

BLUE CRANE ROUTE MUNICIPALITY (EC102)



ANNUAL REPORT 2019/2020

TABLED TO COUNCIL ON THE 27 MAY 2021

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

Section 127(2) of the Municipal Finance Management Act (MFMA) 56 of 2003 enjoins the Mayor to table in the municipal council the Annual Report for a financial year. 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. It is therefore a great honour and privilege as the Mayor of Blue Crane Route Municipality (BCRM) to table this report as prescribed in the afore mentioned legislation. This report is tabled 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 2019/2020 financial year.

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

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

- Cookhouse Wastewater Treatment Works upgraded
- Upgrading of Cookhouse bulk water supply in progress (phase 1 & 2 A & 2B & completed, only phase 2C in construction.)
- Upgrading of Pearston Wastewater Treatment works completed (phase 1 & 2)
- Construction of Pearston Water Treatment Works in progress.
- Bestershoek WTW was completed;
- Somerset East Sewer Lifting Station / Pump station was Completed;
- Somerset East WWTW was completed;
- Provision of bulk water supply in Pearston in progress
- Upgrading of Suurberg and middleton electricity lines of Somerset East substation has been done for phase 1, 2 and phase 3 in progress.
- 75 low cost houses in Cookhouse, Somerset East and Pearston have been electrified.
- Rehabilitation and Upgrading of Five Sports fields/ Upgrading of Park and Sport fields in BCRM. (Pearston sports field & Upgrading of Somerset East sports field in progress (Glen Avon;

- Aerovile park upgraded (not complete)
- Connection of 16 plots in Pearston Bulk water supply
- Water Demand and Conversation Management

I table the Annual Report 2019/20 to Council and its Communities.

A handwritten signature in black ink, appearing to read 'CLR B. Manxoweni', written over a faint circular stamp or watermark.

CLR B. MANXOWENI

MAYOR / SPEAKER

COMPONENT B: EXECUTIVE SUMMARY

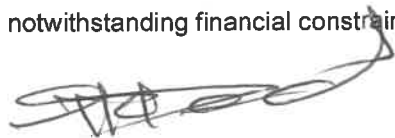
1.1. MUNICIPAL MANAGER'S OVERVIEW

This Annual Report seeks to give an account of how the municipality have performed in the implementation of the 2019/2020 Integrated Development Plan (IDP) and budget. It records some of the strides that were taken by the municipality in improving the lives of the communities we service. At the same time, it highlights some of the challenges that we encountered during the year under review.

During the financial year 2019/20 most of our grant funding was used to improve the infrastructure, in particular water and sanitation. The bulk of our funding was allocated to the most impoverished communities in the Blue Crane Route municipality, namely Somerset East, Cookhouse and Pearston. These communities also benefited in terms of jobs that were created. As a result of our investment in the infrastructure, the municipality witnessed a significant reduction in water losses.

As a municipality that is reliant of grants for funding, we continue to experience serious challenges. The top strategic risks facing the municipality include unreliable IT system, non -existence of a 24-hour Fire Service, insufficient housing resources for emergency relocations and inability to deal with stray animals because of non -availability of funding to complete a pound facility.

May I take this opportunity to thank our Council and staff for their commitment and dedication in ensuring that the Blue Crane Route continues to be counted amongst functional municipalities, notwithstanding financial constraints.



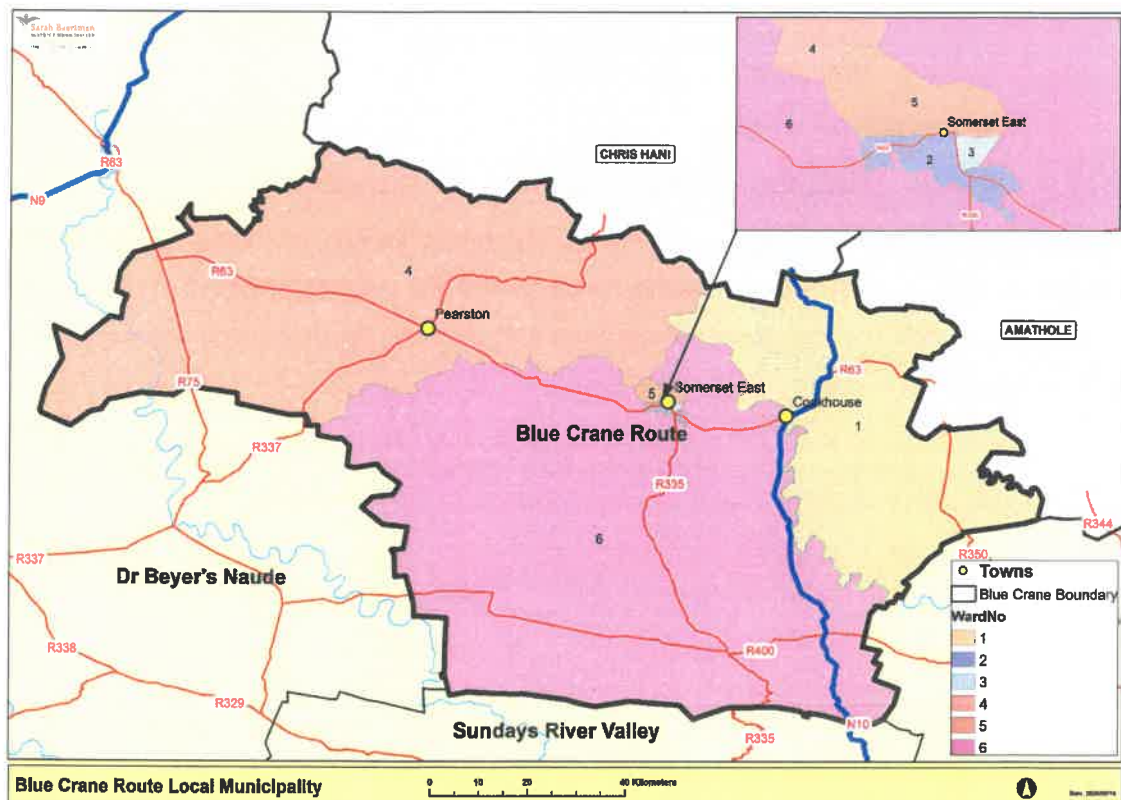
MR T KLAAS
MUNICIPAL MANAGER

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 Stats SA 2001 to 2011 as well Community survey 2016. 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: BLUE CRANE ROUTE LM MAP

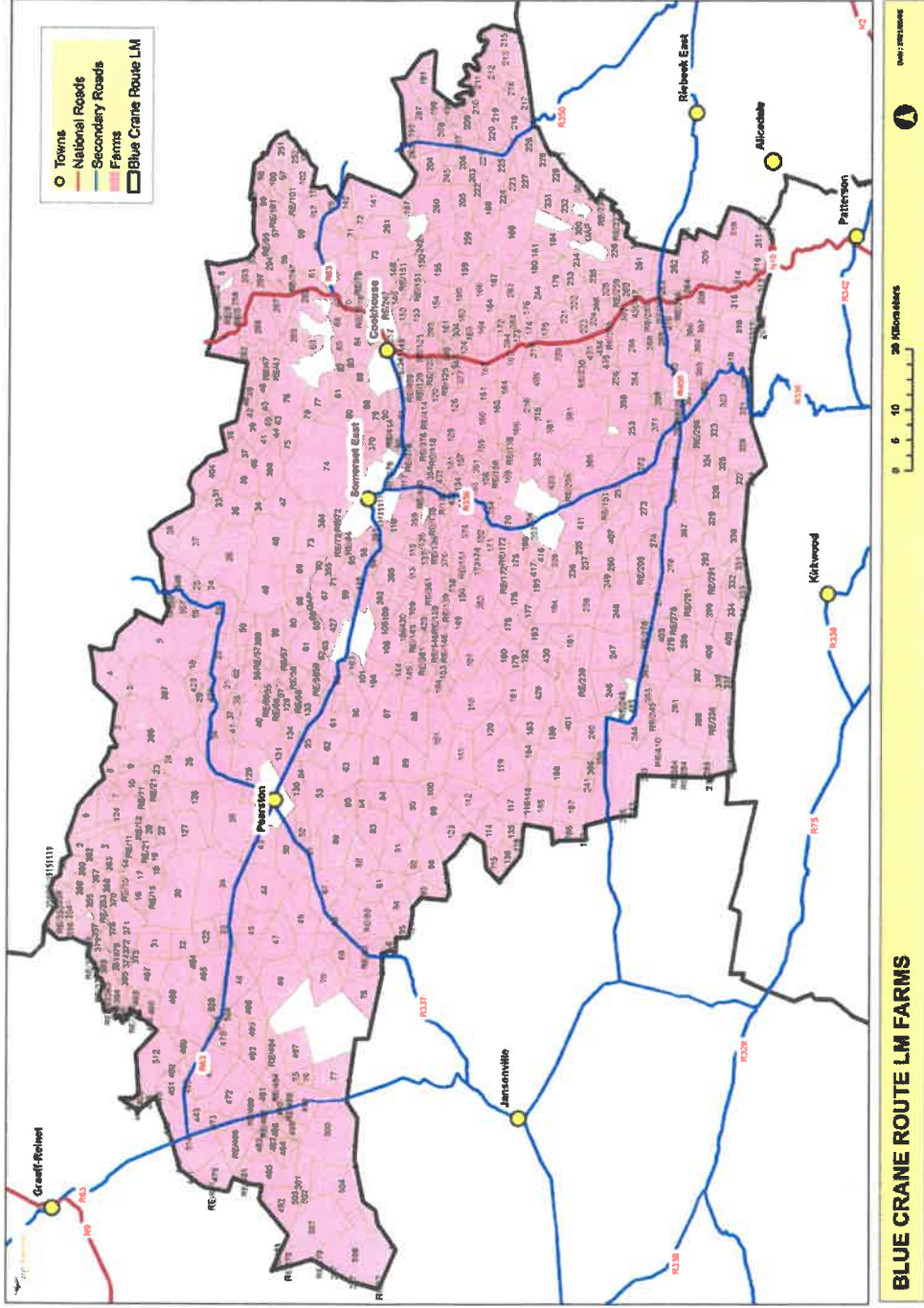


The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east of Raymond Mhlaba Municipality (Amathole DM), North-west of Inxuba Yethemba municipality (Chris Hani DM), South of Makana Municipality and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

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

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

Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Blue Crane Route Municipality has 6 Wards and the total of eleven (11) Councillors who constitute Council. The map below reflects farms that are within the Blue Crane Route Municipality.



BLUE CRANE ROUTE LM FARMS

DEMOGRAPHIC PROFILE

Table 1: Population and extent of Area km² - EC, CDM and BLM

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

Source: StatsSA 2011

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

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

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

The approximate distance between the towns is;

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

1.2.3 DEMOGRAPHICS PER WARD

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

DEMOGRAPHICS								
Age distribution	00 - 04	05 – 09	10 – 14	15 – 34	35 - 64	65 - 85+	Ward Total	%
Ward 1	549	454	422	1555	1566	203	4749	13.2
Ward 2	814	583	591	1882	2265	611	6747	18.7
Ward 3	705	671	601	2185	2320	498	6979	19.4
Ward 4	661	668	570	1788	1817	428	5933	16.5
Ward 5	542	526	475	1628	1804	470	5446	15.1
Ward 6	686	550	449	2068	2083	313	6148	17.1
Grand Total BCR	3956	3453	3108	11106	11856	2523	36002	100
Gender	Male	%	Female	%	Total			
Ward 1	2390	50.3	2359	49.7	4749			
Ward 2	3289	48.7	3458	51.3	6747			
Ward 3	3311	47.4	3668	52.6	6979			
Ward 4	2938	49.5	2995	50.5	5933			
Ward 5	2547	46.8	2899	53.2	5446			
Ward 6	3206	52.1	2943	47.9	6149			
Grand Total BCR	17680	49.1	18322	50.9	36002			
Population Group	Black	Coloured	White	Indian/Asian	Other	Ward Total		

Ward 1	3278	1143	289	10	28	4749		
Ward 2	3169	2370	1128	37	44	6747		
Ward 3	6493	378	68	19	21	6979		
Ward 4	2211	3365	287	26	43	5933		
Ward 5	1813	3387	203	15	28	5446		
Ward 6	4283	1246	479	10	131	6148		
Grand Total BCR	21247	11888	2453	118	295	36002		
Head Household: Gender	Male	%	Female	%	Total Ward			
Ward 1	823	70.1	351	29.9	1174			
Ward 2	1048	56.8	797	43.2	1845			
Ward 3	1161	57.5	859	42.5	2019			
Ward 4	914	57.6	671	42.3	1586			
Ward 5	769	51.7	719	48.3	1488			
Ward 6	1212	73.5	436	26.4	1649			
Grand Total BCR	5927	60.7	3834	39.3	9761			

Source: StatsSA 2011

1.2.4 DEMOGRAPHIC TRENDS

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

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
Blue Crane Route Total Population	35407	36002		0.17	36063	1.7%
Age distribution	35 005	36 003				
0-14	10 293	10517	29.2	0.2	11825	2.34
15-64	22 485	22962	63.8	0.2	21892	-0.96
65+	2 227	2524	7.0	1.3	2347	-1.45
Gender	35 003	36 002			36063	
Male	16806	17680	49.1	0.5	-	-
Female	18197	18322	50.9	0.1	-	-
Population Grouping	35 003	36 001				
Black	20861	21247	59.0	0.19	-	-
Coloured	11515	11888	33.0	0.32	-	-
White	2606	2453	6.8	-0.6	-	-
Indian/Asian	21	118	0.3	46.2	-	-
Other	0	295	0.8	-	-	-
Head of Household: Gender	9 595	9 761				
Male	6 486	5 927	60.7	-0.9	-	-

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
Blue Crane Route Total Population	35407	36002		0.17	36063	1.7%
Female	3 109	3 834	39.3	2.3	-	-

Source: StatsSA

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

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

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

1.2.5 WATER AND SANITATION PROVISION

Table 4: 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.

1.2.6 ELECTRICITY

Table 5: 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 backlog in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. Electricity is supplied to all schools, hospital (Andre Vosloo) and Somerset East correction services.

1.2.7 SOLID WASTE MANAGEMENT

Table 6: 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					
i) Communal dumping	59	78	0.8	3.22	4.3
ii) Own dump	2440	1444	14.8	-4.08	6.4
iii) 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 opposed to only 67.1% in 2001. In 2016 it has increased to 86.1. In BCRM 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. Efforts are made to collect at least once in two months. This is not without challenges due to availability of equipment as well as fleet.

A partnership has been developed with Community Works Programs (CWP) as well as Thuma Mina Green Good Deeds, a programme sponsored the Department of Environmental Affairs. We conduct on-going clean up campaigns and beautification of spots where illegal dumping has been identified. We also conduct community awareness programmes where we educate the community about environmental issues, however communities are not assisting in terms of keeping the area clean and there are still existing illegal dumping spots. The municipality has also entered into partnership with a private recycling company to encourage recycling. The company operates from the landfill site where they collect recyclable material.

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. In essence the activities that dominate are: Agriculture: Intensive Farming operations (Cash crops/ Lucerne production, dairy's, etc) Extensive farming operations: Cattle & Goat farming, game farming. Agriculture dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment.

