



Ref no.2/1/4/4/2

Date distributed:

MINUTES

SPECIAL COUNCIL MEETING OF THE BREEDE VALLEY MUNICIPALITY

2018-03-28 AT 10:00

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1. OPENING AND WELCOME

In terms of the Rules of Order for Internal Arrangement By-Law 2012 the chairperson must take the chair at the time stated in the notice of the meeting or as soon thereafter as is reasonably possible: provided that the meeting does not commence later than 30 (thirty) minutes after the time stated in the notice of the meeting and must proceed immediately with the business of the meeting.

The Speaker opened the meeting at 10:20, welcomed everyone present and requested a moment of silence for prayer and meditation.

2. OFFICIAL NOTICES**2.1 DISCLOSURE OF INTERESTS**

Item 5 of the Code of Conduct for councillors' states:

A councillor must –

- (a) disclose to the council, or any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and
- (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillors' direct or indirect interest in the matter is trivial or irrelevant.

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

In terms of the Rules of Order for Internal Arrangement By-Law 2012;

- 2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.
- 2.2.2 A Councillor must attend each meeting except when –
 - (a) Leave of absence is granted in terms of Clause 10; or
 - (b) The Councillor is required to withdraw in terms of law.
- 2.2.3 The Attendance Registers will be available at the meeting.
- 2.2.4 A blank Application for Leave of Absence form is enclosed.

**The Speaker received an Application for Leave from Cllr V. Mngcele.
Cllr W.R. Meiring requested to be excused from the meeting at 14:45.**

The BO requested a caucus of 15 min.

Caucus started at 10:50

Meeting reconvened: 11:25

Cllr C.F. Wilskut requested a caucus for the Speaker with the Chief Whips of all parties.

Caucus started: 11:30.

Meeting reconvened: 12:25

3. CONSIDERATION OF AGENDA ITEMS

The Executive Mayor tabled the 2018/19 Draft Budget Medium Term Revenue and Expenditure Framework before Council.

3.1 2018/19 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

File No. /s: 3/2/2/18

Directorate: Financial Services

Responsible Officials: R. Ontong

Portfolio: Financial Planning

1. Purpose

The purpose of this submission is to present the 2018/19 MTREF Draft Budget.

2. Legal Framework

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
 - (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
 - (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
-

(c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

(d) Setting out —

(i) Estimated revenue and expenditure by vote for the current year; and

(ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

3. Financial Implications

The financial implications of the 2018/19 MTREF draft budget is captured in the Budget Report.

Annexures

Municipal Budget and Reporting Regulations Schedule-A Budget tables (**Annexure A**)

Quality Certificate (**Annexure B**)

Revised Budget Related Policies (**Annexure C**)

- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Asset Management Policy
- Borrowing Policy
- Budget Implementation and Management Policy
- Budget Virement Policy
- Costing Policy
- Supply Chain Management Policy

Municipal Tariffs (**Annexure D**)

Municipal Finance Management Act Budget Circulars (**Annexure E**)

**DRAFT MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK 2018/2019
– 2020/2021**

BREEDDE VALLEY

Municipality

Munisipaliteit

U Masipala wase



WORCESTER ▼ RAWSONVILLE ▼ DE DOORNS ▼ TOUWS RIVER

28 MARCH 2018

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan

PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

PART 1 – Annual Budget**1. Mayor's Report**

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges. We view our role as integral in addressing these challenges to improve quality of life, and will therefore continue to play our part by creating a conducive environment for job creation and social development in our community. It should be understood that not all plans will be completed within the timeframes due to various unforeseen challenges, but we as a municipality is committed in ensuring that all projects commenced are completed.

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years and anticipation in anticipation for future advances.

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality better the quality of life for the people within Breede Valley municipal area.

2. Resolutions

It is recommended to council that in respect of the 2018/19 MTREF, and outer financial years that council approves the 2018/19 MTREF draft budget in terms of section 24 of the Municipal Finance Management Act.

3. Executive Summary**3.1 Legislative Background**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
 - (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
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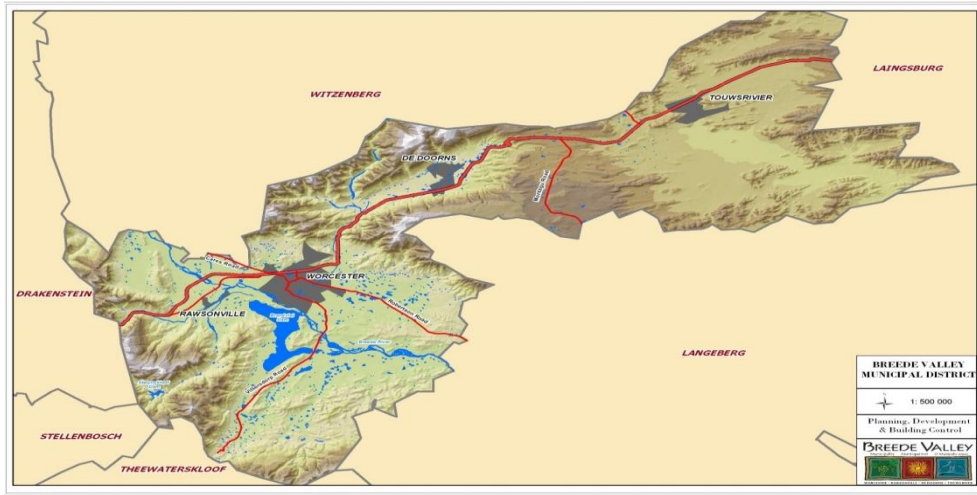
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
- (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
 - (d) Setting out —
 - (i) Estimated revenue and expenditure by vote for the current year; and
 - (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

3.2 Municipal General Overview

The map below outlines the geographical area of Breede Valley Municipality. As per the map Breede Valley Municipality serves the towns of De Doorns, Rawsonville, Touwsrivier and Worcester. Surrounding municipalities include Drakenstein Municipality, Langeberg Municipality, Laingsburg Municipality, Stellenbosch Municipality, Theewaterskloof and Witzenberg Municipality. All the mentioned municipalities, including Breede Valley Municipality forms part of the Cape Winelands District Municipality.



Strategic Framework, Pillars and Objectives of the Municipality





Strategic Pillars & Objectives

Strategic Pillars	Strategic Objectives
Opportunity	To create a unique and caring Valley of service excellence, opportunity and growth
Safety	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's People
Caring	To create an enabling environment for employment and poverty eradication through pro-active economic development and tourism
Inclusive	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
Well-run municipality	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practises
	8

3.3 Budget Principles and Criteria

The 2018/19 MTREF was compiled based on the following principles and criteria:

Credibility

- Planned Activities must be consistent with the IDP and vice versa.
- Financial viability of municipality should not be jeopardised.
- Ensure Capacity to spend the budget.

