

BLUE CRANE ROUTE MUNICIPALITY (EC102)



ANNUAL REPORT 2020/2021

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CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

Section 127(2) of the Municipal Finance Management Act (MFMA) 56 of 2003 enjoins the Mayor to table to the municipal Council the Annual Report for a financial year under review. It is for this purpose that I table the 2020/21 to the Council and the community of the Blue Crane Route Municipality this Annual Report. 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 fore 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 2020/2021 financial year. The IDP of the municipality is aligned to the NDP, Provincial Growth and Development Strategy and also linked to the National outcomes.

The financial year under review has been the most challenging year not only to BCRM to all municipalities in the country. The advent of the Covid-19 pandemic ravaged the socio-economic fabric of our local community. This resulted in most of our local economy being adversely affected with some businesses closing down and employees being retrenched. The resultant effect of this was the inability of some ratepayers to meet their financial obligations to the municipality. This in turn resultant in a decline of our internal revenue capacity and has impeded public participation. Meetings could not be held with communities due to the restrictions that were implemented.

Despite the above challenges, the municipality has managed to improve in terms of management and governance. Council and its Standing Committees were seating on a regular basis to discharge their respective constitutional and statutory responsibilities. This is evidenced by amongst other things by the fact that BCRM has in the previous year to attain an Unqualified Audit Opinion with reduced findings. 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 on behalf of Council to thank all our Councilors and management for our unity of purpose displayed in delivering quality services and driving transformation of people's lives in our community.

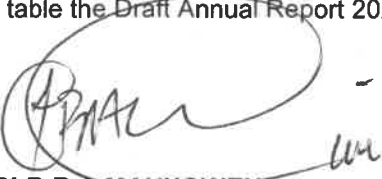
Some of the highlights of the past three (3) years have been the implementation of the following capital projects and these are i.e.

- Conditional Grant additional funds allocation to BCRM due to good performance: WSIG R5.4999 and MIG at R4.82

- Completion of the Pearston Wastewater Treatment Works at R13.3 m and 5 EMEs appointed.
- Completion of Installation of Pearston Electricity Overhead Line at R117 000 to supply power to the WTW under construction.
- Completion of the Cookhouse BWS Phase 2C (Section 1 0 at R6.5 m
- Completion of the Refurbishment of Aeroville Sewer Pumpstation at R435 000 through the assistance by SBDM.
- SBDN assisting with Spatial Development Framework and ILUS for BCRM for SPLUMA compliance purposes.
- Completion of installation of Solar Lights in Cookhouse by Amakhala Emoyeni Windfarm.
- Completed paving in Zola Street in Cookhouse.
- DSRAC approved funding of R31m for the construction of a library in Cookhouse. Construction is underway and is at foundation level.

All the projects that could not be implemented during the year under review were carried over to the next financial year.

I table the Draft Annual Report 2020/21 to Council and its Communities.



CLR B.A. MANXOWENI
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

This Draft Annual Report seeks to give an account of how the municipality have performed in the implementation of the 2020/21 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.

The 2020/21 financial year was the most challenging year as the municipality was grappling with adverse effects of the Covid 19 pandemic. The Covid 19 necessitated a re-organisation of the workplace institutional arrangements to mitigate workplace transmission of the virus. It also necessitated the introduction of virtual platforms for Council meeting and its Committees including management meetings. The pandemic also adversely affected our internal revenue streams due to low collection rate which was as a result of economic hardship by our ratepayers. Despite these challenges the municipality continued to make strides in improving its governance and discharging its statutory obligations.

During the financial year 2020/21 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. A municipality that is reliant grant funding, we continue to experience serious challenges in terms of the limited financial resources. Our conditional grant allocation has remained the same over the years with increasing basic delivery demands by our communities.

From a governance and Institutional Arrangements perspective the municipality is relatively functional. The Audit Committee and the Internal Audit Unit are fully effective as they continue to discharge their respective statutory obligations. Some of the governance highlights during the year under review were the following and these are, i.e.

- Unqualified audit for 2019/20 financial year with reduction of matters of emphasis.
- Reduction of irregular expenditure from R18m in 2017/18 to R7m IN 2019/20 to R2.9m in 2020/21.
- Data Cleansing Project successfully implemented in Pearston and Cookhouse.

- Successful implementation of Phase 1 and 2 of the Infrastructure Asst Verification and Condition Assessment.
- Ownership of +- R15m assets in the newly established Industrial Park in collaboration with the CDA and the DEAT in the Eastern Cape.
- Workshop on the review of policies and bylaws.
- Organogram Review consultation and job description review writing commenced.

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

- Inability to collect revenue that is due to the municipality
- Slow spending of grant money
- Inadequate MSCOA financial management
- Inadequate implementation of asset management policies ,regulations and procedures
- Ineffective Records Management processes
- Inadequate leave administration

The municipality implementing all its core functions as per the MSA. The following services are performed on a shared basis: Fire and Disaster Management, Land Use, Environmental Health (SBDM), Housing Development (DHS) , Rural Roads (Dept.of Roads & Transport)

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 discharge its constitutional and statutory obligations despite the challenges.



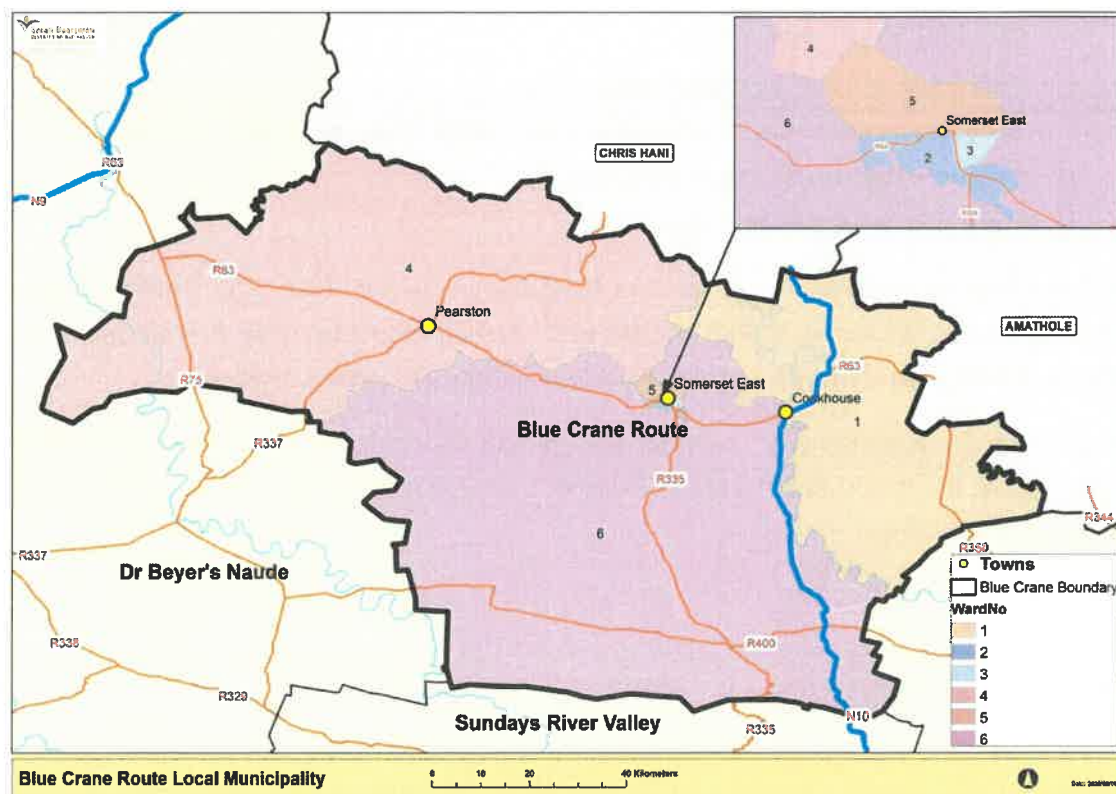
MR T KLAAS
MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION TO BACKGROUND DATA

This section includes an analysis of the demographic, socio-economic and infrastructure development dimensions. The statistical information was sourced from 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

