



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

Date distributed:

MINUTES

6th COUNCIL MEETING OF THE BREED VALLEY MUNICIPALITY

2018-07-24 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 10:15 and welcomed everyone present. The Speaker requested a moment of silence for meditation and prayer.

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 Applications for Leave from Cllr K. Van der Horst, Ald. C. Ismail, Cllr N. Ismail, Cllr C.F. Wilskut and Cllr N.P. Williams.

3. COMMUNICATION**3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS**

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

*"A deputation seeking an interview with Council must give the Municipal Manager **6 (six) days** written notice of its intention and furnish details of the representations to be made and the source of the deputation. The Municipal Manager must submit a request by a deputation for an interview*

with Council to the Speaker, who may decide to grant or refuse an interview and under what conditions”

3.2 BIRTHDAYS OF COUNCILLORS

Cllr J.R. Jack 25 July 2018
 Cllr N.P. Mercur 2 August 2018
 Cllr T.M. Wehr 9 August 2018
 Cllr J. Robinson 13 August 2018
 Cllr K. Van Der Horst 16 August 2018

The Speaker requested Cllr E. Isaacs to congratulate the Councillors on their respective birthdays.

3.3 LONG SERVICE AWARDS: EMPLOYEES

NUMBER	NAME AND SURNAME	POST TITLE AS AT DATE OF LONG SERVICE AWARD	LONG SERVICE YEARS
1	Mthetho Justice Mhobo	Assistant Supt Law Enforcement	10
2	Sollun Pause	Law Enforcement Officer	10
3	Themba Lesley Williams	General Assistant	10
4	Avril Patrick Booyesen	Superintendent- Sewerage Works	15
5	Prudence Tandeka Bushwana	Senior Clerk	15
6	Lee-Ann Barendine Davids	Principal Clerk	15
7	Nkosinathi Happy-Boy Makeleni	Clerk	15
8	Oscar Alec Moses	Senior Clerk	15
9	Pamela Minah Nelani	Development Fieldworker	15
10	Grant Adendorff	Traffic Services	25
11	Danvin Isaac Maart	Senior Superintendent	30

The Municipal Manager and the Executive Mayor expressed a word of thanks to all the above employees for their dedicated service.

3.4 STATEMENTS BY THE SPEAKER

“Ald. C. Ismail was in an accident and was transferred to Stellenbosch Medi- Clinic and is still in a serious condition in the ICU Ward. All Ward Councillors received a notice of a meeting that will be held on 27 July 2018 at 10:00 in the Speaker’s office. The Declaration of Interest forms must be completed and submitted by all Councillors by the 31st of August 2018 which is also a legal requirement.

3.5 STATEMENTS BY THE EXECUTIVE MAYOR

“Goeie more Munisipale Bestuurder, Administrasie, Mayco, Raadslede en besoekers. U het nou al genoem van Raadsheer C. Ismail en Raadslid K. Van der Horst en ons hou hul families in ons gebedes. Dit gaan op hierdie stadium nie so goed nie en ek glo dat ons gebedes sal uitgaan aan hulle en hul families sodat ons die nodige ondersteuning bied. Ek wil ook my simpatiserering oordra aan ons Raadslede wat families in die afgelope tyd verloor het.

Ek is baie bly om vanoggend Raadslid J. Robinson terug te sien en baie sterkte vir u ook en ek glo u gesondheid sal net beter en beter gaan.

Hierdie maand is Madiba maand en ek weet elkeen van ons het ‘n hart wat omgee want ons gemeenskappe het ons daarbuite nodig. Ek glo 67 minute is nie net vandag maar elke dag, elke maand maar ook 365 dae per jaar. Ek wil Rdl J.F. van Zyl en Me Helen Karriem gelukwens met hul rekonsiliasie stap wat hul gehad het met die gemeenskap vanuit Esselenpark.

U weet ons kom elke dag voor uitdagings en u weet ook ons dorp is deur ‘n moeilike tyd en ek glo u almal dra kennis van die ongelukkige gebeurtenis wat Vrydag afgespeel het. Ons sit met uitdagings want ons het ‘n familie wat ‘n persoon aan die dood afgestaan het en ek wil my simpatie oordra aan daardie familie. Elkeen van ons het ‘n doel in die lewe so aan daardie mamma wat ‘n seun verloor het wil ek weereens my innige simpatie oordra.

U weet ook ons het Raadslede verloor en ek weet nie of u kennis dra van ‘n Raadslid wat gister aand doodgeskiet is voor sy huis in Knysna. Dit is jammer in hierdie omstandighede waarin ons tans ingaan dat mense hul lewens verloor in die politiek. My simpatieke woord wil ek graag deurgee aan sy familie ook. Ek wil u as Raadslede vra dat u omsien na u veiligheid en dat u moet kyk waar u beweeg, wat u doen en waarby u betrokke raak. U weet ‘n lewe is netso kort.

Ek wil ook simpatiseer met ons MPC Zelda Jongbloed wat haar stryd teen kanker verloor het en wil ek ook my simpatie oordra aan haar familie.

Ek wil asb vir u vra dat u ernstig kyk na u veiligheid en dat ons sal gesels met mekaar indien ons lewens bedreig voel want ons is steeds kollegas al is ons verskillende politieke partye. Ek weet ons gaan nou in verkiesing en dit is nooit maklik in verkiesings nie.

Ons het 'n nuwe boekjaar wat vir ons voorlê en ons het bietjie moeilik weggespring, maar ek wil baie dankie sê vir Administrasie vir hul harde werk. Baie dankie Mnr Jaco Steyn en vir jou span wat deur moeilike omstandighede dienslewering uitgevoer het en probleme die hoof gebied het.

Ek wil vandag dink aan al die mense daarbuite wat werkloos is, met wie dit baie moeilik gaan en wie kinders is arm omstandighede grootmaak. Daar is een ding hierdie jaar wat ons na moet kyk en dit is om te kyk hoe ons 'n verskil kan maak in mense se lewens en dit sigbaar te maak. Ons moet ons gemeenskappe help en ondersteun daarbuite.

Baie sterkte vir elke Raadslid en baie dankie vir die ondersteuning van u kant af. Baie dankie dat ek weet dat ek op elkeen kan staatmaak en vir die goeie werk wat u doen as die Raad van BVM. Baie dankie Munisipale Bestuurder vir die goeie werk en vir dit wat nog gedoen gaan word.

Baie dankie Speaker.”