Sustainability

- Financial sustainability/ overall financial health of Municipality.
- Revenue/ Expenditure budgeted must be realistic.

Responsiveness

- To the needs of the community / public.
- Alignment of IDP, LED Strategies with Budget to give effect to provincial and national priorities.
- Budget must be responsive to economic growth objectives and the socio-economic needs of the community.

Affordability

- Tariffs must not be increased unreasonably and consumers must be able to afford tariffs.

The 2018/2019 draft budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles includes addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2018/19 MTREF are as follow:

- Implementation of mSCOA;
- Effect of water crisis on the revenue generation;
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity;
- Ageing infrastructure and increasing service delivery backlogs; and
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services.

Service charges and other revenue sources are prepared in accordance with planned activities / initiatives / developments and past performance trends to ensure that the budgeted amounts are realistic and do not negatively affect the credibility of the draft budget and the financial position of the municipality.

The operating expenditure budget compilation process was done in line with the MFMA budget circulars. In instances of inconsistencies, appropriate reasons for the corresponding deviations are provided.

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2018/19 MTREF budget is not possible.

Further, MFMA circular 82 on cost containment measures was also taken into consideration with the aim of promoting section 62(1)(a) of the MFMA through the effective, efficient and economical use of municipal resources.

The latest allocations (except for the Equitable Share allocation) from National Government and Provincial Government to Breede Valley Municipality for the 2017/18 MTREF could unfortunately not be taken into account for the compilation of the draft budget. This is due to the timing of the publication of national and provincial allocations, which would have created severe challenges to comply with the legislated tabling date of latest 31 March if the municipality had to include the

latest allocations. Budget engagements and prioritization of budget inputs are done well in advance due to the complexity of aligning needs with available resources. The latest allocations will be included as part of the draft budget to approved in line with the MFMA.

The capital budget for 2018/19 aims to address the capital needs within the municipal area, given the available resources internally and externally. The main source of funding remains conditional grant allocations from National and Provincial government departments, followed by either internal funding or external loans (when applicable).

3.4 Rebates

Rebates relating to Unemployed, Indigent and Pensioners (under and over 70 years of age) are displayed below:

3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
RO - R4 500	50%	50%	50%	100%
Max. Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older				
RO - R4 500	100%	100%	100%	100%
Max Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R65 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R150 000.00

3.4.4 Special Rating Area (SRA)

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading

that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law.

3.5 Budget Overview

The budget overview provides insight pertaining to the operating and capital budgets over the MTREF

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2018/19 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
Revenue By Source					
Property rates	137 892	136 953	145 752	153 914	162 534
Service charges - electricity revenue	400 316	373 959	405 844	428 571	452 572
Service charges - water revenue	65 274	70 101	74 097	78 246	82 628
Service charges - sanitation revenue	59 938	63 706	67 984	72 847	77 968
Service charges - refuse revenue	41 015	35 914	37 962	40 087	42 332
Service charges - other	(17 700)	–	–	–	–
Rental of facilities and equipment	14 492	6 885	7 277	7 685	8 115
Interest earned - external investments	10 620	10 620	13 074	13 806	14 579
Interest earned - outstanding debtors	3 009	2 808	3 181	3 359	3 547
Dividends received	–	–	–	–	–
Fines, penalties and forfeits	67 244	152 244	71 077	75 057	79 260
Licences and permits	3 173	3 239	3 424	3 615	3 818
Agency services	7 373	7 373	7 793	8 229	8 690
Transfers and subsidies	148 473	149 072	280 007	142 987	128 040
Other revenue	6 900	12 603	10 267	10 842	11 449
Gains on disposal of PPE	1 126	1 126	1 190	1 257	1 327
Total Revenue (excluding capital transfers and contributions)	949 146	1 026 602	1 128 928	1 040 504	1 076 860

The overall operating revenue (excluding capital transfers and contributions) is budgeted to increase by 9.97 percent from the 2017/18 adjustment budget amount. The increases over the outer years amount to -7.83 percent and 3.49 percent for financial years 2019/20 and 2020/21 respectively.

Based on the current economic climate within the Breede Valley municipal area, tariffs (excluding electricity) were kept in line with the guidelines as per MFMA budget circular. This inflation linked increase in tariffs aim to promote sustainability of the revenue, other than the counterproductive method of increasing tariffs to such an extent that the collection rate deteriorates.

Property Rates: Budgeted revenue is anticipated to increase by 6.43 percent. This increase is mainly attributed to the new Supplementary Valuation roll being implemented during March 2018.

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law.

Electricity Revenue: Electricity revenue is projected to increase by 8.53 percent based on the current trends of consumption and the alignment of the tariff structure to the NERSA benchmarks for the different types of consumers.

Water Revenue: The increase in water revenue is based on the current and anticipated consumption levels over the MTREF. Amendments to the tariff structure were also made to ensure cost recovery given the decrease in water consumption.

Service Charges: refuse revenue and sanitation revenue are projected to increase by 6.40 percent and 6.10 percent, respectively.

Interest on External Investments: The investment revenue for the 2018/19 financial year is projected to increase by 23.11 percent. This increase is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made during the 2018/19 financial year.

Interest Earned – Outstanding Debtors: The increase in outstanding debtors is due to the current and anticipated recovery of revenue from the municipality's client base and the anticipated collection rate for the MTREF. It should be noted that additional / new clients are mainly in the form of low income household, which have a high likelihood of non-payment. The municipality maintains its aggressive debt collection and credit control initiatives to educate and assists defaulters and potential defaulters to make payment arrangements on outstanding amounts. These arrangements are interest free which will result in a decrease in interest on outstanding debtors.

Fines: Revenue to be generated from fines is projected to decrease by -53.31 percent in 2018/19 due to the higher than initially anticipated increase during the current year adjustment budget. The current performance during the 2017/18 financial year resulted in a significant upwards adjustment. This increase in fines revenue is anticipated to return to the back to the normal given that the contract of our current service provider will lapse at the end of the 2017/18 financial year. Any new service provider in relation to fines will be subjected to a stricter contractual agreement, in preventing the excessive billing and write-offs.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2017/18 budget year allocations. The latest allocations to be received from National and Provincial Government as communicated will be incorporated in the final 2018/19 MTREF.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2018/19 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
Expenditure By Type					
Employee related costs	301 169	255 781	307 065	324 262	342 421
Remuneration of councillors	16 468	17 237	17 406	18 381	19 411
Debt impairment	55 626	141 232	59 662	63 003	66 531
Depreciation & asset impairment	81 713	81 656	86 305	91 139	96 242
Finance charges	26 116	26 122	24 505	23 654	22 833
Bulk purchases	276 151	266 149	291 892	308 238	325 499
Other materials	63 656	10 976	11 612	12 263	12 949
Contracted services	9 366	113 130	111 367	115 576	121 050
Transfers and subsidies	279	35 607	158 788	13 716	2 340
Other expenditure	131 426	72 707	76 416	80 564	82 671
Loss on disposal of PPE	3 125	3 125	3 304	3 489	3 684
Total Expenditure	965 095	1 023 723	1 148 323	1 054 283	1 095 631

Total budgeted operating expenditure for the 2018/19 financial year amounts to R1 148.32 million, suggesting a 12.17 percent increase from the 2017/18 adjusted budget amount.