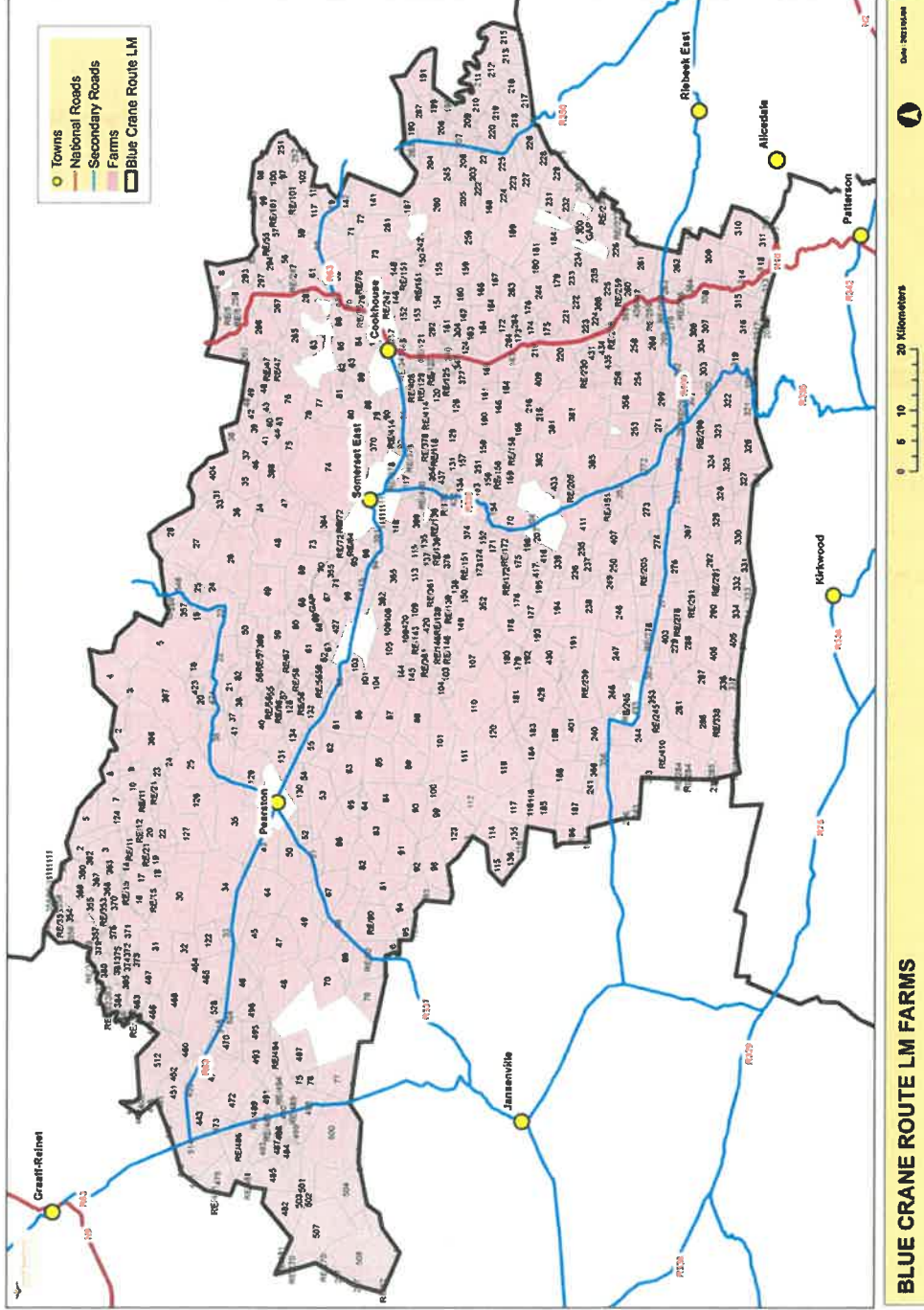


The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east of Raymond Mhlaba Municipality (Amathole DM), North-west of Inxuba Yethemba municipality (Chris Hani DM), South of Makana Municipality and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



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	-	-
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 backlogs in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. Electricity is supplied to all schools, hospital (Andre Vosloo) and 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. In the financial year under review the municipality purchased 40 skips and these are distributed in all 6 wards. These are emptied on a

weekly basis. Illegal dumping spots are cleared every month. 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 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		
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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 AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total Population				
Labour status 15 to 65				
Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.84
Non-economically active	9471	10935	50.5	1.55
	22665	21669		

Source: StatsSA

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

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

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

	<ul style="list-style-type: none"> • 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
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1.3 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.

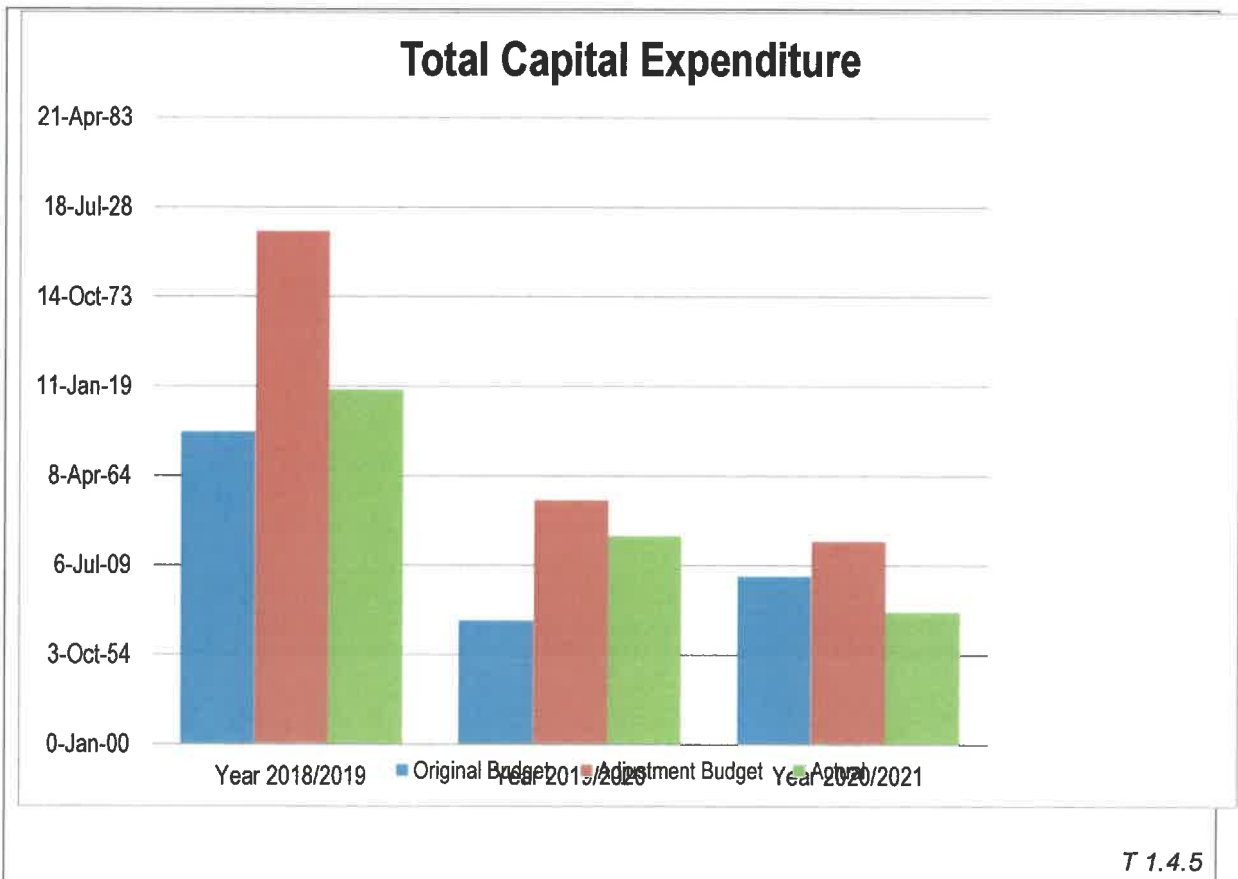
1.4 FINANCIAL HEALTH OVERVIEW

The municipality aims to provide services to the community that are affordable, yet at the same time ensuring that we remain financially sustainable. For the 2020/21 financial year, the municipality has been limiting rates and other tariffs at 6% except electricity that is regulated by NERSA until a revenue enhancement strategy was developed and approved. This strategy pointed out, amongst other things, that the municipality needed to ensure that their 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 our internal revenue base. The higher tariff increase could be considered to have been affected 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 25,685,131. The municipality should continue to cut costs and raise new revenue to improve the poor cost coverage and liquidity ratios.