4. CONFIRMATION OF MINUTES

- 4.1 In terms of the Rules of Order for Internal Arrangement By-Law 2012;
- (a) Minutes of the proceedings of meetings must be compiled in printed form and be confirmed by the Council at the next meeting and signed by the Speaker.
 - (b) The minutes shall be taken as read, for the purpose of confirmation, if a copy thereof was sent to each Councillor within forty-eight hours before the next meeting, subject to the provisions of sub-Clause (4).
 - (c) No motion or discussion shall be allowed on the minutes, except in connection with the correctness thereof.
 - (d) The minutes formulated and screened during meetings, shall constitute a resolution for purposes of implementation of decisions.
- 4.2 **Council Meeting held on 29 May 2018 (Copy enclosed)**

RECOMMENDATION

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council meeting held on 24 July 2018:**

1. As the Minutes of the Council Meeting held on 29 May 2018 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 29 May 2018 be taken as read and confirmed.

PROPOSED: CLLR E. VAN DER WESTHUIZEN

SECONDED: CLLR J.F. VAN ZYL

RESOLVED

C51/18

That in respect of

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

discussed by Council at the Council meeting held on 24 July 2018:

1. As the Minutes of the Council Meeting held on 29 May 2018 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 29 May 2018 be taken as read and confirmed.
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5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE

5.1 The Deputy Executive Mayor: Cllr. J.D. Levendal

5.2 MMC1: Cllr. M. Sampson

5.3 MMC 3: Cllr. J.P. Kritzinger

5.4 MMC 4: Cllr. R. Faroa

5.5 MMC 5: Cllr. S.J. Mei

5.6 MMC 6: Cllr. E.Y. Sheldon

Mayco Meeting held on 21 May 2018

**5.6.1 POSSIBLE DEVELOPMENT OF INFORMAL SETTLEMENT GG CAMP,
SANDHILLS, REMAINDER OF PART 33 OF THE FARM ROODEZANDT 82
DE DOORNS****RESOLVED:****EX13/2018**

That in respect of the

**POSSIBLE DEVELOPMENT OF INFORMAL SETTLEMENT GG CAMP,
SANDHILLS, REMAINDER OF PART 33 OF THE FARM ROODEZANDT 82 DE
DOORNS**

discussed by the MayCo at the MayCo meeting held on 21 May 2018:

1. That Mayco confirms in respect of possible development of informal settlement GG camp, Sandhills, to proceed with the pre-feasibility studies which must be submitted to the Mayco for further consideration.
 2. That the Department of Human Settlements be informed for the Project to be placed on their Housing Pipeline and that funding be made available for the pre-feasibility studies.
-

5.7 MMC 7: Cllr. W.R. Meiring**Mayco Meeting held on 21 May 2018****5.7.1 IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED
February 2018
MFMA SECTION 71 Report****RESOLVED:****EX11/2018**

That in respect of

**IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED
February 2018
MFMA SECTION 71 Report**

discussed by MayCo at the MayCo meeting held on the 21 May 2018:

That MayCo takes note of the contents in the In-year monthly report for February 2018 as set out in the schedules contained in Section 4 (In-year budget statement tables) as well as the supporting documentation in Section 6 to 13.

1. Table C1 – Monthly Budget Statement Summary;
2. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
3. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal vote);
4. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type);
5. Table C5 – Monthly Budget Statement – Capital Expenditure;
6. Table C6 – Monthly Budget Statement – Financial Position; and
7. Table C7 – Monthly Budget Statement – Cash Flows.

5.7.2 IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED APRIL 2018

MFMA SECTION 71 Report

RESOLVED:

EX12/2018

That in respect of

IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED April 2018 MFMA SECTION 71 Report

discussed by MayCo at the MayCo meeting held on the 21 May 2018:

That MayCo takes note of the contents in the In-year monthly report for April 2018 as set out in the schedules contained in Section 4 (In-year budget statement tables) as well as the supporting documentation in Section 6 to 13.

1. Table C1 – Monthly Budget Statement Summary;
 2. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
 3. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal vote);
 4. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type);
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5. Table C5 – Monthly Budget Statement – Capital Expenditure;
 6. Table C6 – Monthly Budget Statement – Financial Position; and
 7. Table C7 – Monthly Budget Statement – Cash Flows.
-

5.8 MMC 8: Cllr. J.F. Van Zyl

6. CONSIDERATION OF AGENDA ITEMS

The Speaker rules that the Report and documentation submitted under Item 6.1 be replaced with the Report and documentation submitted under Item 6.8 (Addendum Agenda)

6.1 QUARTERLY PERFORMANCE REPORT FOR FOURTH QUARTER (1 APRIL 2018 – 30 JUNE 2018)**File No./s:**3/15/1**Responsible Official:** C September**Directorate:** SSS**Portfolio:** IDP/PMS

1. Purpose

To inform Council on the implementation of the budget and the financial state of affairs of the Municipality and assess performance against the performance indicators set in approved Top-Layer SDBIP 2017/2018.

2. Background

According to Section 52(d) of the MFMA, the Mayor must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Effective in-year reporting provides municipal management with an opportunity to analyse performance and address shortcomings and improve internal controls and service delivery.

All quarterly reports tabled in the Council in terms of section 52(d) must be placed on the website not later than five days after its tabling in the Council or on the date on which it must be made public, whichever occurs first.

3. Comment

A copy of the Quarterly Performance Report is attached as Annexure "A"

4. Financial Implications

None

5. Applicable Legislation/Council Policy

Municipal Finance Management Act, no. 56 of 2003

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

Senior Manager: Legal Services: Support recommendation

RECOMMENDATION:

That in respect of

QUARTERLY PERFORMANCE REPORT FOR THE FOURTH QUARTER (1 APRIL 2018 – 30 JUNE 2018)

Discussed by Council at the Council meeting held on 24 July 2018

- 1. That Council takes note of the Quarterly Performance Report for the Fourth Quarter (1 April 2018 – 30 June 2018).**

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR T.M. WEHR

RESOLVED

C52/18

That in respect of

QUARTERLY PERFORMANCE REPORT FOR THE FOURTH QUARTER (1 APRIL 2018 – 30 JUNE 2018)

Discussed by Council at the Council meeting held on 24 July 2018

That Council takes note of the Quarterly Performance Report for the Fourth Quarter (1 April 2018 – 30 June 2018).

To Action:

C. September

6.2 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2018.**MFMA SECTION 71 & 52 (d) Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

1. Purpose

To submit to Council the In-year financial management report for adoption.

2. Background**In terms of the Municipal Finance Management Act, 56 of 2003, section 71.**

(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
 - (b) actual borrowings;
 - (c) actual expenditure, per vote;
 - (d) actual capital expenditure, per vote;
 - (e) the amount of any allocations received;
 - (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
 - (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
-

(2) The statement must include-

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

In terms of the Municipal Finance Management Act, 56 of 2003, section 52(d).

