

ORDINARY COUNCIL REPORT PRESENTED BY HIS WORSHIP, MAYOR OF BLOUBERG LOCAL MUNICIPALITY, COUNCILOR MASEKA SOLOMON PHEEDI: 28th MAY 2021 WITHIN THE MUNICIPALITY (SENWABARWANA).

Madam Speaker

Members of the Executive Committee

The Chief Whip of the majority party and other Whips

Chairperson of the Municipal Public Accounts Committee

Fellow Councillors

Kgoshi Makgato

Municipal Manager and senior managers

All municipal officials

HAPPY AFRICA MONTH

Madam Speaker 58 years ago, African leaders gathered at Addis Ababa in Ethiopia to form organization of African unity now African union. This historic event marked the turning point for Africa in the fight against colonialism for attainment of African unity and independence. As we pursue this noble goal of our fore-bearers let us make meaningful contribution to make Africa a better place through African Union Agenda 2063. Let us live side by side as Africans. "Without unity there is no future for Africa" Julius Nyerere.

THE FIGHT AGAINST COVID-19 CONTINUES

Madam Speaker 2019/20 saw the arrival of the deadly COVID-19 pandemic. It turned the globe upside down and introduced a new normal. Thanks to government's risk adjusted alert level strategy that sailed us through uncharted waters. We now know non pharmaceutical measures of fighting COVID-19; wearing a mask, hand washing and sanitizing and social distancing. As we commemorate Africa month let us ensure that we mobilize every resource to fight against COVID-19. Let us encourage everyone to apply for vaccination as per vaccination programme so that we achieve population immunity. The threat of the third wave is real .let us not let our guards down. Through our family meetings with the Hon President Cyril Ramaphosa we are able to know what to do or not to do. Our collaborative efforts were able to save lives and livelihoods.

BLOUBERG ON THE MOVE

Madam Speaker the beginning of a long journey starts with the first step. Over the past four years we have been pre-occupied with improvement of our audit opinion as issued by AGSA. Finally for the financial year 2019/20 we were able to obtain an unqualified audit opinion. We say thank you to collective efforts of our staff, Councillors, audit committee, external stakeholders (i.e. Treasury, CoGHSTA, CDM, SALGA et cetera). The task of achieving a better opinion may prove to be much easier than maintaining it. Let us be ready for the challenge.

PRIORITY PROGRAMMES

Madam Speaker on basis of our engagements with our communities and stakeholders. We have identified the following anchor programmes

- Implementation of revenue collection measures
- Gravel roads maintenance programme
- Decentralization of waste collection
- Eradication of electricity loss
- Implementation of forward planning measures
- Local Economic Development and job creation

Madam Speaker these priority programmes will be outlined as we present the 2021-22 IDP/Budget

2021-2026 IDP/BUDGET

Madam Speaker, the IDP/ Budget has been developed in terms of sections 23 (1), 26 and 25 of the Municipal Systems Act (MSA). The IDP is the strategic plan that supports the municipality's ability to meet its constitutional obligations (in terms Section 152 and 153 of the Constitution) which include amongst others; providing democratic and accountable government for communities; provision of basic services; promoting socio-economic development; promoting a safe and healthy environment; and encouraging the involvement of communities in matters of local government. The Integrated Development Plan provides an integrated framework that ensures the municipality's resources are:

- utilised efficiently and effectively
- alleviate poverty and inequality,
- provide basic services and
- promote sustainable development.

Madam Speaker The IDP/Budget 2021/2026 is tabled before Council with all the draft budget related policies. Consultation processes were conducted between April and May 2021 despite the COVID-19 pandemic which we must learn to co-exist with. All internal departments were consulted through the steering committee meetings as from April 2021. A virtual meeting was held with the district as the coordinating structure for the convergence of sector departments for them to present on their planned projects. All stakeholders were consulted adequately through all platforms to ensure that they fully participate in the budgeting process of the municipality.

