



**BREEDE VALLEY**

MUNICIPALITY - MUNISIPALITEIT - UMASIPALA

# Annual Report

**2022/23**

# Mayor's Message



*"This is our example. Let us celebrate and recognise our dynamic youth - the Nande's in our midst and collectively move BvM to a point of service excellence. Thank you for everyone's contribution. Stay vigilant. Stay safe. Stay caring"*

Ald. Antoinette Steyn

EXECUTIVE MAYOR



### MAYOR'S MESSAGE

I am honoured to present the Annual Report for the 2022/23 financial year, providing a comprehensive overview of the achievements and challenges encountered by the Breede Valley Municipality during this period. In 2021/22, we reflected on unprecedented challenges and circumstances which affected all spheres of government; these continued to manifest throughout the period under review. Notwithstanding, we draw inspiration from the level of resilience portrayed by all facets of society in the face of adversity. On this backdrop, permit me the opportunity to share certain key reflections applicable to the 2022/23 financial period.

#### Service delivery:

BVM remains committed to execute its core mandate of delivering quality basic services to our constituent, by ensuring that clean and running water, stable electrical supply, effective sanitation services, frequent and timeous solid waste removal and sound road infrastructure (amongst others) are provided on consistent basis. To achieve this goal, we need to continue instilling a culture of good governance, accountability, and integrity within our organisation and service delivery initiatives. Furthermore, the ongoing prioritisation and implementation of the following catalytic/strategic projects will guide us towards the goal:

- annual budgeting and implementation of the upgrading/augmentation of the municipal sewer network and wastewater treatment works in hotspot areas;
- annual budgeting and implementation of the upgrading/augmentation of water networks (pipe-cracking) and storage infrastructure (pre-load reservoirs);
- annual budgeting and implementation of the municipal resealing of pre-identified tarred roads and upgrading of pre-identified gravel roads project;

- annual budgeting and implementation of the refurbishing of electrical substations, upgrading of high mast- and street lights; and
- annual budgeting towards the implementation of ward priorities within the municipality's mandate, informed by the feasibility of the priority need and available resource framework.

The collective buy-in and support from civil society and all organisations throughout BVM, will be integral in maintaining course and ultimately achieving the aforementioned goal. As a collective, we should also be sensitive that many external factors, that may not necessarily be within our direct control, may threaten even adversely impact our progress and pursuit of this goal. Collective resilience, collaboration and commitment are some key principles that will counteracting negative threats and factors.

#### Adverse weather incidents:

The localised flooding incidents which affected De Doorns (December 2022) and Rawsonville (June 2023) respectively, serves as a prime example of an external factor with the potential of adversely impacting progress towards the perceived service quality standards. Reports suggested that the Smalblaar- and Breede River exceeded its historical flood lines and subsequently rendered certain parts of the town (Rawsonville) inaccessible. We saw many citizens being displaced as a result but fortunately managed to avert loss of life and significant loss of assets. Furthermore, humanitarian support services coupled with the swift restoration of critical service infrastructure prevailed due to the immediate mobilisation of disaster management services and municipal support teams. We also acknowledge and commend the significant support provided by civil society and organisations (private and public). This accentuates

## MAYOR'S MESSAGE

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the value of a whole-of-society-approach, which we will continuously advocate for.

### **Housing and basic services:**

The aforementioned flooding incidents accentuated the importance for well-planned and responsible human settlements, informed by credible land use and spatial planning principles (amongst others). Although the provision of human settlements remains a National and Provincial competence, BVM recognises its critical role in unlocking such opportunities in collaboration with the national- and provincial spheres of government.

It is important to recognise the complaint lodged to the Human Rights Commission (HRC), by a concerned group of Rawsonville-residents, informed on the backdrop of the above (amongst others). BVM confirmed its commitment to the investigation by the HRC and have honoured various engagement with the Commission to find amicable and feasible solutions to the citizen concerns. However, it is imperative to reiterate that the planning and provision of municipal services are done in accordance with the municipality's mandate prescribed in the Constitution and key pieces of legislation, prescribed national service norms and standards, feasibility considerations as well as available municipal resources. A fundamental principle in this process is transparent, factual, and frequent communication to constituents - a principle which BVM subscribes to though recognising that room for improvement remains.

The 2022/23 financial period marked the transfer of the first batch of houses to qualifying Transhex-beneficiaries. We continue to engage our partners in government to fast-track the delivery of top structures within this catalytic housing project, in accordance with resource framework. Furthermore, the municipality continuously prioritises land infill developments throughout the locality, initiated within its own accord. These opportunities will offer human settlement opportunities to a wider spectrum of the market

(lower- and middle-income), with the potential of making more significant inroads into the housing backlog within the locality.

### **Public participation:**

Good governance principles are integral in the South African Constitution, which also emphasises the significance of public involvement as an integral component of effective municipal governance. In our bid to ensure citizens are involved in decision-making and their needs are considered, we continuously engage our constituents as part of reviewing and consolidating our Integrated Development Plan (IDP), the key strategic document of the municipality which (amongst others) strives to couple municipal planning with constituent needs to develop a collaborative planning framework. Through these interactive engagements between officials and citizens, we were able to establish clear relationships and co-operation between the municipal administration and the local communities – a relationship which we seek to solidify continuously.

### **Indigent and community support:**

Considering the current socio-economic challenges emanating throughout South Africa, which adversely affects BVM residents as well, we acknowledge the importance of providing support to vulnerable groups within society. As a result, BVM continued to provide subsidy rebates on rates and taxes to qualifying beneficiaries as prescribed in its Credit Control, Debt Collection & Indigent Policy.

Furthermore, we've prioritised community support through programmes such as the municipal grant-in-aid initiative, mayoral bursary program and donations to institutions and/or NGO's servicing vulnerable residents throughout our locality.



## MAYOR'S MESSAGE

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### Crime and safety:

The devastating impact of crime and related activities on the socio-economic development and growth within a locality is well documented. Unfortunately, the everlasting difficulties around issues such as gender-based violence and femicide (GBVF), theft, gang related activities and drinking and driving continues to be with us. In response to these immediate shortcomings, we continued with our efforts to collaborate with all the relevant stakeholders; SAPS, Community Policing Forums (CPFs), and neighbourhood watch formations, to strengthen our crime prevention strategies. Furthermore, progressive steps have been taken to re-establish the BVM Community Safety Forum, which will run through the 2023/24 financial period.

We commend our safety and security personnel, stakeholders and partners operating within this space, often placing yourselves in the proverbially "line of fire". Your contribution towards a safer and more cohesive society is well appreciated and will

In many respects, BVM lives up to its vision with accolades for performing in governance and service delivery. However, we remain conscious of external threats and internal shortcomings which may impede positive progress. In our complex environment, challenges and manifestations such as these will always be present. More importantly, is how we identify those and

collectively respond to it in a sustainable manner that promotes consistent change. With the support of an active community sharing the responsibility of governance, Council and staff will work shoulder to shoulder to maintain a high level of service delivery, putting the wonderful people of Breede Valley first.

To conclude, let us reflect on a wonderful achievement by one of our local ambassadors and child of our soil – Nande Mabala. Notwithstanding her resounding success during the 2023 Miss South Africa Pageant and subsequent rise to national fame, Nande remained rooted in her values and principles instilled within the confines of our beautiful valley and proclaimed the importance of not letting circumstances dictate the future. She shared the powerful principle of "it takes a village to raise a child" which, to me, symbolises the importance and power of collaborative ownership and participation for a greater good.

This is our example. Let us celebrate and recognise our dynamic youth – the Nande's in our midst and collectively move BVM to a point of service excellence. Thank you for everyone's contribution. Stay vigilant. Stay safe. Stay caring.

**Ald. Antoinette Steyn**

**EXECUTIVE MAYOR**

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# Municipal Manager's Message

*"Through committed administration, diligent oversight functionaries and active citizenry, Breede Valley will remain resilient, build on its achievements and progressively resolve pressing challenges"*

David McThomas

MUNICIPAL MANAGER



## MUNICIPAL MANAGER'S MESSAGE

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### 1.1 MUNICIPAL MANAGER'S MESSAGE

Volatility, uncertainty, complexity, and ambiguity (VUCA) remain prominent within the Local Government landscape. Challenges of exacerbating socio-economic ills, diminishing resources and a growing expectation gap (amongst others) are factors/challenges that significantly threaten local government's ability to uphold its primary constitutional mandate. As an administration, we are tasked to proactively identify such factors/challenges, plan and act accordingly to mitigate and counteract the potential effects and monitor and review our planning and implementation frameworks to ensure we remain well-positioned to uphold our constitutional mandate.

On this premise, it gives me great pleasure to present Breede Valley Municipality's (BVM) Annual Report for the 2022/23 financial period to all constituents associated with- and passionate about the Breede Valley Municipality. At BVM, we strive to uphold a high level of governance proficiency and service delivery excellence whilst exercising our custodianship. In addition, our vision of "a unique and caring valley of service excellence, opportunity and growth" compels us to render services guided by core public value ideologies such as equity, impartiality, justice, honesty, fairness, probity, continuity, secrecy, accountability, transparency, and responsiveness. Coupled with the pursuit of service excellence, we continuously strive to maintain our clean (unqualified) audit outcome status, the culmination of the extent of governance proficiency throughout various facets of our organisation.

In the year under review, we've achieved great success, built on the foundation of strong partnerships and collaboration with civil society and the private sector. The prioritisation of proper consultation, monitoring and oversight of processes further fuelled the whole-of-society approach in pursuing sustainable

and equitable basic service delivery. In terms of this special relationship with our constituents, due care was taken to ensure that our service delivery actions (as reflected in this report) served our strategic objectives as articulated in the municipal Integrated Development Plan (IDP), the Budget and Service Delivery and Budget Implementation Plan (SDBIP). In this regard, the following highlights need mentioning:

- Continuous prioritisation and implementation of astute financial management principles to enhance and safeguard the organisation's financial sustainability. These simple yet essential principles enabled the Municipality to achieve the following:
  - A sustained revenue collection rate above 90%, coupled with the subsequent ability to fund more critical capital and operational projects on the budget.
  - A 163.71% increase in the capital budget year-on-year (i.e. R155 412 070 in 21/22 to R409 826 108 in 22/23), indicative of BVM's investment-centric approach to improve service delivery. The capital budget was allocated to the following strategic assets (amongst others):
    - R54.3 million towards upgrading/augmenting the municipal sewer network and wastewater treatment works in hotspot areas;
    - R37.9 million towards upgrading/augmenting water networks (pipe-cracking) and storage infrastructure (pre-load reservoirs);
    - R14.9 million towards road infrastructure projects, including the reseal of pre-identified tarred roads, upgrading of pre-identified gravel roads as well as the construction of a traffic circle at the High- and Louis Lange Street intersection;

## MUNICIPAL MANAGER'S MESSAGE

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- R46.2 million on electrical infrastructure, including the refurbishment of substations and upgrading of high mast-as well as street lights;
- R69.8 million (excluding expenditure recorded under the aforementioned categories) on the implementation of ward priorities, including the upgrading of gravel roads, reseal of tarred roads, construction of speed humps, erection of play parks, construction of pedestrian drop-off zones, repair/installation of high mast lights and conducting phase 2 of erosion protection within the Hex River (amongst others);
- R1.3 million to establish the Zwelethemba Economic Infrastructure Facility; and
- R767 thousand towards the finalisation of servicing erven in Johnsons Park (recurring project) earmarked for infill development. The erven are scheduled to be auctioned in the open market, early in the 2023/24 financial period.
- Continuous collaboration between the Breede Valley Municipality and Worcester Business Improvement District regarding CCTV security monitoring and urban upgrade projects within the Worcester CBD, which continues to contribute to the reduction of crime & beautification within this particular area.
- Continuous collaboration on the Transhex Human Settlement development, spearheaded by the Provincial Department of Human Settlements. During the period under review, approximately 190 top structures were constructed and handed over to qualifying beneficiaries. The development is estimated to yield 8 480 housing opportunities that will (amongst others) substantially alleviate the housing backlog of 20 193 households, create ownership, and stimulate the local economy. Notwithstanding the positive developments yielded in terms of the number of sites serviced to date (a municipal requirement) and the first transfer of top structures, we recognise the ongoing challenge in fast-tracking the completion of the top structures, which is one of the largest barriers in terms of transfer to beneficiaries. The topic remains on the inter-governmental agenda to fast-track the project as fast as reasonably possible.
- Continuation of specialised business support initiatives (in collaboration with strategic partners such as the Department of Economic Development and Tourism (DEDAT) and the Small Enterprise Development Agency (SEDA) to aid key industries, corporates and businesses in successfully navigating the challenging economic climate.
- Stimulating the local economy by awarding product and works to the approximate value of R23.7 million (within the “formal written price quotation” procurement classification – i.e. between R30 000 – R200 000) to local companies within the Breede Valley jurisdiction.
- Spending approximately R13.1 million on municipal Expanded Public Works Programmes (EPWP), yielding 489 temporary employment opportunities for beneficiaries throughout the municipal area.

These highlights are indicative of the team's commitment to excel and continuously strive towards service excellence, whilst experiencing extreme adversity. Though we are proud of these accomplishments, we recognise that there are urgent challenges and inherent risks that require immediate attention. These remain high on our planning agendas and include the following:



## MUNICIPAL MANAGER'S MESSAGE

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### Vulnerability of infrastructure

Well-functioning and well-maintained municipal infrastructure are a critical prerequisite for rendering quality services and underpinning public value. However, diminishing financial resources, growing population & infrastructure usage patterns and frequent occurrences of infrastructure vandalism (amongst others), exerts significant pressure on the efficacy and sustainability of municipal infrastructure. The municipality is not exempt from these occurrences. However, clear action plans and commitments are in place to improve service infrastructure (as mentioned in the highlights). In addition, the municipality has secured a long-term loan to further augment the funding supply needed to fund critical infrastructure requirements and address service backlogs. Coupled to this, proactive maintenance of existing infrastructure will continuously be prioritised to ensure that the useful life of all municipal infrastructure is extended and maximum value for money extracted.

### Vandalism of infrastructure

The level of vandalism and sabotage inflicted on municipal infrastructure, in particular electrical infrastructure remains a great concern. Resources are continuously allocated to repair vandalised infrastructure and safeguard it; however, this is not a sustainable practice as it adversely impacts the cash flow and financial sustainability of the municipality and deters our ability to render critical infrastructure needed to enhance basic service delivery. It is therefore imperative that communities and residents take ownership of safeguarding infrastructure and use it in a responsible manner. The Municipality will continuously ensure that quality infrastructure is provided and maintained to aid in service delivery, and frequently communicate on responsible use and safeguarding of infrastructure to promote longevity and return public value.

### High frequency of illegal dumping

Illegal dumping throughout the municipal area remains a pressing concern. It reduces the environmental appeal of our beautiful valley, threatens environmental sustainability and community health and discourages potential investors and guests from visiting our area. The Municipality spends approximately R15 million per financial year on illegal dumping, yet the problem persists. Whilst the Municipality is responsible for providing a clean and healthy external environment, residents are encouraged to take ownership in keeping our environment clean – i.e. dispose litter, waste and any other form of refuse within demarcated areas in accordance with applicable procedures and policies. The Municipality earmarks to enhance awareness and educational campaigns on sustainable waste management practices in order to promote a healthy and clean external and living environment. Through mutual collaboration on this issue, we will reduce the applicable expenditure bill and unlock additional resources that could address important socio-economic matters.

### Inconsistent communication

Concerted efforts are being made to strengthen internal- and inter-governmental collaboration in order to ensure that communities receive holistic information in a concise and timeous manner. “BVM Digital”, our Citizen Engagement Application, remains an integral tool for bridging the communication gap between the Municipality and its constituents. Residents are encouraged to download and familiarise themselves with the application and its functionalities. In addition, a service delivery radio-campaign was formulated and aired between August – December 2022 and prior to the 2<sup>nd</sup> round of IDP engagements in April 2023. The campaign seek to enhance civil education and awareness on critical topics/matters within Local Government and BVM in particular.

## MUNICIPAL MANAGER'S MESSAGE

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### Growing expectations vs diminishing resources

Whilst citizen expectations continue to grow, severe strain is placed on resource availability across all spheres of government – particularly local government. This is exacerbated by (amongst others) poor economic conditions, growing unemployment, poverty and inequality (triple threat). Though the Municipality occupies an essential role in rendering services and creating a conducive environment responsive to citizen needs, the collaboration of civil society and the private sector is imperative to realise this goal.

### Limited access to dignified housing opportunities

As poor economic conditions continue, increased patterns of migration to established urban centres and nodes can be expected. Coupled to this, localities tend to experience spikes in illegal occupation and land invasion as the housing backlog remains under pressure. As housing and human settlements fall within the domain of national and provincial government, the Municipality will enhance collaboration with these spheres of government in order to find feasible solutions to systematically address the housing backlog. In addition, occurrences of illegal occupation and land invasion will be dealt with in a swift yet dignified manner in order to ensure that land and/or infrastructure earmarked for future development, is appropriately safeguarded. Acts of illegal occupation and land invasion further prohibits the Municipality to adequately service such residents, hence, the need to resolve such matters swiftly and amicably.

As we continue to navigate this complex and challenging path, we recognise the importance of oversight functionaries such as the Council and all statutory committees of Council, and commend the valuable contribution made to couple efficient and clean governance with service delivery excellence. In

addition, we recognise the invaluable contributions made by members of this community. You have engaged us robustly and without fear and held us accountable in executing our mandate. Through committed administration, diligent oversight functionaries and active citizenry, Breede Valley will remain resilient, build on its achievements and progressively resolve pressing challenges. This will not only underpin our vision of “a unique and caring valley of service excellence, opportunity and growth” but enable us to collectively foster and bequeath a conducive environment for future generations to prosper.

Yours in government

**David McThomas**

**MUNICIPAL MANAGER**

*Breede Valley Municipality is proud  
to present this  
2022/23 Annual Report.*

*The Report describes  
the Municipality's operations  
in terms of its core legislative obligations,  
and the various accomplishments  
and challenges for the period 1 July 2021 to 30 June 2022.*

*The annual report is prepared  
in accordance with Section 121(1)  
of the  
Municipal Finance Management Act (MFMA),  
in terms of which  
the Municipality  
must prepare an  
annual report  
for each financial year.*





# Chapter 1

# CHAPTER 1: MUNICIPAL OVERVIEW

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Demographic information

#### a) *Municipal geographical information*

The BVM covers an area of approximately 3 833 km<sup>2</sup> stretching from the Du Toitskloof Mountains in the southwest to the Kwadousberg in the southeast and includes the towns of Rawsonville, Worcester, De Doorns and Touwsrivier, as well as the rural areas adjacent to and between these towns and the Matroosberg rural area. The town of Worcester lies on the N1 and has a major railway link, which presents the town with a locational advantage that provides access to inland markets. The most striking feature of the Breede Valley is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains covered with indigenous semi-desert vegetation captivate the soul. Apart from the formal settlement areas, the municipality has several informal settlements. In 2011, the region had a counted population of 166 825 (inclusive of the informal settlements), as per the 2011 StatsSA census data and 176 578 as per the 2016 StatsSA Community Survey. In 2023, the region has an estimated population figure of 198 610 as per the 2022/23 Municipal Economic Review and Outlook (MERO), compiled by Western Cape Provincial Treasury.

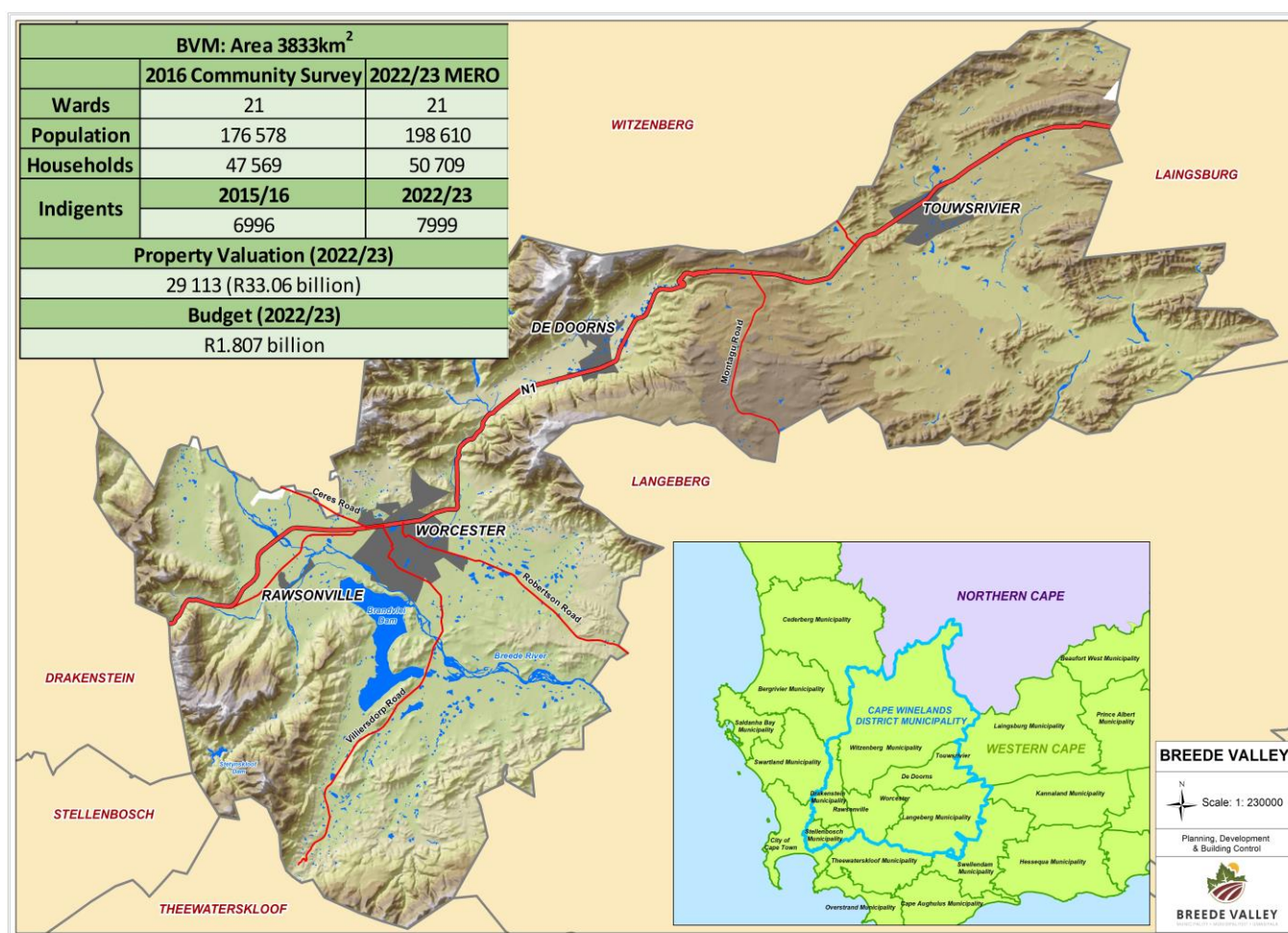


Figure 1: Breede Valley Municipal Area

## CHAPTER 1: MUNICIPAL OVERVIEW

### Wards

The BVM was formed in December 2000 encompassing the towns of Touwsrivier, De Doorns, Worcester and Rawsonville. The Municipality is structured into the following 21 wards:

Ward	Areas
1	The entire community of Touwsrivier, including business and residential areas and surrounding farms
2	Stofland and adjacent farms
3	Section of De Doorns town centre, Hasie Square, Ekuphumleni and adjacent farm areas
4	Section of De Doorns town centre, Orchard and adjacent farm areas
5	De Doorns and Worcester farming areas including Brandwag, De Wet and Sandhills, parts of Panorama, Altona and Van Riebeeck Park
6	N1 Worcester entrance, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill, Hospital Park, Fairway Heights, Bloekombos and part of Altona
7	Paglande, Meiringspark, Roux Park, De La Bat Way, Fairy Glen and part of Industrial Area
8	Part of Industrial Area, Hex Industrial, part of Roodewal and part of Zwelethemba
9	Roodewal area and part of Esselen Park (the Chessies)
10	Part of Hex Park, Part of Transhex and Roodewal flats
11	Parkersdam, Florian Park and parts of Esselen Park (the OVD), Hugosdorp, and Riverview
12	Part of Avian Park, Russell Scheme and CBD
13	Johnsons Park 1, 2 and part of 3, part of Noble Park, Hex Park, part of Avian Park and Riverview houses
14	Riverview flats, Part of Noble Park (Boland Collage and school) and Victoria Park
15	Langerug, Worcester West, Somerset Park, Leighton Park and Goudini Farms
16	Part of Zwelethemba and Mandela Square
17	Part of Zwelethemba
18	Part of Zwelethemba and farms from Overhex, Nonna etc.
19	Part of Rawsonville, Goedeman Park and outlying farming community
20	Part of the centre of Rawsonville and areas towards N1
21	Part of Avian Park and surrounding informal areas

Table: 1 Municipal wards



## CHAPTER 1: MUNICIPAL OVERVIEW

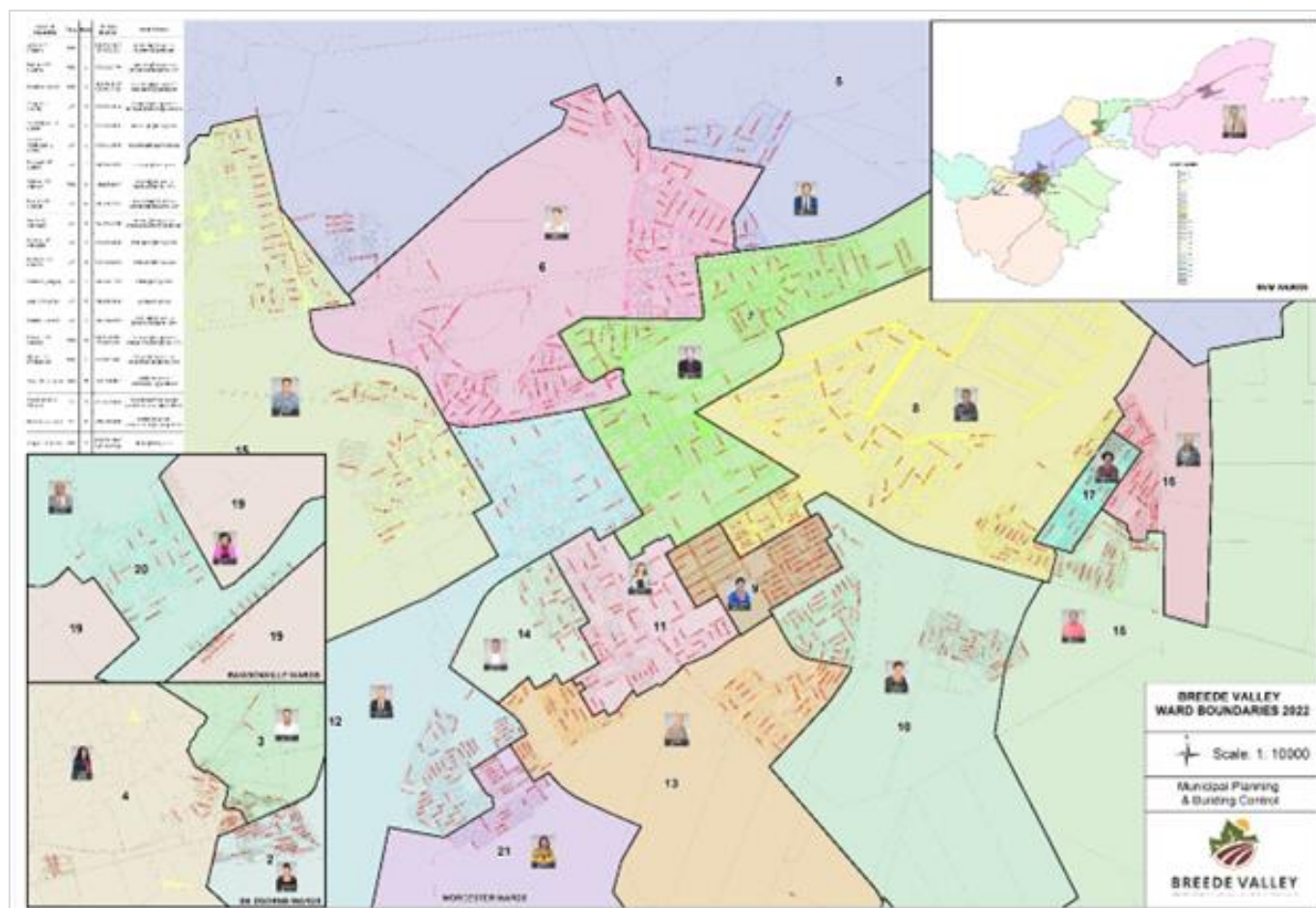


Figure 2: Municipal wards

### Worcester

Worcester is located 120 km northeast of Cape Town on the N1 highway north to Johannesburg.

Worcester is the largest town in the BVM - home to approximately 125 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. The town serves as the administrative capital of the Breede Valley local municipality and as regional headquarters for most national and provincial government departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is considered as one of the largest wine growing regions in South Africa, both in number of vines and volume of wine produced. The vineyards of Worcester produce roughly a quarter of all the country's wine, and the region has many co-operative estates. There is plenty to see and do in the area and being so centrally situated to the surrounding towns, Worcester is an ideal base from which to explore the region.

## CHAPTER 1: MUNICIPAL OVERVIEW

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### De Doorns, Hex River Valley

De Doorns lies on the main route to and from Cape Town, Johannesburg and Port Elizabeth. With its wide range of services and commercial facilities, De Doorns has become the business and shopping centre for the entire valley and surrounding towns. De Doorns is a town with a particularly impressive cultural heritage. In 1819 De Doorns was proclaimed a sub-drostdy of Tulbagh, after two farms had been bought for laying out a town. In 1822 De Doorns was proclaimed a full drostdy.

The little town of De Doorns lies at the centre of the Hex River valley, only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's table grape industry. This is a valley of rolling vineyards, historical Cape Dutch homesteads and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports approximately 23 million cartons of grapes annually. Farms here lie nestled between the Hex and Kwadous mountains, which provide much in the way of hiking, mountain biking and rock climbing.

### Rawsonville

Rawsonville is a small wine growing and farming community in the Breede River valley of the Western Cape province of South Africa. The town is in a scenic portion of the valley on the eastern flanks of the Du Toitskloof mountains.

The climate is hinterland (further from oceanic influences) mediterranean with cool, rainy winters and warm, dry summers. Due to its more inland location, winters can get frosty at times, with occasional heavy snowfalls on the surrounding high-ground. Summers are generally pleasant although some February and March days can reach 38°C or higher.

The area is known for the Breede Kloof Wine Route with its assortment of cellars and wine estates. The economy remains heavily reliant on serving the agricultural community, however tourism, in the form of weekend retreats, is becoming more important to the town's income. Rawsonville is located 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

### Touwsrivier

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touwsrivier. The name was given in reference to the town of Montagu, which lies about 90 kilometres to the south by road. In 1883 the station was renamed "Touwsrivier".

The town of Touwsrivier developed around the railway depot, at which locomotives were changed after the climb over the Hex River pass. It was particularly busy because of the need to bank trains over the pass; banking

## CHAPTER 1: MUNICIPAL OVERVIEW

locomotives were turned at Touwsrivier to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladysmith. The closing of the Ladysmith branch in 1981 and the opening of the Hex River tunnel in 1989 reduced the importance of Touwsrivier as a depot.

Touwsrivier received municipal government in 1962 and with the transformation of local government in South Africa it has been incorporated into the Breede Valley local municipality. It is in ward 1 of the local municipality, which in turn falls within the Cape Winelands district municipality.

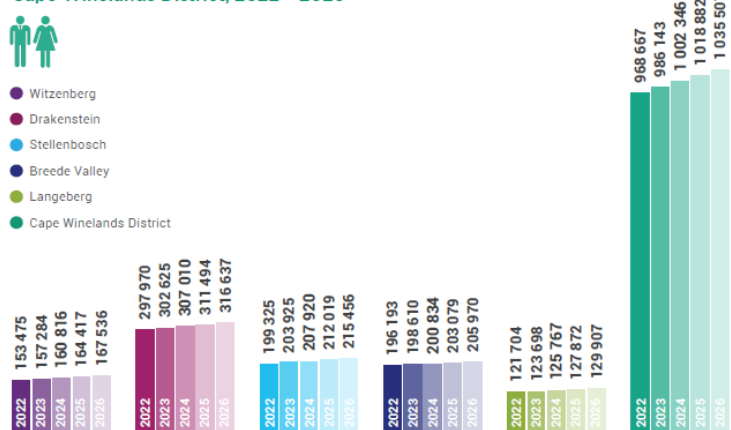
Touwsrivier is located at an altitude of 770 meters (2 530 ft.) on the southwestern edge of the Great Karoo, east of the Hex River mountains and north of the Langeberg, at the point where the Donkies River flows into the Touwsrivier. It lies just to the south of the N1 highway, 180 kilometres (110 miles) by road from Cape Town. The railway line passes through the town, with the yards and depot being located just to the northeast. By rail it is 257 kilometres (160 miles) from Cape Town.

### b) Population

Population size provides an indication of the volume of demand for government services in a geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Of the five local municipalities within the Cape Winelands District, it is estimated that Breede Valley has the third largest population (198 610 in 2023). This total is estimated to increase to 205 970 by 2026 which equates to a 1.2% annual average growth rate. The estimated population growth rate of Breede Valley is therefore lower than the estimated population growth of the Cape Winelands of 1.7%.

The adjacent table indicates the total population estimates within the Cape Winelands District according to the 2022/23 MERO, as populated by the Western Cape Provincial Treasury.

**FUTURE POPULATION GROWTH,  
Cape Winelands District, 2022 - 2026**



Source: Western Cape Government PPU, 2022. Provincial, district and local municipal area population estimates by sex and age (2002 to 2037) based on Stats SA MYPE series 2021 and 2022

Figure 3: CWD Future Population Growth

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### c) Households

As per Provincial Treasury's 2021 MERO, the total number of households within the municipal area is estimated at 49 894 (2023). It is imperative to note that this estimated figure is based on research and forecasts conducted by Quantec Research.

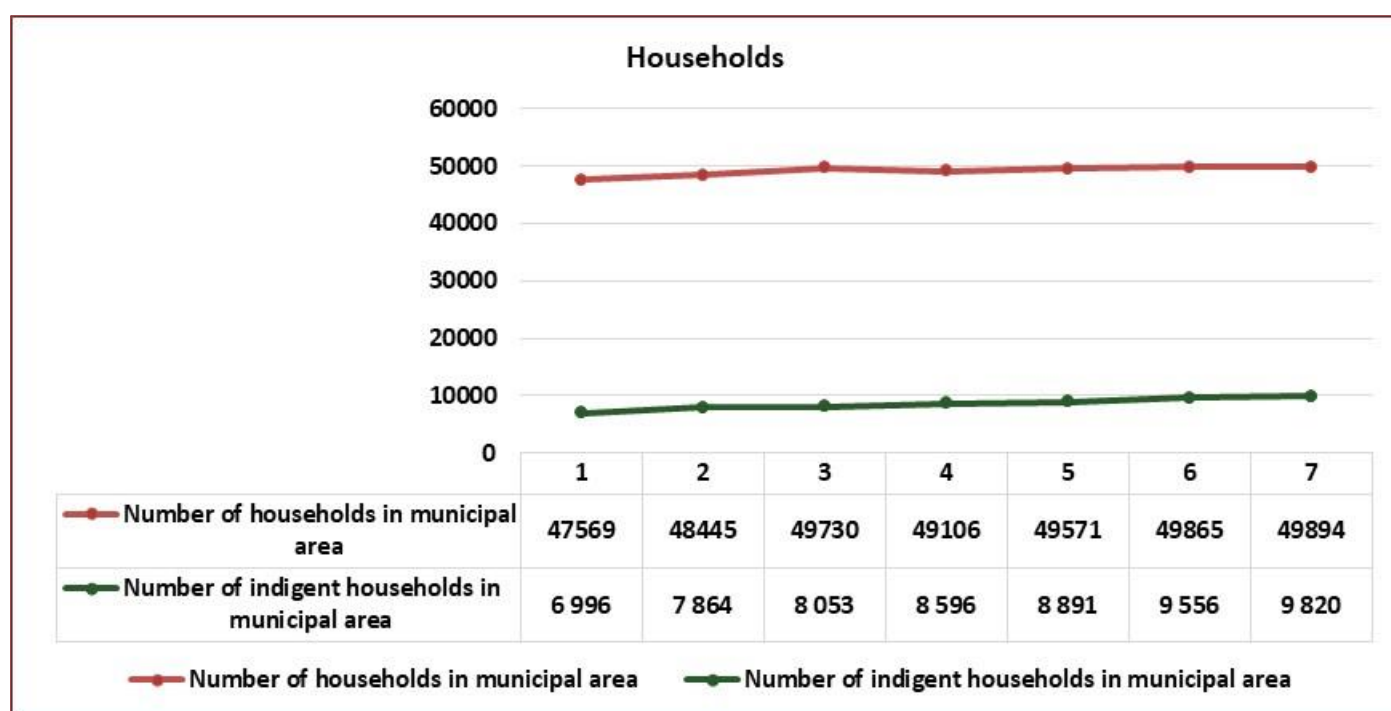
The table below indicates the households and indigent households in the municipal area for various financial years:

Households	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of households in municipal area	47 569*	48 445 <sup>#</sup>	49 730 <sup>#</sup>	49 106 <sup>#</sup>	49 571 <sup>#</sup>	49 865 <sup>#</sup>	49 894 <sup>#</sup>	50 709 <sup>#</sup>
Number of indigent households in municipal area	6 996	7 864	8 053	8 596	8 891	9 556	9 820	7 999

\*Source: 2016 StatsSA Community Survey  
#Source: Municipal Economic Review & Outlook compiled by Provincial Treasury

Table: 2 Total number of households

The graph below shows that the total number of indigent households grew from 6 996 in the 2015/16 to 7 999 in the 2022/23 financial year



Graph 1: Indigent household representation within the municipal area



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### d) Key economic sectors and employment by industry

The table below indicates the Gross Domestic Product per Region (GDPR) contribution of each CWD municipal area in 2020, the average growth rates between 2016 and 2020, and the forecasted (denoted as “f” in the table) GDPR growth in 2023. The information has been derived from the 2022/23 MERO:

Municipality	R billion value 2020	Contribution to GDPR (%) 2020	Trend 2016 – 2020 (%)	GDPR growth (%) 2023
Witzenberg	R10.4	13.5%	1.3%	2.7%
Drakenstein	R25.2	32.9%	-0.5%	0.4%
Stellenbosch	R18.6	24.3%	-0.7%	0.2%
Breede Valley	R14.7	19.1%	-0.1%	0.8%
Langeberg	R7.8	10.2%	0.0%	0.8%
<i>Total Cape Winelands District</i>	<i>R76.7</i>	<i>100.0%</i>	<i>-0.2%</i>	<i>0.8%</i>
<b>Western Cape Province</b>	<b>R691.0</b>	<b>-</b>	<b>0.4%</b>	<b>0.3%</b>

Table: 3 Cape Winelands District GDPR contribution and average growth rates per municipal area, 2019

BVM achieved a negative economic growth rate of -0.1%, marginally below the average growth rate of -0.2% recorded in the Cape Winelands District over the period 2016 to 2020. In addition, the Municipality contributed an approximate amount of R14.7 billion to the Gross Domestic Product (GDP) of the Cape Winelands District (CWD) which represents a 19.1% contribution to the GDP (the third largest within the district). In 2023, GDP growth within the area, is forecasted at 0.8%.

#### GDPR PERFORMANCE PER SECTOR, Breede Valley

SECTOR	Trend		Annual real GDPR growth		
	2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS</b> Primary Sector	2.2%	0.7%	-11.3%	13.1%	7.6%
Agriculture, forestry & fishing	2.2%	0.7%	-11.4%	13.2%	7.9%
Mining & quarrying	2.2%	1.5%	-1.2%	6.9%	-14.1%
<b>SS</b> Secondary Sector	-0.6%	-2.7%	-1.2%	-13.4%	5.0%
Manufacturing	-0.4%	-1.8%	-0.4%	-11.6%	7.5%
Electricity, gas & water	-3.8%	-4.6%	-4.6%	-9.4%	1.1%
Construction	0.0%	-4.5%	-2.7%	-19.6%	-1.5%
<b>TS</b> Tertiary Sector	2.0%	0.6%	1.5%	-5.3%	5.1%
Wholesale & retail trade, catering & accommodation	0.9%	-1.8%	0.7%	-14.5%	7.8%
Transport, storage & communication	0.1%	-2.8%	-1.3%	-17.8%	5.0%
Finance, insurance, real estate & business services	4.8%	4.3%	3.9%	2.4%	5.7%
General government	0.6%	-0.3%	-0.1%	-1.1%	-2.5%
Community, social & personal services	0.5%	-0.4%	0.7%	-2.8%	6.6%
<b>Total Breede Valley</b>	<b>1.4%</b>	<b>-0.1%</b>	<b>-0.4%</b>	<b>-5.1%</b>	<b>5.4%</b>

Source: Quantec Research, 2022 (e denotes estimate)

Figure 4: Breede Valley GDPR contribution, 2020 (%)


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Between 2016 - 2020, the primary sector experienced an annual average growth rate of 0.7%, which was largely driven by the positive average annual growth rates of the agriculture (0.7%) and mining (1.5%) sectors. Traditionally, the tertiary sector serves as the leading contributing sector to BVM's annual GDP, however, the impact of the Covid-19 pandemic in 2020 had an adverse impact on the sector's annual average growth rate.