The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

3. Financial Implications

None

4. Applicable Legislation/ Council Policy

Municipal Finance Management Act, 56 of 2003 (Section 52(d) & 71);
Municipal Budget and Reporting Regulations, 2009

Comment of Directorates/ Departments concerned:

Municipal Manager: Recommendation supported

Director: Strategic Support Services: Recommendation supported

Director: Financial Services: Recommendation supported

Director: Technical Services: Recommendation supported

Director: Community Services: Recommendation supported

RECOMMENDATION:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE MONTH ENDED 30 June 2018 discussed by Council at the Council Meeting held on the 24 July 2018:

Recommended resolution to Council with regards to June 2018 In-year report is:

(a) That council adopt the contents in the In-year monthly report for June 2018 as set out in the schedules contained in Section 4 (In-year budget statement tables) as well as the supporting documentation in Section 6 to 13.

1. Table C1 – Monthly Budget Statement Summary;
 2. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
 3. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
-

4. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)
5. Table C5 – Monthly Budget Statement – Capital Expenditure;
6. Table C6 – Monthly Budget statement – Financial Position; and
7. Table C7 – Monthly Budget statement – Cash Flows

(b) Any other resolutions required by Legislation.

PROPOSED: CLLR W.R. MEIRING

SECONDED: ALDERMAN A. STEYN

RESOLVED

C53/18

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE MONTH ENDED 30 June 2018 discussed by Council at the Council Meeting held on the 24 July 2018:

Recommended resolution to Council with regards to June 2018 In-year report is:

(a) That council adopt the contents in the In-year monthly report for June 2018 as set out in the schedules contained in Section 4 (In-year budget statement tables) as well as the supporting documentation in Section 6 to 13.

1. Table C1 – Monthly Budget Statement Summary;
 2. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
 3. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
 4. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)
 5. Table C5 – Monthly Budget Statement – Capital Expenditure;
 6. Table C6 – Monthly Budget statement – Financial Position; and
 7. Table C7 – Monthly Budget statement – Cash Flows
-

(b) Any other resolutions required by Legislation.

To Action

R. Ontong

**6.3 Final 2018/2019 TOP- LEVEL SERVICE DELIVERY BUDGET AND
IMPLEMENTATION PLAN (SDBIP)****File No./s:** 3/15/1**Responsible Official:** C September**Directorate:** SSS**Portfolio:** Performance Management

1. Purpose

To inform Council of the approval of the final 2018/2019 Top-Level Service Delivery Budget and Implementation Plan (SDBIP).

2. Background

In terms of the **Municipal Finance Management Act, Act no. 56 of 2003, the service delivery and budget implementation plan**” means a detailed plan approved by the mayor of a municipality in terms of **Section 53 (1)(c)(ii)** for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate—

(a) projections for each month of—

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed,

and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

The municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. According to Section 53 (3), the mayor must ensure—

(a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and

(b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan.

According to MFMA Circular 13 of National Treasury, the SDBIP provides the **vital link** between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a **management, implementation and monitoring tool** that will assist the mayor, councillors, municipal manager, senior managers and community to monitor in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

3. Financial Implications

None

4. Applicable Legislation / Council Policy

Local government: Municipal Finance Management Act, Act no.56 of 2003

MFMA Circular 13 dealing with the SDBIP

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 Manager: Legal Services: Support recommendation

RECOMMENDATION:

That in respect of the final 2018/2019 Top-Level SDBIP as discussed by the Council at the Council meeting held on 24 July 2018:

1. Council takes note of the final top-level SDBIP 2018/2019 as proposed in the annexed schedule.

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR E.Y. SHELDON

RESOLVED

C54/18

That in respect of the final 2018/2019 Top-Level SDBIP as discussed by the Council at the Council meeting held on 24 July 2018:

1. Council takes note of the final top-level SDBIP 2018/2019 as proposed in the annexed schedule.

To Action:

C. September

**6.4 ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1
JULY 2017 TO 30 JUNE 2018****File No./s:** 2/1/1/1**Responsible Official:** D.R.M Potgieter**Directorate:** Finance**Portfolio:** Finance

1. PURPOSE

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

Although the MFMA prohibits a Councilor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **Paragraph 6.2(a)** requires that the Accounting Officer must **"Within 30 calendar days of the end of each financial year, submit a report on the implementation of the policy to the Council."**

1. POLICY REQUIREMENTS**1.1 Supply Chain Management Policy:**

The Supply Chain Management Policy was initially adopted on 30 August 2005 and a Supply Chain Unit was also established, which operates under direct management of the SCM Manager and supervision of the Chief Financial Officer. The policy provides for the systems of: Demand, Acquisition, Logistics, Disposal, Performance and Risk Management.

The objectives of the Policy are:

- a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective; and
- b) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto.
- c) to acknowledge the provisions of:
 1. the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
 2. The Competitions Act 1998 (Act No. 89 of 1998)
 3. the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
 4. the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
 5. the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
 6. the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
 7. the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
 8. the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
 9. the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

2.2 Amendment of Supply Chain Management Policy

In terms of Paragraph 3(1)(b) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for the amendment of the Supply Chain Management Policy.

The Supply Chain Management Policy was amended in May 2018 and approved by council, with specific reference to the enhancement of the policy from two parts to four parts. The second two parts include the Preferential Procurement Policy Framework Act regulations and a Contract Management Framework, in order to enhance compliance to relevant legislation and regulations.

2. SUPPLY CHAIN MANAGEMENT UNIT:

The Supply Chain Management Unit operates under the direct supervision of the Chief Financial Officer and is led by the SCM Manager.

2.1 The structure of the SCMU covers the following disciplines within Supply Chain Management:

- Demand Management : Demand Planning; Specifications; Evaluation and Adjudication.
- Acquisition Management : Procurement of Goods & Services below R200 000- Purchasing/Buyer's Division
Procurement of Goods & Services above R200 000- Procurement/Bid Division
- Logistics Management : Inventory Management- Municipal Stores
- Contract Management : Monitoring the performance of contracts procured through the SCM process.
- Database Administration: Breede Valley Suppliers Database as Primary database; Intervention with the Western Cape Suppliers Database (WCSD)(PT) and the Central Supplier Database (CSD)(NT)
- Expenditure Management : Creditors expenditure and efficiencies dealing with Goods and services payments; Governmental and Non- Governmental institutions.
- Payroll Management : Salaries and HR Contractual payments; Subsistence and Travel expenditure; Third Party Payments and EPWP payments

The staff complement in the SCMU consists of a total of 42 officials.