Madam Speaker, the **PEOPLE HAVE SPOKEN**. People have raised issues on the Draft IDP/Budget that have sharpened our ideas and plans. These include amongst others the following;

- Hlokego ya meetse,
- Ditsela tše di kaone,
- Ditsha (ditene),
- Kgolo ya toropo
- Mathata a ditlakala,
- VIP toilets le improved sewerage system
- Dintlo,
- No Network coverage in certain areas
- Hlokego ya mešomo, bjalo bjalo

On the basis of our engagements with our communities and stakeholders, we had to rework the IDP/Budget in order to respond to issues raised by Communities. All sector issues raised during consultations will be referred to relevant sector departments and IGR Forums.

Madam Speaker, Today we are presenting the IDP/Budget 2021/26 for approval. Our report has been tabled in line with the Six Key Performance Areas, namely, Basic Service Delivery, Municipal Transformation and Organizational Development, Good Governance, Spatial Rationale and Financial viability.

1.1. BASIC SERVICE DELIVERY

Madam Speaker, during the consultation with our people, it was proven without doubt that our people cannot wait to see their access roads and internal streets upgraded and maintained, clean and user-friendly community facilities as well as the improved provision of water services. For the year 2021/22, the following projects will be implemented:

1.1.1. We have an allocation of **R 56 764 000 Million** from Municipal Infrastructure Grant for amongst others the following projects:

- Upgrading of the Witten Internal Streets and Storm water channel at a cost of **R12,941,482.41**
- Professional fees amounting to **R 3 272 261** has been allocated through MIG for Senwabarwana internal street and stormwater control phase 11
- Construction of Senwabarwana Sports Complex Phase 6, which includes the Construction of concrete grand stands at a cost of **R 29,982,616.46**
- **R 10 Million** for construction of Pinkie-Sebotse sports facility

1.1.2. ELECTRIFICATION

Madam Speaker for 2021/22 we did not receive INEP allocation for households electrification. Electrification of households will be done in 2022/23 and 2023/24. An amount of R1 Million to upgrade Alldays bulk point. This will enable us to continue with household electrification programmes.

1.1.3. ESKOM PROJECTS

PROJECT NAME	SETTLEMENT	NUMBER OF UNITS
2021/2022 PROJECTS		
ELECTRIFICITY CONNECTIONS	POST SCHOONGEZIGHT A &B	40
	GROOTDRAAI	20
	LESFONTEIN	30
	MAMOLEKA	10
	MATOANA	10
	DITATSU	54
2021/2022 PROJECTS		
	DRIEKOPPIES	55
	PURASPAN	200
	INVERAAN	12
	MANKGODI	50
	BALTIMORE	50
	MAFATENG	25
	PROSPECT	05
	RAMMUTLA	15
	JUNIORSLOOP	65
	MAKAEPEA	50
	MOKWENA / GLEN FERNIS	60

1.1.4. CAPRICORN DISTRICT MUNICIPALITY WATER PROJECTS.

Cluster	Project Description	Budget
Kromhoek/ Makgato, Devrede, Taaibosch New Stand Water Supply	Planning and construction of Water supply project	10 000 000
Milbank East, Water Supply	Planning and construction of Water supply project	8 000 000
Bosehla Water Supply	Planning and construction of Water supply project	10 000 000
Thalane Water Supply	Planning and construction of Water supply project	10 000 000
Nairin (Ga-Molefe, Sifihlampsana & Ga-	Planning and construction of Water supply project	8 000 000

Tshabalala) Village Water Supply		
Inveraan Water Supply	Planning and construction of Water supply project	10 000 000
Nailana Water Supply	Planning and construction of Water supply project	6 695 198

1.1.5. HOUSES TO THE PEOPLE

Madam Speaker a total of 200 RDP houses will be constructed throughout Municipality benefitting Ward 04(45 units), Ward 05(10 units), Ward 08(42 units), Ward 11(25 units), Ward 13(10 units), Ward14 (24 units), Ward16 (22 units) and Ward 19(20 units). We say thank you CoGHSTA the allocation

1.1.6. FREE BASIC SERVICES

Madam Speaker the Municipality provide free basic services in the form of free basic electricity, free basic waste removal and free basic water (through CDM). An amount of R1 329 220 has been allocated for free basic electricity.

