roads Agency SOC Ltd (SANRAL) projects

The project is for maintenance of roads (N10 and R63). The local SMME's and local communities are participating in the project.

1.2.9 SOCIO ECONOMIC DIMENSION

Table 6: Socio Economic

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

Source: StatsSA 2011

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

Table 7: Income Category

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

Source: StatsSA

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

opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

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

Table 8: Labour Status

BLUE CRANE ROUTE AREA (STATSSA 2011)			%	GROWTH % p.a.
Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.84
Non-economically active	9471	10935	50.5	1.55
	22665	21669		

Source: StatsSA

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

Table 9: Education Levels 20 year +

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016) %
Level of education 20 +					
No schooling	4 088	2 592	8.24	-3.7	6.3
Some primary	5 956	10 895	34.65	8.3	21.7
Complete primary	1 977	2 516	8.00	2.7	9.9

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016) %
Level of education 20 +					
Some secondary	5 361	9 577	30.46	7.9	38.9
Std 10/Grade 12	2 437	4 420	14.06	8.1	20.7
Higher	1 075	1 392	4.43	2.9	2.5
Unspecified	0	49	0.16		0

Source: StatsSA and CS 2016

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

1.2.10 POWERS AND FUNCTIONS OF THE MUNICIPALITY

The municipal mandate stems from the section 155 and 156 of the Constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the Part B of schedule 4 and 5 of the Constitution, Blue Crane Route Municipality has the following powers & functions:

Schedule 4 Part B	Schedule 5 Part B
Powers exercised by the BCRM	Powers exercised by the BCRM
<ul style="list-style-type: none"> ○ Air pollution ○ Building regulations ○ Electricity and gas reticulation ○ Firefighting services ○ Local tourism ○ Municipal planning ○ Municipal public works ○ Stormwater management systems in built-up area ○ Trading regulations ○ Water and sanitation services 	<ul style="list-style-type: none"> ○ Amusement facilities ○ Billboards and the display of advertisements in public places ○ Cemeteries ○ Cleansing ○ Control of public nuisances ○ Control of undertakings that sell liquor to the public ○ Facilities for the accommodation, care and burial of animals ○ Fencing and fences ○ Licensing and control of undertakings that sell food to the public ○ Local amenities ○ Local sport facilities ○ Municipal abattoirs ○ Municipal parks and recreation ○ Municipal roads ○ Noise pollution ○ Pounds ○ Public places ○ Refuse removal, refuse dumps and solid waste disposal

	<ul style="list-style-type: none">○ Street trading○ Street lighting○ Traffic and parking
--	--

1.3 FINANCIAL OVERVIEW

The Municipality is largely dependent on the Equitable Share and other grant funding. In addition the Municipality has a fair consumer base, however shows signs of deterioration with Services Charges are evident. An under collection of Service Charges have been experienced in the 2023/2024 Financial Year.

The following material uncertainties may cast doubt on the going concern assumption:

- National ESKOM electricity loadshedding, that impacted electricity sales severely. This seriously impacted the previous financial years as well.
- NERSA also did not approve Council's 18% approved tariffs for the 2024/25 financial year. NERSA only approved a 11 % increase, which is not enough to cover the inflation increases for the ESKOM increase of 12,7 %
- Debt payment ratio's not in the norm
- Credit payment ratio's not in the norm
- High level of electricity losses that occur
- High level of poverty within the BCRM's municipal area
- Contingent liabilities as disclosed in this set of financial statements may impact future cash flows negatively if the court rulings are not in the favour of the municipality. It be noted that the Municipal Retirement fund matter already had a negative impacted on the cashflow projections for the 2023/24 financial year.

The following revenue enhancement strategies are currently in place to ensure that the municipality address the above listed concerns:

- Debt collection interventions, including services restrictions if bills are not paid and issuing of summonses.
- Implementation of an electronic meter reading system to ensure accurate and timely issuing of accounts.
- Meter audits, to establish if all service usages are accounted for.
- Installation of bulk electricity and water meters to track and monitor losses
- Replacement of old electricity and water infrastructure to curb electricity and water losses.
- Developing of cost covering tariffs to ensure that consumers are paying for the services rendered by the municipality.
- Cost containing measures to prevent unnecessary expenditure.
- Implementation of a general valuation roll and interim rolls to ensure that the new market values of property are accounted for.
- Establishing a LED unit to attract business opportunities for local business

- It is therefore important to note that Blue Crane Route Municipality is well geared to absorb the additional pressure.

In line with the under collection of Services rendered, Debt Impairment increased as a result of debtors not being able to pay their Municipal accounts. It was highlighted by the AG in the 2022/23 financial report that consumers of municipal services are the biggest contributors of the municipality's going concern being under threat.

It should be noted that the Municipality has an indigent rate of 55% and this by itself is a major contributing factor to the Financial sustainability of the Municipality and remains a challenge in the current year. Management have embarked on approaches to implement the revenue enhancement approaches that were developed to address the challenges faced by the Municipality in this regard.

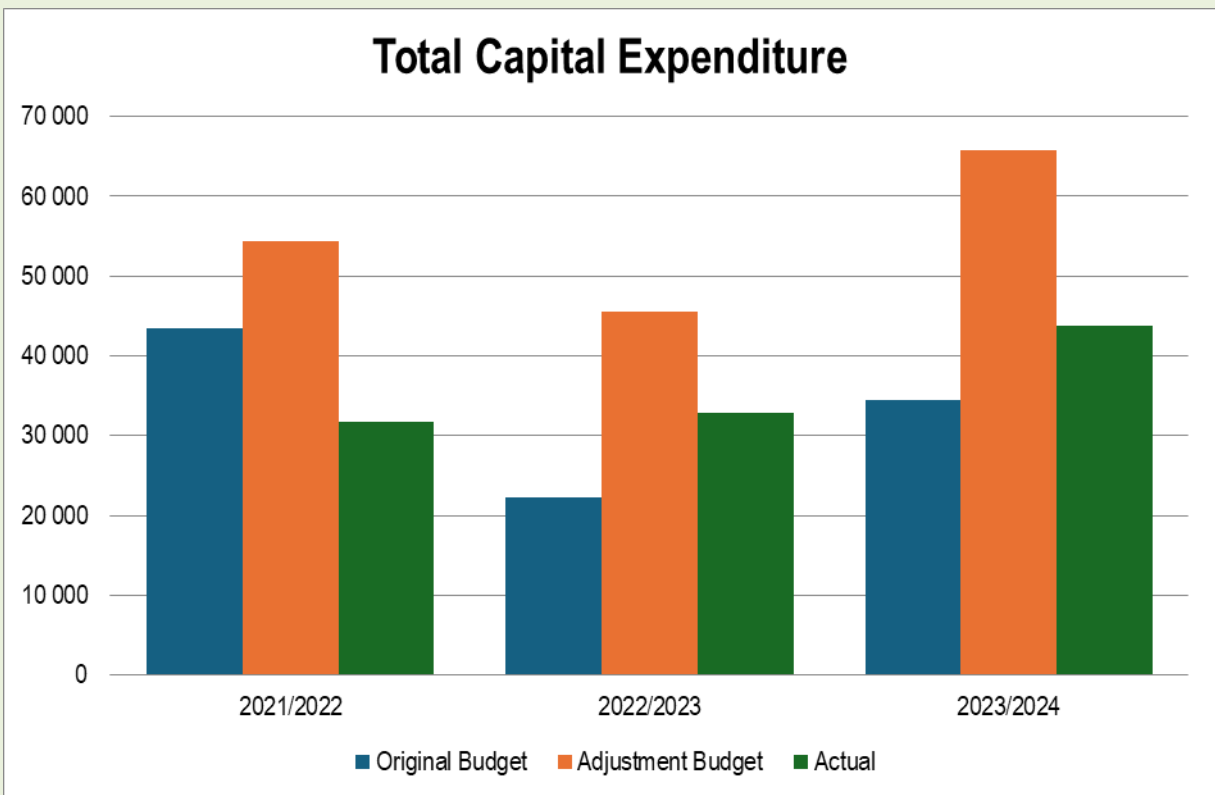
Financial Overview: Year 2023/2024				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	111 587	150 246	122 473	
Taxes, Levies and tariffs	226 637	212 692	188 115	
Other	13 368	11 171	21 701	
Sub Total	351 592	374 109	332 288	
Less: Expenditure	373 107	349 491	399 575	
Net Total*	(21 515)	24 618	(67 287)	

Operating Ratios: 2023/2024	
Detail	%
Employee Cost	27%
Repairs & Maintenance (Inventory consumed)	3%
Finance Charges	5%
Depreciation and Impairment charges	27%
Bulk Purchases	31%
Other	8%
	100%

Employee Related costs are within the norm with 30%. Repairs and Maintenance are below norm at 2 % as the Municipality's budget is severely under constraint and not being able to fund the repairs and maintenance of assets in the vicinity of R1,2 billion (cost value). This filters through to the fact that Depreciation and Impairment is at 13%.

Total Capital Expenditure: Year 2021/2022 to 2023/2024			
			R'000
Detail	2021/2022	2022/2023	2023/2024
Original Budget	43 411	22 276	34 519
Adjustment Budget	54 380	45 613	65 717
Actual	31 719	32 869	43 702

The Capital budget increased from R 34 million to R71 million from the Original Budget to the latest Adjustment Budget done in June 2024. Additional disaster funding to the value of R 30 m was allocated the Municipality in February 2024. Own funds were also allocated to the capital budget to increase the efficiency of operations.



CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

In terms of the Municipal Structures Act, Blue Crane Route Municipality is a Collective type, which means it has an Executive Committee (EXCO) led by the Honorable Mayor. EXCO has the role of processing all items for consideration by the Council which is led by the Honorable Speaker.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution of RSA allows the Municipal Council to govern on its own initiative and local government affairs of the local community. The municipality has four standing committees aligned to the four (4) Directorates of the municipality. The committees sit once per quarter and special meetings when there is a need. The committee meetings are attended by all Councillors, Management and staff members of their respective directorates. Council meetings sit once per quarter and special Council meetings when there is a need for a Council resolution. The Council meetings are chaired by the Speaker and attended by all Councillors, Management and members of the community.

Blue Crane Route Municipality is comprised of eleven (11) Councillors; six (6) of which are ward Councillors, and five (5) proportional representative Councillors. The Speaker is a proportional representative (PR) Councilor. The ward Councillors are responsible for the wards they are representing, and PR Councillors provide support to wards. The structure of Council constituted as follows:

1. Cllr B.A Manxoweni – Mayor : ANC
2. Cllr N. Yantolo -Nkonyeni – Speaker: ANC
3. Cllr Z. S Baskiti- Ward 1 (ANC)
4. Cllr A. Heynse- Ward 2 (DA)
5. Cllr A. Dyantyi- Ward 3 (ANC)
6. Cllr H. Davenport Ward 4(DA)
7. Cllr Smith Johnson - Ward 5 (DA)
8. Cllr P. Sonkwala- Ward 6 (ANC)
9. Cllr E. Miggels – EFF :PR
10. Cllr J. Martin – DA :PR
11. Cllr F. Brown – DA: PR

Blue Crane Route Municipality has established a Municipal Public Account Committee (MPAC) which is an Oversight Committee. MPAC is comprised of both ward and PR Councillors, with Councillor Z.S Baskiti as the Chairperson. It provides Council with comments and recommendations on the Annual Report. During the year under review the MPAC convened at least 4 meetings as part of its oversight responsibilities. During the financial year, the municipality had a functional Audit & Performance

Committee. Audit & Performance Audit Committee charter was reviewed and submitted to Council for consideration and approval.

The municipality has a functional Disciplinary Board which also functions as MFMA Section 32 Committee to assist Council in investigation of Unauthorized, Irregular and Fruitless and Wasteful expenditure. In the year under review there were no matters referred to the Disciplinary Board.

The municipality has a functional internal audit unit which constitute: Manager: IA, Internal Auditor and two IA Interns. Internal Audit Charter was reviewed and submitted to Audit & Performance Committee for approval.

2.1 POLITICAL GOVERNANCE

POLITICAL STRUCTURE

Cllr B. A Manxoweni: **MAYOR**

**CHAIRPERSON: CORPORATE SERVICES STANDING COMMITTEE, AND
FINANCE & LEDSTANDING COMMITTEE.**

Cllr N Yantolo Nkonyeni: **SPEAKER OF THE COUNCIL**

Cllr P Sonkwala: **CHIEF WHIP**

Cllr Z.S Baskiti: **MPAC CHAIRPERSON**

Cllr J Martin: **CHAIRPERSON COMMUNITY SERVICES STANDING COMMITTEE**

Cllr B. A Manxoweni **CHAIRPERSON TECHNICAL SERVICES STANDING COMMITTEE**

POLITICAL DECISION-TAKING

The process of Council decision commences at the Standing Committee level through recommendations, which are later tabled at the EXCO and passed for adoption/Approval by Council. All Council resolutions become final and binding. Political decisions and resolutions are taken at the Council meeting. Decisions are taken through consensus, or a majority vote of the Councillors present in the meeting. A resolution register developed from decisions taken by Council is maintained, monitored and tabled for tracking / oversight in all ordinary Council meetings.

2.2 ADMINISTRATIVE GOVERNANCE

The BCRM has the following Directorates in its organizational structure. These are, Office of the Municipal Manager, Corporate Services, Community Services, Financial and Technical Services

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

(Mr M.P Nini)

Function

Oversee the functioning and performance of the following Directorates, i.e

- Corporate Services
- Finance
- Community Services
- Technical and Infrastructure Services
- Office of the Municipal Manager

DIRECTOR CORPORATE SERVICES:

(Mrs Novuko Kubone)

- Administration
- Human Resources
- ICT
- Customer Care

DIRECTOR: FINANCIAL SERVICES

(Mr Nigel Delo)

- Income and Expenditure
- Budget and Financial Reporting
- Assets and Supply Chain Management

DIRECTOR: COMMUNITY SERVICES

(Mrs Yolisa Mniki)

- Parks and Recreation
- Environmental Health and cleansing
- Fire and Rescue Services
- Traffic Services
- Environmental Management
- Library Services

DIRECTOR: TECHNICAL SERVICES

(Mr Ayanda Gaji)

- Roads and Stormwater
- Projects Management Unit
- Electro-Mechanic
- Water Services
- Human Settlements
- Town Planning and Land Use Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

The concept of Integrated Development Planning (IDP) is embedded on the principle of co-operation amongst various spheres of government for the purpose of providing better co-ordination and services to the community. It is in this context that co-operative governance and inter-governmental relations becomes of utmost importance. Blue Crane Route Municipality has no functional Inter-Governmental Relations Forum (IGR) due to poor attendance by other stakeholders.