Between 2016 – 2020, the secondary sector recorded a negative annual average growth rate of 2.7%, predominantly driven by negative economic growth within the electricity, gas and water- as well as the construction sub-sectors.

Future forecasts depict positive economic growth in most of the sectors, particularly those that significantly contribute to GDP growth within the locality. As a result, future annual average GDP growth trends are anticipated to depict a growth trajectory, informed by the economy's ability and pace of accelerating post-Covid economic recovery.

**EMPLOYMENT PERFORMANCE PER SECTOR, Breede Valley**

SECTOR		Number of jobs 2020	Average annual change		Annual change in employment		
			2011 – 2020	2016 – 2020	2019	2020	2021e
<b>PS Primary Sector</b>		<b>18 357 (23.4%)</b>	<b>-59</b>	<b>-963</b>	<b>-362</b>	<b>-1 782</b>	<b>-631</b>
Agriculture, forestry & fishing		18 327 (23.3%)	-58	-961	-360	-1 778	-630
Mining & quarrying		30 (0.0%)	-1	-2	-2	-4	-1
<b>SS Secondary Sector</b>		<b>9 558 (12.2%)</b>	<b>120</b>	<b>-43</b>	<b>-122</b>	<b>-818</b>	<b>-442</b>
Manufacturing		5 621 (7.2%)	-4	-52	53	-440	-231
Electricity, gas & water		167 (0.2%)	-1	-4	-2	-10	-6
Construction		3 770 (4.8%)	125	12	-173	-368	-205
<b>TS Tertiary Sector</b>		<b>50 601 (64.4%)</b>	<b>889</b>	<b>125</b>	<b>678</b>	<b>-4 151</b>	<b>-1 168</b>
Wholesale & retail trade, catering & accommodation		16 265 (20.7%)	288	12	342	-2 102	-839
Transport, storage & communication		2 825 (3.6%)	53	-48	77	-383	-274
Finance, insurance, real estate & business services		13 667 (17.4%)	471	364	372	-317	-122
General government		3 469 (4.4%)	15	-17	-15	-81	13
Community, social & personal services		14 375 (18.3%)	62	-186	-98	-1 268	54
<b>Total Breede Valley</b>		<b>78 516 (100.0%)</b>	<b>950</b>	<b>-881</b>	<b>194</b>	<b>-6 751</b>	<b>-2 241</b>

Source: Quantec Research, 2022 (e denotes estimate)

Figure 5: Breede Valley employment contribution, 2020 (%)

BVM's employment reached a total of 78 516 jobs in 2020. The tertiary sector remained the largest contributor of jobs within the locality (50 601 workers), followed by the primary sector (18 357 workers) and the secondary sector (9 558 workers). The agriculture sector yielded the highest number of workers (18 327), followed by the trade sector (16 265) and the community sector (14 375).

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The average annual change between 2016 and 2020 depicts a contraction in jobs, with a loss of 881 jobs annually. The sector with the most job-shedding per year was the agricultural sector, with 961 jobs lost per year.

It is estimated that a further 2 241 jobs were lost in 2021, with 839 jobs in the trade sector and 630 in the agriculture sector. The two sectors estimated to have created additional jobs in the locality are the community sector (54 jobs) and the general government sector (13 jobs).

Key contributing factors to job shedding in the locality, are the water drought experienced in the Western Cape between 2015 – 2017, the national energy crisis and stagnant national economic growth and development, exacerbated by the Covid-19 pandemic. The anticipated addition of jobs within the community- and general government sectors are prevalent, as these sectors were more resistant to the aforementioned factors. During the Covid-19 pandemic, jobs within the aforementioned sectors remained relevant and in demand, particularly as these workers served on the frontline of the pandemic and could (without significant organisational disruptions to productivity) institute work-from-home measures.

Sector	GDPR			Employment		
	R million value 2020	Trend 2016 - 2020	Real GDPR Growth 2021e	Number of jobs 2020	Average Annual Change 2016 - 2020	Employment (net change) 2021e
<b>Primary Sector</b>	<b>R1 577.2 (10.75%)</b>	<b>0.7%</b>	<b>7.6%</b>	<b>18 357</b>	<b>-963</b>	<b>-631</b>
Agriculture, forestry and fishing	R1 543.8 (10.52%)	0.7%	7.9%	18 327	-961	-630
Mining and quarrying	R33.4 (0.23%)	1.5%	-14.1%	30	-2	-1
<b>Secondary Sector</b>	<b>R2 777.8 (18.93%)</b>	<b>-2.7%</b>	<b>5.0%</b>	<b>9 558</b>	<b>-43</b>	<b>-442</b>
Manufacturing	R1 967.8 (13.41%)	-1.8%	7.5%	5 621	52	-231
Electricity, gas and water	R234.1 (1.60%)	-4.6%	1.1%	167	-4	-6
Construction	R575.9 (3.92%)	-4.5%	-1.5%	3 770	12	-205
<b>Tertiary Sector</b>	<b>R10 321.4 (70.33%)</b>	<b>0.6%</b>	<b>5.1%</b>	<b>50 601</b>	<b>125</b>	<b>-1 168</b>
Wholesale and retail trade, catering and accommodation	R2 328.6 (15.87%)	-1.8%	7.8%	16 265	12	-839
Transport, storage and communication	R1 085.3 (7.39%)	-2.8%	5.0%	2 825	-48	-274
Finance, insurance, real estate and business services	R3 857.8 (26.3%)	4.3%	5.7%	13 667	364	-122
General government	R1 366.0 (9.31%)	-0.3%	-2.5%	3 469	-17	13

## CHAPTER 1: MUNICIPAL OVERVIEW

Sector	GDPR			Employment		
	R million value 2020	Trend 2016 - 2020	Real GDPR Growth 2021e	Number of jobs 2020	Average Annual Change 2016 - 2020	Employment (net change) 2021e
Community, social and personal services	R1 683.7 (11.47%)	-0.4%	6.6%	14 375	-186	-54
<b>Total Breede Valley</b>	<b>R14 676.4 (100.0%)</b>	<b>-0.1%</b>	<b>5.4%</b>	<b>78 516</b>	<b>-881</b>	<b>-2 241</b>
Source: Quantec Research, 2021 (e denotes estimate)						

Table: 4 Breede Valley GDPR and employment performance per sector, 2020

The finance sector is the leading contributor to the Breede Valley municipal area's economy. In 2020, this sector accounted for 26.3% of the region's total GDPR, followed by the trade sector (15.87%). Another significant contributor to GDPR in the region was the manufacturing sector, which contributed 13.41% to GDPR in 2020.

The agriculture sector accounts for the majority of jobs in the Breede Valley municipal region. Despite contributing only 10.52% to GDPR in the region in 2020, the sector employed 23.34% of the region's total workforce, highlighting the sector's labour-intensive character. The manufacturing sector, which is the third-largest contributor to GDPR, accounted for only 7.16% of employment, representing the manufacturing sector's capital-intensive nature. The trade sector is another major contributor to the Breede Valley municipal area's employment (20.72%)

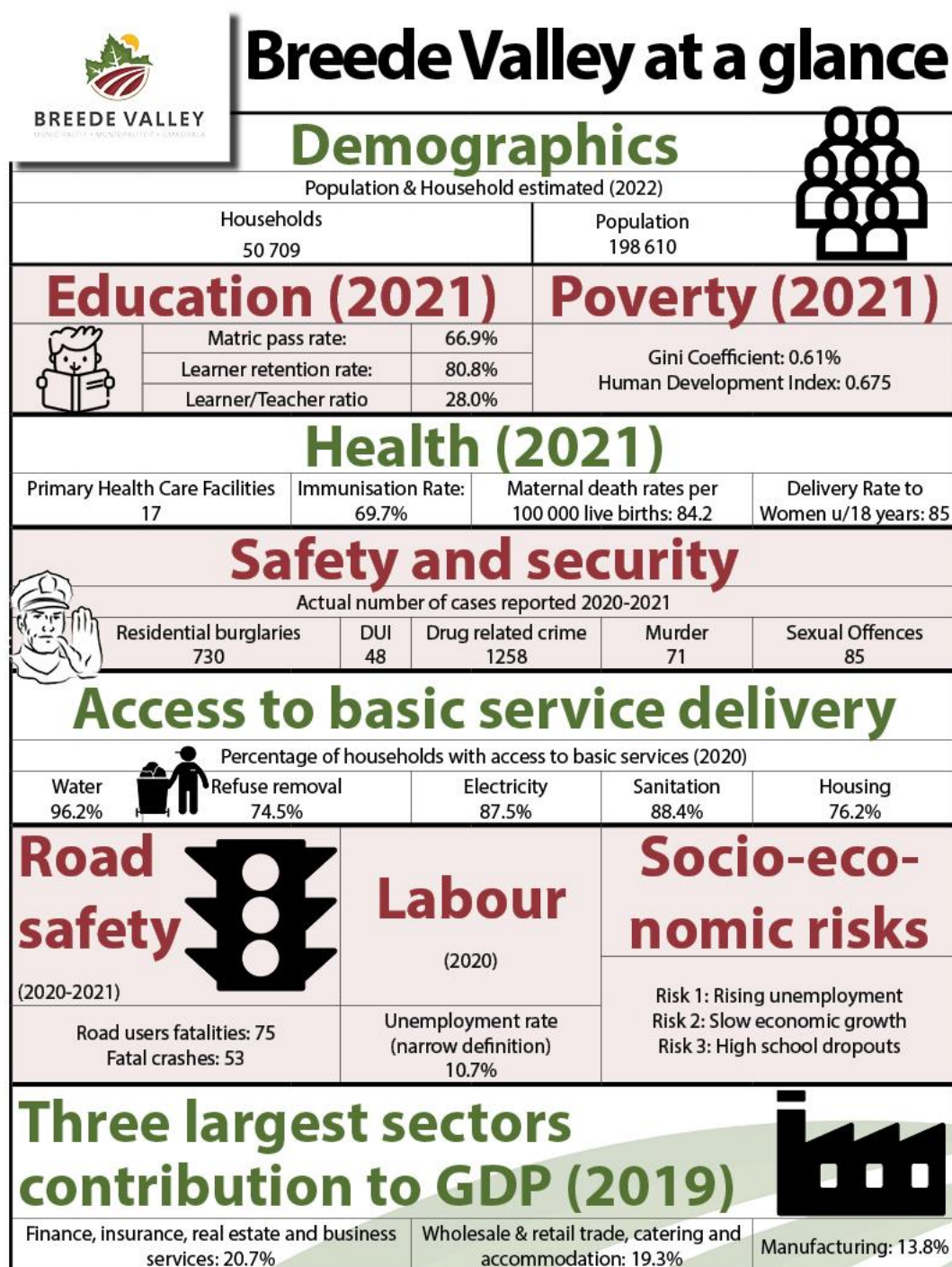


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### 1.2.2 Socio economic information

#### a) Socio economic profile

The figure below indicates the socio-economic profile of BVM:



Socio-Economic Profile: Breede Valley Municipality. Compiled by WC Provincial Treasury

Graphic by BVM Communication

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.2.3 Municipal challenges

The following general challenges are experienced by the Municipality:

Challenges	Actions to address
Skill shortages and high staff turnover	Implement staff retention strategy & prioritise the filling of staff vacancies in accordance with the Recruitment and Selection Policy, financial resources and best practices
Limited budget for maintenance or replacement of ageing infrastructure	Design, implement, monitor and review revenue enhancement strategies. In addition, critical maintenance works (specifically relating to basic service infrastructure) must be adequately prioritised and budgeted for. The maintenance schedules should, in turn, be diligently implemented and closely monitored
Poverty and increasing indigent households	Enhance the free basic services provisioning in the annual budget. It is critical that municipal initiatives, linked to the creation of an enabling environment for economic growth and development, are duly resourced and supported in order to address the poverty landscape within the locality
Limited capital reserves	Continuously review and implement revenue enhancement action plans
Proliferation of informal settlements	Implement formalisation of informal settlement plans
High crime levels	A collective drive is required to ensure that the objective depicted in BVM's Safety Plan is duly realised. Resources that commensurate with these objectives, must be availed to progress towards safer communities. This challenge is not a municipal mandate solely but requires a multi-sectoral/disciplinary collaborative approach as crime affects all facets of society. To play its part in this cause, BVM must ensure that initiatives reliant on multi-sectoral collaboration, are duly facilitated and brought under the attention of the applicable role-players. Ultimately, the Municipality envisages to, in collaboration with key governmental, private and non-governmental partners, address the ever-growing challenge of crime in order to enhance societal well-being
Continuous rolling-blackouts (load shedding)	Investigate and implement solutions to mitigate the effect of continuous load shedding over the short- to long term. This includes (amongst others): <ul style="list-style-type: none"> <li>Fast-tracking the procurement of alternative electrical supply infrastructure (e.g. inverters, batteries and/or generators) to underpin business continuity during periods of load shedding;</li> <li>investigating alternative energy generation capabilities such as the construction of a solar PV plant and hydro-electrical generation to reduce complete reliance on the national grid; and</li> </ul>

## CHAPTER 1: MUNICIPAL OVERVIEW

Challenges	Actions to address
	<ul style="list-style-type: none"> <li>due consideration of applications submitted in terms of the Small-scale Embedded Generation Policy and Guidelines to encourage the use of renewable energy in the energy resources mix of the Breede Valley Municipality</li> </ul>

Table: 5 Municipal challenges

### 1.3 SERVICE DELIVERY OVERVIEW

#### 1.3.1 Basic service delivery highlights

The following highlights were achieved by the Municipality with regards to basic service delivery:

Highlights	Description
Wastewater Treatment Works and sewer infrastructure upgrades/augmentation	R56.9 million has been spent on upgrading/augmenting the municipal sewer network and wastewater treatment works in hotspot areas, such as the extension of the Rawsonville WWTW and refurbishment of the De Nova sewer pipeline, construction of the Kwinana Street bypass sewer, and upgrading various pump stations
Refurbishment of critical electrical substations	R16.1 million has been spent on the refurbishment of electrical substations throughout the municipal area. This investment seeks to enhance the electrical supply within the locality and may attract future investment to the locality
Water treatment, storage and network infrastructure upgrades	R40 million towards upgrading/augmenting water networks (pipe-cracking) and storage infrastructure (pre-load reservoirs)
Continuous investment into the municipal road network and associated infrastructure	R45.6 million towards road infrastructure projects, including the reseal of pre-identified tarred roads, upgrading of pre-identified gravel roads as well as the construction of a traffic circle at the High- and Louis Lange Street intersection
Implementation of a routine pothole repair programme	Council adopted a pothole repair programme which was approved and implemented during the 2022/23 financial year. This ensures that potholes are routinely repaired across all suburbs within BVM
Implementation of a proactive stormwater maintenance programme	Council adopted a stormwater maintenance programme which was approved and implemented during the 2022/23 financial year. This ensures that stormwater infrastructure is routinely cleaned
Improvement of various intersections to effectively convey stormwater	The ponding of stormwater was observed at various intersections. Where improvements such as the construction of concrete channels, installation of additional stormwater inlets and adjustments to the road profile yielded satisfactory in the conveyance of stormwater away from intersections

Table: 6 Basic services delivery highlights

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.3.2 Basic service delivery challenges

The following general challenges are experienced by the Municipality with regards to basic service delivery:

Service Area All Wards	Challenge	Actions to address
Water Supply	High stages of load shedding adversely impacting water- and wastewater treatment processes	<ul style="list-style-type: none"> <li>Procuring emergency generators and solar energy solutions, coupled with continuous manual booster chlorination and disinfection with sodium hypochlorite chips via chip feeders that are not dependent on electrical supply</li> </ul>
	Vandalism of critical infrastructure	<ul style="list-style-type: none"> <li>Secure funding to safeguard assets and investigate the use of alternative material to deter vandals</li> </ul>
Sanitation	Vandalism of critical infrastructure	<ul style="list-style-type: none"> <li>Secure funding to safeguard assets and investigate the use of alternative material to deter vandals (e.g. alternative manhole covers)</li> </ul>
	Frequent sewerage network blockages and sewage spills	<ul style="list-style-type: none"> <li>Continuous prioritisation and implementation of the recommendations contained in the Sewer and Water Reticulation Study</li> </ul>
Roads	High volumes of pipe breaks	<ul style="list-style-type: none"> <li>An increase in sporadic pipe bursts which causes damage to road infrastructure was observed. These road repairs are prioritised, however, this causes a backlog in other-related services</li> </ul>
	Inadequate resources for effective maintenance	<ul style="list-style-type: none"> <li>Reprioritization of available resources and funding, and the utilisation of external service providers, to provide effective maintenance according to norms and standards</li> </ul>
Solid Waste	High frequency of illegal dumping and littering	<ul style="list-style-type: none"> <li>Promote frequent area cleaning campaigns, inclusive of an annual waste summit. Coupled to this, civil society will be encouraged to continuously participate in recycling initiatives</li> </ul>
	Vandalism and theft of critical service infrastructure and assets	<ul style="list-style-type: none"> <li>Prioritise and institute law enforcement actions and awareness campaigns to ensure that vandals are appropriately convicted/fined, and that citizens remain aware</li> </ul>



## CHAPTER 1: MUNICIPAL OVERVIEW

Service Area All Wards	Challenge	Actions to address
		of their role in reporting such occurrences. In instances where alleged internal sabotage occurs, the immediate investigation hereof will be prioritised, and appropriate disciplinary actions enforced in instances of positive convictions
Electrical	Failure of aging infrastructure	<ul style="list-style-type: none"> <li>• Prioritise and continuously improve the electrical infrastructure that form part of the capital, maintenance program and electrical masterplan</li> </ul>
	Illegal, bypassed and tampered connections	<ul style="list-style-type: none"> <li>• Continuously apply the ongoing audits, inspections, and upgrade. Applying disconnections and fines</li> </ul>
	Increase in cable theft incidents	<ul style="list-style-type: none"> <li>• Replacement of underground cables with aluminium cables and ensure cables are protected within secure covers</li> </ul>

Table: 7 Basic service delivery challenges

### 1.3.3 Proportion of households with access to minimum level of basic services

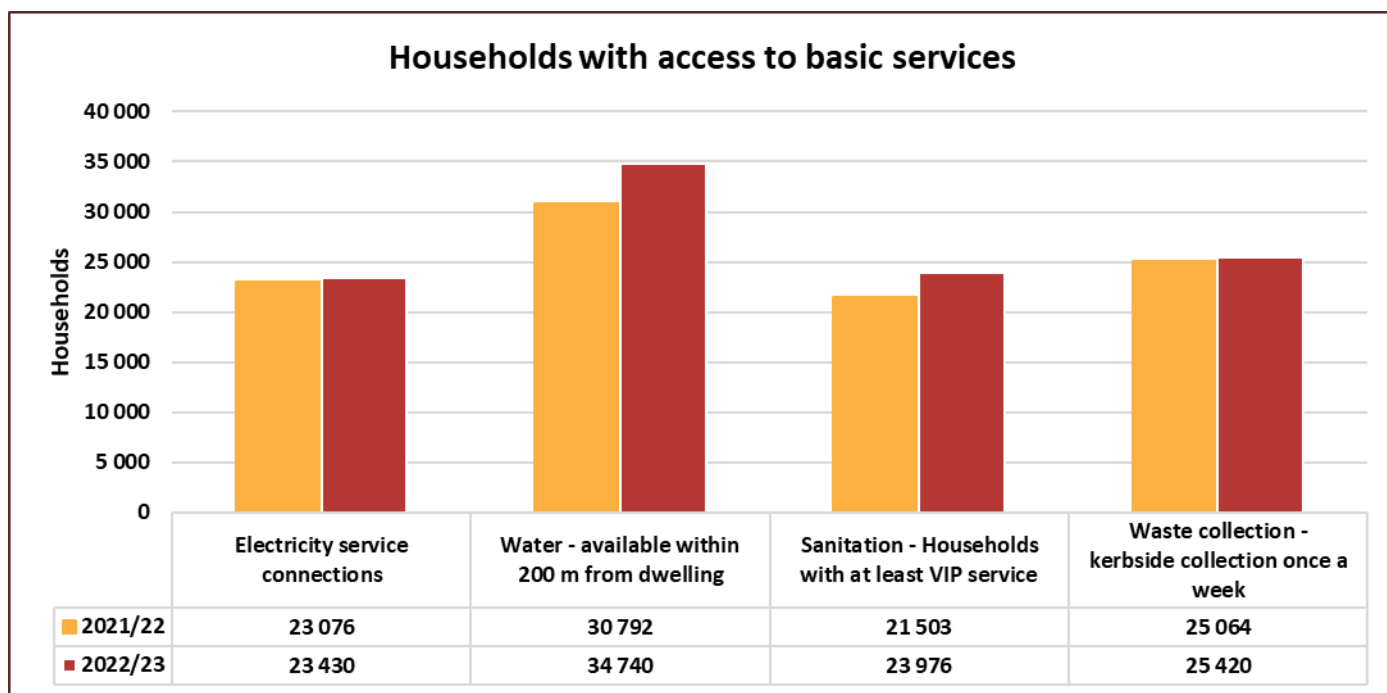
The table indicates the total number of households that have access to the minimum levels of basic services:

Level of services	2021/22#	2022/23
Electricity service connections	23 076	23 430
Water - available within 200 m from dwelling	30 792	34 740
Sanitation - Households with at least VIP service	21 503	23 976
Waste collection - kerbside collection once a week	25 064	25 420
<p>* Excludes Eskom households</p> <p># Data in line with SAMRAS and the database from the Department of Human Settlements: 2014 image count</p>		

Table: 8 Households with minimum level of basic services

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The graph shows the proportion of households with access to basic level of services:



Graph 2: Households with access to basic services

### 1.4 FINANCIAL HEALTH OVERVIEW

#### 1.4.1 Financial viability highlights

The following highlights were achieved by the Municipality regarding financial viability:

Highlight	Description
Improvement of debt collection rate despite adverse economic conditions	The Municipality has a fully functional credit control department that stringently applies credit control procedures in line with the approved Credit Control Policy. All of these measures resulted in an improved debt collection rate in the current year
Successful role out of indigent vetting system	During the financial year the Municipality successfully rolled out an indigent vetting system. The system assisted in minimising fraudulent indigent application. The indigent portfolio decreased from 10 000 to 7 999. This had a positive effect on the cashflow of the Municipality
Decrease of Water and Electricity losses	The Municipality successfully managed to decrease technical losses. This improvement positively affected the revenue of the Municipality

Table: 9 Financial viability highlights

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### 1.4.2 Financial viability challenges

The following general challenges are experienced by the Municipality with regards to financial viability:

Challenge	Action to address
Ensuring a funded budget despite the impact that inflation has on the price of goods and services	The Municipality has sound conservative approach. Budgeting of expenditure at only 90% of total anticipated revenues. Stringent budget control measures to ensure proper tariff setting
Impact of inflation on revenue generations	Stringent budget control measures to ensure tariffs set during budget is affordable
The impact of load shedding on service delivery and revenue generation	This remains a challenge. Funding to be made available for generators to minimise loss of service delivery which may impact on revenue generation

Table: 10 Financial viability challenges

### 1.4.3 National key performance indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the **national key performance indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the **national key performance area** namely **municipal financial viability and management**.

KPA and indicator	2021/22	2022/23	Comments
Debt coverage- [(Total operating revenue-operating grants received)/debt service payments due within the year]	30.06%	33.28%	The ratio measures the Municipality's ability to finance debt out of own funding. The ratio improved from 30.06% in 2021/22 to 33.28% in 2022/23 due to an increase in revenue
Service debtors to revenue- (Total outstanding service debtors/ revenue received for services)	13.40%	14.00%	The ratio slightly regressed from 13.40% in 2021/22 to 14.00% in 2022/23 due to a decrease in revenue received for services
Cost coverage- (Available cash+ investments) / Monthly fixed operating expenditure	2.02	1.71	The ratio measures the Municipality's ability to pay its short-term obligations. The ratio decreased from 2.02 in 2021/22 to 1.71 in 2022/23 due to an increase in the Municipality's monthly expenditures

Table: 11 National KPIs for financial viability and management

### 1.4.4 Financial overview

The table below shows the financial overview of the Municipality for the 2022/23 financial year:

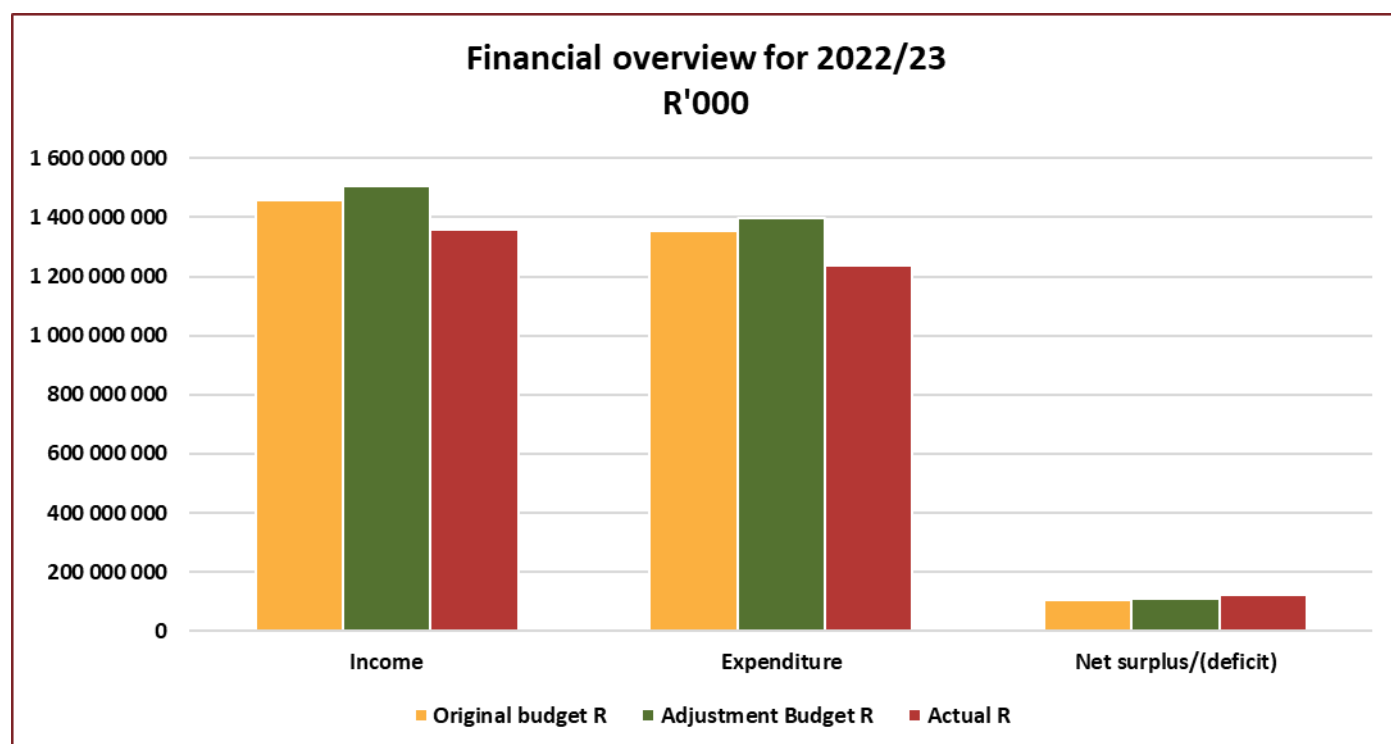
Details	Original Budget	Final Budget	Actual
	R		
<b>Income</b>	<b>1 460 611 100</b>	<b>1 507 402 615</b>	<b>1 357 524 038</b>
Grants	241 196 000	274 995 965	257 085 085
Taxes, levies and tariffs	761 566 000	772 334 090	717 458 249
Other	457 849 100	460 072 560	382 980 704

## CHAPTER 1: MUNICIPAL OVERVIEW

Details	Original Budget	Final Budget	Actual
	R		
<b>Less: Expenditure</b>	<b>1 355 751 405</b>	<b>1 396 919 668</b>	<b>1 236 610 237</b>
<b>Net surplus/(deficit)</b>	<b>104 859 695</b>	<b>110 482 947</b>	<b>120 913 801</b>

Table: 12 Financial overview

The graph below shows the financial overview for 2022/23:



Graph 3: Financial overview for 2022/23

### 1.4.5 Operating ratios

The following table contains the operating ratios for the 2022/23 financial year:

Detail	Expected norm	Actual	% Variance
	(%)		
Employee cost	35	30.87%	(4.13%)
Repairs and maintenance	8-12	6.40%	(1.6% – 5.6%)
Finance charges and depreciation	18	9.13%	(8.87%)

Table: 13 Operating ratios



## CHAPTER 1: MUNICIPAL OVERVIEW

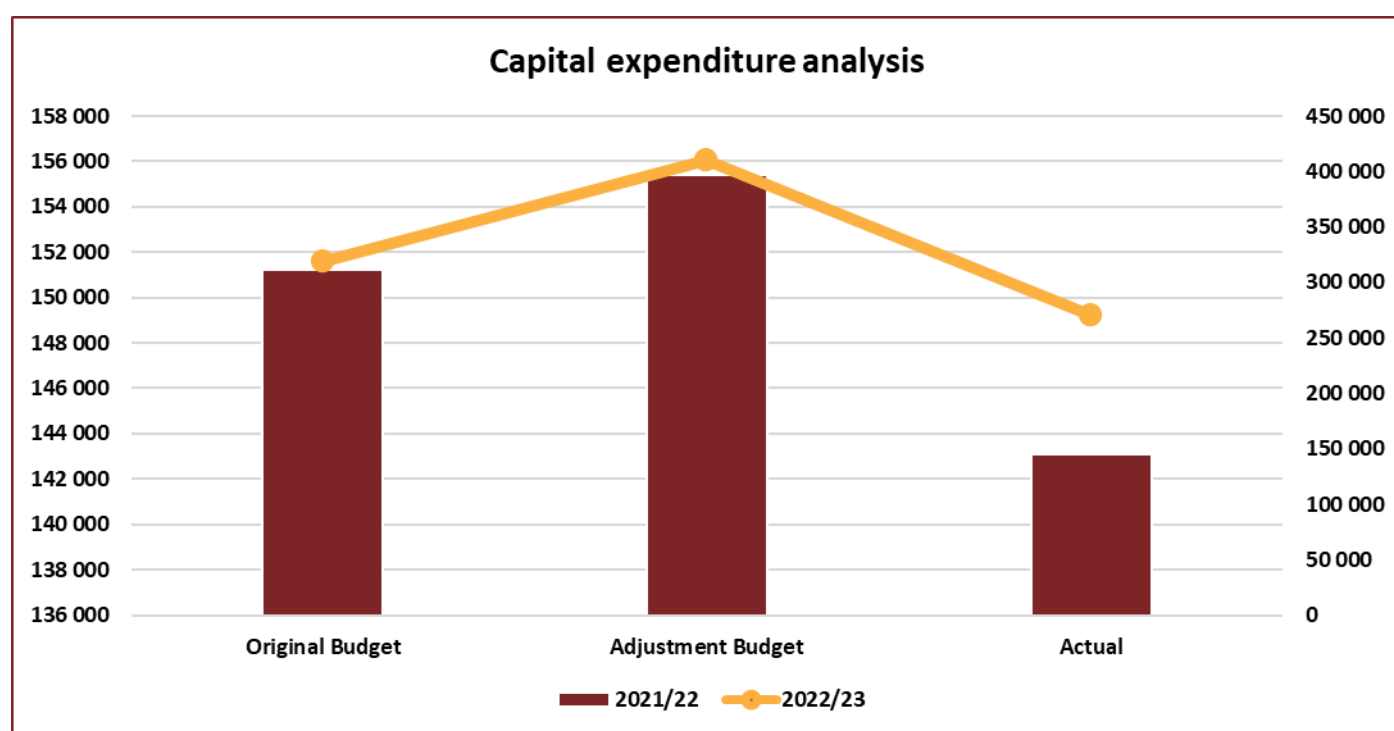
### 1.4.6 Total capital expenditure

The table below shows the total capital expenditure for the last two financial years:

Detail	2021/22	2022/23
	(R'000)	
Original budget	151 230	318 550
Adjustment budget	155 412	409 826
Actual	143 097	270 819

Table: 14 Total capital expenditure

The graph below shows the total capital expenditure for the last two financial years:



Graph 4: Total capital expenditure

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 Municipal Transformation and Organisational Development highlights

The following highlight was achieved by the Municipality regarding municipal transformation and organisational development:

Highlight	Description
Staff Establishment Review	Staff establishment was adopted by Council for review by the MEC
Human Resources Strategy – 5 Years Plan (2022-2027)	Human Resources Strategy in line with Integrated Development Plan was approved by Council
Human Resources Policies reviews	Human Resources Policies were approved by Council

## CHAPTER 1: MUNICIPAL OVERVIEW

Highlight	Description
Job Description Alignment	Aligned job descriptions with competencies of the Local Government: Municipal Staff Regulations (Regulation 890)
Skills Development and Employee Empowerment	Increase in the number of training interventions provided to employees

Table: 15 Municipal Transformation and Organisational Development highlights

### 1.5.2 Municipal Transformation and Organisational Development challenges

The following general challenges are experienced by the Municipality regarding municipal transformation and organisational development:

Challenge	Actions to address
Recruitment & Selection	Development of methods to attract and retain scarce and critical skills in line with the Scarce Skills Policy of Council
Maintenance of Labour Relations	Provide in-house training to line management on a continuous basis
Contradiction between TASK Outcomes and Competency Frameworks	SALGA will liaise with COGTA to discuss the implications of the implementation of the minimum requirements in the Municipal Staff Regulations for posts in municipalities

Table: 16 Municipal Transformation and Organisational Development challenges

### 1.5.3 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

In order to assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, developed the unit standards accredited by South African Qualification Authority (SAQA).

BVM is committed to ensure that the relevant positions in terms of the abovementioned legislation comply with the necessary competencies.

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The table below provides details of the financial competency attainment levels amongst financial and supply chain management officials as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial officials</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers S57	3	3	3	3
Any other financial officials	3	3	N/A	3
<b>Supply chain management officials</b>				
Heads of supply chain management units	1	1	N/A	1
Senior Manager: SCM	1	1	N/A	1
<b>TOTAL</b>				

Table: 17 Financial competency development: Progress report

### 1.6 AUDITOR-GENERAL REPORT

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **Unqualified audit without findings:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation. This is commonly referred to as a "clean audit" outcome.

## CHAPTER 1: MUNICIPAL OVERVIEW

- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

BVM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

The key control exercise, which is a quarterly assessment initially implemented by the Auditor-General to monitor performance of the municipality, was performed in-house by the Internal Audit team of BVM for the 2022/23 financial year. The findings of the quarterly assessment, together with the audit findings of the previous year, a complete compliance list and the emerging risks identified by the Auditor-General and top ten risks of each directorate were included in the MGRO document to ensure good governance. Progress is being followed up on a continuous basis. MGRO has been included on the dashboard of the Municipal Manager and action plans are monitored on a regular basis.