Financial Overview: Year 2020/2021			
	R' 000	R' 000	R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	98 133	118 125	105 837
Taxes, Levies and tariffs	180 972	178 659	175 701
Other	15 113	14 116	8 553
Sub Total	294 218	310 900	290 091
Less: Expenditure	306 310	322 651	313 822
Net Total*	(12 093)	(11 751)	(23 731)
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	27%
Repairs & Maintenance	1%
Finance Charges	0%
	T 1.4.3

Total Capital Expenditure: Year 2018/19 to Year 2020/21			
	R'000		
Detail	2018/19	2019/20	2020/21
Original Budget	69 841	27 674	37 580
Adjustment Budget	114 655	54 652	45 448
Actual	79 201	46 657	29 575



1.5 AUDITOR GENERAL REPORT : 2020/21

Auditor General have audited the financial statements of the Blue Crane Route Local Municipality, which comprise of the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

The municipality received an Unqualified Audit Opinion with other matters.

Emphasis of matters

1. Material losses
2. Debt Impairment
3. Restatement of corresponding figures
4. Material uncertainty relating to going concern

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 the 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. 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

DIRECTOR CORPORATE SERVICES:

(Mrs Novuko Kubone)

- Administration
- Human Resources
- Labour Relations
- Legal Services
- Skills Development
- ICT
- Customer Care
- Occupational Health & Safety

DIRECTOR: FINANCIAL SERVICES

(Mr Nigel Delo)

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

DIRECTOR: COMMUNITY SERVICES

(Adv Mandisi Planga)

- 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

2.3 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	
All current budget-related policies	yes	1-Sep-20
The previous annual report (Year -1)	yes	24-Aug-19
The annual report (Year 0) published/to be published	no	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	yes	13-Apr-21
All service delivery agreements (Year 0)	no	
All long-term borrowing contracts (Year 0)	no	
All supply chain management contracts above a prescribed value (give value) for Year 0	yes	1-Feb-20
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	no	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	no	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	yes	28-Jan-20
<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>		<i>T 2.10.1</i>

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.

2.4.1 INTERGOVERNMENTAL RELATIONS

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

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

2.4.2 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.

2.4.3 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 participates in the following district structures:

- District Mayor's Forum
- District Speakers' Forum
- District Women Commission
- District MM's Forum
- District Wide Infrastructure Forum
- District PMS Forum
- District IDP Rep Forum
- District-wide Disaster Management Forum
- District Legal Advisors Forum
- Internal Audit & Risk 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 embarked on a reviewing Public Participation Policy and Strategy and will be adopted in the next financial year.

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. During the year under-review public participation meetings were suspended due to Covid 19 regulations and the municipality could only

engage with a limited number of community members on a virtual platform. The following structures have been established to enhance public participation:

- **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.

- **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. Due to Covid-19 public meetings for IDP and Budget were held according to the Covid-19 Regulations. 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	10 May 2021	3	7	50	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2020/21 and to get inputs for the review process for 2021/2022 FY.
Ward Based Planning: IDP/ Budget review - Ward 1 & 6	12 May 2021	3	6	50	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2020/21 and to get inputs for the review process for 2021/2022 FY.
Ward Based Planning: IDP/ Budget review - Ward 3	10 May 2021	3	6	50	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2020/21 and to get inputs for the review process for

						2021/2022 FY.
Ward Based Planning: IDP/ Budget review - Ward 5	10 May 2021	3	9	50	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2020/21 and to get inputs for the review process for 2021/2022 FY.
Ward Based Planning: IDP/ Budget review - Ward 4	11 May 2021	3	5	50	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented during 2020/21 and to get inputs for the review process for 2021/2022 FY.

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

COMPONENT D: CORPORATE GOVERNANCE

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:

- Inability to collect revenue that is due to the municipality
- Slow spending of grant money
- Inadequate MSCOA financial management
- Inadequate implementation of asset management policies ,regulations and procedures
- Ineffective Records Management processes
- Inadequate leave administration

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 2020/2021 financial year was submitted to the Accounting Officer; Mayor and the Council. The unit has a full staff compliment and the staff are aware of the SCM Code of Conduct. 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.

2.9 BY-LAWS

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

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 2020/21 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 40Ml 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.	In March 2021, the municipality has obtained an additional funding from WSIG, the funding will be utilised to augment the raw water supply to new Pearston WTW through a project called Pearston Bulk water Supply Augmentation. The project will assist in installation of 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 through the Bulk water Supply Augmentation project and Operation and Maintenance project.
Lack of bulk water supply	In March 2021, the municipality has obtained an additional funding from WSIG, the funding will be utilised to augment the raw water supply to new Pearston WTW through a project called Pearston Bulk water Supply Augmentation. The project will assist in installation of data loggers to monitor quality and the quantity of water within the boreholes.

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. Drilling of boreholes project will be done during FY 2021/2022 to augment the water supply.

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 24% as at 30 June 2020. 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 24% as at 30 June 2021.

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 ensures 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. There are boreholes that are not functional due to theft and vandalism that needs to be rehabilitated. A project for rehabilitation of boreholes in Somerset East will be implemented through WSIG during FY 2021/2022.

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. A project for drilling of boreholes in Somerset East and Cookhouse will be implemented through WSIG during FY 2021/2022.

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 to unavailability of suitable land to construct housing development. 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 and 2 of the projects is complete which has a major scope of work. The Pearston WWTW is in operation. 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. There is theft and vandalism in lifting station which necessitate the directives from Department of Water & Sanitation.

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 free basic services: water and sanitation.

SUB. NO	SUBURB NAME	JULY. 2020	AUG. 2020	SEPT.2020	OCT.2020	NOV. 2020	DEC.2020	JAN.2021	FEB.2021	TOTAL HOUSEHOLDS	MARCH.2021	APRIL. 2021	MAY.2021	JUNE.2021.
1	S.E. TOWN	46	46	46	47	47	48	48	48	963	48	49	49	49
3	AEROVILLE	641	642	649	655	651	663	671	672	1153	673	674	675	680
4	NEW BRIGHTON	220	220	223	223	208	215	221	223	321	223	224	226	226
5	OLD LOCATION	215	216	216	219	213	219	223	224	352	227	228	227	227
6	GLEN AVON	8	8	8	8	8	8	8	8	22	8	8	8	8
7	MNANDI	614	614	624	625	599	617	627	635	1162	644	648	651	653
8	CHRIS HANI	258	258	259	260	247	251	254	256	418	261	269	272	274
9	FRANCISVALE	52	52	52	53	53	53	53	53	241	52	53	53	53
10	VOSLOODAL	21	21	21	21	21	21	21	21	38	21	21	21	21
11	WESTVIEW	222	222	225	229	226	227	230	228	355	231	232	232	236
31	PEARSTON TOWN	270	274	279	281	273	280	282	286	995	288	288	288	288
32	NELSIG PEARSTON	290	291	292	293	281	294	296	298	432	301	301	302	302
33	KHANYISO PEARSTON	235	236	241	241	236	241	245	246	487	250	251	253	253
41	BHONGWENI 3 C/H	308	312	316	317	308	315	317	320	515	318	323	322	322
42	BHONGWENI 4 C/H	401	403	406	409	395	406	410	413	642	416	417	422	425
43	BUSS 1 COOKHOUSE	2	2	2	2	2	2	2	2	21	2	2	2	2
45	CRAD 1 COOKHOUSE	1	1	1	1	1	1	1	1	56	1	1	1	1
46	NEWTOWN 1 C/H	101	101	101	102	100	100	100	103	157	103	104	105	106
47	STATION 1 C/H	58	60	59	60	58	59	60	59	159	59	59	59	60
	NPO	21	21	21	21	21	21	21	21	21	21	21	21	21
	FARMERS	30	30	30	30	30	30	30	30	28	30	30	30	28
TOTAL		4014	4030	4071	4097	3978	4071	4120	4147	8538	4177	4203	4219	4235

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 and 2 of Pearston WWTW. 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.

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 4MVA 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

The municipality adopted Integrated Waste Management Plan (IWMP) in 2015 and the Plan is due for review. 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. Our refuse collection services were affected by municipal workers strike that took place for a period of two weeks. This resulted into increased illegal dumping as household refuse was not collected. Most of the illegal dumps were cleared.

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.

During the year under review the municipality sought assistance from DEDEA to intervene with regards to the Bone meal factory operating in Somerset East .This factory buys bones from deboning plants and store the bones on the premises. These are cooked to get rid of excess meat to make animal feed. This has resulted into a stench that is unbearable. The factory also dumps its effluent at the municipal landfill site. An Environmental Officer for Compliance and Enforcement did visit the factory and the matter remains unresolved.