3.2 New appointments and Additions to the SCM unit:

1. Morne Potgieter: Senior Supply Chain Manager (1 Aug. 2018)
 2. Busisiwe Xayimimpi (1 September 2017)
 3. Nomvuyiseko Sikunana: Accountant Expenditure Payments (1 Jan. 2018)
 4. Mandy Ngubelanga (Jan 2018)
 5. Jason Gordon (Jan 2018)
 6. Liezel Plaatjies (Jan 2018)
 7. Haydn Anyster (Jan 2018)
 8. Sinethemba Mpata: Accountant: Contract Management (Feb. 2018)
 9. Nompumelelo Qandashe: Office Assistant (Feb 2018)
 10. Charlton Cupido: Data Capturer (1 March 2018)
 11. Ricardo Saunders: Data Capturer (1 March 2018)
 12. Crosby Kobe: Clerk (1 March 2018)
 13. Zipho Ceza: Supervisor Stores (1 April 2018)
 14. Lettisia Leisa: Senior Clerk to SCM Manager (1 June 2018)
-

3.3 Resignations:

1. B. January – May 2018
2. R. Plaatjies – May 2018
3. R. Lakay – Feb. 2018

3.4 Vacancies to be filled:

1. Accountant; Payroll
2. Cleaner: Stores
3. Clerk: Stores
4. Clerk: Expenditure

The SCM unit consist out of two sub-departments, namely; SCM Procurement and secondly, Expenditure and Logistics.

The SCM Procurement department, consist out of 4 sub-divisions namely;

1. Data Base Administration;
2. Contract Management;
3. Procurement and
4. Purchasing.

The Expenditure and Logistics consist out of three sub-divisions namely; Stores,

1. Salaries and
2. Payments
3. Stores

As at 30 June 2018 four vacancies existed in the Department, representing an 9.52% vacancy rate. The vacancy rate is below the national norm.

3.5 Training and Development:

The following officials are currently involved in relevant further tertiary studies:

Table 1: Officials that are currently involved in relevant further tertiary studies

#	Designation	Name	Study Area
1.	SCM: Database Administration	Busisiwe Xayimpi	Project Management
2.	SCM: Supervisor Stores	Zipho Ceza	Bachelors in SCM

3.	SCM: Contract Management	Sinethemba Mpata	Advance Diploma: Accounting
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The following SCM officials started or completed the minimum competency levels for SCM Practitioners, Managers and heads of Supply Chain Management units:

Table 2: Officials who started or completed the minimum competency levels

NAME OF OFFICIAL	COARSE	PROGRESS
Mandy Ngubelanga	MMCL COMPLETE TRAINING	Certificate
Haydn Anyster	MMCL COMPLETE TRAINING	Certificate
Salmon Lakay	MMCL COMPLETE TRAINING	Certificate
Nomvuyi Sikhunana	MMCL COMPLETE TRAINING	Certificate
Mimi Mpathsoane	MMCL COMPLETE TRAINING	Certificate
Juanita Ontong	MMCL COMPLETE TRAINING	Certificate
Wilfred Bells	MMCL COMPLETE TRAINING	Certificate
Katiso Moteetee	MMCL COMPLETE TRAINING	Certificate
Elpaucia Cook	MMCL DID NOT COMPLETE at Swellendam municipality	In Progress
Sinethemba Mpata	MMCL DID NOT COMPLETE at Swellendam municipality	In Progress
Morne Potgieter	MFMA Completed with UNISA for SCM Heads.	Certificate

3. DISCUSSION: SUPPLY CHAIN MANAGEMENT SYSTEMS

(a) Demand management

Demand management requires timely planning and management processes to ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right locations and at the critical delivery dates. These goods and services must be of appropriate quality and quantity at a fair cost.

The SCM Unit has, with support by the Accounting Officer and the Chief Financial Officer implemented SCM via a Demand Management Plan (DMP) as a strategic tool in order to implement the budget. The DMP assists the SCM Unit with the planning of tender processes and, user departments with the planning of the execution and timely completion of projects in alignment with performance targets in the Service Delivery and Budget Implementation Plan.

In order to enhance the demand planning process, an annual Demand Management Plan was developed for the 2017-2018 financial year for capital spending. Such plan is continuously monitored.

(b) Acquisition Management

The system of acquisition management must ensure the following:

- (i) That goods and services are procured in accordance with authorized processes only;
- (ii) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Municipal Finance Management Act (Act 56 of 2003);
- (iii) That the threshold values for different procurement processes are complied with;
- (iv) That bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with applicable legislations; and
- (v) That any Treasury guidelines on acquisition management are properly taken into account.

The new preferential procurement regulations 2017 promulgated for implementation on 1 April 2017 has been taken into consideration as well as the Treasury Circulars that have been issued from time to time.

Purchasing section:

The Purchasing Section is specifically tasked to perform all procurement related functions for the procurement of goods and services with a value up to R200 000 as well as the issuance of orders for procurement with higher values.

The following table illustrates the amount of orders being managed by the Purchasing Office, during the 2017/2018 financial year. The objective for 2017/2018 financial year will be to increase the above R200 000 transactions (bids), which should decrease the smaller SCM threshold processes.

Table 3: Number of orders issued during the 2017/2018 financial year:

QUANTITY AND VALUE OF ORDERS PER SCM PROCESS TYPE FOR 2017/2018 FINANCIAL YEAR					
	0 - 2000	2000 – 30 000	30 000- 200 000	200 000 +	TOTAL
ORDERS	4141	3438	873	140	8592
VALUE	R6 566 719,66	R37 729 936,04	R120 362 974,20	R203 837 890,44	R368 497 520,34
% DISTRIBUTION	48,20%	40,01%	10,16%	1,63%	100,00%

Bid Committee Systems

A Bid Committee system for competitive bids has since been established and is fully operational. It comprises of the Bid Specification, Evaluation and Adjudication committees. The committees meet regularly. The Accounting Officer appoints members of each committee taking into account Section 117 of the MFMA. All tenders that have been approved by the Bid Adjudication Committee are reported on a monthly basis.

Table 4: The ten highest bids awarded by the Bid Adjudication Committee and the Accounting Officer are as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV627	Supply and delivery of refuse compactor trucks	Technical Services	AAD Truck & Bus (Pty) Ltd	5,433,497.16
BV653	Bulk Electrical Services and Internal Electrification for Phase 1 of the Transhex Housing Development in Worcester	Technical Services	High Voltage Technology SA (Pty) Ltd	26,168,273.73
BV688	Supply and delivery of specialised vehicles - aerial platform LDV's	Technical Services	AAD Truck & Bus (Pty) Ltd	5,140,550.00
BV624	Upgrading of the Waterloo Library	Community Services	Macho Construction	5,930,091.90

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV684	Sewer Replacement Through Trenchless Technology [Cured-In-Place-Pipe (Cipp)] In Roodewal And Zwelethemba, Worcester	Technical Services	Tuboseal Services (Pty) Ltd	4,831,874.30
BV656	supply, delivery, off-loading and erection of high mast lights in Breede Valley municipal area (Worcester, De Doorns)	Technical Services	VE Reticulation (Pty) Ltd	3,473,110.30

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV696	Supply, delivery, installation and commissioning of a Human Resource Management system, payroll system as well as a time and attendance system (inclusive of support services) for a period not exceeding three (3) years	Strategic Support Services	CCG Sytems (Pty) Ltd	2,413,813.80
BV596	Construction of sewer pump station and rising main: Transhex development	Technical Services	East Coast Irrigation	35,093,583.71
BV593	Construction of Langrug 20 ml reservoir	Technical Services	Murray & Dickson (Pty) Ltd	49,682,878.45
BV662	Construction of 1.6m asphalt pedestrian walkways in the Worcester area	Office of the Municipal Manager	Four Stones Civil cc	4,597,400.00

Appeals/ Objections by aggrieved bidders

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from date of notification thereof.