### 1.6.1 Audited outcomes

The table below illustrates the audit outcomes for the past six years for BVM:

Year	2016/17	2017/18	2018/19	2020/21	2021/22	2022/23
Status	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)	Unqualified audit with findings	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)

Table: 18 Audit outcomes



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### 1.7 IDP, BUDGET AND PMS PROCESS

Below is a summary of key activities that took place throughout the 2022/23 financial year in terms of the IDP, Budget and PMS process:

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
<b>ANALYSIS PHASE</b>				
<b>JULY 2022</b>	Preparation of the draft 2023/24 IDP/Budget/Performance Management Process Plan (hereafter referred to as the Process Plan) for implementation in the 2022/23 financial period		MFMA S21(1)(b)	Executive Management/BVM Management/IDP & PMS Unit
	Executive/Senior Management to discuss & provide input on the draft Process Plan & to ensure internal alignment			Executive Management/BVM Management/IDP & PMS Unit
	Engagement with the District Municipality to ensure alignment of the draft Process Plan, followed by the submission thereof to the Provincial Government and District Municipality			PGWC/CWDM/IDP & PMS Unit
	Address provincial IDP Assessment findings (subject to the receipt of correspondence from the Provincial DLG)		MSA S31	DLG/Executive Management/BVM Management/IDP & PMS Unit
	Executive Mayor initiates planning for next three-year budget cycle in accordance with co-ordination role of budget process and review of previous year's budgeting process		MFMA S53	Executive Mayor/Executive Management
	Accounting Officer, Executive Management and Senior Management of municipality review options and contracts for service delivery		MSA S76-81	Executive Management/BVM Management
	Approve and announce new budget schedule and set up committees and forums after consultation on performance and changing needs			Executive Management
	Submission of 2021/22 Q4 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of Q4 SDBIP Performance Report (for last quarter of 2021/22) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	Finalisation of S57 Performance Agreements & submission to the Executive Mayor & Municipal Manager for approval by no later than 31 July 2022 (subject to not being concluded during June)		MFMA S69; MSA S57	Executive Mayor/Executive Management/IDP & PMS Unit
	Tabling the approved SDBIP & S57 Performance Agreements in Council for notification purposes			Council/Executive Management/IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Commence with the preparation/review of Sector Plans for consideration/incorporation in the 2023/24 IDP & Budget			Executive Management/BVM Management
	Preparation of the 2021/22 draft Annual Financial Statements & collation of user input into the 2021/22 draft Annual Report & Annual Performance Report		MFMA S126(1)(a); MSA S46	Executive Management/BVM Management/IDP & PMS Unit
<b>AUGUST 2022</b>	Roll-Over Budget tabled to Council	Aug 2022	MFMA S28(2)(e), MBRR 23(5)	CFO/Budget & Costing Unit
	Executive Mayor tables the Time Schedule in Council	Aug 2022	MFMA S21,22, 23 MSA S34	Council/IDP & PMS Unit
	Submit approved Time Schedule to National Treasury, Provincial Treasury, Department of Local Government and the Cape Winelands District Municipality	Aug 2022		IDP & PMS Unit
	Publication of the approved Time Schedule in order to meet AG audit requirements			IDP & PMS Unit
	Review comments received from DLG (where applicable) on the 2022/23 IDP document (5 <sup>th</sup> Generation IDP 2022 – 2027)			IDP Steering Committee/IDP/PMS unit
	Self-assessment to identify gaps in the IDP process			IDP Steering Committee / IDP/PMS unit
	Review situational analysis to identify changing community needs and challenges			IDP Steering Committee / IDP/PMS unit
	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			IDP Steering Committee / IDP/PMS unit
	Accounting Officer submits final draft Annual Financial Statements and Annual Performance Report (pertaining to the 2021/22 financial period respectively) to the Auditor-General by 31 August 2022	Aug 2022	MFMA S126(1)(a); MSA S46	Accounting Officer/CFO/Director Strategic Support Services
<b>SEPTEMBER 2022</b>	Continue with the compilation of new- or the review of existing Sector Plans for consideration and incorporation into the 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP			Executive Management/BVM Management/IDP & PMS Unit
	Commence with the compilation/review of ward-based plans to identify ward priorities			Community Development Unit/ IDP & PMS Unit
	Review and prepare the Vision, Mission and Objectives linked to the 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP			Executive Management/IDP & PMS Unit
	Review of provincial and national government sector and strategic plans		MFMA S35, 36, MTBPS	IDP & PMS Unit
	Consider provincial and national sector specific programmes (schools, libraries, clinics, water, electricity, roads, etc.) for preliminary alignment/inclusion 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP		MFMA S35, 36, MTBPS	IDP & PMS Unit

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Audit of performance measures			AG
	Assess municipal performance and identify where changes are needed for next 3 years (incorporate community inputs)			Executive Management/IDP & PMS Unit
	Review the municipality's performance management system (PMS)		MPPR Reg. 14	Internal Audit/IDP & PMS Unit
	Review the measures and annual performance targets (as and when recommended by the AG)			IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for consideration in the 2022/23 Q1 SDBIP Performance Report			IDP & PMS Unit
<b>STRATEGIES PHASE</b>				
<b>OCTOBER 2022</b>	Integration of information from reviewed provincial and national sector plans into the 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP			IDP & PMS Unit
	Update and review the strategic elements of the IDP			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Discuss potential price increases of bulk resources with sector departments		MFMA S35, 36, 42; MTBPS	Accounting Officer/CFO
	Determine revenue projections and proposed rates and service charges	Oct 2022		CFO/Budget Steering Committee/Budget & Costing Unit
	Drafts initial allocations to functions and departments for the next financial year based on strategic objectives	Oct 2022		CFO/Budget & Costing Unit
	Engagement with sector departments, share and evaluate plans, national policies, MTBPS			CFO/Financial Planning Unit
	Incorporate initial changes into IDP			IDP & PMS Unit
	Submission of 2022/23 Q1 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of the unaudited Q1 SDBIP Performance Report (for first quarter of 2022/23) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	S57 Managers' informal quarterly performance assessments (for first quarter of 2022/23)			Executive Management/BVM Management/IDP & PMS Unit
	Commence with 1st round public participation sessions throughout all wards			Executive Management/BVM Management/IDP & PMS Unit
<b>PROJECTS PHASE</b>				

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
NOVEMBER 2022	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			Executive Management/IDP & PMS Unit
	Identification of priority IDP projects based on stakeholder inputs			Executive Management/IDP & PMS Unit
	Reviews and initial changes are drafted into IDP		MSA S34	IDP & PMS Unit
	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements	Nov 2022		Executive Management/Budget Steering Committee
	Identify new CAPEX/OPEX projects and programmes emanating from IDP & Budget engagements	Nov 2022		Executive Management/IDP Steering Committee/Budget & Costing Unit/IDP & PMS Unit
	Auditor-General provides audit report by 30 November 2022		MFMA S126(4)	AG/Accounting Officer
	Review performance of service providers as per the approved policy			Executive Management/BVM Management
	S57 Managers' formal quarterly performance assessments (for fourth quarter and as at year-end of 2021/22)			Executive Mayor/Portfolio Councillors/Executive Management/IDP & PMS Unit
	Continuation of 1 <sup>st</sup> round public participation sessions throughout all wards			Executive Management/BVM Management/IDP & PMS Unit
DECEMBER 2022	Mayor tables the draft 2021/22 Annual Report in Council (last week of November or first week of December)		MFMA S127(2)	Executive Mayor/Accounting Officer/IDP & PMS Unit
	The draft 2021/22 Annual Report is referred to MPAC for commencement of the oversight process		MFMA S129	Enterprise Risk Management Unit/ IDP & PMS Unit
	Submit the draft 2021/22 Annual Report to National Government, Provincial Government & the AG) and publish it on local media platforms, calling for community inputs/representations thereon		MFMA S127 & MSA S21a	IDP & PMS Unit
	Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets			Executive Management/BVM Management
	Project alignment between CWDM and BVM			IDP & PMS Unit
	Review & refinement of priority IDP projects			IDP & PMS Unit
	Council finalises tariff policies for next financial year		MSA S74, 75	Executive Mayor/CFO

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Inputs from Departments for Adjustments Budget	Dec 2022		Executive Management/Budget Steering Committee/Budget & Costing Unit
	Commence with preparations pertaining to the 2022/23 mid-year performance review and S57 Managers' performance assessment			IDP & PMS Unit
	Review and respond to recommendations contained in LG-MTEC reports and IDP (2022/23) Analysis Reports	Dec 2022		IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for consideration in the 2022/23 Q2 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit
<b>JANUARY 2023</b>	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets in strategic planning session with senior management			IDP & PMS Unit
	Review & refinement of priority IDP projects			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Submission of 2022/23 Q2 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of the unaudited Q2 SDBIP & Financial Performance Report – Section 72 (for second quarter of 2022/23) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Accounting Officer/CFO/Director Strategic Support Services/Financial Planning Unit/IDP & PMS Unit
	Table the final 2021/22 Annual Report & Oversight Report in Council, for Council's consideration & adoption/approval (subject to this activity not been completed in December 2022)		MFMA S121, S127 & S129	IDP & PMS Unit
	Council considers the 2021/22 Oversight Report and adopts/approves the 2021/22 Annual Report (subject to this activity not been completed in December 2022)			Council/IDP & PMS Unit
	Publicise the final 2021/22 Annual & Oversight Report and submit it to the National (NT) and Provincial (PT & DLG) Government as well as the AG (subject to this activity not been completed in December 2022)		MFMA S127, 129 & 132; MSA S21A	IDP & PMS Unit
<b>FEBRUARY 2023</b>	Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			IDP & PMS Unit
	Continuous identification/review of priority IDP projects			Executive Management / BVM Management / IDP & PMS Unit



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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Assess the municipality's service delivery performance and the service delivery targets and performance indicators set in the 2022/23 TL SDBIP, amend if necessary, and submit to Council for consideration and approval			Executive Management/BVM Management/ IDP & PMS Unit
	Subject to Council's approval, submit the amended 2022/23 TL SDBIP to NT, PT and DLG			IDP & PMS Unit
	Assess the past year's annual report, and progress on resolving issues identified in the annual report			Executive Management/BVM Management/ IDP & PMS Unit
	Accounting Officer finalises and submits to Mayor proposed budgets and plans for next three-years, taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report			Accounting Officer/CFO/Budget & Costing Unit
	Prepare Adjustments Budget	Feb 2023		CFO/Budget & Costing Unit
	Table Adjustments Budget before Council	Feb 2023	MFMA S28(2) b, d,f	Executive Mayor
	S57 Managers' formal quarterly performance assessments (for second quarter and as at mid-year of 2022/23)			Executive Mayor/Portfolio Councillors/Executive Management/IDP & PMS Unit
	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling	Feb 2023	MFMA S36	CFO/Manager Budget & Costing
<b>INTEGRATION/REFINEMENT PHASE</b>				
<b>MARCH 2023</b>	Submit approved Adjustments Budget to NT, PT and Public	10 Working days after approval		Budget & Costing Unit
	Commence with the compilation of the 2023/24 SDBIP (coupled with consideration of 5-year performance scorecard) & S57 Performance Agreements			Executive Management/BVM Management/IDP & PMS Unit
	Conclusion of the draft Municipal Strategies/Sector Plans, Objectives, KPA's, and KPI's and targets for inclusion in the draft IDP & Budget			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Mayor tables the draft 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP & 2023/24 Budget, at least 90 days before start of budget year, to Council for consideration (note: should an amendment of the IDP be needed, the process as stipulated in regulation 3 of the MPPMR will be followed from this point forward until conclusion of the process)	Mar 2023	MFMA S16, 22, 23, 87; MSA S 34	Executive Mayor/Executive Management/

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Submit 1 <sup>st</sup> draft 2023/24 SDBIP to Council			IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for consideration in the 2022/23 Q3 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit
	Set performance objectives for revenue for each budget vote		MFMA S 17	CFO/Revenue Unit
	Commence with 2 <sup>nd</sup> round public participation sessions throughout all wards on the draft 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP and Budget			Council/Executive Management/BVM Management/IDP & PMS Unit
APRIL 2023	Publicise draft 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP and 2023/24 Budget and invite local community to make written comments in respect of the IDP and Budget	Immediately after Tabling before Council	MFMA S22 & MSA S21A	Accounting Officer/CFO/Director Strategic Support Services/Budget & Costing Unit/IDP & PMS Unit
	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed	Immediately after Tabling before Council	MFMA S22 & MSA S21A	Accounting Officer/CFO/Director Strategic Support Services/Budget & Costing Unit/IDP & PMS Unit
	Review written comments/input received in respect of the Budget and IDP	April 2022	Best Practice	Executive Management/Budget & Costing Unit/IDP & PMS Unit
	Finalisation of the Municipal Strategies/Sector Plans, Objectives, KPA's, and KPI's and targets for inclusion in the final IDP & Budget			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Continue with the 2 <sup>nd</sup> round public participation sessions throughout all wards on the draft 1 <sup>st</sup> review/amendment of the 5 <sup>th</sup> Generation IDP and Budget			Council/Executive Management/BVM Management/IDP & PMS Unit
	Review/finalisation of community inputs on the draft IDP & Budget			IDP Steering Committee/Executive Management/BVM Management/IDP & PMS Unit
	District/Local Municipalities' Alignment of Strategies			IDP & PMS Unit
	Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets			IDP & PMS Unit
	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year	30 April 2023	MFMA S21	MM/CFO

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Submission of 2022/23 Q3 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of the unaudited Q3 SDBIP Performance Report (for third quarter of 2022/23) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	Refinement & finalisation of Municipal Strategies/Plans, Objectives, KPA's, KPI's and targets and inclusion into 5th Generation IDP Review report			IDP & PMS Unit
	S57 Managers' informal quarterly performance assessments (for third quarter of 2022/23)			Executive Management/BVM Management/IDP & PMS Unit
	Review annual organisational performance targets		MPPR Reg. 11	MM/IDP & PMS Unit
<b>APPROVAL PHASE</b>				
<b>MAY 2023</b>	Accounting officer assists the Mayor in preparing the final IDP & Budget documentation for Council's consideration & approval at least 30 days before the start of the new fiscal year taking into account consultative processes and any other new information	May 2023	MFMA S23	Executive Management/Executive Mayor/Council
	Convene IDP Representative Forum			IDP & PMS Unit
	EXCO recommends adoption of the IDP to Council			Council/Executive Management/IDP & PMS Unit
	Council to consider approval/adoption of the IDP, Budget and all other associated documentation as legislatively prescribed (e.g. sectoral plans, taxes and tariffs, budget related policies, etc.) at least 30 days before start of budget year	31 May 2023	MFMA S23, 24; MSA Ch 4	Council
	Publish the IDP, Budget and all other associated documentation as legislatively prescribed on the municipal website	Within 5 days of adoption	MFMA S75; MSA S21A	Budget & Costing Unit/IDP & PMS Unit
	Consider community input into the municipality's SDBIP (KPIs and targets)			IDP & PMS Unit
<b>JUNE 2023</b>	Submission of the approved Budget, IDP & other associated documentation (as legislatively prescribed) to National (NT) & Provincial Government (PT, DLG & DEADP)	Within 10 working days after Council approval	MBRR 20	Accounting Officer/CFO/Director SSS/Budget & Costing Unit/IDP & PMS Unit
	Give notice to the public of the adoption of the IDP, Budget and other associated documentation as legislatively prescribed	Within 10 working days after Council approval	MSA S21A; MSA S25 (4)(a); MBRR 18	Accounting Officer/CFO/Director SSS/Budget & Costing Unit/IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Submission of 2 <sup>nd</sup> (final) draft SDBIP & S57 Performance Agreements to the Executive Mayor, no later than 14 days after the approval of the Budget		MFMA S69(3)	Executive Mayor/Executive Management/IDP PMS Unit
	Conclusion & submission of the final TL SDBIP to the Executive Mayor for approval within 28 days after approval of the budget; coupled with the finalisation and conclusion of the annual S57 Performance Agreements by no later than 30 days after commencement of the new financial year (note: the S57 Performance Agreements will be concluded & published in July should it not be finalised within June)		MFMA S53; MSA S 38-45, 57(2)	Executive Mayor/Executive Management/IDP & PMS Unit
	Publication of approved SDBIP & S57 Performance Agreements on the municipal website/social media/local media & circulation thereof to National Government (NT) and Provincial Government (PT & DLG – MEC for Local Government)		MFMA S53(3); MBRR 19	IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for consideration in the 2022/23 Q4 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit

Table: 19 Key activities linked to the 2022/23 planning, implementation & reporting cycle

The aforementioned activities were encapsulated in the IDP & Budget Time Schedules which served before Council in August 2021 (Council resolution C80/2021) and August 2022 (Council resolution C91/2022) respectively.



# Chapter 2



## CHAPTER 2: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises eight major characteristics: it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

#### 2.1 POLITICAL GOVERNANCE STRUCTURE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, councillors are also actively involved in community work and the various social programmes in the municipal area

##### 2.1.1 Council

The table below categorise the councillors within their specific political parties and wards for the 2022/23 financial year:

Name of councillor	Capacity	Political party	Ward representing or proportional
Ald. A. Steyn	Executive Mayor	DA	Proportional
Cllr. J. von Willingh	Deputy Executive Mayor & Member of Mayoral Committee	DA	5
Ald. J. Van Zyl	Speaker	DA	Proportional
Cllr. F. Vaughan	Member of Mayoral Committee	DA	4
Cllr. E. van der Westhuizen	Member of Mayoral Committee	DA	6
Cllr. J. Kritzinger	Member of Mayoral Committee	DA	7
Cllr. V. Bedworth	Member of Mayoral Committee	DA	12
Cllr. J. Jack	Member of Mayoral Committee	DA	14
Ald. W. Meiring	Member of Mayoral Committee	DA	Proportional
Cllr. P. Ramokhabi	Member of Mayoral Committee	DA	Proportional
Ald. M. Sampson	Councillor (BVM & CWDM: Deputy Executive Mayor)	DA	11
Cllr. W. Blom	Councillor (BVM & CWDM: Chief Whip)	DA	Proportional
Ald. R. Farao	Councillor (BVM & CWDM)	DA	13
Cllr. G. Daames	Councillor	DA	9

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Name of councillor	Capacity	Political party	Ward representing or proportional
Cllr. J. Pieters	Councillor	DA	15
Cllr. M. Goedeman	Councillor	DA	19
Cllr. A. Pietersen	Councillor	DA	20
Cllr. S. Mei	Councillor	DA	Proportional
Cllr. L. Willemse (Resigned: 21 November 2022)	Councillor	DA	Proportional
Cllr. M. Jacobs (Replaced Cllr. Willemse in December 2022)	Councillor	DA	Proportional
Cllr. P. Marais	Chief Whip	FF+	Proportional
Cllr. N. Nel	Member of Mayoral Committee	FF+	Proportional
Cllr. R. Johnson	Councillor	ANC	1
Cllr. C. Nyithana	Councillor	ANC	2
Cllr. O. Ralehoko	Councillor	ANC	3
Cllr. M. Williams	Councillor	ANC	8
Cllr. Z. Mangali	Councillor	ANC	16
Cllr. T. Sibozo	Councillor	ANC	17
Cllr. L. Yayi	Councillor	ANC	18
Cllr. D. Judge	Councillor	ANC	21
Cllr. M. Bushwana	Councillor	ANC	Proportional
Cllr. E. Isaacs	Councillor	ANC	Proportional
Cllr. M. Swartz	Councillor	BO	10
Ald. C. Ismail	Councillor	BO	Proportional
Cllr. C. Wiskut	Councillor (BVM & CWDM)	BO	Proportional
Cllr. N. Wullschleger	Councillor	BO	Proportional
Cllr. S. Madlolo	Councillor	EFF	Proportional
Cllr. J. Mokgosi	Councillor	EFF	Proportional
Cllr. I. Joseph	Councillor	GOOD	Proportional
Cllr. H. Titus	Councillor	GOOD	Proportional
Cllr. T. Manuel	Councillor	ACDP	Proportional
Cllr. S. Steenberg	Councillor	PA	Proportional

Table: 20 Council composition

## CHAPTER 2: GOVERNANCE

Below is a table which indicates Council meeting attendance for the 2022/23 financial year:

Meeting dates	Number of items submitted	Percentage Council meeting attendance	Percentage apologies for non-attendance
26 July 2022	14	95.12%	2
23 August 2022	11	100%	0
27 September 2022	2	95.12%	2
25 October 2022	10	85.37%	6
12 December 2022	15	92.68%	3
20 December 2022	3	90.24%	4
24 January 2023	7	97.56%	1
24 February 2023	6	100%	0
28 March 2023	6	90.24%	4
24 April 2023	8	92.68%	3
30 May 2023	14	97.56%	1
20 June 2023	16	97.56%	1
<b>Total</b>	<b>112</b>		

Table: 21 Council meetings

### 2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, **Alderman A. Steyn**, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in collaboration with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2022 to 30 June 2023:

Name of Member	Portfolio
Deputy Executive Mayor: Cllr. J. von Willingh	Protection Services, Agriculture, Health, Education
Cllr. V. Bedworth	Sport & Recreation
Cllr. J. Jack	Engineering Services
Cllr. J. Kritzinger	Local Economic Development; Tourism and Arts & Culture
Ald. W. Meiring	Finance; Enterprise & Risk Management; Performance Management; IDP; Audit; Human Resource Management
Cllr. N. Nel	Community Services
Cllr. P. Ramokhabi	Housing & Human Settlements (Housing Planning & Development)

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Name of Member	Portfolio
Cllr. E. van der Westhuizen	Public Services
Cllr. F. Vaughan	Strategic Support Services (Administration, Legal Services, Communication, Information Technology)

Table: 22 Executive mayoral committee

### 2.1.3 Committees

Council resolved that there would be the following types of meetings of Council:

- Mayoral Committee meetings, that should occur on the third Tuesday of every month or as determined by the Executive Mayor; and
- Council meetings, that should occur at least four times a year to resolve matters that have not been delegated to officials or Mayoral Committee.

In addition to these meetings, there are Statutory Committee meetings such as the Audit Committee, Performance Audit Committee and Local Labour Forum, which includes the Employment Equity and Training Committee and the Oversight Committee. All committees mentioned met regularly during the year under review.

Mayoral Committee meetings are chaired by the Executive Mayor and the Deputy Executive Mayor. In addition, nine “portfolio” councillors serve on the Mayoral Committee. Council further resolved, in terms of resolution C114/2021, that the following Portfolio Committees be established in terms of section 80 of the Municipal Structures Act (117 of 1998):

Chairperson	Committee
Ald. W. Meiring	Finance
Cllr. J. Jack	Engineering Services
Cllr. E. van der Westhuizen	Public Services
Cllr. J. Kritzinger	Strategic Services
Cllr. P. Ramokhabi	Community Services

Table: 23 Section 80 Portfolio Committees

The portfolio councillors on Mayoral Committee and their respective committees, are responsible for motivating matters applicable to their respective portfolios. Council meets to discuss and rule on legislative compliance issues (inter alia matters which they cannot delegate such as passing of bylaws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

#### a) **Municipal Public Accounts Committee**

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the municipality. The table below depicts the MPAC composition throughout the period under review:

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Name of Member	Departments / Sections / Council	Political Party
Cllr. H. Titus	Councillor; Chairperson	GOOD
Cllr. L. Willemse (Resigned: 21 November 2022)	Councillor; PR	DA
Ald. R. Farao (Replaced Cllr. Willemse in December 2022)	Councillor; PR	DA
Cllr. M. Mangali	Councillor; Ward 16	ANC
Cllr. C. Wilskut	Councillor; PR	BO
Cllr. S. Madlolo	Councillor; PR	EFF
Cllr. T. Manuel	Councillor; PR	ACDP
Cllr. S. Steenberg	Councillor; PR	PA

Table: 24 Municipal Public Accounts Committee

### 2.1.4 Political decision-taking

Section 53 of the MSA stipulates inter alia the respective roles and areas of responsibility of each political structure and political office bearer of the municipality and of the Municipal Manager. The section below is based on the Section 53 role clarification and was approved at the Council meeting of 17 November 2021 (Council resolution: C108/2021).

#### **Municipal Council**

- governs by making and administering laws, raising taxes and taking decisions that affect people's rights;
- is a tax authority that may raise property taxes and service levies;
- is the primary decision maker and takes all the decisions of the municipality except those that are delegated to political structures, political office bearers, individual councillors or officials;
- can delegate responsibilities and duties for the purposes of fast and effective decision making;
- must strive towards the constitutional objectives of local government;
- must consult the community with respect to local government matters; and
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget.

#### **Executive Mayor**

- Is the executive and political leader of the municipality and is supported in this capacity by the Mayoral Committee;
- is the social and ceremonial head of the municipality;
- must identify the needs of the municipality and must evaluate progress against key performance indicators;
- is the defender of the public's right to be heard;
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- performs the duties and exercise the responsibilities that were delegated to the elected incumbent by the Council.

#### **Mayoral Committee**

- Members are appointed by the Executive Mayor from the ranks of councillors, except for the Deputy Executive Mayor who is elected by the council and is an ex officio member of the Mayoral Committee;



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- its functional responsibility area is linked to that of the Executive Mayor to the extent that she must operate together with the members of the Mayoral Committee;
- its primary task is to assist the Executive Mayor in the execution of her powers - it is in fact an “extension of the Office of Executive Mayor”; and
- the committee has no powers of its own – decision making remains that of the Executive Mayor.

The table below provide an analysis of the Council Resolutions taken and implemented during the year:

Number of Council Resolutions taken during the year	Number of Council Resolutions implemented during the year	Number of Council Resolutions not implemented during the year
112	107	5
<i>*Note that some of the Council Resolutions are in process of completion/implementation</i>		

Table: 25 Council resolutions taken and implemented during 2022/23

### 2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

By law the Municipal Manager is the head of administration, as well as the Accounting Officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible:

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal “machine” operates efficiently, that the organisational structure can perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realise the municipality’s goals;
- for the implementation of the municipality’s IDP, and the monitoring of progress with implementation of the plan; and
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the municipality.

The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

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He is assisted by his executive management team, whose structure is outlined in the table below:

Position	Name of official	Performance agreement signed
		(Yes/No)
Municipal Manager	Mr. D. McThomas	Yes
Director: Strategic Support Services	Mr. R. Esau	Yes
Director: Engineering Services	Mr. J. Steyn	Yes
Chief Financial Officer	Mr. R. Ontong	Yes
Director: Community Services	Mr. S. Swartz	Yes
Director: Public Services	Vacant (Internal incumbents, at senior management level, have executed the responsibility in an acting capacity as from 1 July 2022 – 30 June 2023)	N/A

Table: 26 Administrative governance structure

### COMPONENT B: INTER-GOVERNMENTAL RELATIONS

It is the intention of the Breede Valley Administration and Council to ensure that the community derives maximum benefit from its participation in inter-governmental forums and meetings.

#### 2.3 INTERGOVERNMENTAL RELATIONS (IGR)

In terms of the Constitution of South Africa, all spheres of government and organs of state must co-operate in mutual trust and good faith fostering friendly relations. They must assist, support, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

##### 2.3.1 Intergovernmental structures

The Municipality participates in the following intergovernmental structures to adhere to the principles of the Constitution:

Name of structure	Members	Outcomes of engagements/topics discussed
National Municipal Manager's Forum	SALGA, MM	To ensure national alignment amongst municipal managers
MinMay Technical	DG Local Gov. provincial departments, municipal managers	To formulate joint strategic, policy and agenda items for the MinMay
MinMay	Executive Mayor and MM	The meeting is between the MEC of Local Government and all the executive mayors in the province to discuss strategic issues
Premier's Co-ordinating Forum	Executive Mayor and MM	Premier's Co-ordinating Forum with the Premier, MEC's and all executive mayors in the province - attended by

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Name of structure	Members	Outcomes of engagements/topics discussed
		the Executive Mayor and the Municipal Manager
District Co-ordinating Technical Forum	MM and all other municipal managers in the district	To co-ordinate efforts and discuss strategic alignment and matters of mutual interest (preparations for DCF)
District Co ordinating Forum (DCF)	Executive Mayor, MM and all other executive mayors and municipal managers	To discuss strategic and policy alignment matters at district level i.e., IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. – ensuring joint planning and co-ordination and resource optimisation
SALGA Working Groups	Councillors and Speaker	Joint discussions on policy and service delivery issues
IDP Managers Forum (Provincial & District)	IDP Manager	To ensure provincial & district alignment amongst IDP managers
LED Managers Forum	LED Manager	To ensure provincial alignment amongst LED managers
SCM Forum	SCM Manager	To discuss policy and practical issues amongst SCM managers
Provincial Public Participation and Communication Forum (PPPCOM)	Manager: Customer Care, Communication, Corporate Branding & IGR and the Speaker	To ensure provincial alignment and co-operation amongst communication and public participation officials and discuss practical issues
CWD JDMA Platform		The JDMA seeks to facilitate and enhance co-planning, co-budgeting and co-implementation of pre-identified initiatives by means of a multi-disciplinary and intergovernmental approach. The CWD JDMA implementation team comprises of the Provincial- as well as Local Government (CWDM and all associated local municipalities) representation
Provincial Skills Development Forum	Skills Development Facilitator	Joint discussions on skills development and training facilitation
HR Practitioners Forum	HR Manager	To ensure alignment of HR processes and practices in district and provincial context
Legislative and Constitutional Task Team	Directors & officials in Legal Services in the Province	To discuss the latest developments in the legal field bi-annually

Table: 27 Intergovernmental structures

### 2.3.2 Joint projects and functions with sector departments

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All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore shares their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
Early Childhood Development (ECD) programmes	Establishment of ECD's in the Breede Valley	<ul style="list-style-type: none"> <li>DSD</li> <li>BVM</li> <li>Community Development Workers (CDW's)</li> </ul>	ECD registrations, funding, applications
CDW Information Sessions	Information sharing with communities	<ul style="list-style-type: none"> <li>DLG</li> <li>CDW's</li> <li>BVM</li> <li>Relevant departments hosting the info session</li> </ul>	Various information being shared on various topics, creating a database of attendees
Initiation programme	Cultural programme to help African boys become men	<ul style="list-style-type: none"> <li>DCAS</li> <li>BVM</li> </ul>	Provincial coordination to the programme
Job Readiness programme	Preparing unemployed youth	<ul style="list-style-type: none"> <li>DoL</li> <li>BVM</li> <li>Community Development (CDW programme)</li> </ul>	Workshops, Transport
Learner License Programme	Assist youth to obtain learner licenses	<ul style="list-style-type: none"> <li>CDW Programme</li> <li>BVM Traffic</li> <li>BVM Community Development</li> </ul>	Learners classes
Touwsrivier small-scale farmer/farming preliminary investigation	To investigate the feasibility of assisting the community to engage in subsistence agriculture	<ul style="list-style-type: none"> <li>DoA</li> <li>DoRD&amp;LR</li> <li>CWDM</li> <li>BVM</li> </ul>	Availing possible funding and technical support to interested small-scale farmers (it is imperative to note that this project is still in planning/feasibility assessment phase)

Table: 28 Joint projects and functions with sector departments

### COMPONENT C: PUBLIC ACCOUNTABILITY

MSA Section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

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### 2.4 PUBLIC MEETINGS

#### 2.4.1 Representative forums

##### a) Labour forums

The tables below depict the membership composition of the labour forum throughout the 2022/23 financial year.

Name of representative	Capacity	Meeting Dates
D McThomas	Employer Component: Member – Municipal Manager	01 July 2022; 18 August 2022; 02 September 2022; 07 October 2022; 04 November 2022; 03 February 2023; 03 March 2023; 14 April 2023; 16 May 2023; 02 June 2023
R Esau	Employer Component: Member – Director: Strategic Support Services	
R Ontong	Employer Component: Member – Director: Financial Services	
J Steyn	Employer Component: Member – Director: Engineering Services	
S Swartz	Employer Component: Member – Director: Community Services	
J Pekeur/P Hartzenberg	Employer Component: Member – Acting Director: Public Services (1 July 2022 – 30 June 2023)	
Councillor P Ramokhabi	Employer Component: Member – Vice Chairperson of LLF (1 July 2022 – 31 January 2023); Chairperson of LLF (1 February 2023 – 30 June 2023)	
Alderman W Meiring	Employer Component: Member	
Councillor L Willemse	Employer Component: Member (resigned on 21 November 2022)	
Alderman R Farao	Employer Component: Member (replaced Councillor Willemse as from 21 November 2022)	
Councillor N Nel	Employer Component: Member	
L Louis	Union Component (IMATU): Member – Chairperson of LLF (1 July 2022 – 31 January 2023)	
A Eiman	Union Component (IMATU): Member	
IMATU Representative	Union Component (IMATU): Member	
IMATU Representative	Union Component (IMATU): Member	
IMATU Representative	Union Component (IMATU): Member	
W Visagie	Union Component (SAMWU): Member	
M Lottering	Union Component (SAMWU): Member	
E Visagie	Union Component (SAMWU): Member – Vice Chairperson of LLF (1 February 2023 – 30 June 2023)	
SAMWU Representative	Union Component (SAMWU): Member	
SAMWU Representative	Union Component (SAMWU): Member	



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Name of representative	Capacity	Meeting Dates
I Roos (concluded service on 30 April 2023)	Advisor/Operational & Administrative Support – Acting Manager: Human Resources (1 July 2022 – 30 April 2023) *Note: members of the HR middle-management team attended LLF engagements (in an advisory capacity) on an as and when needed basis	
G Cook (replaced I Roos from 1 May 2023)	Advisor/Operational & Administrative Support – Acting Manager: Human Resources (1 May 2023 – 30 June 2023) *Note: members of the HR middle-management team attended LLF engagements (in an advisory capacity) on an as and when needed basis	
H Potgieter	Advisor/Operational & Administrative Support – Senior Manager: Legal Services	

Table: 29 Labour forum

### 2.4.2 Ward committees

The functioning and mechanics of ward committees are regulated within the Municipal Structures Act (Act 117 of 1998) and also well documented in various position papers and guiding documents such as the Ward Committee Resource Book. Primarily, the purpose of a ward committee is:

- to solicit greater participation from the community to inform Council decisions;
- to make enhance the efficacy of communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

BVM recognises the importance of ward committees and ensures that ward committee structures are in place and functional (in accordance with the legislative prescripts).

All ward committees were predominantly established on the premise of geographical representation, meaning that a ward committee member is tasked to attend to all matters across all sectors within a particular geographical area of the ward. The only exception in this regard, was ward 1, which had geographical and sectoral representation within the structure.

The Ward Committee Policy, Rules and Regulations applied by BVM, remain unchanged. As per the amended Ward Committee Policy (approved in June 2019), ward committee members were paid a fixed rate of R500 per month during the year under review. During a particular financial year, a target of six ward committee- and two community report back meetings (exclusive of the two IDP and budget meetings) are intended for implementation. In addition, ward committees are required to regularly report (formally and/or informally) on their operations. These minutes, attendance registers and reports enable the Municipality to gauge the functionality of ward committees.

### Functionality of ward committees

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The functionality of a ward committee can be enhanced by the Municipality through the following initiatives (amongst others):

1. Create a better support structure for the ward committees:
  - a. Dedicated public participation unit
  - b. Ward administration offices with ward administrators
2. Establish better communication between the Municipality, the ward committee and the community.
  - a. Monthly communication to the communities must take place
  - b. Issues reported and discussed at ward committee meetings must be filtered to the relevant departments in higher levels of urgency
3. Create more awareness and education around the ward committees in all wards.
4. Develop ward plans containing community projects and programme for development in line with the IDP and ward priorities.
5. Ensure that ward councillors are educated on their responsibilities and held accountable for the performance of their ward committees.

The functionality indicators for all ward committee operations were agreed on. These indicators stipulate that each ward have at least:

- 6 ward committee meetings per year
- 2 public meetings (excluding IDP/Budget engagements)
- 4 quarterly block meetings in each geographical block

The above, is often derived from a formal meeting schedule adopted and communicated with the Office of the Speaker.

Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
<b>Ward 1:</b> The entire community of Touwsrivier, including business and residential areas and surrounding farms	Cllr. Johnson	E. Matthews A. Arries J. January A. Kondlo-Roman D. Coetzee R. Davids M. Klein M. Van der Merwe M. Van Nooy M. Van Niekerk	Geographical Geographical Geographical Geographical Religion Geographical Geographical Youth Geographical Geographical	6	2	0
<b>Ward 2:</b>	Cllr. Nyithana	T. Ntantiso Z. Sitecane V. Gcetywa	Geographical	4	1	0

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Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
Stofland and adjacent farms		N. Dangaca Z. Nompuku V. Belle S. Xatoto X. Cekiso N. Makweta M. Lubisi				
<b>Ward 3:</b> Section of De Doorns town centre, Hasie Square, Ekuphumleni and adjacent farm areas	Cllr. Ralehoko	V. Gugu T. Mlungisi V. Bulwana D. Van Wyk P. Bobbejee A. Nyembe W. Verendah C Booysen B. None E.von Willingh	Geographical	4	1	0
<b>Ward 4:</b> Section of De Doorns town centre, Orchard and adjacent farm areas	Cllr. Vaughan	M. Ncheba J. Swart D. Visagie E. Oliphant W. Vermeulen A. Solomons F. Diedericks P. Grispe J. Vaughan M. Horne	Geographical	2	1	0
<b>Ward 5:</b> De Doorns and Worcester farming areas including Brandwag, De Wet and Sandhills, parts of Panorama, Altona and Van Riebeeck Park	Deputy Mayor: Cllr. von Willingh	C. Booysen H. Plaatjies M. Van Wyk F. Stuurman F. Vilander E. Eland M. Esau J. Minnaar Vacant	Geographical	3	1	0
<b>Ward 6:</b> N1 Worcester entrance, Tuindorp, Bergsig, Van Riebeeck	Cllr. van der Westhuizen	J. Botha A. Du toit J. Saayman J. Roodt R. Kleinhans	Geographical	6	0	0

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Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
Park, Panorama, Hospital Hill, Hospital Park, Fairway Heights, Bloekombos and part of Altona		C. Willemse R. Butler A. Rossouw Vacant Vacant				
<b>Ward 7:</b> Paglande, Meiringspark, Roux Park, De La Bat Way, Fairy Glen and part of Industrial Area	Cllr. Kritzinger	C. De Bruyn M. Swart H. Swart E. Du Plessis H. Niewoudt D. De Koker J. Bradbury C. Botha J de Witt B. De Villiers	Geographical	5	1	0
<b>Ward 8:</b> Part of Industrial Area, Hex Industrial, part of Roodewal and part of Zwelethemba	Cllr. Williams	D. Joseph M. Hartzenberg H. Wehr I. Ramasesane S. Ndzima M. Snyders N. Bodla B. Allam I. Khutwana M. Tani	Geographical	2	6	0
<b>Ward 9:</b> Roodewal area and part of Esselen Park (the Chessies)	Cllr. Daames	C. Bosman G. Solomons P. Hansen J. Visser O. Peters A. Kuys E. Jordaan P. Hansen R. Visagie Vacant	Geographical	5	1	0
<b>Ward 10:</b> Part of Hex Park, Part of Transhex and Roodewal flats	Cllr. Swartz	S. Krieger A. Booysen G. Abrahams M Hermanus H. Jacobs A. September	Geographical	4	3	0

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Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
		A. September D. Phillipus N. Damons A. Booysen				
<b>Ward 11:</b> Parkersdam, Florian Park and parts of Esselen Park (the OVD), Hugosdorp, and Riverview	Ald. Sampson	E. Ceaser K. Willemse H. Beukes C. Cloete B. Vlok F. Baadtjies E. Mentza E. Heradien A. Swartbooi Vacant	Geographical	6	1	0
<b>Ward 12:</b> Part of Avian Park, Russell Scheme and CBD	Cllr. Bedworth	H. Neethling M. Coopstadt M. Esterhuizen N. Manuel E. Schroeder G. Titus A. Booysen R. Peters J. Nkoko C. Visagie	Geographical	3	2	0
<b>Ward 13:</b> Johnsons Park 1, 2 and part of 3, part of Noble Park, Hex Park, part of Avian Park and Riverview houses	Ald. Farao	C. Fielies D. Lakay A. Kouter A. Dreyden S. Jacobs R. Jack D. Baadtjies B. Jansen E. Porter S. Zekoe	Geographical	5	0	0
<b>Ward 14:</b> Riverview flats, Part of Noble Park (Boland Collage and school) and Victoria Park	Cllr. Jack	R. Antonie K. Sahabodien B. Solomons M. Damonze H. van Rhyn G. Michaels D. Timm D. Daniels B. Arendse	Geographical	5	0	0

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
		Vacant				
<b>Ward 15:</b> <b>Langerug, Worcester West, Somerset Park, Leighton Park and Goudini Farms</b>	Cllr. Pieters	F. Willemse W. Barnard J. Jones J. Meiring J. Gerber J. Tole J. Jones P. Tromp C. Vranas E. Lewis	Geographical	2	1	0
<b>Ward 16:</b> <b>Part of Zwelethemba and Mandela Square</b>	Cllr. Mangali	L. Makhetha N. Malingo N. Msutwana B. Fanele Z. Shoba R. Kula-mniqindi V. Dlikilili L. Ndlebe Vacant Vacant	Geographical	4	0	0
<b>Ward 17:</b> <b>Part of Zwelethemba</b>	Cllr. Sibozo	H. Sibeko A. Situkutezi L. Mjodo M. Jansen V. Rampeng M. Ntabeni L. Sweleka N. Mnyuka M. Khoka N. Bayetwa	Geographical	2	1	0
<b>Ward 18:</b> <b>Part of Zwelethemba and farms from Overhex, Nonna, etc.</b>	Cllr. Yayi	B. Ntsingila I. Mdyada E. Qithi F. Booysen S. Yanta Z. Skenjane Vacant Vacant Vacant Vacant	Geographical	5	0	0
<b>Ward 19:</b>	Cllr. Goedeman	S. Bosman M. Steyn	Geographical	9	1	0



## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of Ward Committee meetings held (2022/23)	Number of Community Feedback meetings held (2022/23)	Number of Block meetings held (2022/23)
Part of Rawsonville, Goedeman Park and outlying farming community		B. Thomas J. Prins P Hendriks V. Bailey B. Cupido O. Baadjies D. Fredericks H. Prins				
<b>Ward 20:</b> Part of the centre of Rawsonville and areas towards N1	Cllr. Pietersen	L. Bruintjies S. De klerk H. Van Wyngaardt M. Williams R. West F. Ruiters A. Joseph F. Roux A. Lesley Vacant	Geographical	9	1	0
<b>Ward 21:</b> Part of Avian Park and surrounding informal areas	Cllr. Judge	C. Beukes C. Kruger N. Sibozo E. Jantjies R. Apolis E. Damonze A. Lindi E. Klaassens D. Methuse M. Adams	Geographical	7	0	3

Table: 30 Ward Committee

## CHAPTER 2: GOVERNANCE

### 2.4.3 Functionality of ward committees

The table provides information on the composition and functionality of ward committees:

- Ward committee meetings held during the year include scheduled meetings between the ward councillor and committee members, excluding IDP/ward committee engagements as part of the IDP process for the 2022/23 planning year. Currently the number of ward committee meetings are limited to align ward committee meetings to the council resolution of a minimum of four meetings per financial year.
- Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.
- Continuous engagements between the Speaker and the Administration have been undertaken to increase the activity levels of ward committees and stimulate motivation and willingness to drive development in the wards across Breede Valley.

Ward number	Committee established: Yes / No	Number of meetings held during the year 2022/23
1	Yes	8
2	Yes	5
3	Yes	5
4	Yes	3
5	Yes	4
6	Yes	6
7	Yes	6
8	Yes	8
9	Yes	6
10	Yes	7
11	Yes	7
12	Yes	5
13	Yes	5
14	Yes	5
15	Yes	3
16	Yes	4
17	Yes	3
18	Yes	5
19	Yes	10
20	Yes	10
21	Yes	10

Table: 31 Functioning of ward committees

## CHAPTER 2: GOVERNANCE

### COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among many stakeholders involved and the goals by which the institution is governed.

#### 2.5 RISK MANAGEMENT

Risk management is a systematic and formalised process instituted by the municipality to identify, assess, manage, monitor and report risks ensuring the achievement of objectives.

- In terms of Sections 62(1)(c)(i) and 95(c)(i) of the MFMA the Accounting Officer is required to ensure that the municipality has and maintain effective, efficient and transparent systems of risk management.
- The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.
- The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:
  - improve the Municipality's performance on decision making and planning;
  - provide a sound basis for integrated risk management and internal control as components of good corporate governance;
  - assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements; and
  - foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption.
- Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures. Benefits of risk management are:
  - more efficient, reliable and cost-effective delivery of services;
  - minimised waste and fraud; and
  - more reliable decision making.

##### 2.5.1 Top five risks

- Housing demand exceeding housing supply.
- Disposal capacity for solid waste.
- Disaster Risk Management.
- Long-term financial sustainability
- Revenue management and enhancement.
- Vehicle and plant fleet management.

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### 2.5.2 Action plan to address the top five risks

The table below provides the actions implemented during the 2022/23 financial year or that were planned to be implemented to address the top five risks:

Risk	Actions implemented or that will be implemented
Housing demand exceeding housing supply.	<ul style="list-style-type: none"> <li>Formalization of informal settlements</li> <li>Investigate possibility to acquire private land for housing for Rawsonville</li> </ul>
Disposal capacity for solid waste.	<ul style="list-style-type: none"> <li>Deregister landfill site in Touwsrivier (Zion Park area)</li> <li>Conduct a feasibility study to run a waste to gas facility at Breede Valley based on the case study at Marian Hill Waste Treatment Plant</li> <li>Complete a costing on security services required at landfill sites</li> <li>Compile and approval of the waste minimization plan</li> <li>Create a tariff for industrial and commercial users at landfill sites</li> </ul>
Disaster Risk Management.	<ul style="list-style-type: none"> <li>Develop mitigation plans for all risk identified during the 2017-2018 assessment (programmes earmarked for implementation by 30 June 2028)</li> <li>Filling of Disaster Management Officer position</li> </ul>
Long-term financial sustainability	<ul style="list-style-type: none"> <li>Implementation of alignment between procurement demand planning and store demand planning</li> <li>Procure and implement an electronic system for long financial strategy and sustainability</li> <li>Full implementation of new web based updated SCM System</li> <li>Implementation MFMA compliance procedures to borrow external loan</li> <li>Review Long Term Financial Strategy</li> </ul>
Revenue management and enhancement.	<ul style="list-style-type: none"> <li>Establishment of an interdepartmental Revenue Management/Enhancement Committee</li> <li>Implementation of the Citizens portal for revenue management</li> <li>Full implementation of the electronic credit control and debt management module</li> </ul>
Vehicle and plant fleet management.	<ul style="list-style-type: none"> <li>Review Fleet Management Policy</li> <li>Investigate the best solution to implement a Fleet Management System</li> </ul>

Table: 32 Action plan to address the top five risks

### 2.5.3 Approved risk policies and strategies

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Enterprise Risk Management Policy	Yes	30 May 2023 (Resolution C43/2023)
Enterprise Risk Management Strategy	Yes	30 May 2023 (Resolution C43/2023)

Table: 33 Approved risk policies and strategies

## CHAPTER 2: GOVERNANCE

### 2.6 FRAUD PREVENTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) specifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

#### 2.6.1 Developed strategies

Name of strategy	Developed Yes/No	Date adopted/reviewed
Fraud and Corruption Prevention Policy	Yes	30 May 2023 (Resolution C43/2023)
Fraud Prevention Strategy and Response Plan	Yes	30 May 2023 (Resolution C43/2023)
Code of Ethics Policy	Yes	30 May 2023 (Resolution C43/2023)
Municipal Public Accounts Committee Policy	Yes	25 February 2014 (Resolution C6/2014)
Whistle Blowing Policy	Yes	30 May 2023 (Resolution C43/2023)

Table: 34 Strategies

#### 2.6.2 Implementation of strategies and/or controls ongoing process

The table below provides details of the strategies that can and/or are implemented for anti-corruption and anti-fraud:

Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
Analysis and evaluation	Payroll Fraud Schemes	(Detective Control) Conduct evaluations on- <ol style="list-style-type: none"> <li>1. Overtime &amp; Standby</li> <li>2. Evaluation of Time and Attendance Register system</li> <li>3. Leave Schedule</li> <li>4. Verification of Employees</li> <li>5. Vehicle Tracking System</li> <li>6. Operational Plan</li> </ol> Departments affected- <ol style="list-style-type: none"> <li>1. Public Works</li> <li>2. Water Services</li> </ol>
Analysis and evaluation	Corrupt Payments	(Detective Control) Conduct Evaluations on- <ol style="list-style-type: none"> <li>1. Payments to Vendors and Direct Payments</li> <li>2. Selected Capital Projects</li> </ol> All Departments affected
Analysis and evaluation	Housing Benefit Fraud	(Detective Control) Conduct Evaluations on- <ol style="list-style-type: none"> <li>1. Rental Units</li> </ol>

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Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
		2. New Housing Allocation (Trans Hex) Departments affected- 1. Human Settlement and Housing

Table: 35 Implementation of the strategies

### 2.7 AUDIT COMMITTEE

#### 2.7.1 Functions of the Audit Committee

BVM's Audit Committee was appointed on 1 July 2017 and 2 additional members were appointed on 1 March 2019. M Roos was appointed as Chairperson during May 2020. The Audit Committee also fulfils the role of the Performance Audit Committee and was fully functional during the 2022/23 financial year.