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 access to the landfill site. A Business Plan to solicit funding was submitted to the Department of Environmental Affairs. Nothing came of it and an amount of R3, 4m has been approved for the next financial year. The project will involve erecting a 10ha fence, clearing of alien invasive plants, greening and beautification. The project will employ more than 100 casuals over a one-year period.

3.5 HOUSING

The municipality is facilitating the delivery of houses on behalf of the Provincial Department of Human Settlements. The Department completed the implementation of phase 1 for Plastering and Ceiling project in Chris Hani (200) and Old Location (100) during 2019/20 financial year. 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 has 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 Francisville 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.

The municipality is busy reviewing the SDF and ILUS in order to ensure there is clear land parcel earmarked for development including housing.

COMPONENT B: ROAD TRANSPORT

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

3.6 ROADS

3.6.1 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 through CoGTA/DBSA funding, SBDM funding etc.

3.7 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 • 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 started in September 2020. One Traffic Officer resigned and the position will be filled in the new financial year.
2. 1 E-natis Supervisor & 1 E-natis Clerks (Registering Authority). One E-natis clerk passed away in March 2020 and the position was filled in November 2020. The other E-Natis clerk resigned

in December 2020 and the position is still vacant. The position is budgeted for and will be filled in the new financial year.

3. VTS – Position Vacant (Roadworthy Centre). An examiner was employed on a three month's contract from May 2021.
4. DLTC – Positions Vacant (Examiner of driver license)
5. Technical Service 1 General worker (Road marking)
6. Commonage & Pound - A Pound Master & 3 Assistances. Three general workers positions are vacant.

Challenges:

1. Staff shortage hamper services delivery.
2. Vacant positions 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. An amount of R450 000 was approved for the completion of a pound. This will help reduce the number of stray animals.
5. High accident rates with fatalities on both the R63 and N10 routes

3.8 STORMWATER DRAINAGE

3.8.1 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

3.9 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

3.10 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. The libraries were closed during Covid lockdown until end of September 2020. Different programmes were held during the rest of the year under review and it reached different sections of the community.

National Book week was held during October 2020. This initiative encourages the nation to value reading as a fun and pleasurable activity and to showcase how read can easily be incorporated in one's everyday life. All the libraries did different displays according to the theme of this week. During December, all the libraries had Christmas programmes and they made Christmas decorations and cards. World Read Aloud day was held during February 2021. The librarians held programmes that suited them. Ninety-three children participated. March are usually Library week month. The theme was "Libraries Matter". The libraries had different activities, and these includes Quiz, Reading in 3 languages, poetry and essay writing. World Book Day was held on 23 April. Libraries covered a wide spectre of activities. During May 2021, World Play day was held on 28 April. Children participated in different games at the different libraries. In June 2021, we celebrated Youth day and the libraries had displays depicting this very important day.

3.10.1 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 2020/21 =

Adults	12952
Children	10386
Total	23338

No budget was allocated for capital projects

3.11 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.

3.11.1 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 ROD was approved, and the project has started. It was funded through Municipal Infrastructure Grant (MIG). The project involves fencing of the cemetery and the diversion of the road. It will be finished in the next financial year.

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.

3.12 CHILD CARE; AGED CARE; SOCIAL 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 Caucus and Disability Council.

Levels and Standards of the Special Programmes Unit

The unit provides necessary support to the Executive Mayor. 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 and AIDS

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&A ids

KPI	DATE	DATE	DESCRIPTION OF 2019/20	OUTCOMES
	2020	2021	ACTIVITY	
Children	21-24 January 2020		Back to School Campaign The MEC (Mvoko) and Mayor visited schools in the Blue Crane.	The visit was for 9 schools in the Blue Crane Area.
Condom, Teenage Pregnancy & STI Week	19 th Feb – 21st Feb 2020		To educate learners on substance abuse and the benefits of abstinence & prevention. To allow them to voice out on health related issues and child abuse.	3 Primary Schools reached. Nojoli Primary School Gilbert Xuza Primary Nonzwakazi Primary
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 Parliament.	The programme was a success communities were reached through social media platforms, Microsoft teams, radio stations etc.
Stakeholder Engagement		01 st March 2021 31 st March 2021	BCRM in partnership with Sarah Baartman District held Covid- 19 Resurgence & Vaccination Awareness Roadshow. Purpose Education and promotion of Covid-19 vaccination programme and to strengthen engagement of compliance to regulations. Initiation Forum Meeting Purpose To discuss the implications of the Alert Level 4 Restrictions of Covid - 19 on Iniation. To encourage adherence to the current lockdown regulations.	The roadshow was for Blue Crane Stakeholders; Undertakers, Tavern owners, Business owners, faith based organisations and the target was reached. Stakeholders and Traditional Surgeons

KPI	DATE 2020	DATE 2021	DESCRIPTION OF 2019/20 ACTIVITY	OUTCOMES
		22 nd June 2021	Voter Education Awareness Roadshow	Out of school youth in Somerset East and Cookhouse town were reached.
Youth Programs & Community Development		31 st March 2021	BCRM handed over sewing equipment and R100 000 cheque from SBDM to youth in Pearston (RHAB House Co-orp)	Youth Co-orp in Pearston.
		8 th June 2021	The municipality with Rand-BEE Company facilitated a Capacity Building Programme for local SMME's.	20 disadvantaged SMME's were reached in all the three towns.
		17-20 th June 2021	DSRAC in partnership with BCRM facilitated a Drama Workshop in Tsitsikamma Purpose Ensuring access, increased participation, and transforming arts and culture in a manner that yields optimum social and economic benefit for all in the district.	6 Youth (artists) from local groups were chosen to partake in the drama workshop held in tsitsikamma.
		20 th June 2021	June 16 th Netball Tournament.	6 Netball Teams were reached.

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.

3.13 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.

3.14 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 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

3.15 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.

3.16 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.

3.17 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. Towards the end of the financial year under review, the function was taken over by the Sarah Baartman District. Two EHPs are seconded to the municipality.

Water quality monitoring is done monthly in terms of SANS 241 and all deviations are attended to and reported to the Technical Services for 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 EHP's are required to ensure compliance with the Waste Management Act and also to prevent occurrence of diseases that could be as a result of waste not being properly managed. The municipality has teams that do the actual collection, transportation and disposal of waste. The two units work together to ensure waste is managed in an acceptable manner.

COMPONENT G: SECURITY AND SAFETY

3.18 POLICE

Blue Crane Route Municipality does not have an in-house Police Services – However the Police services are provided by SAPS. The Area is relatively 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.

3.19 FIRE

INTRODUCTION

A year under review generally had a significant decrease in fires mainly informal dwelling and an increase in formal dwellings, landfill site and vegetation fires. The Fires Services also continued with Community Awareness education and commercial entity inspections but there was a decrease in the inspections and awareness in hospitals, retirement villages, schools and clinics was due to the Covid 19 pandemic. The municipality also focused on tariff implementation levy for services rendered as well as bylaw enforcement. Disaster Management Plan is in the process for adoption by Council and will be tabled by 31 August 2021 for council adoption.

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. However, SANS compliant staffing and manning of the satellites remains a challenge. A total of 6 fire personnel was trained as peace officers by a SBDM appointed service provider.

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

CRITICAL ASPECTS UNRESOLVED BASED ON JANUARY 2021 REPORT

- On-going use of Fire Tender as water tanker for water delivery is posing very high risk with regards to serious delays in response times which also can result in litigations.
- The absence of a control room and control room staff contributes to a further delay in response time of which can result in serious repercussions for council.
- Non-existence of telephone lines and internet access at fire station.
- The on-going absence internet connection at Fire station which was reported as far back in December 2015 to IT division with regular follow ups also is a major contributor for delays in attendance with regards to emergency incidents reporting and administration.
- The absence of a Rapid intervention foam vehicle and adequate foam supplies in any eventuality of a plane crash can result in some major disaster. The Fire Service not adequately equipped.
- There was also a decrease in flying activities during July 2020 and June 2021 at the airfield in Aeroville due to the increase in the number of stray animals especially cows which can cause serious aircraft accidents while gazing on landing strip.
- In adequate staffing levels we are non-compliant with minimum regulated staffing levels as per. NFPA. SANS 10090 manning level and emergency response codes
- Use of untrained personnel to respond to emergency incidents is in gross contravention with SANS 10090 and National Fire Protection Association Codes of good practice