Alternatively, should they wish to lodge an appeal in terms of Section 62 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) against the award of the tender, such appeal is to be lodged within 21 days from date of the notification. For the year under review, three objections/ appeals were recorded.

Table 5: Objections/ appeals recorded for the financial year.

Date of receipt	Tender/ project number	Project description	Outcomes of the appeal
27 November 2017	BV641	Supply and delivery of six (6) 315 KVA transformers	The appeal was successfully administered by the impartial person and the initial award was maintained (confirmed) without amendment.
13 April 2018	BV674	Provision of auctioneering services for the period ending 30 June 2020	The appeal was successfully administered by the impartial person and the initial award was maintained (confirmed) without amendment.
4 June 2018	BV689	Upgrading gravel roads at Zwelethemba (phase 2)	The appeal is still being dealt with by the impartial person appointed by the Accounting Officer

Deviations from normal procurement processes

Paragraph 36(1)(b) of the policy allows the Accounting Officer to dispense with the official procurement processes established by the Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) In an emergency;
- (ii) If such goods or services are produced or available from a single provider only;
- (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) Acquisition of animals for zoos and/or nature and game reserves; or
- (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.

For the year under review, the Accounting Officer approved 212 deviations to the amount of R14,136,392.93 (VAT Included) (Such deviations were reported in the next meeting of Council). In comparison to the 2016/2017 financial year, there was a decrease of 80.18% of deviations.

It must be borne in mind that the deviations for the year under review are currently under a reconciliation process which shall result in the following:

- (i) The number of deviations decreasing as a result of orders that had to be cancelled due to year-end processes;
- (ii) The reason for a particular deviation changing from one, to another, based on its merit and explanation;
- (iii) The amount of the deviation changing (decreasing or increasing).

This process is mandatory and important in order to ensure that the Annual Financial Statements are not misstated. The true and correct amount for all the deviations shall be disclosed in the 2017/18 Annual Financial Statements.

Accredited Suppliers Database

In terms of Paragraph 14(1)(a) of Council's Supply Chain Management Policy, the Accounting Officer is required to keep a list of accredited prospective providers of goods and services (Supply Chain Database). In terms of the municipality's legislative requirement, interested suppliers were requested to register on our database by advertisement and via a supplier open day. Current suppliers are requested on a quarterly basis to update their registration information.

Currently there are about 4516 accredited suppliers are registered on the SC Database. Many initiatives are conducted annually in order to assist suppliers with the completion of SCM Database forms.

In 2014/2015 the Western Cape Government began an initiative of moving towards an integrated, centralised Supplier Database that will be managed by Ariba. All Departments of the Western Cape Government including Local- and District Municipalities were involved with this Provincial Treasury driven initiative. Road shows were held in order to promote and fast track registration on Western Cape Supplier database (WCSD) and Central Supplier database, however National Treasury embarked at the end of 2015 on a similar project for all spheres of Government, which created the expectation that this project will be finalised and implemented by 1 July 2017. Due to the indemnification of the correctness of the data, by National Treasury, the data correctness held a compliance risk to local government. Therefor the Central Supplier Database gets used for verification purposes only. The objective for 2018/2019 is to test the feasibility to integrate with the WCSD.

(c) Logistics management

The system of logistics management must ensure the following:

- (i) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (ii) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (iii) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (iv) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (v) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secured and only used for the purpose for which they were purchased;
-

- (vi) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and Proper measures are still in place to ensure that the above elements are fully adhered to.

(d) Disposal management

The system of disposal management must ensure the following:

- (i) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (ii) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (iii) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (iv) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (v) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (vi) Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

For the year under review, no movable and immovable assets (properties) were disposed.

(e) Contract Management (CM)

The SCM Unit established a new sub-unit namely the Contract Management Office during 2017/2018, which will primarily focus on SCM Contracts above R200 000, which are

procured through an SCM process. The following objectives was set for the CM Office for 2017/2018 and 2018/2019 financial year;

- a) The Breede Valley Contract Management function has been centralised into the Contract Management Office, reporting to the Manager Procurement.
- b) Aligning the Contract management procedures and systems with the rest of the SCM functions and Expenditure department.
- c) Formalise and implement a new Contract Management Framework which already forms part of the SCM Policy.
- d) All contracts resulting from SCM Paragraph 36 Deviations above a value of R 100,000.00 (Incl. VAT) and formal written quotations will be monitored additionally in the 2018/ 2019 financial year monitored on performance and administrative compliance (Feb. 2018)
- e) The implementation of an electronic Contract Management System, Electronic SCM Archive, Electronic Database Archive. (30 June 2018)
- f) The implementation of a full electronic purchasing system (1 Jan 2018)
- g) On full implementation of the system, monthly reports will be distributed to all contract champions on the contract status of SCM contracts.
- h) Control and safekeeping of contract documents, in conjunction with the records department, have been improved and will be further enhanced with an electronic system in the new financial year (2018/2019).
- i) With the establishment and inclusion of the Contract Management function within SCM, performance management on all contracts will be monitored and reported to the executive management on a monthly basis.
- j) Contracts of a repeatable nature, due to its nature to provide continuous service delivery, will be monitored by the office and notifications for renewal will be sent 6 months prior to the end date of the contract to contract champions.
- k) Regular monitoring and review of the supplier vendor performance to ensure compliance with specifications and contract conditions for particular goods or services, is conducted.

The following table illustrates the status of contract during the 2017/2018 financial year:

STATUS	QUANTITY
Active contract	108
Expired contract	71
Cancelled Contract	1
Extended Contracts	12

(f) Conclusion:

The Breede Valley Municipality has been implementing the Supply Chain Management Regulations diligently through the Supply Chain Management Policy.

Contract Management, Demand Management and the combating of Irregular Expenditure will once again be key focus areas in the implementation of supply chain management within the municipality.

The objective of the 2018/2019 financial year is to have a fully integrated SCM IT system, which operates on a Standard Chart of Accounts base for Local Government (mSCOA) that will further enhance procedural controls, efficiency and legislative compliance, from a centralized platform.