The audit committee has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the Council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by Internal Audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- To review the performance management system and make recommendations in this regard to Council
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the internal audit function.
- Ensure that no restrictions or limitations are placed on the internal audit section.
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation.



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### 2.7.2 Members of the Audit Committee

Name of representative	Capacity	Period	Experience	Meeting dates
M. Roos	Chairperson	1 July 2022 – 30 June 2023 *Resigned as Chairperson effective 1 April 2023, but continued to serve as member of the AC	Doctorate Degree, CA(SA), Master of Commerce in Auditing, Higher Diploma Company Law, Qualified Public Sector Chief Financial Manager	26 August 2022 21 November 2022 23 February 2023 22 May 2023 19 June 2023
J. Williams	Member	1 July 2022 – 30 June 2023 *Elected as Chairperson effective 1 April 2023	CA(SA)	
S. Allie	Member	1 July 2022 – 21 April 2023 *Resigned as a member of the AC on the aforementioned date	Post Graduate Diploma Business Management, ND: Cost Accounting	

Table: 36 Members of the Audit Committee

### 2.7.3 Municipal Audit Committee recommendations

Date of Committee	Matters discussed during 2022/23	Recommendations adopted
26 August 2022	<ul style="list-style-type: none"> <li>Feedback on BVM Audit Action Plans (2020/21 AG Audit Process)</li> <li>Review of Annual Financial Statements</li> <li>Review of Annual Performance Report</li> <li>Feedback from Risk Management on Status of Implementation of ERM Process</li> <li>Internal Audit Annual Reporting to Audit Committee</li> </ul>	5
21 November 2022	<ul style="list-style-type: none"> <li>Auditor-General Discussion: Engagement Letter and Audit Strategy</li> <li>Feedback from Risk Management on Status of Implementation of ERM Process Including Additional Responsibilities Managed</li> <li>Internal Audit Quarterly Reporting to Audit Committee</li> <li>Review of Performance Management System &amp; Internal Auditing of Performance Information</li> <li>Quarterly Financial Information Overview</li> <li>Progress on the Implementation of SAGE HR System</li> </ul>	6

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Date of Committee	Matters discussed during 2022/23	Recommendations adopted
23 February 2023	<ul style="list-style-type: none"> <li>Feedback on BVM Audit Action Plans (2021/2022 AGSA Audit Report &amp; Management Report)</li> <li>Feedback from Risk Management on Status of Implementation of ERM Process Including Additional Responsibilities Managed</li> <li>Internal Audit Quarterly Reporting to Audit Committee</li> <li>Review of Performance Management System &amp; Internal Auditing of Performance Information</li> <li>Quarterly Financial Information Overview</li> <li>Progress on the Implementation of Municipal Staff Regulations</li> </ul>	6
22 May 2023	<ul style="list-style-type: none"> <li>Feedback on BVM Audit Action Plans (2021/22 AGSA Audit Report &amp; Management Report)</li> <li>Feedback from Risk Management on Status of Implementation of ERM Process Including Additional Responsibilities Managed</li> <li>Strategic Audit Plan 2023 – 2026 &amp; Inputs to Draft RBAP 2023/2024</li> <li>Internal Audit Quarterly Reporting to Audit Committee</li> <li>Review of Performance Management System &amp; Internal Auditing of Performance Information</li> <li>Quarterly Financial Information Overview</li> <li>Progress on the Implementation of Municipal Staff Regulations</li> </ul>	7
19 June 2023	<ul style="list-style-type: none"> <li>Auditor-General Feedback on Audit 2023</li> <li>Reviewed Strategic Audit Plan 2023 – 2026 &amp; RBAP 2023/2024 Submitted for Approval</li> <li>Confirmation of Internal Audit Independence</li> <li>Annual Code of Ethics &amp; Conflict of Interest Declaration for Financial Year 2022 – 2023</li> <li>Outcome Annual Quality Assurance &amp; Improvement Program Assessment</li> <li>Approval of Internal Audit Charter</li> <li>Review &amp; Approval of Audit Committee Charter</li> <li>Quarterly Financial Information Overview</li> <li>Progress on the Implementation of Municipal Staff Regulations</li> </ul>	9

Table: 37 Municipal Audit Committee recommendations

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### 2.8 PERFORMANCE AUDIT COMMITTEE

#### 2.8.1 Functions of the Performance Audit Committee

In terms of Regulation 14(4)(a) of the Local Government Municipal and Performance Management Regulations the performance audit committee has the responsibility to:

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the Council of the municipality.

#### 2.8.2 Members of the Performance Audit Committee

Name of Member	Capacity	Period	Experience	Meeting dates
M. Roos	Chairperson	1 July 2022 – 30 June 2023 *Resigned as Chairperson effective 1 April 2023, but continued to serve as member of the PAC	Doctorate Degree, CA(SA), Master of Commerce in Auditing, Higher Diploma Company Law, Qualified Public Sector Chief Financial Manager	26 August 2022 21 November 2022 23 February 2023 22 May 2023 19 June 2023
J. Williams	Member	1 July 2022 – 30 June 2023 *Elected as Chairperson effective 1 April 2023	CA(SA)	
S. Allie	Member	1 July 2022 – 21 April 2023 *Resigned as a member of the PAC on the aforementioned date	Post Graduate Diploma Business Management, ND: Cost Accounting	

Table: 38 Members of the Performance Audit Committee

### 2.9 INTERNAL AUDIT

Section 165 (2) (a), (b) and (c) of the MFMA requires that the internal audit unit of a municipality must:

- (a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
  - (i) Internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;

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- (iv) risk and risk management;
  - (v) performance management;
  - (vi) loss control; and
  - (vii) compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the Accounting Officer.

BVM has an in-house Internal Audit Division consisting of the Chief Audit Executive, three internal auditors, one assistant internal auditor and one senior clerk: internal audit.

### 2.9.1 Risk register and three-year strategic plan

The annual risk assessment process was performed during April and May 2022 and all strategic risks were populated into a Strategic Risk Register for the Municipality. The Strategic Risk Register formed the basis of the 3-year Strategic Audit Plan for 2022-2025. The annual risk assessment was conducted during 2022/23 and the risk register was approved by Council during May 2022 which formed the basis for the 2022/23 annual Risk Based Audit Plan (RBAP).

### 2.9.2 Annual audit plan

The RBAP for 2022/23 was executed based on the above approach and methodology. 100% of the annual RBAP was implemented with available resources. The table below provides details of audits completed:

BVM – Annual Audit Plan 2022/23		
Description	No of hours estimated	Date completed
<b>Risk based audits</b>		
Inventory Management	310	15 November 2022
Customer Services Management	320	15 November 2022
Auditing of Performance Information	1265	Report 1 – 17 November 2022 Report 2 – 22 February 2023 Report 3 – 22 February 2023 Report 4 – 18 May 2022
Cemetery Management	245	30 June 2023
Ethics & Culture Process	320	30 June 2023
Refuse Removal & Billing Process	260	31 January 2023
Leave Management	260	30 June 2023
<b>Follow-Up Audits</b>		
Continuous follow-up of Audit Findings	200	Ongoing – 30 June 2023
<b>Continuous</b>		
Combined Assurance Implementation	320	Ongoing – 30 June 2023
Continuous Monitoring Implementation	320	Ongoing – 30 June 2023
Review Strategic Plan & Compile Annual Audit Plan	125	Ongoing – 30 June 2023
Junior Internal Audit Assistance, Supervision & Review of Audit Work	500	Ongoing – 30 June 2023

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BVM – Annual Audit Plan 2022/23		
Description	No of hours estimated	Date completed
Total hours	4 445	

Table: 39 Internal audit coverage plan

Below are the functions of the Internal Audit Division that were performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	April/ May 2023
Reviewed Strategic Audit Plan 2023-2026	19 June 2023
Risk Based Audit Plan approved for 2023/24 financial year	19 June 2023
Internal Audit Programme drafted and approved	19 June 2023
Number of audits/reviews conducted and reported on	10
Audit reports included the following key focus areas:	
Internal controls	10
Accounting procedures and practices	3
Risk and risk management	10
Performance management	4
Loss control	5
Compliance with the MFMA and other legislation	10

Table: 40 Internal audit functions

### 2.10 SUPPLY CHAIN MANAGEMENT (SCM)

SCM includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory and payment of all creditors, councillors and personnel. **All amounts quoted in this paragraph are VAT inclusive, where VAT is applicable.**

#### 2.10.1 Competitive bids more than R200 000

##### a) Bid Committee meetings

The following table details the number of bid committee meetings held for the 2022/23 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
83	76	21

Table: 41 Bid Committee meetings

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The attendance figures of members of the Bid Specification Committee are as follows:

Member	Percentage attendance
Manager: Procurement/ Senior SCM Practitioner	100%
Relevant technical expert(s) responsible for a function(s)	100%

Table: 42 Attendance of members of Bid Specification Committee

The attendance figures of members of the Bid Evaluation Committee are as follows:

Member	Percentage attendance
Manager: Procurement/ Senior SCM Practitioner	100%
Relevant technical expert(s) responsible for a function(s)	100%

Table: 43 Attendance of members of Bid Evaluation Committee

The attendance figures of members of the Bid Adjudication Committee are as follows:

Member	Percentage attendance
Director: Financial Services (Chairperson)	100%
Director: Engineering Services	90%
Director: Community Services	95%
Director: Strategic Support Services	90%
Acting Director: Public Services	95%
Senior Manager: Supply Chain Management	100%

Table: 44 Attendance of members of Bid Adjudication Committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

### b) Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded **28** bids with an estimated value of **R128 175 086.00**. The **ten highest bids** awarded by the Bid Adjudication Committee are as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV976/2022	Maintenance of LV reticulation networks and equipment for a period ending 30 June 2025	Engineering Services	Momotheka Trade 1011cc	Capped at R10 million
BV992/2022	Supply and delivery of plastic refuse bags for the period ending 30 June 2026	Financial Services	Waste Want Plastics	Capped at R10 million
BV991/2022	Supply and delivery of various IT equipment	Strategic Support Services	Infinitix Connect (Pty) Ltd	R9 513 379.60
BV1020/2022	Construction of Kwinana street, midblock re-routes and Kutwana Avenue bypass sewer	Public Services	Umzali Civils (Pty) Ltd	R6 630 379.49



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Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV1023/2023	Supply, delivery, installation and commissioning of HV switchgear at Traub substation, Worcester	Engineering Services	VE Reticulation (Pty) Ltd	R6 428 375.86
BV995/2022	Rendering the professional legal services for the period ending 30 June 2026	Strategic Support Services	Various service providers	+/- R6 000 000
BV1019/2022	Construction of minor civil works for the upgrading of various sewer pumpstations	Public Services	Umzali Civils (Pty) Ltd	R5 553 549.61
BV955/2022	Provision of banking services for the period not exceeding 5 years	Financial Services	Nedbank Limited	+/- R5 536 447.00
BV972/2022	Construction of 400V/ 11KV line and the removal of the distribution network in Zweletemba area, phase 1.1	Engineering Services	Adenco Construction (Pty) Ltd	R4 849 724.80
BV937/2021	Maintenance services for jointing and termination of electrical cabling and overhead conductors for the period ending 30 June 2025	Engineering Services	Motheo Construction (Pty) Ltd	+/- R4 025 000.00

*Table: 45 Ten highest bids awarded by Bid Adjudication Committee*

### c) **Awards made by the Accounting Officer:**

In terms of paragraph 5(2)(a) of Council's SCM Policy, only the Accounting Officer may award a bid which is more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer is as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV1011/2022	Erosion protection of Hexriver: Zweletemba: Worcester: phase 2	Engineering Services	JVZ Construction (Pty) Ltd	R52 340 962.07
BV996/2023	Rental of plant, machinery and vehicles for the period ending 30 June 2023	Financial Services	Various contractors or service providers	+/- R43 300 157.16
BV949/2022	Supply and delivery of electrical cable and wire products for the period ending 30 June 2025	Financial Services	Abedare Cables (Pty) Ltd	+/- R 38 909 276.77
			Siyphambili Electrical and Industrial Supplies cc	
			Memotek Trading cc	
BV1008/2022	Upgrade / Replacement of sewer line in Rawsonville: Phase 1	Public Services	Exeo Khokela Civil Engineering Construction (Pty) Ltd	R21 830 895.44
BV993/2022	Rental of chemical toilets for the period ending 30 June 2026.	Community Services	Bidvest Services (Pty) Ltd	+/- R21 451 873.12
BV952/2022	Construction of traffic circle at High & Louis Lange streets: Worcester	Engineering Services	Civils 2000 (Pty) Ltd	R18 906 690.00

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Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV953/2022	Upgrading of gravel roads at Zweletemba, Worcester, for period ending 30 June 2024	Engineering Services	Barleda Plant & Civil	R14 708 808.85
BV1022/2022	Replacement of existing pipe systems through trenchless technology for a period ending 30 June 2025	Public Services	Tuboseal Services (Pty) Ltd	+/- R12 549 341.00
BV1024/2022	Supply, delivery, installation and commissioning of alternative mv supply to Zwelethemba substation, Worcester	Engineering Services	Ampcor Khanyisa (Pty) Ltd	R12 309 776.68
BV1021/2022	Mechanical and electrical upgrading works for various sewer pumpstations (including safeguarding) within Breede Valley municipal area	Public Services	Viking Pony Africa Pumps (Pty) Ltd t/a Tricom Africa	R10 915 833.01

*Table: 46 Awards made by Accounting Officer*

### **d) Appeals/objections lodged by aggrieved bidders**

**Ten (10) appeals/objections** were lodged against **8 bids**, by aggrieved bidders on awards made in terms of Section 62(1) of the MSA, which relate to the following tenders:

Tender No	Description	Number of Appeals	Outcome of Appeal(s)/Objection(s)
BV950/2022	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	1	The decision of the BAC on 23 June 2022 was maintained without any amendment
BV939/2022	Maintenance of streetlights, high mast lights and stadium flood lighting for a period ending 30 June 2025	1	The decision of the BAC on 23 June 2022 is maintained without any amendment
BV890/2021	Acquisition of R300 million loan	1	The decision of the AO on 1 July 2022 was maintained without any amendment
BV952/2022	Construction of traffic circle at High & Louis Lange streets: Worcester	1	The decision of the AO on 9 September 2022 was maintained without any amendment
BV976/2022	Supply, delivery, offloading, and installation of security fences at various substations	1	The decision of the BAC on 1 December 2022 was maintained without any amendment
BV989/2022	Upgrade of sidewalks, off-street parking and associated works in Zwelethemba	1	The decision of the BAC on 21 December 2022 was maintained without any amendment
BV996/2022	Rental of plant, machinery and vehicles for a period ending 30 June 2026	3	The decision of the AO on 5 June 2023 was maintained without any amendment
BV992/2022	Supply and delivery of plastic refuse bags for the period ending 30 June 2026	1	The outcomes of the appeal process still pending

*Table: 47 Appeals lodged by aggrieved bidders as at 30 June 2022*

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The total premium paid during the 2022/23 financial year to promote specific socio-economic goals as set out in the Preferential Procurement Regulations of 2022, was **approximately R2 464 086.40**

### 2.10.2 Formal written price quotations between R30 000 and R200 000

#### a) Awards made to the companies/enterprises established within the Breede Valley Municipal Area

The following table outlines the value of all quotations awarded to enterprises and contractors who are based within the jurisdiction of the Breede Valley Municipal area, for the period 1 July 2022 to 30 June 2023:

Month	Total Orders	Local Companies
July 2022	R586 958.37	R330 045.78
August 2022	R2 178 620.20	R1 121 732.82
September 2022	R4 300 520.72	R1 630 407.92
October 2022	R4 109 822.12	R1 409 191.40
November 2022	R9 011 133.49	R2 828 579.60
December 2022	R5 738 833.65	R2 549 287.95
January 2023	R2 658 562.89	R2 130 904.94
February 2023	R2 094 530.56	R1 213 572.99
March 2023	R4 433 586.61	R1 847 196.28
April 2023	R2 591 574.14	R1 465 291.08
May 2023	R6 292 992.40	R6 120 927.10
June 2023	R3 208 155.00	R1 024 479.38
<b>Total</b>	<b>R47 205 290.15</b>	<b>R23 671 617.24</b>
<b>Percentage (%)</b>	<b>50.15%</b>	

Table: 48 Awards made to local companies

### 2.10.3 Deviations from normal procurement processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to **R43 130 814.77** were approved by the Accounting Officer. The following table provides a summary of deviations approved for the 2022/23 financial year:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	33	R10 223 552.29	23.70
Sole provider	4	R21 191 483.04	49.13
Acquisition of animals for zoos	0	0	0
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0
Impractical to follow the normal procurement process	37	R11 715 779.44	27.16

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Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Total Deviations	74	R43 130 814.77	100

Table: 49 Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number of deviations has been triggered by instances and occurrences where it was impractical to follow the normal procurement process, whilst the largest R-value of deviations occurred in the “sole provider” category.

### 2.10.4 Logistics management

The system of logistics management must ensure the following:

- 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;
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock.
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- 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;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

Each stock item at the municipal stores in Market Avenue is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and services received, are certified by the responsible person which is in line with the general conditions of a contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed where surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

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The value of the slow-moving items increased from R1 394 919.95 (2021/22) to 3 715 136.13 (2022/23) at 30 June 2023, thus equating to a year-on-year increase of 166.33%. Slow moving stock, measured against the total stock value for the year under review, increased by 6.02%, from 7.79% (2021/22) to 13.81% (2022/23). Damaged stock is valued at R3 983.00, redundant stock at R118 458.29 and GRAP 12 inventory (stock capitalised) at R11 086 053.66.

### 2.10.5 Disposal management

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise.
- 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.
- 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.
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise.
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is approached first to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with Section 14 of the MFMA which deals with the disposal of capital assets.

### 2.10.6 Performance management

The SCM Policy requires that an internal monitoring system be established and implemented to determine, based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an ongoing process. Procedure manuals for various SCM processes have been developed, approved and are being implemented. Regular reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees.

During the 2022/23 financial year, no company was prohibited from doing business with the Municipality.

Three of the most important key performance indicators in the SCM unit, is that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded.

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The following table details the performance for each of these key performance indicators:

Key performance indicator	2021/22 Achievement	2022/23 Achievement	Remarks
Quotations between R0 – R2 000 (3DAYS)	81.83%	79.40%	The department processed 79.40% of transactions (within the pricing category) in the targeted number of days (i.e. 3 days). Notwithstanding the existing challenges of increasing SCM legislative and reporting requirements and the staff compliment which has decreased, SCM procurement strategies have been contributing to less transactions below R2000. These transaction goals have been reached.
Quotations between R2 000 – R30 000 (6DAYS)	58.97%	92.87%	The department processed 92.87% of transactions (within the pricing category) in the targeted number of days (i.e. 6 days). Notwithstanding the existing challenges of increasing SCM legislative and reporting requirements and the staff compliment which has decreased, SCM procurement strategies have been contributing to less transactions below R30 000.
Quotations between R30 000 – R200 000 (14DAYS)	74.08%	89.38%	The department processed 89.38% of transactions (within the pricing category) in the targeted number of days (i.e. 14 days). Notwithstanding the existing challenges of increasing SCM legislative and reporting requirements and the staff compliment which has decreased, SCM procurement strategies have been contributing to less transactions below R200 000.
Competitive bidding system (tenders) (120 DAYS)	81.1%	81.08%	The department processed 81.08% of transactions (within the pricing category) in the targeted validity number of days (i.e. up to 120 days). Notwithstanding the existing challenges of increasing SCM legislative and reporting requirements and the staff compliment which has decreased, SCM procurement strategies have been contributing to more transactions above R200 000.

Table: 50 SCM performance indicators

### 2.10.7 Procurement and contract management

We have complied with SCM Regulation 6(3) for the 2022/23 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

### 2.10.8 Procurement and contract management – Suppliers not registered for VAT

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilised.



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### 2.10.9 Procurement and contract management – Monitoring of contracts not done monthly

The Contract Management Office (established in 2018/19) continued to monitor SCM contracts above R200 000, that have been procured through an SCM process(es). The following objectives were set and achieved during the 2022/23 financial year:

- The Contract Management Office continued to perform contract management functions coupled with direct reporting to the Manager Procurement
- Aligning the contract management procedures and systems with the rest of the SCM functions and Expenditure Department

The following table illustrates the status of contracts during the 2022/23 financial year:

Status	Quantity
Active contracts	165
Expired contracts	32
Cancelled contracts	3
Extended contracts	3

Table: 51 Status of contracts as of 30 June 2023

### 2.10.10 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

#### a) Management Control

Category	Number	Race Classification		Gender		Disability
Senior Management	6 (1 position vacant)	A	0	Male	5	None
		C	4			
		W	1	Female	0	

Table: 52 B-BBEE Compliance Performance Information: Management control

#### b) Skills Development

Category	Number	Race Classification		Gender		Disability	Total Amount Spend
		Category	Total	Category	Total		
Black employees	276	A	92	M	197	0	R3 217 386.93
		C	184	F	79		

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Category	Number	Race Classification		Gender		Disability	Total Amount Spend
		Category	Total	Category	Total		
Black non-employees	0	A	0	M	0	0	0
		C	0	F	0		
Black people on internships, apprenticeship, learnership	22	A	6	M	5	0	0
		C	16	F	17		
Unemployed black people on any programme under the learning programme matrix	0	A	0	M	0	0	0
		C	0	F	0		
Black people absorbed at end of internships, apprenticeship, learnership	0	A	0	M	0	0	0
		C	0	F	0		

Table: 53 B-BBEE Compliance Performance Information: Skills development

### c) Enterprise and Supplier Development

The information as prescribed to report on enterprise and supplier development cannot currently be extracted from Breede Valley Municipality's financial system. The Municipality is continuously engaging the service provider to ensure future reporting.

## 2.11 POLICIES AND BY-LAWS

**Section 11** of the MSA gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the policies developed and reviewed during the financial year (excluding HR policies reported in section 4.2.3):

Policies developed/revised	Date adopted	Resolution Number
Acting Allowance Policy	26 July 2022	C80/2022
Education Training Development	26 July 2022	C80/2022
Exit Management	26 July 2022	C80/2022
Induction and Onboarding	26 July 2022	C81/2022
Probation	26 July 2022	C81/2022
Recruitment and Selection	26 July 2022	C80/2022
Transfer Policy	26 July 2022	C81/2022

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Policies developed/revised	Date adopted	Resolution Number
Budget Related Policies (detail obtainable on BVM website: <a href="http://www.bvm.gov.za">www.bvm.gov.za</a> )	2 June 2022	C58/2022

Table: 54 Policies

Municipal by-laws are adopted by Council in terms of section 12 of the Local Government: Municipal Systems Act, No. 32 of 2000. In terms of section 13 thereof, a by-law takes effect when published in the Provincial Gazette, or on a future date as determined in terms of the by-law. In compliance with the Systems Act, prior to the adoption of by-laws, the Municipality follow public participation processes, affording the public the opportunity to submit comments and/or objections to the proposed by-law, which are subsequently considered by Council.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Resolution Number
None in 2022/23		

Table: 55 By-Laws

### 2.12 WEBSITE

The Municipality developed and maintained a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Sections 21A and B of the MSA as amended.

The website serves as a mechanism to promote accountability and transparency to communities. It is a key communication mechanism in terms of service offering, information sharing, and public participation. A website is a communication tool that allows easy and convenient access to relevant information and is an integral part of the Municipality's communication strategy.

The table below presents an overview of the primary information and documents that were published on the municipal website.

Description of information and/or document	Yes/Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes (updated as received)
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information</b>	
Draft Budget - 2022/23	4 April 2022
Final Budget - 2022/23	2 June 2022
Adjustments Budget - 2022/23	23 August 2022; 24 January 2023; 24 February 2023
Budget Related Policies - 2022/23	2 June 2022

## CHAPTER 2: GOVERNANCE

Description of information and/or document	Yes/Date Published
Draft SDBIP - 2022/23	1 April 2022
Final SDBIP - 2022/23	4 July 2022
Amended SDBIP - 2022/23	3 March 2023
<b>IDP and Public Participation</b>	
IDP & Budget Time Schedule / Process Plan (2022 – 2027)	28 January 2022
Draft 5 <sup>th</sup> Generation IDP (2022 – 2027)	1 April 2022
Final 5 <sup>th</sup> Generation IDP (2022 – 2027)	8 June 2022
<b>Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed of – 2022/23	Yes (where applicable)
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
Quarterly Budget Implementation & Financial Performance Reports - 2022/23 (S52(d) & S72)	26 October 2022; 26 January 2023; 2 May 2023; 30 July 2023
Draft Annual Report – 2021/22	12 December 2022
Final Annual- & Oversight Report – 2021/22	21 December 2022
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements and Annexures for employees appointed as per S57 of MSA - 2022/23	30 July 2022; 21 December 2022

Table: 56 Website checklist

In addition, the department continuously review the efficacy and functionality of the municipal website and, in consultation with its user departments, prioritises the consideration and application of strategic changes and/or additions to the municipal website which may improve the quality of information relayed to its constituent. As an example, the municipality introduced an electronic recruitment and selection platform in the 2022/23 financial period. Subsequently, a “Job Application Portal” was developed and pinned to the municipal website to serve as a focal point from which the recruitment and selection processes will be driven.

### 2.13 COMMUNICATION

Local Government has a legal obligation to ensure regular and effective communication with the community.

BVM's communication function is aligned with and supports the IDP. It informs and engages the public in terms of developmental local government principles.

Communication forms an integral part of public participation, serving as the vehicle by which public participation is enabled. It involves the provision of customer orientated services and building capacity for citizens to provide the municipality with feedback to improve these services.

Council acknowledges the right of the community to participate in governance and encourages communities to play an active role in the development of their areas. Local government has moved away from exercising power over people to a position where they share power with people, thereby putting people first.

## CHAPTER 2: GOVERNANCE

Council regards the people of the Breede Valley as strategic partners in the development of the area and encourages communities to become part of the solutions for the challenges facing the Breede Valley. Although legislation regulates the relationship between local government and the community, BVM regards this partnership to be based on openness, respect and trust, rather than mandatory.

The following actions were amongst others undertaken to involve the community of the Breede Valley in governance and to inform the public on Council activities:

- Regular media feedback – electronic media, social media and print
- Greater focus on social media interaction
- Radio interviews on municipal service delivery and related topics
- Placement of information including all legislatively prescribed documents onto the municipal webpage
- Meetings of Council
- Newsletters and/or electronic media placements
- Pamphleteering and social media to disseminate information on service delivery
- Loud hailing
- Save water/electricity campaign
- Social media campaign to highlight, explain and address service delivery issues such as cable theft, illegal dumping of refuse, damage to sewerage system due to ignorance and deliberate sabotage of the system and vandalism of municipal infrastructure
- In loco inspections in the different wards by senior personnel to familiarise themselves of problems in communities and pre-empt possible challenges in future

The tables below are a communication checklist of the compliance to the communication requirements:

### 2.13.1 Communication activities

Communication activities	Yes/No	Date Approved/Completed
Communication Strategy	Yes	May 2023 (C38/2023)
Language Policy (annexure to the aforementioned strategy)	Yes	May 2023 (C38/2023)

Table: 57 Communication activities

### 2.13.2 Communication unit

At the commencement of the 2022/23 financial period, the department had four (4) approved positions on the staff establishment/organogram. However, the position of Administrative Officer Translations was declared redundant during a comprehensive review of the staff establishment/organogram and has subsequently been removed from the departmental structure, thus yielding a number of three (3) approved positions on the revised structure. On this premise, the table below depicts the departmental composition as at 30 June 2023.

## CHAPTER 2: GOVERNANCE

	Yes/No	Number of posts as per the approved staff establishment pertaining to the Unit	Job titles	Number of posts filled within the Unit as at 30 June 2023
Communication Unit	Yes	3	Manager: IDP/PMS/Communications & IGR	1 (filled)
			Senior Communications Officer	1 (vacant)
			Support Officer Communications	1 (filled)

Table: 58 Communication unit

A recruitment and selection process has been initiated to fill the critical vacancy of Senior Communications Officer. The department anticipates filling the position before 31 December 2023, subject to the formal processes yielding a suitably qualified and experienced candidate, coupled with the acceptance of an employment offer by the preferred candidate.





# Chapter 3

### 3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players”. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP, individual and service provider performance. The Municipality revised its Performance Management Policy Framework which was submitted to- and approved by Council on the 30<sup>th</sup> of May 2023 as per resolution number C39/2023. The policy will be reviewed in the 2023/24 financial period.

#### 3.1.1 Organisational performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The 2022/23 Top Layer SDBIP was approved by the Executive Mayor on 24 June 2022 and the information was loaded on an electronic web-based system.
- The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20<sup>th</sup> of every month for the previous month’s performance.
- Additionally, the performance system administrator circulates monthly reminders to remind all departments to update their actual performance on the web-based system.
- The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report on the implementation of the budget was approved by the Executive Mayor in October 2022 and served before Council on 25 October 2022. The second quarterly report formed part of the Section 72 report in terms of the MFMA. This report was submitted to the Executive Mayor for approval during January 2023 and served before Council on 24 January 2023. The third quarterly report was approved by the Executive Mayor in April 2023 and served before Council on 24 April 2023. The fourth quarterly report will be submitted to the Executive Mayor in July 2023 and serve before Council on 25 July 2023.
- Internal Audit audits the performance measurements of the Municipality on a continuous basis as prescribed by the relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Performance Audit Committee.
- The Performance Audit Committee reviews the Municipality’s performance management system, which includes the quarterly reports produced and submitted by Internal Audit. The quarterly reports were submitted to the Committee on 21 November 2022, 23 February 2023 and 22 May 2023 respectively. The 4<sup>th</sup> quarter report is anticipated to serve before the Performance Audit Committee within the last week of August 2023 (date to be confirmed).

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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### 3.1.2 Individual performance

#### **a) *Municipal Manager and managers directly accountable to the Municipal Manager***

The MSA prescribes that the municipality must enter into performance-based agreements with S57-employees and that performance agreements must be reviewed annually. This process and format is further regulated by Regulation 805 (August 2006). The performance agreements for the 2022/23 financial year were signed within a month after the commencement of the new financial year (i.e. before 31 July 2022), on the 28<sup>th</sup> of July 2022, as prescribed by legislation.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year evaluation of the 2022/23 financial year (1 July 2022 to 31 December 2022) took place on the 1<sup>st</sup> of March 2023, whilst the final evaluation pertaining to the 2022/23 financial year is earmarked to occur in November/December 2023, after conclusion of the Auditor-General's audit scope and receipt of the signed Audit Report.

The appraisals are conducted by an evaluation panel as indicated in the signed performance agreements and comprises of the following members:

- Executive Mayor
- Municipal Manager
- External Municipal Manager
- Chairperson of the Audit Committee
- Mayoral Executive Committee members
- PM unit provided administrative and logistical support
- Internal audit monitored that the process was fair and transparent and conforming to relevant legal prescripts

#### **b) *Administration***

On 20 September 2021 the Minister of Cooperative Governance promulgated the Local Government Municipal Staff Regulations (Regulation 890) and the Guidelines (Regulation 891) with an effective date of 1 July 2022. In terms of Chapter 4, Regulation 35(1) and (2) a supervisor and staff member must enter into a performance agreement for each performance cycle of the municipality and the performance agreement of a serving staff member must be concluded within 30 days of the commencement of the new financial year.

On 17 June 2022, the Department of Cooperative Governance issued Circular 12 of 2022 granting extension for the implementation of Chapter 2 and Chapter 4 to 1 July 2023.

The municipality have started with the compilation of the individual performance agreements within the 2022/23 financial year and completed agreements up to level T10 for the different directorates.

We have also started with the compilation of agreements for levels below T10. Some departments have been finalised and will be revised. Personal development plans will be developed after the skills audit have been finalised.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.2 THE IDP AND THE BUDGET

The 1<sup>st</sup> review of the 5<sup>th</sup> Generation IDP (2022 – 2027), which encapsulates and elaborates on the strategic planning perspectives for 2022/23, was approved on 30 May 2022 (Resolution number C57/2022) whilst the budget for 2022/23 was also approved by Council on 30 May 2022 (Resolution number C58/2022). The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

#### 3.2.1 Strategic alignment

The table below provides an analysis of the budget allocation per strategic objective (Opex excludes internal transfers):

Strategic objective	Capital Budget		Operational Budget (Opex)	
	Total budget	Total actual expenditure	Total budget	Total actual expenditure
	R			
SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community	379 860 967	246 195 917	882 189 521	836 671 318
SO2: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	1 620 000	1 356 581	5 422 942	4 959 374
SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	2 085 950	1 787 846	259 129 135	172 068 684
SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government	22 790 891	19 891 329	129 134 082	127 655 476
SO5: Ensure a healthy and productive workforce and an effective and efficient work environment	0	0	16 223 562	15 883 775
SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	3 468 300	1 586 944	104 820 426	79 371 610
<b>Total</b>	<b>409 826 108</b>	<b>270 818 617</b>	<b>1 396 919 668</b>	<b>1 236 610 237</b>

Table: 59 Budget spending per strategic objective

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.3 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2022/23 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore includes an overview on achievement in 2022/23 compared to actual performance in 2021/22.

### 3.4 STRATEGIC SDBIP (TOP LAYER)

#### 3.4.1 Performance indicators set in the approved Top Layer SDBIP for 2022/23 per strategic objective

##### a) *SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community*

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL2	Develop an Implementation Plan for the upgrade of the municipal rental units and submit to Council by 31 May 2023	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL3	Spend 90% of the budget allocated for the maintenance of the municipal rental units by 30 June 2023 {(total actual expenditure/total budget) x 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	10.00%	30.00%	50.00%	90.00%	90.00%
TL4	Spend 90% of the budget allocated for the relocation of outside toilets of all properties that were previously owned by government by 30 June 2023 {(total actual expenditure/total budget) x 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	30.00%	50.00%	90.00%	90.00%
TL8	Submit a bi-annual report to Council on the progress of title deed registration	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1
TL11	Review the Sport Facilities Infrastructure Master Plan and submit to Council for approval by 31 May 2023 (Final)	Final reviewed Sport Facilities Infrastructure Master Plan submitted to Council for approval	All	1	1	0	0	0	1	1
TL12	Complete the upgrade of the De Wet and Rawsonville	Number of sport fields upgraded	All	New performance indicator for	New performance indicator for	0	0	0	2	2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	Sport Fields by 30 June 2023			2022/23. No comparative audited results available	2022/23. No comparative audited results available					
TL13	Implement 8 community development programs at youth centres by 30 June 2023	Number of community development programs implemented	All	8	4	2	2	2	2	8
TL14	Implement 90% of the approved projects linked to the Sustainable Social Development Plan by 30 June 2023	% of approved projects implemented by 30 June 2023	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	0.00%	90.00%	90.00%
TL16	Spend 95% of the Library Grant in accordance with the transfer payment agreement by 30 June 2023	% of grant funding spent	All	95.00%	98.69%	20.00%	50.00%	75.00%	95.00%	95.00%
TL17	Spend 90% of the electricity capital budget by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	90.00%	98.04%	0.00%	30.00%	60.00%	90.00%	90.00%
TL18	Spend 90% of the electricity maintenance budget by 30 June 2023 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the budget spent	All	90.00%	97.95%	10.00%	30.00%	60.00%	90.00%	90.00%
TL19	Spend 90% of the capital budget allocated for the resurfacing of roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	90.00%	100%	0.00%	30.00%	60.00%	90.00%	90.00%
TL21	Spend 90% of the budget allocated for the upgrade of gravel roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	90.00%	99.76%	0.00%	30.00%	60.00%	90.00%	90.00%
TL22	Develop an Electrical Infrastructure Master	Master Plan developed and	All	New performance	New performance	0	0	1	0	1



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	Plan and submit to Council for approval by 31 March 2023	submitted to Council for approval		indicator for 2022/23. No comparative audited results available	indicator for 2022/23. No comparative audited results available					
TL23	Appoint a service provider to conduct environmental impact assessments (EIAs) linked to the anticipated development of two Industrial/Business Parks in Worcester (Erf 1 - east (Uitvlugt) and west (adjacent to Worcester Aerodrome) respectively) by 30 June 2023	Service provider appointed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL24	Spend 90% of the capital budget allocated to the construction of the 20ML service reservoir by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%
TL25	Review the Local Integrated Transport Plan (LITP) and submit to Council for approval by 31 December 2022	Plan reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	1	0	0	1
TL26	Number of formal residential properties that are billed for water as at 30 June 2023	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	21 380	21469	21 480	21 480	21 480	21 480	21 480
TL27	Number of residential properties which are billed for electricity or	Number of residential properties that	All	23 250	22686	22 885	22 885	22 885	22 885	22 885

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2023	are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs								
TL28	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2023	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	19 160	19239	19 245	19 245	19 245	19 245	19 245
TL29	Number of formal residential properties that are billed for refuse removal as at 30 June 2023	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	19 200	19275	19 281	19 281	19 281	19 281	19 281
TL30	Provide free basic water to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic water	All	9 660	9820	6 500	6 500	6 500	6 500	6 500
TL31	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic electricity	All	9 660	9820	6 500	6 500	6 500	6 500	6 500
TL32	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic sanitation	All	9 660	9820	6 500	6 500	6 500	6 500	6 500
TL33	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic refuse removal	All	9 660	9820	6 500	6 500	6 500	6 500	6 500
TL37	Limit unaccounted electricity losses to less than 10% by 30 June 2023 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10.00%	7.43%	0.00%	0.00%	0.00%	10.00%	10.00%
TL38	Limit unaccounted water losses to less than 25% by 30 June 2023	% unaccounted for water	All	25.00%	17.13%	0.00%	0.00%	0.00%	25.00%	25.00%

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL47	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2022/23 financial year	% water quality level per quarter	All	95.00%	95.73%	95.00%	95.00%	95.00%	95.00%	95.00%
TL48	Review the 5-year Water Service Development Plan IDP Water Sector Input Report and submit to Council for consideration by 31 March 2023	Water Service Development Plan IDP Water Sector Input Report submitted to Council for consideration	All	1	1	0	0	1	0	1
TL49	Spend 90% of the budget allocated towards the pipe cracking projects/works by 30 June 2023	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%
TL50	80% of sewage samples comply with effluent standard during the 2022/23 financial year {(Number of sewage samples that comply with General Authorisation/Number of sewage samples tested) x100}	% of sewage samples compliant	All	80.00%	87.53%	80.00%	80.00%	80.00%	80.00%	80.00%
TL51	Complete the investigation for sewerage blockages in Worcester and Rawsonville by the end of September 2022	Investigation completed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	0	0	1
TL52	Spend 90% of the budget allocated towards the improvement of the sewerage system by 30 June 2023 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	30.00%	90.00%	90.00%
TL56	Spend 90% of the budget allocated for the Regional Socio-Economic Programme by 30 June 2023 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%
TL57	Complete the construction of the	Project completed	All	New performance indicator for	New performance indicator for	0	0	0	1	1

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	cemetery fence by 30 June 2023			2022/23. No comparative audited results available	2022/23. No comparative audited results available					

Table: 60 Top Layer SDBIP targets set for 2022/23: SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

**b) SO2: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism**

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL58	The number of FTE's created through the EPWP programme by 30 June 2023	Number of FTE's created through the EPWP programme	All	325	443.95	83	83	83	83	332
TL62	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2022	Number of SLA's signed by 30 September 2022	All	4	4	4	0	0	0	4
TL63	Review the Local Economic Development Strategy and submit to Council for approval by 30 September 2022 (Final)	Final reviewed LED Strategy submitted to Council for approval	All	1	0	1	0	0	0	1
TL67	Develop a Precinct Plan for informal trade and submit to Council for approval by 30 June 2023	Precinct Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1