Summary of the district's agricultural sector for 2018:

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

Sectors with Potential: Chicory, honeybush

Sectors with Challenges: Poultry, pineapples

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

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

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

The municipality resolved to disestablish the agency and it is now operating under the Sarah Baartman District Municipality, however the municipality is in the process of revising the Terms of Reference with the Agency. The municipality is also in the process of appointing LED Officer. There have been

numerous attempts to budget and fill the position, however due to cashflow challenges this couldn't be implemented. The following are the economic infrastructure/projects within the municipal area which are being implemented through the Cacadu Development Agency:

1. Somerset East Industrial Park

This project has the exponential potential to be the ultimate economic driver for the municipal economy. A contractor has been appointed by the CDA and DEAT to install basic infrastructure services to the industrial park. The contractor has already established a site and currently busy with the project. Local contractors from Somerset East and Pearston have been sub-contracted

2. Somerset East New Airport Runway

The construction of the new Somerset East Airport was complete in 2016. Currently CDA has procured services for the fencing of the airport. Upon completion of fencing it is envisaged that a Pilot training school will be established

3. Boschberg Tourism Hub

Currently the Boschberg Tourism Hub is a responsibility of CDA since the disestablishment of BCDA. The current challenges with the Tourism Hub is lack of security, the building is vandalised and there are no clear demarcation of duties in terms of the roles and responsibilities. Service level agreement between CDA and BCRM has lapsed.

4. R335 Road Project:

The R335 road project is a long-term project that will be constructed in different phases There is currently no implementation

5. Renewable energy Wind farm

There are 2 main focus areas. The Cookhouse area where there are 5 wind farms and the Humansdorp area where there are 6 wind farms. The Cookhouse wind farm is the largest wind farm in Africa and is now fully operational. This wind farm has made contribution to social development projects. The main focus is on early childhood development and various institutions in the area have benefitted from the wind farm.

1.2.9 Socio Economic Dimension

Table 7. Socio Economic

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

Source: StatsSA 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 8: Income Category

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

Source: StatsSA

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

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

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

Table 9: Labour Status

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

Source: StatsSA

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

Table 10: 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) %
Total Population					
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
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 152 and 156 of the constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, the municipality has the following functions.

Schedule 4 Part B	Schedule 5 Part B
<p>Powers exercised by the BCRM</p> <ul style="list-style-type: none"> • Air pollution • Building regulations • Childcare facilities • Electricity and gas reticulation • Firefighting services • Local tourism • Municipal airports • Municipal planning • Municipal health services • Municipal public transport • Municipal public works • Stormwater management systems in built-up areas • Trading regulations • Water and sanitation services 	<p>Powers exercised by the BCRM</p> <ul style="list-style-type: none"> • Beaches and amusement facilities • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria • 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 of dogs • 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

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

1.3 FINANCIAL HEALTH OVERVIEW

The municipality aims to provide services to the community that are affordable, yet at the same time ensuring that we remain financially sustainable. The municipality has been limiting rates at 6% increase and implemented a new valuation roll in 2019/20 financial year with additional revenue from Game Farms as business owners. Other tariffs and fees increased by 6% every year for the past five years until the Revenue Enhancement Strategy was developed and approved. This strategy pointed out, amongst other things, that the municipality needed to ensure that the billing is complete and accurate; the tariffs must be adjusted to be more cost reflective; ensure that good quality services are delivered through these tariffs; and new revenue streams / fees must be explored as a matter of urgency to improve internal revenue base. As a result, the municipality started to increase the property rates by 10% from 2015/16 to 2018/2019 and implemented a new valuation roll in 2019/20. The higher tariff increase could be considered to have been implemented a little late as the municipality's cash surpluses have reduced drastically and the current budgets not being fully cash-backed. Despite the challenges, the municipality maintained positive cash balances throughout the financial year and closed the year off with a positive cash balance of R 9,882,437. The municipality will continue to cut costs and raise new revenue to improve the poor cost coverage and liquidity ratios.

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

During the year under review, the BCRM had a workforce of 296 permanent employees and 81 temporary employees. All the senior management appointments were filled with the exception of the position-Director Corporate Services which became vacant due to a resignation of the incumbent.

The year under review also saw remarkable progress in consultation sessions with the departments and all internal stakeholders on the review of the staff establishment. The revised staff establishment will be tabled in the local labour forum for ratification and later to Council for consideration and

approval in the ensuing financial year. These following policies were reviewed during the year: Retention & Attraction policy and Termination policy.

The third and fourth quarter of the year were very challenging due to the declaration of the State of Disaster by the President in March 2020 as a result of the COVID-19 pandemic that engulfed the country. The advent of the COVID -19 pandemic resulted in the majority of employees having to work from home to avoid workplace transmission of the disease. As a mitigation mechanism, the municipality developed and adopted a COVID-19 Management plan which sought to put in measures in place to prevent workplace transmission of the disease. A five member COVID-19 management team which included 1 rep from each trade union was constituted for daily management of the disease.

COMMENT ON THE ANNUAL REPORT PROCESS:

The annual report is a product of inputs by various departments and relevant stakeholders on the activities and programmes that were implemented and not achieved against the annual plan of the municipality. The year under review has been a relatively successful but challenging year in ensuring that the municipality complies with good governance principles by ensuring compliance with laws and regulations and also ensuring adherence to the annual report processes deadlines.

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE

The Blue Crane Route Municipality is a municipality with a plenary system combined with a ward participatory system. This in effect means Council has both Executive and Legislative powers.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. Due to the nature of the municipality, Standing Committees and Council meetings are held bi-monthly. 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 councilors, 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 Mayor/Speaker and attended by all councilors, management and members of the community.

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

- Ward 1 – Cllr Mpumelelo Kwatsha
- Ward 2 – Cllr Jonathan Martin
- Ward 3 – Cllr Thobile Xakaxa
- Ward 4– Cllr Thabo Grootboom
- Ward 5 – Cllr Anthony Hufkie
- Ward 6 – Cllr Phandulwazi Sonkwala

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 Nkonyeni as the Chairperson. MPAC 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 this financial year, the municipality had a functional Audit Committee that is also responsible for Performance and Risk Management. 4 ordinary AC meetings and 1 special were held during the year. The audit committee is currently serving its second year of its 3-year contract. Audit Committee charter was reviewed and submitted to Council for consideration and adoption.

The municipality has a functional Disciplinary Board which also functions as a MFMA Section 32 Committee to assist Council in investigation of Unauthorized, Irregular and Fruitless and Wasteful expenditure. The Disciplinary Board had 6 meetings during the year under review and has dealt with R93 943 049 worth of irregular expenditure.

The municipality has a functional internal audit unit which constitute: Manager: IA, Internal Auditor and two IA Interns. During the third quarter, Manager IA submitted a letter of resignation and the position was advertised but could not be filled due to no suitable candidate and the post was subsequently re-advertised. The contract of the intern came to an end in 30 June 2020 and the position will be re-advertised. Internal Audit Charter was reviewed and submitted to Audit Committee for approval.

2.1 POLITICAL GOVERNANCE

POLITICAL STRUCTURE

MAYOR / SPEAKER / FINANCE STANDING COMMITTEE CHAIRPERSON

Cllr Bonisile Manxoweni

CHIEF WHIP/ MPAC CHAIRPERSON

Cllr Neliswa Yantolo Nkonyeni

CORPORATE SERVICES STANDING COMMITTEE

Cllr Mpumelelo Kwatsha

COMMUNITY SERVICES STANDING COMMITTEE

Cllr Anthony Hufkie

TECHNICAL SERVICES STANDING COMMITTEE

Cllr Thabo Grootboom

POLITICAL DECISION-TAKING

The process of Council decision commences at the Standing Committee level through recommendations, which are later tabled for adoption by Council. All Council resolutions become final and binding. Political decisions and resolution are taken at the Council meeting. Decisions are taken by consensus or through a majority vote of the councilors present at the meeting. A resolution register for implementation of resolutions adopted by Council is maintained and tabled for tracking, monitoring and oversight at 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	Function
TIER 1	Oversee the functioning and performance of the following Directorates, i.e
MUNICIPAL MANAGER (Mr Thabiso Klaas)	<ul style="list-style-type: none">• Corporate Services• Finance• Community Services• Technical and Infrastructure Services• Local Economic Development
ACTING DIRECTOR CORPORATE SERVICES: (Mr Mzwandile Gush)	<ul style="list-style-type: none">• Administration• Human Resources• Labour Relations

DIRECTOR: FINANCIAL SERVICES

(Mr Nigel Delo)

- Legal Services
- Skills Development
- ICT
- Customer Care
- Occupational Health & Safety

DIRECTOR: COMMUNITY SERVICES

(Adv Mandisi Planga)

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

- 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

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. The Blue Crane Route Municipality has a relatively functional Inter-Governmental Relations Forum (IGR) whose meetings are combined with the IDP Rep Forum meetings. The IGR meetings are held on a quarterly basis and these are chaired by the Mayor. It is in these meetings that Sector Departments share their development plans with the Blue Crane Route Municipality. The concept of the IGR was further strengthened and enhanced by the convening of Joint Operations Committees (JOC's) as a consequence of the declaration of Disaster by the President. JOC's were intersectoral engagements chaired by the Mayor whose primary duty was to develop and implement mitigation measures against the spread of Covid-19 pandemic. The challenge going forward is the consistent absence by some departments in these IGR meetings.

2.3.1 INTERGOVERNMENTAL RELATIONS

The municipality continues to work well with following stakeholders and association. These are:

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

- Ndlambe Local municipality

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality continues to participate and has good relations on matters of mutual interest with various stakeholders and provincial government departments. These are:

- Office of the Premier (OTP)
- Premiers Co-ordinating Committee
- Dept of Social Development
- COGTA EC
- COGTA MUNIMEC
- Provincial Treasury
- Department of Human Settlements
- SALGA EC

2.3.3 RELATIONSHIPS WITH MUNICIPAL ENTITIES

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.

2.3.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality enjoys good relations with the Sarah Baartman District Municipality. Councilor Grootboom is the BCRM Representative in the District Municipality. The municipality also participate in the following district IGR structures:

- District Mayor's Forum
- District Speakers' Forum
- District Women Commission
- District MM's Forum
- District Wide Infrastructure Forum
- District PMS Forum
- District-wide Disaster Management Forum
- District Legal Advisors Forum

- Internal Audit & Risk Forum
- District Disaster JOC (Joint Operations Committee) Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation play a very important and cardinal role in the promotion of democracy in local government. The BCRM uses the Ward Based Planning model to engage the community on matters related to the review of the IDP. This places public accountability and participation at the basic level of community engagements.

Except for the mayoral outreach programs, the municipality's public participation system is not functional and effective, as there are no recording mechanisms of activities taking place at ward level. It is in this regard that during the year under review, the municipality planned to embark on a review of Public Participation Policy and Strategy but due to National lockdown declared in March, the policy and strategy could not be reviewed. The lockdown resulted into suspension of all public participation activities.

Various platforms are used to engage the community, encourage public participation and to ensure a participatory government. Public engagements are conducted throughout the year using different forums, meetings, events, Media and BCRM websites. The following structures have been established to enhance public participation:

- **MAYORAL OUTREACH /IMBIZO AND 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.

- **IDP/BUDGET/PMS REPRESENTATIVE FORUM AND INTER- GOVERNMENTAL RELATIONS (IGR) FORUM**

IDP/Budget/PMS Representative Forum and Inter- Governmental Relations (IGR) Forum sit once a quarter. It is chaired by the Mayor/Speaker, Cllr B Manxoweni and attended by Councilors, 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 in the affairs of the municipality. The main task of the ward committee members is to be a conduit 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 municipality embarked on establishing ward committees and to date the municipality has successfully established ward committees in all six wards under its jurisdiction.

- **PUBLIC / COMMUNITY MEETINGS**

Public meetings are held in two ways, at times they are requested by the municipality to the community to address a certain issue that affects service delivery such water crisis or electricity cut. At other times they are requested by the public to the mayor/municipality to address any communal issue that they need addressed by the municipality/council. The meetings are also held quarterly between the community and relevant ward councilors, however due to Covid-19 regulations public meetings could not be held. Below is the table reflecting the meetings held during the year under review.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Purpose of the meeting
Ward Based Planning: IDP/ Budget review - Ward 2	14 October 2019	3	7	81	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2019/20 and to get inputs for the review process for 2020/2021 FY.
Ward Based Planning: IDP/ Budget review - Ward 1 & 6	15 October 2019	3	6	68	Yes	To give feedback to the community

						on the municipal performance against ward-based plans which were implemented during 2019/20 and to get inputs for the review process for 2020/2021 FY.
Ward Based Planning: IDP/ Budget review - Ward 3	15 October 2019	3	6	41	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2019/20 and to get inputs for the review process for 2020/2021 FY.
Ward Based Planning: IDP/ Budget review - Ward 5	22 October 2021	3	9	62	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2019/20 and to get inputs for the review process for 2020/2021 FY.
Ward Based Planning: IDP/ Budget review - Ward 4	21 October 2019	3	5	116	Yes	To give feedback to the community on the municipal performance against ward-

						based plans which were implemented during 2019/20 and to get inputs for the review process for 2020/2021 FY.
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2.5 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

2.6 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. For the 2019/20 financial year, the following are high risk areas identified by the municipality:
 - a. Poor records management
 - b. Unauthorized, irregular, fruitless, and wasteful expenditure
 - c. Local Economic Development
 - d. Poor fleet management resulting in plant poor conditions that impact on waste management
 - e. Inability of the ICT function to protect information and support other directorate
 - f. Poor Customer Care
 - g. Fraud and Corruption risk
 - h. Poor financial health
 - i. Poor leave management
 - j. High water and electricity losses

2.7 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;
- 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;
- Loss control; and
- Compliance with applicable legislation.

Blue Crane Route Municipality has an Internal Audit unit, which includes anti-corruption capacity under the guidance of an Audit Committee. 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.

2.8 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 2019/2020 financial year was submitted to the Accounting Officer; Mayor and the Council. The unit is staffed, and the staff are aware of the SCM Code of Conduct. Vendor performance is regularly monitored with the help of Project Manager/ 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 also contract management is also one of the issues that have been highlighted by the

Auditor General. Transformation to pro-activeness of the unit is one of the improvements that the municipality is working on.

2.10 WEBSITES

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	YES	
All current budget-related policies	YES	
The previous annual report (2018/2019)	YES	
The annual report (2018/2019) published/to be published	YES	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/2019) and resulting scorecards	YES	08/08/2018
All service delivery agreements (2018/2019)	NO	
All long-term borrowing contracts (2018/2019)	N/A	
All supply chain management contracts above a prescribed value (give value) for 2018/2019	NO	
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 2017/2018	N/A	
Contracts agreed in 2019/2020 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 2018/2019	NO	
All quarterly reports tabled in the council in terms of section 52 (d) during 2018/2019	NO	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality has an interactive and accessible website (www.bcrm.gov.za) that serves as a tool for community participation. All the relevant municipal information is placed on the municipal website as per Section 75 of MFMA requirements. From time to time this information is placed on the website except with few challenges where departments fail to submit this information for it to be placed on the website. Stringent measures will be implemented in the new fiscal year to address compliance shortfalls.

COMPONENT A: BASIC SERVICES

INTRODUCTION

Service delivery is at the forefront of what BCRM aims to achieve. It is vitally important that all municipal structures and resources are optimally harnessed in such a way that will make the delivery of services to the residents a reality. This chapter deals with service delivery of basic services over the past financial year and gives a detailed breakdown of the various activities, achievements and challenges that the municipality has faced with regards to service delivery. BCRM classifies basic services as provision of water, electricity, sewer/sanitation, refuse removal, roads & stormwater infrastructure and housing.

The municipality during 2019/20 experienced the routine maintenance challenges such as sewer pipelines, manhole, spillages, water pipelines, overflowing sewer pump stations and others due to lack of budget and systems in place.