Breede Valley Municipality continuously strives to not only ensure compliance to legislative frameworks, but also to improve administrative and procedural efficiency, thereby giving effect to its Constitutional mandate in terms of Section 152 of the Constitution.

RECOMMENDATION**In Respect of****ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2017
TO 30 JUNE 2018****Discussed by Council at the Council Meeting held on 24 July 2018:**

- 1) that the Supply Chain Management Implementation Report for the 2017/2018 financial year submitted in terms of paragraph 6 of the Supply Chain Management Policy, be noted;
- 2) that following the provisions of paragraph 6 of the Supply Chain Management Policy, the report be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000; and
- 3) that the schedules of Deviations, Irregular Expenditure and cases of Minor Breaches be disclosed as a note to the Annual Financial Statements for the 2017/2018 financial year.

PROPOSED: CLLR W.R. MEIRING**SECONDED: CLLR E.S.C. MATJAN**

RESOLVED

C55/2018

In Respect of

**ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2017
TO 30 JUNE 2018**

Discussed by Council at the Council Meeting held on 24 July 2018:

- 1) that the Supply Chain Management Implementation Report for the 2017/2018 financial year submitted in terms of paragraph 6 of the Supply Chain Management Policy, be noted;
- 2) that following the provisions of paragraph 6 of the Supply Chain Management Policy, the report be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000; and
- 3) that the schedules of Deviations, Irregular Expenditure and cases of Minor Breaches be disclosed as a note to the Annual Financial Statements for the 2017/2018 financial year.
- 4) That the possibility to further track down the tender awards to indicate categories such as Youth; Disabled; Local Suppliers, BEE- status etc. be investigated and implemented if found feasible.

To Action

D.R.M. Potgieter

6.5 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTHS OF MAY AND JUNE 2018**File No./s:** 2/1/1/1**Responsible Official:** D.R.M Potgieter**Directorate:** Finance**Portfolio:** Finance

1. Purpose

The purpose of this report is to inform Council of all deviations from the Supply Chain Management Policy, approved by the delegated authority in terms of Paragraph 36 and of the Supply Chain Management Policy, for the months of May and June 2018

2. Background

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy. In terms of paragraph 36(13) of the said policy, the Accounting Officer must record the reasons for any deviations in terms of paragraph 36(1)(b) of the policy and report to Council. However, it must be noted that these deviations also serve on the **monthly Section 71** (MFMA) report/s to Mayco and **quarterly Section 52** (MFMA) report/s to Council.

Deviations approved in terms of paragraph 36(1)(b) for the months of May and June 2018, are attached as **Annexures A and B**, respectively.

3. Financial Implications

None

4. Applicable Legislation / Council Policy

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Breede Valley Supply Chain Management Policy, as amended.
Supply Chain Management Regulations

Comment of Directorates / Departments**Acting Municipal Manager**

Recommendation is noted.

Director: Strategic Support Services

Recommendation is noted.

Director: Financial Services

Recommendation is noted.

Acting Director: Technical Services

Recommendation is noted.

Director: Community Services

Recommendation is noted.

Senior Manager: Legal Services

Recommendation is noted.

Annexures

Annexures A and B: Schedule of deviations from the procurement processes approved in terms of sub-delegations

An additional list indicating deviations for the period July 2017 to May 2018 not previously reported on, were circulated (Attached as Annexure B).

RECOMMENDATION

In Respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTHS OF MAY 2018 AND JUNE 2018 INCLUSIVE OF SOME DEVIATIONS FOR THE PERIOD JULY 2017 UNTIL MAY 2018 NOT PREVIOUSLY REPORTED TO COUNCIL

Discussed by Council at the Council Meeting held on 24 July 2018

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the months of May 2018 and June 2018, inclusive of some deviations for the period July 2017 until May 2018 not previously reported to Council **be noted**;

PROPOSED: CLLR I. TSHABILE PROPOSED THAT THE REPORT OF THE APPROVED DEVIATIONS BE REFERRED TO MPAC FOR INVESTIGATION.

SECONDED: CLLR N. WULLSCHLEGER

COUNTER PROPOSAL: CLLR WR. MEIRING proposed that the recommendation be accepted.

Seconded: CLLR T. WEHR

VOTES IN FAVOUR OF CLLR W. R. MEIRING: 21 VOTES

VOTES IN FAVOUR OF CLLR I. TSHABILE: 13

THE FOLLOWING COUNCILLORS REQUESTED THAT IT BE RECORDED THAT THEY VOTED AGAINST THE PROPOSAL OF CLLR W.R. MEIRING

CLLR N. WELLSCHLEGER

CLLR P. MARRAN

CLLR M.N. BUSHWANA

CLLR E.N. ISAACS

CLLR P.B. LANGATA

CLLR Z.M. MANGALI

CLLR T. MARIDI

CLLR S.M. MKHIWANE

CLLR V.I. MNGCELE

CLLR C.M. MOHOBO

CLLR N. NEL

CLLR I.L. TSHABILE

CLLR P. TYIRA

CLLR M.T. WILLIAMS

RESOLVED

C56/2018

In Respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTHS OF MAY AND JUNE 2018

Discussed by Council at the Council Meeting held on 24 July 2018

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the months of May and June 2018, as well as deviations for the period July 2017 to May 2018, not previously reported on, **be noted**;

To Action:

D.R.M. Potgieter

**6.6 APPROVAL OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE
CHARTER****File No. /s:** 2/1/1/3/2**Responsible Official:** W du Plessis**Directorate:** Municipal Manager**Portfolio:** Internal Audit

1. Purpose

To gain Council approval of the amended Audit Committee Charter of the Audit Committee of the Breede Valley Municipality.

2. Background

The purpose, roles, responsibilities and authority of the Audit Committee must be clearly defined in an Audit Committee Charter. The Audit Committee is an independent advisory committee of Council whose function is to provide an oversight role to Council. The Audit Committee amended their Charter to be in line with the prescripts of MFMA Circular 65, which prescribes amongst other things that: *“The municipality has reviewed its committees to ensure that in cases where there is an audit committee and a performance audit committee that these are combined into one committee for effective management, oversight and reporting, as envisaged by section 166 of the MFMA.”*

The Audit Committee amended their Charter to be in line with the prescripts of MFMA Circular 65 as prescribed, at an Audit Committee meeting held on 18 June 2018 and resolved as follows:

“RESOLVED***That in respect of******REVIEW AND APPROVAL OF AUDIT COMMITTEE CHARTER******discussed by the Audit Committee at the Audit Committee meeting held on 18 June 2018:***

The Combined Audit & Performance Audit Committee Charter is recommended for approval to Council.”