Annual Incident and awareness Information

CATEGORY	Grand Total 2020/2021
NUMBER OF FIRES AS FOLLOWS	0
BUILDINGS	0
DWELLINGS (formal - brick & mortar)	16
INFORMAL DWELLINGS (Shacks/mud/hut etc.)	23
ELECTRICAL	1
RUBBISH	52
VEGETATION	90
TRANSPORT (Cars/busses/trains/aircraft/ship)	8
OTHER (not specified above)public unrest	3

NUMBER OF FATALITIES	Grand Total 2020/2021
Fires	6
Accidents	4

NUMBER OF INJURIES:	Grand Total 2020/2021
Fires	11
Accidents	11

AWARENESS AND TRAINING	Grand Total 2020/2021
Number of civilians made aware	8000
Specify the type of intitutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings /	

Library etc.)	
Number of children and teachers made aware	0
Number of schools covered	0

FIRE SAFETY (number of inspections conducted)	Grand Total 2020/2021
General Inspections	312
Flammable Liquid	76
Building Plans	0
Fire Hydrants(specify the area)	636
Burning Permits Issued	9

Staff Complement

1 x Chief Fire Officer

4x Fire Fighters

9x Retainer fire fighters

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

3.20.1 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:

- 3 Traffic Officers (Law Enforcement). The Chief Traffic Officer resigned in February 2020 and a new Chief will start in the new financial year.
- 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.
- VTS – Position Vacant (Roadworthy Centre)
- DLTC – Positions Vacant (Examiner of driver license)
- Technical Service 1 General worker (Road marking)

- Commonage & Pound - A Pound Master & 3 Assistances

Challenges:

- Staff shortage hampers services delivery.
- Vacant position could not be filled due to financial constraints
- No Management Representative
- Lack of cooperation from live-stock owners, contributing to an increase of crashes involving stray animals
- 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

3.21 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

3.22 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.

3.23 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: 2020/21	19	12	63%
*			T 4.1.3

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Attraction and Retention	100%	100%	30-Jun-16
2	Code of Conduct for employees	100%	100%	30-Jun-16
3	Disciplinary Code and Procedures	100%	100%	30-Jun-16
4	Employee Assistance / Wellness	100%	100%	30-Jun-16
5	Exit Management	100%	100%	30-Jun-16
6	Grievance Procedures	100%	100%	30-Jun-16
7	Human Resource and Development	100%	100%	30-Jun-16
8	Information Technology	100%	100%	30-Jun-16
9	Job Evaluation	100%	100%	30-Jun-16
10	Leave	100%	100%	30-Jun-16
11	Occupational Health and Safety	100%	100%	30-Jun-16
12	Official Journeys	100%	100%	30-Jun-16

13	Official Working Hours and Overtime	100%	100%	30-Jun-16
14	Organisational Rights	100%	100%	30-Jun-16
15	Payroll Deductions	100%	100%	30-Jun-16
16	Recruitment, Selection and Appointments	100%	100%	30-Jun-16
17	Remuneration Scales and Allowances	100%	100%	30-Jun-16
18	Sexual Harassment	100%	100%	30-Jun-16
19	Skills Development	100%	100%	30-Jun-16
20	Uniforms and Protective Clothing	100%	100%	30-Jun-16

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)	170	25%	59	104	0,61	
Skilled (Levels 3-5)	92	15%	42	98	0,33	
Highly skilled production (levels 6-8)	64	10%	40	35	0,23	
Highly skilled supervision (levels 9-12)	43	9%	18	26	0,15	
Senior management (Levels 13-15)	40	4%	8	11	0,14	
MM and S57	20	6%	5	5	0,07	
Total	429	12%	172	279	1,54	

4.4 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix															
Management level	Gender	Employees in post as at 30 June Year 0	Learnerships						Other forms of training						Total
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	
		No.													
MM and s57	Female		5												
	Male		5												
Councillors, senior officials and managers	Female		2												
	Male		3												
Technicians and associate professionals*	Female		4												
	Male		8												
Professionals	Female		8												
	Male		6												
Sub total	Female		19												
	Male		22												
Total		0	82	0	0	0	0	0	0	0	0	0	0	0	0

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

CHAPTER 5 – FINANCIAL PERFORMANCE

Operational Budget

The total revenue (excluding capital grants) for the year that ended on 30 June 2021, was R257,6 million at 97%, which is 3% less than the budget, but this is because the electricity revenue did not realise as per budget with 7% less than the budget.

Property Rates was R4,7m more than budgeted but the possibility still exist that adjustments may be needed for the Game Farms rates levied, or if mistakes were made by the Valuer with their valuations. This is also still at the lawyers for possible corrections to be made.

The total operating expenditure was R313,8 million and also at 97% against the budget for the year that ended at 30 June 2021.

The employee cost for the year was at R84,7million and in total only 27% of the total expenditure budget. The main reason for this lower than normal expenditure for employee cost, is the very high Electricity charges because of the bigger rural areas.

The Total Bulk electricity and water purchases ended at a final figure of R99 826 577 which is 4% less than the budget of R104 031 520 but the electricity sales were also 7% less than the budget, leaving a net deficit of R5m against the budget.

Furthermore, the debt impairment for the 2020/2021 financial year was R25 million and is becoming a concern as also raised in the audit report as one of the reasons that the Municipality did not achieve a clean audit.

The other reason for not achieved a clean audit, was the high electricity losses of 25% which could be around R16million loss in income.

A total actual deficit of R23,7million (Budget deficit of R12million) is shown as per Statement of Financial Performance at year end at 30 June 2021. The main reason for this is capital grants of R11,7million that was not realised as per budget and a roll over application was submitted to National Treasury.

The Capital Budget

The total capital expenditure at the end the financial year on 30 June 2021, was an amount of R29,5m against the total budget of R45,4million which is only 65%. The Municipality therefore applied for a roll over to National Treasury for an amount of R10,9m but only R6,6m was approved. The approved amount is funded from MIG and WSIG funds.

Financial problems or risks facing the municipality

,

Although this Municipality showed a total of R25,6 million cash and investments at the end of the year, it must be kept in mind that the unspent capital and other grants were in total an amount of R17m. Furthermore the Eskom account for May 2021 was only payable on 1 July 2021 of R7,4m leaving the Municipality with a small surplus cash of R1,2m. This is a much better achievement of the Municipality and can be built on in the future.

However, the Municipality faces a possibility of a SAMWU Provident fund contribution claim of up to R20m that is currently in the hands of the Court.

5.1 SUMMARY OF FINANCIAL STATEMENTS FOR 2020/2021

EC-102 Blue Crane Route - Reconciliation of Table A1 Budget Summary

Description	2020/21				2019/20					
	Original Budget	Budget Adjustments (i.Lo. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final of Budget	Actual Outcome as % of Original of Budget	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10
Financial Performance										
Property rates	18 928	-	18 928	23 697		4 769	125,2%	125,2%		21 561
Service charges	134 332	25 399	159 731	152 003		(7 728)	95,2%	113,2%		142 547
Interest earned - external investments	1 000	(500)	500	592		92	118,4%	59,2%		1 390
Transfers and recognised -operational	64 593	9 341	73 934	73 366		(568)	99,2%	113,6%		61 941
Other own revenue	24 808	(11 192)	13 616	7 961		(5 655)	58,5%	32,1%		12 846
Total Revenue (excluding capital transfers and contributions)	243 661	23 048	266 709	257 619		(9 090)	96,6%	105,7%		240 285
Employee related costs	89 702	(1 213)	88 489	84 740		(3 749)	95,8%	94,5%		80 765
Remuneration of councillors	4 430	(48)	4 382	4 133		(249)	94,3%	93,3%		4 051
Debt impairment	15 740	4 300	20 040	25 357		5 318	126,5%	161,1%		23 281
Depreciation & asset impairment	43 040	15 675	58 715	56 779		(1 936)	96,7%	131,9%		61 396
Finance charges	5 228	(1 418)	3 810	3 522		(287)	92,5%	67,4%		4 228
Materials and bulk purchases	108 273	31	108 304	102 838		(5 466)	95,0%	95,0%		95 272
Transfers and subsidies	892	(10)	881	881		-	100,0%	98,9%		841
Other expenditure	39 006	(975)	38 030	35 571		(2 459)	93,5%	91,2%		32 779
Total Expenditure	306 310	16 340	322 651	313 822		(8 829)	97,3%	102,5%		302 632
Surplus/(Deficit)	(62 649)	6 708	(55 942)	(56 202)		(261)	100,5%	89,7%		(62 347)
Transfers recognised - capital	33 540	10 661	44 191	32 471		(11 720)	73,5%	96,8%		51 734
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(29 109)	17 358	(11 751)	(23 731)		(11 980)	202,0%	81,5%		(10 613)
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-		-
Surplus/(Deficit) for the year	(29 109)	17 358	(11 751)	(23 731)		(11 980)	202,0%	81,5%		(10 613)
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital	33 540	10 479	44 019	28 415		(15 604)	64,6%	84,7%		45 897
Public contributions & donations	-	-	-	-		-	-	-		-
Borrowing	-	-	-	-		-	-	-		-
Internally generated funds	890	539	1 429	1 159		(269)	81,1%	130,3%		759
Total sources of capital funds	34 430	11 017	45 448	29 575		(15 873)	85,1%	85,9%		46 657
Cash flows										
Net cash from (used) operating	31 636	8 227	39 863	46 594		6 731	116,9%	147,3%		33 781
Net cash from (used) investing	(37 580)	2 215	(35 365)	(30 187)		5 178	85,4%	80,3%		(46 642)
Net cash from (used) financing	9 719	(9 719)	-	(604)		(604)	-6,2%	-2,2%		(4 891)
Cash/cash equivalents at the year end	4 275	9 897	14 172	25 685		11 514	181,2%	600,9%		9 882