3.1 WATER PROVISION

3.1.1 INTRODUCTION TO WATER PROVISION

Somerset East

The bulk raw water supply for the town of Somerset East consist mainly of the extraction of Orange-Fish River Scheme water from the Somerset East Irrigation Sub-Area Canal (SEISA), supply from boreholes and supply from fountains and mountain runoff in the Bestershoek area. Raw water is extracted from the SEISA Canal where it is currently pumped to the Lake Bertie and Van der Walt dams where after it is purified at the Orange-Fish and Bestershoek Water Purification works at a rate of 94m³/hr. The allocated extraction limit from the Canal is 100m³/hr. The raw water supply has recently been upgraded to 252 m² / hr to the dams as mentioned above.

The Orange-Fish Purification Works was designed to treat a capacity of 54l/s, but can only achieve a maximum output of 45l/s. The total amount of raw water that was pumped from the SEISA Canal in the

last year was measured to be 1803m³/day on average with 133 days pumping totalling 239 799 m³/a. Actual measured volume extracted from the Canal was 226 244m³.

During rain, runoff water accumulates in the Bestershoek catchment area. The runoff supplies the Bestershoek Dam, which overflows into the Van Der Walt Dam lower down in the same valley. Overflow water from the Van Der Walt Dam is channelled to Lake Bertie. All three holding dams are earth dams. Lake Bertie is situated approximately 2.7km south east from the Van Der Walt Dam.

Several fountains draining from the Bestershoek Valley and mountains feed into the Bestershoek Dam. These fountains have been developed in the past and feeds down to the Bestershoek Dam in pipelines. During dry seasons or drought, the yields of the fountains seized. Raw water is extracted from the outlet structure of the Dam to the Bestershoek Purification Works beyond, by means of gravity. The incoming raw water supply is measured at the works. Raw water is also pumped from the Van Der Walt Dam lower down the valley to the Purification Works at Bestershoek having a purification capacity of 27l/s.

Cookhouse: Extraction from Hougham-Abrahamson Canal

The extraction from this point is by means of a pump system as well as from the upgraded Orange Fish canal gravity system. The water is extracted from the Hough Abrahamson canal by means of flooded suction from a sluiced take- off into the pump house from where it is pumped by means of a 150mm diameter pipeline to the water treatment works with a capacity of 53l/s. The length of the pipeline is measured to be approximately 1800m. An agreement existed between the Hougham-Abrahamson Irrigation Board and the Cookhouse Transitional Council for the extraction of a maximum of 100m³/hr subject to a maximum of 365 000m³/annum (29.2ha) of raw water. Currently the measured extraction rate is calculated to be approximately 52m³/hr on average. The pump station is equipped with 2 pumps with 22kW electric motors with a maximum capacity of approximately 55m³/hr.

No records of registration exist of the 40MI retention dam at the new WTW.

Cookhouse: Extraction from Boschberg Canal

The Boschberg Canal was originally constructed - as a community scheme by the members of the Boschberg Sub-Area (formerly the Boschberg Irrigation Board) - to a capacity that was determined by the needs of the members. The Scheme was funded by the members. The Boschberg Canal feeds

from the Orange-Fish River Canal and supplies water to its members downstream until it ends at the Van Aardt Dam adjacent to Cookhouse - privately owned by a local farmer.

With the serious shortage of portable water for the town of Cookhouse, the then Cookhouse Local Council approached the Boschberg Sub-Area at the time regarding an interim agreement that the Council would be able to use "excess overflow water" not utilized at the time by the members of the Board. A verbal agreement was made that in exchange for assistance in maintaining the Canal and the sealing of the Van Aardt Dam, the Council could utilize the excess water. There is no evidence of any volumes mentioned.

The Council, as result of the "gentlemen's agreement", had a sluice distributor and a pipeline constructed from the end of the Boschberg Canal to the new water treatment works in Cookhouse. The pipeline is 315mm dia. uPVC. The Municipality made use of the excess water from the Boschberg Canal by means of this system but could never rely on a guaranteed supply from the Canal. In 2005 the Blue Crane Municipality formally applied to the Department of Water Affairs for an allocation of water via the Boschberg Canal. It was turned down by the Boschberg Sub-Area stating that no permanent excess capacity was available. They did however agree to temporarily assist should excess capacity be available.

NOTE: The above supply arrangements have been changed with the new direct gravity supply directly from the Orange Fish main canal.

Pearston: Extraction from Boreholes

The water supply to the town of Pearston is completely dependent on the supply of water from boreholes. In total five boreholes contribute to the bulk supply of water to the town. Three of the five were operational during the year under review. The town of Pearston recently had three boreholes which did not have any details with regards to their safe yield data and depth. This has been rectified through a project to augment the Pearston water supply, which also established safe yield to ensure that the boreholes do not run dry.

Major challenges in Water Services and Remedial Actions

The following challenges are faced by the BCRM:

Pearston

Pearston obtains its water from boreholes only. Close monitoring of the abstraction is required to ensure sustainable and enough water supply on a long term for Pearston. Safe yield test results established on an ACIP project for Augmentation of Community Water Supply are a positive step towards borehole management.

Challenges	Remedial Action
Data logging is needed to monitor the level of water in the boreholes for more accurate and reliable monitoring of the boreholes.	The municipality plans to source funding to install data loggers to monitor quality and the quantity of water within the boreholes.
The electrical disruptions due to inadequate capacity causes the two boreholes to be non-functional.	The municipality will upgrade the lines feeding the boreholes with the necessary breakers and any other electrical components.
Lack of bulk water supply	Source funding from Department of Water and Sanitation.

Somerset East

Water is obtained from surface water that is seasonal and rainfall dependant, as well as water from the Orange-Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange-Fish Canal supply. A project has been completed and it's being implemented for a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.

Challenges	Remedial Action
Lack of maintenance of the water treatment works	Revenue enhancement plans are in place to improve the budget allocation for maintenance: <ul style="list-style-type: none"> - Setting of cost-covering tariffs - Data cleansing - Develop systems to limit water and electricity losses (Water conservation and demand management project by Bosch)
Inadequate water storage	<ul style="list-style-type: none"> - Construct additional water reservoirs - Upgrade water treatment works

Cookhouse

Since Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange-Fish Irrigation Scheme and has no surface or borehole sources.

The present water supply to the town is not reliable, and a pipeline was completed from the Orange-Fish Scheme to secure sustainable water to the town. However, this line is only approximately 35% of the bulk line to Cookhouse which needs an upgrade. Cookhouse bulk water supply phase 2 was implemented during the year under review, it will be complete during FY 2021/2022.

Challenges	Remedial Action
Lack of bulk water supply	Funding from WSIG, was applied and bulk water project is being implemented, it is anticipated to be complete during FY 2021/2022.

Water losses

The total water losses in the municipality are estimated to be at 74 ML/annum. Domestic activities account for the largest amount of the water usage and losses thereof in Blue Crane Route Municipality, industries being the biggest user. According to available data, domestic water usage is increasing by approximately 700 cubic meters per day. Industries have however seen an increase in water usage of approximately 50 cubic meters per day.

The municipal water balance is not as accurate as it should. Open space such as parks and sports fields are not metered and therefore used in these premises are accounted for as water losses or unaccounted for. Water used through fire hydrants is also not accounted for and contributes to non-revenue water or water losses.

The Water Conservation and Demand Management project was implemented successfully during the year under review. Prior to its implementation the municipality experienced 50% water losses as at 30 June 2018. This project yielded positive results and the water losses dropped to 29% as at 30 June 2019. It should be noted that this project only started and made impact only in the last 6 months of the financial year under review.

The Water conservation and demand management project entailed replacing of all water meters, replacement of cisterns and water taps in all indigent households and fixing leaks. This project is complete and water losses have been reduced from 50% to 29%.

COMMENT ON WATER USE BY SECTOR:

Domestic activities account for the largest part of water usage in BCRM, industry being the second largest consumer. Agricultural activities are supplied by private boreholes in Blue Crane Route Municipality, with only electricity being supplied by the Municipality to the farmers.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

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

- Pearston obtains its water from boreholes only. The augmented water supply in Pearston ensure that the town has constant and sustainable water supply. However, under the project to augment Pearston water supply, two boreholes were not connected due to budget constraints and therefore a follow up project has been initiated to complete phase two of water supply in Pearston. Pearston does not have surface water and entirely relies on borehole water, this means that the water supply in Pearston is dependent on mechanical means to abstract the water and to a certain extent for distribution of the water.
- Somerset East Water is obtained from surface water that is seasonal and rainfall dependent, as well as water from the Orange/Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange/Fish Canal supply. A project has been completed and it's being implemented with a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.
- Since Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange/Fish Irrigation Scheme and has no surface or borehole sources. The present water supply to the town is not reliable, and a pipeline is required from the Orange-Fish Scheme to secure sustainable water to the town.

3.2 WASTE WATER (SANITATION) PROVISION

3.2.1 INTRODUCTION TO SANITATION PROVISION

Sewer outfall is managed by various methods in the Blue Crane Route. Apart from the informal settlements, the entire community of the Somerset East urban area is serviced with a waterborne sewer system. A substantial capital outlay has been budgeted for and is being spent; further provision must be made for upgrading the facility to a waterborne reticulation system. BCRM implemented the Bucket Eradication System in line with the national priority requiring all bucket systems to be completely eradicated and were drastically reduced, however buckets still exist in new informal settlements mainly due unavailability of suitable land. The BCRM's objective is to supply each consumer with full water borne sanitation system, if technically and financially feasible.

Sanitation Services delivery strategy and main role-players

As a WSP and a WSA, the Municipality takes full responsibility for sewage disposal and treatment in all three towns.

Level and standards in Sanitation Services

BCRM has not eradicated all buckets and some residents in formal settlements and the entire informal settlements are still using buckets. BCRM is in the process of upgrading the bulk WWTW facilities in all towns and the status is as follows:

Pearston

The Municipality has received funding from the Department of Water and Sanitation (DWS) through the Water Services Infrastructure Grant (WSIG) to upgrade the Pearston WWTW as it has reached its full design capacity. The Municipality received R15mil, however the funding was not enough to complete the project. Phase 1 of the project is complete which has a major scope of work. The Municipality will request funding again from DWS to complete the project in the 2020/21 financial year. The functioning of the plant has improved as two major ponds have been fully upgraded. Most of the households in Pearston have septic tanks, specifically in town. More budget allocation needs to be directed to Operation and maintenance to deal with these.

Somerset East

Residential reticulation in the town is old and requires replacement. The municipality has upgraded the pond system in Somerset East to an activated sludge system to cope with the hydraulic load of 2.5MI per day and comply with Department of Water and Sanitation effluent requirements.

Cookhouse

The Municipality received funding from the Department of Water and Sanitation under the Water Services Grant for the Upgrading of Cookhouse WWTW. The first and second phases of the project to construct new additional ponds and upgrading of the pump station have been completed in the 2017/18 FY. Funding was received from DWS in the 2018/19 FY to complete the project, Phase 3 of the project was successfully completed.

The following table lists the total number of households provided with basic and free basic services: water and sanitation.

Total number of households provided with Basic Services (Water and Sanitation)		
SUB. NO	SUBURB NAME	Total Households
1	S.E. TOWN	963
3	AEROVILLE	1157
4	NEW BRIGHTON	322
5	OLD LOCATION	355
6	GLEN AVON	22
7	MNANDI	1166
8	CHRIS HANI	419
9	FRANCISVALE	241
10	VOSLOODAL	38
11	WESTVIEW	355
31	PEARSTON TOWN	997
32	NELSIG PEARSTON	432
33	KHANYISO PEARSTON	487
41	BHONGWENI 3 C/H	515
42	BHONGWENI 4 C/H	643
43	BUSS 1 COOKHOUSE	21
45	CRAD 1 COOKHOUSE	56
46	NEWTOWN 1 C/H	158

47	STATION 1 C/H	159
	NPO	21
	FARMERS	31
TOTAL		8558

TOTAL NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES (WATER AND SANITATION)

SUB. NO	SUBURB NAME	JULY. 2019	AUG. 2019	SEPT. 2019	OCT. 2019	NOV. 2019	DEC. 2019	JAN. 2020	FEB. 2020.	M/
1	S.E. TOWN	26	33	39	41	40	41	40	42	
3	AEROVILLE	477	565	591	600	607	607	616	627	
4	NEW BRIGHTON	167	204	214	218	214	216	217	219	
5	OLD LOCATION	149	188	200	210	207	209	210	214	
6	GLEN AVON	4	8	8	8	8	8	8	8	
7	MNANDI	466	555	572	590	594	598	601	611	
8	CHRIS HANI	200	228	239	248	248	251	252	255	
9	FRANCISVALE	40	49	49	47	47	50	50	53	
10	VOSLOODAL	18	21	21	21	21	21	20	20	
11	WESTVIEW	156	199	212	216	216	216	214	216	
31	PEARSTON TOWN	190	226	231	246	248	251	256	261	
32	NELSIG PEARSTON	217	259	271	280	286	286	288	290	
33	KHANYISO PEARSTON	180	196	200	214	221	225	228	232	
41	BHONGWENI 3 C/H	192	230	268	293	294	295	303	307	
42	BHONGWENI 4 C/H	238	294	369	385	386	386	389	394	
43	BUSS 1 COOKHOUSE	2	2	2	2	2	2	2	2	
45	CRAD 1 COOKHOUSE			1	1	1	1	1	1	
46	NEWTOWN 1 C/H	68	73	92	94	95	97	99	100	
47	STATION 1 C/H	39	47	59	62	59	59	59	59	
	NPO	21	20	20	20	21	21	21	21	
	FARMERS	20	20	22	27	27	27	27	27	
TOTAL		2870	3417	3680	3823	3842	3867	3901	3959	

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

There has been a significant improvement on wastewater treatment facilities within the Municipality. The Municipality has upgraded the Somerset East, Cookhouse wastewater treatment works and phase 1 of Pearston WWTW. The second phase is estimated to be implemented in the 2020/21. BCRM also plans to eradicate all bucket system and septic tank within the municipality within the next 5 years.

3.3 ELECTRICITY

3.3.1 INTRODUCTION TO ELECTRICITY

The BCRM is a licensed distributor of electricity within the area and is registered with NERSA licence number NER/D/EC102. Electricity is being distributed by the Municipality to its consumers of about 8691. The Blue Crane Route Municipality has vast distribution networks consisting of a combination of urban and rural infrastructure to ensure a sustainable electricity supply to its consumers. It is a challenging task to maintain this vast electrical infrastructure and expand, upgrade, or refurbish with the available funding and human resource. The agricultural sector is the biggest electricity consuming sector and is growing.

The Department of Human Settlement undertook a project of rectification where old semi-detached houses were demolished and rebuilt as detached dwellings. BCRM installed electricity services and completed electrification of seventy-five houses. BCRM has a responsibility of maintaining the street and high mast lights to ensure lighting is provided to its community. There is ongoing maintenance in all towns.

The following table lists the total number of households provided with basic and free basic services: Electricity.