3. Financial Implications:

N/A

4. Applicable Legislation / Council Policy:

Municipal Finance Management Act (Section 166)
Municipal Planning & Performance Management Regulations (Section 14)
National Treasury Internal Audit Framework 2nd Edition (March 2009)
MFMA Circular 65(November 2012)

5. Comment of Directorates / Departments concerned:

Municipal Manager:

Director: Community Services:

Director: Strategic Support Services: Noted

Director: Financial Services:

Director: Technical Services:

Senior Manager: Legal Services:

RECOMMENDATION:

That in respect of

APPROVAL OF THE AUDIT COMMITTEE CHARTER

discussed by Council at the Council meeting held on 24 July 2018:

The amended Audit Committee Charter is approved.

PROPOSED: CLLR P. TYIRA

SECONDED: CLLR N. NEL

RESOLVED

C57/2018

That in respect of

APPROVAL OF THE AUDIT COMMITTEE CHARTER

discussed by Council at the Council meeting held on 24 July 2018:

The amended Audit Committee Charter is approved.

To Action:

W. Du Plessis

6.7 AMENDMENTS TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015**File No. /s:** 1/B**Responsible Official:** I Roos**Directorate:** Strategic Support Services **Portfolio:** Strategic Support Services

1. Purpose

To obtain Council's final approval of the amendments made to the Municipal Land Use Planning By-Law, 2015 and the mandating of Administration to promulgate these approved amendments to the By-Law in the Government Gazette.

2. Background

At the Council meeting of 28 March 2018 Council resolved the following with regards to the amendments made to the Municipal Land Use Planning By-Law, 2015:

RESOLVED**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 28 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.*

Section 12(3) of the 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.”*

In compliance with section 12(3)(b) *supra*, an advert was placed in the local newspaper (the Worcester Standard), widely circulated in the entire municipal area on 26 April 2018 to invite comments from the public on the draft By-Law. (See attached advertisement marked **annexure A**). The closing date for such comments were 22 May 2018.

No public representations were received.

4. Financial Implications

Provision has been made in the current budget for the costs of promulgating By-Laws in the Government Gazette.

5. Applicable Legislation / Council Policy

Municipal Systems Act 32 of 2000 (Sections 11, 12 and 13)

Municipal Structures Act 117 of 1998

Section 156(1)(a) read with Part B of Schedule 5 to the Constitution of the Republic of South Africa, 1996.

Comment of Directorates / Departments concerned

Municipal Manager: Item supported.

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

Director: Financial Services: Recommendations noted.

Director: Technical Services: Noted that no public representations on these amendments were received.

Director: Community Services: The report is noted.

Senior Manager: Legal Services: Recommendations supported.

RECOMMENDATION

That in respect of

AMENDMENTS TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015

discussed by Council at the Council meeting held on 24 July 2018:

1. That Council take note that no public representations on these amendments were received.
2. That Council approve the amendments made to the Municipal Land Use Planning By-Law, as set out in **annexure B**; and
3. That the administration be authorised to promulgate these amendments in the Government Gazette.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR P. TYIRA

RESOLVED

C58/2018

That in respect of

AMENDMENTS TO THE MUNICIPAL LAND USE PLANNING BY-LAW, 2015

discussed by Council at the Council meeting held on 24 July 2018:

1. That Council take note that no public representations on these amendments were received.
2. That Council approve the amendments made to the Municipal Land Use Planning By-Law, as set out in **annexure B**; and
3. The administration is authorised to promulgate these amendments in the Government Gazette.

To Action

I.E. Roos

6.8 REVIEWED HUMAN RESOURCES POLICIES**File No. /s:** 4/1/1/1**Responsible Official:** M Nell**Directorate:** Strategic Support Services **Portfolio:** Human Resources

1. Purpose

The purpose of this item is for Council to approve the Human Resources Policies which were reviewed.

2. Background

Brede Valley Municipal wants to achieve a high level of efficiency and effectiveness in the management of its staff component. As part of the aforementioned commitment, Brede Valley Municipality embarked on consultative processes to review the following human resources policies:

1. Acting Allowance Policy
2. Attendance and Punctuality Policy
3. Membership and Registration of dependants on accredited medical schemes Policy
4. Occupational Health and Safety Policy
5. Overtime Policy
6. Personal protective equipment Policy
7. Private work and declaration of interest/s Policy
8. Recruitment and selection Policy
9. Relocation Policy
10. Telecommunication Policy

All HR policies were formulated on the basis of the SALGA guideline policies as contained within the SALGA HR Policy handbook. The main objective of SALGA compiling a HR Policy handbook is to provide municipalities with a selection of generic HR policies to select, customize and adopt in the interest of greater administrative efficiency and increased corporate governance.

Brede Valley Municipality held various workshops from October 2017 until June 2018, with the members of the local labour forum in order to ensure proper consultation and review of the certain human resources policies. The local labour forum is committed to ensure that the policies are implemented and therefore supports the submission of the reviewed policies to Council for approval.

3. Financial Implications

The financial implications are stipulated in the respective policies where applicable.

4. Applicable Legislation / Council Policy

- The Constitution of the Republic of South Africa, No 108 of 1996
- Local Government: Municipal Finance Management Act, No 56 of 2003
- Local Government: Municipal Systems Act, No 32 of 2000
- Basic Conditions of Employment Act 75 of 1997 and its amendments
- Employment Equity Act 55 of 1998
- Labour Relations Act 66 of 1995
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999
- Collective Agreements
- All other relevant legislation as contained within the policies

Comment of Directorates / Departments concerned:

Municipal Manager: Recommendation supported

Director: Financial Services: Recommendation supported

Acting Director Strategic Support Services: Recommendation supported

Director: Technical Services: Support the Item and Recommendation

Senior Manager: Legal Services: Recommendation supported

RECOMMENDATION

That in respect of

REVIEWED HUMAN RESOURCES POLICIES

discussed by the Council at the Council meeting held on 24 July 2018:

1. That the reviewed human resources policies attached as Annexure A be approved and implemented with effect from 1 August 2018.

PROPOSED: CLLR W. R. MEIRING

SECONDED: CLLR J.R. JACK

RESOLVED**C59/2018**

That in respect of

REVIEWED HUMAN RESOURCES POLICIES

discussed by the Council at the Council meeting held on 24 July 2018:

1. That the reviewed human resources policies attached as Annexure A be approved and implemented.

To Action:

M Nell

6.9 THE DRAFT TOOLS OF THE TRADE POLICY**File No./s:** 1/B**Responsible Official:** R Esau**Directorate:** SSS**Portfolio:** Strategic Support Services

1. Purpose

To obtain Council's approval of the Draft Tools of the Trade Policy.

2. Background

As defined in the Remuneration of Public Office Bearers Act, 1998 (Act no 20 of 1998) as amended, tools of trade are the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfilment of his/her duties in the most cost-effective manner. Providing Councillors with the tools covered by this policy will have the following advantages:

- It will make communication and accessibility between councillors and their constituency easier;
- It will enhance the status of councillors and improve the perception of their competence amongst the communities they serve;
- Decrease the growing costs of printing and delivery of meeting agendas to all Councillors (reduce the paper used by the municipality);
- Reduce carbon footprint.