Employee related cost: Employee related cost is based 6.00 percent+1 percent. Based on table A4, employee related cost is projected to increase by 20.05 percent. This increase is based on amendments to be made on the current structure in terms of additional positions. The personnel budget is calculated for the full 12 months of the financial year, regardless of when the post are to be filled. The savings that arise from filling vacancies later than the start of the financial year, are then used during the adjustment budget to finance other operational expenditure priorities and as contributions to the CRR for capital expenditure priorities.

Thus, the percentage increase from 2017/18 to 2018/19 appears excessive, but given the decreased adjusted budget figure in the current year, and the fact that the “12 month principle” is applied for the 2018/19 financial year also, it is accepted as realistic and credible. This increase is also influenced by the implementation of TASK process currently underway that is having significant financial implications in some cases where employees earning higher salaries.

The municipality is still in the process of conducting a work study to ensure an effective and efficient staff structure with an efficient and effective office space redesign.

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2018/19 adjustments budget if needed.

Depreciation and asset impairment: Depreciation is calculated based on the useful lives of assets, which are currently being reviewed. The commission date of the majority of capital projects are more to the end of the financial year (based on past trends), resulting in new additions not having a full year's depreciation, but only a part thereof.

Finance charges: No borrowings will be taken up in 2018/19. The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan.

Bulk Purchases: This item comprises of electricity and water bulk purchases. The component relating to water is adjusted with 6.0 percent, whereas the electricity component is calculated based on the NERSA guideline. It should be noted that the electricity bulk purchases was decreased during the current year adjustment budget. This decrease was reinstated with the 2018/19 MTREF given the anticipated consumption patterns during the winter months.

Other materials: This item previously consisted of repair and maintenance but since the current year adjustment budget is now mainly representative of store items (Municipal Stores). The reclassification due to mSCOA resulted in repair and maintenance items being spread across the different expenditure types.

Transfers and Subsidies: This items was also severely affected by mSCOA reclassification during the current year adjustment budget as this now includes HSDG spending (operational) that was previously reported under Other Expenditure. The increase is based on the planned grant expenditure given the allocation(s) from the transferring (National or Provincial) department(s)

Other expenditure: As mentioned above, HSDG spending (operational) previously resorted under Other Expenditure, but is now recorded under Transfers and Subsidies.

3.5.3 Capital budget

MBRR Table A5 - Budgeted Capital Expenditure by standard classification and funding source

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and func

Vote Description	Ref	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1					
Capital Expenditure - Functional						
Governance and administration		11 560	38 332	27 763	6 413	800
Executive and council		15	83	-	-	-
Finance and administration		11 545	38 249	27 763	6 413	800
Internal audit		-	-	-	-	-
Community and public safety		14 170	15 079	12 379	4 890	4 513
Community and social services		660	6 743	3 345	30	30
Sport and recreation		2 240	1 140	3 400	3 055	1 210
Public safety		11 270	7 195	5 634	1 805	3 273
Housing		-	-	-	-	-
Health		-	-	-	-	-
Economic and environmental services		21 375	42 163	33 576	28 536	18 860
Planning and development		-	9 092	2 625	-	-
Road transport		21 375	33 071	30 951	28 536	18 860
Environmental protection		-	-	-	-	-
Trading services		162 848	160 986	104 314	125 055	30 786
Energy sources		38 757	26 684	17 331	19 307	-
Water management		41 606	64 215	52 652	50 639	8 719
Waste water management		62 233	64 113	31 431	51 216	12 064
Waste management		20 253	5 974	2 900	3 893	10 003
Other		-	-	-	-	-
Total Capital Expenditure - Functional	3	209 954	256 560	178 031	164 893	54 958
Funded by:						
National Government		43 007	43 007	38 867	41 830	-
Provincial Government		88 626	103 144	60 429	82 142	-
District Municipality		-	-	-	-	-
Other transfers and grants		-	1 800	-	-	-
Transfers recognised - capital	4	131 633	147 951	99 296	123 972	-
Public contributions & donations	5	-	-	-	-	-
Borrowing	6	10 500	24 298	-	-	-
Internally generated funds		67 821	84 311	78 735	40 921	54 958
Total Capital Funding	7	209 954	256 560	178 031	164 893	54 958

The total capital budget for the 2018/19 financial year amounts to R178.03 million. As per the table above, the majority of funding is allocated to trading services which will ultimately promote service delivery and revenue generation. No multi-year projects have been identified, suggesting that the total capital budget will be implemented as single-year projects. Multi-year project will be considered during the compilation of the 2018/19 final MTREF.

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding are tracked. Grant funding is anticipated to be 100% implemented in the current financial year.

Kindly refer to SA36 for the detail capital budget.

4. Annual Budget Tables

The budget tables prepared in accordance with the Municipal Finance Management Act, and Municipal Budget and Reporting Regulations are listed in below:

- **Table A1** Budget Summary
- **Table A2** Budgeted Financial Performance (Revenue and Expenditure by standard classification)
- **Table A3** Budgeted Financial Performance (revenue and expenditure by municipal vote)
- **Table A4** Budgeted Financial Performance (revenue and expenditure)
- **Table A5** Budgeted Capital Expenditure by vote, standard classification and funding
- **Table A6** Budgeted Financial Position
- **Table A7** Budgeted Cash Flows
- **Table A8** Cash Backed Reserves / Accumulated Surplus Reconciliation
- **Table A9** Asset Management
- **Table A10** Basic Service Delivery Measurement

Kindly refer to Appendix A for the detailed Schedule A tables.

Brede Valley Municipality do not have any entities, therefore, no consolidation of budget information and tables are presented in the document and other supporting documentation.