Total number of households provided with Basic Services (Water and Sanitation)		
SUB. NO	SUBURB NAME	Total Households
1	S.E. TOWN	963
3	AEROVILLE	1157
4	NEW BRIGHTON	322
5	OLD LOCATION	355
6	GLEN AVON	22
7	MNANDI	1166
8	CHRIS HANI	419
9	FRANCISVALE	241
10	VOSLOODAL	38
11	WESTVIEW	355
31	PEARSTON TOWN	997
32	NELSIG PEARSTON	432
33	KHANYISO PEARSTON	487
41	BHONGWENI 3 C/H	515

42	BHONGWENI 4 C/H	643
43	BUSS 1 COOKHOUSE	21
45	CRAD 1 COOKHOUSE	56
46	NEWTOWN 1 C/H	158
47	STATION 1 C/H	159
	NPO	21
	FARMERS	31
TOTAL		8558

TOTAL NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES (WATER AND SANITATION)

SUB. NO	SUBURB NAME	JULY. 2019	AUG. 2019	SEPT. 2019	OCT. 2019	NOV. 2019	DEC. 2019	JAN. 2020	FEB. 2020.	MAR. 2020	APRIL. 2020	MAY. 2020	JUNE. 2020
1	S.E. TOWN	26	33	39	41	40	41	40	42	44	43	42	44
3	AEROVILLE	477	565	591	600	607	607	616	627	629	629	629	632
4	NEW BRIGHTON	167	204	214	218	214	216	217	219	219	219	219	219
5	OLD LOCATION	149	188	200	210	207	209	210	214	214	213	213	213
6	GLEN AVON	4	8	8	8	8	8	8	8	7	7	8	8
7	MINANDI	466	555	572	590	594	598	601	611	616	612	612	612
8	CHRIS HANI	200	228	239	248	248	251	252	255	256	257	257	257
9	FRANCISVALE	40	49	49	47	47	50	50	53	53	52	52	53
10	VOSLOODAL	18	21	21	21	21	21	20	20	20	20	20	20
11	WESTVIEW	156	199	212	216	216	216	214	216	218	218	220	221
31	PEARSTON TOWN	190	226	231	246	248	251	256	261	261	261	261	265
32	NELSIG PEARSTON	217	259	271	280	286	286	288	290	289	289	288	290
33	KHANYISO PEARSTON	180	196	200	214	221	225	228	232	232	232	232	233
41	BHONGWENI 3 C/H	192	230	268	293	294	295	303	307	307	305	306	308
42	BHONGWENI 4 C/H	238	294	369	385	386	386	389	394	395	395	395	396
43	BUSS 1 COOKHOUSE	2	2	2	2	2	2	2	2	2	2	2	2
45	CRAD 1 COOKHOUSE			1	1	1	1	1	1	1	1	1	1
46	NEWTOWN 1 C/H	68	73	92	94	95	97	99	100	100	100	100	100
47	STATION 1 C/H	39	47	59	62	59	59	59	59	58	56	56	57
	NPO	21	20	20	20	21	21	21	21	21	21	21	21
	FARMERS	20	20	22	27	27	27	27	27	27	28	30	30
TOTAL		2870	3417	3680	3823	3842	3867	3901	3969	3969	3960	3964	3982

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The network of the municipality is old and needs an urgent refurbishment to maintain quality of supply. To strengthen and improve quality of supply BCRM is upgrading the main substation. A 4 MVA transformer was refurbished and commissioned to the Middleton distribution line. Three new auto – reclosers were installed at the substation and settings upgraded. Two Eskom incomer feeders were upgraded as well as a bus coupler, bus riser and two circuit breakers were upgraded. The project was funded by INEP capital grant. The upgrade brought stability to the network except for the Zuurberg distribution line which is always troubled by outages because of its aged.

3.4 WASTE MANAGEMENT

3.4.1 INTRODUCTION TO WASTE MANAGEMENT

Refuse collection services are provided as per schedule to all the household and businesses of Blue Crane Route Municipality in Somerset East, Cookhouse and Pearston. Household waste is collected at least once per week on different days in residential areas of Somerset East. In Cookhouse and Pearston household and business refuse is collected Monday's only and the rest of the remaining days in that week are used to collect garden refuse.

The challenge with the collection of garden refuse is that it is not regulated by the municipality. Members of the community dump any day of the week. Some even create illegal dumps as they do not want to dump in front of their own properties and so they dump on the street corners. The Department of Environmental Affairs appointed co-ordinator at the municipality for the Youth Community Outreach Programme (YCOP), who is currently focussing on the eradication of illegal dumps through education to the community on waste management.

All three of the municipal landfill sites are licensed but none is managed according to the minimum requirements for landfill sites. Through the funding of EPWP the municipality employed 25 casuals for a period of six months in the field of waste management.

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

No capital budget was allocated for waste management for the financial year under review. The following are the waste management challenges as experienced by BCRM in the 2019/20 financial year.

1. Old refuse collection vehicles, which are constantly going for repairs and therefore hampering service delivery.
2. Demoralised staff members due to lack of equipment.
3. The management of the landfill site continues to be a challenge. The municipality does not compact because there is no bulldozer. There is also no controlled accesses to the landfill site. A Business Plan to solicit funding was submitted to the Department of Environmental Affairs. Nothing came of it.

3.5 HOUSING

The municipality is facilitating the delivery of houses on behalf of the Provincial Department of Human Settlements. The Department has completed the implementation of phase 1 for Plastering and Ceiling project in Chris Hani (200) and Old Location (100). Phase 2 of 100 houses, 50 in Chris Hani and 50 in Old location and the project will be implemented in 2021/22 financial year. Application for the rectification of houses in Nkqantosi, Mnandi 140 and Aeroville 261 in Somerset East have been submitted. In Pearston the department is planning to construct 11 houses at Millennium Park. 14 houses at Mnandi have been rectified and 10 destitute have been completed in Frascinsville and old location. Informal settlements will not be developed because the area is not being surveyed and there is no infrastructure, in terms of water, electricity and sewerage. Both areas are not ready for development.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services in the form of water, sanitation, electricity and refuse removal are generally provided throughout the BCRM. Blue Crane Route's criteria for supporting free or subsidized basic services are set out in the Indigent Support Policy. The Government allocates revenue via the Division of Revenue Act (DoRA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidized basic services.

The review process of the register commenced during April / May 2018 where the Finance Department staff visited all the wards and invited people to the various Community Halls to register for Masakhane / Indigent. This review is for the financial year 2018/2019. The municipality allow the indigent households to apply right through the year to be registered on the municipality's indigent subsidy database. The final indigent register for 2018/2019 was tabled at the 27 June 2019 council meeting and was approved.

Free Basic Services Unit

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

Indigent Steering Committee

The Indigent Steering Committee (ISC) was established in 2012. The Eastern Cape Department of Local Government & Traditional Affairs (ECLGTA) Committee assisted the municipality with a draft ISC Terms of Reference and Indigent Policy. The Finance Committee has since approved the Terms of Reference and ISC has convened its meetings on a quarterly basis with the development of an updated Indigent Register as its primary task that was completed in June 2019 for approval by council.

COMPONENT B: ROAD TRANSPORT

This component includes roads; transport; and wastewater (stormwater drainage).

3.7 ROADS

3.7.1 INTRODUCTION TO ROADS

Roads form one of most basic infrastructural components necessary for development. A well-functioning and well-maintained road network create a positive economic environment influencing the economic activity of the area. In the context of the BCRM, the extent and quality of the existing road network has a significant impact on both the local economy and the community, since it fundamentally impacts on the mobility of both people and produce into the area.

In an economic context, this specifically affects the agricultural related industries and tourism. If the road network is not sufficiently maintained, it could have a negative influence on the potential growth rate of the leading economic sectors. The existing bitumen surfaced roads are deteriorating, as the Municipality does not have enough funding for road maintenance.

The general status of roads in the urban areas of Blue Crane Route ranges from tar surfaced in central business areas and higher income residential areas to gravel surfaced and paved roads in the middle- and low-income areas respectively. The maintenance of roads throughout the entire Blue Crane Route Municipal Area (urban and rural) is problematic due to the lack of funding. Urgent attention and funding is needed to address this problem.

Projects:

Paving of gravel roads in Pearston, Cookhouse and Somerset East.

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipal road infrastructure mainly composes of collectors and access roads (i.e. Class 4 & 5 roads), approximately 60% of the road infrastructure is gravel roads/ not surfaced. The municipality does not have sufficient budget for maintaining the existing road infrastructure and the current grant allocations are not sufficient to eradicate the road infrastructure backlog. The municipality is however considering other avenues to find the road infrastructure maintenance funds or upgrade funds.

3.8 TRANSPORT

Overview:	Include Traffic, Licensing, Road Worthiness & Technical Services
Description of activities: Traffic Law Enforcement	<p>The key function of the Traffic Dept. is to provide safer roads for all stakeholders within the BCRM area:</p> <p>The Municipality has a mandate to:</p> <ol style="list-style-type: none"> 1. Conduct preventative traffic patrols and enforce traffic legislation 2. Enforce speed limits 3. Attend to traffic accidents 4. Enforce parking legislation 5. Enforce municipal by laws <p>The key objective of this function is to ensure safe and free flow of traffic within BCRM Municipal area</p>
Driving Licenses	<p>These services include all drivers testing functions.</p> <p>The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test applicants and issue learner license • Test applicants and issue driver's license • Renew driving license

	<ul style="list-style-type: none"> • Renew and issue Professional driving permits <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>
Roadworthy Testing	<p>This service includes all vehicles testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicles • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>

Staff Complement:

1. 3 Traffic Officers (Law Enforcement). The Chief Traffic Officer resigned in February 2020 and a new Chief will start in the new financial year.
2. 1 E-natis Supervisor & 1 E-natis Clerks (Registering Authority). One E-natis clerk passed away in March and the position will be filled in, in the new financial year.
3. VTS – Position Vacant (Roadworthy Centre)
4. DLTC – Positions Vacant (Examiner of driver license)
5. Technical Service 1 General worker (Road marking)
6. Commonage & Pound - A Pound Master & 3 Assistances

Challenges:

1. Staff shortage hamper services delivery.
2. Vacant position could not be filled due to financial constraints
3. No Management Representative
4. Lack of cooperation from live-stock owners, contributing to an increase of crashes involving stray animals
5. High accident rates with fatalities on both the R63 and N10 routes

3.9 STORMWATER DRAINAGE

3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

The existing Storm water drainage is maintained and upgraded by the team on a weekly basis. The municipality's responsibility is to ensure that when there are heavy rains all the storm water drains are

unblocked. The projects implemented for the upgrading of gravel road, the municipality ensures that, it caters for the storm water gradient slope to re-route the water flow coming from the mountains to the nearby river.

Challenges experienced:

- The municipality's residential areas are below the mountains and most of the time it affects the roads and the driveways of houses. This gives the municipality the challenge of receiving complaints from the community members about their houses being damaged by the strong water flowing from those mountain falls.
- The budget is very limited to address all the stormwater drainage challenges because currently only using the maintenance budget which does not do much in addressing these issues.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

BCRM stormwater drainage system is inadequate to address the stormwater flow.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 LOCAL ECONOMIC DEVELOPMENT

The municipality is in the process of employing LED officer that will be responsible to carry out the function of LED in the municipality. Some of the LED activities are currently performed by the IDP/PMS office through assisting SMME's and informal traders with funding applications. The Municipality also managed to create 76 job opportunities through EPWP funding.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.11 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 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, but 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. Different programmes were held during the year under review and it reached different sections of the community. Dr Ngcipe library held a holiday programme in July. July is also Mandela Month. The libraries had a combined programme at Dr Ngcipe library with the theme: Read a book for 67 minutes.

The National library for the Blind held a workshop in August in preparation for the opening of a Mini Lib at Langenhoven library. Furniture, hardware and software for blind people were donated by Library for the Blind. This is an ongoing service and 10 people uses the CD's and readers per month. September was International Literacy month and all the libraries had programme in connection with the theme. During October, Ernst van Heerden library had a facelift. Ikhala trust, Sophakama, the Library staff, Pearston High school and Wickesley School in USA, collaborated to make this a successful venture. In November the staff held a Disability Event at Jakes Gerwel hall. Sixty-one people attended this very worthwhile event.

During December, all the libraries had holiday programmes. January 2020 and reading awareness programmes were held in all the libraries. February was World Read Aloud month. All the libraries had programmes and 411 children were reached. National Library week was held in March with the theme: Libraries, your partners for life. Different events were held with all the schools and a District event was held in Sundays River Valley. The libraries were closed in March 2020 on due to Covid 19.

3.11.1 SERVICE STATISTICS FOR LIBRARIES

- 6 Qualified librarians and 3 qualified teachers oversee these libraries
- 2 Assistant librarians assist the librarian in their work
- 2 library assistants at 2 libraries supplied by DSRAC
- 1 Cleaner in every library
- TOTAL of 19 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 2019/20 =

Adults	27754
Children	21226
Total	48980

No budget was allocated for capital projects

3.12 INTRODUCTION TO CEMETORIES & CREMATORIUMS

Blue Crane Route Municipality has nine cemeteries. The municipality residents are still utilising method of burial which is digging of graves. Other methods of burial have not been fully explored especially amongst the black communities. With the increased number of funerals taking place weekly, the cemeteries are reaching full capacity. It will be important for the communities to consider other methods of burial to ensure that cemeteries do not fill quickly.

3.12.1 COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

BCRM has nine cemeteries in total. Only six of the nine cemeteries are officially operating. These are all three in Pearston, one in Cookhouse and two in Somerset East. The other three are full. Two cemeteries in Bongweni and Aeroville are about to reach their full capacity and that means new sites must be identified soon and an application must be submitted to the Department of Environmental Affairs for authorization. In Somerset East, a new site was identified in Aeroville to establish a new cemetery and a Record of Decision (ROD) was received in 2014.

Due to lack of funds for this project, the ROD lapsed and a new application to the Department of Environmental Affairs was done. The municipality is looking at other funding options for this project as it cannot afford it from its own coffers. No funding provided for in the capital budget for this project as a result up to this stage, the cemetery has not been developed except for the realignment of the road that cross through the cemetery.

The maintenance of cemeteries is performed by a group of 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. The municipality is assisted mostly by the CWP participants to clean cemeteries due to shortage of staff and resources.

3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Special Programmes



The function of Special Programmes and HIV & AIDS for the Municipality is as follows:

The implementation of Special Programmes for youth, children, women, elderly and people living with disability. And the mainstreaming of HIV & AIDS programmes, including mitigation measures in communities and the development of social cohesion.

This service delivery strategy includes the following activities

- Establishment of Forums for Women, Youth, and People with Disabilities empowerment.
- Policy development on Youth Development, empowerment of people with disabilities and women empowerment.
- Formation of partnership with other sector departments in implementing programmes and campaigns.
- Establishment of BCRM Youth Council, Women's Forum and Disability Council, Local Aid's Council and Sports Council.

Levels and Standards of the Special Programmes Unit

The unit provides necessary support to the Mayor/Speaker. It ensures that all needs of the vulnerable groups are met, with special emphasis on five groups: youth, women, and people with disabilities, children and the elderly. Coordinates the delivery of community services plans and programmes through the provision of guidance on applications and processes to promote and achieve the social responsibility objectives of the municipality, execution of procedural and administrative requirements, interacting with community based structures to facilitate

alignment of needs and priorities , creating awareness and encouraging participation and, attending to arrangements in respect of specific events / programmes in accordance with budgetary allocation in order to ensure social upliftment and development objectives are accomplished.

HIV & AIDS Service Delivery Strategy

- To provide support to the Executive Mayor
- To ensure that all the needs of the community of BCRM are met with special emphasis on five focus groups: the youth, children, women, elderly people and people with disabilities and includes the HIV & AIDS aspects of the said groups.
- To improve the HIV/TB & AIDS status of the community of Blue Crane Route Municipality

Levels and standards of HIV & AIDS

The function of HIV & AIDS Unit is as follows

- The implementation of mainstreaming of HIV & AIDS programmes including mitigation measure in communities and the development of social cohesion.

These functions included the following activities:

- Provision of support to revive Local Aids Council (LAC)
- Training of Local Aids Council members on roles and responsibilities.
- Formation and strengthening of partnership with other sector departments in implementing programmes and campaigns.