Table: 61 Top Layer SDBIP targets set for 2022/23: SO2: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

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### c) SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL1	Plan & conduct 24 roadblocks by 30 June 2023	Number of roadblocks conducted	All	24	24	6	6	6	6	24
TL5	Complete the construction of the fence of Esslen Park Sport Facility by 30 June 2023	Project completed	All	1	0	0	0	0	1	1
TL6	Complete the upgrade of the Traffic Department Cash Office by 30 June 2023	Project completed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL7	Purchase a fire engine and equipment by 30 June 2023	Fire engine and equipment purchased	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL9	Submit a bi-annual report to Council on the implementation of the Municipal Court	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1
TL10	Develop an implementation plan for the Safety Plan and submit to Council for approval by 31 December 2022	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	1	0	0	1
TL15	Conduct 950 planned inspections in accordance with the Fire Protection Regulations and Fire Safety Bylaw during the 2022/23 financial year	Number of planned inspections conducted	All	500	932	237	237	237	239	950
TL20	Spend 90% of the capital budget allocated for the construction of speedhumps in the municipal area by 30 June 2023 {(total actual capital	% of the budget spent	1; 3; 4; 6; 8; 9; 11; 13; 15; 16; 17; 18; 20; 21	90.00%	96.46%	0.00%	0.00%	60.00%	90.00%	90.00%

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	project expenditure/total capital project budget) x 100}									
TL53	Install 4 recycling awareness boards (one in each town) by 30 June 2023	Number of recycling awareness boards installed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	1	1	4
TL54	Recycle 80 tonnage of waste by 30 June 2023	Tonnage of waste recycled	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	20	20	20	20	80
TL55	Plan and host a Waste Minimisation Summit by 31 March 2023	Waste Minimisation Summit planned and hosted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1

Table: 62 Top Layer SDBIP targets set for 2022/23: SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

### d) SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL64	Review the Communication Strategy including the Language Policy and submit to Council for approval by 31 May 2023 (Final)	Final reviewed Communication Strategy including the Language Policy submitted to Council for approval	All	1	0	0	0	0	1	1
TL66	Review the 5th Generation IDP and submit to Council for approval by 31 May 2023	5th Generation IDP reviewed and submitted to Council for approval	All	1	1	0	0	0	1	1
TL70	Develop a Service Charter and submit to Council for approval by 31 May 2023	Service Charter developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL71	Review the Performance Management Framework and submit to Council	Performance Management Framework reviewed and submitted to	All	New performance indicator for 2022/23. No comparative	New performance indicator for 2022/23. No comparative	0	0	0	1	1

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	for approval by 31 May 2023	Council for approval		audited results available	audited results available					

Table: 63 Top Layer SDBIP targets set for 2022/23: SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

### e) SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL59	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2022/23 financial year	Number of people employed in the three highest levels of management	All	2	2	0	0	0	2	2
TL60	Spend 1% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2023	% of the budget spent	All	1.00%	0.73%	0.00%	0.00%	0.00%	1.00%	1.00%
TL61	Limit vacancy rate to 15% of budgeted posts by 30 June 2023 [(Number of funded posts vacant divided by budgeted funded posts) x100]	% vacancy rate	All	15.00%	13.28%	0.00%	15.00%	0.00%	15.00%	15.00%
TL65	Submit a request for approval, to dispose official documents, to the Provincial Archive Services by no later than 30 June 2023	Request for approval submitted to the Provincial Archive Services by 30 June	All	1	0	0	0	0	1	1
TL68	Review the Organisational Structure and submit to Council for approval by the end of May 2023	Organisational Structure reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1
TL69	Develop an HR Strategy and	HR Strategy developed	All	New performance	New performance	0	0	0	1	1



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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	submit to Council for approval by 31 May 2023	and submitted to Council for approval		indicator for 2022/23. No comparative audited results available	indicator for 2022/23. No comparative audited results available					
TL72	Spend 90% of the budget allocated for the replacement of ICT equipment by 30 June 2023 {(Total expenditure / total budget approved) X 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	0.00%	90.00%	90.00%
TL73	Review the ICT Strategy and submit to Council for approval by 31 May 2023	ICT Strategy reviewed and submitted for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1

Table: 64 Top Layer SDBIP targets set for 2022/23: SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

**f) SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices**

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2023 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	45.00%	15.81%		0.00%	0.00%	45.00%	45.00%
TL35	Financial viability measured in terms of the outstanding service debtors as at 30 June 2023 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	16.50%	13.53%	0.00%	0.00%	0.00%	16.50%	16.50%
TL36	Financial viability measured in	Number of months it	All	1.5	2.16	0	0	0	1.5	1.5

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	takes to cover fix operating expenditure with available cash								
TL39	Submit the approved financial statements for 2021/22 to the Auditor-General by 31 August 2022	Approved financial statements for 2021/22 submitted to the AG	All	1	1	1	0	0	0	1
TL40	Achieve a payment percentage of above 95% as at 30 June 2023 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95.00%	92.86%	75.00%	90.00%	95.00%	95.00%	95.00%
TL41	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2023	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	0	0	1	0	1
TL42	Achieve an unqualified audit for the 2021/22 financial year by 31 January 2023	Audit report signed by the Auditor-General for 2021/22	All	1	1	0	0	1	0	1
TL43	Review the Revenue Enhancement Plan and submit to Council for	Reviewed Revenue Enhancement Strategy submitted to Council	All	New performance indicator for 2022/23. No comparative	New performance indicator for 2022/23. No comparative	0	0	0	1	1

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Target for 2022/23				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	approval by 31 May 2023			audited results available	audited results available					
TL44	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2023	RBAP submitted to the Audit Committee	All	1	1	0	0	0	1	1
TL45	Compile a strategic risk report and submit to Council by 31 May 2023	Strategic risk report submitted to Council	All	1	1	0	0	0	1	1
TL46	The percentage of the municipal capital budget spent on capital projects as at 30 June 2023 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	90.00%	92.08%	0.00%	30.00%	60.00%	90.00%	90.00%

Table: 65 Top Layer SDBIP targets set for 2022/23: SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

### 3.4.2 Overall actual strategic performance for 2022/23

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, budget and performance agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to IDP (strategic) objectives.

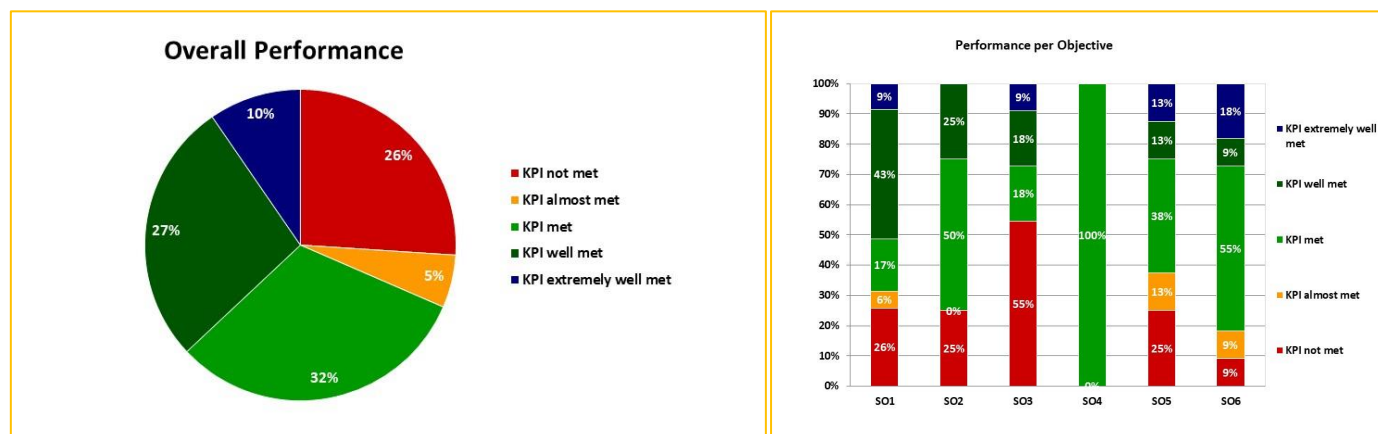
**The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP, are measured:**

Category	Colour	Explanation
KPI Not Yet Measured	N/A	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Table: 66 SDBIP measurement categories

**The graph below displays the overall performance per strategic objective for 2022/23:**

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Measurement Category	SO1	SO2	SO3	SO4	SO5	SO6	Total
	SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community	SO2: To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government	SO5: Ensure a healthy and productive workforce and an effective and efficient work environment	SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	
KPI Not Met	9	1	6	0	2	1	19
KPI Almost Met	2	0	0	0	1	1	4
KPI Met	6	2	2	4	3	6	23
KPI Well Met	15	1	2	0	1	1	20
KPI Extremely Well Met	3	0	1	0	1	2	7
Total	35	4	11	4	8	11	73

Graph 5: Overall strategic performance for 2022/23 per strategic objective

### 3.4.3 Detail actual strategic performance for 2022/23 and corrective measures that will be implemented per strategic objective

#### a) SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL2	Develop an Implementation Plan for the upgrade of the municipal rental units and submit to Council by 31 May 2023	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions		An assessment of the rental units was done to inform the rental unit upgrade implementation plan. The envisaged scope of works and costs, per the consultant's findings, amounted to approximately R300 million. As these costs									

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Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
		significantly exceeded the municipal cost expectations and available budget, the consultants were instructed to revisit the assessment and draft a rental unit upgrade implementation plan based on works relating to the improvement of safety and key structural defects of the apartments (e.g. safety railings, lighting and roofing). This subsequently contributed to the inability to meet the target by the set date.  The consultants are in process of formulating an implementation plan based on the revised scope, which the department anticipates submitting to Council before December 2023, subject to the timeous receipt thereof. The KPI has been included in the 2023/24 SDBIP									
TL3	Spend 90% of the budget allocated for the maintenance of the municipal rental units by 30 June 2023 {(total actual expenditure/total budget) x 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	10.00%	30.00%	50.00%	90.00%	90.00%	88.02%	O
Corrective actions		Although underperformance is prevalent, it is marginal. In addition, the performance depicts a significant improvement compared to prior quarters. The comprehensive assessment of the municipal rental units and associated processes (amongst others) delayed the actioning of the maintenance program.  Frequent monitoring and review of the maintenance plan will be prioritised to ensure that maintenance work is actioned in accordance with the approved plan and service standards. The department will also rely on the findings emanating from the rental unit assessment report and forthcoming rental unit implementation plan (linked to the upgrading thereof) to inform and streamline maintenance works									
TL4	Spend 90% of the budget allocated for the relocation of outside toilets of all properties that were previously owned by government by 30 June 2023 {(total actual expenditure/total budget) x 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	30.00%	50.00%	90.00%	90.00%	34.50%	R
Corrective actions		The primary deliverable linked to this quarter, was the drafting and advertising of the tender. The actual works (i.e. relocation of outside toilets) could not materialize. Therefore, a minor increase in the % of the budget spent is prevalent at 30 June 2023.  Tender BV921/2023 has been advertised on 8 May 2023. In accordance with the anticipated procurement procedures, conditions and timelines; and on the assumption that no delays occur, the department intends to appoint a service provider by the end of Q1 of the new financial year (i.e. 2023/24)									
TL8	Submit a bi-annual report to Council on the progress of title deed registration	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1	1	G
TL11	Review the Sport Facilities Infrastructure	Final reviewed Sport Facilities Infrastructure	All	1	0	0	0	1	1	1	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	Master Plan and submit to Council for approval by 31 May 2023 (Final)	Master Plan submitted to Council for approval									
TL12	Complete the upgrade of the De Wet and Rawsonville Sport Fields by 30 June 2023	Number of sport fields upgraded	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	2	2	0	R
Corrective actions		<p>KPI target not achieved due to fact that the department had no budget on approved CAPEX for the project. The original MIG Funds ringfenced for this project was delayed because Province did not approve projects on time. The Director therefore had re-submit MIG application for these projects.</p> <p>Funding applications have been approved and budgeted in the 2023/24 financial year. Both facilities are anticipated to be completed by 30 June 2024</p>									
TL13	Implement 8 community development programs at youth centres by 30 June 2023	Number of community development programs implemented	All	4	2	2	2	2	8	22	B
TL14	Implement 90% of the approved projects linked to the Sustainable Social Development Plan by 30 June 2023	% of approved projects implemented by 30 June 2023	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	0.00%	90.00%	90.00%	100.00%	G <sub>2</sub>
TL16	Spend 95% of the Library Grant in accordance with the transfer payment agreement by 30 June 2023	% of grant funding spent	All	98.69%	20.00%	50.00%	75.00%	95.00%	95.00%	100.00%	G <sub>2</sub>
TL17	Spend 90% of the electricity capital budget by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	98.04%	0.00%	30.00%	60.00%	90.00%	90.00%	64.60%	R
Corrective actions		<p>Frequent monitoring and evaluation of the electrical capital programme is prioritised to ensure that capital works are executed in accordance with the approved budget, demand management plan (DMP) and conditions of contract with Service Providers. These actions will yield a higher % of the budget spent throughout a financial year. Capital spending throughout the financial year have been affected by numerous factors such as extensive SCM processes,</p>									

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
		Environmental Impact Assessments / Environmental Authorization (EA) which takes much longer than anticipated, availability of electrical equipment and adverse weather conditions to the latter part of the financial year. It should be noted that the bulk of capital spending is during the latter part of the financial year, which are often negatively influenced by adverse weather conditions. All these factors have an influence on the timelines and ability of successful bidders to implement on time. Remedial actions to prevent reoccurrence would be to budget more conservatively for projects that are subject to the abovementioned variables that have proved to be a greater challenge during the 2022/23 financial year, when compared to recent years									
TL18	Spend 90% of the electricity maintenance budget by 30 June 2023 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the budget spent	All	97.95%	10.00%	30.00%	60.00%	90.00%	90.00%	89.56%	O
Corrective actions		The underperformance is immaterial (primarily due to rounding). It should be noted that personnel constraints and external factors such as adverse weather conditions (amongst others) may delay the implementation of maintenance program and subsequently impact the % of the budget spent. Frequent monitoring and evaluation of the electrical maintenance plan is prioritised to ensure that maintenance works are executed in accordance with the approved plan and service standards. This action will yield a higher % of the budget spent throughout a financial year									
TL19	Spend 90% of the capital budget allocated for the resurfacing of roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	100%	0.00%	30.00%	60.00%	90.00%	90.00%	99.10%	G <sub>2</sub>
TL21	Spend 90% of the budget allocated for the upgrade of gravel roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	99.76%	0.00%	30.00%	60.00%	90.00%	90.00%	99.90%	G <sub>2</sub>
TL22	Develop an Electrical Infrastructure Master Plan and submit to Council for approval by 31 March 2023	Master Plan developed and submitted to Council for approval	All		0	0	1	0	1	1	G
TL23	Appoint a service provider to	Service provider appointed	All	New performance indicator for	0	0	0	1	1	0.5	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	conduct environmental impact assessments (EIAs) linked to the anticipated development of two Industrial/Business Parks in Worcester (Erf 1 - east (Uitvlugt) and west (adjacent to Worcester Aerodrome) respectively) by 30 June 2023			2022/23. No comparative audited results available							
<b>Corrective actions</b>		<p>The budget was not sufficient to appoint a service provider linked to the envisaged Uitvlugt EIA, nor cover the scope of the Uitvlugt EIA works as part of the appointment reported.</p> <p>R14 million has been budgeted in the forthcoming MTREF (i.e. 2023/24) to (amongst others) appoint a suitably qualified service provider to initiate the anticipated works</p>									
TL24	Spend 90% of the capital budget allocated to the construction of the 20ML service reservoir by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%	59.48%	R
<b>Corrective actions</b>		<p>Spend 59,48% of the capital budget allocated to the construction of the 20ML service reservoir by 30 June 2023 {(R35 425 143 / R 59 561 871) x 100}</p> <p>Due completion of Works towards end of August 2023. Hence unspent budget to be roll-over to 2023/24 FY. Construction is approximately 1 week behind program due to adverse weather conditions during the months of May 2023 and June 2023</p>									
TL25	Review the Local Integrated Transport Plan (LITP) and submit to Council for approval by 31 December 2022	Plan reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	1	0	0	1	1	G
TL26	Number of formal residential properties that are billed for	Number of residential properties that are billed for residential consumption	All	21469	21 480	21 480	21 480	21 480	21 480	21 483	G 2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	water as at 30 June 2023	water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.									
TL27	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2023	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22686	22 885	22 885	22 885	22 885	22 885	23 045	G 2
TL28	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2023	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	19239	19 245	19 245	19 245	19 245	19 245	19 461	G 2
TL29	Number of formal residential properties that are billed for refuse removal as at 30 June 2023	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	19275	19 281	19 281	19 281	19 281	19 281	19 495	G 2
TL30	Provide free basic water to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic water	All	9820	6 500	6 500	6 500	6 500	6 500	7 999	G 2
TL31	Provide free basic electricity to indigent households earning less than R4500 as	Number of indigent households receiving free basic electricity	All	9820	6 500	6 500	6 500	6 500	6 500	7 999	G 2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	at 30 June 2023										
TL32	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic sanitation	All	9820	6 500	6 500	6 500	6 500	6 500	7 999	G 2
TL33	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic refuse removal	All	9820	6 500	6 500	6 500	6 500	6 500	7 999	G 2
TL37	Limit unaccounted electricity losses to less than 10% by 30 June 2023 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	7.43%	0.00%	0.00%	0.00%	10.00%	10.00%	6.10%	B
TL38	Limit unaccounted water losses to less than 25% by 30 June 2023	% unaccounted for water	All	17.13%	0.00%	0.00%	0.00%	25.00%	25.00%	14.29%	B
TL47	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2022/23 financial year	% water quality level per quarter	All	95.73%	95.00%	95.00%	95.00%	95.00%	95.00%	95.33%	G 2
TL48	Review the 5-year Water Service Development Plan IDP Water Sector Input Report submitted to Council for consideration	Water Service Development Plan IDP Water Sector Input Report submitted to Council for consideration	All	1	0	0	1	0	1	1	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	consideration by 31 March 2023										
TL49	Spend 90% of the budget allocated towards the pipe cracking projects/works by 30 June 2023	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%	39.90%	R
Corrective actions		<p>Due to the delay in appointment of the service provider, the targeted expenditure could not materialise by 30 June 2023.</p> <p>A service provider has been appointed, established site and commenced with works. The scope of works will be implemented over multiple financial years (concluding 30 June 2025), hence, the KPI has been flagged as a recurring KPI to monitor progress throughout the validity period of the contract</p>									
TL50	80% of sewage samples comply with effluent standard during the 2022/23 financial year {(Number of sewage samples that comply with General Authorisation/ Number of sewage samples tested) x100}	% of sewage samples compliant	All	87.53%	80.00%	80.00%	80.00%	80.00%	80.00%	86.95%	G 2
TL51	Complete the investigation for sewerage blockages in Worcester and Rawsonville by the end of September 2022	Investigation completed	All	New performance indicator for 2022/23. No comparative audited results available	1	0	0	0	1	1	G
TL52	Spend 90% of the budget allocated towards the improvement of the sewerage system by 30 June 2023 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	30.00%	90.00%	90.00%	51.96%	R
Corrective actions		The expenditure has shown a steady increase in Q4. The underperformance primarily relates to the delay in procuring a service provider as well as the additional in-principle approved projects taken up into the budget during February 2023.									

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
		The department submitted roll-over applications for all projects applicable to this KPI. The roll-over application was approved, thus confirming funding for all projects in the new financial period (2023/24). The KPI has been carried over to the 2023/24 financial period and will be measured accordingly (project implementation remains ongoing)									
TL56	Spend 90% of the budget allocated for the Regional Socio-Economic Programme by 30 June 2023 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	60.00%	90.00%	90.00%	100.00%	G 2
TL57	Complete the construction of the cemetery fence by 30 June 2023	Project completed	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions		Target not met. The total cost of the project exceeded the available budget hence the total project scope could not be implemented. The KPI has been reintroduced in the 2023/24 financial year and will measure the % of the budget spent on fencing the De Wet cemetery									

Table: 67 SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

### b) SO2: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL58	The number of FTE's created through the EPWP programme by 30 June 2023	Number of FTE's created through the EPWP programme	All	443.95	83	83	83	83	332	339.54	G <sub>2</sub>
TL62	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2022	Number of SLA's signed by 30 September 2022	All	4	4	0	0	0	4	4	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL63	Review the Local Economic Development Strategy and submit to Council for approval by 30 September 2022 (Final)	Final reviewed LED Strategy submitted to Council for approval	All	0	1	0	0	0	1	1	G
TL67	Develop a Precinct Plan for informal trade and submit to Council for approval by 30 June 2023	Precinct Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions		The lowest amount received to the call for quotations exceeds the available budget, activity had to be shifted to the following financial year for implementation									

Table: 68 SO2: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

### c) SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL1	Plan & conduct 24 roadblocks by 30 June 2023	Number of roadblocks conducted	All	24	6	6	6	6	24	27	G 2
TL5	Complete the construction of the fence of Esslen Park Sport Facility by 30 June 2023	Project completed	All	0	0	0	0	1	1	0	R
Corrective actions		Consultant was appointed in July 2022 but found out that servitude existed, and Eskom's approval was needed. A budget virement was done to pay the consultant but the project could not be completed by 30 June 2023 due to aforementioned. Tender process has been followed. Project will be completed in 1st quarter of new book year									
TL6	Complete the upgrade of the Traffic Department Cash Office by 30 June 2023	Project completed	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions		A decision was taken that the project would be conducted in-house. The building plan linked to the renovations were drafted and approved, and building material procured in the 2022/23 financial year in preparation for the project. Unfortunately, the in-house team experienced delays on other municipal projects, hence this project could not be completed by 30 June 2023.									

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
		The project has commenced, but could not be completed as stated. The project is earmarked to be completed before 31 December 2023									
TL7	Purchase a fire engine and equipment by 30 June 2023	Fire engine and equipment purchased	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions		Performance not achieved as the intended loan of R85 million, earmarked to fund the procurement of the fire engine (amongst others), was not taken up into the budget. This decision was informed by financial sustainability considerations. Tender BV1017/2022 has been advertised. The department anticipates appointing a service provider in the first quarter of 2023/24, with completion/delivery anticipated by 30 June 2024									
TL9	Submit a bi-annual report to Council on the implementation of the Municipal Court	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1	1	G
TL10	Develop an implementation plan for the Safety Plan and submit to Council for approval by 31 December 2022	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	1	0	0	1	1	G
TL15	Conduct 950 planned inspections in accordance with the Fire Protection Regulations and Fire Safety Bylaw during the 2022/23 financial year	Number of planned inspections conducted	All	932	237	237	237	239	950	1 465	B
TL20	Spend 90% of the capital budget allocated for the construction of speedhumps in the municipal area by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	1; 3; 4; 6; 8; 9; 11; 13; 15; 16; 17; 18; 20; 21	96.46%	0.00%	0.00%	60.00%	90.00%	90.00%	99.99%	G 2



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL53	Install 4 recycling awareness boards (one in each town) by 30 June 2023	Number of recycling awareness boards installed	All	New performance indicator for 2022/23. No comparative audited results available	1	1	1	1	4	0	R
<b>Corrective actions</b>		None of the planned recycling boards were constructed and/or erected by 30 June 2023; thus, no performance was claimed. A procurement process has been initiated to appoint a service provider linked to the construction and delivery of the recycling boards. The KPI will be reintroduced onto the 2023/24 TL SDBIP during the February 2024 adjustments period for completion before 30 June 2024									
TL54	Recycle 80 tonnage of waste by 30 June 2023	Tonnage of waste recycled	All	New performance indicator for 2022/23. No comparative audited results available	20	20	20	20	80	0	R
<b>Corrective actions</b>		Management flagged this KPI for reassessment and strengthening of measures in the new financial period (February 2024) to ensure that future performance is improved. Examples of measures include retraining all staff involved in the operational activity, ensuring that all monitoring and recording systems (such as the weighbridge) are fully functional and frequent reporting and auditing of performance throughout the financial year (coupled with escalation to the strategic risk register)									
TL55	Plan and host a Waste Minimisation Summit by 31 March 2023	Waste Minimisation Summit planned and hosted	All	New performance indicator for 2022/23. No comparative audited results available	0	0	1	0	1	0	R
<b>Corrective actions</b>		Due to the unavailability of key stakeholders, the Waste Minimisation Summit (Workshop) could not be conducted. As a result, the summit was rescheduled for hosting before the 30th of June, 2023 As plans for hosting the summit were already in place, the department could swiftly action its hosting plan/programme subject to the availability of all stakeholders. On this premise, the department successfully hosted the Waste Minimisation Summit on the 9th of May, 2023. Notwithstanding, the department has not claimed performance as it missed the initial hosting due date of the 31st of March, 2023									

Table: 69 SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### d) SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL64	Review the Communication Strategy including the Language Policy and submit to Council for approval by 31 May 2023 (Final)	Final reviewed Communication Strategy including the Language Policy submitted to Council for approval	All	0	0	0	0	1	1	1	G
TL66	Review the 5th Generation IDP and submit to Council for approval by 31 May 2023	5th Generation IDP reviewed and submitted to Council for approval	All	1	0	0	0	1	1	1	G
TL70	Develop a Service Charter and submit to Council for approval by 31 May 2023	Service Charter developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	1	G
TL71	Review the Performance Management Framework and submit to Council for approval by 31 May 2023	Performance Management Framework reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	1	G

Table: 70 SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

### e) SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL59	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the	Number of people employed in the three highest levels of management	All	2	0	0	0	2	2	2	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	municipality's approved employment equity plan and organisational structure during the 2022/23 financial year										
TL60	Spend 1% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2023	% of the budget spent	All	0.73%	0.00%	0.00%	0.00%	1.00%	1.00%	0.88%	O
<b>Corrective actions</b>		Due to the following reasons all trainings could not be done, namely 1.Excavator training was cancelled due to the fact that the Municipal Excavator was not in working condition and could not be used for training and therefore the training was suspended and cancelled. 2.The training for the First aid was loaded with incorrect amount on the system and could not re advertise within time frames. 3.other problem encountered was that an amount of R 400 000,00, could not be utilized due to duplication on system and those funds could not be accessed to be utilized									
TL61	Limit vacancy rate to 15% of budgeted posts by 30 June 2023 [(Number of funded posts vacant divided by budgeted funded posts)x100)	% vacancy rate	All	13.28%	0.00%	15.00%	0.00%	15.00%	15.00%	9.45%	B
TL65	Submit a request for approval, to dispose official documents, to the Provincial Archive Services by no later than 30 June 2023	Request for approval submitted to the Provincial Archive Services by 30 June	All	0	0	0	0	1	1	1	G
TL68	Review the Organisational Structure and submit to Council for approval by the end of May 2023	Organisational Structure reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	0	R
<b>Corrective actions</b>		Staff establishment was adopted on 20th of June 2023 by Council and submitted to the MEC as per the Municipal Staff Regulations. Unions requested on consultation extension on the staff establishment and due to this it could only be submitted to Council in June 2023. Extensive consultation was done with all roll players									
TL69	Develop an HR Strategy and submit to Council for approval	HR Strategy developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited	0	0	0	1	1	0	R

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Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	approval by 31 May 2023			results available							
<b>Corrective actions</b>		The HR Strategy was approved by Council on 20th of June 2023. The unions requested extension on consultation with Strategy and due to extension consultation with all roll players it could only be submitted to Council for adoption on the 20th June 2023									
TL72	Spend 90% of the budget allocated for the replacement of ICT equipment by 30 June 2023 {(Total expenditure / total budget approved) X 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	0.00%	0.00%	0.00%	90.00%	90.00%	95.38%	G 2
TL73	Review the ICT Strategy and submit to Council for approval by 31 May 2023	ICT Strategy reviewed and submitted for approval	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	1	G

Table: 71 SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

### f) SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2023 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	15.81%	0.00%	0.00%	0.00%	45.00%	45.00%	22.00%	B
TL35	Financial viability measured in terms of the	% of outstanding service debtors	All	13.53%	0.00%	0.00%	0.00%	16.50%	16.50%	14.00%	B

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	outstanding service debtors as at 30 June 2023 ((Total outstanding service debtors/ revenue received for services) X100)										
TL36	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	2.16	0	0	0	1.5	1.5	2	G <sub>2</sub>
TL39	Submit the approved financial statements for 2021/22 to the Auditor-General by 31 August 2022	Approved financial statements for 2021/22 submitted to the AG	All	1	1	0	0	0	1	1	G
TL40	Achieve a payment percentage of above 95% as at 30 June 2023 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed	% Payment achieved	All	92.86%	75.00%	90.00%	95.00%	95.00%	95.00%	93.81%	O

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23	
					Q1	Q2	Q3	Q4	Annual	Actual	
	Revenue) x 100										
<b>Corrective actions</b>		<p>The collection rate for the year is 93.81. It should be noted that BVM has achieved this at the backdrop of current economic conditions which has seen an increase in food prices as well as an increase in interest rates making it difficult for clients to prioritize the Municipality.</p> <p>We will continue to strictly implement our Credit Control measures while protecting vulnerable citizens through our indigent subsidy programme</p>									
TL41	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2023	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	0	0	1	0	1	1	G
TL42	Achieve an unqualified audit for the 2021/22 financial year by 31 January 2023	Audit report signed by the Auditor-General for 2021/22	All	1	0	0	1	0	1	1	G
TL43	Review the Revenue Enhancement Plan and submit to Council for approval by 31 May 2023	Reviewed Revenue Enhancement Strategy submitted to Council	All	New performance indicator for 2022/23. No comparative audited results available	0	0	0	1	1	1	G
TL44	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2023	RBAP submitted to the Audit Committee	All	1	0	0	0	1	1	1	G
TL45	Compile a strategic risk report and submit to Council by 31 May 2023	Strategic risk report submitted to Council	All	1	0	0	0	1	1	1	G
TL46	The percentage of the municipal capital budget spent on capital projects as at 30 June 2023 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	92.08%	0.00%	30.00%	60.00%	90.00%	90.00%	67.18%	R
<b>Corrective actions</b>		The reasons include (amongst others) poor performance / non-performance by service providers; majority of the capital spending mainly occurs in the latter stage of the financial year, given the relevant procurement processes; significant									

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2021/22 Actual	Target					Overall performance for 2022/23
					Q1	Q2	Q3	Q4	Annual	Actual
		additional conditional grant transfers made to the municipality late in the financial year; shortage of key supplies in the market, resulting in bidders not being able to perform timeously; extensive lead times on certain supplies needing to be imported from abroad; unresponsive bidders, resulting in the re-initiation of SCM processes; and exogenous factors such as adverse weather conditions, civil unrest, etc.  Remedial actions to prevent reoccurrence would be to budget more conservatively for projects that are subject to the abovementioned variables, which have proved to be a greater challenge during the 2022/23 financial year, compared to recent years								

Table: 72 SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

### 3.5 SERVICE PROVIDER STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement and is defined as:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- A comparison of the performance with targets set for and performances in the previous financial year; and
- Measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered and for goods delivered for an amount more than R200 000 are listed.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The tables below indicate service providers utilised according to functional areas:

### 3.5.1 Office of the Municipal Manager

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BVA 17/2021	Fully integrated governance risk compliance & audit software solution	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BVA 382/2021	ACL Software monitoring system	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A

Table: 73 Service provider performance: Office of the Municipal Manager

### 3.5.2 Financial Services

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BVA 615/2021	Provision of banking (and related services)	01/04/2021 – 31/03/2023	Expired	Satisfactory	N/A
BV 844/2020	Supply and Delivery of Plastic Refuse Bags for the period ending 30 June 2023	01/04/2021 – 30/06/2023	Expired	Satisfactory	N/A
RT 46/2020	Appointment of contractors for the provision of vehicle fleet management services to the state for a period ending 31 March 2026	01/04/2021 – 31/03/2026	Active	Satisfactory	N/A
BVA 144/2021	The core financial system of the Municipality	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BVA 699/2021	Provision of debt collection services	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 881/2021 (A) – Western Cape Stationers	Supply and delivery of tissue paper products for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active (Line item to be cancelled)	Unsatisfactory. Due to current economic circumstances in the paper industry, suppliers are unable to deliver paper at their tendered price.	The contract line item (2) will be cancelled, and an alternative procurement process will be initiated.
BV 881/2021 (B)	Supply and delivery of tissue paper products for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 846/2020 (A)	Supply and delivery of electrical pre – payment meters for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 846/2020 (B)	Supply and delivery of electrical pre – payment meters for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 846/2021 (C)	Supply and delivery of electrical pre –	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	payment meters for the period ending 30 June 2024				
BV 846/2021 (D)	Supply and delivery of electrical pre – payment meters for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 846/2021 (E)	Supply and delivery of electrical pre – payment meters for the period ending 30 June 2024	12/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 883/2021 (A)	Supply and delivery of LED street and flood lights for a period ending 30 June 2024	25/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 883/2021 (B)	Supply and delivery of LED street and flood lights for a period ending 30 June 2024	25/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 917/2021	Supply and delivery of protective clothing for the period ending 30 June 2024	01/10/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 908/2021 (A) – Western Cape Stationers	Supply and Delivery of Printing Paper for the period ending 30 June 2024	11/10/2021 – 30/06/2024	Active (to be cancelled)	Unsatisfactory. Due to current economic circumstances in the paper industry, suppliers are unable to perform at their tendered price.	The contract will be cancelled, and an alternative procurement process will be initiated.
BV 908/2021 (B)	Supply and Delivery of Printing Paper for the period ending 30 June 2024	11/10/2021 – 30/06/2024	Active (to be cancelled)	Satisfactory	The contract will be cancelled, and an alternative procurement process will be initiated.
BV 908/2021 (C)	Supply and Delivery of Printing Paper for the period ending 30 June 2024	11/10/2021 – 30/06/2024	Active (to be cancelled)	Satisfactory	The contract will be cancelled, and an alternative procurement process will be initiated.
BV 884/2021	Auctioneering services for the period ending 30 June 2024	29/11/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 859/2021	Supply and fit of new/ retread tyres, tubes, collection of casing and other related services for the period ending 30 June 2024	04/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 914/2021	Provision of professional travel agency services for the period ending 30 June 2024	14/02/2022 – 30/06/2024	Active	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 951/2022	Supply and delivery of high, medium and general security padlocks (inclusive of protected keys and accessories) for the period ending 30 June 2025	07/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 942/2022	Facilitation of third-party payments for a period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 941/2022	Supply and delivery of meter reading equipment and software solution (inclusive of support services) for a period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BVA 787/2022	Compilation and maintenance of the General Valuation (GV) and Supplementary Valuation (SV) rolls for the period ending 30 June 2022  *Note: the financial year reference was incorrectly captured and advertised. However, the tender validity has been extended to 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 943/2022	Printing, folding and distribution of municipal accounts and newsletters for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 954/2022	Short term insurance services for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 924/2021	Accounting services to ensure completion of the GRAP/ MSCOA compliant AFS for a period ending 31 December 2023	23/06/2022 – 31/12/2023	Active	Satisfactory	N/A
BV 890/2021	Acquisition of R300 million loan	19/08/2022 – 19/08/2037	Active	Satisfactory	N/A
BV 949/2020 (A)	Supply and Delivery of electrical cable and wire products for the period ending 30 June 2025	23/08/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 949/2020 (B)	Supply and Delivery of electrical cable and wire products for the	23/08/2022 – 30/06/2025	Active	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	period ending 30 June 2025				
BV 949/2020 (C)	Supply and Delivery of electrical cable and wire products for the period ending 30 June 2025	23/08/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 950/2022 (A) Risk Release	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Unsatisfactory. The service provider provided an unsatisfactory service	Non-performance letter was issued whereby the service provider corrected their performances
BV 950/2022 (B)	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 950/2022 (C) – Medilac Group	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active (Line item to be cancelled)	Unsatisfactory. The product supplied by the service provider is not according to the contract specifications.	The municipality instituted performance measures against the supplier, placing them on terms and also opted to procure the same goods (in terms of line item 21) from the second highest bidder who can supply compliant goods
BV 950/2022 (D)	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 950/2022 (E)	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2024	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 950/2022 (F) Creamillion	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active (contract with service provider to be cancelled)	Unsatisfactory. The service provider provided poor performance and subsequently requested to withdraw from the entire tender process.	The municipality instituted performance measures against the supplier, placing them on terms and cancelled the contract with the service provider. An alternative procurement process will be initiated.
BV 950/2022 (G)	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 950/2022 (H)	Supply and delivery of detergents and cleaning materials for	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	the period ending 30 June 2025				
BV 950/2022 (H)	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A

Table: 74 Service provider performance: Financial Services

### 3.5.3 Strategic Support Services

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 840/2019	Rendering of telecom reporting and cost management services for the period ending 30 June 2023	02/11/2020 – 30/06/2023	Expired	Satisfactory	N/A
BV 868/2020	Maintenance services for elevators at Breede Valley municipality office buildings for a period ending 30 June 2023	10/03/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 880/2021	Support and maintenance services of wireless radio network for a period ending 30 June 2024	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 876/2021	Provision of professional interpretation and translation services for a period ending 30 June 2024	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 877/2021	Communication services for a period ending 30 June 2024	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BVA 141/2021	Document Archiving and automated process and workflow system	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BVA 117/2021	Performance management system	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 665/2020 - Category 1	Rendering professional legal services for the period ending 30 June 2023	13/07/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 665/2020 - Category 2	Rendering professional legal services for the period ending 30 June 2023	13/07/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 665/2020 - Category 3,4,5	Rendering professional legal services for the period ending 30 June 2023	13/07/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 927/2021	Supply, installation, and commissioning of telephone VOIP system solution for a	14/02/2022 – 30/06/2024	Active	Satisfactory	N/A

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Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	period ending 30 June 2024				
BV 944/2022	Rendering of hygiene cleansing services for the period ending 30 June 2025	01/06/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 940/2022	Provision of a Group Life Insurance for a period ending 30 June 2025	09/06/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 934/2022	Supply, installation and commissioning of fibre links	01/07/2022 – 31/07/2022	Expired	Satisfactory	N/A
BV 935/2022	Provision of training: minimum municipal competency levels for a period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 947/2022	Rental of multi-functional office machines (inclusive of related services) for a period ending 30 June 2025	01/08/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 887/2021	Provision and maintenance of internet and related services for a period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 1013/2022	Review and design of staff establishment	28/10/2022 – 30/06/2023	Expired	Satisfactory	N/A
BV 991/2022	Supply and delivery of various ICT equipment	15/12/2022 – 15/03/2023	Expired	Satisfactory	N/A

Table: 75 Service provider performance: Strategic Support Services

### 3.5.4 Community Services

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 835/2019	Rental of chemical toilets for the period ending 30 June 2023	04/01/2021 – 30/06/2023	Expired	Satisfactory	N/A
BVA 111/2021	Back-office fines system	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 874/2021	Provision of security services for a period ending 30 June 2024	01/08/2022 – 30/06/2024	Cancelled	Poor. The service provider provided a poor service. As result, the municipality had incurred a lot of damages/ loss due to the service provider failing to adhere to the contract terms and conditions	The contract was cancelled, service provider evicted from site, and an alternative service provider was appointed to render the services
BV 878/2021	Management of pound services and ancillary functions within BVM	01/07/2021 – 30/06/2023	Expired	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid No	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	are for a period ending 30 June 2023				
BV 834/2021 (Cluster 1)	Security monitoring and armed response services for a period ending 30 June 2024	17/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 834/2021 (Cluster 3)	Security monitoring and armed response services for a period ending 30 June 2024	17/08/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 956/2022	Provision of speed law enforcement and back-office services for a period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 957/2022 (A)	Supply and Delivery of Protective Clothing: structural firefighting gear for the period ending 30 June 2025	03/03/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 957/2022 (B)	Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2025	03/03/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 957/2022 (C)	Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2025	03/03/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 957/2022 (D)	Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2025	03/03/2023 – 30/06/2025	Active	Satisfactory	N/A

Table: 76 Service provider performance: Community Services

### 3.5.5 Engineering Services

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BVA 275228/2021	Works order system	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 879/2021	Supply, installation and management of an STS compliant prepayment electrical vending system for a period ending 30 June 2024	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 900/2021	Supply, delivery, installation and commissioning of Medium Voltage (MV) bulk supply to the Altona Development, Worcester	01/10/2021 – 30/09/2022	Expired	Satisfactory	N/A
BV 912/2021	Professional services for the upgrading of gravel roads at Zwelethemba, Worcester	15/01/2022 – 30/06/2024	Active	Satisfactory	N/A