3. Financial Implications

No financial Implications

4. Applicable Legislation / Council Policy

A framework for providing support to public office bearers is contained in the Remuneration of Public Office Bearers Act and is reviewed annually by the Minister of Cooperative Governance and Traditional Affairs.

Comment of Directorates / Departments:**Municipal Manager: Supported****Director: Strategic Support Services:** Author of the report.

Director: Financial Services: Supported

RECOMMENDATION

That in respect of -

THE DRAFT TOOLS OF THE TRADE POLICY

as discussed by Council at the Council meeting held on 24 July 2018:

1. That Council approves the Draft Tools of the Trade Policy.

PROPOSED: CLLR P. MARRAN proposed that the Draft Tools of the Trade Policy be approved in principle as a Draft and referred for Workshop with Councillors and tabled at the next Council Meeting.

SECONDED: CLLR W. R. MEIRING

RESOLVED

C60/2018

That in respect of -

THE DRAFT TOOLS OF THE TRADE POLICY

as discussed by Council at the Council meeting held on 24 July 2018:

1. That Council approves the Draft Tools of the Trade Policy as a draft and referred for a Workshop with Councillors and tabled at the next Council Meeting.

To action:

R ESAU

7. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS DEALING WITH MATTERS OF URGENCY SUBMITTED BY THE MUNICIPAL MANAGER

**CONFIDENTIAL:
IN TERMS OF: -**

SECTION 20: ADMISSION OF PUBLIC TO MEETINGS. – (1) (a) & (b) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000.

THE MUNICIPAL MANAGER IS OF THE OPINION THAT THE DISCLOSURE OF THE ITEMS MARKED “CONFIDENTIAL” AND OR PRINTED ON BLUE PAPER IN THE AGENDA, WILL NOT BE IN THE INTEREST OF THE MUNICIPALITY.

THE PUBLIC AND THE PRESS SHALL THEREFORE BE EXCLUDED FROM THE PROCEEDINGS WHILE THESE ITEMS ARE CONSIDERED. SUCH RULING MAY ONLY BE OVERTURNED BY COUNCIL IN-COMMITTEE. THE RESOLUTIONS REGARDING THESE ITEMS WILL BE MINUTED SEPARATELY.

7.1 APPOINTMENT OF ACTING DIRECTOR COMMUNITY SERVICES.

File no.: 2/3/1/1

Responsible Official: D. McThomas

Directorate: Municipal Manager

Portfolio: Municipal Manager

**CONFIDENTIAL:
IN TERMS OF: -**

SECTION 20: ADMISSION OF PUBLIC TO MEETINGS. – (1) (a) & (b) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000.

THE MUNICIPAL MANAGER IS OF THE OPINION THAT THE DISCLOSURE OF THE ITEMS MARKED “CONFIDENTIAL” AND OR PRINTED ON BLUE PAPER IN THE AGENDA, WILL NOT BE IN THE INTEREST OF THE MUNICIPALITY.

THE PUBLIC AND THE PRESS SHALL THEREFORE BE EXCLUDED FROM THE PROCEEDINGS WHILE THESE ITEMS ARE CONSIDERED. SUCH RULING MAY ONLY BE OVERTURNED BY COUNCIL IN-COMMITTEE. THE RESOLUTIONS REGARDING THESE ITEMS WILL BE MINUTED SEPARATELY.

**7.2 RECRUITMENT AND SELECTION PROCEDURE FOR THE APPOINTMENT OF THE
DIRECTOR COMMUNITY SERVICES; COUNCIL APPROVAL OF SHORTLISTED
CANDIDATES AND NOTING OF SCREENING REPORT**

File No./s: 4/1/3/1

Responsible Official: D McThomas

Directorate: Municipal Manager

Portfolio: Municipal Manager

8. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF THE COUNCIL

8.1 Council is herewith informed of the dates, times and venues set for council meetings in 2018 as well as the manner in which the dates, times and venues of the council meetings must be made public. It must be however noted that the Speaker may amend the dates of Council meetings in cases of unforeseen circumstances.

Section 29(1) of the Local Government Municipal Structures Act (Act 117 of 1998) states that:

“The speaker of a municipal council decides when and where the council meets subject to section 18(2), but if a majority of the councillors requests the speaker in writing to convene a council meeting, the speaker must convene a meeting at a time set out in the request.”

Section 18(2) of the Local Government Municipal Structures Act (Act 117 of 1998) states that:

“A municipal council must meet at least quarterly.”

In compliance with this legal prescript, the speaker has decided on the following dates, times and venues for the council meetings in 2018:

No	Date	Time	Venue
1	21 August 2018	10:00	CWDM, 51 Trappes Street, Worcester
2	23 October 2018	10:00	CWDM, 51 Trappes Street, Worcester
3	27 November 2018	10:00	CWDM, 51 Trappes Street, Worcester

Section 19 of the Local Government: Municipal Systems Act (Act 32 of 2000) states that:

“The municipal manager of a municipality must give notice to the public, in a manner determined by the municipal council, of the time, date and venue of every –

- (a) *ordinary meeting of the council; and*
- (b) *special or urgent meeting of the council, except when time constraints make this impossible.”*

Section 21(1) of the Local Government: Municipal Systems Act (Act 32 of 2000) states that:

“When anything must be notified by a municipality through the media to the local community in terms of this Act or any other applicable legislation, it must be done –

- (a) *in the local newspaper or newspapers of its area;*
- (b) *in a newspaper or newspaper circulating in its area and determined by the council as a newspaper of record; or*
- (c) *by means of radio broadcasts covering the area of the municipality.”*

NOTED BY COUNCIL

9. CONSIDERATION OF NOTICES OF MOTION AND NOTICES OF QUESTIONS WHICH SHALL APPEAR ON THE AGENDA IN THE ORDER IN WHICH THEY HAVE BEEN RECEIVED BY THE MUNICIPAL MANAGER
-

10. CONSIDERATION OF MOTIONS OF EXIGENCY
-

11. CLOSURE

THE SPEAKER CLOSED THE MEETING AT 15:42.

- 11.1 COPY OF NOTICE PLACED ON NOTICE BOARDS
-
-

For information, a copy of the Notice follows:

NOTICE IS HEREBY GIVEN that a **COUNCIL MEETING**
of the **Brede Valley Municipality** will be held on
TUESDAY, 24 July 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** on **Monday, 23 July 2018** 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 **RAADSVERGADERING**
van die **Brede Vallei Munisipaliteit** op
DINSDAG, 24 Julie 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** op **Maandag, 23 Julie 2018** 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

06 2018