2.3 INTERGOVERNMENTAL RELATIONS

The municipality continues to have good working relations with the following stakeholders and associations; however, IGR forum needs to be strengthened.

- South African Local Government Association (SALGA)
- Dept of Co-operative and Traditional Affairs (COGTA)
- National and Provincial Treasury
- Sarah Baartman District Municipality (SBDM)
- Dept of Rural Development and Land Reform
- Dept of Energy
- Dept of Water and Sanitation
- Department of Human Settlements
- Dept of Social Development
- South African Police Service
- Independent Electoral Commission
- Auditor General
- Cacadu Development Agency (CDA)
- Dr Beyers Naude Local Municipality and
- Ndlambe Local municipality

2.3.2 RELATIONSHIP WITH THE DISTRICT MUNICIPAL ENTITY

The BCRM has good relations with the Cacadu Development Agency (CDA). These relations were strengthened by the decision of the BCRM Council to dis-establish its previous entity, the BCDA. Currently the CDA oversees the co-ordination and implementation of BCRM Local Economic Developments programmes. This is managed through a Service Level Agreement (SLA) signed between the two parties.

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality enjoys good relations with the Sarah Baartman District Municipality. Councilor Phandulwazi Sonkwala is the BCRM Representative in the District Municipality. The municipality also participates in the following district structures:

- District Mayor's Forum
- District Speakers' Forum
- District Women Commission
- District MM's Forum
- District Wide Infrastructure Forum
- District PMS Forum
- District IDP Rep Forum
- District-wide Disaster Management Forum
- District Legal Advisors Forum
- Internal Audit & Risk Management Forum
- District HR Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation play an important role in the promotion of democracy in local government. The municipality uses the Ward Based Planning model to engage the community on matters relating to Performance Management, IDP and Budget. This places public accountability and participation at the basic level of community engagements.

The municipality has a public participation system in place that informs interaction between the municipality and the communities. Public engagements were conducted throughout the year using different forums, meetings, events, Media and BCRM websites. The following structures have been established to enhance public participation:

- **IDP/BUDGET/PMS REPRESENTATIVE FORUM**

IDP/Budget/PMS Representative Forum sits once a quarter. The forum is chaired by the Mayor, Cllr B Manxoweni and is attended by Councillors, Government departments, organized structures in the community, Community Development Workers (CDW's) and BCRM Management. The IDP/PMS/Budget Representative Forum is the structure which facilitates and co-ordinates participation in the IDP/Budget/PMS Process.

- **WARD COMMITTEES**

Ward Committees are meant to deepen public participation in the governance of the municipality and to encourage participation by communities. The main task of the ward committee members is to be a channel between the municipality and its communities and to ensure that the communities are informed of pending activities of Council. On the other hand, they bring genuine community interests to the attention of the municipality. The ward committee meetings are not sitting as they are supposed to.

- **PUBLIC/COMMUNITY MEETINGS**

Public meetings are held in two ways, at times they are requested by community through petition to the Office of the Speaker to address issues that affect service delivery such as water and electricity crisis. At times they are requested by the municipality to address any communal issues. Information about petitions and sitting of ward meetings was received from Ward 4 and Ward 1.

- **WARD BASED PLANNING MEETINGS**

Mayoral outreach /imbizo and ward-based planning meetings are conducted twice a year to give feedback to the community on the municipal performance against ward-based plans which were implemented in the previous financial year and to get inputs for the review/planning process for the next financial. These platforms allow communities to participate in the drafting and finalization of IDP and Budget.

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial control, risk management and internal control...” The purpose of the Risk Management is to:

- Advance the development and implementation of modern management practices and to support innovation throughout the municipality.
- Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.
- BCRM has an Enterprise Risk Management Framework policy in place that guided Council and management in identifying, rating, responding, monitoring and evaluating as well communicating risks within the municipality. A strategic risk assessment workshop was held during the beginning of the financial year with the assistance of Internal Audit Unit. High risks, medium and low risks were identified within the risk appetite of the municipality and actions to mitigate risks were identified and captured on a risk register.
- Mitigation plans were developed to curb the level and impact of risks on achieving municipal objectives. The plans were regularly reviewed on a quarterly basis. Reports on the quarterly reviewed were regularly tabled to Audit Committee. Departments are also appraised of the status of their risks quarterly.

2.6 ANTI-CORRUPTION AND FRAUD

All actual or suspected incidents should be reported without delay to immediate line manager. Should an employee be concerned that the immediate line manager is involved; the report can be made to any other member of management, the Municipal Manager and/or the Chairperson of the Audit Committee. The Municipal Manager will initiate an investigation into the matter.

A whistle-blowing facility is one of the most effective tools in identifying fraud occurring within an organization. The fraud prevention plan indicates that employees and other parties are encouraged to report their suspicions of fraud without fear of reprisal.

The following general provisions apply to whistle-blowing facilities:

- All employees and suppliers can contact the hotline to voice any concern that they have relating to fraudulent behavior that has a bearing on Blue Crane Route Municipality;
- Trained operators will respond to calls in most of the official languages in South Africa;

- Operators will probe callers for specific facts to record as much information and understand the incident as clearly as possible; and
- Although callers may choose to tell the whistleblowing consultants who they are, the call report will never reveal their identity unless the caller specifically allows this, thereby protecting the caller's anonymity.

If employees or the community wish to report allegations of fraud and corruption anonymously, they can contact the whistleblowing hotline operated by the Public Services Commission on 0800 701 701, all calls to this number are through a secured answering service and are treated with utmost confidence. Employees or the community can also make use of the presidential hotline 17737.

Duties of Internal and external auditor

The MFMA stipulates that a Municipality must maintain a system of internal audit under the control and direction of an audit committee. Furthermore, the internal audit function of Blue Crane is required to report on matters relating to:

- Internal Control:
- Accounting procedures and practices.
- Risk and risk management thereof;
- Loss control; and
- Compliance with applicable legislation.

Blue Crane Route Municipality has an Internal Audit unit, that reports to the Accounting Officer administratively and to the Audit Committee functionally. In terms of the Audit Committee Charter, the primary role of the Audit Committee is to:

- Evaluate the performance of internal audit unit
- Review the internal audit function compliance with its mandate as approved by the Audit Committee;
- Review and approve the internal audit charter, internal audit plans and internal audit unit conclusions on internal control;
- Review significant difference of opinion between management and internal audit function;
- Evaluate the independence and effectiveness of internal auditors; and
- Review the co-operation and co-ordination between the internal and external audit function

The anti-corruption capacity within Blue Crane Route Municipality is responsible for the investigation of allegations of fraud and corruption that is brought to its attention. Additionally, it will support the risk management procedures from a fraud risk identification perspective.

2.7 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Policy, SCM Policy for Infrastructure Procurement and Delivery Management as per the requirements of the National Treasury Standard for Procurement Delivery Infrastructure Management. The objective of these policies is to provide a policy framework within which the Municipal Manager, Chief Financial Officer and other Senior Managers must institute and maintain a Supply Chain Management System which is transparent, efficient, equitable, and competitive. The policies also ensure the principles of best value for money for the municipality are outlined; applies the highest possible ethical standards; and promotes local economic development. By adopting the policies, the Council further pledged itself and the municipal administration to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- Where applicable, the Council also pledges itself to observe the requirements of the Construction Industry Development Board (CIDB) Act No. 38 of 2000 and its regulations.

Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2023/2024 financial year was submitted to the Accounting Officer; Mayor and the Council. The unit has a full staff compliment, and the staff are aware of the SCM Code of Conduct. Service Provider Performance is regularly monitored with the help of Project Managers / End Users. Tax matters for all transactions above R15 000 were confirmed to be in order through the Central Supplier Database.

Declarations of interest are checked for all transactions; a register of Related Parties is kept and forms part of the AFS Notes. The municipality has a functional Bid Committee system.

Challenges were experienced during the year leading to delays in the procurement of some service delivery projects. There were tenders that had to be re-advertised due to non-responsiveness of bidders and contract management is also one of the issues that have been highlighted by the Office of the Auditor General. Transformation to pro-activeness of the unit is one of the improvements that the municipality is working on.

2.8 BY-LAWS

Section 11 (3) of the Municipal Systems Act, 2000 empowers Municipal Council to exercise executive and legislative authority to pass and implement by-laws and policies. By-laws were reviewed in the year under review. The workshop for Councillors, Senior Management and Middle management was conducted.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Standard by-laws for development of electronic communication facilities		No		Yes	03-02-2023
	Commonage By-Law	No		Yes	Jun-23
	Impoundment of animals By-Law	No		Yes	
	Liquor Trading Hours By-Law	Yes		Yes	11-Mar-22

2.9 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	29-Mar-23
All current budget-related policies	Yes	11-Aug-23
The previous annual report (Year -1)	Yes	24-Mar-23
The annual report (Year 0) published/to be published	Yes	14-Apr-24
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	
All service delivery agreements (Yes	11-Aug-23
All long-term borrowing contracts (Year 0)	Yes	11-Aug-23
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	11-Aug-23
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	11-Aug-23

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website serves as a key communication tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. All the required information is regularly updated on the municipal website and its official address is <https://www.bcrm.gov.za>. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the;

- IDP,
- Annual budget,
- Adjustments budgets and
- Budget related documents
- Policies.
- Performance Management Reports
- Strategic documents
- Contracts Agreements

CHAPTER 3–SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity; waste management; housing services; and a summary of free basic services.

3.1 WATER AND WASTE WATER SERVICES

This section includes – water reticulation, sewer reticulation, and water regulation

BCRM is composed of 3 towns: Somerset East, Pearston & Cookhouse. The BCRM covers an area of 11 068 square kilometers which makes up 19% of SBDM geographical area. Based on the Statistical overview, the population of this WSA grew by an estimated average of 27,8% - 49 883 residents in 2022. There are 16 117 households in Blue Crane Route Local Municipality. The average number of people per households is 3,1. BCRM has an estimated water availability of ± 6000 kl/day = 180 ML/Month

In terms of water sources in the towns it is found that:

- Cookhouse is dependent on water from Great Fish River Water User Association Water Canal and has no surface or borehole sources.
- Pearston obtains its water solely from boreholes, there is no surface water available.
- Somerset East water is obtained from surface water, which is seasonal and dependent on rainfall, as well as water from the Orange Fish River irrigation scheme which is the only reliable source in town. The town extracts water from:
 - i. Wellfield and Kalela Fountain
 - ii. The canal
 - iii. Bestershoek dam
 - iv. Van Der Walt Dam
 - v. Lake Bertie Dam

Boreholes:

Pearston Area: The town of Pearston heavily relies on ground water for the purpose of potable and irrigational use. Currently the town has 7 existing borehole and 5 production boreholes that in operation. The existing 5 x production boreholes has a potential of supplying 1.27 ML/day .

The current 5 x production borehole delivers a safe sustainable yield of 1.829 ML per day. The municipality is currently in the process of drilling additional two boreholes.

KwaNojoli Area: KwaNojoli has 3 production boreholes, 2 in operation. The town of SE current yield is 0.159 ML/day (Emergency).

Cookhouse Area: No boreholes.

Water Reticulation, Sewer Reticulation & Water Regulation Operational Matters:

- 187 km water pipelines.
- 2 of 4 Water Treatment Works operating beyond design capacity (Bestershoek & Cookhouse).
- 3x Waste Water Treatment Works partially functional for all three towns (some have Operational and Maintenance issues).
- 5x Sewer pumpstation need to be upgraded in KwaNojoli.
- 5x Raw water storage dams are available (Cookhouse, Bestershoek, Van de Walt, Lake Bertie, Mountain (Bosberg).
- 14x Raw Water Reservoirs in all three towns.
- Draft Water By-Law in place.
- 92% of sewer and water complaints attended to in the second & third quarter.
- The municipality water and sanitation budget for Operations & Maintenance is less than 2% for this current 2023/2024 FY. This is less than the norm of 10%. This adversely affects the Operational and Maintenance plans implementation.
- 9 process controllers managing 4x WTW and 3x Waste Water Treatment Works
- Chemical (quarterly) and Biological (monthly) sample collection and testing.

3.2 ELECTRICITY SERVICES: – PLANNING, DISTRIBUTION, PROTECTION, AND PROJECTS

INTRODUCTION TO ELECTRICITY

Blue Crane Route Municipality is the electricity distribution licence holder with licence number NER/D/EC102, and supplies electricity to Somerset East, Cookhouse and Pearston. It has one bulk supply point with an installed capacity of 18 MVA and a maximum demand of 17.2 MVA. The network consists of 28 km of medium voltage (MV) underground cable, 928 km of low voltage (LV) underground cable, 2 600 km of MV overhead lines and 128 km of LV overhead lines.

The Municipality has 8 411 customers, which are categorised as follows: 6 696 prepaid domestic; 768 domestic credit meters; 354 commercials; 572 agricultural and 21 industrial customers.

Overhead Lines:

In general, the overhead network of the Blue Crane Route Local Municipality is old and most of it has been in service for more than 50 years. However, certain 22 kV distribution lines, particularly the ones transmitting from the Main Substation to farmers at Zuurberg, were installed in 1965 and an urgent replacement programme was needed to ensure continuous supply of power. The Swaershoek and Pearston are being maintained.

Planning, Distribution, Protection, and Projects Operational Matters:

- Dilapidated infrastructure.
- Prolonged lead time on fault findings due to geographical and extent of the areas.
- Ineffective customer care system.
- Two-way radio system not in place.
- 8 x vehicles in our possession: 30% is not in good condition.
- Substation capacity: 2 x 10MVA transformers = 20MVA.
- 2nd largest overhead lines after ESKOM.
- Approx. 1400km electrical network.
- Outdated lifespan of the electrical lines +/- 45 years.

Insufficient resources a to attend to electrical faults

Project Name	Amount	Expenditure	Comments
Millenium Park Extension 11 Services Connections	R 100,000.00	R 151,000.00	INEP funded
EEDSM	R 4,000,000.00	R 4,000,000.00	DMRE funded project
Disaster Management Grant Projects	R 30,480,000.00		Disaster Management Grant

3.3 HUMAN SETTLEMENT

This section includes – Facilitation of Housing projects monitoring and evaluation; needs register; registration of unregistered properties; issuing of title deeds; administration of housing subsidies; agreement of sales; upgrading of informal settlements.