Annual performance as per key performance indicators on HIV&AIDS

KPI	DATE	DATE	DESCRIPTION OF 2019/20	OUTCOMES
	2019	2020	ACTIVITY	
Women's Month Program		21 st & 27 th August 2020	Virtual Women's Parliament & Workshop. The Provincial Legislature in partnership with the District and the LM held a virtual Women's	The programme was success communities were reached through social media platforms, Microsoft teams,

KPI	DATE	DATE	DESCRIPTION OF 2019/20	OUTCOMES
	2019	2020	ACTIVITY	
	22-23 rd August 2019		Parliament. District Women's Dialogue in partnership with Moral Regeneration Movement (MRM)	radio stations etc. The programme targeted Women's in the 7 local municipalities.
Cancer Awareness Programs	October 2019		Cancer Awareness Campaign Door to door for hospice patients that are living with cancer.	The programme targeted Blue Crane Hospice Support groups & Families.
World Aids Day	Nov- Dec 2019		World Aids Day Event; door to door campaign as build up programme before the main event; Sport Day.	Programme was a resounding success; community was reached through sport tournament. Winners awarded with prizes and lunch for the teams. It was a joint programme with

KPI	DATE	DATE	DESCRIPTION OF 2019/20	OUTCOMES
	2019	2020	ACTIVITY	
				All Sector Depts.
16 Days of Activism Campaign for No Violence Against Women & Children	Nov-Dec 2019		BCRM held an integrated 16 Days of Activism for no violence Against Women and Children.	The door to door was a success communities voiced out their challenges. All Stakeholders and local NGO's took part.
Disability Month	13 th Nov 2019		The SP Unit in partnership with Libraries held a Disability Month Programme. Targeted: Disabled people	The event was a success.
Elderly People	12 th July 2019		The municipality in support to the elderly people sponsored the Golden Games event.	Elderly people in the three town participated on the event. Community were

KPI	DATE	DATE	DESCRIPTION OF 2019/20	OUTCOMES
	2019	2020	ACTIVITY	
				reached
Youth Programs & Community Development	18 th July 2019		The municipality with Dedeat hosted an Information Sharing Session on Business Opportunities and Productive Positive Lifestyle.	70 youth were reached in all the three towns.
	23 & 24 th July 2019		Career Expo The career expo was a joint venture between the Department of Education and the local Municipality.	All the Secondary Schools learners from BCRM as well as Out of School Youth (OYS) attended the event and it was successful.
	5 th Nov 2019		SMME's Session Target: Unemployed Youth	About 50 Institutions exhibited on their services on the day. We assisted 7 unemployed youth who wanted to register new companies.

KPI	DATE		DESCRIPTION OF 2019/20	OUTCOMES
	2019	2020	ACTIVITY	
Children		21-24 January 2020	<p>Back to School Campaign</p> <p>The MEC (Mvoko) and Mayor visited schools in the Blue Crane.</p>	The visit was for 9 schools in the Blue Crane Area.

BLUE CRANE HIV-TB DHIS DATA 2019

Local Municipality	Data Name	Jul to Sep 2019	Oct to Dec 2019
Blue Crane Route Local Municipality	ART client remain on ART end of month - total	2417	2341
Blue Crane Route Local Municipality	ART client naive start ART during month - total	86	69
Blue Crane Route Local Municipality	ART naive start ART rate	91.5	97.2
Blue Crane Route Local Municipality	Antenatal HIV positive ratio	16.8	13.1
Blue Crane Route Local Municipality	CD4 done on newly diagnosed HIV client rate	80.6	87.9
Blue Crane Route Local Municipality	Female condom distribution coverage	0	0
Blue Crane Route Local Municipality	HIV positive child 12-59 months start ART rate	0	0
Blue Crane Route Local Municipality	HIV positive child 5-14 years start ART rate	0	0
Blue Crane Route Local Municipality	HIV positive child under 1 year start ART rate	0	0
Blue Crane Route Local Municipality	HIV positive new client screened for TB rate	92.5	121.2
Blue Crane Route Local Municipality	HIV positive not on ART - total	94	71
Blue Crane Route Local Municipality	HIV test around 18 months positive rate	0	12.5
Blue Crane Route Local Municipality	HIV test around 18 months uptake rate	35.5	22.2
Blue Crane Route Local Municipality	HIV test done - total	2238	1585
Blue Crane Route Local Municipality	HIV test positive 12-59 months rate	0	3
Blue Crane Route Local Municipality	HIV test positive 19 months and older - total	93	66
Blue Crane Route Local Municipality	HIV test positive 19 months and older rate	4.2	4.2
Blue Crane Route Local Municipality	HIV test positive 5-14 years rate	0	3.8
Blue Crane Route Local Municipality	HIV test positive client 15 years and older rate (incl ANC)	4.3	4.2
Blue Crane Route Local Municipality	Male condom distribution coverage	0	0
Blue Crane Route Local Municipality	Medical male circumcision - total	0	11
Blue Crane Route Local Municipality	Medical male circumcision 10-14 years rate		18.2
Blue Crane Route Local Municipality	Medical male circumcision 15 years and older rate		81.8
Blue Crane Route Local Municipality	Antenatal 1st visit before 20 weeks rate	68.2	66.8
Blue Crane Route Local Municipality	Antenatal client HIV 1st test positive rate	7.6	2.9
Blue Crane Route Local Municipality	Antenatal client HIV re-test positive rate	0	0
Blue Crane Route Local Municipality	Antenatal client HIV re-test rate	199	188
Blue Crane Route Local Municipality	Antenatal client already on ART at 1st visit rate	73.3	89.7
Blue Crane Route Local Municipality	Antenatal client start on ART rate	100	33.3
Blue Crane Route Local Municipality	Infant 1st PCR test at birth uptake rate	100	97.2
Blue Crane Route Local Municipality	Infant 1st PCR test positive at birth rate	3.2	2.9
Blue Crane Route Local Municipality	Infant PCR test around 10 weeks rate	33.3	45.7
Blue Crane Route Local Municipality	Infant PCR test positive around 10 weeks rate	0	0
Blue Crane Route Local Municipality	Infant given NVP within 72 hours after birth uptake rate	100	97.2
Blue Crane Route Local Municipality	CD4 done on newly diagnosed HIV client	75	58
Blue Crane Route Local Municipality	Female condoms distributed		
Blue Crane Route Local Municipality	Female condoms distributed at facility	1975	1300
Blue Crane Route Local Municipality	HIV positive client known but NOT on ART	3	1
Blue Crane Route Local Municipality	HIV positive client screened for TB	86	80
Blue Crane Route Local Municipality	HIV positive new client eligible for IPT	47	82
Blue Crane Route Local Municipality	HIV positive new eligible client initiated on IPT	38	47
Blue Crane Route Local Municipality	HIV test 15 years and older (excl ANC)	1847	1217
Blue Crane Route Local Municipality	HIV test 19-59 months	30	25
Blue Crane Route Local Municipality	HIV test 5-14 years	63	52
Blue Crane Route Local Municipality	HIV test positive 15 years and older (excl ANC)	85	61
Blue Crane Route Local Municipality	HIV test positive 19-59 months	0	0
Blue Crane Route Local Municipality	HIV test positive 5-14 years	0	2
Blue Crane Route Local Municipality	Male condoms distributed		
Blue Crane Route Local Municipality	Male condoms distributed at facility	125400	130680
Blue Crane Route Local Municipality	Medical male circumcision 10-14 years	0	2
Blue Crane Route Local Municipality	Medical male circumcision 15 years and older	0	9
Blue Crane Route Local Municipality	Screen for TB symptoms 5 years and older	23259	22070
Blue Crane Route Local Municipality	Screen for TB symptoms under 5 years	2634	2413
Blue Crane Route Local Municipality	TB asymptomatic contact under 5 years	1	2
Blue Crane Route Local Municipality	TB client 5 years and older start on treatment	93	92
Blue Crane Route Local Municipality	TB client under 5 years start on treatment	1	6
Blue Crane Route Local Municipality	TB contact under 5 years start on IPT	1	2
Blue Crane Route Local Municipality	TB symptomatic child under 5 years	7	27
Blue Crane Route Local Municipality	TB symptomatic client 5 years and older	729	408
Blue Crane Route Local Municipality	TB symptomatic client 5 years and older test positive	94	92
Blue Crane Route Local Municipality	TB symptomatic client 5 years and older with sputum sent	722	378

Source: ECDoH / DHIS Data

BLUE CRANE 5YEAR HIV-TB DHIS DATA

Organisation	Data	2014	2015	2016	2017	2018
Blue Crane Route Local Municipality	Clients 40 years and older screened for diabetes	0	0	0	6337	10598
Blue Crane Route Local Municipality	Clients 40 years and older screened for hypertension	0	0	0	3882	6639
Blue Crane Route Local Municipality	Diabetes client treatment new	53	334	67	121	42
Blue Crane Route Local Municipality	Diabetes clients on treatment caseload				4.9	4.7
Blue Crane Route Local Municipality	Hypertension treatment caseload				27	26.3
Blue Crane Route Local Municipality	EMS P1 rural response under 40 minutes rate	38.9	28.5	26.3	54.4	75
Blue Crane Route Local Municipality	EMS obstetric emergency rural inter-facility transfer under 60 minutes rate				62.5	58.5
Blue Crane Route Local Municipality	Immunisation under 1 year coverage	63.9	64.4	61.4	56.2	50.6
Blue Crane Route Local Municipality	HIV test done - total	822	1223	1177	6152	6299
Blue Crane Route Local Municipality	HIV test positive 12-59 months rate	0	1.9	2.7	4.3	1.8
Blue Crane Route Local Municipality	HIV test positive 5-14 years rate		7.1	3.6	5.2	2.3
Blue Crane Route Local Municipality	HIV test positive client 15 years and older rate (incl ANC)	7.5	7.1	4.6	4.7	4.8
Blue Crane Route Local Municipality	Male condom distribution coverage	16.9	23.4	44.1	14.7	0
Blue Crane Route Local Municipality	Medical male circumcision - total	0	0	0	76	58
Blue Crane Route Local Municipality	Medical male circumcision 10-14 years rate				0	3.4
Blue Crane Route Local Municipality	Medical male circumcision 15 years and older rate				100	96.6
Blue Crane Route Local Municipality	PHC client seen by doctor	5080	5300	3062	3898	4037
Blue Crane Route Local Municipality	PHC headcount total	109899	113220	115254	119342	128353
Blue Crane Route Local Municipality	PHC utilisation rate - total	2.9	3	3	3.1	3.3
Blue Crane Route Local Municipality	PHC utilisation under 5 years rate	3.3	3.3	3.4	3.2	3.1
Blue Crane Route Local Municipality	Tracer items stock-out rate (fixed clinic/CHC/CDC)	40.3	68.1	15.3	2.8	13.9
Blue Crane Route Local Municipality	Antenatal 1st visit before 20 weeks rate	60.9	70.1	69	76.4	81.5
Blue Crane Route Local Municipality	Antenatal client HIV 1st test positive rate	11	12.3	10.6	9.3	7.9
Blue Crane Route Local Municipality	Antenatal client start on ART rate	78.3	76	86	95.9	88.6
Blue Crane Route Local Municipality	Born alive before arrival at facility rate	12.7	6.8	8	9.4	6.1
Blue Crane Route Local Municipality	Delivery by Caesarean section rate	19.7	27.1	34.1	40.6	34
Blue Crane Route Local Municipality	Delivery in 10 to 19 years in facility rate	0	0	0	9.8	14.3
Blue Crane Route Local Municipality	Early neonatal death in facility rate	9.7	9.3	8.7	15.6	7.2
Blue Crane Route Local Municipality	Infant 1st PCR test positive at birth rate		2.1	0.78	0	0.89
Blue Crane Route Local Municipality	Infant PCR test positive around 10 weeks rate			0	0	0
Blue Crane Route Local Municipality	Maternal mortality in facility ratio	169.8	0	199.2	0	224.7
Blue Crane Route Local Municipality	Still birth in facility rate	24.7	16.5	31.4	12.9	11.8
Blue Crane Route Local Municipality	Antenatal client start on ART	72	76	49	47	31
Blue Crane Route Local Municipality	Born alive before arrival at facility	75	39	40	40	27
Blue Crane Route Local Municipality	Death in facility 0-7 days	5	5	4	6	3
Blue Crane Route Local Municipality	Death in facility 8-28 days	0	0	0	0	0
Blue Crane Route Local Municipality	Delivery by Caesarean section	103	146	162	158	143
Blue Crane Route Local Municipality	Delivery in facility - total	523	539	475	389	421
Blue Crane Route Local Municipality	Live birth in facility	514	536	462	384	418
Blue Crane Route Local Municipality	Live birth to HIV positive woman	137	132	129	114	114
Blue Crane Route Local Municipality	Live birth under 2500g in facility	98	116	95	69	79
Blue Crane Route Local Municipality	Maternal death in facility	1	0	1	0	1
Blue Crane Route Local Municipality	Still birth in facility	13	9	15	5	5
Blue Crane Route Local Municipality	Screen for TB symptoms 5 years and older			44029	80121	87135
Blue Crane Route Local Municipality	Screen for TB symptoms under 5 years				7587	10531
Blue Crane Route Local Municipality	TB client under 5 years start on treatment				46	7
Blue Crane Route Local Municipality	TB client 5 years and older start on treatment	272	330	322	345	375
Blue Crane Route Local Municipality	Vitamin A dose 12-59 months coverage	41.1	56.6	36.7	46.6	49.8
Blue Crane Route Local Municipality	ART client remain on ART end of month - total	1383	1650	1891	2207	2341
Blue Crane Route Local Municipality	ART client naive start ART during month - total	322	455	382	421	309

Source: ECDoH / DHIS Data

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and costal protection. Environmental protection is a function that is performed by an 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.

3.15 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 a 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 at 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 the district municipality and Sarah Baartman District Municipality involved all municipalities in its district to develop an Air Quality Management Plan 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.

3.16 BIO-DIVERSITY; LANDSCAPE (INCL, OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

The Blue Crane Route Municipality is a home to a wide variety of vegetation including Albany Thicket, Azonal vegetation, Fynbos and Grassland. The condition of these habitats varies considerably throughout the municipal area. The municipality continues to experience a challenge of stray animals. Although BCRM does have a commonage, not all animals are kept in the commonage. Again, the municipality does not have a pound facility yet, it is still under construction, to be completed in the next financial year.

There are a number of formally protected biodiversity conservation areas within and surrounding BCRM. Within the municipal area, there is Bosberg Nature reserve near Somerset East and a portion of the Addo Elephant National Park in the South. In total 4% of the municipal area falls within formally protected areas.

COMPONENT F: HEALTH

3.17 CLINICS

There are 6 Clinics in the jurisdiction of Blue Crane Route Municipality and all of them are under Eastern Cape Department of Health. The Blue Crane Route Municipality is working together with department of Health Eastern Cape to provide clinic services to its community members.

3.18 AMBULANCE SERVICES

The Blue Crane Route Municipality does not have its Ambulance's however Ambulance services are provided to the community by the Eastern Cape Department of Health through Andries Vosloo Hospital.

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

Health inspections are integral part of the function of Municipal Health Services. This is a function of the district but is performed by the local municipality on agency basis through a service level agreement. The funding is allocated to the local municipality on quarterly basis and expenditure reports are expected to be submitted to the district for accountability purposes. 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

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 monthly basis. The same reports are submitted to the district on a quarterly basis. The function is funded by the district through the SLA. Despite the fact that the national norm for environmental health staffing says one EHP per 10000 populations, the district is still underfunding this programme. Their funding allocation is based on R22 per capita. Currently BCRM has only one EHP position filled and two are still vacant but are in the organogram. This understaffing is due to underfunding of the function by the district.

Water quality monitoring is done monthly in terms of SANS 241 and all deviations are attended to and reported to the Technical Services for further 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. Health surveillance of premises is also conducted in the same manner.

Waste management is a function of the municipality and the EHP's 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.

COMPONENT G: SECURITY AND SAFETY

3.20 Police

Blue Crane Route Municipality does not have an in-house Police Services – However the Police services are provided by SAPS. The Area is safe and Police are always patrolling around. The Blue Crane Route Municipality is working hand and hand with SAPS to fight crime in the area.