PART 2 – Supporting Documentation

5. Overview of Annual Budget Process



STEP	PROCESS
1. Planning	Schedule key dates, establish consultation forums, review previous processes
2. Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult local, provincial, and national issues, previous years performance and current economic and demographic trends.
3. Preparing	Prepare budget, revenue, expenditure projections, draft budget policies, consult and consider local, provincial and national priorities.
4. Tabling	Table draft budget, IDP and budget related policies before the council, consult and consider formal local, provincial, and national inputs and responses.
5. Approving	Council approves budget and related policies.
6. Finalising/ Implementation	Publish and approve SDBIP and annual Performance agreements and indicators. Publish Budget in terms of sect.22 MFMA

DETAIL PROCESS FOLLOWED AND MSA AND IDP CREDIBILITY REQUIREMENTS



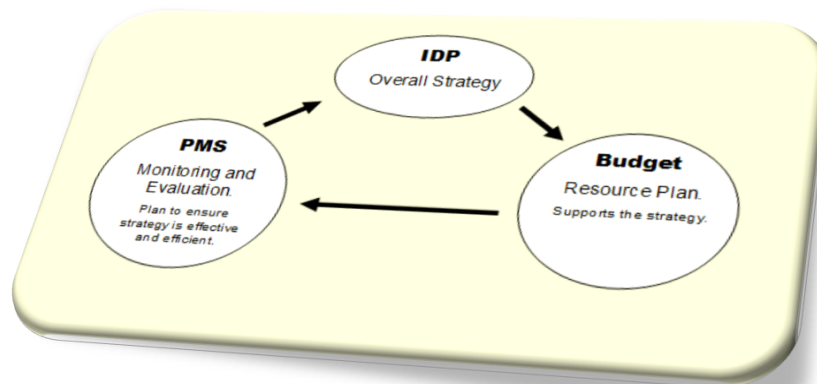
ISSUE	TIMEFRAME
IDP/Budget Process Plan/Timetable approved by council	August 2017
IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct - Nov 2017
First IDP/ Budget Steering Committee Meeting	November 2017
Departmental inputs on Draft allocations	Nov & Dec 2017
Second Budget Steering Committee – Consider Adjustment budget	January 2018
IDP Rep Forum Consultation	November 2018 March 2018
Draft Budget input captured and Budget balanced	March 2018
Draft IDP & Budget tabled in Council	March 2018
IDP & Budget workshop - Council	April 2018
Public Consultation	April 2018
LGMTEC 3	5 May 2018
Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2018
Consideration of Comments received	April 2018
Tabling of Final MTREF	End May 2018

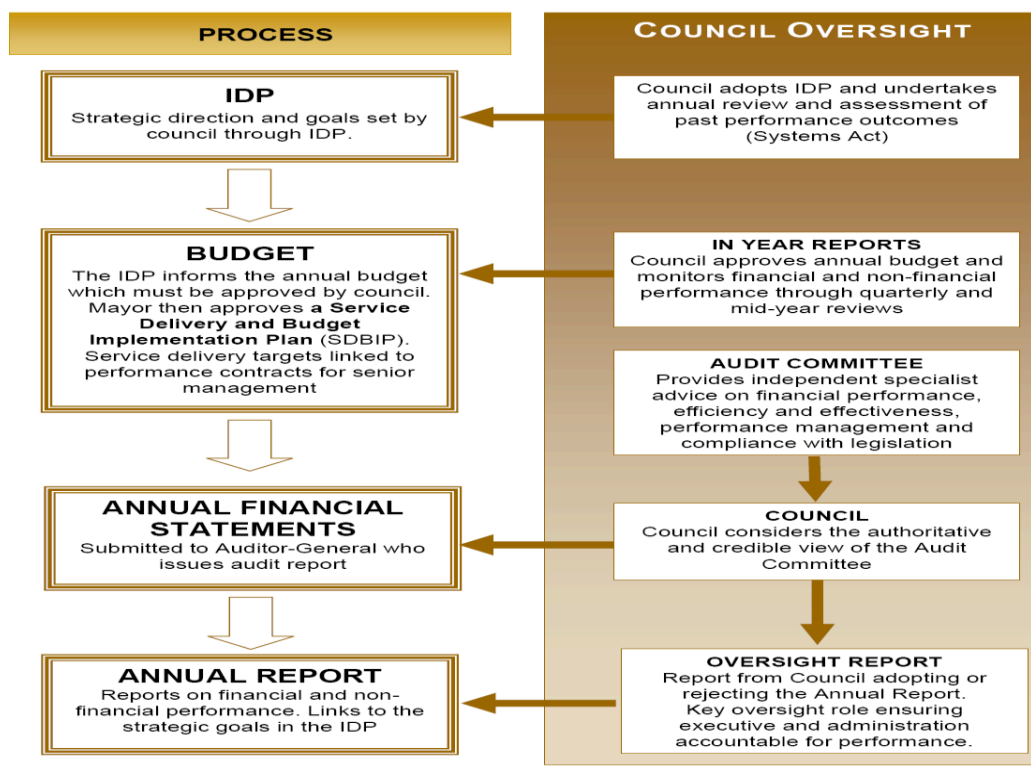
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

- Council
- Executive Mayor and Mayoral Committee
- Accounting Officer
- Management
- Institutional Committees
- District Municipality (Cape Winelands District Municipality)
- Intergovernmental (National Treasury, Provincial Treasury and Department of Local Government)
- Ward councillors, ward committees and community in wards

6. Overview of alignment of annual budget with Integrated Development Plan

The below diagrams illustrates the link between the municipality's IDP and Budget





MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)					
Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	932 380	858 279	766 385
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	-	-	-
To ensure a safe, healthy, dean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and dean environment	3	84 943	87 338	92 013
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	14 168	10 212	730
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	1 249	1 257	166
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	195 484	207 389	217 565
Allocations to other priorities					
Total Revenue (excluding capital transfers and contributions)			1 228 224	1 164 476	1 076 860

MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	827 639	717 753	743 735
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	4 419	4 667	4 928
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3	124 282	131 228	138 563
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	94 956	98 288	103 694
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	11 873	12 476	12 013
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	85 154	89 871	92 697
Allocations to other priorities					
Total Expenditure			1 148 323	1 054 283	1 095 631

MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	156 215	158 946	51 356
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	-	-	-
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3	4 984	1 305	2 773
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	13 533	3 843	30
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	-	-	-
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	3 300	800	800
Allocations to other priorities					
Total Capital Expenditure			178 031	164 893	54 958

7. Measurable performance objectives and indicators

SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Please refer to SA7 in Annexure A.

8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.

Please refer to table SA8 of Annexure 1.

9. Overview of Budget Related Policies

The following budget related policies are in use:

- Asset Management Policy
- Borrowing Policy
- Budget Policy
- Budget Virement Policy
- Costing Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy

- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Supply Chain Management Policy.
- Infrastructure Investment and Capital Projects Policy

Please refer to annexure D for the budget related policies.