INTRODUCTION TO HOUSING

The Blue Crane Route Municipality (BCRM) is in the Eastern Cape Province and forms part of the Sarah Baartman District Municipality. The followings towns and areas forms part of the Blue Crane Route Municipality:

- KwaNojoli (Ward 2, 3 and 5)
- Pearston (Ward 4)
- Cookhouse (Ward 1 & 6)

The Municipality as the Developer and projects have been monitored and evaluated according to the funding agreements between the Provincial Department of Housing, Local Government & Traditional Affairs (currently known as Dept of Human Settlements).

Housing Operational Matters:

(a) Registration of unregistered properties:

The registration of unregistered properties within the BCRM it's an on-going project that is funded by the DHS to restore the dignity of all beneficiaries that benefited in the olden days and were never given ownership of their benefited properties. The programme includes only those pre 1994 housing

projects. (Old Mnandi, Aeroville, West View, Francisvale, Old Location, New Brighton, Khanyiso in Pearston, Bongweni Location in Cookhouse.) The Unit encourages all the above-mentioned location to visit the office if their said properties are still unregistered for their application or registration for title/ ownership.

HOUSING PROJECTS:

1. SUPPORT OF DEPARTMENT OF HOUSING TO BLUE CRANE ROUTE LM

The Department of Human Settlement has appointed Senior Regional Director, Chief Construction Project Manager, Construction Project Manager and the Control Works Inspector to assist the Blue Crane Route Municipality to manage, evaluate and monitor the planning and operating projects. The Administrative Staff of the Department of Human Settlements are also involved on all the projects on an ongoing basis. The Department of Human Settlements has also allocated 1 Control Works Inspector to assist the Blue Crane Route LM to monitor progress and quality on site. The Department has an institutional arrangement of working together through Housing Delivery by monitoring and tripartite accountability in certification of work done (Value created).

2. PROJECT STATUS

Effective communication and cooperative support between the Municipality and the Department has led to human settlements matters resolved under delivery, solution to insitu -upgrading and transfers. The current status of all the projects in the Blue Crane Route Municipality is summarised as follows:

Managem ent Area	Total No of Projects	Projects Complete d	Project s Cancell ed	Projects Running	Projects on Procureme nt	Projects Blocked
Blue Crane Route LM	19	15	0	3	1	1
TOTAL	19	15	0	3	1	1

a) *Projects Completed*

In the Blue Crane Route area, a total of nine (19) projects have been identified as completed in terms of infrastructure and housing construction. Although some of these projects are completed in terms of the above there are still some administrative issues (beneficiaries, transfers, etc) to be dealt with in order for these projects to be closed off.

The following projects have been completed to date:

Projects	Units	Completed units	Units Registered	Budget	Expenditure
Cookhouse Bhongweni	360	360	356	R 6,015,554.00	R 6,015,554.00
Cookhouse Phase 2	313	313	255	R 7,455,622.00	R 7,455,622.00
Pearston Nelsig 132 A	69	69	69	R 877,930.00	R 877,930.00
Pearston Khanyiso 132 B	92	92	89	R 1,386,406.00	R 1,386,406.00
Pearston Central 132 C	10	10	0	R 177,500.00	R 177,500.00
Pearston 300	300	300	296	R 7,111,770.00	R 7,111,770.00
KwaNojoli 102	102	102		R 1,612,212.00	R 1,612,212.00
KwaNojoli -Aeroville	261	261	260	R 2,619,617.28	R 2,619,617.28
KwaNojoli	140	140	140	R 2,397,750.00	R 2,397,750.00
KwaNojoli Hostel				R 163,314.06	R 163,314.06
KwaNojoli Phase 1	221	221	221	R 2,687,360.00	R 2 687 360.00
KwaNojoli Phase 2	681	681	681	R 11,663,781.00	R11,663,781.00
Old Location 200	200	200	169	R 13,141,411.65	R13,011,422.57
Chris Hani 400	400	396	385	R30, 950,283.28	R30,101,139.28
Aeroville 33	33	33		R 2,759,698.00	R 2,592,298.00
Cookhouse Bhongweni 150	150	150		R20, 700, 000.00	R20, 700, 000.00
KwaNojoli: Old Mnandi 93	93	14		R12, 834, 000.00	R1, 932, 000.00
Pearston 50 (34 units) phase 1	50	34		R3 800 000.00	R2 584 000.00
Pearston 50 (11 units) phase 2	50	11		R1 680 000. 00	R1 680 000.00
Blue Crane Route Municipality – 10 destitute cases	10	10		R1 560 000.00	R1 560 000.00

b) Projects on Procurement

PROJECT NAME	PSP	CONTRACTOR	IMPLEMENTATION
Millenium Park 500 Bulk Services Funding	<i>GAP Infrastructure Corporation</i>	<i>Appointment of contractor to be confirmed in August 2024</i>	<i>GIC appointed by ECDHS for internal reticulation (Water, sewer and Roads). Engineer, AGISA has been appointed and is busy with designs. Implémentation plan for Millenium to start in September 2024</i>
Millenium Park 500 (228) Bulk Services Funding 2023/24	<i>TBT</i>	<i>TBT</i>	<i>The Municipality is the Implementing Agent. BCRM to commence with procuring services of a Professional Services Provider for the Bulk Infrastructure. Construction</i>
Aeroville 261 Rectification Project	<i>Sagient Consulting Engineers</i>	<i>10 local incubator programme</i>	<i>The project is driven by both the Department of Human Settlements and the Dept of Public works through the SMME implementing programme. Dept of Public works will provide mentorship to the SMMEs</i>
KwaNojoli 140 rectification project	<i>Bosch projects</i>	<i>RENCOR PTY LTD</i>	<i>The confirmation of the actual size of the Project is yet to concluded since some beneficiaries are refusing to be part of the Project. The Social Facilitation team of the Department and Municipality is yet to finalize this task.</i> <i>The procurement stage has been complete the consultant will only be completed upon the conclusion of the above task. Construction Implementation plan for the project started actual construction to start in October 2024</i> <i>Contractor officially introduced on 01 August 2024.</i>
Old Mnandi MPCC		<i>BNN Construction</i>	<i>The project is under construction 70 % work done to be completed this financial year except for the climate change delays. Anticipated completion date is end September 2024.</i>

Blue Crane Destitutes 55 (KwaNojoli 41, Pearston 8 and Cookhouse 6)	TBA	SBOSHY TRADING	<i>The project is included in the Procurement plan and Panel Framework of Contractors the contractor is anticipated to be formally introduced in to the municipality September 2024.</i>
KwaNojoli Westview 300	TBA	IZIQHAMO ZETHU CIVILS N CONSTRUCTION	<i>The project is included in the Procurement plan and Panel Framework of Contractors the contractor anticipated to start in September 2024</i>

3. CHALLENGES IN THE BLUE CRANE ROUTE MUNICIPALITY

General challenges in the BCR Municipality:

- Old Projects not yet closed out.
- The municipality has insufficient official dealing with the implementation of housing projects i.e. no inspectorate.
- Delays with registration of individual transfers and signing up of beneficiaries.
- Upgrading of Bulk Infrastructure is a BIG challenge for new development specially Pearston and KwaNojoli, Cookhouse is land locked
- Un-Surveyed land

4. INTERVENTIONS IN MEETING CHALLENGES

- Departmental inspector involved in the construction stage to do quality monitoring of houses but also planning to have recently appointed graduates to assist directly in the municipal area projects.
- Planning to have monthly meetings where we shall discuss the following items:
 - Project Management Plans and Project Implementation Plans
 - Registrations and Beneficiary Administration
 - Quality Monitoring and Evaluation
 - Processing of claims timeously
 - Planning and survey of municipal land parcels
- Title deeds Issuance:

The following table progress list on the title deeds issued to the beneficiaries within BCRM in 2023/2024.

Town	Title deeds applied and approved by Deeds Office (pre-1994)	No. of title deeds issued
KwaNojoli	2039	1069
Cookhouse	1140	740
Pearston	955	505

3.4 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidization of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The extent of the monthly indigent support granted to indigent households is based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the above framework, the following assistance and support is granted:

1.1. Water

Each registered indigent household shall receive water fully subsidised to a maximum of 6 kl per month; provided that where the consumption exceeds 6kl per month the municipality shall be entitled to blocked the electricity to the property and the applicant must pay everything or made an arrangement so that 25% of his electricity he bought can be taken off on the account. The municipality

may, subject to budget availability, consider repairing minor water leakages on properties belonging indigent household beneficiaries.

1.2. Electricity

Each registered indigent household shall receive electricity fully subsidised to a maximum of 50 kWh per month. Where Indigent households are residing on farms, a credit of 50kWh for each qualifying household is given to the primary meter of the farm owner where the indigent households supply is obtained from. The municipality may, subject to budget availability, provide:

- an electricity connection to the network in the event where an Indigent Beneficiary has no connection.
- The replacement of the electricity prepaid meter in the event of fire damage.

1.3. Refuse removal

Each registered indigent household shall be fully subsidised for refuse removal as provided for in the annual budget.

1.4. Sanitation

Each registered indigent household shall be fully subsidised for sanitation as provided for in the annual budget.

1.5. Property Rates

Each registered indigent household shall be subsidised for an amount equal to the value of a RDP house as provided for in the annual budget

1.6. Rental (Dwellings and Sites)

100% subsidy will be granted in respect of all dwellings or sites belonging to the municipality.

1.7. Basic Energy

Indigent households in informal settlements where limited or no electricity is available, may be provided with alternative energy sources including, but not limited to: paraffin, fire gel, liquefied

petroleum gas, etc., provided that procurement of service providers or services shall be subject to the Supply Chain Management regulations of the municipality.

1.8. Short-term assistance

An indigent person in incidental distress may be assisted for a shorter period not exceeding six months. Incidental distress will mean a person that is:

- Temporarily unemployed.
- Persons who are hospitalised.

Such persons qualify for assistance if they are not in receipt of any assistance from any other source. Indigent people falling within this category will be re-assessed on a three-monthly basis.

3.5 ROADS & STORMWATER SERVICES: (POTHOLE PATCHING, AND STORMWATER MAINTENANCE)

INTRODUCTION TO ROADS & STORMWATER SERVICES

The road network within the Blue Crane Route Local Municipal Area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (SANRAL), who is responsible for National Route R63, R67 and N10 for maintenance.
- Eastern Cape Department of Transport, who is responsible for provincial trunk, main, district and minor roads for maintenance and construction. The Department of Transport (DOT) has a paving project on the R 355 near Aeroville, and
- The BCRLM, who is responsible for all municipal roads for maintenance and construction.

BCRM road network is above 147km road in length (municipal roads). ± 30% of the municipal road is in poor state. Different categories of roads needs various maintenance options such as Routine Maintenance, Event Driven Maintenance, Responsive Maintenance, Condition Responsive Maintenance etc.

The road network within BCRM is composed as follows:

Category	Road Length (km)	Percentage
National (SANRAL)	278.9	10.0%
Provincial	2 367.6	84.7%
Sub-Total	2 646.5	94.7%
Municipal (Blue Crane Route LM)		
Cookhouse	19.6	0.7%
Pearston	28.6	1.0%
Somerset East	97.5	3.5%
Other	2.2	0.1%
Sub-Total	147.8	5.3%
Total	2794.3	100.0%

The total road network within the Blue Crane Route Local Municipal Area and under the jurisdiction of the municipality consists of 147.8km, of which 68.7km (or 46.5%) are Paved roads.

It be noted that: Paved roads comprise flexible (tar), block and concrete roads. Unpaved roads comprise gravel and earth (in-situ) roads as well as tracks.

The below table shows different town road category and their length:

Road Length (km) per Surface Category by Town

Town	Paved	Unpaved	Total
Cookhouse	9,5	10,0	19,6
Pearston	8,4	20,2	28,6
Somerset East	50,8	47,4	98,2
Total	68,7	77,7	146,4

Maintenance plans:

Every five years, the municipality requests five streets per ward and do proper planning for construction. Depending on the available budget (MIG), some streets are not implemented due to limited budget, length, width and other factors.

Stormwater management plan in place for KwaNojoli, it is still pending for other two Towns/areas (Pearston & Cookhouse). The municipality has roads maintenance plan for all the three towns. The condition of each town is depicted as follows:

Town	Paved Road Condition: Road Length (km)					Total Length
	Very Good	Good	Fair	Poor	Very Poor	
Cookhouse	0.0	4.4	4.1	0.4	0.0	8.9
Pearston	0.1	1.6	5.9	0.0	0.0	7.6
Somerset East	4.7	24.1	16.2	4.2	0.1	49.2
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	4.8	30.1	26.1	4.5	0.1	65.7
Percentage	7.3%	45.9%	39.8%	6.9%	0.2%	100.0%

Roads projects

Project Name	Budget	Expenditure	Comments
Norman Street	R 500 000.00	R 754 335.33	Disaster Management Grant
Douglas	R 400 000.00	R 973,680.31	Disaster Management Grant
Belgravia	R 1 200 000.00	R 1 340 044.94	Disaster Management Grant
Glen Avon	R 6,377,748.00	R 6,377,748.00	MIG Funded
Nono Street	R 1,250,000.00	R 1,250,000.00	MIG Funded
Potgieter Street	R 1,956,856.36	R 1,956,856.36	MIG Funded
Van De Vywer	R 1,956,856.36	R 1,956,856.36	MIG Funded
Jansen and Duplessis Street	R 2,596 765.00	R 2,596 765.00	MIG Funded
Carnation Street	R 1,250,000.00	R 1,250,000.00	MIG Funded

3.6 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Waste Management is to promote waste avoidance and waste minimization strategies such as; re-use, recycling and recovery, treatment and disposal of waste which seeks to promote the waste management hierarchy approach as outlined in the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) and the National Waste Management Strategy.

Blue Crane Route municipality is making use of kerbside waste collection on a weekly basis in terms of the National Domestic Waste Collection Standards of 21 January 2011, as per the refuse collection schedule below:

Day of collection	Area of collection
Monday	Town(Nojoli Street to Hospital Road), Mnandi, Chris Hani and Pearston
Tuesday	Town(Francis Street to Paulet Street), Westview, Francisvale and Cookhouse
Wednesday	Aeroville and Old Location
Thursday	Businesses
Friday	New Brighton and Businesses

Refuse bags for the disposal of waste is issued quarterly to the households in Cookhouse, Somerset East and Pearston. Illegal dumping is a challenge within the municipality. There is no fixed collection schedule for the collection of garden waste due to a lack of resources however the municipality strives to clean illegal dumping sites at least once per quarter.