3.21 FIRE

INTRODUCTION

A year under review generally had a significant decrease mainly informal dwelling and an increase formal dwelling and vegetation fires. The municipality also continued with Community Awareness education and they were conducted at hospitals, retirement villages, schools and clinics. Meetings with Aurecon were held regarding draft ward-based Risk Assessments that was conducted during the month of June 2018. The ward-based risk assessment will inform our disaster management plan. The draft risk assessment report was referred back by the District council to AURECON for further inclusion of information received from local municipalities. The municipality also focused on tariff implementation levy for services rendered as well as bylaw enforcement. Draft ward-based risk assessment report is in the process of being adopted by SBDM council.

A total of 17 fire and safety awareness campaigns were conducted, and 4223 people were reached. In terms of Disaster management, a contractor was appointed by SBDM to draft a disaster management plan and the first phase of consultations with stakeholders has been concluded. The Local Disaster management terms of reference were tabled for discussion at Community Services Committee meeting for implementation in October 2019. Santam Insurance sponsored the municipality with 350 smoke alarms for all 3 towns. A total of 15 disaster management volunteers were trained in the following areas: basic building construction, plumbing and electrical skills. Two Fire and Disaster

Management Satellite Stations were established in Pearston and Cookhouse to improve and comply with relevant legislation in terms of emergency response times.

Disaster and fire awareness campaigns were conducted jointly. Below is a list of some key objectives:

- Prompt reporting of emergencies and disaster call centre number
- 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

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

3.22.1 TRAFFIC SERVICE

Overview:	Include Traffic, Licensing, Road Worthiness & Technical Services
Description of activities: Traffic Law Enforcement	<p>The key function of the Traffic Dept. is to provide safer roads for all stakeholders within the BCRM area:</p> <p>The Municipality has a mandate to:</p> <ol style="list-style-type: none"> 6. Conduct preventative traffic patrols and enforce traffic legislation 7. Enforce speed limits 8. Attend to traffic accidents 9. Enforce parking legislation 10. Enforce municipal by laws <p>The key objective of this function is to ensure safe and free flow of traffic within BCRM Municipal area</p>
Driving Licenses	<p>These services include all drivers testing functions.</p> <p>The Municipality has a responsibility to:</p>

	<ul style="list-style-type: none"> • Test applicants and issue learner license • Test applicants and issue driver's license • Renew driving license • Renew and issue Professional driving permits <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>
Roadworthy Testing	<p>This service includes all vehicles testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicles • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
Technical Services	<p>This service is responsible for the maintenance of all road traffic markings and road traffic signs</p>
Commonage & Pound	<p>These services include the following;</p> <ul style="list-style-type: none"> • Maintenance of the commonage fence • Maintenance of commonage camps by spraying alien vegetation. • Impound unbranded animals • Maintain a pound register. • Maintain a commonage register • Remove stray animals from roadways

Staff Complement:

1. 3 Traffic Officers (Law Enforcement). The Chief Traffic Officer resigned in February 2020 and a new Chief will start in the new financial year.
2. 1 E-natis Supervisor & 1 E-natis Clerks (Registering Authority). One E-natis clerk passed away in March and the position will be filled in, in the new financial year.
3. VTS – Position Vacant (Roadworthy Centre)
4. DLTC – Positions Vacant (Examiner of driver license)
5. Technical Service 1 General worker (Road marking)
6. Commonage & Pound - A Pound Master & 3 Assistances

Challenges:

7. Staff shortage hamper services delivery.
8. Vacant position could not be filled due to financial constraints

9. No Management Representative
10. Lack of cooperation from live-stock owners, contributing to an increase of crashes involving stray animals
11. High accident rates with fatalities on both the R63 and N10 routes

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

There is a poor performance due to shortage of staff. Set goals were 90% met. Preplanned activities are most of the time abandoned due to staff shortages or weather conditions. Traffic Services did not have capital projects. All projects were removed due to budget constraints.

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

Blue Crane Route Municipality has three children parks one for each town. The only park that is complete and fully equipped is the one in Pearston. The other two are incomplete and Technical Services is responsible for their completion. In Somerset East there are three parks utilised by adults. These are Victoria Park, Rest-a-While and Bestershoek Picnic and Caravan Park. Pearston has one park as well as Cookhouse. Due to financial constraints of the council, none of these parks is well maintained. There is no equipment to maintain the parks.

With regards to the sport fields, the same financial situation is affecting sport fields. Very little maintenance is done due to lack of equipment. Technical Services through MIG grant is busy contracting change rooms in some sportfields.

BCRM has a multi-purpose Centre located at Aeroville and a Youth Center located at Old location in Somerset East. Unfortunately both centres are not well equipped. The Department of Sport, Recreation, Arts and Culture will be approached for assistance. The municipality has also 10 camp sites located at Besterhoek. Because of economic downturn, occupancy rate has been very low for the period under review.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources section provides the following functions:

- Human Resources Planning

- Recruitment and Selection,
 - Staff Placement,
 - Induction
 - Overall HR staff Management/Supervision
 - Outlining the relevant policy/legislation to council and municipality
 - Interpret and implements labour legislation for the institution
 - Advises Directorates on procedures to follow in terms of correctional action.
 - Co-ordinates the job evaluation process of the institution.
 - Job Description Development, Maintains and updates Organizational Development
- **Human resources development comprises of:**
 - Implement Organizational, Provincial and National strategies
 - Co-ordinate Councilors, Management and Staff development programs
 - Skills development
 - Employment equity
 - Implement Learnership and Internship programs

During the year under review the municipality has reviewed 2 policies including the leave policy and leave standard operating procedure. The municipality has also managed to procure a new leave system to eliminate the gaps that were identified in the old system.

3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT under the department of corporate services always play a major role in ensuring a secure ICT infrastructure that supports the day-to-day activities of the municipality by implementing IT best practices and promoting ICT Governance. ICT is undoubtedly one of the most crucial resources of the Municipality with very high dependencies from the several departments. ICT is the most important service tool to the Municipality as it is used to provide information to key decision making, communication with internal and external stakeholders.

ICT OPERATIONS

ICT Section, has a total number of Three (3) Staff members;

ICT Manager, IT Technician, Network/system administrator (post was filled in March 2020), and provide the following services to +- 120 users of the municipality:

- Hardware and Software Support – User Access Management, End User support
- Network and System Administration
- Management of printers – File and Print services
- Communication services; Phones, email, Internet access and mobile phones and mobile data access
- System support
- Network Infrastructure - LAN, WAN, WLAN
- ICT security

ICT GOVERNANCE

- The ICT steering committee is in place, to oversee the IT functionality and investment priorities. The Committee meets quarterly to discuss matters of concern, challenges and opportunities relating to IT.
- The municipality has adopted and implemented Municipal Corporate Governance ICT policy from COGTA, and a comprehensive ICT security policy and all other relevant policies have been developed.
- ICT Strategy has been developed and a draft strategy will be forwarded to council for adoption.

CHALLENGES

Few challenges that affected ICT operations in this year under review;

- Interruptions caused by load shedding – the lack of a big generator really poses a challenge and the Procurement of a generator with bigger capacity need to be prioritized.
- Connectivity challenges - Few connectivity challenges (speed, stable internet) were exposed by the covid-19 pandemic when we were required to host virtual meetings.
- Budget for ICT – Budget limitations affect the improvement of ICT Infrastructure and the implementation of latest Technologies Like WIFI within our municipality. There was really no budget to upgrade the network infrastructure in this financial year.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The IT section's Provides support services to the Municipality that relates to end user support, printing services and network connectivity, and systems administration on a daily basis. With limited resources the IT section strive to ensure that the municipal systems are running smoothly, and incidents are resolved as quickly as possible even without the Helpdesk system. Onsite and Offsite Data backups are performed only daily basis in order to safeguard municipal information. These backups are monitored on a daily basis. More IT support services were provided to users who were working from home during the full lockdown and the hosting of Virtual meetings of the municipality.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Annual Performance Scorecard Report for the current year is attached.

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2			
Year -1			
Year 0	22	9	41%
*			T 4.1.3

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	no	1-Jun-16
2	Attraction and Retention	100%	no	1-Jun-16
3	Code of Conduct for employees	100%	no	1-Jun-16
4	Delegations, Authorisation & Responsibility	100%	no	1-Jun-16
5	Disciplinary Code and Procedures	100%	no	1-Jun-16
6	Essential Services	100%	no	1-Jun-16
7	Employee Assistance / Wellness	100%	no	1-Jun-16
8	Employment Equity	100%	no	1-Jun-16
9	Exit Management	100%	no	1-Jun-16
10	Grievance Procedures	100%	no	1-Jun-16
11	HIV/Aids	100%	no	1-Jun-16
12	Human Resource and Development	100%	no	1-Jun-16
13	Information Technology	100%	no	1-Jun-16
14	Job Evaluation	100%	no	1-Jun-16

15	Leave	100%	no	1-Jun-16
16	Occupational Health and Safety	100%	no	1-Jun-16
17	Official Housing	100%	no	1-Jun-16
18	Official Journeys	100%	no	1-Jun-16
19	Official transport to attend Funerals	100%	no	1-Jun-16
20	Official Working Hours and Overtime	100%	no	1-Jun-16
21	Organisational Rights	100%	no	1-Jun-16
22	Payroll Deductions	100%	no	1-Jun-16
23	Performance Management and Development	100%	no	1-Jun-16
24	Recruitment, Selection and Appointments	100%	no	1-Jun-16
25	Remuneration Scales and Allowances	100%	no	1-Jun-16
26	Resettlement	100%	no	1-Jun-16
27	Sexual Harassment	100%	no	1-Jun-16
28	Skills Development	100%	no	1-Jun-16
29	Smoking	100%	no	1-Jun-16
30	Special Skills	100%	no	1-Jun-16
31	Work Organisation	100%	no	1-Jun-16
32	Uniforms and Protective Clothing	100%	no	1-Jun-16
33	Other:	100%	no	1-Jun-16
<i>Use name of local policies if different from above and at any other HR policies not listed.</i>				T 4.2.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	225	10%	69	130	0,79	30
Skilled (Levels 3-5)	210	14%	54	112	0,74	
Highly skilled production (levels 6-8)	96	15%	10	10	0,34	
Highly skilled supervision (levels 9-12)	102	15%	10	13	0,36	31
Senior management (Levels 13-15)	89	10%	6	15	0,31	
MM and S57	72	20%	4	5	0,25	
Total	794	14%	153	285	2,79	61
<i>* - Number of employees in post at the beginning of the year</i>						T 4.3.2

4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June Year 0	Skills Matrix														
			Learnerships				Skills programmes & other short courses				Other forms of training				Total		
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0			
No.																	
MM and s57	Female		5				0	1					0	1			
	Male		5				1	0					1	0			
Councillors, senior officials and managers	Female		2				3	2					3	2			
	Male		3				4	4					4	4			
Technicians and associate professionals*	Female		4				2	1					2	1			
	Male		8				8	2					8	2			
Professionals	Female		8				6	0					6	0			
	Male		6				2	6					2	6			
Sub total	Female		19				11	4					11	4			
	Male		22				15	12					15	12			
Total		0	82	0	0	0	52	32	0	0	0	52	32	0	0	52	32
*Registered with professional Associate Body e.g CA (SA)																	
T 4.5.1																	

3.21 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 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

3.22 SUPPLY CHAIN MANAGEMENT

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 including the Accountant: Supply Chain Management which has been vacant for a long time.

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 and implemented by the Sarah Baartman District Municipality (SBDM) has been 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 2019/20 financial year. The municipality has also developed the SCM Policy on Infrastructure Procurement and Delivery Management and Contract Management which were approved on 30 June 2017. 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 2019/20 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 above R15 000 were confirmed to be in order through the Central Supplier Database. 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 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.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

A summary of the Financial Performance is contained on the following page. The municipality has budgeted for a surplus of R13,1m and has realised a deficit outcome of R1,9m. This is mainly because of depreciation charges increase from R42m to R54m as a new infrastructure assets register was created during the audit of 2019/20. However stringent cash flow monitoring must be implemented in order to prevent the municipality being exposed to financial distress as the growth in consumer debtors were much more than budgeted. Therefore, the debt impairment expenditure was R8m more than budgeted. Furthermore, the depreciation cost of R54m could not be funded from revenue and this could hamper this Municipality from replace/maintain infrastructure assets in future.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

EC102 Blue Crane Route - Reconciliation of Table A1 Budget Summary

Description	2019/20							2018/19				
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1-Jan-00	2-Jan-00	3-Jan-00	4-Jan-00	5-Jan-00	6-Jan-00	7-Jan-00	8-Jan-00	9-Jan-00	10-Jan-00	11-Jan-00	12-Jan-00
Financial Performance												
Property rates	18 027	-	18 027	21 561		3 535	119.6%	119.6%				13 224
Service charges	148 405	509	148 915	143 764		(5 151)	96.5%	96.9%				128 273
Interest earned - external investments	850	500	1 350	1 390		40	102.9%	163.5%				2 062
Transfers and recognised -operational	60 969	969	61 938	61 941		3	100.0%	101.6%				53 580
Other own revenue	7 618	8 921	16 539	12 846		(3 693)	77.7%	168.6%				11 931
Total Revenue (excluding capital transfers and contributions)	235 869	10 809	246 679	241 502		(5 287)	97.9%	102.4%				209 059
Employee related costs	83 150	(2 693)	80 457	80 785		328	100.4%	97.2%				77 030
Remuneration of councillors	4 254	(75)	4 179	4 051		(128)	96.9%	95.2%				3 994
Debt impairment	11 104	3 896	14 990	23 281		8 291	155.3%	209.7%				19 453
Depreciation & asset impairment	42 179	300	42 479	53 948		11 469	127.0%	127.9%				62 141
Finance charges	5 019	18	5 036	4 228		(808)	84.0%	84.3%				5 776
Materials and bulk purchases	101 972	(9)	101 963	95 272		(6 691)	93.4%	93.4%				83 412
Transfers and subsidies	884	(43)	841	841		(0)	100.0%	95.2%				839
Other expenditure	34 271	3 191	37 462	32 777		(4 685)	87.5%	95.6%				31 302
Total Expenditure	282 832	4 575	287 407	295 183		7 776	102.7%	104.4%				283 946
Surplus/(Deficit)	(46 963)	6 324	(40 638)	(53 681)		(13 042)	132.1%	114.3%				(74 887)
Transfers recognised - capital	27 014	26 822	53 836	51 734		(2 102)	96.1%	191.5%				92 078
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	(19 949)	33 146	13 197	(1 947)		(15 144)	-14.8%	9.8%				17 181
Share of surplus/ (deficit) of associates	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	(19 949)	33 146	13 197	(1 947)		(15 144)	-14.8%	9.8%				17 181
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	27 064	26 822	53 886	45 897		(7 989)	85.2%	169.6%				78 466
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	610	157	767	759		(7)	99.1%	124.5%				408
Total sources of capital funds	27 674	26 979	54 652	46 657		(7 996)	85.4%	168.6%				78 875
Cash flows												
Net cash from (used) operating	31 529	21 964	53 493	33 781		(19 712)	63.2%	107.1%				109 814
Net cash from (used) investing	(27 670)	(26 992)	(54 662)	(46 642)		8 010	86.3%	168.6%				(78 466)
Net cash from (used) financing	(3 950)	188	(3 762)	(4 891)		(1 109)	123.3%	123.8%				(5 041)
Cash/cash equivalents at the year end	909	21 588	22 498	9 882		(12 615)	43.9%	108.7%				27 540