10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2018/19 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	As per NERSA guideline
Water	8.00%
Sewerage	6.10%
Refuse	6.40%

***Kindly refer to Annexure E for the complete list of tariffs**

- CPIX = 5.2 percent (MFMA budget circular 89)
- Employee related cost is based 6 percent +1 percent.
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated to remain in the region of 8000 households (formal)
- Budgeted collection rate equals to 95 percent
- Conditional grant will be fully spent
- No borrowings to be undertaken over the MTREF
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

WC025 Breede Valley - Table A1 Budget Summary

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands			
Financial Performance			
Property rates	145 752	153 914	162 534
Service charges	585 887	619 752	655 500
Investment revenue	13 074	13 806	14 579
Transfers recognised - operational	280 007	142 987	128 040
Other own revenue	104 208	110 044	116 207
Total Revenue (excluding capital transfers and contributions)	1 128 928	1 040 504	1 076 860

The table above is a summarised version of the operating revenues over the budget year and two outer years. This overview provides the funding for operating expenditure to be incurred in future financial years.

Funding sources of capital expenditure budget**WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and fund**

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand			
Funded by:			
National Government	38 867	41 830	–
Provincial Government	60 429	82 142	–
District Municipality	–	–	–
Other transfers and grants	–	–	–
Transfers recognised - capital	99 296	123 972	–
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	78 735	40 921	54 958
Total Capital Funding	178 031	164 893	54 958

Similar to the operating revenue, the capital funding indicates how the capital programme of the municipality will be financed in future years. Based on the above table, it is clear that the municipality is largely grant dependant when external funding (loans) are not being taken up. However, it should be noted that significant progress was made with regards to the contribution of own resources to the capital programme.

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The municipality remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely

monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

External loans from previous financial years were brought into the budget to address capital needs, which could not be financed by internal cash reserves. As per the table above, a portion of the unspent / underspent external loan are allocated to the 2018/19 budget year for implementation. The projects to be funded from this finance source (borrowings) in the 2017/18 financial year is funded from available loan balances not taken up in the 2016/17 financial year. These balances mainly resulted from savings on projects completed by the municipality in prior financial years. This further implies that no savings on the 2017/18 projects is anticipated at this point in time.

12. Expenditure on allocations and grant programmes

MBRR SA19 - Expenditure on transfers and grant programmes

Kindly refer to table SA19 of Annexure A.

13. Allocations or grants made by the municipality

MBRR SA21- Transfers and grants made by the municipality

Kindly refer to table SA21 of Annexure A.

14. Councillors and board members allowances and employee benefits

MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Kindly refer to table SA23 of Annexure A.

15. Monthly targets for revenue, expenditure and cash flow

Kindly refer to table SA25 of Annexure A.

16. Contracts having future budgetary implications

MBRR SA33 – Contracts having future budgetary implications

Please refer to table SA33 of annexure A.

MBRR SA35 - Future financial implications of the capital budget

Please refer to table SA35 of annexure A.

17. Capital expenditure details

MBRR SA36 - Detailed capital budget per municipal vote

Please refer to table SA36 of annexure A.

18. Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **In-year reporting:** Reporting to National Treasury and Provincial Treasuries are done in line with the legislated prescripts.
- **Internship programme:** This programme is fully functional within the municipality with 5 interns being employed under this programme. Four of the interns are currently rotating within the Finance Directorate, and one being developed in our Internal Audit section / unit.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

19. Other supporting documents

Please refer to annexures E for MFMA budget circular

20. Annual budgets of municipal entities attached to the annual budget

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Technical Services – Recommendation supported

RECOMMENDATION

That in respect of the 2018/19 Draft Budget discussed by Council at the Council Meeting of 28 March 2018:

1. Council approves the draft annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
-

2. Council approves the Quality Certificate to the draft budget signed by the Accounting Officer, as per Annexure B.
3. Council approves the revised budget related policies as per Annexure C.
4. Council approves the draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D

THE EXECUTIVE MAYOR ALD ANTOINETTE STEYN TABLED THE DRAFT BUDGET FOR THE FINANCIAL YEAR 2018/1019 AS CONTEMPLATED BY SECTION 16(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003)

PROPOSED: CLLR W.R. MEIRING proposed that the Draft Budget, Tariffs and related policies be noted and workshopped with Councillors on 5 April 2018.

SECONDED: CLLR J.F. VAN ZYL

RESOLVED (UNANIMOUSLY)

C31/2018

That in respect of the 2018/19 Draft Budget discussed by Council at the Council Meeting of 28 March 2018:

1. Council takes note of the draft annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council takes note of the Quality Certificate to the draft budget signed by the Accounting Officer, as per Annexure B.
3. Council takes note of the revised budget related policies as per Annexure C.
4. Council takes note of the draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D
5. Item 1-4 above must be workshopped with Councillors on 5 April 2018.

To Action

R. Ontong

**3.2 Draft Integrated Development Plan (IDP) 2018/2019 (FIRST REVIEW
2017/2022 IDP)****File No./s:**10/3/8**Responsible Official:** C. September**Directorate:** SSS**Portfolio:** Strategic Support Services

1. Purpose

To table the 2018/2019 Draft IDP, as prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

The 2018 /2019, Draft IDP has been consulted with the local community and all relevant stakeholders as required by legislation.

2. Background

In terms of the Municipal Systems Act, Act 32 of 2000, Section 34, a Municipal Council must review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of Section 41, and to the extent that changing circumstances demand, and may amend its integrated development plan in accordance with a prescribed process.

Section 16(1) of the Municipal Systems Act, Act 32 of 2000 refers to the development of a culture of municipal governance that complements representative government with a system of participatory governance, thereby encouraging and creating conditions for the local community to participate in the affairs of the municipality, including:

- (i) The preparation, implementation and review of its integrated development plan; and
- (ii) In execution of the above, Council endorsed a direct IDP/Budget information sharing with the public in all wards of the municipality

A copy of the 2018/2019 Draft IDP is attached as Annexure "A".

For Ease of Reference, the page numbers with updates to information is listed below:

11: Mayor's Foreword

12: Municipal Manager's Foreword

15 – 27: IDP Process (changed dates to reflect Council Adoption of Process Plan for 2018/2019)

32: A Fact Sheet on Socio- economic information as developed by STATSSa and based on the information as derived from the 2016 CS Survey

36: Learner Enrolment Information for 2017 as well as Matric Pass Rate for 2017

40: Access to health facilities – information as received from the Department of Health

42 - 44: Safety and Security information – update for 2017

49 – Top of 50: The information from the Strategic Planning Session that was held on 03, 04 October 2017 with the Management Team was incorporated

74 – 76: Roll-out of basic Services: Water Supply

77 – 78: Roll-out of basic Services: Sanitation

79 – 96: Roll-out of basic Services: Electricity

97 – 113: Roll-out of basic Services: Waste Management

114 – 145: Integrated Human Settlements

147 – 148: Spatial Development framework information

174 – 176: Municipal Transport

191 – 193: The Municipal response to the water scarcity and drought situation

194 - 205: Update on RSEP

206: Update on Libraries

209 – 225: Disaster Management

232 – Top of 237: Air Quality Management

266 – 271: Thusong Service Centre

276 – 351: Public Participation inclusive of Ward Plans per ward for 2018/ 2019

460: One JPI removed by Province

463: WCED Projects

464: DLG Projects (MIG)

469 – 491: Performance Information

3. Financial Implications

Approved budget will be aligned to the final reviewed and approved IDP.