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 916/2021	Resurfacing of municipal roads for the period ending 30 June 2024 (Rawsonville, Worcester, De Doorns, Touwsrivier)	15/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 929/2021	Professional services for the construction of traffic circle at high and Louis Lange Streets, Worcester	09/12/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 926/2021	Extension of water treatment works: Rawsonville (mechanical and electrical works)	23/02/2022 – 30/06/2023	Expired	Satisfactory	N/A
BV 915/2021	Extension of water treatment works: Rawsonville (civil and structural works)	25/02/2022 – 31/12/2022	Expired	Satisfactory	N/A
BV 931/2021	Construction of speed humps	14/03/2022 – 31/08/2022	Expired	Satisfactory	N/A
BV 897/2021	Supply, delivery, installation and commissioning of medium voltage equipment at Mc Allister, Raymond Pollet and Merindal substations, Worcester	14/03/2022 – 31/12/2022	Expired	Satisfactory	N/A
BV 946/2022	Supply and delivery of advanced power quality measurement devices as well as monitoring of associated infrastructure for the period ending 30 June 2024	05/06/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 932/2021	Construction of 20ml service reservoir at preloads - Worcester	01/04/2022 – 31/08/2022	Expired	Satisfactory	N/A
BVA 566/2022	Professional services for the construction of erosion protection at hex river, Worcester	01/07/2022 – 30/06/2024	Active	Satisfactory	N/A
BVA 814/2022	Professional services for the extension of Rawsonville wastewater treatment works	01/07/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 816/2019	Professional services for construction of reservoirs – preloads	01/07/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 936/ 2022	Maintenance of traffic signal equipment within the Breede Valley Municipality for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 566/ 2020	Professional services for the construction of erosion protection at Hex River, Worcester	01/12/2020 – 30/06/2023	Expired	Satisfactory	N/A

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Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 939/2022	Maintenance of streetlights, high mast lights and stadium flood lighting for a period ending 30 June 2025	02/08/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 933/2021	Maintenance of all electrical and mechanical equipment at the water services division, Breede Valley Municipality for the period ending 30 June 2024	01/08/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 937/2022	Supply of services for jointing and termination of electrical cable within the Breede Valley Municipality for a period ending 30 June 2025	23/09/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 953/2022 – Gqobo Investments	Upgrading of gravel roads at Zwelethemba, Worcester for the period ending 30 June 2024	13/09/2022 – 30/06/2024	Cancelled	The service provider provided an unsatisfactory service. The contractor failed to complete the project within the stipulated time period project phases.	Contract was cancelled, contractor evicted from site and an alternative contractor according to the award was appointed to complete the works
BV 960/2022	Replacement of electrical pre-payment meters and the removal of illegal electrical connections for a period ending 30 June 2025	03/10/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 975/2022	Construction of speed humps	03/10/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 968/2022	Supply, deliver, installation, commission and hand over of new high mast lights within the Breede Valley municipality	01/12/2021 – 30/02/2023	Expired	Satisfactory	N/A
BV 904/2022	Repairs, maintenance, and construction of medium voltage (MV) switchgear, transformers and protection equipment for a period ending 30 June 2025	01/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 904/2022	Repairs, maintenance, and construction of medium voltage (MV) switchgear, transformers and protection equipment for a period ending 30 June 2025	01/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 904/2022	Repairs, maintenance, and construction of medium voltage (MV) switchgear, transformers and	01/01/2023 – 30/06/2025	Active	Satisfactory	N/A

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Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	protection equipment for a period ending 30 June 2025				
BV 938/2022	Maintenance of Low Voltage (LV) Reticulation networks and equipment for the period ending 30 June 2025	01/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1011/2022	Erosion protection at Hex River: Zwelethemba - Phase 2	01/01/2023 – 03/09/2023	Active	Satisfactory	N/A
BV 976/2022	Supply, delivery, offloading and installation of security fences at various substations	18/01/2023 – 30/06/2023	Expired	Satisfactory	N/A

Table: 77 Service provider performance: Engineering Services

### 3.5.6 Public Services

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 865/2020	Provision cleaning, collection, transportation, and disposal of 3m3 skips (containers) within the Breede valley municipal area for a period ending 30 June 2024	01/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 888/2021	Rendering of the street cleaning services (inclusive of open spaces) within the Worcester CBD and surrounding areas for the period ending 30 June 2024	05/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 885/2021	Supply and delivery of water purifying chlorine and related products for the period ending 30 June 2024	26/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 885/2021	Supply and delivery of water purifying chlorine and related products for the period ending 30 June 2024	26/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 886/2021	Supply and delivery of (hydrate) water purifying lime for the period ending 30 June 2024	26/07/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 892/2021	Supply and delivery of bitumen products for a period ending 30 June 2024	09/09/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 891/2021 (A)	Supply and delivery of road building material	06/12/2021 – 30/06/2024	Active	Satisfactory	N/A

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Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
	for a period ending 30 June 2024				
BV 891/2021 (B)	Supply and delivery of road building material for a period ending 30 June 2024	06/12/2021 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (A)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (B)	Professional Consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (C)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (D)	Professional Consulting services for various Engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (E)	Professional consulting service for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (F)	Professional Consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (G)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (H)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (I)	Professional Services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (J)	Professional consulting services for various engineering projects for a period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (K)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 894/2021 (L)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (M)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (N)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 894/2021 (O)	Professional consulting services for various engineering projects for the period ending 30 June 2024	19/01/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 918/2020	Bi-Annual maintenance and services of Worcester wastewater dewatering facility for the period ending 30 June	21/04/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 930/2021	Supply and delivery of concrete products for a period ending 30 June 2024	21/04/2022 – 30/06/2024	Active	Satisfactory	N/A
BV 922/2021	Bi-Annual maintenance and services of chlorine stations for the Breede Valley Municipality for the period ending 30 June 2025	01/07/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 853/2020 (A) – Genadenal Jackies Bazaar	Rental of plant, machinery and vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Cancelled	The service provider provided a poor service was involved in fraudulent activities against the municipality	Contract was cancelled. An alternative service provider was appointed to complete the remaining services as per the BAC award. A fraud case was also opened against the contractor. Investigation is still underway
BV 853/2020 (B)	Rental of Plant, Machinery and Vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 853/2020 (C)	Rental of Plant, Machinery and Vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 853/2020 (D)	Rental of Plant, Machinery and Vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Expired	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 853/2020 (E)	Rental of Plant, Machinery and Vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 853/2020 (F)	Rental of Plant, Machinery and Vehicles for a period ending 30 June 2023	24/02/2021 – 30/06/2023	Expired	Satisfactory	N/A
BV 1008/2022	Upgrade replacement of sewer line (Rawsonville) -phase 1	03/10/2022 – 05/09/2023	Active	Satisfactory	N/A
BV 963/2022	Supply and delivery of Bins (and related spare parts) pr a period ending 30 June 2025	07/11/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 963/2022	Supply and delivery of Bins (and related spare parts) pr a period ending 30 June 2025	07/11/2022 – 30/06/2025	Active	Satisfactory	N/A
BV828/2022	Upgrade and refurbishment of Worcester Townhall HVAC	01/12/2022 – 30/06/2025	Active	Satisfactory	N/A
BV 1000/2022	Service for quality compliance testing for water and water for a period ending 30 June 2025	29/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1001/2022	supply and delivery of microbial and chemical testing reagents for a period ending 30 June 2025	29/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1001/2022	supply and delivery of microbial and chemical testing reagents for a period ending 30 June 2025	29/01/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 981/2022 (A)	Supply and delivery of pumps, electrical panels and compressors for a period ending 30 June 2025	20/02/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 981/2022 (B)	Supply and delivery of pumps, electrical panels and compressors for a period ending 30 June 2025	20/02/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1019/2022	Construction of minor civil works for the upgrading of various sewer pumpstations (including safeguarding) within the breed valley municipal area	20/02/2023 – 30/04/2023	Expired	Satisfactory	N/A
BV 1020/2022	Construction of the Kwinana Street midblock re-route and Kutwana avenue bypass sewer	20/02/2023 – 30/06/2023	Expired	Satisfactory	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Bid no	Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
BV 999/2022	Supply and delivery of 200kva mobile generator	24/03/2023 – 26/04/2023	Expired	Satisfactory	N/A
BV 997/2022	Maintenance services for generator sets (including repair works) for period ending 30 June 2025	02/03/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1021/2022	Mechanical and electrical upgrading of various sewer pumpstations (including safeguarding) within the Breede valley municipal area	13/03/2023 – 30/06/2025	Active	Satisfactory	N/A
BV 1022/2022	Replacement of existing pipe systems through trenchless technology for a period ending 30 June 2025	13/03/2023 – 30/06/2025	Active	Satisfactory	N/A

Table: 78 Service provider performance: Public Services

### 3.6 MUNICIPAL FUNCTIONS

#### 3.6.1 Analysis of functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes (Local & District Municipality)
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes (Local & District Municipality)
Local tourism	Yes (Local & District Municipality)
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No (Function of the District Municipality)
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N/A (Applicable to coastal municipalities)
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes



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Municipal function	Municipal function: Yes / No
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	N/A (Applicable to coastal municipalities)
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes (Local & District Municipality)
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes (Local & District Municipality)
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No (Function of the District Municipality)
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	N/A
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes (Local & District Municipality)
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table: 79 Municipal functions (functional areas)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7 OVERVIEW OF PERFORMANCE PER WARD

The tables below provide an overview of the performance per ward. The municipal capital budget, by implication, is drafted on the project-specific principle as opposed to ward-specific. In certain instances, a specific project may be directly rolled out in a particular ward. Furthermore, the capital budget clearly depicts the wards that may indirectly benefit as a result of an overarching capital project. On this premise, it should be noted that the top three capital projects per ward, may not necessarily be directly implemented within a particular ward, but also indirectly benefit the ward.

#### 3.7.1 Ward 1

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Augmentation of Water treatment works (MIG Counter funding)	July 2022	June 2023	2 357 000
2	Touwsrivier: Waste Water Treatment Works (WwTW) Augmentation: MIG	July 2022	June 2023	500 000
3	Upgrading of Roads - Ward 1	July 2022	June 2023	350 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only.</i></p>				

Table: 80 Capital projects of ward 1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	900 houses urgently needed near Hugo Street	The procurement of the professional services, linked to the upgrading of related bulk services, is currently underway. This is an inherent pre-condition of any planned/future housing project/development
2	Upgrade of sewerage system for housing projects	Process is ongoing. Approximately R14.2 million budgeted in the 23/24 towards the augmentation of the wastewater treatment works. Anticipated timeline: Service provider appointed by November 2023; construction completed by November 2024
3	Reservoirs and upgrading of water system for future developments and housing projects	R2.1 million spent on the augmentation of the water treatment works (Touwsrivier) by 30 June 2023. An additional R3 million has been budgeted over the 23/24 MTREF (i.e R1 million in 24/25 and R2 million in 25/26) to further expand the water provision and storage capacity in Touwsrivier
4	Land for graveyards in Touwsrivier & investigate the appointment of a supervisor at the existing graveyard	The close proximity of the initial site identified (Erf 1832) to the residential area was not appropriate, thus, environmental authorisation for the use as a cemetery would not be granted. The municipality is in process of identifying and investigating alternative sites that can fully comply with all environmental requirements and will inform the community once a site has been identified and secured

Table: 81 Top four service delivery priorities for wards 1

#### 3.7.2 Ward 2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	De Doorns WWTW Reactor	July 2022	June 2023	2 750 000*
2	Speed Humps	July 2022	June 2023	1 034 356*
3	Fire Services - De Doorns Communication Equipment	July 2022	June 2023	291 830*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 82 Capital projects of ward 2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Any planned & new housing projects in ward 2 should be based on the PHP	There is currently no housing project approved for De Doorns
2	Appointment of a Social Facilitator to assist people with profiling of Finance Link Individual Subsidy Program	This request has been discussed with the Provincial Department; feedback is awaited
3	Housing in Stofland	The Transhex Housing Development remains the primary housing development project within BVM. There is currently no housing project approved for De Doorns in the current- and future financial years
4	Electricity for informal structures	BVM is currently engaging Eskom to ascertain the feasibility and practicality of an electrification programme. Detailed feedback will be provided upon conclusion of the engagement

Table: 83 Top four service delivery priorities for ward 2

### 3.7.3 Ward 3

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	De Doorns WWTW Reactor	July 2022	June 2023	2 750 000*
2	Upgrading of Street Lights	July 2022	June 2023	2 600 000*
3	Fire Services - De Doorns Communication Equipment	July 2022	June 2023	291 830*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 84 Capital projects of ward 3

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Investigate the possibility to provide services (electrical, water & sanitation services) in Hassie Square (to shacks not located in the flood line - approximately 52 shacks)	Unfortunately, the area is located within the flood line therefore no development is permitted. The matter pertaining to the identified informal settlements outside of the flood line, will have to be referred to Council to

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		review what can be done (e.g. relocation of inhabitants or the electrification of the pre-identified structures). In Ebaleni, Electrical Services will conduct an investigation to determine whether the identified informal structures can be electrified
2	Relocate outside toilets into houses (Gatje area) in accordance with the qualification criteria	The relocation of outside toilets targets the elderly and vulnerable households. Bids linked to the appointment of a service provider are presently being evaluated as part of the procurement process. An appointment of a successful service provider is expected in August 2023 (subject to no delays within the procurement process), after which works will commence
3	Upgrading of gravel roads – Leeubekkie Crescent, Vloksie Crescent, Malva Street, Gousblom Crescent, Daglelie Crescent, Jakob Regop Street and Ekuphumleni (new extension - Biko Street, Ayesha Dawood Street, Mbolekwa Street, Poqo Street, Thambo Street, Mandela Street)	R9 million has been budgeted over the 23/24 MTREF (R3 million per year) for the building of roads in wards 1, 2, 3, 4, 16, 17 and 18. Council has committed to systematically upgrade all gravel roads; hence, this priority will be considered in future financial periods, in accordance with resource availability and the implementation schedule. BVM notes the community request for paving as the preferred method of application
4	Relook at the De Doorns East Sports Ground (Fencing, grass, repair all vandalised items & consider constructing a multi-purpose indoor sport court that can also be utilised as community hall)	The priority request is currently unfunded, hence, for future budgetary consideration & incorporation within the Facilities Infrastructure Master Plan. It must also be noted that sport facilities/assets were erected within the De Doorns East area, but unfortunately vandalised beyond repair. It is imperative that communities take ownership of assets developed within their respective areas

Table: 85 Top four service delivery priorities for ward 3

### 3.7.4 Ward 4

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	De Doorns WWTW Reactor	July 2022	June 2023	2 750 000*
2	Reseal of Municipal Roads - Ward 4	July 2022	June 2023	1 000 000
3	Fire Services - De Doorns Communication Equipment	July 2022	June 2023	291 830*
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 86 Capital projects of ward 4

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Relocation of outside toilets into the houses in De Doorns East	The relocation of outside toilets targets the elderly and vulnerable households. Bids linked to the appointment of a service provider are presently being evaluated as part of the procurement process. An appointment of a successful service provider is expected in August 2023 (subject to no delays

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		within the procurement process), after which works will commence
2	Upgrading of sportsfield in Orchard	Construction and related works at the Orchard sport field has been completed
3	Kleigat upgrading in De Doorns for cricket purposes and/or multi-purpose playing surface to encourage active youth development through sport	R100 000 budgeted towards the upgrading of the open space in Kleigat. These funds will be utilised to construct braai facilities by 30 June 2023. The appointed service provider failed to complete the works within the specified timeframes, which resulted in a cancellation of the purchase order. The municipality anticipates reconvening and complete this project in 23/24 subject to the availability of funding
4	EPWP workers to be deployed in Orchards	As at 30 June 2023, 11 beneficiaries (residing in ward 4) have been appointed on the following EPWP projects: Solid Waste De Doorns, Roads De Doorns and Wastewater Treatment Works De Doorns. The department Solid Waste & Area Cleaning will be requested to ensure that the team services the Orchard area as well

Table: 87 Top four service delivery priorities for ward 4

### 3.7.5 Ward 5

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reservoirs: Pre-loads	July 2022	June 2023	59 561 871*
2	De Doorns WWTW Reactor	July 2022	June 2023	2 750 000*
3	Reseal of Municipal Roads (Nederburg, Meerhoff, Wyland and Boschheuvel)	July 2022	June 2023	1 500 000
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 88 Capital projects of ward 5

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	That GG Camp be transferred to the municipality, included in the SDF & the urban edge be expanded to include it (GG Camp)	After numerous engagement and follow-ups, feedback from the Department of Public Works (landowner) is still outstanding. The municipality will continuously engage the department on this matter. The municipality facilitated engagements with various government departments and agencies to ensure that basic services (e.g. electrification and water provision) are supplied to GG-camp
2	That the municipality engage with the private land owner (Silver Camp) on a potential transfer of this portion of land to the municipality	Currently, the land is privately owned. The municipality will refer this matter to the Department of Agriculture for further investigation. As an alternative, BVM suggests that current inhabitants register on the Housing Waiting List/Database
3	Provision of toilets at Silver Camp & GG Camp	GG Camp provision has been approved and in process of delivering additional toilets. Silver Camp, being privately-owned land, is not within the planning agenda of the

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		municipality. The municipality can only provide service on parcels of land owned by the municipality
4	Upgrade (locker rooms, lighting and ablution facilities) & fence the Netball court. Erect shaded cover and spectator seats on cement slabs. Upgrade the cricket nets to accommodate 6 practice nets, improve lighting and erect a spectator's fence around De Wet Sportgrounds <b>(Priority to be removed subject to completion)</b>	The priority has not been addressed by 30 June 2023. R1.5 million budget in 23/24 towards the upgrading of the De Wet (Fanie Otto) sport grounds

Table: 89 Top four service delivery priorities for ward 5

### 3.7.6 Ward 6

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Refurbishment of electrical system	July 2022	June 2023	3 900 000*
2	Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	July 2022	June 2023	3 000 000
2	Speed Humps	July 2022	June 2023	1 034 356*

*The above analysis includes only the 3 largest capital projects of the ward*

*\*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table: 90 Capital projects of ward 6

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Transfer houses for ownership to tenants	Process ongoing. At this stage, the subdivision of the area into individual plots, so that the plots can be transferred to individuals, is underway
2	Resealing of Roads - (1) in Lyons Street between Van Der Merwe- & Pegel Street; (2) at the corner of Pegel-, Jordaan- & Sangster Street; (3) at the corner of Haarlem- and Tulleken Streets until the entrance of the Brewelskloof Hospital; (4) Quellerie Street on both sides of the road; (5) Buren Street; (6) Culemborg Street; (7) Janszen Street from the cafe until the Culemborg Street crossing; (8) Beyns Street; (9) In the absence of reseat, prioritise the maintenance of these roads (i.e. filling of potholes)	Subcomponents 3, 4, 5 and 7 have been completed. Furthermore, R6 million (3 million – 23/24; 3 million 24/25) budgeted in the forthcoming MTREF towards resealing of roads in ward 6. Council committed to allocate funds to the municipal resealing of roads program on a yearly basis in order to systematically address all backlogs. Pothole repair is conducted in accordance with the operational maintenance program
3	Speed calming mechanisms: (1) 1 speedhump adjacent to the school in Lyons Street; (2) – 2 in Quellerie Street (Janszen & Quellerie Street intersection towards De Doorns and Van Arckel and Quellerie Street intersection towards Cape Town); (3) - removal of speedbumps (skilpadjies) at the Heyns- and Jordan Street intersection and replace with a speed hump; (4) – Construct 1 speed humps between 8 Kuhn- and 15 Kuhn Street respectively	All speed humps have been constructed at the requested locations
4	Roll-out EPWP Cleaning Programme within ward 6	A Solid Waste & Area Cleaning EPWP project is active. Beneficiaries are assisting with area cleaning responsibilities

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		throughout Worcester (hotspot areas specifically), which includes ward 6

Table: 91 Top four service delivery priorities for ward 6

### 3.7.7 Ward 7

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Traffic Circles: (High and Louis Lange)	July 2022	June 2023	19 071 849
2	Pipe cracking (all wards)	July 2022	June 2023	6 218 833*
3	Reseal of Municipal Roads (De La Bat and others)	July 2022	June 2023	4 358 487
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 92 Capital projects of ward 7

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	(1) Rescind and review Council decision to use Old Burgerspark Caravan Park for GAP Housing; (2) Subdivide Erf 172 and (3) consolidate half with Erven 19937, 13953 and 13594 and (4) advertise for development proposals	Town Planning department is in process of following up on the heritage aspects in respect of the proposed area to be included in the development. The department will, as soon as the administrative matters are concluded, submit an item to Council for consideration
2	Traffic circles at (1) High and Louis Lange Street intersection; and (2) De la Bat Avenue, Roux Avenue and Heyns Street.	High- and Louis Lange Street is in process of being constructed. The traffic circle as per sub-component 2 is no longer deemed feasible, due to the future planned developments on the N1 (specifically the N1/Roux Avenue intersection & Worcester Eastern By- pass Road). The latter developments will significantly reduce the traffic at the particular intersection (amongst others) where the traffic circle has been requested.
3	Resealing of roads: (1) Meirings Park - Other half of Hugo Street, Other half of Ford Street, Stals Street, De Jongh Street, Esterhuyse Street, Klerck Street; (2) Roostuin - Pascali Street, Chanel Street, Virgo Street; (3) Reunion Park - De La Bat Road (between Roux Road & Oude Meule), Olm Avenue, Sipres Avenue, Populier Avenue; (4) Roux Park - Jakaranda Avenue (from the Wilger Street intersection to the Mimosa Road intersection); (5) Paglande - Durban Street, Russell Street, Church Street and Meiring Street and Tulbagh Street intersection	Subcomponents 3, 4 and a portion of 5 (Durban Street - R60 to Riebeeck Street) have been completed. Furthermore, R4 million (R1 million – 23/24; R3 million 24/25) budgeted in the forthcoming MTREF towards resealing of roads in ward 7. Council committed to allocate funds to the municipal resealing of roads program on a yearly basis in order to systematically address all backlogs.
4	(1) Completion of 'pipe-cracking' in: Louis Trichardt Street (Meirings Park), De Jongh Street, De la Bat Avenue (from Oude Meule to swimming pool / Plane Avenue), Heath Street (Fairy Glen), 82 – 84 Fairbairn Street, Greenwood Avenue; (2) Installation of concrete channels for Storm Water System at Breusing Crescent (next to 11 and behind 5, 7 & 9), Meirings Park (next to railway line and next to bridge	(1) Pipe Cracking Projects in De Jongh and De La Bat Successfully completed. R3 million budgeted in the 23/24 financial period to continue with pipe-cracking in pre-identified hotspot areas (Louis Trichardt Street and De Jongh Street will be considered). (2) The installation of a concrete channel will not be suitable to accommodate stormwater at this location. It is proposed to upgrade the open stormwater channel to a concrete pipe. In the interim, the open



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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
	over railway line); (3) Upgrading of main sewerage outflow of Meirings Park behind Breusing Crescent 9 (next to the railway line) that constantly overflows	stormwater channel forms part of our maintenance schedule, where maintenance has been undertaken successfully. Maintenance will continue until budget has been made available for upgrading. (3) Regular maintenance of sewerage line will be done to clear roots

Table: 93 Top four service delivery priorities for ward 7

### 3.7.8 Ward 8

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	July 2022	June 2023	63 550 000*
2	Alternative Electricity Supply Zwelethemba	July 2022	June 2023	11 800 000*
3	Upgrading of Gravel Roads	July 2022	June 2023	5 826 379*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 94 Capital projects of ward 8

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Investigate & propose feasible solutions to eradicate sewerage blockages & spills	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources
2	Provision of a safety kiosk at Shoprite	The BVM Community Safety Plan will inform the potential implementation of this priority need. In addition, the priority need will be referred to the SAPS and Provincial Department of Community Safety for consideration.
3	High-mast light in Njila Avenue, Bentele Street, next to Shoprite and at the Makaola Park	High-mast lights have been installed at Njila Avenue and Bentele Street. Regarding the request for a high mast light at Shoprite, the municipality assessed and found that there is adequate lighting projected by existing high mast lights (specifically the high mast lights in Cona- and Kolo Streets respectively)
4	Upgrade of Zwelethemba Sports Ground - taring of gravel road; provision of taps; upgrade entrance ticket booth; upgrade stadium seats & fence; repair & maintain the caretaker's house	It is imperative to note that the Zwelethemba swimming pool (approximate cost of R29.2 million) was completed in the prior financial period (21/22). The upgrading of the Zwelethemba sport ground is, as a result, for future budgetary consideration subject to available financial resources. The Sport Infrastructure Master Plan, coupled with the priority need, will be considered to determine the scope of works.  All maintenance issues will be addressed via the maintenance budget. Feedback will be provided to the ward Councillor and/or committee

Table: 95 Top four service delivery priorities for ward 8

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.9 Ward 9

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Refurbishment of substations	July 2022	June 2023	17 035 388*
2	Speed Humps	July 2022	June 2023	1 034 356*
3	SPORT: Esselen Park: Replacement of fence perimeter	July 2022	June 2023	824 651
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 96 Capital projects of ward 9

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Replacement of sewerage system	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources
2	Construction of speed humps: at 132 Van Zyl Avenue; 18 Rhode Street; 45 Arendse Street; 22 Springveldt Street; 119 Hartwig Avenue; 131 Van Huyssteen Avenue; 132 Lyner Street; Fischer Street (between Eden School & c/o Lyner- & Fischer Street)	All speed humps have been constructed in 2022/23 financial period. An additional speed hump was constructed at 44 Wentzel Street
3	Construct toilets and ramps for the elderly and disabled in Roodewal	Council in principle decided that the outside toilets of the vulnerable (i.e. pensioners and the disabled) need to be prioritised (all houses prior 1994, that formed part of a municipal housing development program). A full assessment of the vulnerable across the Breede Valley has been made and will also continuously reviewed and will be considered for implementation over the MTREF period (i.e. 23/24 - 25/26)
4	Paint street names on road curbs throughout ward 9 (particularly in the areas of Roodewal)	This priority is implemented as part of the operational maintenance program. Adverse weather conditions may result in delays/postponements of planned works. The technical team will inform the ward Councillor of planned works

Table: 97 Top four service delivery priorities for ward 9

### 3.7.10 Ward 10

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Transhex: Electrical Reticulation	July 2022	June 2023	15 000 000
2	Upgrading of various sewer pumpstations	July 2022	June 2023	12 950 000*
3	Reseal of Roads - Ward 10	July 2022	June 2023	2 352 083

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 98 Capital projects of ward 10

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Upgrading of Roodewal and Hexpark apartment blocks	<p>A Rental Unit Maintenance Plan has been drafted and submitted to Council.</p> <p>The responsible department is finalising the implementation schedule of the plan in accordance with the recommendations of the rental unit assessment report and available budget provisions. The deliverables encapsulated within the implementation plan, will underpin future budget proposals (annually) to ensure that maintenance work is prioritised annually, in accordance with the approved plan</p>
2	Regular maintenance of sewerage system in Ward 10	<p>R11.6 million has been spent on the upgrading &amp; safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources.</p> <p>Maintenance of sewerage system is conducted in accordance with the approved operational maintenance schedule and available financial resources</p>
3	Resealing of Roads: Fischer Street, Excelsior Street, Robey Street, Neethling Street, Orchard Street, Lafontein Street, In front of Scheeper's Creche (corner of Excelsior Road & Waltham Street), Duncan Way, De La Haye Street, Bethel Street, Springveldt Street	R2. 35 million spent on the resealing of municipal roads in ward 10. All requested areas have been resealed; thus the priority has been addressed
4	Implement pest control measures within the Roodewal apartment blocks (environmentally friendly and non-hazardous to citizens)	This priority forms part of the operational maintenance programme. As indicated in previous engagements, pest control is most effective if conducted concurrently throughout all apartment blocks

Table: 99 Top four service delivery priorities for ward 10

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.11 Ward 11

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Speed Humps	July 2022	June 2023	1 034 356*
2	Reseal of Roads - Ward 11	July 2022	June 2023	1 000 000
3	Pedestrian walkway between Yssel and Sampson Street	July 2022	June 2023	122 558
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 100

Capital projects of ward 11

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Upgrading of indoor sport centre with air-conditioning, expansion of gym and gym equipment, and the parking facility/bay. The indoor sport centre must preferably be able to accommodate 4 sporting codes & spectators simultaneously	An application, linked to the request for upgrades, has been submitted to the Department of Cultural Affairs and Sport. To date, no feedback has been received from the department. The matter was escalated to the Office of the Premier. The department is hopeful that the matter will be resolved in due course
2	Safeguarding and re- development of Sohnge Avenue, Grey Street, Buitenkant Street & Gorden Street	The re-development of OVD will only occur once residents have been provided alternative accommodation, for example, within the Transhex Housing Development subject to being confirmed as a qualifying beneficiary. This priority request therefore remains on the long- term planning agenda of the municipality
3	Installation of CCTV Security Cameras in Florian Park & Riverview	The project has been approved for implementation in the 23/24 financial period. The ward Councillor and committee will be informed when project implementation will commence.
4	Resealing of roads in Parkersdam, Florian Park & Esselen Park: (1) Claude Samuel Street – Parkersdam; (2) Lyner Street (between Africa- and Gorden Street) - Esselen Park; (3) Fairbairn Street - Florian Park; (4) Sohnge Avenue - Esselen Park; (5) Van Zyl Avenue - Esselen Park; (6) Van Huyssteen Street - Esselen Park	All roads, as per the priority request, have been resealed in 2022/23 financial period

Table: 101

Top four service delivery priorities for ward 11

### 3.7.12 Ward 12

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reseal of Municipal Roads - Ward 12	July 2022	June 2023	5 000 000
2	Upgrading of Street Lights	July 2022	June 2023	2 600 000*
3	Speed Humps	July 2022	June 2023	1 034 356*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 102

Capital projects of ward 12

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Upgrading of sewerage System throughout the ward	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources
2	Paint the exterior of the apartment blocks in Russell Scheme (T & U apartment blocks and Maisonette's A -F) & reseal parking areas	A Rental Unit Maintenance Plan has been drafted and submitted to Council. The responsible department is finalising the implementation schedule of the plan in accordance with the recommendations of the rental unit assessment report and available budget provisions. The deliverables encapsulated within the implementation plan, will underpin future budget proposals (annually) to ensure that maintenance work is prioritised annually, in accordance with the approved plan
3	Taring/Paving of gravel roads in Avian Park, Ward 12 (Streets: Sandpiper, Shrike, Suikerbekkie, Sunbird, Swan, Volstruis, Uil & Dikkop)	All gravel roads have been completed in 2021/22 financial period.
4	Construction of 2 speedhumps in Pigeon Street, 2 speedhumps in Fisant street, 1 in Kwartel Street and 1 in Durban Street adjacent to Sassa	All speed humps, apart from the speed hump adjacent to SASSA (Durban Street), have been constructed. The construction of the speed hump adjacent to SASSA is currently unfunded but will be considered for implementation within this financial period subject to the feasibility thereof and available funding

Table: 103

Top four service delivery priorities for ward 12

### 3.7.13 Ward 13

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reservoirs: Pre-loads	July 2022	June 2023	59 561 871*
2	Reseal of Municipal Roads - Ward 13	July 2022	June 2023	1 740 910
3	Speed Humps	July 2022	June 2023	1 034 356*
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 104

Capital projects of ward 13

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Relocation of 7 outside toilets in houses at Riverview (addresses have been confirmed)	Council in principle decided that the outside toilets of the vulnerable (i.e. pensioners and the disabled) need to be prioritised (all houses prior 1994, that formed part of a municipal housing development program). A full assessment of the vulnerable across the Breede Valley has been made and will also continuously reviewed and will be considered for implementation over the MTREF period (i.e. 23/24 - 25/26)
2	Paving of the sidewalk at Eden School (from entrance gate to road - approximate width 5m; length 3m)	The priority request is currently unfunded, hence for future budgetary consideration subject to the feasibility thereof,

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		availability of financial resources and whether it will remain a priority within the ward
3	In Aan De Doorns Road (Rooipad): 1) Upgrade & extend the sidewalk; 2) provide a commuter "drop-off" zone in the vicinity of Florian Park & Johnsons Park 2 (exact areas TBC with ward councillor)	The priority request is currently unfunded, hence for future budgetary consideration subject to the feasibility thereof, availability of financial resources and whether it will remain a priority within the ward
4	Resealing of roads - Johnsons Park 2 (Duncan Road, Alister Road, Dudley Road, Hoosain Crescent & Denise Street from the Denise & Fairbairn intersection - Maranatha Church) & Noble Park (Dawood Street, Kies Street & Curry Street)	R1.7 million spent in 2022/23 financial period on the resealing of municipal roads in ward 13. All requested roads (except Duncan- and Allister Road) have been completed. The outstanding roads will be considered in the 23/24 financial period (R1 million budgeted)

Table: 105

Top four service delivery priorities for ward 13

### 3.7.14 Ward 14

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Refurbishment of substations	July 2022	June 2023	17 035 388*
2	Upgrading of various sewer pumpstations	July 2022	June 2023	12 950 000*
3	Upgrading of Street Lights	July 2022	June 2023	2 600 000*
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 106

Capital projects of ward 14

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Reseal cul-de-sac in Kroon Street, Victoria Park	The priority request has been approved and is scheduled for completion within the first quarter of the 23/24 financial period
2	Fencing of electrical boxes (1 opposite the K & L apartment blocks, and 1 opposite the S & T apartment blocks)	The requested electrical boxes have been fenced.
3	Regular pest control in Riverview apartment blocks	This priority forms part of the operational maintenance programme. As indicated in previous engagements with affected constituents, pest control is most effective if conducted concurrently throughout all apartment blocks
4	Avail R2 million for the maintenance & upgrading of rental units in ward 14, specifically the appointment of a structural engineer to fix the condition of the apartments as serious structural damages are observed. There is also a need for: (1) Damp proofing paint; (2) Fixing of gutters & down pipes; (3) Fixing of face shelves; (4) Fixing of cracks in the structures	A Rental Unit Maintenance Plan has been drafted and submitted to Council. The responsible department is finalising the implementation schedule of the plan in accordance with the recommendations of the rental unit assessment report and available budget provisions. The deliverables encapsulated within the implementation plan, will underpin future budget proposals (annually) to ensure that maintenance work is prioritised annually, in accordance with the approved plan

Table: 107

Top four service delivery priorities for ward 14



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.15 Ward 15

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reseal of Municipal Roads - Ward 15	July 2022	June 2023	3 000 000
2	Playparks x 2 - Ward 15	July 2022	July 2023	100 000
3	Drop off zone (Worcester Primary School)	July 2022	June 2023	100 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 108

Capital projects of ward 15

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Investigate & implement improved traffic flow/regulation: (1) Investigate the construction of a traffic circle at Langerug School (interim: one-way traffic in Distillery Road during the following times: 7:00 - 8:00; 12:00 - 14:00 and 17:00 - 19:00); (2) slip lane from Rabie to Cilliers Street; (3) Implement a 4-way stop in Rabie Avenue at the Malan Street intersection and investigate the construction of a raised pedestrian crossing	(1) The request to construct a traffic circle is currently unfunded. According to an investigation of traffic patterns during the said timeframes, it was found that the request was not feasible. The Ward Councillor and constituents were advised that traffic regulation, during the requested periods, would be considered subject to available resources. R37 800 spent at 30 June 2023 to construct a learner drop-off zone at the Worcester Primary School. (2) The request for a slip lane has been considered but found to be impractical. Therefore, the request has not been budgeted for. (3) This priority request was deemed impractical; hence, no budgetary provision has been made
2	Resealing & upgrading of Roads: Distillery Street; Marius Smit; Botha Crescent; Bosman Street; De Villiers Street; Hugo Naude Avenue; Du Toit Street	Resealing has been completed in Distillery Street, Marius Smit Road, De Vos Street, Botha Crescent, Hugo Naude Avenue, Malan Street (Cilliers to Du Toit), Dirk Brand Street (Hugo Naude to Malan) and Van Rensburg Crescent. Bosman, De Villiers and Du Toit are planned for reseal in 24/25
3	Fencing of public open spaces: (1) fencing both cul-de-sacs at Frere Street, Somerset Park; (2) closing off of Somerset Park border at Rabie Avenue	The priority request is currently unfunded, hence, it will be considered for implementation in future budgetary years subject to the feasibility thereof and the availability of financial resources
4	Annual maintenance (during winter/prior to fire season) of firebreaks on the western boundary of Worcester West, Somerset Park & Langerug	Firebreaks are maintained annually, as part of the preparedness programme before the fire season. 343 000m <sup>2</sup> cleared and cut during 2022/23. The works are scheduled to be completed before 30 November annually

Table: 109

Top four service delivery priorities for ward 15



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.16 Ward 16

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	July 2022	June 2023	63 550 000*
2	Alternative Electricity Supply Zwelethemba	July 2022	June 2023	11 800 000*
3	Speed Humps	July 2022	June 2023	1 034 356*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 110

Capital projects of ward 16

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Access to electricity, water and toilets in Mandela North	The planning for all services has been included in the report by the NGO, PEP. The implementation of the strategy such as re-blocking will incorporate the installation of electricity and other basic services. Only areas within the urban edge have been considered.
2	Relocate outside toilets into houses – Matsila- & Fulang Avenues	Council in principle decided that the outside toilets of the vulnerable (i.e. pensioners and the disabled) need to be prioritised (all houses prior 1994, that formed part of a municipal housing development program). A full assessment of the vulnerable across the Breede Valley has been made and will also continuously reviewed. Bids are presently being evaluated as part of the procurement process. The municipality anticipates to appointment a service provider by August 2023
3	Provision of housing in New Mandela	The New Mandela 652 housing project is not on the 2023/2024 business plan. The department resolved to allocate funding to the IUSP to expedite the formalization of the North Mandela and Aspad. The funding allocation of the housing project 652 will be considered in the September 2023 Provincial government's adjustment budget. This will also coincide with finalization of the current assessment and categorization of North Mandela, Aspad and Emagwaleni
4	Regular maintenance of sewerage and storm water systems	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources. Maintenance of the sewer and stormwater systems are conducted in accordance with the approved maintenance program

Table: 111

Top four service delivery priorities for ward 16

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.17 Ward 17

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	July 2022	June 2023	63 550 000*
2	Construction of Kwinana Street Bypass sewer	July 2022	June 2023	9 500 000
3	High Mast Light -Ward 17	July 2022	June 2023	650 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 112

Capital projects of ward 17

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Upgrading of sewerage and sanitation system including the hostel houses' sewerage	R3.6 million spent on the construction of the Kwinana Street bypass sewer. The project's anticipated completion date is August 2023. In addition, R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources
2	Speed humps in Fulang Avenue, Mayinjana Avenue & Tusha Street Fulang-, Ngethu-, Mayinjana- & Simanga Avenue	All speed hump requests have been completed in the 2021/22 financial period
3	Construction of toilets at Heritage Park (2 toilets - male & female)	This priority request is for future budgetary consideration, subject to an assessment of the feasibility thereof and availability of financial resources.
4	Relocation of outside toilets	Council in principle decided that the outside toilets of the vulnerable (i.e. pensioners and the disabled) need to be prioritised (all houses prior 1994, that formed part of a municipal housing development program). A full assessment of the vulnerable across the Breede Valley has been made and will also continuously reviewed and will be considered for implementation over the MTREF period (i.e. 23/24 - 25/26)

Table: 113

Top four service delivery priorities for ward 17

### 3.7.18 Ward 18

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	July 2022	June 2023	63 550 000*
2	Alternative Electricity Supply Zwelethemba	July 2022	June 2023	6 218 833*
3	Speed Humps	July 2022	June 2023	1 034 356*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 114

Capital projects of ward 18

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3		
No.	Priority Name and Detail	Progress During 2022/23
1	Paving of roads in Asla phase 1 & phase 2 (Streets: Busika; Dyabooi; Fadana; Ekwindla; Ikhozi; Tshazimpuzi; Mroxisa; Malangeni & Hobe) & New Mandela (gravel road maintenance: Ashe Road & Ntlakohlaza Street)	R9 million has been budgeted over the 23/24 MTREF (R3 million per year) for the building of roads in wards 1, 2, 3, 4, 16, 17 and 18. Council has committed to systematically upgrade all gravel roads; hence, this priority will be considered in future financial periods, in accordance with resource availability and the implementation schedule.
2	Erect 1 high-mast light at the corner of Njila- & Jack Avenue (adjacent to Mandela Park) and 1 in New Mandela at the corner of Ntlakohlaza Street	All high mast lights have been installed as requested. The position of Njila- & Jack Avenue was not deemed practical due to the unavailability of a feeder cable. Subsequently, the light was erected at the intersection of Njila- & Mqwebedu Avenue
3	Water, toilets and electricity for Swartpad residents in Mandela Square	The New Mandela 652 housing project is not on the 2023/24 business plan. The department resolved to allocate funding to the IUSP to expedite the formalization of the North Mandela and Aspad. The funding allocation of the housing project 652 will be considered in the September 2023 Provincial government's adjustment budget. This will also coincide with finalization of the current assessment and categorization of North Mandela, Aspad and Emagwaleni
4	Maintenance of sewerage system in ASLA	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources

Table: 115

Top four service delivery priorities for ward 18.