1.1.7. INTERNAL STREETS AND ACCESS ROADS

- Madam Speaker, the state of our internal streets and access roads poses a serious challenge within our municipality. Madam Speaker an amount of **R3, 5 Million** has been set aside through own revenue to implement the **gravel road maintenance programme**. A clear plan will be developed annually by technical services indicating where and when are they going to implement the programme. The aim is to improve the state of our gravel roads and ensure that no village is inaccessible even during rainy season. This programme will be implemented throughout the Municipality

1.1.8. ENVIRONMENT AND WASTE MANAGEMENT

Madam Speaker, with regards to matters of Waste and Environment, it is anticipated that 230 EPWP casual workers will still be employed for the upcoming financial year. The referred to casual workers will come in handy with regards to the following: Litter picking, Waste Collection, Park, Cemetery and Street Maintenance. Such endeavors have the capacity to reduce one of the most prevalent triple challenges being unemployment.

Madam Speaker, it should further be noted that even with our scarce resources, we still provide waste collection services in the following areas; Senwabarwana CBD and Township, Dilaeneng, Ga-Mareis , Avon, Indermark , Kromhoek ,Devrede, Burgrecht , Motlana, Eldorado , Taaibosch , Longden, Grootpan and Alldays. We should also encourage our communities to group themselves for the **(RRR- Reuse, Reduce, Recycle) recycling cooperatives**.

We have put aside an amount of R1 Million for the implementation of pilot decentralization of waste collection programme. Community service department will develop a clear implementation plan in this regard.

A budget has been set aside for the improved waste and environment management, as follows:

PROJECTS	BUDGET
Senwabarwana land-fill operation and management	R3,3 M
EPWP programme-	R4 M
Digging compressor	R 300 000
Waste chassis	R 300 000
Cemetery management	R 100 000

1.2. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Madam Speaker, in line with new normal, we will continue to allocate resources towards business continuity. Our people should continue to get services

An additional allocation of R300 000 has been put aside to complete the face-lifting of **Tolwe Satellite** to cater for the **licensing and registration of vehicles**, as well as the renovation of other satellite offices.

We therefore bring to this council for the approval of the revised **Organogram** as well as the **Human Resource policies**.

1.3. SPATIAL RATIONALLE

- Madam Speaker, in terms of spatial planning the municipality in the last financial year appointed three service providers who are now at a final stage to complete township establishments on three farm portions namely BOCHEM 145 LS, BOCHUM 178 LS and portion 4 (remaining extent) of the farm ALLDAYS 295 MS. Due to COVID 19 and other unforeseen circumstances, the projects will only be completed in the next financial year. As an addition to the above township establishments, the municipality has also finalized the industrial Township which is aimed at attracting light industry investors and manufacturing businesses for job creation as we reduce unemployment.
- Madam Speaker, the municipality will be starting with the land disposal processes for newly developed areas and old Townships to generate own revenue. The disposal of sites is long overdue and we do promise to dispose in the financial year 2021/2022. The sites will be disposed in townships that fall within Senwabarwana and Alldays as the main Nodal Points in our municipality.
- Madam Speaker the Ga- Raweshi precinct plan and Draft land use scheme are also on public participation stage and will be adopted in the financial year 2021/2022. This is to ready ourselves for the mining activities which are underway in Ga-Raweshi and surrounding farms by creating a conducive environment for the mine to invest within Blouberg Municipality.

- Madam Speaker, there are serious challenges of land invasions on the prime vacant farms owned by the municipality. This is a world-wide phenomenon, as people migrate from rural areas to towns. Though it is not our wish as a municipality to chase our community members around, we are compelled by the legislation to protect the land that is meant for the betterment of people's lives, therefore we will always take the legal route if people we serve choose to occupy land illegally or buy land from individuals who cannot produce ownership details of the land they are disposing. We urge our people to always verify ownership of any property before committing to purchase illegally occupied land.