4. Applicable Legislation

MFMA, Section 21
Municipal Systems Act, Act 32 of 2000

Comment of Directorates / Departments concerned

Municipal Manager

Support recommendation.

Director: Strategic Support Services

Support recommendation.

Director: Financial Services

Support recommendation.

Director: Technical Services

Support recommendation.

Director: Community Services

Support recommendation.

Senior Legal Manager

Support recommendation.

RECOMMENDATION

That in respect of -

2018/2019 Draft Integrated Development Plan (IDP)

discussed by Council at the Council meeting held on 28 March 2018:

1. That Council adopts the 2018/2019 Draft IDP, first review of 2017-2022.

PROPOSED: CLLR W.R.MEIRING proposed that the Draft IDP 2018/19 be noted and workshopped with all Councillors on 5 April 2018.

SECONDED: CLLR J.F. VAN ZYL

RESOLVED (UNANIMOUSLY)

C32/2018

That in respect of -

2018/2019 Draft Integrated Development Plan (IDP)

discussed by Council at the Council meeting held on 28 March 2018:

1. That the Draft IDP 2018/2019 (first review 2017-2022) be noted and referred to a workshop with all Councillors on 5 April 2018

To Action:

Cindy September

3.3 OPTION TO PURCHASE ERF 4559, WORCESTER IN ORDER TO ADDRESS THE LACK OF MUNICIPAL OFFICE SPACE**File No:** 5/1/1/1/4/16/1**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

1. Purpose

To obtain Council's permission to exercise the option to purchase Erf 4559, Worcester as well as the portions of Erf 1074 and 1070, Worcester required to include the parking areas of the building and access to it (locality plan attached as Annexure A), and to table the terms of agreement of sale negotiated between the parties to the sale.

2. Background

On 22 January 2018, Council resolved in terms of C6/2018:

1. That the Municipal Manager be mandated to sign the option to purchase Erf 4559, Worcester for R23 000 000 (VAT included) in order to make the option irrevocable for 100 days from the date of signing it, subject to the amendment of the option to purchase to reflect that:

1.1 Breede Valley Municipality intend to purchase immovable property; and not the letting enterprise as a going concern; and

1.2 that the terms of the agreement of sale will be negotiated between the parties and be tabled in Council for approval.

2. that the Municipal Manager invite public comments for a period of 30 days, on the intention to exercise the option to purchase Erf 4559, Worcester.

3. that the Municipal Manager must approach Council for permission to exercise the option to purchase Erf 4559, Worcester after expiration of the period for submission of public comments.

After communicating the above resolution to the seller in writing, the seller agreed to 1.1 above as well as to amendments to the terms of the agreement of sale requested by BVM (renegotiated terms of agreement of sale are attached as Annexure B).

In order to expedite the purchase of the property and thereby attempting to alleviate the shortage of office accommodation in the shortest possible time, the parties propose to amend the irrevocable option to sixty (60) days. Further amendments thereto were agreed upon and is contained in the enclosed Amendment of option to purchase (Annexure C).

The Municipal Manager invited public comments by means of an Afrikaans advertisement in *Die Burger* of 8 February 2018 and an English advertisement in *The Worcester Standard* of 8 February 2018. (copies of the advertisements are attached as Annexure D). The 30 days period for public comments lapsed on 12 March 2018, and only one comment was received. The comment and the Municipal Manager's response to it are attached as Annexure E.

3. Option to purchase

The Municipal Manager made the option to purchase irrevocable by signing the revised option to purchase in execution of the Council resolution. The purpose of this item is to obtain Council's permission to exercise the option to purchase as well as to table the amended terms of agreement of sale as per council resolution C6/2018.

4. Financial implications

Provincial Treasury was consulted about the possible acquisition. They indicated that it is not permissible for a municipality to obtain financing for the purchase of immovable property. Approval for including the purchase price in the adjustment budget of the BVM was requested and granted at the Council meeting on 27 February 2018.

5. Logistical implications

The owner of Erf 4559, Worcester has indicated that they will give notice to Stats SA that their existing lease, which is valid until 31 May 2018, will not be renewed if BVM exercises the option to purchase. This means that 977 m² of office space will become available during the second half of 2018. At present the most pressing need for additional space is within SCM with a requirement of 703 m². Acquiring Erf 4559 could address this need before the end of 2018, and leave 274 m² to address the needs of other sections. In time, as the remaining leases expire, sufficient space to address all the needs of the Baring Street component of BVM will become available.

A condition of the agreement of sale is that Erven 1070 and 1074, Worcester must be subdivided and that the resultant portions B and C on the locality plan attached as Annexure A must be consolidated with Erf 4559. This must be done in order to make the parking areas associated with the buildings on Erf 4559 part of the immovable property to be bought and to provide an additional access to Baring Street.

Applicable Legislation / Policy:

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996);

Municipal Systems Act, 2000 (Act 32 of 2000);

Municipal Finance Management Act, 2003 (Act 56 of 2003).

Comment of Directorates / Departments concerned:

Municipal Manager: Item supported

Director: Strategic Support Services: Recommendation supported.

Director: Financial Services: Supported

Director: Technical Services: Support the item and recommendation

Director: Community Services: Supported

RECOMMENDATION:

That in respect of the OPTION TO PURCHASE ERF 4559, WORCESTER IN ORDER TO ADDRESS THE LACK OF MUNICIPAL OFFICE SPACE

Discussed by Council at the Council meeting held on 28 March 2018:

Council approves:

- 1. That the irrevocable option be amended from hundred (100) days to sixty (60) days;**
 - 2. that the Municipal Manager be mandated to exercise the option to purchase Erf 4559, Worcester for R23 000 000 (VAT included) subject to the amended terms of agreement and as stipulated in Annexures B and C; and that the Seller shall ensure that a fully compliant electrical certificate be supplied for the relevant properties**
 - 3. that the Municipal Manager be mandated to give effect to any and all requirements necessary for BVM to take transfer and ownership of Erf 4559, Worcester upon registration in the Deeds Office.**
-

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR E. VAN DER WESTHUIZEN

RESOLVED (28 Votes)