Number of illegal dumps cleaned:

Area	Number of illegal dumps cleaned
Cookhouse (Ward 1 & 6)	15 illegal dumps cleared
Pearston (Ward 4)	34 illegal dumps cleared
KwaNojoli (Ward 2)	20 illegal dumps cleared
KwaNojoli (Ward 3)	13 illegal dumps cleared
KwaNojoli (Ward 5)	25 illegal dumps cleared

There are three landfill sites within the municipality of which all three landfill sites are licensed but none is compliant with the license conditions. All three landfill sites are classified as Class B landfill sites.

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

WASTE EQUIPMENT:

The municipality procured a Front-End Loader and a Refuse Truck through MIG funding for specialised waste vehicles.

WASTE MANAGEMENT AND ALIEN PLANT ERADICATION FUNDING RECEIVED FROM DEDEAT

R2 381 000.00 was received from DEDEA and the municipality implemented the following projects:

- Fencing of the Somerset East Landfill Site
- Construction of a Guardhouse at the Cookhouse Landfill Site
- Procurement of containers and baler for recycling initiatives.
- Implementation of the Somerset East landfill site remediation plan.
- 100 job opportunities were created

KWANOJOLI LANDFILL SITE REMEDIATION PLAN

The KwaNojoli Landfill site have reached its useful life, a new site (candidate site) has been identified and was approved by council. The municipality will follow the necessary legislative processes for the establishment of a new landfill site. While the above process is underway the municipality implemented a landfill site remediation plan to optimise the use the available air space of the current landfill site. The remediation plan involves:

- Controlled access to the landfill site and the appointment of spotters and controllers.
- Formation of direction/identification boards.
- Shifting of waste within the landfill site.
- Daily Covering of waste.
- Resurfacing of the roads within the landfill site.
- Identifying available land within the landfill site and the allocation of dumping areas.

INTERGRATED WASTE MANAGEMENT PLAN

The National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) requires that all municipalities must have a Integrated Waste Management Plan (IWMP). Section 12 of the Waste Act outlines the contents of the Integrated Waste Management Plan. The Municipality in collaboration with DFFE is in the process of reviewing the IWMP numerous consultations was held, a site visit was conducted and the draft IWMP was issued for comments and inputs from the municipality.

ESTABLISHMENT OF ENVIRONMNETAL FORUM

BCRM established a Environmental Forum on 13 May 2024, with the purpose of the establishment of the Blue Crane Route Local Municipality Environmental Forum is to improve environmental governance within the municipality, wherein the forum would allow a greater opportunity of information sharing on environmental and waste issues, in order to adopt a proactive approach in improving the environmental outlook of the municipality and to improve integrated sustainable environmental management approach. The first meeting of the forum was attended by the following stakeholders who forms part of the Environmental Forum: Councillors, Community Service Director, Community Services staff, Led staff, Department of Forestry Fisheries and Environment, Department of Rural Development and Agriculture, South African Police Services (Cookhouse, KwaNojoli and Pearston), Community Works Programme, Social Development, COCA Somerset Youth Recycling, Taylor Recycling, I love Somerset, Pearston recycling and Hunt Brothers. The Environmental Forum have quarterly meetings.

3.7 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The key function of the Traffic Dept. is to provide safer roads for all stakeholders within the BCRM area:

Applicable Legislations

- National Road Traffic Act (Act 93 of 1996)
- Criminal Procedure Act (Act 51 of 1977)
- Service Level Agreement between BCRM and Eastern Cape Department of Transport.
- Municipal Systems Act (Act 32 of 2002)

Function	Activities
Traffic Law Enforcement	<p>Conduct preventative traffic patrols are conducted in the CBD and R63/N10 and enforce traffic legislation</p> <p>Enforce speed limits in Charles Street.</p> <p>Attend to traffic accidents on the R63 and N10</p> <p>Enforce parking legislation – Parking line not visible in CDB and Sanral to paint the lines.</p> <p>Enforce municipal by laws</p>
Driving Licenses	<p>The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers</p> <p>The Municipality has a responsibility to:</p> <p>Test applicants and issue learner license</p> <p>799 learners tested to the value R 209 636</p> <p>Test applicants and issue driver's license</p> <p>463 drivers tested to the value R 250 699</p> <p>Renew driving license</p> <p>898 drivers card renewals to the value R 192 888</p> <p>Renew and issue Professional driving permits</p> <p>297 PrDP renewals to the value R 32 076</p> <p>A Concept document for Learners Driver support was develop due to the high failure rate when writing learners</p>

	license.
Roadworthy Testing	The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles The Roadworthy station is upgraded to the value of R 249 076.20
Pound	Commonage plan was developed. An amount of R450 000 was approved for the completion of a pound. The material for the construction was procure. The construction of the pound is nearly finish and waiting for Technical Department to install the electricity and the fencing of the pound. This will help reduce the number of stray animals.
Community Safety Forum	Community Safety forum was established on terms of reference. 3 Community Safety forum Meeting was held.

Staff Complement:

1. The Chief Traffic Officer
2. 1 E-natis Supervisor & 2 E-natis Clerks (Registering Authority).
3. VTS – Position Vacant (Roadworthy Centre).
4. DLTC – 2 Examiner/Traffic Officers (Law Enforcement).
5. Technical Service 1 General worker (Road marking)
6. Commonage & Pound - A Pound Master & 1 Assistances. Three general workers positions are vacant.

Training

1. One E-natis clerk undergo training for Natis Drivers official and got register to work on the Natis system. The supervisor and Natis clerk undergo training in Task Management System.
2. One Examiner Driver's License attend training as a Grade A examiner. The one Examiner/Traffic officer has been appointed and will start on the 1 August 2024.

Challenges:

1. Staff shortage and lack of equipment and resources (vehicles are old and resealing of K53 test yard) hamper services delivery.
2. Vacant positions could not be filled due to financial constraints.
3. Superintendent Traffic Officer (No Management Representative)
4. Lack of co-operation from live-stock owners and lack of fencing contributing to an increase of stray animals on the roads.

Inspection done by Department of Transport

Three inspections were done during this year by the National and Provincial Department of Transport, and they have the following findings.

1. Potholes on the test route.
2. Painted lines that are faded on the test route and yard.

Roadblocks

Ten planned roadblocks were held on the N10 and R63 that focus on the manganese transportation and public transport 961 cars were stop and 154 summons was issued to the value of R 242 150.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: Planning; and Land Use

3.8 INTRODUCTION TO PLANNING AND DEVELOPMENT

According to the BCRM SDF, 2022-2027, the municipality is underdeveloped and in order to assist the municipality in its task to prioritize spatial planning and investment decisions, the following Spatial Structuring Elements, adopted from the BCRMSDF (2023) are applicable: -

- (a) Development nodes.
- (b) Development corridors.
- (c) Special priority development areas.
- (d) Strategic development zones.

The sub-directorate for Town Planning and Land Us is responsible for spatial development and land use planning and management. Its functions and activities are guided by various plans and statutes which are summarized in the following table:-

#	Structure/Sector Plan	Status
1	Town Planning Tribunal	The municipality is part of the Sarah Baartman District tribunal.
2	BCRM SDF	BCRM SDF has been adopted by the Council in 2023 and Gazetted November 2023
3	By-laws on National Building Regulations	Developed and adopted by Council
4	By-laws on Town Planning/Land Use	Developed and adopted by Council
5	By-laws on Outdoor Advertising	Developed and adopted by Council
6	National Building Regulations	Municipality is guided by the National Building Act
7	Land Use Management Scheme	Developed and adopted by Council
8	Geographical Information System	Municipality has a licensed GIS
9	Small towns Revitalisation Programme	Awaiting appointment of a service provider to develop the plan.

Land use applications for exemptions are presented for standing committee for information purposes. The below are exemptions from 2023/24 and the income generated on exemptions:

LAND USE APPLICATIONS FOR EXEMPTIONS		
Farm 293 Somerset East.	Various servitudes relating to water over portion 2 of consolidated farm Rhenosterfontein	R 2 626,40
Farm 166 N 158 Somerset East Road	The consolidation of Portion 2 of the Farm Bloemhof No. 166 to Portion 2 of the Farm Doornkloof No. 158 and subdivision of the consolidated farm	R 2 626,40
Geometrics	Exemption for subdivision of farms for road purposes.	R 2 626,40
Total income generated 2023/2024		R 7879.2

The table highlights the zoning certificates issued and income generated thus far. As per the approved tariff structure policy each ZC cost R 221.31.

ZONING CERTIFICATES	
ERF/ERVENS	FARMS
ERF 1174, KwaNojoli	FARM DAGGABOERNO.1, BEDFORD DIVISION
	FARM JAGERS DRIFT 121 PORTION 68
	FARM JAGERS DRIFT PORTION 77
ERF 60, KwaNojoli	FARM KRY RIVER NO.47
	FARM SHIRLAND NO.48
ERF 1367, KwaNojoli	
ERF 820, KwaNojoli	FARM NO.496 PORTION 1

	FARM JAGERS DRIFT 121 REMAINDER OF PORTION 29
ERF 2766, KwaNojoli	
Total	R2 655,72

Location	ERF/ERVENS
KwaNojoli	6385
KwaNojoli	5762
KwaNojoli	2800
KwaNojoli	2293
KwaNojoli	2189
KwaNojoli	2040
KwaNojoli	658
KwaNojoli	657
KwaNojoli	656
KwaNojoli	346
Total accumulated during 2023/24 FY	R2213.1

Building Control

Building control and maintenance works In terms of the National Building Regulations Act 107 of 1977 stipulates that a Local Authority must approve buildings plans and also control the erection of buildings or additions.The building control strives to maintain and administer compulsory specifications and regulations.

The submission fee differs on activities and depending on the proposed square meter, The potential revenue income generated from the submission of building plans from April to June 2024.

Below is the recently updated building plans registered recorded by building control and maintenance:

ADDRESS	DATE	STATUS
Plane Street Francisvale KwaNojoli 5850	18 June 2024	Approved
Henry Street KwaNojoli 5850	18 June 2024	Approved
87 Louis Trichardt KwaNojoli 5850	18 June 2024	Approved
5991 Ceader Street Aeroville KwaNojoli 5850	18 June 2024	Approved
5762 Mossie Street Aeroville KwaNojoli 5850	18 June 2024	Approved

The building plans are circulated in terms of SPLUMA to all affected departments and tabled and discussed to the established Integrated task team committee for technical resolutions and recommendations to the Standing Committee

3.9 INTRODUCTION OF LOCAL ECONOMIC DEVELOPMENT

Local economic development is a key cordial strategy that is explored by all spheres of government, in particularly local government to address socio economic challenges faced by communities namely, poverty, high unemployment rate and inequality to mention the few. The approach received a lot of attention globally as a mechanism to encourage a collective and inclusive partnerships amongst relevant stakeholders, the intended goal is to work towards achieving common objectives to improve livelihood of local municipalities. It is against this reason that Blue Crane Route Municipality took a conscience decision to prioritize local economic development as a key performance area to change the economic outlook of the area.

In essence, the Municipality has adopted Local Economic development approach within a broader context of Integrated Development Plan, Spatial Development Framework, Spatial Planning and Land Use Management Act 16 of 2013, National Development Plan Vision 2024, Small Town Regeneration, Tourism and agricultural development, Investment promotion, infrastructure development, job creation and sustainable development.

The Municipality has identified Agriculture, Tourism and Small Medium Micro Enterprises development as the economic drivers in the area. Agricultural sector remains the dominant economic activity of the BCRM and contribute immensely to the employment through seasonal job opportunities. Cattle, Goat farming, exotic fruit and game farming dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment. The Blue Crane Route Municipality contribute significantly to the global production of mohair fibre as well as wool fibre.

however, more support is needed for emerging farmers particularly black commercial farmers such as access to land or farms, financial and technical support, access to market, mechanisation and mentoring. The Blue Crane Route area have indigenous plants such as thorn trees, aloe, Spek-boom. These plants have a potential to create sustainable job opportunities through Agri-processing and biodiversity projects. The Municipality in partnership with Mineworkers Development Agency handed over 100 bee keeping pollution units and PPEs to 10 SMME's as a project start-up, the primary objective of the municipality is to develop emerging farmers and cooperatives to ensure that they reach their commercial status.

LED unit has facilitated the development of the draft Local Economic Development strategy. The document is developed in response to the needs of the local communities, fundamental, was to map local resources for future development, to identify economic development strategic areas, and the development of action plan and monitoring tool. The Municipality has developed business Incubation plan to accelerate a successful development of entrepreneurial enterprises through the provision of business support in the form of resources and business networks. The process of reviving Local economic development structures as the key role players in economic growth of the Municipality is in progress.

The unit continues to firmly support the development of SMME's through capacity building programs to ensure that they meet their maximum growth. The SMME's have been assisted with a training on pre – tendering and document calculation in partnership with SANRAL to afford them an equal opportunity during tendering processes. A workshop on compliance was conducted for SMME's in partnership with SARS, Dept of Social Development, DRDAR, CIDB, Dept of Labour, ECDC, DEDEAT, SEDA, and ABSA Bank to ensure that they comply with the required documents. A business start- up and financial management training was conducted for Informal traders where they received vouchers to the value of R3000 each to support their businesses from Wholesale & Retail SETA. The Unit has conducted a digital entrepreneurship (Network basic skills) for youth in business in partnership with Ikhala TVET College.

Tourism is one of the main catalyst drivers for economic growth and development in BCRM. The Municipality pride itself with tourism products such as Museum, Art gallery, game reserves, hiking trails, waterfall, park runs, B n B's and Hotels, tourism hub and Bestershoek, including Battis Art festival that was held in July 2024. Plans to resuscitate the tourism hub and revival of biltong festival in partnership with Sarah Baartman District Municipality and Cacadu Development Agency respectively are in place. However, a lot need to be done to promote tourism and profile the municipality as a tourism destination.

LED unit through its action plan that was adopted by the council has prioritized the development of tourism master plan as a mechanism to map and identify other tourism products to create job opportunities and sustainable employment, more importantly, to mobilize financial resources and establish partnership with relevant stakeholders for the development of tourism sector.