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

Description	2020/21						2019/20				
	Original Budget	Budget Adjustments (l.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Balance to be recovered	Restated Audited Outcome	
R thousand	1	2	3	4	5	6	7	8	11	12	
Revenue - Standard											
<i>Governance and administration</i>											
Executive and council	69 184	13 380	82 565	79 840		(6 098)	96.7%	115.4%		69 950	
Finance and Administration	22 026	8 881	30 907	30 628		(20 547)	99.1%	139.1%		20 812	
Internal Audit	47 188	4 499	51 657	49 213		14 449	95.3%	104.4%		49 138	
<i>Community and public safety</i>											
Community and social services	3 443	2 071	5 513	4 160		4 024	75.5%	120.8%		4 833	
Sport and recreation	2 412	0	2 412	2 416		5 381	100.2%	100.2%		2 392	
Public safety	137	(97)	40	34		(6)	84.8%	24.9%		70	
Housing	53	2 113	2 166	1 263		(903)	58.3%	2405.9%		1 536	
Health	842	54	895	447		(448)	50.0%	53.1%		835	
<i>Economic and environmental services</i>											
Planning and development	3 301	(303)	2 998	2 755		(243)	91.9%	83.5%		2 839	
Road transport	3 301	(303)	2 998	2 755		(243)	91.9%	83.5%		160	
Environmental protection										2 679	
<i>Trading services</i>											
Energy sources	218 290	1 534	219 825	193 781		(26 044)	88.2%	88.8%		214 397	
Water management	146 930	(2 869)	144 061	123 030		(21 031)	85.4%	83.7%		124 782	
Waste water management	41 370	5 484	46 834	41 543		(5 291)	88.7%	100.4%		61 933	
Waste management	14 392	(454)	13 939	14 296		357	102.6%	99.3%		13 441	
Other	15 598	(607)	14 991	14 912		(79)	99.5%	95.6%		14 242	
Total Revenue - Standard	294 218	16 682	310 900	280 536		(28 360)	90.2%	95.3%		282 019	
Expenditure - Standard											
<i>Governance and administration</i>											
Executive and council	77 620	1 811	79 432	77 909		(1 227)	98.1%	100.4%		76 958	
Finance and Administration	11 716	(553)	11 182	10 361		(822)	92.7%	88.4%		14 068	
Internal Audit	64 178	2 334	66 512	66 106		(406)	99.4%	103.0%		81 375	
Internal Audit	1 727	11	1 738	1 443						1 515	
<i>Community and public safety</i>											
Community and social services	13 828	(4)	13 824	12 274		(1 550)	88.8%	88.8%		12 167	
Sport and recreation	8 544	(179)	8 365	7 794		(571)	93.2%	91.2%		7 487	
Public safety	1 306	(205)	1 101	736		(366)	66.8%	56.3%		1 142	
Housing	3 154	500	3 654	3 331		(322)	91.2%	105.6%		2 855	
Health	824	(120)	704	413		(291)	58.7%	50.1%		683	
<i>Economic and environmental services</i>											
Planning and development	22 694	19 702	42 396	39 821		(2 575)	93.9%	175.5%		44 209	
Road transport	2 123	(54)	2 069	1 980		(89)	95.7%	93.3%		1 920	
Environmental protection	20 571	19 756	40 327	37 840		(2 486)	93.8%	184.0%		42 289	
<i>Trading services</i>											
Energy Source	192 167	(5 188)	186 999	174 263		(12 736)	93.2%	96.7%		169 299	
Water management	128 990	(1 678)	127 312	117 368		(9 944)	92.2%	91.0%		112 672	
Waste water management	27 066	338	27 404	26 509		(895)	96.7%	97.9%		25 064	
Waste management	14 937	(2 464)	12 472	11 031		(1 441)	88.4%	73.9%		12 792	
Other	21 175	(1 364)	19 810	19 355		(456)	97.7%	91.4%		18 772	
Total Expenditure - Standard	306 310	16 340	322 651	304 267		(18 089)	94.3%	99.3%		302 632	
Surplus(Deficit) for the year	(12 093)	342	(11 751)	(23 731)		(10 272)	202.0%	196.2%		(10 613)	

COMMENT ON VARIANCES ABOVE 10%.

Reasons for variances of 10% and more between the actual amounts and the budget for 2020/21 financial year can be seen on note 54 of the attached annual financial statements.

Grant Performance						
R' 000						
Description	Year 2019/2020	Year 2020/2021			Year 2020/2021 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	57 533	60 744	69 345	69 345	14.16%	0.00%
Equitable share	53 519	56 696	65 297	65 297		
Finance Management Grant	2 235	2 500	2 500	2 500		
External Audit	369					
EPWP	1 410	1 548	1 548	1 548		
Provincial Government:	2 300	2 300	2 300	2 300		
Sports and Recreation	2 300	2 300	2 300	2 300		
District Municipality:	1 383	445	602	602		
Environmental Health	833	445	445	445	0.00%	0.00%
Fire Fighting	550		157	157		
Other grant providers:	--	--	--	--		
Total Operating Transfers and Grants	61 216	63 489	72 247	72 247		

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Municipality largest grant allocation was the unconditional grant allocation of equitable share of R65, 3million which includes an additional Covid grant for revenue losses of R8, 6million. The Finance Management Grant was an amount of R2.5m and the Library grant of R2.3million. An amount of R1, 54m was also received for the Expanded Public Works Programme (EPWP) and all these grants were fully spent.

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. The infrastructure and Investment assets were again verified by an external Engineering company and the PPE were adjusted with R94, 8million upwards while the Investment properties increase with R19, 4million.

Repair and Maintenance Expenditure: Year 2020/21				
	Original Budget	Adjustment Budget	Actual	R' 000 Budget variance
Repairs and Maintenance Expenditure: Materials	4 242	4 272	3 012	29%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has only spent a very small percentage of its operating budget on material for repairs and maintenance, this is because of the operating budget not generated enough surplus to do proper maintenance. However,90% of the cost of labour for electricy is maintenance related.

FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

	2020/2021	2019/2020
Liquidity	0.99%	0.92%
Total Outstanding Consumer Debtors to total income from services	61%	60%
Total Finance Charges to Operating Expenditure	0.40%	0.66%
Employee Cost to total expenditure	27%	27%
Repairs & Maintenance to total expenditure	1.34%	1.34%
Capital Expenditure to total capital budget	65%	85%
Operating Expenditure against total expenditure budget	97%	102.7%
Grants Income against total income	28%	25.6%

COMMENT ON FINANCIAL RATIOS

The operating expenditure was spent according to the budget at almost 100%. The municipality is still dependent on grant income of 28% of which the equitable share of R65,3million is the biggest component. Employee cost stays at 27% because of vacancies not filled during the year. The liquidity ratio also increased more positively and is now equal to break even between non-current liabilities and non-current assets.