1.4. LOCAL ECONOMIC DEVELOPMENT

Madam Speaker, in terms of the constitution of the Republic of South Africa Act 108 of 1996 one of the objectives of the local government is to promote social and economic development. The Blouberg Municipality is not immune to this constitutional mandate and therefore the municipality must ensure that there are economic spinoffs to uplift the standard of living of the residents. The Municipality continues to implement the Blouberg Growth and Development Strategy 2018, with the sole aim to attract investors who will influence economic growth and create more job opportunities thus contributing to poverty alleviation.

Madam Speaker, Blouberg Municipality on its own cannot make it. Partnering with private and Public Institutions in a new way to go. The municipality forged partnerships with various stakeholders such as Venetia mine, Anglo American, DBSA, MISA, United Nations Women through the Accelerated Women Micro Enterprises to capacitate women who are in business, the program continues to capacitate more than 100 women entrepreneurs since its inception from 2019/20 financial year.

Madam Speaker, the Development Bank of South Africa is now busy implementing the Energy master plan as well as Roads and Stormwater master plan for the whole of Blouberg

municipality and MISA keeps on implementing municipal capacity development plan in conjunction with Anglo American. Their focus is on internal capacity rather than developmental projects outside the municipality. This will ensure that the municipality is capacitated to deliver quality services to the community it serves.

Madam Speaker, the municipality expresses its gratitude to the Department of Mineral Resources for awarding Mining Rights to the Platinum Group JV. The company will be extracting mineral resources at Ga-Raweshi and surrounding farms within the Blouberg municipality. The municipality will keep a close relationship with the mining houses so that the people may benefit from the operations of the mine.

Madam Speaker, Cuchron (Pty) Ltd and Steamboat Graphite (Pty) Ltd are the new mining houses within the Blouberg municipality. They intend to invest on the Mine Development activities, Beneficiation Plant and associated infrastructure. The projects are located on the farms Steamboat 306MR and Inkom 305MR, which are situated approximately 36km south-west of Alldays and 54km north-west of Vivo in the Blouberg Local Municipality, Capricorn District of Limpopo Province within Goshi Kibi's Traditional Council. The combined extent of the two projects are 27ha in total. Madam speaker, this is our ticket to poverty alleviation and minimization of inequalities in our rural communities. The mine is still on EIA process in preparation for the mining license. The stakeholders will be notified once the EIA report is available for comments.

Madam Speaker, let me also remind you that it was this Council that decided on the leasing of erf 300 for the sake of a mall. This is to give progress that technical activities and negotiations with investors are still effective and in progress and the mall is still underway.

The delays are on COVID 19 which is slowing down most of the general activities in the public and private sectors. Do not lose hope.

1.5. PUBLIC PARTICIPATION AND GOOD GOVERNANCE

Madam Speaker, the introduction of the cost-containment regulations and policy, as well as the Covid-19 pandemic, had negatively impacted on the performance of our municipality in relation to the Imbizos, Special focus programmes as well as the support to sports activities. Let us adjust to this new normal.

We shall continue to hold meetings in line with applicable COVID-19 regulations and protocols.

1.6. FINANCIAL VIABILITY (BUDGET)

In terms of section 16 (2) of the Municipal Finance Management Act, Act 56 of 2003, the mayor of the municipality must table the annual budget at a council meeting at least 30 days before the start of the budget year.

The budget of the municipality was prepared taking into consideration the Municipal Budget and reporting regulations, the National Treasury circulars (98 & 99) and the inputs from the provincial treasury made during budget benchmarking session held. The application of sound financial management principles for the compilation of the municipality's budget is essential and critical to ensure that the municipality remains financially sound and that the municipality is able to provide services to all communities in a sustainable manner.