C33/2018

That in respect of the OPTION TO PURCHASE ERF 4559, WORCESTER IN ORDER TO ADDRESS THE LACK OF MUNICIPAL OFFICE SPACE

Discussed by Council at the Council meeting held on 28 March 2018:

Council approves:

- 1. That the irrevocable option be amended from hundred (100) days to sixty (60) days;**
- 2. that the Municipal Manager be mandated to exercise the option to purchase Erf 4559, Worcester for R23 000 000 (VAT included) subject to the amended terms of agreement and as stipulated in Annexures B and C; and that the Seller shall ensure that a fully compliant electrical certificate be supplied for the relevant properties**
- 3. that the Municipal Manager be mandated to give effect to any and all requirements necessary for BVM to take transfer and ownership of Erf 4559, Worcester upon registration in the Deeds Office.**

To Action

H. Potgieter

3.4 AMENDMENT TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015

File No. /s: 1/B
Directorate: SSS

Responsible Official: I Roos
Portfolio: SSS

1. Purpose

To obtain Council's approval for undermentioned amendment to the Municipal Land Use Planning By-Law and the mandating of Administration to advertise such amendment in accordance with section 12(3) of the Local Government: Municipal Systems Act, 32 of 2000 for public comments and/or representations.

2. Background

At the Council meeting held on 25 June 2015 Council resolved that the Municipal Land Use Planning By-Law be approved and published in the Provincial Gazette. The By-Law was published on 8 September 2015 in Provincial Gazette 7485. In section 77(1) of the By-Law it states that **Council** is the Appeal Authority (see extraction hereof attached as Annexure A).

At the same Council meeting of 25 June 2015, whilst constituting the Municipal Planning Tribunal and with resolution number C40/2015 (attached as Annexure B), Council resolved that:

*"The **Executive Mayor** be designated as the appeal authority....."*

The above resolution was taken in accordance with section 51 of the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA) that states the following:

- "51.(1) A person whose rights are affected by a decision taken by a Municipal Planning Tribunal may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of notification of the decision.*
- (2) **The municipal manager must within a prescribed period submit the appeal to the executive authority of the municipality as the appeal authority.***
 - (3) The appeal authority must consider the appeal and confirm, vary or revoke the decision.*
 - (4) A person whose rights are affected within the provisions of subsection (1) includes-*
 - (a) an applicant contemplated in section 45(1);*
 - (b) the municipality where the land affected by the application is located;*
-

- (c) *an interested person who may reasonably be expected to be affected by the outcome of the land development application proceedings.*
- (5) *An interested person for the purpose of subsection 4(c) must be a person having a pecuniary or proprietary interest who is adversely affected or able to demonstrate that she or he will be adversely affected by the decision of the planning tribunal or an appeal in respect of such a decision.*
- (6) *A municipality may, in the place of its executive authority, authorize that a body or institution outside of the municipality or in a manner regulated in terms of a provincial legislation, assume the obligations of an appeal authority in terms of this section.*
- (7) *No appeal in respect of a decision taken in terms of our pursuant to this Act may be lodged in terms of section 62 of the Municipal Systems Act.*

“Executive authority” is being defined in section 1 of SPLUMA as: *“in relation to a municipality, means the executive committee or executive mayor of the municipality or, if the municipality does not have an executive committee or executive mayor, a committee of councilors appointed by the Municipal Council.”*

It must furthermore be noted that section 156(3) of the Constitution of the Republic of South Africa, 1996 states that *“a by-law that conflicts with national or provincial legislation is invalid. If there is a conflict between a by-law and national or provincial legislation that is inoperative because of a conflict referred to in section 149, the by-law must be regarded as valid for as long as that legislation is inoperative.”*

From the above explanation, it is therefore clear that the By-Law must be amended to stipulate that the **Executive Mayor** is the appeal authority. (see amendment attached as Annexure C).

Section 12(3) of the Local Government: Municipal Systems Act, 32 of 2000 states that:

“No by-law may be passed by a municipal council unless –

- (a) all the members of the council have been given reasonable notice; and*
(b) the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regards to the proposed by-law.”

3. Financial Implications

Provision has been made in the current budget for the costs of advertisement of By-Laws for public comment.

4. Applicable Legislation / Council Policy

Local Government: Municipal Systems Act, 32 of 2000
Spatial Planning and Land Use Management Act, 16 of 2013
Constitution of the Republic of South Africa, 1996

Comment of Directorates / Departments concerned

Municipal Manager (Director: Strategic & Support Services): Recommendation is supported

Director: Strategic & Support Services: Co-author of the item.

Director: Financial Services: None.

Director: Technical Services: Recommendation is supported.

Director: Community Services: Recommendation is supported.

Senior Manager: Legal Services: Recommendation noted.

Senior Manager: Planning and Development (Mr PSJ Hartzenberg): Recommendation is supported.

RECOMMENDATION

That in respect of

**AMENDMENT TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015
discussed by Council at the Council meeting held on 20 March 2018:**

1. That Council approve the amendment made to section 1 and 77 of the Municipal Land Use Planning By-Law, 2015 to stipulate that the Executive Mayor is the appeal authority (**annexure C**); and
2. That the administration be authorised to advertise such amendment in accordance with section 12(3) of the Local Government: Municipal Systems Act, 32 of 2000 for public comments and/or representations; and
3. That all comments and/or representations be collated and submitted to Council for final approval of the proposed amendment and promulgation thereof in the Provincial Gazette.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR J.P. KRITZINGER

RESOLVED (25 Votes)

C34/2018

That in respect of

**AMENDMENT TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015
discussed by Council at the Council meeting held on 20 March 2018:**

1. That Council approve the amendment made to section 1 and 77 of the Municipal Land Use Planning By-Law, 2015 to stipulate that the Executive Mayor is the appeal authority (**annexure C**); and
 2. That the administration be authorised to advertise such amendment in accordance with section 12(3) of the Local Government: Municipal Systems Act, 32 of 2000 for public comments and/or representations; and
 3. That all comments and/or representations be collated and submitted to Council for final approval of the proposed amendment and promulgation thereof in the Provincial Gazette.
-

To Action

I. Roos

3.5 DRAFT PERFORMANCE MANAGEMENT POLICY FRAMEWORK

File No. /s: 3/15/1
Directorate: SSS

Responsible Official: C. September
Portfolio: IDP / PMS

1. Purpose

To request Council's approval in respect of the new Draft Performance Management Policy Framework that was developed for the Breede Valley Municipality.

2. Background:

The Municipal Systems Act of 2000 and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006, provide for the establishment and implementation of a performance management system for each and every municipality in South Africa. In order to comply with legislation and to improve on good governance and service delivery it is essential for the municipality to adopt a policy on performance management.