Cooperatives are progressing very slow; the contributing factors have to do with their organisation and lack of information on the importance of cooperatives in the development of local economies. The municipality continues to encourage communities particularly young people to form cooperatives in order to benefit from opportunities that exist within cooperative movement.

Currently there are 6 windfarms operating with the parameters of the municipality namely (Golden Valley, Cookhouse, Nojoli, Mseng'emoyeni, Amakhala and Nxuba)who contribute through their social development programs and skill development. However, more feasibility studies need to be conducted to explore potentials on hydro – energy and solar panels.

The Municipality enjoys unwavering support from Sarah Baartman District Municipality and Cacadu Development Agency. Currently the agency has invested on infrastructure projects within the municipality namely, Borschberg Tourism hub, Somerset East Aerodrome and Somerset east Industrial Park. All these projects are intended to bring a sustainable employment opportunities and change economic outlook of the area. Both Aerodrome and tourism hub have been vandalised, however, CDA is currently in the process of resuscitating the facilities. A notice of unsolicited bid to investors / developers for the development, expansion and operation of Industrial Park was advertised in June 2024.

3.10 INTRODUCTION TO LIBRARIES

Blue Crane Route Municipal Libraries provide services at 6 public libraries across the Municipal area. Anyone may use these libraries, but only members may loan library material and use the computers. The Library Service aims to provide information resources in various formats including e-books to the entire BCRM population and to foster a life-long reading culture.

- Functions provided by the libraries: Provide updated information to scholars and the community.
- All the libraries have computers, 5 libraries have Wi-Fi router and 1 library with no internet. Colour printers and competitive prices for printing help to give good service. Some of the libraries have tablets to provide clients with further information.
- Outreach programmes are conducted for adults and children.
- Educational programmes for pre-scholars and scholars.
- Holiday programmes for children.
- 3 Libraries have Jungle gyms
- 3 Libraries have a hall for meetings and other activities

These programmes ensure that every interested member of the community is reached and supplied with relevant information. International literacy day Event was held during September 2023.

International Literacy Day is an international observance, celebrated each year on 8 September, that was declared by UNESCO on 26 October 1966 at the 14th session of UNESCO's General Conference. Since 1967, International Literacy Day (ILD) celebrations have taken place annually around the world

to remind the public of the importance of literacy as a matter of dignity and human rights, and to advance the literacy agenda towards a more literate and sustainable society.

All the libraries did different displays according to the theme of this week. During December, all the libraries had Christmas programmes and they made Christmas decorations and cards. World Read Aloud day was held during February 2024. The librarians held programmes that suited them.

During March, the Department of Sport, art and recreation celebrates South African Library Week as one of the campaigns to promote a culture of reading and utilization of libraries as community Hubs for information. Libraries celebrates local, district and provincial and official opening of Welcome Baskiti Public Library, under the theme "Libraries Foster Social Cohesion". The libraries had different activities, and these includes Book Review, Reading in 3 languages, Words within word.

World Book Day was held on 23 April. Libraries covered a wide spectre of activities. During May 2024, World Play day was held during May 2024. Children participated in different games at the different libraries. In June 2024, we celebrated Youth Day and the libraries had displays depicting this very important day.

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

- 6 Qualified librarians and 2 qualified teachers oversee these libraries
- 2 Assistant librarians assist the librarian in their work
- 2 library assistants (EPWP Workers) at 2 libraries supplied by DSRAC
- 1 Cleaner in every library from 6 libraries
- TOTAL of 18 staff members
- Small libraries have approximately 15 000 and larger libraries have approximately 20 000 books.
- Total of approximately 95 000 books. These include DVD's and books of CD.

Circulation for 2023/24

Adults	12952+ 1815
Children	10386 + 4811
Total	23338+ 6727

No budget was allocated for capital projects

3.11 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

BCRM has nine cemeteries in total. Only six of the nine cemeteries are officially operating. These are three in Pearston, one in Cookhouse and two in Somerset East. The other three are full. The Bongweni cemetery is about to reach its full capacity and a new site has been identified, the necessary legislative processes need to be followed and an must be submitted to the Department of Environmental Affairs for authorization.

The maintenance of cemeteries is performed by employees who are also responsible for the parks and open spaces. It is difficult to separate expenditure for cemeteries as there is no separate budget for them. This is for both general expenditure and employee expenses.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection is a function that is performed by Environmental Services. The municipality does not have an Environmental Management Unit yet. A provision for the appointment of the Environmental Management Officer has been made in the organogram. There is no funding for this position as a result some of the functions of this unit are performed by Environmental Health Practitioners seconded by Sarah Baartman District Municipality.

3.12 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Since BCRM does not have a unit performing environmental protection, the functions that overlap with those of Environmental Health are performed by the Environmental Health Practitioners (EHP). Urban areas in the BCRM are primary centres of activity that generate air quality impacts. This includes particulate and other emissions. They are as a result of either concentrated traffic volumes, industrial activities including household fires.

Currently, the municipality does not have own Air Quality Management Plan. Ordinarily such plans are prepared by the District municipality.

Old infrastructure with insufficient capacity results in sewerage spillages and thus health risks. This also has a potential of water pollution which can lead to the spread of diseases. For the year under review no complaints were received regarding noise pollution.

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Pollution control in the form of prevention of nuisances such as illegal dumps is done by the EHP's. They together with other government community-based programmes mobilise the communities and do awareness campaigns amongst the community. These environmental awareness campaigns are focusing on eradication of illegal dumps and beautifying these spots. The community members are encouraged to adopt these beautified spots and protect them from vandalism. The programmes are targeted to have two awareness campaigns per quarter on a continuous basis. Expenditure for these programmes is provided for under operational budget.

Air pollution is the function of Sarah Baartman District Municipality, and they are the custodian of implementing the Quality Management Plan and to deal with issues of air pollution. Pollution control due to nuisance is dealt with in terms of the Health Act, National Norms and Standards for Environmental Health and local Municipal Bylaws.

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Blue Crane Route Municipality had two greening projects through the planting of 1460 trees in Ward 3, Ward 1 and Ward 5. The trees were donated by Department of Forestry, Fisheries and Environment through the National Ten Million Trees Programme.

3.13 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Health inspections are integral part of the function of Municipal Health Services. The function is performed by two Environmental Health Practitioners who is seconded by the district municipality to BCRM. The Sarah Baartman District Municipality and the Blue Crane Route Local Municipality have entered into a Memorandum of Understanding which stipulates the functions that will be performed by the Environmental Health Practitioners and also the reporting supervisory channels. Abattoir licencing is a function of the Department of Agriculture who also have their own inspectors to conduct inspections at the abattoir.

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The Environmental Health Practitioners (EHP) are responsible for Health inspections as part of their scope of practice. The scope of work includes;

- Water quality monitoring
- Food control
- Health surveillance of premises
- Surveillance and prevention of communicable diseases
- Waste management
- Vector Control
- Environmental Pollution
- Disposal of the dead
- Chemical Safety
- Air quality management

The EHP's perform their functions within the BCRM area of jurisdiction and their reports are submitted to council after being discussed in a council standing committee on a quarterly basis. The same reports are submitted to the district on a quarterly basis. Two EHPs are seconded to the municipality by Sarah Baartman District Municipality.

Water quality monitoring is done monthly in terms of SANS 241 and all deviations are attended to and reported to the Technical Services for their intervention. Food control is done through health inspections on food handling premises in terms of Food, Cosmetic and Disinfectant Act Regulations (i.e. R638). Those food handling premises that are not compliant with the Regulations are given

notices to rectify the conditions with a specified timeframe or prohibition orders is served to premises which is non-compliant. Health surveillance of premises is also conducted in the same manner.

Waste management is a function of the municipality and EHP's are required to ensure compliance with the Waste Management Act and also to prevent occurrence of diseases that could be as a result of waste not being properly managed. The municipality has teams that do the actual collection, transportation and disposal of waste. The two units work together to ensure waste is managed in an acceptable manner.

3.14 FIRE

INTRODUCTION TO FIRE SERVICES

As first responders, we stand the unpredictable, to shield our community from harm, and bring hope to those in need (SANS 1001). There was a decrease in the formal and informal dwelling fires. In the year 2023/2024 veldfires posed a serious challenge due to maintenance terrain with dense vegetation. The fires emanated from lightning. The rising temperature as a result of climate change lead to extreme drought conditions. Blue Crane Route Municipality's poor infrastructure ignites easily.

Fire awareness in schools, hospital, old age homes, clinics, orphanage home, soup kitchens, fuel stations and storages increased, due to more personnel being trained.

Below is a list of awareness key objectives:

- Classes of fire
- Fire behaviour
- Extinguishing methods
- Safe evacuation methods and procedures
- Stop drop and roll method
- Fire safety tips at home
- What to do in the event of fire and disaster
- Disaster preplanning and resilience
- Risk and hazard mitigation methods
- Proper use of portable fire equipment
- Prompt reporting of emergencies (after hours the number is used as BCRM call centre)

Inspections are conducted monthly, for the year 2023/2024 we conducted 387 inspections both general and flammable substances. Fire hydrants, flammable substances, warehouses, gas installation, building plans, fire breakers. Flammable certificates are issued to the shop owners that are

complying. Burning permits are issued to farmers that comply. Notices are given to those who do not comply. Two fire personnel are trained for Fire Prevention to improve the inspections.

Type of inspections	Number of inspections conducted	Number of shops complied	Number of shops non-complied	Number of notice issued	Total number of certificate paid
Flammable substances	223	62	161	73	45
General Inspections	164				
Burning permits	9		3 not complying		6

Santam sponsored the Fire Department with two 5000 litre JoJo Tanks and purified water machine.50 Pillar hydrants were modified in all 3 towns and adjusted so that it could not be broken easily.

Challenges

- We do not have equipment for extinguishing windfarm turbine fires.

Types of fires responded:

Category	Grand Total 2023/2024
Buildings	1
Dwellings(Formal – brick & mortar)	15
Informal Dwellings (shacks/mud/hut etc.)	7
Electrical	4
Rubbish	31
Vegetation	81
Transport (cars/busses/trains/aircraft/ship)	4
Other (not specified above) public unrest	7

Fatalities caused by fire and Mva's

Number of fatalities	Grand Total 2023/2024
Fires	0
Accidents	2

Injuries caused by fire and Mva's

Number of Injuries	Grand Total 2023/2024
Fires	2
Accidents	32

Awareness and Training

Awareness and Training	Grand Total 2023/2024
Number of civilians made aware	11 000
Number of children and teachers made aware	9000
Number of schools covered	19

Institutions visited

Specify the type of institutions visited (e.g. Old age home/ Hospital/Clinic)	Hospital, old age homes, clinics, orphanage home, soup kitchens, fuel stations and storages
---	---

Inspections conducted

Fire Safety (number of inspections conducted)	Grand Total 2023/2024
General Inspections	164
Flammable Liquid	223
Building Plans	0
Fire Hydrants	636
Burning Permits issued	6

Training and Development

List of Courses:	Number of employees trained
Fire fighter 1	5
Fire fighter 2	5
Hazmat Awareness	5
Hazmat Operations	5
First Aid Level 3	5
Vehicle Extrication	2
Fire Prevention	2
High Angle Rescue	2
Airport Fire Fighting	2
Peace Officers	5

Equipment procured:

Two way halo Radios	8
Fire engine radios	5
Chain saw	1
Ceiling hooks	3
Trauma board	2
Extension ladder	1
Bolt cutters	3
Panti ion Combination cutter	1
Firemen Axe	1
Spade	1
Mac Africa 100 Litres compressor	1
Jet Air Conditioner	4

Grant Usage:

Staff training

Procure equipment and Protective clothing

Retainer and Fire Marshalls salaries

Staff Complement

Chief fire officer	Vacant
Fire fighters	4
Fire retainers	9
Fire Marshalls	8

3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality has internal IT support service, with the IT section located under the department of Corporate Services. The IT section provides support service for all the business units of the municipality. Our mandate is to provide shared services which are corporately used and whose needs are similar across all departments.

IT support currently consists of three (3) staff members, the ICT Manager, IT Technician and the System Network Administrator and an Intern that assist with IT help desk to provide single point of contact.

List of shared services provided by IT.

- 1) Communication – Email, phones, desktop, laptop
- 2) Support – hardware and software, print management
- 3) Connectivity – Network, internet
- 4) Administration – ICT governance, Risk management

Key Achievements

- Phase 1 of Upgrading of the two-way radio communication system was achieved, where a repeater was installed to improve communication channels within the electricity department.
- New server for financial system was procured, to ensure there's enough storage capacity.
- A total of 20 laptops/notebooks procured and issued to new managers and officials.

Challenges

- Network connectivity on satellite sites that still have old infrastructure.
- Limited budget that makes it difficult to implement latest Technology.
- Functioning of the ICT Steering Committee.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

- For the year under review the following main capital projects were implemented.
- Procurement of the new server and server software for R718 285.39.
- Installation of the Two-radio communication Repeater R64 300.00
- Procurement of twenty (20) laptops R400 000.00
- Implementation of the ICT Strategy, by reviewing policies and upgrading of systems.

Reviewed policies:

1. Cellular phone Policy
2. IT Disaster Recovery Plan
3. IT Disaster Recovery Plan Policy
4. ICT Strategy
5. ICT Steering Committee Terms of reference

Developed Policies:

1. ICT Standard operating policy

3.16 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The BCRLM is located within the Sarah Baartman District Municipality of the Eastern Cape Province of South Africa. The main town located within BCRLM is Somerset East. The BCRLM is bounded in the North and North East by the Chris Hani DM and Amathole DM respectively; and in the South East through West by the Blue Crane Route LM, Sundays River Valley LM and Dr Beyers Naudé LM respectively.

The Blue Crane Route area comprises of the primary node of Somerset East, which is the main commercial hub, two secondary service centres i.e., Pearston and Cookhouse, and vast rural commercial farmlands. Per the Community survey that was conducted 2022, the municipality's population has moved from 36 083 (2016) to 49 883 (2022), 27.83% growth rate.

The Blue Crane Route Municipality is the electricity distribution licence holder for the supply area with licence number NER/D/EC102, and supplies electricity to Somerset East, Cookhouse and Pearston. It has one bulk supply point with an installed capacity of 18 MVA and a maximum demand of 17.2 MVA. The network consists of 28 km of medium voltage (MV) underground cable, 928 km of low voltage (LV) underground cable, 2,600 km of MV overhead lines and 128 km of LV overhead lines.

The Municipality had 36,002 customers, which are categorised as follows: 6,696 prepaid domestic; 768 domestic credit meters; 354 commercials; 572 agricultural and 21 industrial customers.