This area remains one of the most critical as it deals with sustainability of the municipality. The revenue collection is the lifeline of the municipality and as the municipality do not have reliable sources of revenue. The revenue of the municipality is dependent on electricity, traffic services, assessment rates and grants from national treasury as the sources. The municipality however has challenges in the area of revenue collection. The Municipality has anticipated on implementing a variety of revenue collection strategies to optimize the collection of debt owed by consumers and also circulating its credit control and debt collection policy. The Revenue Management Committee has been established to deal with revenue collection issues and also taking into cognisance from Finance Minister during his budget speech in

which he said “National Treasury will lead a process to encourage those, including government departments, who owe money to municipalities, to pay for services”.

The preparation of the 2021/2022 medium Term revenue and Expenditure Framework (MTREF) were an extremely challenging, with considerable potential impacts on core service delivery cost and revenue components, which influenced the outcomes of MTREF. Another challenge is lower revenue collection due to non-payment by residents and none cash item e.g. Depreciation.

Madam Speaker in order to enhance the revenue of the Municipality we will implement the following programmes as matter of emergency;

1.6.1. Implementation of revenue collection measures

We will create customer care service within the revenue unit that will deal customers on daily basis. This will entail regular calls customers regarding their accounts and also attend to complaints

1.6.2. ERADICATING ELECTRICITY LOSS

Madam Speaker in order avert electricity loss we are implementing smart metering programme. An amount of **R 2 Million** has been put aside towards implementation of this programme.

1.7. 2021/22 BUDGET

Madam Speaker Section 24 of the Municipal Finance Management Act stipulates the following:

- The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- An annual budget—
- must be approved before the start of the budget year; (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and (c) must be approved together with the adoption of resolutions as may be necessary— (i) imposing

any municipal tax for the budget year; (ii) setting any municipal tariffs for the budget year; (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget; (iv) approving any changes to the municipality's integrated development plan; and (v) approving any changes to the municipality's budget-related policies.

1.7.1. REVENUE

The annual total Budget Revenue for the 2021/22 financial year amounts to **R 366.2 million**, make up with the own revenue of **R 102.2 million** and the grant of **R 264,0 million**. There is an increase in terms of own revenue as compared to last year budget of **R 14 million** and decrease of **R 31 million in terms of grants**.

1.7.2. EXPENDITURE

The annual Budget expenditure for the 2021/22 amounts to **R 409.6 million**. The annual budget expenditure has decreased as compared to 2020/21 financial year due reduced allocation (for example there is no INEP allocation for 2021/22. The annual expenditure for the outer years has also increased (2022/23 is R438.7 Million and 2023/24 R441.7 Million..

The total Budget Operating Expenditure for 2021/22 is at **R 341,5 million** and the capital budget expenditure is R 68.1 million.

Employee related cost including section 56 is at R 133.0 Million and councilors is at **R 18,8 million** and 4 % were used to calculate the increase guided by MFMA circular no 107 and 108.

The municipality has eliminated spending on non-priority items or activities to give way for service delivery priorities. The operating expenditure includes non- cash items of which causes a deficit as the municipality given the fact that it is rural it's unable to absorb these items through tariff setting considering the level of poverty and affordability.

The annual capital budget is at **R 68.1 million** for 2021/22 has decreased as compared to the last year budget of **R 69, 5 million**. The most capital projects of the municipality are single-year projects which run for a period of one year but MIG funded projects are multi-year projects in a financial year. The capital projects of the municipality are funded by conditional grants and internally generated funds.

THE DRAFT BUDGET RELATED POLICIES

The report is here by tabled in terms of MFMA, which requires that the municipality should on an annual basis review their policies in line with the tabled IDP and budget for alignment. The following are budget related policies:

Tariff Structure – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal Systems Act, **Act 22 of 2000**.

Indigent Support Policy – to provide access to and regulate free basic services to all indigent households.

Credit Control and Debt Collection Policy – to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.

Debtors impairment and write-off policy –to ensure that debtors are disclosed in the annual financial statement at the amounts deemed to be collected and uncollectable debts is written off within the guidelines of existing policies and applicable legislation.