### 3.7.19 Ward 19

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Rawsonville WwTW: Extension of WwTW (0,24 Ml/day)	July 2022	June 2023	27 000 000*
2	Upgrading of Rawsonville sewer line	July 2022	June 2023	19 000 000*
3	Playpark - Ward 19	July 2022	June 2023	60 000
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table: 116

Capital projects of ward 19

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Obtaining land for housing development	Engagements linked to the identification, obtainment and potential use of land for housing development within Rawsonville is progressing well.  As engagements are at a sensitive stage, the municipality will release more detailed information as soon as it is appropriate to do so

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
2	Host 4 sport events within ward	The implementation of this priority is predominantly driven by the ward Councillor. The Community Development department provides logistical support to the Councillor through the provision of (amongst others) sport kit and jerseys
3	Investigate and prevent sewage spills in rural areas	R14.5 million spent on upgrading the Rawsonville sewer line, coupled with R23.9 million spent on the extension/upgrading of the Rawsonville waste water treatment works (amongst others). These investments will contribute to the limitation of sewage spills throughout the area
4	Investigate the feasibility to construct a partial diamond interchange at the Rawsonville Weigh Bridge (N1 & R101)	This priority falls within the mandate of SANRAL. SANRAL is in process of upgrading the N1 Du Toitskloof tunnel until Heatley at De Wet. The priority will be referred to SANRAL and the Provincial Department of Public Works for consideration

Table: 117

Top four service delivery priorities for ward 19

### 3.7.20 Ward 20

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Rawsonville WwTW: Extension of WwTW (0,24 Ml/day)	July 2022	June 2023	27 000 000*
2	Upgrading of Rawsonville sewer line	July 2022	June 2023	19 000 000*
3	Refurbishment of substations	July 2022	June 2023	17 035 388*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 118

Capital projects of ward 20

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Investigate the availability of land for housing, a swimming pool and community hall	Engagements linked to the identification, obtainment and potential use of land for housing development within Rawsonville is progressing well. As engagements are at a sensitive stage, the municipality will release more detailed information as soon as it is appropriate to do so. Once land has been obtained, and a housing development project formally registered and approved, the municipality will consider the construction of a community hall as part of the development. It should be noted that this consideration will be informed by the availability of funding as well as an appropriately zoned erf within the anticipated development. In terms of the request for a swimming pool, an engagement will be set up with the Goudini Primary School to discuss the reopening of the closed swimming pool
2	Provision of satellite fire station	Fire Fighters from the local community have been trained and in process of being further upskilled within fire operations. A day-

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
		team is already active in Rawsonville. Furthermore, an area at the Rawsonville Municipal Offices have been identified for the establishment of a Firehouse
3	Investigate the appointment of permanent Law Enforcement Officials for Rawsonville	1 Law Enforcement official is active and servicing the town of Rawsonville. The municipality will ensure that all law enforcement duties are appropriately rolled out as agreed. In addition, the municipality intends to re-introduce an EPWP Law Enforcement programme within the 2023/24 financial period that will (amongst others) service the Rawsonville area.
4	A computer training centre for the youth / youth centre in Rawsonville	The municipality will investigate the possibility to establish such a centre within the Rawsonville Library. In addition, the municipality is in process of engaging the Breede Valley School of Skills to consider the establishment of a youth centre

Table: 119

Top four service delivery priorities for ward 20

### 3.7.21 Ward 21

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Upgrading of various sewer pumpstations	July 2022	June 2023	12 950 000*
2	Upgrading of gravel roads	July 2022	June 2023	1 578 844*
3	Speed Humps	July 2022	June 2023	1 034 356*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across/benefits more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table: 120

Capital projects of ward 21

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
1	Upgrade / replace the sewerage system in Avian Park	R11.6 million has been spent on the upgrading & safeguarding of sewer pumpstations and networks throughout BVM, which will have a positive impact on the limitation of sewage spills. The implementation of these projects will continue in the 2023/24 financial year, in accordance with budgeted resources
2	Paving of streets (Glasogie-, Vink-, Mockingbird-, Kite-, Katlagter-, Kolgans-, Kwêvoël-, Kalkoen-, Kuiken-, and Kelkiewyn Street) and roads in the Avian Park "camp" and construct 3 speed humps in Kalkoen Street at the following intersections: Mockingbird, Vink and Glasogie)	R6 million (R2 million – 23/24; R3 million 24/25; R1 million 25/26) budgeted towards the upgrading of gravel roads in ward 21. Council committed to allocate funds to the upgrading of gravel roads program on a yearly basis in order to systematically address all backlogs. Therefore, the requested areas will be considered for implementation in the 23/24 financial period and beyond (in accordance with the available financial resources)
3	Lighting & security cameras: (1) Erect a spotlight at the corner of Tinktinkie and Spreu Street; (2) Provide 4 light attachments on all high mast lights to ensure that light is projected in all directions; (3) Provide adequate street lighting throughout ward 21 (camp specifically); (4) Investigate the feasibility	(1) The investigation is done. The second phase is planning to do the execution. And to further provide the scheduled date. (2) Three high mast light fittings have been replaced with LED fittings and adjusted to project in all directions (i.e. Mini Mall, Pumpstation & Tortelduif- & Mockingbird Streets). All other high mast lights within the ward does project in all directions. (3) Streetlights have been installed throughout the camp area. If there is specific area/point

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
	to install security CCTV cameras on 3 high mast lights	not yet addressed, please provide the necessary information for further investigation. (4) Security CCTV cameras has been approved for installation within the 23/24 financial period. The ward Councillor and committee will be informed accordingly
4	Provision of 30 chemical toilets and 3 water points within the “camp” in Avian Park and implement a solution for the blocked stormwater pipe/ditch between Mockingbird- & Kite Street, adjacent to Tortelduif Street	Provision of extra toilets is approved. The delivery will be discussed with the ward Councillor. Delivery and installation will commence in the 23/24 financial period. Water Services will investigate the request for 3 additional water points and will consider installation in accordance with the feasibility thereof and availability of funding. Cleaning and maintenance of the stormwater ditch forms part of operational maintenance works

Table: 121

Top four service delivery priorities for ward 21

### COMPONENT A: BASIC SERVICES

This component includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

#### 3.8 WATER SERVICES

The Municipality is an authorised water service authority and as such must adhere to the relevant sections of the Water Services Act (No. 108 of 1997) and the MSA. The Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economic and sustainable access to water services that promote sustainable livelihoods and economic development.

Worcester obtains its water supply from two sources, namely the Stettynskloof Dam and the Fairy Glen Dam. The combined yield of the two dams is estimated as 26 000 ML/annum, of which the yield of the Stettynskloof Dam is approximately 25 000 ML/annum. The Stettynskloof Water Supply Scheme thus provides at least 90% of the total yield. The Stettynskloof Water Supply Scheme was implemented in 1955, when the original mass concrete gravity dam with capacity of 5 000 ML was constructed. The dam is located about 30 km Southwest of Worcester in the Holsloot River. During construction of the dam treatment facilities were also provided at the dam for stabilization of the water with lime and CO<sub>2</sub> before allowing it to gravitate to Worcester. Due to growing water demand, the dam wall was raised by 18m in 1981 by constructing a composite earth and rockfill embankment against the downstream face to increase the storage capacity to 15 000 ML. The catchment area of the dam is 55 km<sup>2</sup>. The Fairy Glen Dam is situated on the Hartbees River in the Brandwacht Mountains. It has a concrete dam wall which is approximately 45m high. The Municipality maintains the water level at a maximum height of 29m. The capacity of the dam is 3 500 ML and the catchment covers 13.6 km<sup>2</sup>. There are three outlets from the dam, from where the water then flows through a 100m long section of 300mm diameter steel pipe to a pressure release sump. From there it gravitates via a 6 000m long asbestos-cement pipe to the De Koppen Water Treatment Works (WTW).



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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The Touwsrivier Water Scheme sources water from mountain-streams, springs and a borehole located approximately 30 km West of the Touwsrivier town on the Bokke River property, between the Matroosberg peak of the Hex River Mountain range and Verkeerdevlei. About 66% of the raw water is sourced from stream diversions whilst 33% originates from natural springs. The contribution from the borehole is negligible, but in case of drought, this will be a valuable alternative. Raw water gravitates to the water treatment works via various masonry lined channels and pipes.

Worcester and Rawsonville are supplied with water from the Stettynskloof and the Fairy Glen Dam, with a total estimated yield of 26 000 ML/annum. The current and future demands do not surpass the available yield. De Doorns is supplied with water from Grootkloof and the Hex River Irrigation Board, with a total estimated yield of 850 ML/annum. The current and future demand surpass the available yield by 420 ML/annum. Touwsrivier is supplied with water from Waterkloof, Donkerkloof and Witklip borehole and springs, with a total estimated yield of 1 008 ML/annum. The current and future demand surpass the available yield by 192 ML/annum.

The Department of Water and Sanitation (DWS), as the national custodian of South Africa's water resources and the overall leader of the water sector, is responsible for the regulation of water services. Drinking water quality is an area of water services regulation where significant progress has recently been made. However, despite considerable improvements, there is still an unacceptably high incidence of poor drinking water quality in South Africa. The Department intends to mitigate this situation through self-regulation – an approach where Water Services Authorities (such as municipalities) has to manage the quality and quantity of drinking water by actively managing day-to-day issues relating to their water supply. The effectiveness of these management strategies is then evaluated through the Blue Water Services (Blue Drop) Assessments. The Blue Drop and No Drop Audits took place during August 2022 – February 2023 and alternate every year with the Green Drop Audit. The Blue Drop Report and scores have not been released to date.

One of the biggest threats and concern are the vandalism and theft at the vulnerable sewer pump stations in the different areas. Safeguarding of municipal infrastructure and assets must be prioritised. Loadshedding also had a devastating effect on the water quality. The residual chlorine in the systems could not be guaranteed after 2 hours of loadshedding and no chlorination taking place. A boil water notice was issued for level 5 and 6 loadshedding. BVM implemented alternative disinfection solutions for future loadshedding interruptions.

The most crucial threat currently is the lack of sufficient funding to maintain and or replace ageing infrastructure and this shorten the lifespan of assets. Limited capital funding for replacement is also a threat to service delivery and the protection of the environment. The high and heavy rainfall the past year resulted in massive infrastructure damage and service delivery challenges. These heavy rain/cloudburst events are unforeseen and difficult to plan for. BVM has to procure at least two water tankers in the new financial year to ensure water supply provision during such events.

BVM received R2.5 million grant funding from a Water Services Infrastructure Grant (WSIG) for refurbishment of the Bokrivier Water Treatment Works. The funding includes a new mobile generator, solar system, new pipework, lime feeder, chlorination system upgrade and upgrade of the office.

During the 2022/23 financial year, the Water Master Plan, Water Services Development Plan (WSDP), Water Safety Plan and Dam Safety Inspection Reports were completed.



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Existing Pipelines, Reservoirs and Towers		
Existing Pipelines	Existing Reservoirs and Towers	
Rawsonville		
Bulk pipes	6 000	Rawsonville Reservoir
Network pipes	10 950	
Total (m)	16 905	
Worcester		
Bulk pipes	27 825	De Koppen, Langerug, Preloads, Worcester West Sump, Worcester West Upper
Network pipes	301 585	
Total (m)	329 410	
De Doorns		
Bulk pipes	8 880	De Doorns Lower, De Doorns Upper 1, De Doorns Upper 2, Orchard, N1 Reservoir 1, N1 Reservoir 1, Stofland Reservoir
Network pipes	26 565	
Total (m)	35 445	
Touwsrivier		
Bulk pipes	56 585	Crescent Lower, Crescent Lower Steenvliet
Network pipes	32 610	
Total (m)	89 195	

Table: 122 Existing pipelines, reservoirs and towers

### 3.8.1 Service delivery indicators: Water services

The key performance indicators for water services are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL24	Spend 90% of the capital budget allocated to the construction of the 20ML service reservoir by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	59.48%	R
TL26	Number of formal residential properties that are billed for water as at 30 June 2023	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal	All	21380	21469	21 480	21 483	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
		rental flats which will be measured by using the number of rental units.						
TL38	Limit unaccounted water losses to less than 25% by 30 June 2023	% unaccounted for water	All	25%	17.13%	25.00%	14.29%	B
TL48	Review the 5 year Water Service Development Plan IDP Water Sector Input Report and submit to Council for consideration by 31 March 2023	Water Service Development Plan IDP Water Sector Input Report submitted to Council for consideration	All	1	1	1	1	G
TL49	Spend 90% of the budget allocated towards the pipe cracking projects/works by 30 June 2023	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	39.90%	R
TL47	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2022/23 financial year	% water quality level per quarter	All	95%	95.73%	95.00%	95.33%	G2

Table: 123

Service delivery indicators: Water services

### Water Quality Impact During Load Shedding:

In periods of load shedding at stage 5 and beyond, characterised by prolonged interruptions in electricity supply, the potential for contaminants entering the water distribution system increases, subsequently compromising the assured quality of water. Furthermore, extended power outages adversely affect the microbiological integrity of treated water due to a decline in chlorine concentration. In Q1 of the 2022/23 financial year, BVM encountered severe disruptions in water treatment operations during stage 6 load shedding, which resulted in a marginal drop below the targeted water quality level (i.e. 95%). Adhering to regulatory mandates and the context of responsible governance, BVM issued boil-water notices as a precautionary measure to apprise the public that chlorine-based water disinfection processes were ongoing, albeit with the possibility of reduced residual chlorine levels and compromised disinfection efficiency. BVM proactively communicated water quality updates, conducted rigorous testing and monitoring, and implemented mitigation measures, including the procurement of emergency generators, the integration of solar energy for Bokrivier treatment works, continuous manual booster chlorination, and disinfection using sodium hypochlorite chips with chip feeders independent of electrical dependence.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### Water Quality Impacted by Anomalously High Rainfall:

Similarly, two major flooding incidents occurred in the 2022/23 financial period due to extraordinary rainfall events and storms in the Breede Valley, causing damage to infrastructure. Although the water supply was maintained, the colour of the water was affected by the influx of sand, silt, and organic materials into storage dams. The Breede Valley region relies on pristine mountain water stored in various dams, such as Stettynskloof Dam, Fairy Glen Dam, Osplaas Dam, Roode Elsberg Dam, Lakensvlei Dam, and Bokrivier Dam. Raw water from these sources undergoes minimal treatment, with the primary processes involving the removal of plant materials through screening, stabilisation with lime to adjust pH, and disinfection with chlorine. The low pH and alkalinity of mountain water are attributed to humic acids from Fynbos vegetation on mountain slopes, contributing to water discolouration when Fynbos leaves tint the water with tannins following rainfall.

Abnormal high rainfall exacerbates the presence of mud and sand residues in dams due to rock falls and mudslides, resulting in increased turbidity. Aesthetic concerns arise from the discolouration of water, leading to water quality failures concerning turbidity and colour – not quality. Continuous chlorination is employed to disinfect the water, and rigorous testing is conducted to ensure microbial safety for human consumption. BVM actively undertook measures to mitigate the impact of discolouration and turbidity, including the continuous flushing of affected areas. The BVM Laboratory regularly monitored water samples and conducted tests in response to reported complaints of aesthetically unpleasant water.

Given the mitigation measures implemented and subsequent success, BVM achieved an average water quality level above the 95% target, which is supported by laboratory evidence and aligned with service standards. The reported water quality results were also tested by the Auditor General of South Africa (AG) as part of their audit of performance information. The AG did not raise any findings on the matter.

### **3.8.2 Water service delivery levels**

Below is a table that specifies the different water service delivery levels per household **within the urban edge area** for the financial years 2021/22 and 2022/23.

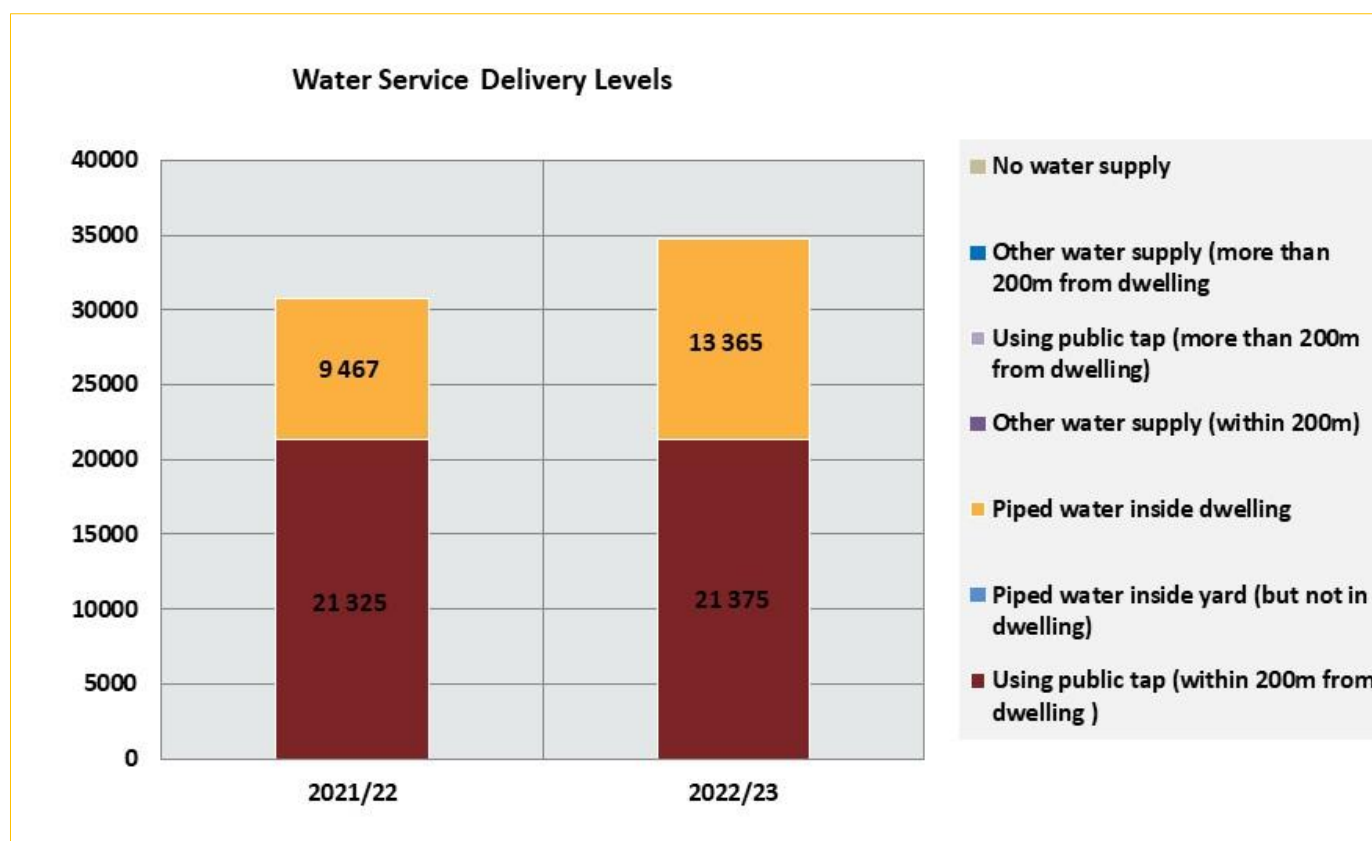
Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Water: (above minimum level)</b>		
Piped water inside dwelling	21 325	21 375
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	9 467	13 365
Other water supply (within 200m)	0	0
<b>Minimum service level and above sub-total</b>	<b>30 792</b>	<b>34 740</b>
<b>Minimum service level and above percentage</b>	<b>100</b>	<b>100</b>
<b>Water: (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	0	0

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b><i>Below minimum service level sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below minimum service level percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households (formal and informal)</b>	<b>30 792</b>	<b>34 740</b>
<i>*Total reflects the total number of households including households not separately billed</i> <i># Data in line with SAMRAS and the Breede Valley Municipality database</i>		

Table: 124 Water service delivery levels

The graph below shows the different water service delivery levels per total household and the progress per year:



Graph 6: Water service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.8.3 Employees: Water services

The table below indicates the number of employees for water services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	1	0	1	100%
Senior Management	2	3	3	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	26	33	25	8	24%
Semi-skilled	51	60	42	18	30%
Unskilled	100	102	71	31	30%
<b>Total</b>	<b>180</b>	<b>200</b>	<b>142</b>	<b>58</b>	<b>29%</b>
<i>The employees are for Water and Sanitation Services</i>					

Table: 125

Employees: Water services

### 3.8.4 Capital expenditure: Water services

The table below indicates the amount that was actually spent on water services projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Upgrading of Offices (Fairbairn Street)	1 500 000	1 610 000	300 029	1 309 971	1 610 000
Reservoirs: Pre-loads	18 481 271	4 561 871	4 561 871	0	4 561 871
Reservoirs: Pre-loads	55 000 000	55 000 000	30 863 272	24 136 728	55 000 000
Pipe cracking (all wards)	3 000 000	6 218 833	2 481 204	3 737 629	6 218 833
Johnsons Park - Water		99 098	99 098	0	99 098
Avian Park Industrial - Water	146 043	146 043	0	146 043	146 043
Somerset Park - Water	146 043	146 043	0	146 043	146 043
Water Connections	2 719 200	2 929 440	191 520	2 737 920	2 929 440
Augmentation of Water Treatment Works (MIG counter funding)	2 557 000	2 357 000	2 123 309	233 691	2 357 000
<b>Total all</b>	<b>83 549 557</b>	<b>73 068 328</b>	<b>40 620 303</b>	<b>32 448 025</b>	<b>73 068 328</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					

Table: 126

Capital expenditure 2022/23: Water services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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### 3.9 SANITATION SERVICES

In South Africa, local government is responsible for delivering services contributing to the quality of life for its citizens. These services include water supply, sewage collection and waste water treatment. Sanitation tariffs are levied for sanitation services and must be managed in a sustainable and equitable way to ensure that enough income is generated for supporting ongoing operations, maintenance and upgrading of sanitation services. To achieve good management, it is important to have guidelines in place for properly planning, organizing, controlling, and executing service delivery to successfully run and control a business. Municipal by-laws contain such guidelines and are therefore important tools for good governance.

Sewage and wastewater are produced by a variety of industrial, commercial, and domestic activities. In terms of the Municipal Water Services By-laws, all discharges into the sewer system should be authorized and levied. Payment for this service is collected through sewerage charges on each rateable property. As industrial and commercial waste waters impose an additional load on the sewer system, thus also impacting on the operations and maintenance cost thereof, it must comply with the Municipal Industrial Effluent (Trade Effluent) By-laws. These by-laws regulate the composition and concentration of effluent, the cost associated with the treatment thereof and the type of pre-treatment applicable or required.

This legislation is a tool for good management practices, efficient administration and supplies working methods enabling municipalities to protect sewer infrastructure, safely collect and transport waste water, monitor discharges to sewer systems and ensure that effluent from treatment works comply with set national standards.

Sewerage reticulation and waste water treatment are some of the most expensive services that a municipality supplies to its residents. On this premise, it is imperative that these services are managed in a sustainable and equitable way ensuring that enough income is generated to pay for planning, designing, constructing, operating and maintaining the total service to the benefit of all residents. Financial sustainability of waste water reticulation systems and treatment works are of prime importance. Tariffs need to reflect this and not be solely based on the transport and operating costs of waste water treatment. A Waste Water Treatment Works (WWTW) has a certain lifespan and during this time there are many parts which will need replacement and others that will need extensive refurbishment. Also, the day-to-day maintenance of the expensive plant and equipment is imperative. It is crucial that these costs are included in the tariff. Like any complex operation, it is required that the personnel operating and managing the WWTW are skilled to do so. Investment in these Process Controllers will ensure better operation of the Works and a reduction in the use of power which is the most expensive commodity used.

The Breede Valley Municipal (BVM) By-law pertaining to water supply, sanitation services and industrial effluent, promulgated on 22 October 2008 (Western Cape Government Gazette No. 6560: p. 168) regulates access to water services, from the supply system, sewage disposal system or any other sanitation services. Chapter IV (section 61 & 62) specifically deals with the disposal of industrial effluent. This section of the by-law is enforced by a Waste Water Discharge Management Plan (WDMP) which regulates the authorisation and monitoring of waste water discharged into the sewage disposal system and conveyed to the WWTW.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The objectives of the WDMP are evaluated against process measures, outputs, and impacts via administration, monitoring and billing processes. These include environmental and financial impacts both expected and unintended. Recommendations are made to assist with good governance, risk reduction, safeguarding of infrastructure, and protection of the receiving environment.

The WWTW located within Rawsonville is under construction. One of the biggest threats and concern are the vandalism and theft at the vulnerable sewer pump stations in the different areas. Safeguarding of 4 pumpstations (Zwelenthemba, Avian Park, Noble Park and Santa Weida) is in progress and will be fitted with concrete fence, new pipework, pepper spray security services and generators. The most crucial threat to sustainable sanitation services is the lack of sufficient funding to maintain and/or replace ageing infrastructure, which significantly shortens the lifespan of assets. Limited capital funding for replacement is also a threat to service delivery and the protection of the environment.

Sewer reticulation systems are designed for domestic sewerage only. Blockages are caused by social economic problems, limited resources and lack of maintenance. Vandalism, theft, inappropriate items, unlawful disposal of fats, oils and grease, illegal connections and water restrictions all contribute to blockages. With the increase in the number of sewer blockages, preventative maintenance of the sewer reticulation system is limited and subsequently the system is put under stress. Opening sewer blockages takes priority to limit nuisances, health risks and environmental pollution.

BVM received a R2.5 million grant funding from the Water Services Infrastructure Grant (WSIG) for refurbishment of the De Doorns Waste Water Treatment Works. The old horizontal brush aerators were replaced with a venturi aeration system, new screen was installed, floodlights and a new de-sludge line was also included in the grant funding.

In the 2022/2023 the Sewer Masterplan and Water Services Development Plan (WSDP) was reviewed and updated.

### 3.9.1 Service delivery indicators: Sanitation services

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL28	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2023	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	19160	19239	19 245	19 461	G2
TL50	80% of sewage samples comply with effluent standard during the 2022/23 financial year {(Number of sewage samples that comply with General Authorisation/Number	% of sewage samples compliant	All	80%	87.53%	80.00%	86.95%	G2



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	of sewage samples tested) x100}							
TL51	Complete the investigation for sewerage blockages in Worcester and Rawsonville by the end of September 2022	Investigation completed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G
TL52	Spend 90% of the budget allocated towards the improvement of the sewerage system by 30 June 2023 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	51.96%	R

Table: 127

Service delivery indicators: Sanitation services

### 3.9.2 Sanitation service delivery levels

The table below specifies the different sanitation service delivery levels per household **within the urban edge area** for the financial years 2020/21 and 2021/22.

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	20 028	22 496
Flush toilet (with septic tank)	411	411
Chemical toilet	1 064	1 069
Pit toilet (ventilated)	0	0
Other toilet provisions (below minimum service level)	0	0
<b>Minimum service level and above sub-total</b>	<b>21 503</b>	<b>23 976</b>
<b>Minimum service level and above percentage</b>	<b>100</b>	<b>100</b>
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0

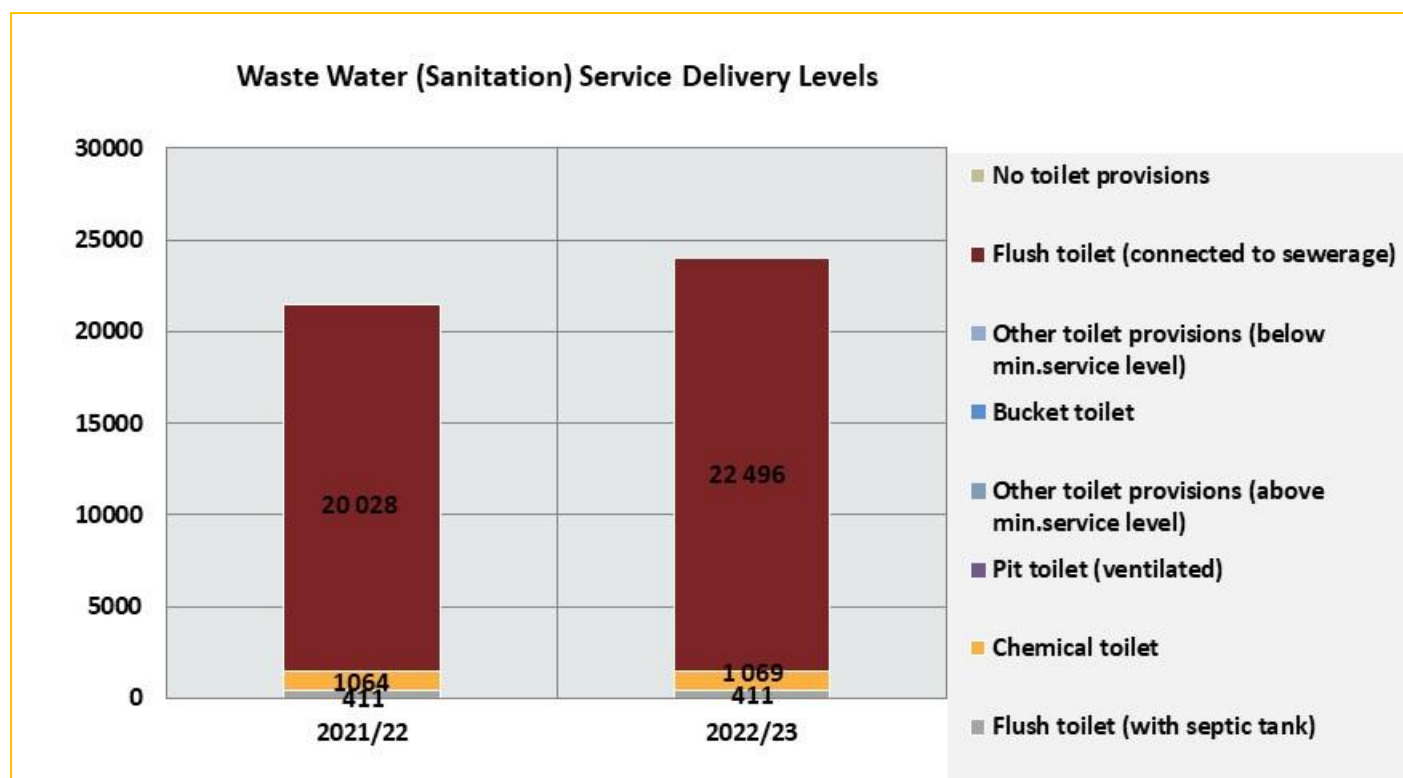
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<i>Below minimum service level sub-total</i>	0	0
<i>Below minimum service level percentage</i>	0	0
<b>Total number of households</b>	<b>21 503</b>	<b>23 976</b>
<i>*Total reflects the total number of households including households not separately billed</i> <i># Data in line with SAMRAS and the Breede Valley Municipality database</i>		

Table: 128

Sanitation service delivery levels

The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 7: Sanitation service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.9.3 Capital expenditure: Sanitation services

The table below indicates the amount that was actually spent on sanitation services projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Touwsrivier: Waste Water Treatment Works (WWTW) Augmentation: MIG	500 000	500 000	490 778	9 223	500 000
Pump station upgrading and refurbishment	2 000 000	2 000 000	513 000	1 487 000	2 000 000
Rawsonville WWTW: Extension of WWTW (0,24 Ml/day)	27 000 000	27 000 000	23 909 228	3 090 772	27 000 000
De Doorns WWTW Reactor	2 550 000	2 750 000	2 152 183	597 817	2 750 000
Upgrading of Sewer Network: External Loan	15 000 000	15 000 000	5 696 997	9 303 003	15 000 000
Water - Machinery and equipment	500 000	478 000	183 504	294 496	478 000
Upgrading of Rawsonville sewer line		19 000 000	14 586 743	4 413 257	19 000 000
Upgrading of various sewer pumpstations		12 000 000	5 021 097	6 978 903	12 000 000
Upgrading of various sewer pumpstations		950 000	950 000	0	950 000
Construction of Kwinana Street bypass sewer		9 500 000	3 601 438	5 898 562	9 500 000
Somerset Park - Sewer	438 005	438 005	0	438 005	438 005
Sewer connections	1 120 000	1 120 000	0	1 120 000	1 120 000
<b>Total all</b>	<b>49 108 005</b>	<b>90 736 005</b>	<b>57 104 967</b>	<b>33 631 038</b>	<b>90 736 005</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 129

Capital expenditure 2022/23: Sanitation services

### 3.10 ELECTRICITY

Electricity and streetlighting are provided to all formal settlements and street or high-mast lights are provided to most informal areas in the Breede Valley Region.

Electricity usage forecast consumption (kWh) decreased on average with 12.65% and the maximum demand increased (kVA) on average with 6% during the 2022/23 financial year due to load shedding and implementation of small-scale embedded generation.

Public lighting maintenance has increased annually while the department effectively maintains street and area lighting within BVM, enhancing social upliftment to maintain and assure basic services. We will continuously improve the lighting network system to reduce maintenance and to improve the energy sufficiency within the area, to accommodate community needs.

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The quality of electricity supply is dependent on the ability of the Municipality to properly maintain its assets. Cooperation of residents to ensure that electrical service stations/equipment are not vandalised and tampered with, is paramount. The Municipality has established a hotline for residents to report any illegal or unauthorised incidents that negatively affect the efficient service delivery across the Breede Valley Municipality.

For the financial period 2022/23 multiple maintenance and capital projects were executed and implemented as highlighted below in terms of upgrading streetlights, upgrading electrical Infrastructure, refurbishment of substations, maintenance on switchgear, replacement of underground cables, removal of illegal connections, upgrading of infrastructure, replacement & upgrade of prepaid meters, etc.

### 3.3.1 Electricity highlights

The table below gives a brief description of all the highlights for electricity during the 2022/23 financial year:

Highlights	Description
Completion of electrical substation at Altona	Unlock development at Altona with an effect of increased revenue
Electrification of Transhex premises	Installation of electrical infrastructure for 190 premises
Implementation of LED streetlights	Replacement of approximately 1500 new LED streetlights within all wards
Refurbishment of substations	Refurbishment of McAllister, Merindol and Raymond Pollet substations
Replacement of Service Cable - Maintenance Plan	Replacement of damaged and aging cables of approximately 300 underground cables & services
Maintenance of 66kV Transformers	Maintenance, repairs, and services of High Voltage transformers
Maintenance of Switchgear within De Doorns area	Maintenance, repairs, and services of Medium Voltage switchgear in De Doorns area
Refurbishment of Traffic Signal Equipment	Refurbishments of Traffic Signals on multiple traffic intersections
Removal of Illegal Connections	Removal of illegal connections within Zwelethemba area
Replacement Program of Residential Prepaid Meters	Ongoing replacement program of prepaid meters within Worcester, De Doorns & Touwsrivier area
Revenue Protection Audits, Inspections and Upgrade Prepaid Meter	Ongoing audits, inspections, and upgrades on conventional & prepaid meters within Worcester, De Doorns & Touwsrivier area
Distribution Cubicle replacement with Russel Scheme Area	Upgrade distribution cubicles within Russel Scheme area

Table: 130

Electricity highlights

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### 3.3.2 Electricity challenges

The table below gives a brief description of the electricity challenges during the 2022/23 financial year:

Challenge	Corrective action
Load shedding – Overload trips, Vandalism, Theft, etc	Upgrading and refurbishment of electrical infrastructure. Introduce measure to minimise the impact of load shedding
Increase in Cable Theft Incidents	Replacement of underground cables with aluminium cables and ensure cables protected within secure covers
Abnormal Weather Conditions	Ongoing maintenance program to ensure replacements and refurbishment of aging infrastructure to reduce breakdowns under abnormal weather conditions
Increase in Streetlight Complaints	Increase/Improve resource and maintenance planning programmes to improve streetlights
Failure of Aging Infrastructure	Prioritise and continuously improve the electrical infrastructure form part of the capital, maintenance program and electrical masterplan
Illegal, Bypassed and Tampered connections	Continuously apply the ongoing audits, inspections, and upgrade. Applying disconnections and fines

Table: 131

Electricity Challenges



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### 3.10.3 Service delivery indicators: Electricity services

The key performance indicators for electricity are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL17	Spend 90% of the electricity capital budget by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	90%	98.04%	90.00%	64.60%	R
TL18	Spend 90% of the electricity maintenance budget by 30 June 2023 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the budget spent	All	90%	97.95%	90.00%	89.56%	O
TL22	Develop an Electrical Infrastructure Master Plan and submit to Council for approval by 31 March 2023	Master Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G
TL23	Appoint a service provider to conduct environmental impact assessments (EIAs) linked to the anticipated development of two Industrial/Business Parks in Worcester (Erf 1 - east (Uitvlugt) and west (adjacent to Worcester Aerodrome) respectively) by 30 June 2023	Service provider appointed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0.5	R



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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL27	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2023	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	23250	22686	22 885	23 045	G2
TL37	Limit unaccounted electricity losses to less than 10% by 30 June 2023 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10%	7.43%	10.00%	6.10%	B

Table: 132

Service delivery indicators: Electricity services

### 3.10.4 Electricity service delivery levels

The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Energy: (above minimum level)</b>		
Electricity (at least minimum service level)	1 610	1 227
Electricity - prepaid (minimum service level)	21 466	22 203
<b>Minimum service level and above sub-total</b>	<b>23 076</b>	<b>23 430</b>
<b>Minimum service level and above percentage</b>	<b>100%</b>	<b>100%</b>
<b>Energy: (below minimum level)</b>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	0	0
<b>Below minimum service level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>



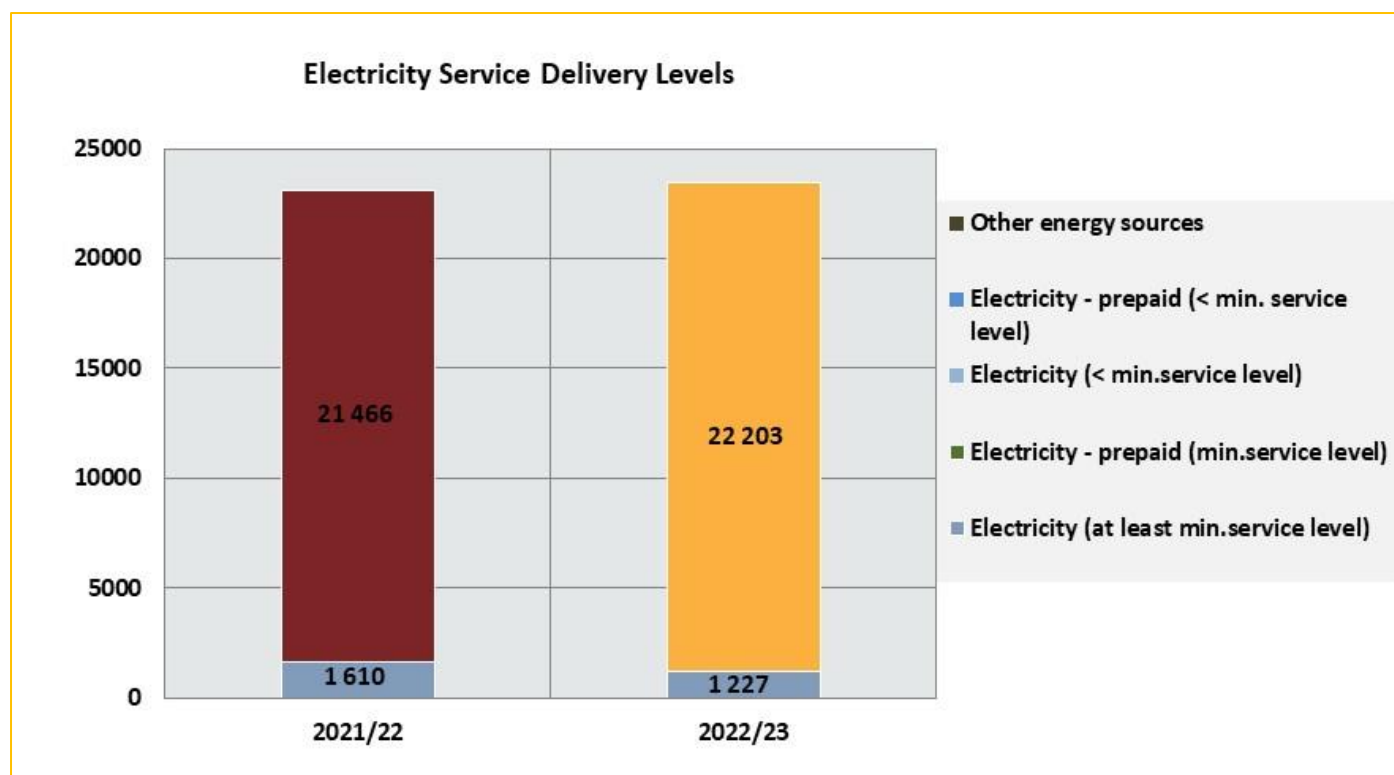
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Description	2021/22	2022/23
	Actual	Actual
<b>Household</b>		
<b>Total number of households</b>	<b>23 076</b>	<b>23 430</b>

*\*Electricity service delivery include Eskom provision*  
*# Data in line with SAMRAS and the Breede Valley Municipality - ONTEC database*

Table: 133 Electricity service delivery levels

The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 8: Electricity service delivery levels

### 3.10.5 Employees: Electricity services

The table below indicates the number of employees for electricity services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	2	2	1	1	50%
Middle Management and Professionals	5	7	4	3	43%

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Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Skilled Technical, Superintendents etc	17	17	14	3	18%
Semi-skilled	19	18	13	5	28%
Unskilled	24	24	21	3	13%
Total	68	69	54	15	22%

Table: 134

Employees: Electricity services

### 3.10.6 Capital expenditure: Electricity services

The table below indicates the amount that was actually spent on electricity services projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Transhex: Electrical Reticulation	15 000 000	15 000 000	14 999 470	530	15 000 000
Refurbishment of electrical system	3 500 000	3 900 000	111 131	3 788 869	3 900 000
Refurbishment of substations	0	567 388	567 388	0	567 388
Refurbishment of substations	0	9 468 000	9 468 000	0	9 468 000
Refurbishment of substations	0	7 000 000	6 076 954	923 046	7 000 000
Robertson Road Substation	5 000 000	5 000 000	677 172	4 322 828	5 000 000
Alternative Electricity Supply Zwelethemba	10 000 000	11 800 000	117 381	11 682 619	11 800 000
Roux Park capacity/equipment upgrade	5 000 000	3 200 000	0	3 200 000	3 200 000
Zwelethemba removal of mid-blocks	2 000 000	90 000	90 000	0	90 000
Altona new Electrical Substation	10 000 000	10 000 000	9 714 511	285 489	10 000 000
Electricity - Machinery and Equipment	600 000	600 000	592 925	7 075	600 000
Fencing of Substations	200 000	510 000	381 661	128 339	510 000
Fencing of Substation (corner of Van der Merwe- and Lyons Street)	50 000	50 000	0	50 000	50 000
Johnsons Park - Electricity	0	56 895	56 894	1	56 895
Somerset Park - Electricity	990 000	439 831	289 433	150 398	439 831
Electricity Connections	1 000 000	1 400 000	998 611	401 389	1 400 000
Upgrading of High Mast Lights	1 400 000	1 400 000	1 281 116	118 884	1 400 000
Upgrading of Street Lights	2 600 000	2 600 000	2 471 084	128 917	2 600 000
High Mast lights	0	1 410 776	331 367	1 079 409	1 410 776

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Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
High Mast Light -Ward 17	500 000	650 000	318 807	331 193	650 000
<b>Total all</b>	<b>57 840 000</b>	<b>75 142 890</b>	<b>48 543 905</b>	<b>26 598 985</b>	<b>75 142 890</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 135

Capital expenditure 2022/23: Electricity services

### 3.11 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)



The majority of households in Breede Valley has access to refuse removal services from the municipality or external service providers/private companies. Refuse disposal takes place weekly in terms of a collection schedule compiled by the municipality. When considering households within the urban edge only, 25 420 households had their refuse removed at least once per week, as at 30 June 2023

Refuse collection are conducted within all the wards within the Breede Valley Municipality. However not all the wards are serviced with wheelie bins. There are still areas within the Breede

Valley Municipality where wheelie bins must be rolled out. The informal areas are still serviced by the use of communal skips that are placed in designated areas. These areas are Spokies Dorp (Ward 19), Sewende Laan (ward 10), Amagwaleni and New Mandela Square (Ward 16). These skips are supplied by a private company due to the challenges such as low hanging electrical wires and narrow roads that make it difficult for the Municipal trucks to enter. BVM currently has a skip loader (BVM 1159) and 176m<sup>3</sup> skips placed in various areas across Worcester.