In general, the overhead network of the Blue Crane Route Local Municipality is old and most of it has been in service for more than 50 years. However, certain 22 kV distribution lines, particularly the ones transmitting from the Main Substation to farmers at Zuurberg, were installed in 1965 and an urgent replacement programme was needed to ensure continuous supply of power. The Swartzhoek and Pearston were also needed maintenance.

In 2014, a condition assessment was done by Bosch Stemele (now known as Bosch Projects). The assessment was more on MV lines where the biggest need for upgrading / refurbishment is needed (backbone of the electrical distribution network). All the distribution lines in the urban and rural infrastructure for Somerset East, Cookhouse and Pearston were surveyed.

Rural lines surveyed were (feeder lines, 22 000V): Eastpoort (installed 1960, 94km) Middleton (installed 1970, 103km), Cookhouse (installed 1960, 44km), Suurberg (installed 1960, 120km), Wellington grove (installed 1960, 80km), Swaershoek (installed 1970, 79km) and Pearston (installed 1970, 15km).

The BCRM experienced floods (hailstorm) during November-December 2022 and January-February 2023 and it affected electricity and roads & stormwater infrastructure. The below is the summary of events:

- During March 2023, BCRM has submitted funding application for the municipal disaster relief grant (MDRG).
- The R 30.4 million funds were transferred on the 29 February 2024 to the municipality.
- Project Implementation Plans and cashflow projections (signed by the MM) for submission to PMDC was done, 07 March 2024.
- On the 30 January 2024, BCRM council was informed or appraised of the MDRG and the projects thereof.

ORGANISATIONAL PERFORMANCE SCORECARD

This component includes Annual Performance Report for the year under review. The annexure is attached with the detailed performance information of the municipality.

**CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)**

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Blue Crane Route Municipality has a total number of 251 permanent employees and a total number of 103 temporary employees. The turnover rate is 6.30%; 12 retired and 6 resigned. The municipality prides itself in the low-turnover rate as it is indicative of reasonable levels of staff morale.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

In accordance with the requirements of s67 of the MSA 2000 that necessitates municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration. During the year under review the municipal council developed, reviewed, and adopted the following policies.

4.2 WORKFORCE POLICY DEVELOPMENT

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Acting policy	100%	100%	31/01/2023 (Reviewed)
2	Dress Code, Uniforms and Protective Clothing Policy	100%	100%	29-Jul-21
3	Night Shift	100%	100%	29-Jul-21
4	Overtime Policy	100%	100%	29-Jul-21
6	Standby Policy	100%	100%	29-Jul-21
7	Employment Policy	100%	100%	31/01/2023(Reviewed)
8	Bereavement & Funeral Policy	100%	100%	29-Jul-21
9	Remuneration Policy	100%	100%	29-Jul-21
10	Leave Encashment Policy	100%	100%	29-Jul-21
11	Employee Relocation Policy	100%	100%	29-Jul-21
12	Termination of service Policy	100%	100%	31/01/2023 (Reviewed)
13	Employee Assistance Policy	100%	100%	29-Jul-21
14	HIV and AIDS Policy	100%	100%	29-Jul-21
15	Smoking Policy	100%	100%	29-Jul-21
16	Subsistence abuse Policy	100%	100%	29-Jul-21
17	Sexual Harassment Policy	100%	100%	29-Jul-21
18	Inclement Weather Policy	100%	100%	29-Jul-21
19	Labour relations policy	100%	100%	31/01/2023 (Reviewed)

20	Occupational Health and Safety	100%	100%	31/01/2023 (Reviewed)
21	Employment Equity	100%	100%	29-Jul-21
22	Training & Development Policy	100%	100%	31/01/2023 (Reviewed)
23	Individual Performance Management Policy	100%	100%	31/01/2023 (Reviewed)
24	Leave Management Policy	100%	100%	31/01/2023 (Reviewed)
25	Retention Policy	100%	100%	1-Jul-16

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	20	11	55%	2	R5 500
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	20	11	55%	2	R5 500

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*	*Average sick leave per Employees Days
Lower skilled (Levels 1-2)	111	40%	89	145	0,44
Skilled (Levels 3-5)	97	60%	50	34	0,39
Highly skilled production (levels 6-8)	136	56%	1	42	0,54
Highly skilled supervision (levels 9-12)	60	35%	8	14	0,24
Senior management (Levels 13-15)	95	20%	4	11	0,38
MM and S57	65	4%	5	5	0,26
Total	564	36%	157	251	2,25

Vacancy Rate: Year 0			
Designations	*Total Posts	Approved	*Vacancies (Total time that exist using fulltime equivalents) No.
	No.		*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1		0,00
CFO	1		0,00
Other S57 Managers (excluding Finance Posts)	3		33,33
Other S57 Managers (Finance posts)	0		#DIV/0!
Fire fighters	4		0,00
Senior management: Levels 13-15 (excluding Finance Posts)	10		10,00
Senior management: Levels 13-15 (Finance posts)	3		33,33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	14		35,71
Highly skilled supervision: levels 9-12 (Finance posts)	13		0,00
Total	49		16,33

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Watercare Superintendent	Gross Insubordination	22-Jun-23	The employee was subjected to the disciplinary hearing, she resigned after the disciplinary hearing was completed	01 November 2023
1 Driver and 2 general workers	Misuse of municipal vehicle	10 November 2023	10 days suspension without pay	10 November 2023
1 Water processor and 1 General worker	Absenteeism	16 February 2024	5 days suspension without pay and final written warning	16 February 2024

COMMENT ON INJURY AND SICK LEAVE:

In cases of temporal disablement injuries and similar injuries or injuries that happen in the same place more often, investigative inspections are conducted by the OHS Officer and the Department/Business Unit SHE Representative. If the injuries happened due to faulty equipment/tools the use of such is immediately prohibited and Departments are made aware of such actions, as these are some of the measurements taken to minimise injuries at work. SHE Committee Meetings are also held regularly / as mandated and safety precautionary measures are discussed, and recommendations made are forwarded to Management for decision taking.

BCRM continues to make use of public healthcare services (local hospitals and clinics) as it does not have its own doctors. Injured employees are sometimes referred to Specialists that are outside the BCRM jurisdiction but are transported by the Municipality. Sick leave due to an injury on duty is not treated the same as the normal sick leave, we use leave books that clearly indicate the IOD Sick Leave than the normal Sick Leave.

It has been a notable concern on the percentage of sick leave consumed between level 3-8. The municipality does have wellness programmes which includes mental and physical health. It is also encouraged that employees ensures that they maintain a healthy mind to have a healthy body.

4.4 PERFORMANCE REWARDS

No Performance bonuses were awarded during the year under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The position of Human Resources Development and Performance Management Officer was filled in August 2023. This is aimed at ensuring continuous identification, introduction and implementation of programs that will give access to employment opportunities and further personal empowerment towards improved service delivery. This is also meant to ensure that the institution embraces and implements performance management holistically.

Capacity building is also implemented through funding from SETA's, Government departments SALGA and Sarah Baartman District Municipality.

SKILLS DEVELOPMENT

Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female	2	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	6	0	0	0	0	0	0	0	0	0	0	0	0
	Male	11	0	0	0	0	0	0	0	0	5	0	0	0
Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	9	0	0	0	0	0	0	0	0	0	0	0	0
	Male	22	0	0	0	0	0	0	0	0	0	0	0	0
Total		62	0	0	0	0	0	0	0	0	5	0	0	0

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	1	2	2	1	1
<i>Chief financial officer</i>	1	1	2	2	1	1
<i>Senior managers</i>	6	6	12	12	1	5
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	1	2	2	1	1
<i>Supply chain management senior managers</i>	1	1	2	0	0	0
TOTAL	10	10	20	18	4	8

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	9
Highly skilled supervision (Levels 9-12)	Female	3
	Male	1
Senior management (Levels 13-16)	Female	0
	Male	1
MM and S 57	Female	0
	Male	0
Total		14

CHAPTER 5 – FINANCIAL PERFORMANCE

The information of the financial performance is contained on the attached Audited Annual Financial Statement (2023/24).

Summary of the 2023/2024 Annual Financial statements

Description	2023/2024							2022/2023		
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Balance to be recovered	Restated Audited Outcome
R thousands										
Financial Performance										
Property rates	24 819	932	25 751	28 215		2 464	109,6%	113,7%		24 316
Service charges	201 818	(14 878)	186 941	159 899		(27 041)	85,5%	79,2%		142 056
Interest earned - external investments	950	-	950	2 508		1 558	264,0%	264,0%		1 102
Transfers recognised (Operational)	79 188	9 066	88 254	79 216		(9 038)	89,8%	100,0%		73 888
Other own revenue	12 418	(2 197)	10 221	19 193		8 972	187,8%	154,6%		16 851
Total Revenue (excluding capital transfers and contributions)	319 193	(7 077)	312 117	289 031	-	(23 085)	92,6%	90,6%		258 212
Employee related costs	102 713	70	102 783	106 626		3 843	103,7%	103,8%		95 641
Remuneration of councillors	4 928	-	4 928	4 951		23	100,5%	100,5%		4 547
Debt impairment	27 177	-	27 177	52 493		25 316	193,2%	193,2%		30 231
Depreciation & asset impairment	56 304	-	56 304	53 786		(2 518)	95,5%	95,5%		48 311
Finance charges	3 489	-	3 489	19 704		16 214	564,7%	564,7%		4 911
Materials and bulk purchases	139 623	(23 051)	116 571	123 757		7 186	106,2%	88,6%		111 177
Transfers and subsidies	1 083	-	1 083	1 090		7	100,6%	100,6%		1 036
Other expenditure	37 789	(634)	37 154	37 168		14	100,0%	98,4%		23 716
Loss on disposal of PPE				-						
Total Expenditure	373 107	(23 616)	349 491	399 575	-	50 084	114,3%	107,1%	-	319 570
Surplus/(Deficit)	(53 914)	16 539	(37 374)	(110 544)		(73 169)	295,8%	205,0%		(61 357)
Transfers recognised - capital	32 399	29 593	61 992	43 257		(18 735)	69,8%	133,5%		34 343
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(21 515)	46 132	24 618	(67 287)		(91 905)	-273,3%	312,7%		(27 014)
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-		-
Surplus/(Deficit) for the year	(21 515)	46 132	24 618	(67 287)		(91 905)	-273,3%	312,7%		(27 014)
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital	32 399	29 593	61 992	37 615		(24 377)	60,7%	116,1%		29 864
Public contributions & donations	-	-	-	-		-	-	-		-
Borrowing	-	245	245	-		(245)	-	-		-
Internally generated funds	2 120	1 360	3 480	6 088		2 608	174,9%	287,1%		3 006
Total sources of capital funds	34 519	31 198	65 717	43 702		(22 015)	66,5%	126,6%		32 869
Cash flows										
Net cash from (used) operating	22 837	(2 484)	20 353	73 300		52 947	360,1%	321,0%		23 516
Net cash from (used) investing	(34 519)	(31 198)	(65 717)	(41 703)		(24 014)	63,5%	120,8%		(33 604)
Net cash from (used) financing	(1 048)	-	(1 048)	(1 445)		(397)		137,9%		(1 353)
Cash/cash equivalents at the year end	3 894	(33 681)	(29 787)	40 136		69 923	-134,7%	1030,7%		9 986

5.2 GRANTS (2023/24)

R' 000						
Description	2022/2023	2023/2024		Year 2023/2024 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	68 506	67 222	67 222	67 222	0,00%	0,00%
Equitable share	63 385	67 222	67 222	67 222	0,00%	0,00%
Audit Support						
Finance Management Grant	2 450	2 450	2 450	2 450	0,00%	0,00%
EPWP	2 671	1 143	1 143	1 143	0,00%	0,00%
Provincial Government:	2 300	2 300	2 300	2 300	0,00%	0,00%
Sports and Recreation	2 300	2 300	2 300	2 300	0,00%	0,00%
District Municipality:	3 082	1 750	1 750	1 300	-34,62%	-34,62%
<i>Sarah Baardman District Municipality</i>	3 082	1 750	1 750	1 300	-34,62%	-34,62%
Other grant providers:	-	-	-	-		
<i>[insert description]</i>						
Total Operating Transfers and Grants	73 888	71 272	71 272	70 822	-0,64%	-0,64%

5.3 ASSET MANAGEMENT (2023/24)

INTRODUCTION TO ASSET MANAGEMENT

The asset base of the Municipality is integral to the Municipality's ability to provide services to the community in terms of its constitutional Mandate such as the provision of water, electricity, sanitation and maintenance of roads. It is the duty of the Municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use and are not unproductive or idle. Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment and written off and replaced if where applicable.