A draft Performance Management Policy Framework was adopted by Council during June 2012. The adopted policy became outdated and the need arose to review the policy and where applicable, amend it. The Performance Management Policy Framework will provide guidance in terms of the municipality's cycle and processes of performance planning, monitoring, measuring, reviewing, reporting, auditing and quality control. The Performance Management Policy is developed as informed by the Municipal Systems Act (2000) and the Municipal Performance Regulations (2006).

3. Comment:

A copy of the draft Policy is attached as Annexure "A"

4. Financial Implications:

None

Applicable Legislation/Council Policy:

Local Government: Municipal Systems Act 32 of 2000

Local Government: The Municipal Planning and Performance Management Regulations (No 796, 24 August 2001)

Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, Notice 805 of 2006

Comment of Directorates/Departments concerned:

Municipal Manager: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Technical Services: Supported

Director: Community Services: Supported

Senior Manager: Legal Services: Supported

RECOMMENDATION:

That Council, in respect of

THE DRAFT PERFORMANCE MANAGEMENT POLICY FRAMEWORK

As discussed by Council at the Council meeting held on 20 March 2018

- 1. Approve the Draft Performance Management Policy Framework**

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR M.T. WILLIAMS

RESOLVED

C35/2018

That Council, in respect of

THE DRAFT PERFORMANCE MANAGEMENT POLICY FRAMEWORK

As discussed by Council at the Council meeting held on 20 March 2018

- 1. Approve the Draft Performance Management Policy Framework and that same be referred to a workshop with all Councillors on 5 April 2018.**

To Action

Cindy September

4. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL

5. CLOSURE

The Speaker closed the meeting at 13:35.

5.1 COPY OF NOTICE PLACED ON NOTICE BOARDS

For information, a copy of the Notice follows:

NOTICE IS HEREBY GIVEN that a **SPECIAL COUNCIL MEETING** of the **Breede Valley Municipality** will be held on **WEDNESDAY, 28 MARCH 2018 at 10:00** in the **COUNCIL CHAMBERS, CWDM, 51 TRAPPE STREET, WORCESTER**

Members of the media and the public wishing to attend the meeting must please contact **Mr. J.R. Botha (Public Relations Officer)** at **023 348 2807** during office hours to book one of the **16 (sixteen) seats available to the public** on a first come first served basis. The list will be closed at **16:30** the previous working day before the meeting and will be handed to Security officials the morning of the meeting. Only persons whose names appear on the list will be allowed to attend the meeting and they must be seated at least five minutes before the scheduled start of the meeting. Once the meeting has started, no member of the public will be allowed into the meeting. If a member of the public leaves the meeting venue during the course of the meeting, he / she will not be allowed to return to the meeting.

KENNIS GESKIED HIERMEE dat 'n **SPESIALE RAADSVERGADERING** van die **Breede Vallei Munisipaliteit** op **WOENSDAG, 28 MAART 2018 om 10:00** gehou sal word in die **RAADSAAL, KWDM, TRAPPESTRAAT 51, WORCESTER**

Lede van die media en die publiek wat graag die vergadering wil bywoon moet asseblief **Mnr. J.R. Botha (Skakelbeampte)** by **023 348 2807** gedurende kantoorure kontak om een van die **16 (sestien) sitplekke wat vir die publiek beskikbaar is** op 'n "first come first served basis" te bespreek. Die lys sal om **16:30** die werksdag voor die vergadering sluit en sal aan Sekuriteitbeamptes die oggend van die vergadering gegee word. Alleenlik persone wie se name op die lys verskyn sal toegelaat word om die vergadering by te woon en hulle moet 'n sitplek inneem minstens vyf minute voor die geskeduleerde tyd van die vergadering. Niemand sal tot die vergadering toegelaat word wanneer dit reeds begin het nie. Indien 'n lid van die publiek die vergaderplek gedurende die duur van die vergadering verlaat sal hy / sy nie weer tot die vergadering toegelaat word nie.

D. MCTHOMAS
MUNICIPAL MANAGER/MUNISIPALE BESTUURDER

03 2018

BREDE VALLEY MUNICIPALITY. ATTENDANCE REGISTER: COUNCILLORS

SPECIAL COUNCIL MEETING: 28 MARCH 2018

COUNCIL CHAMBERS, CWDM, 51 TRAPPE STREET, WORCESTER

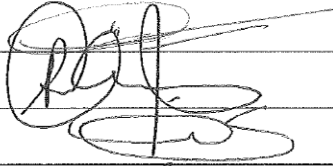


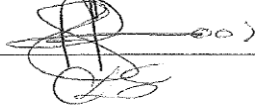
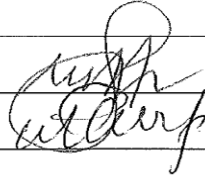
COUNCILLOR	SIGNATURE	COUNCILLOR	SIGNATURE
The Speaker: Mercur, N.P.		Mohobo, C.M.	
The Executive Mayor: Steyn, A.		Nel, N.	
The Deputy Executive Mayor: Levendal, J.D.		Pietersen, A.	
Bushwana, M.N.	ABSENT	Ramokhabi, P.C.	
Farao, R.		Robinson, J.	
Goedeman, S.		Sampson, M.	
Isaacs, E.N.		Sheldon, E.Y.	
Ismail, C.		Stalmeester, G.	
Ismail, N.	APOLOGY	Tshabile, I.L.	
Jack, J.R.		Tyira, P.	
Jaftha, J.D.P.		Van der Horst, K.	
Kritzinger, J.P.		Van der Westhuizen, E.	
Langata, P.B.		Van Zyl, J.F.	
Mangali, Z.M.		Von Willingh, J.J.	
Maridi, T.		Vrolick, W.	
Marran, P.		Wehr, T.M.	
Matjan, E.S.C.		Williams, N.P.	
Mei, S.J.		Williams, M.T.	
Meiring, W.R.		Wilskut, C.F.	
Mkhiwane, S.M.		Wullschleger, N.J.	
Mngcele, V.I.	APOLOGY		

BREDE VALLEY MUNICIPALITY.

Attendance Register - Officials

SPECIAL COUNCIL MEETING: 28 MARCH 2018

VENUE: CWDM, COUNCIL CHAMBER, Worcester

POSITION	OFFICIAL	SIGNATURE
Municipal Manager	D. McThomas	
Director: Financial Services	R. Ontong	
Director: Community Services	J. Marthinus	
Director: Strategic Support Services	PR .Esau	
Director: Technical Services	J.Steyn	
Manager: Admin & Support Services	I. Roos	
Manager: I.D.P./PMS	C.September	
Chief Internal Auditor	W.F. Du Plessis	
Chief Risk Officer	E. Cloete	
Public Relations Officer	J.R. Botha	
Chief: Committees	V. Amsterdam	
Man: BUDGET & COSTING	A. GROTE	