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

Description	2019/20										2018/19			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome		
R thousand	1-Jan-00	2-Jan-00	3-Jan-00	4-Jan-00	5-Jan-00	6-Jan-00	7-Jan-00	8-Jan-00	9-Jan-00	10-Jan-00	11-Jan-00	12-Jan-00		
Revenue By Source														
Property rates	18 027	-	18 027	21 561	-	(3 535)	119.6%	119.6%	-	-	-	13 224		
Property rates - penalties & collection charges	-	3 502	122 884	117 989	-	4 895	96.0%	96.0%	-	-	-	101 727		
Service charges - electricity revenue	15 684	(2 691)	13 003	13 152	-	(150)	101.2%	83.8%	-	-	-	14 188		
Service charges - water revenue	5 433	21	5 453	5 235	-	218	96.0%	96.4%	-	-	-	5 114		
Service charges - sanitation revenue	7 897	(322)	7 576	7 388	-	188	97.5%	93.5%	-	-	-	7 244		
Service charges - refuse revenue	390	75	465	713	-	(248)	153.3%	182.7%	-	-	-	495		
Rental of facilities and equipment	850	500	1 350	1 390	-	(40)	102.9%	163.5%	-	-	-	2 052		
Interest earned - external investments	4 198	1 268	5 466	5 543	-	(77)	101.4%	132.0%	-	-	-	4 493		
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-		
Dividends received	423	-	423	162	-	261	38.4%	38.4%	-	-	-	126		
Fines	480	-	480	397	-	84	82.6%	82.6%	-	-	-	540		
Licences and permits	850	100	950	754	-	196	79.4%	88.7%	-	-	-	1 013		
Agency services	60 969	969	61 938	61 941	-	(3)	100.0%	101.6%	-	-	-	53 560		
Transfers recognised - operational	1 277	7 478	8 755	5 278	-	3 477	60.3%	413.3%	-	-	-	5 185		
Other revenue	-	-	-	-	-	-	-	-	-	-	-	78		
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-		
Total Revenue (excluding capital transfers and contributions)	235 869	10 899	246 769	241 902		5 267	97.9%	102.4%				209 059		
Expenditure By Type														
Employee related costs	83 150	(2 693)	80 457	80 785	328	(328)	100.4%	97.2%	-	-	-	77 030		
Remuneration of councillors	4 254	(75)	4 178	4 051	-	128	96.9%	95.2%	-	-	-	3 984		
Debt impairment	11 104	3 886	14 990	23 281	8 291	(8 291)	155.3%	209.7%	-	-	-	19 453		
Depreciation & asset impairment	42 179	300	42 479	53 948	-	(11 469)	127.0%	127.0%	-	-	-	62 141		
Finance charges	5 019	18	5 038	4 228	-	808	84.0%	84.3%	-	-	-	5 776		
Bulk purchases	97 294	-	97 294	92 597	-	4 697	95.2%	95.2%	-	-	-	79 992		
Other materials	4 678	(9)	4 669	2 675	-	1 994	57.3%	57.2%	-	-	-	3 420		
Contracted services	8 453	6	8 460	6 792	-	1 667	80.3%	80.4%	-	-	-	7 986		
Transfers and subsidies	884	(43)	841	841	-	0	100.0%	95.2%	-	-	-	839		
Other expenditure	25 817	3 185	29 002	25 985	-	3 018	88.6%	100.6%	-	-	-	23 317		
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenditure	282 832	4 575	287 407	295 183	8 619	(7 776)	102.7%	104.4%				283 946		
Surplus/(Deficit)	(46 963)	6 324	(40 638)	(53 681)		13 042	132.1%	114.3%				(74 887)		
Transfers recognised - capital	27 014	26 822	53 836	51 734	-	2 102	96.1%	191.5%	-	-	-	92 078		
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-		
Contributed assets	(19 949)	-	13 146	(1 947)	-	15 144	-14.8%	9.8%	-	-	-	17 191		
Surplus/(Deficit) after capital transfers & contributions	(19 949)	-	13 146	(1 947)		15 144	-14.8%	9.8%				17 191		
Taxation	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit) after taxation	(19 949)	-	13 146	(1 947)		15 144	-14.8%	9.8%				17 191		
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit) attributable to municipality	(19 949)	-	13 146	(1 947)		15 144	-14.8%	9.8%				17 191		
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit) for the year	(19 949)	33 146	13 146	(1 947)		15 144	-14.8%	9.8%				17 191		

The Municipality realized a deficit of R1,9million in the 2019/20 financial year against R17million surplus in 2018/19. Please see the introduction paragraph for reasons for the deficit in 2019/20.

The total actual expenditure was R295million (102% of budget) and the total actual operational revenue (excluding capital grants) was an amount of R241million (98% of budget). The main reason for the operational deficit of R54m is the cost of depreciation of R54million. The other biggest cost components for 2019/20 financial year, was the personnel cost of R81million (27% against 30% in 208/19 of the total expenditure) and Bulk Purchases of electricity and water of R93million (32% of the total expenditure).

On the Income side, the biggest income source was the Service charges of R144million (60% of the total income) and the Government grants (excl capital grants) of R62million (26% of the total income). The Municipality debt impairment was R23million and that indicates an average pay rate from the consumers of 83% for the year. The Municipality budgeted for a pay rate of 92% which was much more than the actual result. This is also the reason for the Municipality not having cash surpluses at year end but actual a cash deficit. Property rates income was an amount of R22million which is only 9% of the Municipality's total income.

COMMENT ON VARIANCES ABOVE 10%.

Reasons for variances of 10% and more between the actual amounts and the budget for 2019/20 financial year can be seen on note 54 of the attached annual financial statements.

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Municipality largest grant allocation was the unconditional grant allocation of Equitable share for an amount of R53,5million which was R4,5million more than 2018/19 financial year which was a 9% increase. The Municipality also received the Finance Management Grant as in previous years of R2.235m and the Library grant of R2.3million. An amount of R1,4m was also received for the Expanded Public Works Programme (EPWP) and all these grants were fully spent.

Grant Performance							R' 000
Description	Year 2018/2019	Year 2019/2020			Year 2019/2020 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	51 782	57 164	57 164	57 533	0.65%	0.00%	
Equitable share	49 012	53 519	53 519	53 519			
Finance Management Grant	1 770	2 235	2 235	2 235			
External Audit				369			
EPWP	1 000	1 410	1 410	1 410			
Provincial Government:	2 300	2 300	2 300	2 300			
Sports and Recreation	2 300	2 300	2 300	2 300			
District Municipality:	2 276	836	1 386	1 383			
Environmental Health	789	836	836	833	-0.46%	0.00%	
Fire Fighting	1 487		550	550			
Other grant providers:	-	-	-	-			
Total Operating Transfers and Grants	56 358	60 300	60 850	61 216			

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
Full list of provincial and national grants available from published gazettes.*

T 5.2.1

5.3 ASSET MANAGEMENT

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 the assets are not properly maintained or not in good working condition. Assets are also insured on an annual basis and the values 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. A full Infrastructure (Excluding Electricity) verification and conditional assessment were done for 2019/20 financial year which resulted in a net adjustment of the total carrying value of PPE from R635million to R803million. An increase of R168million.

Repair and Maintenance Expenditure: Year 2019/20				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure: Materials	4 678	4 669	2 675	43%
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has only spent a very small percentage of its operating budget on repairs and maintenance, this is because of the operating budget not generated enough surplus to do proper maintenance.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

	2019/2020	2018/2019
Liquidity	0.92%	0.88%
Total Outstanding Consumer Debtors to total income from services	60%	59%
Total Finance Charges to Operating Expenditure	0.66%	2%
Employee Cost to total expenditure	27%	30%
Repairs & Maintenance to total expenditure	1.34%	1%
Capital Expenditure to total capital budget	85%	69%
Operating Expenditure against total expenditure budget	102.7%	99%
Grants Income against total income	25.6%	26%

COMMENT ON FINANCIAL RATIOS

The municipality performed better on its capital expenditure than the previous financial year and the only reason for the under performance is the VAT that must be included in the budget but excluded in actual expenditure. The operating expenditure was spent according to the budget at almost 100%. The municipality is still dependent on grant income of 26% of which the equitable share of R53.5million is the biggest component. Employee cost decreases from 30% to 27% because of vacancies not filled during the year. The outstanding debtors increase against the total revenue from service charges.

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.

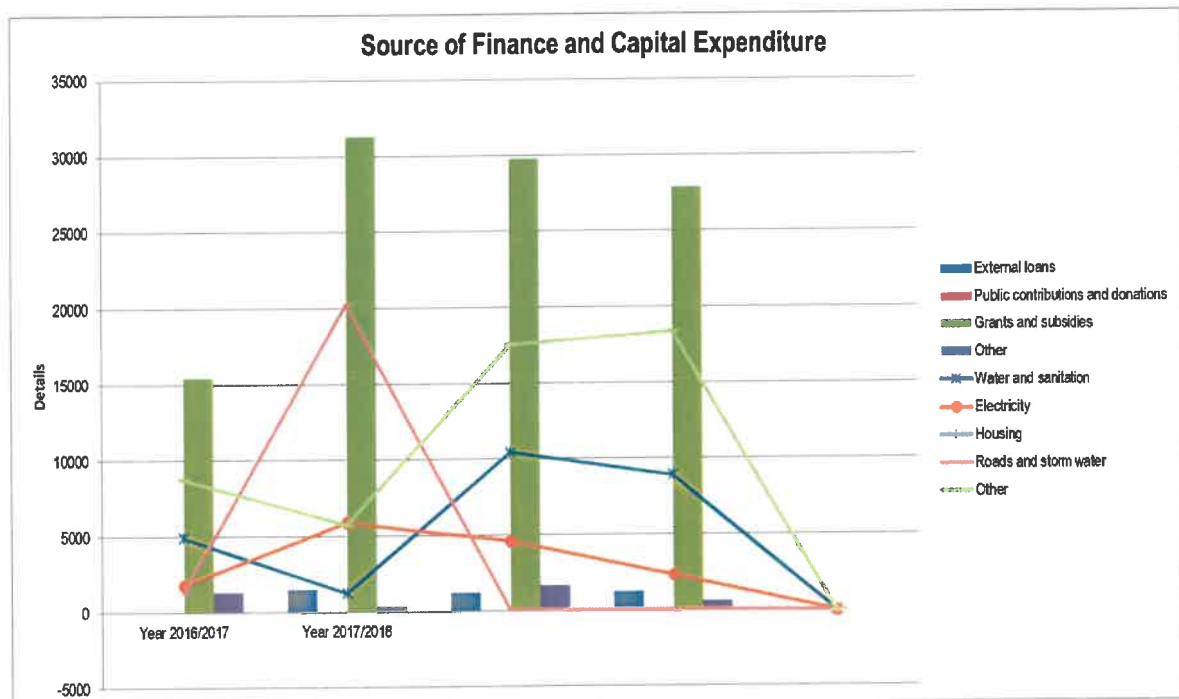
5.5 CAPITAL EXPENDITURE

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.

5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING:

The Municipality did not take up any more external loans for capital expenditure during 2019/20. All Capital funding came from Government grants (R45.8million) and own funding of R759 000. A percentage of 98% of the capital expenditure was utilised on Infrastructure upgrading.



Capital Expenditure - Funding Sources: Year 2018/2019 to Year 2019/2020						
R' 000						
Details	Year 2018/2019	Year 2019/2020				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	0.00%	0.00%
Public contributions and donations						
Grants and subsidies	78 793	27 014	53 886	45 897	99.47%	69.90%
Other	408	660	766	760	16.06%	15.15%
Total	79 201	27 674	54 652	46 657	115.53%	85.05%
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations						
Grants and subsidies	99.5%	97.6%	98.6%	98.4%	86.1%	82.2%
Other	0.5%	2.4%	1.4%	1.6%	13.9%	17.8%
Capital expenditure						
Water and sanitation	60 126	20 060	43 769	42 860	118.19%	113.66%
Electricity	5 613	800	950	892	18.75%	11.50%
Housing						
Roads and storm water	0	5 004	5 819	1 443	0.00%	0.00%
Other	13 136	1 810	4 114	1 462	127.29%	-19.23%
Total	78 875	27 674	54 652	46 657	264.23%	105.93%
<i>Percentage of expenditure</i>						
Water and sanitation	76.2%	72.5%	80.1%	91.9%	10.48%	26.73%
Electricity	7.1%	2.9%	1.7%	1.9%	-39.87%	-33.87%
Housing						
Roads and storm water	0.0%	18.1%	10.6%	3.1%	0.00%	0.00%
Other	16.7%	6.5%	7.5%	3.1%	15.09%	-52.09%
						T 5.6.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

The municipality performed better in the 2019/20 year as the Capital expenditure performance increased from 69% in the 2018/19 year to 85% in the current year.

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current: Year 2019/2020			Variance: Current Year 2017/2018		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
Upgrade Pearston WTW	13 000	34 424	27 089	108.38%	-21.31%	
Cookhouse Bulkwater Supply (Phase 2 B)	7 000	7 000	5 782	-17.40%	-17.40%	
Upgrade Pearston WWTW	0	2 035	4 737		132.78%	
Cookhouse Bulkwater Supply (Phase 2 C)	0	4 300	4 024		-6.42%	
Refurbishment of Bestershoek WTW	0	2 000	892		-55.40%	
<i>* Projects with the highest capital expenditure in Year 0</i>						
Upgrade Pearston WTW						
Objective of Project	Upgrade water supply and reservoirs in Pearston					
Delays						
Future Challenges						
Anticipated citizen benefits						
Cookhouse Bulk Water (Phase 2B)						
Objective of Project	Upgrade water supply and reservoirs in Cookhouse					
Delays						
Future Challenges						
Anticipated citizen benefits						
Upgrade Pearston WWTW						
Objective of Project	To upgrade Sewerage Waster water treatment works in Pearston					
Delays						
Future Challenges						
Anticipated citizen benefits						
Cookhouse Bulkwater Supply (Phase 2)						
Objective of Project	Upgrade water supply and reservoirs in Cookhouse					
Delays						
Future Challenges						
Anticipated citizen benefits						
Refurbishment of Bestershoek WTW						
Objective of Project	Upgrade Bestershoek water treatment works					
Delays						
Future Challenges						
Anticipated citizen benefits						
					T 5.7.1	

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Blue Crane Route Municipality depends for the most part on Grant Allocation to eradicate its backlog effectively. However, the municipality does set out an annual budget to deal with backlogs.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

COMMENT ON CASH FLOW OUTCOMES:

The Municipality's cash balance at 30 June 2020 was an amount of R9.8m which has decreased from last year's R27.6m. The main reason for this is that the Municipality did not have any roll overs as in the previous year. The cash balance at year end is somewhat misleading as the Municipality still needed to pay creditors of around R34million which includes two Eskom accounts totalling R17.7million.