COMMENT ON ASSET MANAGEMENT:

The Municipality assets are managed through an asset register for infrastructure, land and buildings, investment properties and moveable assets. All moveable assets are verified during the year and the life spans adjusted if it is found that 1.2 the assets are not properly maintained or not in good working

condition. Assets are also insured on an annual basis and the value of all assets are adjusted in the insurance renewal policy each year to match the replacement values. The value of the assets in the Annual Financial statements is according to their original cost less accumulated depreciation.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2023/2024				
Asset 1				
Name	Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse			
Description	MIG Funds utilised to pave gravel roads			
Asset Type	Roads			
Key Staff Involved	Job Creation			
Staff Responsibilities	External			
Asset Value			Year 2022/2023	Year 2023/2024
			9 292 639	7 528 885
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Roads			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Upgrade Cookhouse Water Treatment works			
Description	Upgrade water quality in Cookhouse			
Asset Type	Water Infrastructure			
Key Staff Involved	Management			
Staff Responsibilities	Control			
Asset Value			Year 2022/2023	Year 2023/2024
				14 219 968
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Better water quality			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Refurbishment of Glen Avon Street			
Description	Upgrade the quality of streets in Somerset East			
Asset Type	Streets			
Key Staff Involved	Management			
Staff Responsibilities	Control			
Asset Value			Year 2022/2023	Year 2023/2024
				5 583 390
Capital Implications	Depreciation and Maintenance			
Future Purpose of Asset	Transport staff			
Describe Key Issues				
Policies in Place to Manage Asset				

Repair and Maintenance Expenditure: Year 2023/2024				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Inventory Consumed	9 053	8 550	8 878	2%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

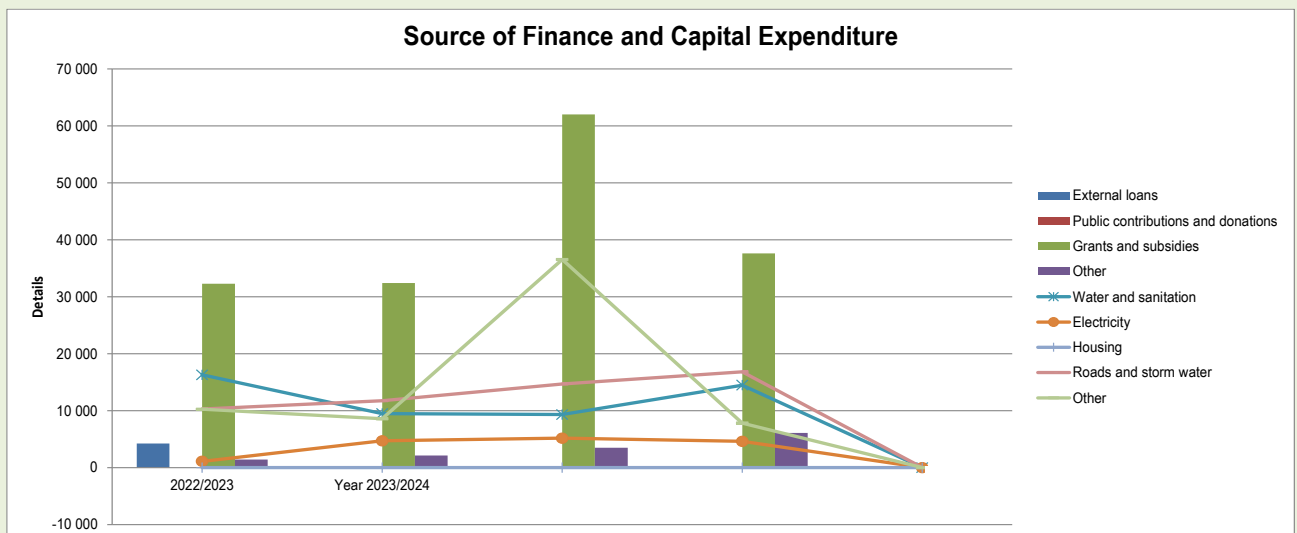
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and Municipal own funds/surpluses. Component B deals with capital spending indicating where the funding comes from and whether the municipality is able to spend the available funding as planned.

5.4 CAPITAL EXPENDITURE

The graph below depicts the ratio between Capital and Operating budgets as percentages of the total expenditure budget. The municipality is severely constrained with its Capital Budget as there are no cash surpluses to fund Capital Expenditure. The municipality is therefore largely dependent on Grant funding.

5.5 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2022/2023 to Year 2023/2024							R' 000
Details	2022/2023	Year 2023/2024					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	4 226	0	245	0	100,00%	100,00%	
Public contributions and donations	0	0	0	0	0,00%	0,00%	
Grants and subsidies	32 281	32 399	61 992	37 615	91,34%	16,10%	
Other	1 416	2 120	3 480	6 087	64,15%	187,12%	
Total	37 923	34 519	65 717	43 702	90,38%	26,60%	
Percentage of finance							
External loans	11,1%	0,0%	0,4%	0,0%	100,00%	100,00%	
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,00%	0,00%	
Grants and subsidies	85,1%	93,9%	94,3%	86,1%	0,50%	-8,30%	
Other	3,7%	6,1%	5,3%	13,9%	-13,78%	126,79%	
Capital expenditure							
Water and sanitation	16 290	9 492	9 325	14 476	-1,76%	52,51%	
Electricity	1 103	4 706	5 167	4 610	9,80%	-2,04%	
Housing	0	0	0	0	0,00%	0,00%	
Roads and storm water	10 275	11 750	14 692	16 803	25,04%	43,00%	
Other	10 255	8 571	36 533	7 813	326,24%	-8,84%	
Total	37 923	34 519	65 717	43 702	90,38%	26,60%	
Percentage of expenditure							
Water and sanitation	43,0%	27,5%	14,2%	33,1%	-48,40%	20,46%	
Electricity	2,9%	13,6%	7,9%	10,5%	-42,33%	-22,62%	
Housing	0,0%	0,0%	0,0%	0,0%	0,00%	0,00%	
Roads and storm water	27,1%	34,0%	22,4%	38,4%	-34,32%	12,96%	
Other	27,0%	24,8%	55,6%	17,9%	123,89%	-28,00%	



5.6 CAPITAL SPENDING ON 5 LARGEST PROJECTS

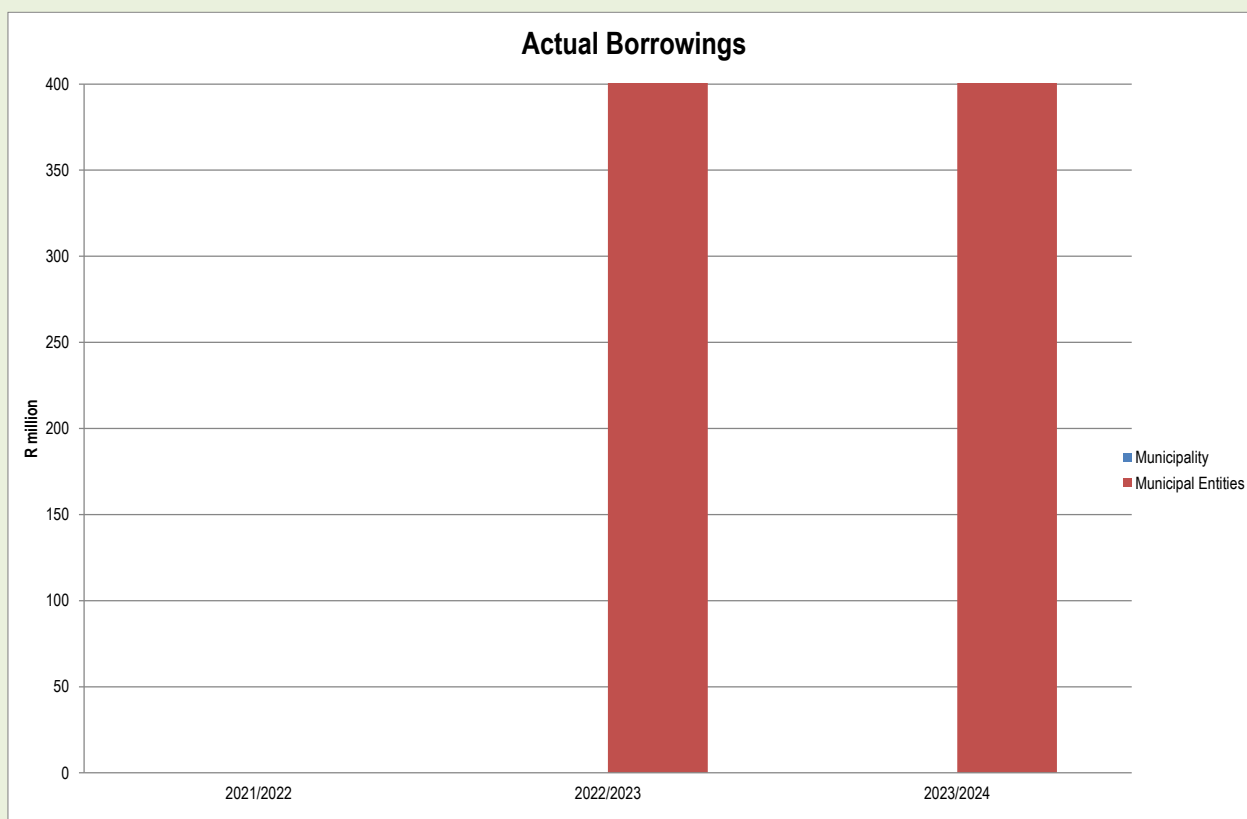
Capital Expenditure of 5 largest projects*						R' 000
Name of Project	2023/2024			Variance: 2023/2024		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
Upgrade of Cookhouse Water Treatment Works	8 695 652	14 130 435	14 219 968	-64%	1%	
Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse	7 611 970	7 835 198	10 311 560	-35%	-3%	
Refurbishment of Glen Avon Street	6 075 810	5 545 868	5 583 390	8%	1%	
Electrification of Low Cost Housing in BCRM	177 391	86 957	3 371 910	-1801%	51%	
Refurbishment of Electrical Network - Disaster Funds	2 086 957	2 086 957	850 827	59%	0%	
Name of Project - A	Upgrade of Cookhouse Water Treatment Works					
Objective of Project	Better water quality					
Delays						
Future Challenges	Cost of maintenance					
Anticipated citizen benefits						
Name of Project - B	Paving of gravel roads in the three towns - Pearston, Somerset East and Cookhouse					
Objective of Project	Upgrading of streets					
Delays						
Future Challenges	Cost of maintenance					
Anticipated citizen benefits	36000					
Name of Project - C	Refurbishment of Glen Avon Street					
Objective of Project	Upgrading of streets					
Delays						
Future Challenges	Cost of maintenance					
Anticipated citizen benefits						
Name of Project - D	Electrification of Low Cost Housing in BCRM					
Objective of Project	Better life quality for all citizens					
Delays						
Future Challenges	Maintenance of meters					
Anticipated citizen benefits						
Name of Project - E	Refurbishment of Electrical Network - Disaster Funds					
Objective of Project	Better electricity quality					
Delays						
Future Challenges	Cost of maintenance					
Anticipated citizen benefits						

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash Flow Outcomes					R'000
Description	Year 2022/2023	Current: 2023/2024			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	135 168	244 738	242 553	143 670	
Government - operating	69 052	69 020	68 721	71 485	
Government - capital	24 952	37 259	37 259	73 486	
Interest	9 341	950	950	13 830	
Dividends					
Payments					
Suppliers and employees	(209 731)	(328 741)	(328 741)	(218 593)	
Finance charges	(733)	(389)	(389)	(9 489)	
Transfers and Grants	(1 036)			(1 090)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	27 013	22 837	20 353	73 300	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables					
Decrease (increase) in non-current investments	(734)			734	
Payments					
Capital assets	(36 367)	(34 519)	(65 717)	(42 438)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37 101)	(34 519)	(65 717)	(41 703)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans					
Borrowing long term/refinancing					
Increase (decrease) in consumer deposits					
Payments					
Repayment of borrowing	(1 353)	(1 048)	(1 048)	(1 445)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 353)	(1 048)	(1 048)	(1 445)	
NET INCREASE/ (DECREASE) IN CASH HELD	(11 441)	(12 730)	(46 412)	30 151	
Cash/cash equivalents at the year begin:	21 426	16 624	16 624	9 985	
Cash/cash equivalents at the year end:	9 985	3 894	(29 788)	40 136	

5.7 BORROWING AND INVESTMENTS

Actual Borrowings: Year 2021/2022 to Year 2023/2024			
			R' 000
Instrument	2021/2022	2022/2023	2023/2024
Municipality			
Long-Term Loans (Non-Current)	0	3 103	1 948
Long-Term Loans (Current)	0	1 050	1 155
Local registered stock			
Instalment Credit			
Financial Leases	0	381	0
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	0	4 534	3 103



Municipal and Entity Investments			
			R' 000
Investment* type	2021/2022	2022/2023	2023/2024
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	21 423	9 984	40 135
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	21423	9984	40135

5.8 SUPPLY CHAIN MANAGEMENT (2023/24)

The Blue Crane Route Municipality has a Supply Chain Management Unit as reflected in the Financial Services Organogram. The Supply Chain Management (SCM) is up and running within the BCRM and strict control measures are in place according to the MFMA, SCM Regulations, MFMA Circulars and the BCRM SCM Policy.

There are eight (8) posts within the Supply Chain Management section; they have been filled.

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

- 1) Specification Bid Committee
- 2) Evaluation Bid Committee
- 3) Adjudication Bid Committee

The Supply Chain Management Policy that was adopted by the Blue Crane Route Municipality (BCRM) after the relevant changes were made to comply with the Blue Crane Route Municipality's requirements, keeping the SCM regulations in mind. The policy has been reviewed in the 2023/24 financial year. Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2023/2024 financial year was submitted to the Accounting Officer; Mayor and the Council.

Vendor performance is regularly monitored with the help of Project Manager/ End Users. Tax matters for all transactions were confirmed to be in order through the Central Supplier Database. There were tenders that had to be re-advertised due to non-responsiveness of bidders and also contract management is also one of the issues that have been highlighted by the Auditor General. Transformation to proactiveness of the unit is one of the improvements that the municipality is working on.