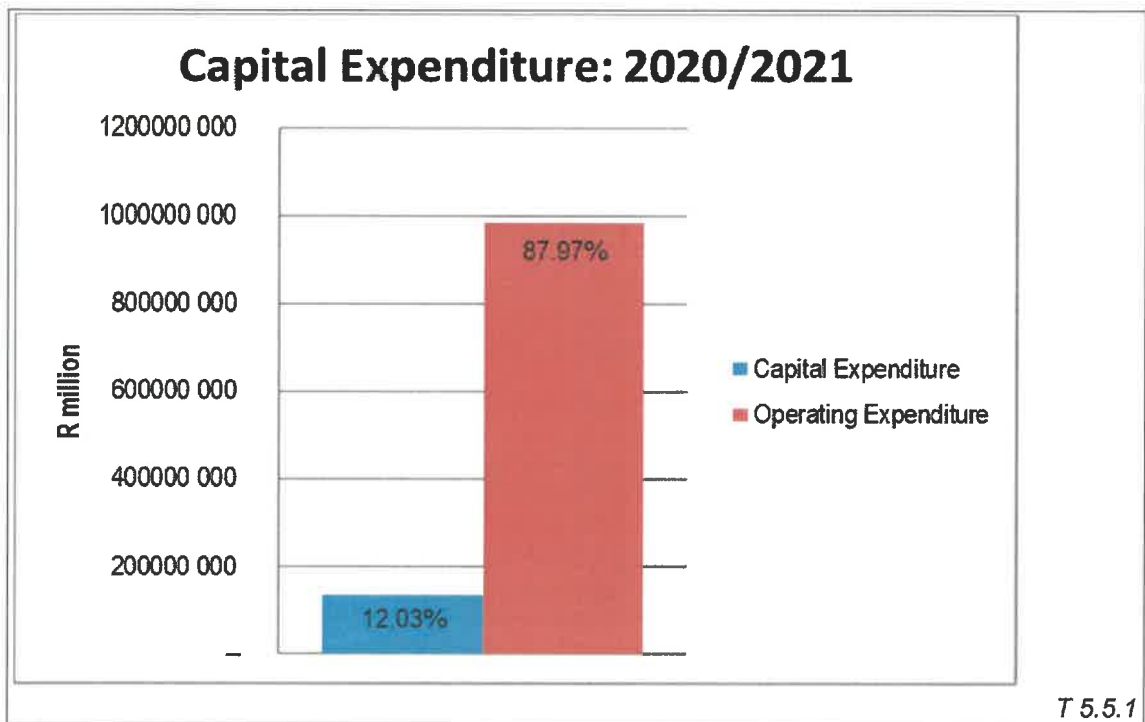
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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 2020/21. All Capital funding came from Government grants (96%) and own funding (4%).

Capital Expenditure - Funding Sources: Year 2019/2020 to Year 2020/2021						
R' 000						
Details	Year 2019/2020	Year 2020/2021				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	3 150	0	0	0,00%	0,00%
Public contributions and donations						
Grants and subsidies	45 897	33 540	44 019	28 079	31,24%	-16,28%
Other	760	890	1 429	1 496	60,56%	68,09%
Total	46 657	37 580	45 448	29 575	91,81%	51,81%
Percentage of finance						
External loans	0,0%	8,4%	0,0%	0,0%	0,0%	0,0%
Public contributions and donations						
Grants and subsidies	98,4%	89,2%	96,9%	94,9%	8,52%	-31,4%
Other	1,6%	2,4%	3,1%	5,1%	32,77%	131,4%
Capital expenditure						
Water and sanitation	32 977	15 080	20 898	12 595	38,58%	-16,48%
Electricity	892	5 550	4 240	1 194	-23,60%	-78,49%
Housing						
Roads and storm water	26	2 750	50	42	-98,18%	0,00%
Other	12 762	14 200	20 260	15 744	42,68%	10,87%
Total	46 657	37 580	45 448	29 575	-40,53%	-84,09%
Percentage of expenditure						
Water and sanitation	70,7%	40,1%	46,0%	42,6%	14,59%	6,13%
Electricity	1,9%	14,8%	9,3%	4,0%	-36,83%	-72,66%
Housing						
Roads and storm water	0,1%	7,3%	0,1%	0,1%	0,00%	0,00%
Other	27,4%	37,8%	44,6%	53,2%	17,98%	40,88%
T 5.6.1						

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

The municipality under performed in the 2020/21 year as the Municipality needed to apply for roll overs from MIG, WSIG and INEP grants. MIG and WSIG late additional allocations are the

reason for this. However only R6,6million out of the R10,9million roll over application was approved by National Treasury. No amount of the INEP roll over of R3,179million was approved. A Total amount of R29,5million (65%) of the capital budget of R45million was spent for 2020/21 financial year.

Capital Expenditure of 5 largest projects*					R' 000
Name of Project	Current: Year 2020/2021			Variance: Current Year 2020/2021	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrade Pearston WTW	0	4 493 546	4 301 788		-4.27%
Cookhouse Bulkwater Supply (Phase 2 C)	0	5 395 172	8 953 715		65.96%
Upgrade Pearston WWTW	0	9 666 860	6 848 755		-29.15%
<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 2C)					
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					

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

COMMENT ON CASH FLOW OUTCOMES:

The Municipality's cash balance at 30 June 2021 was an amount of R25,6m which has increased from R9.8m from last year. The main reason for this is the unspent grants at year end of R17m which includes Conditional grants to be applied as roll overs of R10,9m.

5.9 CASH FLOW

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

Description R thousand	2020/21							2019/20
	Original Budget	Budget Adjustments (i.Lo. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	169 591	(17 627)	151 964	140 877	11 086	92.7%	83.1%	123 771
Other revenue	8 374	259	8 633	4 307	4 326	49.9%	51.4%	11 212
Government - operating	64 593	8 936	73 530	75 584	(2 055)	102.8%	117.0%	62 020
Government - capital	33 540	(930)	32 610	45 853	(12 443)	138.2%	134.3%	28 275
Interest	6 165	(6 165)	-	592	(592)		9.6%	1 354
Payments								
Suppliers and employees	(249 011)	22 862	(226 149)	(218 861)	(7 288)	96.8%	87.9%	(191 643)
Finance charges	(725)	-	(725)	(78)	(647)	10.7%	10.7%	(387)
Transfers and Grants	(892)	892	-	(881)	881			(641)
NET CASH FROM/(USED) OPERATING ACTIVITIES	31 636	8 227	39 863	46 594	(6 731)	116.9%	147.3%	33 781
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	2	(2)			11
Decrease (increase) in non-current debtors	-	-	-	-	-			3
Decrease (increase) other non-current receivables	-	-	-	-	-			-
Decrease (increase) in non-current investments	-	-	-	(614)	614			-
Payments								
Capital assets	(37 580)	2 215	(35 365)	(29 575)	(5 791)	83.6%	78.7%	(46 657)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37 580)	2 215	(35 365)	(30 187)	(5 178)	85.4%	80.3%	(46 642)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-			-
Borrowing long term/refinancing	10 750	(10 750)	-	-	-			-
Increase (decrease) in consumer deposits	500	(500)	-	0	(0)			60
Payments								
Repayment of borrowing	(1 531)	1 531	-	(605)	605		39.5%	(4 952)
NET CASH FROM/(USED) FINANCING ACTIVITIES	9 719	(9 719)	-	(604)	604		-6.2%	(4 891)
NET INCREASE/ (DECREASE) IN CASH HELD	3 775	724	4 498	15 803	(27 121)			(17 752)
Cash/cash equivalents at the year begin:	500	9 173	9 673	9 882	-			27 635
Cash/cash equivalents at the year end:	4 275	9 897	14 172	25 685	(27 121)	181.2%	600.9%	9 882