Budget and virement Policy – this policy set out the principles, which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

Investment Policy – this policy was compiled in accordance with the Municipal Investment Regulations and ensures that cash resources are managed in the most efficient and effective manner possible.

Asset Management Policy – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets).

Supply Chain Management Policy – this policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring

of goods and services, disposing of goods and selecting of contractors in the provision of municipal services.

Cash Management Policy- to ensure that there is a proper cash flow management and control.

Fund Reserve Policy: In terms of regulation 8 of the Municipal Budget and Reporting Regulations., each Municipality must have a funding and reserves policy

Property Rates and By-Law Policy - to enable the municipality to levy rates on ratable properties and apply rebates and discounts on certain categories of properties.

Land Disposal and Acquisition policy- to enable the municipality to collect revenue through the disposal or leasing of Council properties.

MFMA CIRCULAR No.107 and 108- Municipal Budget circular for 2021/22 MTREF

The summary of amendments:

Indigent policy

Households earning a joint income of not more than **R 4000** per month (proof of pay slips/copy of recent bond statements). Residents of Blouberg Local Municipality and Residents in possession of a valid South African Identity Document.

Property Rates and Tariff policy

Tariffs Policy is 6%

Property rates 6%

Sale of Electricity,

The electricity tariffs

Electricity tariffs will be increased by 14.59 % as proposed to NERSA but not yet received the approval

Madam Speaker, it is therefore recommended that Council approves the amendments on the above mentioned policies for implementation.

We further present to this Council the following items for approval and or noting.

Pages	ITEM	PROPOSED ACTION
DOC 6	Draft 2021/22 Service delivery charter	For approval
DOC	Draft IDP/Budget Process plan for public participation	For approval
DOC 08	Report on revised adjustments budget due to the reduction of DORA	For approval
DOC	Exhumation Report and reburial of the remains of Mrs Mamoloko Maletle from Blackhill Ga Kobe(Blackhill)	For approval
DOC 10	Revised information and Communication Security policy	For approval
DOC 10.1	Revised IT change management policy	For approval
DOC11	Report on NERSA guidelines on electricity tariffs	For noting
DOC 11	Application of variation order for construction of Senwabarwana sport complex phase 5	For approval
DOC 12	Draft supplementary valuation roll approval	For approval
DOC 13	Delegation of powers, including financial powers	For approval
DOC 14	Risk management policies and strategies	For approval
DOC	SMME POLICY	For approval

1.8. 2021 LOCAL GOVERNMENT ELECTIONS

Madam Speaker, the current term of Council is drawing to an end. The president has declared the **27 October 2021** as the date of the Local Government elections. Let us get out and register for the upcoming local government elections during the **Voter Registration weekend of the 17-19 July 2021**.

Madam Speaker, This budget speech is the last during the current term of office. We come long way. We were able to achieve the following:

- Tar 56.1 Km of internal streets in various villages

- Electrify 15 344 households extensions electrified in various villages throughout the Municipality
- Construct 2 Sports facilities constructed(Ben Seraki and Senwabarwana Sports Complex)
- Construct 12 Creches
- Renovate 1 Community hall at Cooperspark
- Rehabilitate 1 Landfill site at Alldays
- Construct 3 High mast lights at Inveraan, Letswatla and Taaibosch
- Construct 7 High mast lights at Senwabarwana
- 1643 Job opportunities created through LED projects, Presidential Green deeds programme, CWP and EPWP
- 1207 Youth have benefitted through learnerships, internships
- 11 Youth have received bursaries various critical fields
- Filled all Snr Management positions

IN CONCLUSION

Madam Speaker, let me take this opportunity to thank you for the opportunity to table the 2021-26 IDP/Budget. Madam Speaker we look back with pride. Indeed we have ran the race and we have ran a good race

Quote from Kofi Anan. There is no development strategy more beneficial to society as a whole-women and men alike-than the one which involves women as central players.

Ke a leboga

CLLR MASEKA PHEEDI

MAYOR; BLOUBERG LOCAL MUNICIPALITY