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
B.A. Manxoweni	FT	Executive Committee; Finance & LED; Corporate Services; Community Services.	ANC	100%	0%
N.P. Yantolo- Nkonyeni	FT	N/A	ANC	93.75%	6.25%
P. Sonkwala	PT	Corporate ;Community Services;MPAC.	Ward 6- ANC	93.75%	6.25%
M.K.Mali	PT	EXCO;Finance & LED;	Ward 4- ANC	100%	0%
J.M.Martin	PT	EXCO;Corporate;Community Services;	DA	68.75%	31.25%
Z. Baskiti	PT	Finance & LED; Technical Services;MPAC	Ward 1- ANC	81.25%	18.75%
F.P. Brown	PT	Finance & LED; Technical Services;MPAC.	DA	68.75%	31.25%
E. Miggels	PT	Corporate Services; Technical Services	EFF	62.5%	37.5%
A. Dyantyi	PT	Corporate;Technical Services;MPAC	Ward 3- ANC	68.75%	31.25%
L. Smith- Johnson	PT	Finance & LED;Community Services;	Ward 5 -DA	75%	25%
A. Heynse	PT	Community Services;MPAC.	Ward 2- DA	43.75%	56.25%
H. Davenport	PT	N/A	Ward 4- DA	66.67%	33.33%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance & LED	To deliberate on matters relating to finances of the municipality e.g. income, expenditure and Supply Chain Management functions. Also responsible for Local Economic Development issues.
Corporate Services	To deliberate on matters relating to Administration, Human Resources, Information & Communication Technology (ICT) and Records Management.
Community Services	To deliberate on matters relating to Environmental Health, Traffic Services, Parks & Open Spaces, Libraries, Waste Management, Commonage & Pound, Fire & Disaster Management and Protection Services
Technical Services	To deliberate on matters relating to Electricity, Roads & Stormwater, Mechanical, Project Management, Water & Sanitation, Town Planning and Human Settlement.
LLF	To discuss labour related issues
MPAC	Oversight on municipal overall performance and functionality
Internal Audit	Ensures implementation of internal control
Land Committee	Attends to issues related to municipal land and properties.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director / Manager (State title and name)
Municipal Manager Office	Municipal Manager: Mr M.P Nini
	Manager: Internal Audit- Ms Phelokazi Ndumndum
	Manager: IDP/Performance Management- Ms Samela Hanabe
	Manager: Local Economic Development – Mr Nceba Isaac Kapayi
Finance Department	Director Financial Service (CFO)- Mr N.B Delo
	Manager: Revenue and Expenditure- Mr Julius Maputha
	Manager: Financial and Audit Matters- Mr Martin Meyer (Contract ended August 2023)
	Manager: Supply Chain Management- Ms Ayanda Mbebe
Community Services	Director Community Services- Mrs Y Mniki
	Manager: Environmental Health Services- Mr Francois Trichard
	Chief: Protection Services- Mr Roland Hare
	Chief: Fire and Disaster- Mr John Conway (Resigned 29 February 2024)
Technical Services	Director Technical Services – Mr A Gaji
	Manager: Electrical Services- Mr Vuyani Apollis
	Manager: Project Management Unit -Mr Phiwe Gamedala
	Manager: Water Services – Mr Gcobani Ziqu
Corporate Services	Director Corporate Services – Mrs N Kubone
	Manager: ICT- Mr Mzwandile Gush

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

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

APPENDIX E- WARD COMMITTEE MEMBERS AND ALLOCATION

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Cllr Zamuxolo Baskiti	Yes	1	1	1
	Nomvume Kula				
	Vuyokazi Fani				
	Khanyisa Mbenya				
	Unathi Mali				
	Busisiwe Kwatsha				
	Xabiso Maqenge				
	Ngubengwe Dywili				
	Vuyiswa Xasa				
	Andiswa Sixaxa				
Ward 2	Cllr Archer Haynse	Yes	0	1	0
	Abednego Gegesi				
	Willem Webb				
	Vuyiseka Mbunge				
	Emile Nel				
	Neliswa Toni				
	Joseph Jacobs				
	Michelle Jordaan				
	Kegomoditshwe Sekori				
	Mzoxolo Brander				
Ward 3	Cllr Ayanda Dyantyi	Yes	1	1	1
	Asisispho Nywebeni				
	Silumko Lawrence				
	Mandilakhe Storm				
	Mandisi Memese				
	Nonceba Heka				
	Nosiphenkosi Mbotya				
	Thandeka Gcume				
	Julia Blouw				
	Ntombizanele Mahobe				

Ward 4	Cllr Mncedi Mali	Yes	3	1	1
	Cllr Herbert Davenport		0	1	0
	Phumzile Danster				
	Gerald Danster				
	Thembakazi Jas				
	Piet Verryne				
	Anele Kulati				
	Ivan Setiele				
	Annie Kamin				
	Mandile Afrika				
	Mina Malgas				
	Luyanda Ngcingolo				
Ward 5	Cllr Lorraine Smith-Johnson	Yes	3	2	2
	Sonwabile S. Xaluva				
	Ntombomzi C. Stofile				
	Wellington V. Storm				
	Phumla D. Malambile				
	Deon M. Zoeloe				
	Thembisa E. Memese				
	Rose M. Arends				
	Nonkonzo V. Faku				
	Noluthando J. Gogo				
Ward 6	Cllr Phandulwazi Sonkwala	Yes	1	1	1
	Loyiso Antoni				
	Noma- Afrika Piliso				
	Sindiswa Mjekula				
	Mandla Mbombiya				
	Sinazo Silimeni				
	Anneliza Baskiti				
	Ntombizanele Dwane				
	Lungelwa Mntengwana				
	Melisizwe Fani				

APPENDIX F: RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year: 2023/24	Recommendations adopted (enter Yes) If not adopted (provide explanation)
26-Jun-24	a) Council notes the report of the Audit and Performance Committee held on the 26th June, 2024;	Yes
	b) Council also notes the recommendations and resolutions made by the Audit and Performance Committee in this report, and the recommendations are as follows:	
	(i) The Section 52(d) Report paints a bleak picture of the Municipal Finances, and one is kept awake as there are no immediate plans to rescue the situation. We therefore recommend that Management in considering the options on the table to work around the clock in ensuring that any unnecessary expenditure be discouraged, dispose off some of our assets which remain unutilized like land and obviously due diligence being applied in any decision considered, unfortunately we do not have much room to manoeuvre our way out, we just have to be consistent with our actions.	
	(ii) Of major concern is the Council to note the non-adherence and non-implementation of the Cost Containment Measures agreed upon, i.e. Overtime, Fuel Subsistence and Travelling Expenses. The Audit Committee would like the Council to note this stagnant implementation of these critical resolutions as their delay would further exacerbate the already compromised financial position of the Institution.	

(iii) On the issue of the Provident Fund, the amount payable to the fund as announced by the Court, Management to craft a clearly defined plan to resolve the matter. On this matter we therefore recommend that: once the plan has been developed, such a plan to be consulted with the relevant stakeholders, i.e. Council, Cogta, Provincial Treasury. Their inputs to the plan and concurrence to the actions could be an encouraging move on the part of the Provident Fund for their leniency. Proposals to be considered is the involvement of the labour force to these Court proceedings as that might influence the part B of the Court application.

(iv) Regarding the poor performance by the Infrastructure Department, we recommend that an overall skills audit be conducted as we suspect a misaligned skill set to the demanding work entrusted to the officials in this space. This poor performance is commensurate with the continued complaints and disruptions the Municipality is experiencing on a continuous basis. To put an end to these tough decisions amongst others would be the appointment of senior officials equal to the task and the general workforce committed to service the people of this region.

(v) On the Leave Management, we recommend that Senior Management be held accountable before any consequence management is taken to the lower-level officials. The abdicating of the responsibility of leave management system to HRM must come to an end, HRM role is the facilitation of leave management amongst other functions, HODs are responsible for the leave management in their respective Departments.

	<p>(vi) Once findings between Management, IA and AG have been agreed it remains critical that the recommendations discussed are implemented immediately. The nonimplementation of such recommendations as the Audit Committee we therefore recommend that the Council take swift action and implement Consequence Management as Management is accountable to Council</p>	
<p>28-Jun-23</p>	<p>a) Council notes the report of the Audit and Performance Committee held on the 28th June, 2023;</p> <p>b) Council also notes the recommendations and resolutions made by the Audit and Performance Committee in this report, and the recommendations are as follows:</p> <p>(i) That the Municipal Manager propose the most cost-effective way of ensuring that the Section 56 Managers Assessments are facilitated soon.</p> <p>(ii) Management to prioritise resolving the matters as reflected on the Resolution Register. There are matters that are beyond the control of Management, i.e. Game Farm which are in court, but we insist eminent resolution on matters within the control of Management, thus the expectation by the Committee to see an improved register in future engagements.</p> <p>(iii) A special meeting to be convened earliest next week to bring up to speed the prolonged solution on the data strings facilitated by Samras, and the fact that the BCRM is being used as a pilot project in the launching of the software by Samras. Hence there is a need to further understand this arrangement and the impact thereafter.</p> <p>(iv) At a political level the Committee believes that the Council would be the best positioned arm of the Municipality to engage affected Department at a Provincial level on the non-payment of their debt to</p>	<p>Yes</p>

	BCRM.	
	(v) Where it could be proven that Management indicates continuous ignorance of the agreed recommendations and ultimately regression in the overall performance of the Municipality consequence management becomes the only tool available to address underperformance	
23-Jan-24	<p>a) Council notes the report of the Audit and Performance Committee held on the 23rd January, 2024</p> <p>b) Council also notes the recommendations and resolutions made by the Audit and Performance Committee in this report, and the recommendations are as follows:</p> <p>(i) The Section 52(d) Report paints a bleak picture of the Municipal Finances, and one is kept awake as there are no immediate plans to rescue the situation. We therefore recommend that Management in considering the options on the table to dispose of some of our assets, such should not be acted on hastily and lightly, due diligence is critical, unfortunately we do not have much room to manoeuvre our way out.</p> <p>ii) Of major concern is the Council to note the non-adherence and non-implementation of the Cost Containment Measures agreed upon, i.e. Overtime, Fuel Subsistence and Travelling, and Catering Expenses. The Audit Committee would like the Council to note this stagnant implementation of these critical resolutions as their delay would further exacerbate the already compromised financial position of the Institution.</p>	Yes

	<p>(iii) On the issue of the Provident Fund, the amount payable to the fund as announced by the Court, Management to craft a clearly defined plan to resolve the matter. On this matter we therefore recommend that: once the plan has been developed, such a plan to be consulted with the relevant stakeholders, i.e. Council, Cogta, Provincial Treasury. Their inputs to the plan and concurrence to the actions could be an encouraging move on the part of the Provident Fund for their leniency.</p>	
	<p>(iv) Looking at the dire financial situation of the Institution with targets set in the form of Revenue Collection not met, i.e. Under collection due to varied reasons. We recommend that all the unnecessary travelling (especially for meetings) and any other form of expenditure which directly or indirectly compromises our financial position should be reduced drastically.</p>	
	<p>(v) We have considered the high likelihood of under collection especially on the Electricity Revenue. For the Quarter under consideration, we have not collected a R15 Million Revenue, and that has dire consequences for the Municipality. If this is the projected Revenue under collection posture of the Municipality, an overall R60 Million under collection is imminent by the end of our financial year end. We therefore recommend that key enablers of collection be prioritized by Management to counter this potential disaster.</p>	
	<p>(vi) On the Leave Management, we like to present to the Council for noting the proposed implementation of the Audit Committee that the Leave Management be a shared responsibility has since been implemented. This is evident of the Monthly Reconciliations performed, and we are hoping that an improved Leave Management will</p>	

	be achieved within the financial year under consideration	
31-Mar-23	a) Council notes the report of the Audit and Performance Committee for the quarter ending 31st March, 2023;	Yes
	b) Council also notes the recommendations and resolutions made by the Audit and Performance Committee in this report.	

APPENDIX G -SERVICE BACKLOGS: SCHOOLS AND CLINICS

The municipality does not have service backlogs in schools and clinics.

APPENDIX H – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

WARD 1 & 6

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS DATE	TO	CUSTODIAN	TIMEFRAME
Bhongweni Rectification		Rectification is in progress		D Tech S	To be determined by the department
Backlog: Informal Settlement (200 Units)		The matter has been referred to the DHS.		D Tech S	To be determined by the department
Health Services					
Expansion of clinic and 24hr clinic services	The project is implemented	Work is in progress		D. Community Services	To be determined by the department
Rural Development and Agrarian Reform					
Fencing for the main dam	Currently lobbying funds			DTS	To be determined by the department

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Education and Training				
Construction of FET College in Cookhouse	To engage with DOE further	A letter of request was written to the Department highlighting the need of the community in this regard. No response was received from the department	MM	To be determined by the department
Skills Development Programmes For Young People				
Construction of a library		In progress	D Com Serv	To be determined by the department
Economic and Infrastructure Development: Infrastructure to support Local Economic Growth and Development		Infrastructure plans have been developed and submitted to relevant departments for funding	DTS	To be determined by the department
Upgrading Of Rural Roads (Roads And Transport)		This is a provincial government function. Engagements are on going.	Mayor / MM / DTS	To be determined by the department

Ward 2

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Construct a walkway along the R335 road to Aeroville		Both roads are not municipal roads(R63/R335)	DTS	To be determined by the departments involved
Restoration of burnt and abandoned houses		Application has been submitted to DHS	D Tech Serv	To be considered by the department
Installation of streetlights at (R335 Road towards Fire Station, from R335 intersection to the bridge near Clevedon and Nojoli Street towards Pearston (R63 road)		The project is in progress	DTS	To be determined by the departments involved

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Construction of a Primary School in Aeroville	Proposal submitted to DOE	Awaiting response from the department	Mayor / MM	To be determined by DOE
Access to land for emerging farmers	The matter is receiving attention of DRDAR and the municipality		Mayor / MM	To be determined by DRDAR
Maintenance of rural roads	Matter referred to the Provincial Dpt of Roads and Public Works	Awaiting response from the department		To be determined by DRPW
Dipping tanks	The matter was referred to DRDAR.	A response received was that there is no budget currently.	D Comm	To be determined by DRDAR
Construction of school for the kids with disability	The matter to be referred to the department of Education		MM/Mayor	To be determined by Dept of Education

WARD 3

PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Community Hall		Project will be implemented by the Department of Human Settlements.	DTS	To be considered by the DHS

WARD 4

WARD 4				
PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
Renewable energy (solar panels)	Funding application submitted and awaiting	Application for funding is in progress to be made with the Department of Energy	DTS	To be determined by DOE

WARD 4				
PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIMEFRAME
	response from Department of Energy.	for renewable energy projects		
Sustainable Human Settlement		The matter has been referred to DHS	DTS	To be determined by Dept of HS
Libraries		The matter with regards to the extension of the library was referred to DSRAC. An assessment will be done by the department. A follow up was made with the department and the indication is that this will not be done in this financial year as they will be constructing a new library in Cookhouse.	DCS	To be determined by DSRAC
WARD 5				
PROBLEM AREA	PROJECT /ACTION PLAN	PROGRESS TO DATE	CUSTODIAN	TIME FRAME
Sustainable Human Settlement • Uninhabited Houses (Old Location)	The matter is being attended by DoHS .	Destitute cases are being attended to and the list has been submitted to the DHS.	D.Tech S	To be considered by the department
Extension of previously constructed houses (2 rooms)		Project 300 for demolition and rebuilding is submitted to DHS.		To be considered by the Department of Human Settlement
Rectification of Houses	The matter is being attended by DoHS.	Destitute cases are being attended to and the list has been submitted to the DHS.	D Tech S	To be considered by the Department of Human Settlement
Installation of Jojo tanks	The matter has been referred to DRDAR		D Tech S	To be considered by the department

Solar panels	Funding application submitted and awaiting response from Department of Energy.	Application for funding is in progress to be made with the Department of Energy for renewable energy projects	D Tech S	To be considered by the department
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APPENDIX I – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Communities continue to be provided with services	80%
Output: Implementation of the Community Work Programme	All the wards have CWP's	100%
Output: Deepen democracy through a refined Ward Committee model	Ward Committees meet quarterly and some sit monthly	100%
Output: Administrative and financial capability	Municipality is not viable and is still grant dependant	95%