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

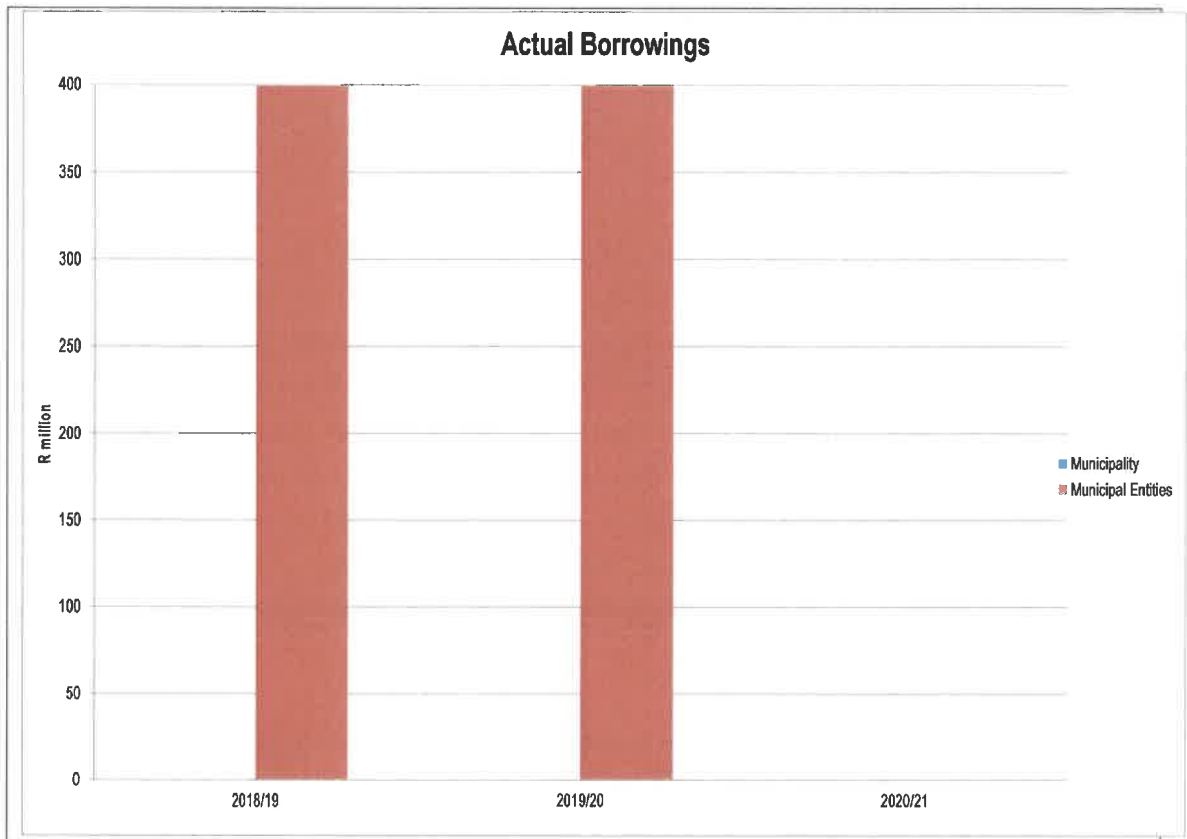
The municipality has considerably increased the size of its debt book five years ago mainly due to the replacement of fleet and the R13 m loan required to accelerate MIG expenditure. The municipality settled the R13m loan on 30 June 2021 but the last payment came back from Standard Bank and was repaid in July to finally settle all outstanding loans. The amount of the last instalment therefore still showed in the Balance sheet under current liabilities for an amount of R443 645. However, the Municipality will take up another loan in the 2021/2022 financial year of R5 500 000 to finance vehicles and other infrastructure related capital.

The municipality invests surplus cash in accordance with the approved Investment policy. A long-term investment for two years was placed with ABSA Bank to secure a Labour court issue for an amount of R613 992. The full amount was pledged as security.

Municipal and Entity Investments			
Investment* type	R' 000		
	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	24 072	902	639 675
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	24 072	902	639 675
<u>Municipal Entities</u>			
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:	24 072	902	639 675
			T 5.10.4

Actual Borrowings: Year 2018/2019 to 2020/2021			
	R' 000		
Instrument	2018/19	2019/20	2020/21
Municipality			
Long-Term Loans (annuity/reducing balance)	4 673	816	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	1 237	228	0
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	5 910	1 044	0
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
			T 5.10.2



COMPONENT D: OTHER FINANCIAL MATTERS

5.12 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 2020/21 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 2020/21 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.

5.13 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 2020/21 financial year was the 4th year for mSCOA and the Municipality did successfully implement these standards. However, there are still challenges that the Municipality must address in 2021/22 to fully comply with the data strings submissions to National Treasury to ensure that reports are generated directly from the financial system.

The Municipality will also start to generate financial statements directly from the system and on a monthly basis during 2021/2022 financial year.

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” 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 “what we do”.
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	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 "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • 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 EPMDS performance standards are divided into indicators and the time factor.
Performance	The level of performance that municipalities and its employees strive

Targets:	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:	<p>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.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><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 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>

GLOSSARY

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
				%	%
Cllr B.A. Manxoweni (Mayor/Speaker)	FT	Finance Committee	ANC	93	7
Cllr M. Kwatsha	PT	-Community Services Committee -Corporate Services Committee -MPAC -LLF	Ward 1/ ANC	93	7
Cllr P. Sonkwala	PT	-Community Services Committee -Corporate Services Committee -Technical Services Committee	Ward 6/ ANC	96	4
Cllr J.M. Martin	PT	-Corporate Services Committee -MPAC -LLF	Ward 2/ DA	93	7
Cllr T.C. Xakaxa	PT	-Community Services Committee -Corporate Services Committee -Technical Services Committee	Ward 3/ ANC	100	100
Cllr A. Hufkie	PT	-Community Services Committee -Corporate Services Committee -Finance Committee -MPAC -LLF	Ward 5/ ANC	96	4
Cllr T.A. Grootboom	PT	-Technical Services Committee	Ward 4/ ANC	80	20

Clr N.P. Yantolo- Nkonyeni	PT	-Finance Committee -Technical Services Committee -MPAC -LLF	ANC	96	4
Clr K.C. Brown	PT	-Finance Committee	DA	93	7
Clr F.P. Brown	P.T.	-Technical Services Committee -MPAC	DA	96	4
Clr C. Nel	PT	-Community Services Committee	DA	90	10
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					TA

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	Manager (State title and name)
Municipal Manager Office	Manager: Internal Audit- Ms Phelokazi Ndumndum
	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- Mr Francois Trichard
	Chief: Protection Services- Mr Roland Hare
	Chief: Fire and Disaster- Mr John Conway
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 (Number)	Name	Name of Councillor and Ward members	Ward committee	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					
	Mandlakhe Storom					
	Ntombizanele Stuurman					
	Khayaletu Nana					
	Ntombizodwa Mahobe					
	Thobile Sibaca					

Ward 4	Cllr Thabo Grootboom	Yes	6	4		
	Levin Doru					
	Tozamile Gans					
	Lungiswa Zokufa					
	Mlungisi Dingo					
	Nompumelelo Sokoyi					
	Gerald Zongezile Danster					

	Maria Blouw				
	Stanton Afrika				
Ward 5	Cllr Anthony Hufkie	No	6		4
	N.J Ngqawana				
	Y Mali				
	A Jonas				
	D Harris				
	N Stofile				
	N Milla				
	S Tom				
	N.G Kobese				
	N.V Faku				
	M Lottering				
Ward 6	Cllr Phandulwazi		6		4
	Sonkwala				
	Thembela Komani				
	Sinazo Silimani				
	Amanda Soxujwa				
	Unathi Mali				
	Noma- Afrika Piliso				
	Anelisa Baskiti				
	Lungelwa Mtengwana				

	Sindiswa Mjekula		
	Phathisizwe Mantewu		
	Ntombizanele Dwane		

APPENDIX E – ANNUAL REPORT INDICATORS 2020/2021

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

	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
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
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	298	160	57%	Employees are not interested in

	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
	profiles) within the current 5 year term				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

	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
10	Percentage of female employees	3	0	0	<p>most of our 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.</p> <p>A moratorium placed on recruitment but however we did manage to employ 3</p>

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
11 Percentage of employees that are aged 35 or younger	2	0	0	females. 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 Management System	1	1	1	Adopted December 2016

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

2	Percentage of indigent households with access to free basic potable water	3932	0	0	0	100%		depend on boreholes.
3	Percentage of clinics with access to potable water	100%	0	0	0			
4	Percentage of schools with access to potable water	100%	0	0	0			
5	Percentage of households in formal	1%	350	0	0			The informal settlement need bulk

settlements using buckets						infrastructure for these services which BCRM cannot currently afford.
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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 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	3932	4.2%	0		0	

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
with access to free basic sanitation services						
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	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	Estimated backlogs	Target set for	Number of HH/customer	Percentage of
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	expected to benefit	(Actual numbers)	the f. year under review	reached	achievement during the year
1	Percentage of households living in informal settlements	800	300	0	0
2	Percentage of informal settlements that have been provided with basic services	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	The municipality has an existing indigent policy			

	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	0	0	0	0

Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
Budget spent on LED related activities.				
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 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	76	76	100%	

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
	EPWP				
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	Comments
1	Percentage expenditure of capital budget	R45 448	R29 575	65%	
		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	29%	27%	107%	

		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	14%	24%	-71%
		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	72%	72%	100%
		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%	(19%)	(24%)
6	Percentage of MIG budget appropriately spent	100%	92%	8%
7	Percentage of FMG budget appropriately spent	100%	100%	100%
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.			

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