EC102 Blue Crane Route - Reconciliation of Table A7 Budgeted Cash Flows

Description	2019/20							2018/19
	Original Budget	Budget Adjustments (i.t.o.s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1-Jan-00	2-Jan-00	3-Jan-00	4-Jan-00	5-Jan-00	6-Jan-00	7-Jan-00	8-Jan-00
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	156 966	(4 726)	152 239	123 771	28 468	81.3%	78.9%	112 774
Other revenue	6 944	9 047	15 991	11 212	4 778	70.1%	161.5%	4 228
Government - operating	60 969	396	61 365	62 020	(655)	101.1%	101.7%	53 580
Government - capital	27 014	26 822	53 836	28 275	25 561	52.5%	104.7%	115 360
Interest	4 628	(4 628)	-	1 354	(1 354)		29.2%	2 014
Payments								
Suppliers and employees	(223 647)	(414)	(224 061)	(191 643)	(32 418)	85.5%	85.7%	(176 564)
Finance charges	(461)	(4 575)	(5 036)	(367)	(4 669)	7.3%	79.7%	(738)
Transfers and Grants	(884)	43	(841)	(841)	(0)	100.0%		(839)
NET CASH FROM/(USED) OPERATING ACTIVITIES	31 529	21 964	53 493	33 781	19 712	63.2%	107.1%	109 814
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	11	(11)			416
Decrease (Increase) in non-current debtors	4	-	-	3	(3)			3
Decrease (increase) other non-current receivables								
Decrease (increase) in non-current investments								
Payments								
Capital assets	(27 674)	(26 978)	(54 652)	(46 657)	(7 995)	85.4%	168.6%	(78 875)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(27 670)	(26 978)	(54 652)	(46 642)	(8 010)	85.3%	168.6%	(78 456)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans								
Borrowing long term/refinancing								
Increase (decrease) in consumer deposits	50	-	50	60	(10)	120.8%		95
Payments								
Repayment of borrowing	(4 000)	168	(3 832)	(4 952)	1 120	129.2%	123.8%	(5 136)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 950)	168	(3 782)	(4 891)	1 109	129.3%	123.8%	(5 041)
NET INCREASE/ (DECREASE) IN CASH HELD	(91)	(4 846)	(4 941)	(17 752)	(27 121)			26 317
Cash/cash equivalents at the year begin:	1 000	26 438	27 438	27 635	-			1 223
Cash/cash equivalents at the year end:	909	21 592	22 498	9 882	(27 121)	43.9%	1067.0%	27 540

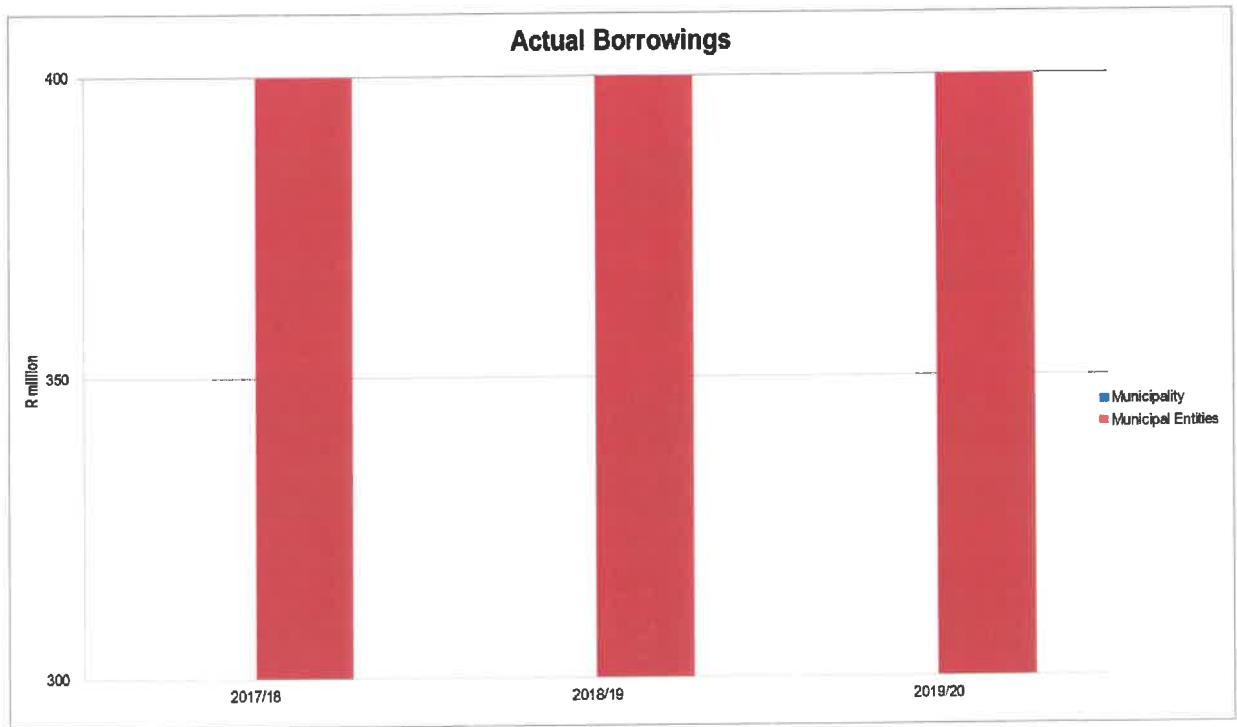
5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has considerably increased the size of its debt book four years ago mainly due to the replacement of fleet and the R13 m loan required to accelerate MIG expenditure. The municipality could not settle the R13m loan in 2016/17 as per budget due to cash flow constraints. The balance of this loan from ABSA Bank was now settled in 2019/20 and only an amount of R875 659 was outstanding from Standard Bank which will be settled in 2020/21 financial year for the purchased of transport assets.

Actual Borrowings: Year 2017/2018 to 2019/2020			
	R' 000		
Instrument	2017/18	2018/19	2019/20
Municipality			
Long-Term Loans (annuity/reducing balance)	8 183	4 673	816
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	2 646	1 237	228
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	10 829	5 910	1 044
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			<i>T 5.10.2</i>

The municipality invests surplus cash in accordance with the approved Investment policy.



Municipal and Entity Investments			
			R' 000
Investment* type	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	156	24 072	902
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	156	24 072	902
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	156	24 072	902
			<i>T 5.10.4</i>

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

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 Unit; they have been filled except for the Accountant: Supply Chain Management, and the Fleet Officer

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 and implemented by the Sarah Baartman District Municipality (SBDM) has been 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 2018/19 financial year. The municipality has also developed the SCM Policy on Infrastructure Procurement and Delivery Management and Contract Management which were approved on 30 June 2017. 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 2018/19 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 above R15 000 were confirmed to be in order through the Central Supplier Database. 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 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.

5.12 GRAP COMPLIANCE

The Annual Financial Statements of the Municipality are GRAP compliance. GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP is needed to enable National Treasury to assess the pace of progress and consider the implications. mSCOA stands for “Municipal standard chart of accounts” and provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. mSCOA is a “proudly South African” project researched by National Treasury based on municipal practices, reporting outcomes, policy implementation and review, etc.

The 2019/20 financial year was the 3rd year for mSCOA and the Municipality did successfully implement these standards. However, there are still challenges that the Municipality must address in 2020/21 to fully comply with the data strings submissions to National Treasury to ensure that reports are generated directly from the financial system.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National	Key • Service delivery & infrastructure

performance areas	<ul style="list-style-type: none"> • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional</i>

	<p><i>areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
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APPENDANCES

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	Finance	ANC	93%	7%	
N. P. Nkonyeni	PT	Finance, Technical Services, MPAC,LLF	ANC	87%	13%	
K. C. Brown	PT	Finance	DA	93%	7%	
F. P. Brown	PT	Technical Services, MPAC,	DA	87%	13%	
J. M. Martin	FT	Corporate Services, MPAC, LLF	Ward 2-DA	83%	17%	
M. Kwatsha	PT	Community Services, Corporate Services, MPAC,LLF.	Ward 1- ANC	87%	13%	
C.Nel	PT	Community Services.	-DA	94%	6%	
T. C. Xakaxa	PT	Community Services, Corporate Services,	Ward 3- ANC	90%	10%	
		Technical Services.				

T. A. Grootboom	PT	Finance	Ward 4- ANC	66%	34%
A. Hufkie	PT	Community Services, Corporate Services,	Ward 5- ANC	93%	7%
		Finance, MPAC, LLF			
P. Sonkwala	PT	Community Services, Corporate Services, Technical Services	Ward 6- ANC	93%	7%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance	To deliberate on matters related to finances of the municipality e.g. income, expenditure and Supply Chain Management Functions.
Corporate Services	To deliberate on matters related to Administration, Human Resources and Records Management.
Community Services	To deliberate on matters related to Environmental Health Traffic, Parks and Open Spaces, Libraries, Waste Management, Commonage and Pound, Disaster Management and Protection Services
Technical Services	To deliberate on matters related to Electricity, Roads and Stormwater, Mechanical Workshop MIG, Water and Sanitation and Housing and Land Use.
LLF	To discuss labour related issues
MPAC	Oversight on municipal overall performance
Internal Audit	Ensures implementation of internal control
Land Committee	Attend 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	Manager: Internal Audit- Mr Mzuqhamile Mbangi (Resigned)
	Manager: IDP/Performance Management- Ms Samela Hanabe
Finance Department	Manager: Revenue and Expenditure- Vacant
	Manager: Financial and Audit Matters- Mr Martin Meyer
	Manager: Supply Chain Management- Ms Ayanda Mbebe
Community Services	Manager: Environmental Health Services- Ms Nomsa Ngcipe (Resigned)
	Chief: Protection Services- Mr Roland Hare
	Chief: Fire and Disaster- Mr John Conmway
Technical Services	Head: Electrical Services- Mr Vuyani Apollis
	Manager: PMU- Ms Nonkqubela Dlova
	Manager: Maintenance and Infrastructure: Mr Albertus Swanepoel
Corporate Services	Manager: ICT- Mr Mzwandile Gush

APPENDIX D – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during year
Ward 1	Cllr M. Kwatsha	Yes	6	4
	Busisiwe Kwatsha			
	Pelela Mtshawu			
	Khanyiso Twenty			
	Nomawabo Sikwebu			
	Xabiso Maqenge			
	Sonwabo Mbane			
	Melville Winnaar			
	Daphne Twenty			
	Vuyokazi Fani			
	Bulelwa Ximiya			
Ward 2	Cllr J Martin	Yes	6	4
	Mbulelo Cakana			
	Tozamile Wilson			
	Archer Brendo Heynse			
	Katriena Williams			
	Rosalee May Bradfield			
	Linda Fani			
	Nanziwe Lolonga			
Ward 3	Cllr Thobile Xakaxa	Yes	6	4
	Asisipho Nywebeni			
	Ayanda Dyantyi			

	Xolisile Tom			
	Silumko Wiseman Lawrence			
	Mandilakhe Storum			
	Ntombizanele Stuurman			
	Khayaletu Nana			
	Ntombizodwa Mahobe			
	Thobile Sibaca			

Ward 4	Cllr Thabo Grootboom	Yes	6	4
	Levin Doro			
	Tozamile Gans			
	Lungiswa Zokufa			
	Mlungisi Dinga			
	Nompumelelo Sokoyi			
	Gerald Zongezile Danster			
	Maria Blouw			
	Stanton Afrika			
Ward 5	Cllr Anthony Hufkie	No	6	4
	N.J Nggawana			
	Y Mali			
	A Jonas			
	D Harris			
	N Stofile			
	N Milla			
	S Tom			
	N.G Kobese			
	N.V Faku			
	M Lottering			
Ward 6	Cllr Phandulwazi Sonkwala		6	4
	Thembela Komani			

	Sinazo Silimeni			
	Amanda Soxujwa			
	Unathi Mali			
	Noma- Afrika Piliso			
	Anelisa Baskiti			
	Lungelwa Mtengwana			
	Sindiswa Mjekula			
	Phathisizwe Mantewu			
	Ntombizanele Dwane			

APPENDIX E – ANNUAL REPORT INDICATORS 2019/2020

Organisational Transformation and Institutional Development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	12	4	33.33%	Appointments were not made because of COVID19
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	4	3	75%	In progress
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	0	Due to Covid19

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
4	Percentage of Managers in Technical Services with a professional qualification	3	3	100%	N/A
5	Level of PMS effectiveness in the DM – (DM to report)	It is performed in senior management only, not yet cascaded to lower levels			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	298	160	57%	Employees are not interested in completing skills audit form due to the delays in trainings or due to scarcity of trainings.
8	Percentage of councillors who attended a skill development training within the current 5 year term	11	11	100%	n/a
9	Percentage of staff complement with disability	0	0	0	A feasibility study was conducted to establish disability friendliness of our buildings/ the municipal buildings. The study proved that most of our

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
					buildings are not disability friendly and gaps were identified towards compliance. However, the municipality has been unable to attend to the identified areas due to its financial constraints.
10	Percentage of female employees	3	0	0	A moratorium placed on recruitment but however we did manage to employ 3 females.
11	Percentage of employees that are aged 35 or younger	2	0	0	Employment equity plan expired in 2017 financial year but we did manage to employ 2 employees aged 35 below.
12	Adoption and implementation of a District Wide/ Local Performance	1	1	1	Adopted December 2016

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	Management System				

Basic Service delivery

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to potable water	8558	0	0			All household have access to potable water except the rural farms which depend on boreholes.
2	Percentage of indigent households with access to free basic potable water	3932	0	0		100%	

3	Percentage of clinics with access to potable water	100%	0	0			
4	Percentage of schools with access to potable water	100%	0	0			
5	Percentage of households in formal settlements using buckets	1%	350	0			The informal settlement need bulk infrastructure for these services which BCRM cannot currently afford.

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year	Comments
1	Percentage of households with access to electricity services	8558	1%	0			
2	Percentage of indigent households with	3932	0	0		100%	

	access to basic electricity services						
3	Percentage of indigent households with access to free alternative energy sources	0	0	0			

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year	Comments
1	Percentage of households with access to sanitation services	8558	350	0		0	
2	Percentage of indigent households with access to free basic sanitation services	3932	4.2%	0		0	
3	Percentage of clinics with access to sanitation services	100%		0		0	
4	Percentage of schools with access to sanitation services	100%		0		0	

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	9761	0	9761	9761	100%
2	Existence of waste management plan	There is a plan in place but it is due for reviewal				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4000	800	300	0	0
2	Percentage of informal settlements that have been provided with basic services	90%	4000		300	80%
3	Percentage of households in					

	formal housing that conforms to the minimum building standards for residential houses					
4	Existence of an effective indigent policy	The municipality has an existing Indigent policy				
5	Existence of an approved SDF	The municipality has an existing approved SDF.				
6	Existence of Land Use Management System (LUMS)	The municipality consults the District for SPLUMA.				

Local Economic Development

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	Existence of LED unit				The unit is not yet established. The municipality does not have a dedicated person to carry the LED Functions
2	Percentage of LED Budget spent on LED related activities.	0	0	0	0
3	Existence of LED strategy	There is an existing strategy in place however the strategy is due for reviewal. The municipality is in the process of			

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
		reviewing it.			
4	Number of LED stakeholder forum meetings held	0	0	0	
5	Plans to stimulate second economy	0	0	0	0
6	Percentage of SMME that have benefited from a SMME support program				12 SMME's have been supported financially through SBDM and SALGA funding
7	Number of job opportunities created through EPWP	76	76	100%	
8	Number of job opportunities created through PPP	0	0	0	

Municipal Financial Viability and Management

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	54 652	46 657	85%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	28%	27%	96%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	10%	12%	-120%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	75%	74%	99%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	5%	(18%)	(23%)
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of FMG budget	100%	100%	100%

	appropriately spent			
8	AG Audit opinion	Unqualified Audit Report	Unqualified Audit Report	100%
9	Functionality of the Audit Committee	100%	100%	100%
10	Submission of AFS after the end of financial year	Submitted on due date	Submitted on due date	100%

Good governance and Public Participation

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1	% of ward committees established	100%	100%	100%	
2	% of ward committees that are functional	100%	100%	100%	
3	Existence of an effective system to monitor CDWs	The performance of the CDW's is monitored at a provincial level			
4	Existence of an IGR strategy	No strategy in place			
5	Effective of IGR structural meetings	They are combined with IDP Rep Forum, they sit quarterly.			
6	Existence of an effective communication strategy	The strategy was adopted in December 2016			
7	Number of mayoral imbizos conducted	Twice in all wards	Twice in all wards (April/May and September)	50%%	Due to COVID -19 regulations public meetings were not held during April .

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
8	Existence of a fraud prevention mechanism	There is a policy in place and reviewed annually			