Refuse collection have also been re-established which is collected on Fridays from Katlagter Street to Kwêvoël Street with the assistance of the EPWP workers in the area. Since the re-establishment of formal refuse collection, there has been a noticeable improvement. Illegal dumping of general waste as well as builder's rubble continues to be a challenge in most of the wards of the Breede Valley Municipality. Greater public support is needed to report such action to the Support Service Centre as well as to the local Law Enforcement for prosecution.

Wheelie bins (240 litre) have been supplied to all residents in Worcester, De Doorns and Rawsonville except Riverview and Roodewal Flats. The bins are placed outside the households for weekly collection as per the collection schedule.

Middle and high-income groups take part in a separation at source initiative, where the BVM supply clear bags to the households to be used for recyclable materials. The bags are issued to the residents on a weekly basis. The clear

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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recycling bags are collected by the Municipality on a weekly basis and transported to the local recycling companies, as well as the Municipal Material Recovery Facility (MRF).

Touwsrivier and surrounding areas make use of a black bag system. The black bags are placed outside the households and collected on a weekly basis as per the collection schedule.

### ***Street Cleaning***

Street cleaning in the CBD is performed on a daily basis, by a private company (EGS Engineering and Maintenance (PTY/LTD)) whom has been awarded a three-year tender which will conclude on 30 June 2024. Currently, 20 workers with street trolleys are deployed daily to sweep, clean and empty street refuse bins on the pavements within the CBD. The contractor is currently maintaining satisfactory performance levels, which aids in promoting and maintaining a clean environment within the CBD.

### ***Illegal Dumping***

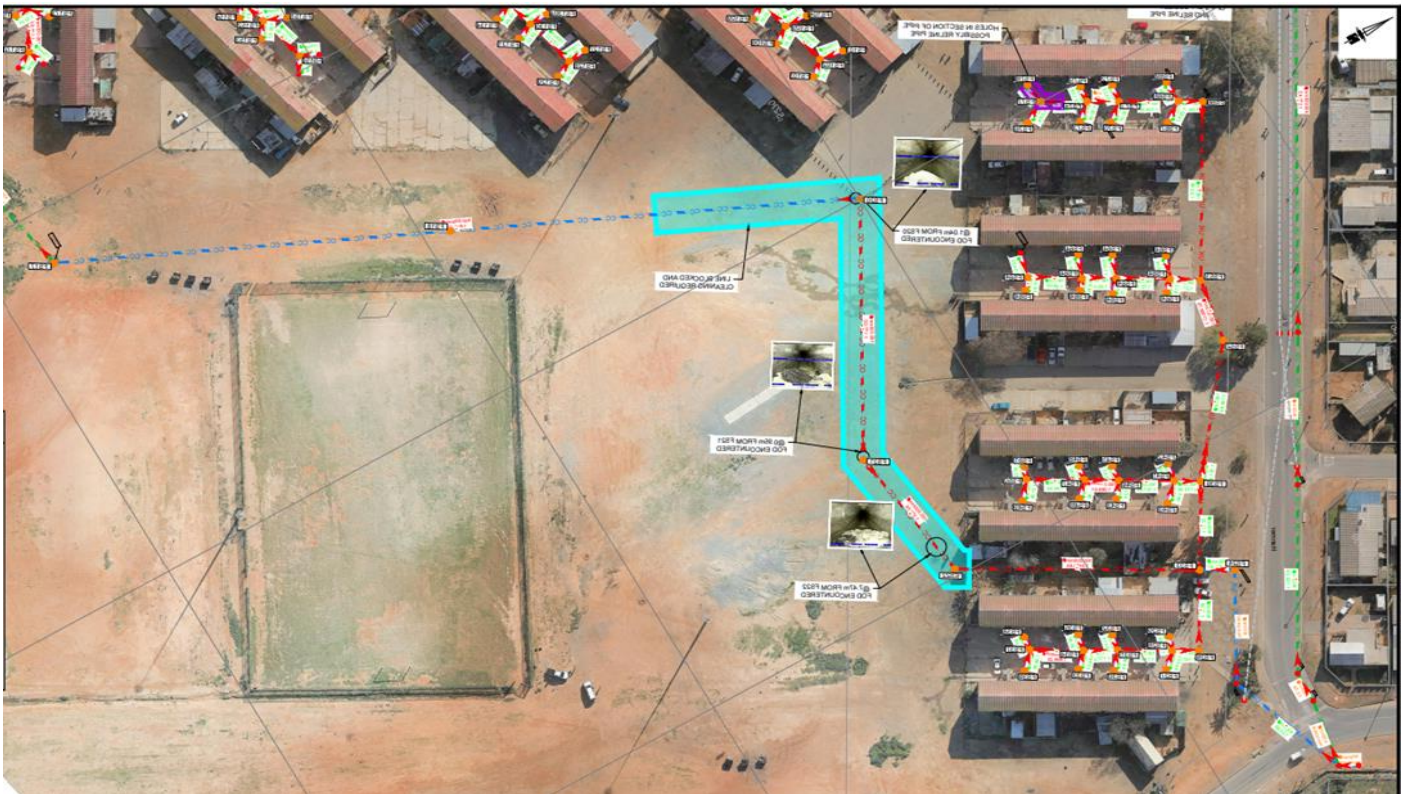
The department makes use of tipper trucks and a digger loader to collect and remove illegally dumped material as and when required. Mini drop-off facilities were built in different suburbs (Zwelethemba and Avian Park). EPWP workers are appointed on a 6-month period to assist BVM in sweeping the streets and removal of litter. This particular project is funded by the Breede Valley Municipality.

The EPWP teams are doing very well in their areas and a noticeable difference can be seen especially in the illegal dumping hotspot areas as well as throughout the town. The teams are also clearing all rubbish and plant matter in the stormwater trenches in Riverview/Noble Park. They are also responsible for the sweeping of sidewalks, emptying all rubbish bins on the sidewalk and removal of all weeds on all sidewalks in their respective areas. The entrances to the town are cleaned weekly and are being monitored on a regular basis to ensure that they are always clean.

The roaming teams are responsible for all areas North of Durban Street as well as on an ad hoc basis to respond to any complaints. Small succulent gardens were also established at various hotspot areas. These gardens are maintained by the EPWP teams and have worked well in discouraging people from dumping illegally.



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The aerial photograph depicts how the overall cleanliness has improved with the EPWP teams that have been working in the areas of Roodewal and Riverview. However, this is a work in progress to monitor and influence the habits of the community.

Area cleaning is done on a regular basis using heavy machinery and equipment. Before and after pictures are taken and published on the BVM social media platforms. Due to the unwillingness of the public to keep areas clean, a huge part of the solid waste budget goes towards area cleaning. These funds could be better utilised and used to improve the waste management services rendered to the public.



### Landfill Sites

BVM has three landfill sites located in Worcester, De Doorns and Touwsrivier. The Municipality only uses the Worcester and De Doorns landfill sites to dispose of general waste, garden refuse and builder's rubble. Due to the close proximity of the informal settlement (Zion Park) in Touwsrivier, the landfill site has been closed for disposal. Refuse is now taken to the transfer station and transported to the Worcester landfill site for disposal.

The De Doorns Landfill Site is still in operation, and is used to dispose of general waste, garden refuse and builder's rubble. The surrounding farms are not serviced by the Municipality as they dispose their waste at the De Doorns landfill site. The lack of security measures is of a great concern to the Municipality and gives rise to vandalism. Due to the lack

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

of security at the site, the access gate to the landfill site has also been removed. The structure at the waste transfer station can no longer be utilised due to the supporting structure that have also been compromised and the paving removed. The landfill site has a large number of informal waste pickers that collect at the site. These waste pickers earn a living from collecting, sorting and selling recyclable materials, such as paper, aluminium and plastics from residential and commercial industries. There is a need to formalise these activities to ensure that the activities are in line with current legislation.

Since October 2015 waste disposed at the Worcester Landfill Site is separated and not mixed. Garden waste gets disposed at a separate disposal area. Builder's rubble is used for covering material and is stockpiled in a separate area. There are presently no unlawful reclamation taking place on the Worcester Landfill site. In February 2021 the Department of Environmental Affairs and Development Planning granted a height extension of 5 m to increase the maximum height above ground level to 20 m. This will allow the Municipality to extend the life expectancy with another 10 to 15 years. On average, the landfill site receives around 5000 tonnes of waste per month. With the establishment of the MRF we have managed to reduce the amount of recoverable waste that goes to landfill. Two 5m<sup>3</sup> skips have been placed at Worcester Landfill Site for disposal of household hazardous waste. When the bins are full, the waste is then transported and disposed at the Vissershok Landfill Site. The Municipality does not cater for large quantities of specialised waste, but exclusively for small quantities of household medical and hazardous waste, these include medicine, pesticides, paint cans, chemicals, etc. Industries that generate large quantities of medical and hazardous waste are serviced by the private sector and contractors, who remove such waste mainly to the Vissershok facility near Cape Town.

### *Public Awareness and Education*



The Mascot Bin-Bin has been very busy spreading the word of responsible waste management in the local communities. An annual programme has been developed for awareness and education on responsible waste management. The awareness team regularly visit schools and creches to educate the learners.

A Youth Month Career exhibition together with a mass clean-up campaign in the informal areas of De Doorns was held on 22 June 2023 at the De Doorns Primary School which included a visit of the three Deputy Ministers. The Hon. Mr. Skhwtasha from the Department of Agriculture Land reform and Rural Development; Hon. Ms. Tshwete, Deputy Minister of Human Settlements and Hon. Ms. Makhotso, Deputy Minister of Forestry, Fisheries and Environment. The programme below depicts the activities for the day. The Bin-Bin awareness team educated the learners on the importance of recycling. Open discussion between the Deputy Mayor, Cllr. J. von Willingh, the Ministers and officials of Solid Waste section were held regarding all



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

the achievements and challenges faced at the Breede Valley. The Departments also sponsored schools with various items such as school benches, school shoes and 100 trees were planted at the schools and various sites in De Doorns.



The Solid Waste section will establish an Environmental Education Committee within the Department. This Committee will consist of the current Bin-Bin team who are employees of Solid Waste and will be responsible for the roll out of awareness campaigns throughout the Breede Valley in order to adequately educate the public regarding issues pertaining to recycling, illegal dumping and responsible waste management.

An innovative idea to curb illegal dumping at hotspots have been identified, whereby small succulent gardens are established at these hotspots. This was

done with the help of EPWP's responsible for area cleaning appointed at the Department. This concept has proved to be successful at all hotspots where illegal dumping previously prevailed and the community takes ownership by offering their help in maintaining these gardens thus creating an environment, we can be proud of.

The Municipality has invested a great deal of time and money to educate the public about the services rendered to the public. Emphasis was placed on public responsibility towards waste management and the municipal infrastructure. Various departments took part in radio interviews to highlight some of the frustrations and challenges that the service delivery departments are confronted with on daily basis.

### ***Material Recovery Facility and Recycling at Source***

Since April 2015, BVM collects and distributes clear recycling bags to residents in Worcester, De Doorns and Rawsonville. New clear recycling bags are issued for each full bag of recyclable material to participating wards. Full bags with recycle material are placed at the curb side on the day of collection next to the black refuse bags or wheelie bins and are collected by a dedicated municipal truck.

Recycling bags obtained from households are delivered to local recycling businesses in Worcester. Local companies receiving these bags have been requested to provide the municipality with monthly statistics on quantities recycled and additional jobs created by the project. The rest of the recycling are then separated, baled and sold to the private sector for reuse. These companies report to the Breede Valley Municipality on the amounts of waste that was diverted from landfill. This information is then reported on the Provincial Department of Environment, Forestry and Fisheries Integrated Pollution and Waste Information System (IPWIS). The Facility opened on 1 November 2020 and appointed 25 new employees from the EPWP project. These employees receive training in



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waste management and recycling skills and are replaced every year so that skills are transferred to new candidates. Some of these workers have since gone on to be permanently employed within the Municipality.

Recycling information notice boards have been installed at entrances to participating wards to constantly remind residents to take part in the project. Information regarding what is recyclable and what is not recyclable is also printed on the sides of the two new refuse compactors.

### ***Regional Landfill Site***

A survey was conducted by Jan Palm Consulting Engineering on behalf of the CWDM for possible future regional disposal sites, Worcester was identified as the preferred location for the construction of a regional landfill site for the eastern part of the Cape Winelands district area. The new regional landfill site will be constructed next to the existing Worcester landfill site. Due to the fact that the regional site will be financed and managed by CWDM, Breede Valley Municipality will have to make use of the regional site for disposal purposes. A new license application for the landfill site was submitted to DEA&DP in May 2023. The tender for the construction of the CWDM regional landfill site has been advertised will be awarded soon. It is envisaged that construction will commence during the latter part of 2023.

### ***BVM Solid Waste and Area Cleaning Bylaw***

The bylaw for solid waste and area cleaning was updated during 2022 and will be submitted to Council for approval. A draft bylaw was compiled and distributed to the various municipalities. The development of a new bylaw that is aligned to the NEWMA: Waste Act. All the BVM waste facilities are registered on the Provincial Integrated Waste and Pollution System and report monthly on the IPWIS system of DEA&DP.

### ***Integrated Waste Management Planning for BVM***

An Integrated Waste Management Plan (IWMP) is a statutory requirement of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) which came into effect on 1 July 2009. Its goal is the transformation of the historic methodology of waste management, i.e. collection and disposal, to a sustainable practice focusing on waste avoidance and environmental sustainability. The development of an IWMP is necessary as it is an integral tool to identify current needs related to a municipality's waste management service and acts as a guide towards sustainable management of waste in a municipality.

This Integrated Waste Management Plan (IWMP) is the fourth generation IWMP of the Breede Valley Local Municipality (BVM). The third generation IWMP was updated with primary objective being to ensure that waste management practices in the BVM comply with the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008). Implementation of this IWMP will be facilitated through municipal bylaws and in accordance with an implementation schedule.

### ***IWMP Monitoring and Review***

Regular and ongoing monitoring of the implementation plan is required to ensure that the goals, objectives and targets of the IWMP are accomplished within the allocated timeframes. According to Section 13(2) of the National Environmental Management Waste Act (Act 59 of 2008), performance reports on the implementation of the integrated waste management plan must be prepared in terms of Section 46 of the Municipal Systems Act and must contain information

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such as the extent to which the plan has been implemented during the period, the level of compliance with the plan and the measures that have been taken to make any necessary amendments to the plan. The designated Waste Management Officer (WMO) is responsible for preparing the performance reports on the implementation of the IWMP on an annual basis.

As the IWMP forms part of the Integrated Development Plan required in terms of Chapter 5 of the Municipal Systems Act, this IWMP must be comprehensively reviewed after five years. Therefore, the next comprehensive revision of the IWMP should occur in 2025.

The implementation plan contains a number of projects and respective actions which, if properly executed, should enable the BVM to achieve its objectives and targets. The identified projects have been prioritised and span over a period of five years.

The following table provides the implementation plan to assist the BVM in meeting its objectives and targets.

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
<b>GOAL 1: PROMOTE WASTE MINIMISATION AND PUBLIC AWARENESS</b>	The separation at source programme needs to be rolled out across the rest of the BVM to ensure enough source separated materials to be delivered to new MRF for that to be run as a clean MRF.	BVM needs to provide recycling bags to the identified areas that are not yet participating in the waste separation at source programme. More bags need to be issued, or residents should be encouraged to purchase their own bags. Continuous awareness and education should assist in ensuring they continue to recycle and make a plan to obtain bags to do so. The BVM needs to procure two additional cage trucks and each will require a team of three staff. The additional trucks will allow the BVM to roll out the programme to additional areas.						R500 000.00 per cage truck. The salary of the six employees (two drivers/supervisors and four general workers) will be dependent on the BVM recruitment policy.	Cage truck purchased and 6 x employees appointed.
	Draft an Organic Waste Diversion Plan.	Draft a plan documenting the initiatives to reduce organic waste sent to landfills.						Nil, inhouse.	The Organic Waste Management Plan was drafted by Cape Winelands District Municipality and has been sent to Western Cape Department of Environmental Affairs and Development Planning for comment.

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Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
									Implementation of the plan in 2023.
	Implement waste awareness campaign to promote home composting.	Conduct waste awareness campaigns on home composting to ensure for waste avoidance initiatives.						R91 000.00 per annum for awareness materials.	Composter bins have been procured and we await delivery. Implementation and awareness campaigns to be initiated in 2023.
	Implement reuse initiatives and awareness campaigns.	BVM have to run a competition in schools where the learners have to produce the best reusable item made from recyclables. The BVM can reward the learner with the best idea. In this manner awareness will be raised among the learners on recycling and re-using of materials. BVM have to encourage suppliers to make use of reusable materials for packaging.						R15 000.00 for educational material and price for winner	An annual programme has been established to conduct awareness campaigns in schools and communities.
	Install recycling awareness signage boards in De Doorns, Rawsonville and Touwsrivier to boost public awareness. Continue distribution of the recycling newsletter along with the monthly municipal bill.	Use a service provider to supply and install notice boards. Use the Municipality marketing team to design public awareness advertisements for the board. Ensure that the newsletter is distributed on a monthly basis with the monthly municipal bill. Conduct waste awareness campaigns (presentations during assembly) in all BVM schools. Conduct waste awareness campaigns using competitions to encourage community to recycle. Conduct waste awareness through BVM social media by posting recycling tips.						R20 000.00 per noticeboard.	In progress. To completed in 2023.

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Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	Implement waste awareness programmes at rural areas and farms to separate general waste for recycling and composting at source. The BVM can provide drop-off areas for the recyclables and collect from these areas. BVM should promote home composting at these areas.	<p>Conduct waste awareness campaigns on a regular basis to keep residents informed. Waste awareness campaigns will cover the following topics:</p> <ul style="list-style-type: none"> <li>• Waste minimisation;</li> <li>• Source separation;</li> <li>• Recycling;</li> <li>• Composting;</li> <li>• Disposal of small amounts of residual waste; and</li> <li>• Prevention of illegal dumping and littering.</li> </ul> <p>For the Municipality to strengthen and extend its current awareness initiatives, it is recommended that the Municipality liaises with DEA&amp;DP's Policy and Minimisation Unit for more initiatives to raise awareness in communities. Some of those initiatives include the sharing of generic illegal dumping posters that the Municipality can adapt for awareness training for its staff (EPWP, YCOBB). The training will capacitate the staff to be able to conduct awareness campaigns at schools, assist communities with separation at source and educate the public on looking after their environment.</p>						R15 000.00 per annum for awareness materials. The superintendents of Solid Waste's salaries will be dependent on the BVM recruitment policy.	An annual programme has been established to conduct awareness campaigns in rural areas and farms.
	Implement Youth Jobs in Waste Programme (Department of Environmental Affairs) with part of the programme to be focused on waste education and training.	Developing hands-on skills development programmes to educate and fill vacancies in landfill operations, waste collection planning and administration, separation at source and refuse collection.						Nil, funded through DEFF.	In progress. Part of EPWP programme and funding from Department of Environment, Forestry and Fisheries for 57 staff.

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Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	The BVM to provide stock for the Zwelethemba swop shop where recyclables can be traded.	The Municipality obtains partnerships with retail shops to support the swop shops in the community. The Municipality have to obtain additional stakeholders to contribute to the sustainable management of this project. BVM should seek the buy-in of retailers (Shoprite, Woolworths, Checkers, Farmers, etc.) to contribute to these swop shops. BVM has to appoint a marshal to ensure that the area is not vandalised. It can be integrated with a church/school or similar, where security is in any event to be provided.						R15 000.00 for stock per annum.	No funding for swop shops.
	Establish swop shops in in Avianpark, De Doorns and Touwsrivier.	Secure a partner to support the swop shop going forward. It can be integrated with a church/school or similar, where security is in any event to be provided.						R28 000.00 per swop shop establishment.	No funding for swop shop.
	Initiate community-based waste management training and awareness programmes for rural councillors and communities in low-income areas.	Initiating hands-on community clean-up projects on a quarterly basis. The purpose and the social and environmental benefits of the clean-up projects must be conveyed.						R1 000.00 per quarter for bags and cleaning equipment.	Waste Summit was held in 2022 to educate Councillors and the private sector participants. This will be conducted on an annual basis.
	Initiate collaboration with SMMEs for informal recycling on landfills.	Work with SMMEs and informal recyclers to offer opportunity to further divert recyclables while stimulating job creation. Community-based organisations can also be approached.						Nil, investigation inhouse.	Waste Summit was held in 2022 to educate Councillors and the private sector participants. This will be conducted on an annual basis. Ongoing.
<b>GOAL 2: EFFECTIVE SOLID WASTE SERVICE DELIVERY</b>	Determine the exact number of households not receiving a collection service.	Appoint a service provider to conduct a community survey to identify the number of households not receiving waste collection services.						R1 500 000.00.	Complete. A service provider was appointed for communal refuse removal in the informal areas.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	Communal collection points or mini drop-off facilities be put in place in communities and at illegal hotspot areas to collect waste from currently unserved households and reduce illegal dumping.	Construct mini drop-off facilities in rural and informal household areas. Waste marshal to be appointed to provide awareness of what materials can go into skips.						R200 000.00 per drop-off location.	Skips have been provided in rural and informal areas and skip monitors have been appointed as part of the EPWP programme.
	The Municipality currently (2020) keeps no records of complaints. The complaints registry must be reviewed to ensure that all complaints are being recorded for future use.	Buy software which enables the community to make online complaints and ensure that the complaints are stored on a server for future use. Keep a complaint register book at the landfills and municipality offices to ensure easy access by the residents.						R100 000.00 for software and nil for inhouse bookkeeping.	Call centre provides complaints to various departments. Reference numbers are allocated to specific complaints.
	Provide receptacles for Touwsrivier area.	Provide 240 l wheelie bins.						R800.00 per wheelie bin.	No funding for the procurement of a compactor for Touwsrivier.
	Develop a waste infrastructure masterplan and then investigate funding applications.	Appoint a service provider to develop a waste infrastructure masterplan and then investigate funding applications.						R250 000.00.	No funding.
	Determine available airspace at all landfill sites.	Appoint external consultant to conduct remaining airspace calculations.						R75 000.00 per landfill for survey and calculations of remaining airspace.	Complete. Height extension was granted.
	Construction of a composting facility in Worcester.	Construct a composting facility to divert organic waste from landfills.						R31 747 000.00 (Assessment of the Municipal Integrated Waste Management Infrastructure report (2016)).	No funding.
	Construction of public drop-off in De Doorns.	Construction of drop-off point to minimise illegal dumping in the areas and service the low-income area.						R11 758 000.00 (Assessment of the Municipal Integrated Waste Management Infrastructure report (2016)).	Complete.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
<b>GOAL 3: REDUCE ILLEGAL DUMPING</b>	Promote awareness concerning waste management, recycling and prevention of illegal dumping and littering in rural areas.	Community should be educated on the adverse environmental and social impacts of illegal dumping. WMO to visit schools and engage community on other community platforms.						R15 000.00 per annum for awareness materials.	An annual programme has been established to conduct awareness campaigns in rural areas.
	Implementation of anti-littering Bylaws.	Review the Bylaws and include anti-littering Bylaws by the end of 2022.						Nil, if undertaken inhouse or consultant fees of R100 000.00.	Bylaw has been reviewed and must be submitted to Council for approval.
	Identify the underlying causes of illegal dumping (site-specific reasons).	<p>The waste management officer should assess potential reasons causing the prevalence of illegal dumping by way of:</p> <ul style="list-style-type: none"> <li>Identify illegal dumping hotspot;</li> <li>Making key observations;</li> <li>Conducting brief community surveys and interviews; and</li> <li>Identifying the stream of waste that is predominant at the illegal dumping sites.</li> </ul>						Nil, to be undertaken inhouse.	Complete.
	Identify illegal dumping hotspots.	Conduct an investigation to identify the illegal dumping hotspot.						Nil, to be undertaken inhouse.	Complete. Hotspot areas have been mapped on GIS System.
	Rehabilitate illegal dumping sites which have been identified and mapped thus far. The Municipality must ensure that it compiles a contaminated land register as per the requirements of NEMWA.	Clear illegal dumping sites of all waste using EPWP workers.						Nil, use EPWP programme.	Ongoing. As per maintenance schedule.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
<b>GOAL 4: IMPROVE WASTE INFORMATION MANAGEMENT</b>	Registering of waste generators, transporters and recyclers and enforcing reporting to the Municipality.	Implement effective communication system: • Place an advert in the local paper instructing organisations to register; • Make registration forms available on the website; and • Develop a database of companies operating in the BVM and track the registration and reporting status. Issue written notifications to the organisations which are not registered or reporting.						R15 000.00 per annum for advertising materials. WMO to manage database, salary will be dependent on the BVM recruitment policy.	Waste Summit was held in 2022 to educate Councillors and the private sector participants. This will be conducted on an annual basis. Ongoing.
	Improve waste information record keeping at landfills.	Ensure that gate controllers are stationed at all landfill sites and that records are uploaded onto the Integrated Pollution and Waste Information System (IPWIS).						Nil, use inhouse staff.	Ongoing.
	Conduct audits to ensure Bylaws are in place and implemented correctly.	Utilise EPWP employees to conduct audits within its municipal jurisdiction to ensure compliance with the provisions of the Bylaw and will thus have a clear indication what waste types and quantities are being generated, recycled and disposed.						Nil, use EPWP's programme.	Peace Officer Training conducted by x5 employees.
	Installation of weighbridges at the waste management facilities.	Install and maintain weighbridges at the De Doorns landfill, Touwsrivier landfill and transfer stations.						R1 200 000.00 per weighbridge.	Worcester completed. De Doorns to be constructed. Touwsrivier landfill not utilised.
	Conduct a waste characterisation study which takes seasonal variation into account.	The waste management officers should ensure that a WCS is conducted in each season of the year to account for seasonal variations. This should be done every five years.						Nil, to be undertaken inhouse.	Waste characterisation study will be conducted in 2025.
<b>GOAL 5: ENSURE SOUND BUDGETING FOR INTEGRATED WASTE MANAGEMENT</b>	The Municipality must ensure that there is sufficient provision in the budget for upcoming projects and action items.	Develop an asset budget replacement plan and ensure its inclusion in the annual IDP budgeting process. This can be done with the annual IWMP implementation programme review and project evaluation.						Nil, review budget inhouse.	Ongoing.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	Develop a detailed financial planning model.	Ensure that upcoming implementation actions are in the budget. Explore sources of funding. BVM to undertake a full cost accounting exercise to determine the true cost of waste management services.						Nil, review budget inhouse.	Ongoing.
	Review vacancies in the organogram and fill as required.	The funded vacancies must be reviewed. The BVM has to appoint personnel to fill the funded vacancies. The funded vacant positions should be revised in line with the BVM budget for 2021/2022.						The cost to fill the vacancies will be dependant of the BVM remuneration policy.	Ongoing.
<b>GOAL 6: IMPROVE REGULATORY COMPLIANCE</b>	Conduct annual internal and external audits for waste management facilities.	Appoint an external consultant to conduct external audits at all waste management facilities annually. The waste management officer should conduct internal audits on a quarterly basis.						R75 000.00 per landfill for external audit per annum.	Ongoing.
	Calculate the landfill airspace of all landfill sites.	Appoint an external consultant to conduct an external landfill airspace investigation for all landfills.						R20 000.00 for landfill airspace calculations.	Complete
	Revise the Bylaws in general to include national and provincial policies, and norms and standards where applicable.	Bylaws should be revised to include the national and provincial policies, targets and norms and standards. Included the prohibitions of the Waste Act to ensure compliance with the NEM: Waste Act: National Norms and Standards for Disposal of Waste to Landfill (R.635 August 2013).						Nil, to be undertaken inhouse.	Bylaw has been reviewed and must be submitted to Council for approval.
	Improve security and fencing at the landfill sites to ensure that waste is 'safe disposed'.	Improve security and enforce regular monitoring of activities undertaken at the landfills. Provide fencing at the Touwsrivier landfill site.						R400.00 per meter to repair and replace the fence.	Ongoing.
	Prevent tyres from being disposed of at the landfills.	Improve security and enforce regular monitoring of activities undertaken at the landfills. Stockpile tyres as per the regulations.						Nil, to be undertaken inhouse.	Ongoing.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	Provide stormwater infrastructure as per landfill licence at all landfills.	Provide stormwater drains at all landfill sites to channel, collect and store contaminated run-off.						R1 300 000.00 for Worcester landfill, R400 000.00 for De Doorns landfill, R200 000.00 for Touwsrivier landfill.	Ongoing.
	Ensure compliance of the landfill containment barriers with R.634, R.635 and R.636 (National norm and standards for disposal of waste at a landfill).	Ensure compliance with R.635 in terms of the type of waste for landfill disposal.  Appoint consultant to assist with closure and rehabilitation of existing unlined cells and development of new lined cells.						To be determined by consultants.	Ongoing.
<b>GOAL 7: ENSURE SAFE INTEGRATED MANAGEMENT OF HAZARDOUS WASTE</b>	Educate the public about household hazardous waste and the avoidance, reduction and disposal options available to them regarding these wastes.	Educational awareness campaigns to educate the public on hazardous waste should be driven through: • Local radio stations; • Community open days/fairs; • The establishment of environmental youth clubs; and • Information sessions at community meetings and parent evenings.						R15 000.00 per annum for advertising material.	Ongoing.
	Ensure legal compliance by hazardous waste generators and transporters.	Registration and reporting of hazardous waste generators at the Municipality will allow the Municipality, as the service authority, to ensure that the waste is stored, transported, treated or disposed as is legally required.  The Bylaws should be reviewed to include that all hazardous waste generators (generating more than 20 kg per day) should register at the Municipality and record the data and store it safely for five years to be in compliance with the National Waste Information Regulations, 2013. These generators must report to the BVM the waste types, quantities generated, etc.						Nil, if Bylaws are reviewed and enforced.	Ongoing.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Objective	Target	Project description	Timeframe					Estimated budget required	Progress
			2021	2022	2023	2024	2025		
	Educate the waste management employees of BVM on the latest legislation regarding hazardous waste, the identification thereof and the disposal options that are legal.	Send waste management officer to training programme regarding hazardous waste. Waste management officer to train waste management employees at landfill sites to identify hazardous waste.						R7 500.00 per course.	Ongoing.
	Ensure compliance of waste acceptance at municipal landfills with R.636 (National Norms and Standards for Disposal of Waste to Landfill).	Gate controllers to be trained to identify Type 2 waste which may be disposed at Class B/GLB+ landfill sites and to identify other waste types that may not be disposed of at municipal landfills. Gate controllers to allow entry and disposal of acceptable waste types only.						R10 000.00 per annum	Ongoing.

Table: 136

IWMP Implementation Plan

### 3.11.1 Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2020/21		Overall Performance for 2021/22		
				Target	Actual	Target	Actual	R
TL53	Install 4 recycling awareness boards (one in each town) by 30 June 2023	Number of recycling awareness boards installed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	4	0	R
TL54	Recycle 80 tonnage of waste by 30 June 2023	Tonnage of waste recycled	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	80	0	R

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2020/21		Overall Performance for 2021/22		
				Target	Actual	Target	Actual	R
TL29	Number of formal residential properties that are billed for refuse removal as at 30 June 2023	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	19200	19275	19 281	19 495	G2
TL55	Plan and host a Waste Minimisation Summit by 31 March 2023	Waste Minimisation Summit planned and hosted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R

Table: 137

Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

### 3.11.2 Refuse removal service delivery levels

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

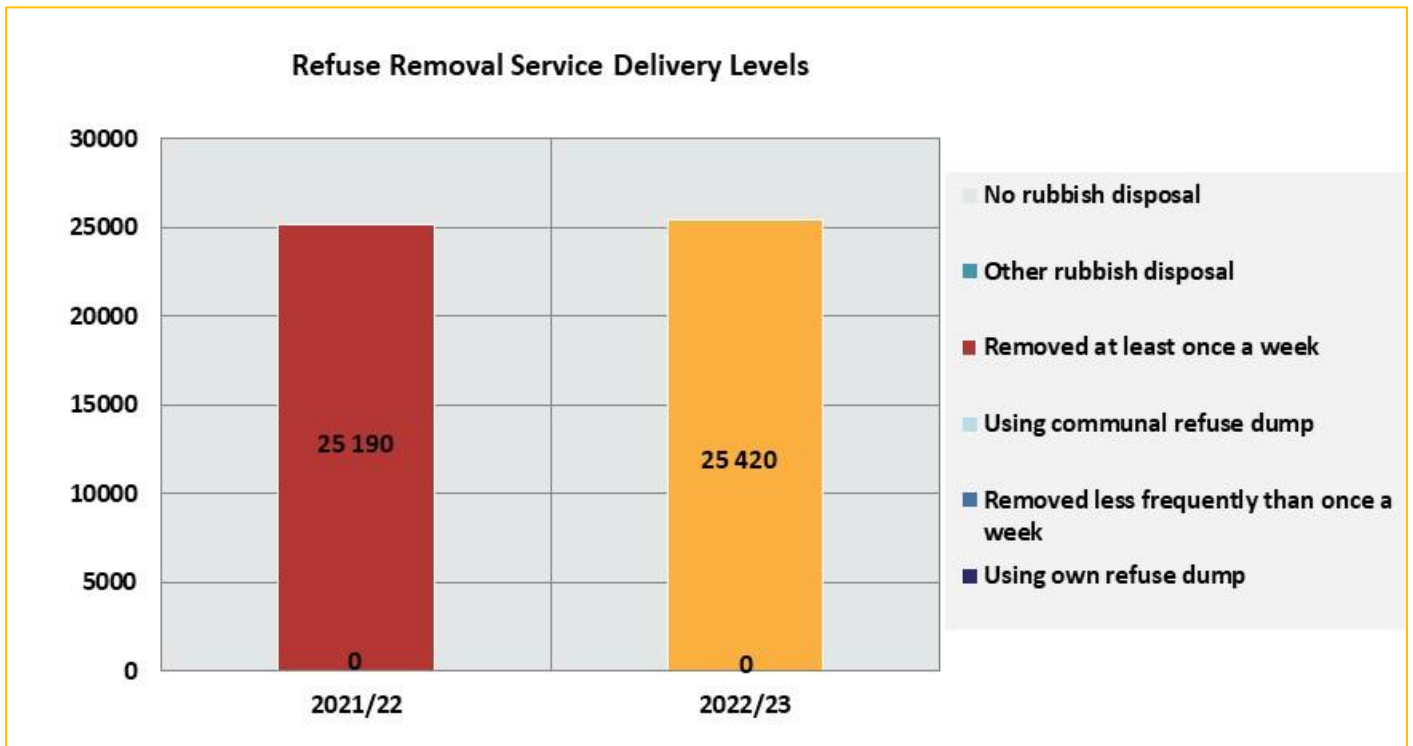
Description	2021/22	2022/23
	Outcome	Actual
<b>Household</b>		
<b>Refuse removal: (Minimum level)</b>		
Removed at least once a week	25 190	25 420
<b>Minimum service level and above sub-total</b>	<b>25 190</b>	<b>25 420</b>
<b>Minimum service level and above percentage</b>	<b>0</b>	<b>0</b>
<b>Refuse removal: (Below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below minimum service level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>25 190</b>	<b>25 420</b>
*Total reflects the total number of households including households not separately billed # Data in line with SAMRAS and the Breede Valley Municipality database		

Table: 138

Refuse removal service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The graph below shows the different refuse removal service delivery levels per total households and the progress per year:



Graph 9: Refuse removal service delivery levels



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.11.3 Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The table below indicates the number of employees for waste management (refuse collections, waste disposal, street cleaning and recycling):

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	3	3	3	0	0%
Semi-skilled	20	23	22	1	4%
Unskilled	60	67	66	1	1%
<b>Total</b>	<b>86</b>	<b>96</b>	<b>93</b>	<b>3</b>	<b>3%</b>

Table: 139 Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

### 3.11.4 Capital expenditure: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The table below indicates the amount that was actually spent on waste management (refuse collections, waste disposal, street cleaning and recycling) projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Wheelie bins	1 000 000	1 000 000	553 823	446 177	1 000 000
Solid Waste - Radios	150 000	222 000	168 061	53 939	222 000
Solid Waste - Furniture and Office Equipment	50 000	62 000	37 930	24 070	62 000
<b>Total all</b>	<b>1 200 000</b>	<b>1 284 000</b>	<b>759 815</b>	<b>524 185</b>	<b>1 284 000</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 140 Capital expenditure 2022/23: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.12 HOUSING

BVM has a current housing backlog of 20 193 (2021/21: 19 938) households. The following housing demand list provides a further indication of the demand for housing in the municipal area:

BREEDE VALLEY MUNICIPALITY AREA	June 2022		June 2023		
	Total Waiting	Percentage (%)	Total Waiting	Percentage (%)	Percentage (%) Change in "Waiting" Status
Avian Park	2 026	10.16	2 429	12.03	16.6
De Doorns	5 749	28.83	5 800	28.72	0.9
Outside Municipal Area	62	0.31	63	0.31	1.6
Rawsonville	1 497	7.51	1 235	6.12	-21.2
Roodewal	1 116	5.60	37	0.18	-2916.2
Touwsrivier	1 067	5.35	1 026	5.08	-4
Worcester	4 852	24.34	5 695	28.20	14.8
Zwelethemba	3 569	17.90	3 908	19.35	8.7
<b>TOTAL</b>	<b>19 938</b>	<b>100</b>	<b>20 193</b>	<b>100</b>	<b>1.3</b>
<i>*The numbers per area are accurate and system generated, variation is due to data cleansing</i>					

Table: 141

Housing demand list

The Municipality has conducted its own survey into informal settlement patterns in Breede Valley to gauge the extent of informal housing:

Town	Settlement Name/Location	2021/22 Settlement Statistics	2022/23 Settlement Statistics	Settlement Growth Trend (%)
Worcester	North Mandela Square	3 500	3 500	0
	Aspad	1 500	1 500	0
	Emagwaleni (New Mandela)	1 500	1 500	0
	Rolihlahla (Avian Park)	1 400	1 400	0
	Roodewal	250	250	0
	Worcester West	4	4	0
	Langerug	13	13	0
De Doorns	Stofland	3 200	3 200	0
	Hassie Square	150	150	0
	Mpumelelo	2 100	2 100	0
	Ebaleni	90	90	0
	GG Camp (Sandhills)	1 400	1 400	0
Touwsrivier	Zion Park	147	120	-18.37
Rawsonville	Hammat Square/Spokiesdorp/Geelkampie	680	680	0

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Town	Settlement Name/Location	2021/22 Settlement Statistics	2022/23 Settlement Statistics	Settlement Growth Trend (%)
<b>TOTAL</b>		<b>15 934</b>	<b>15 907</b>	<b>-0.17</b>
* Estimated figure derived from prior years (pre Covid-19), no formal was conducted during this financial year due funding constraints. The growth of informal settlement is anticipated to be approximately ten percent based on previous trends				

Table: 142 Informal settlement patterns in BVM

The Housing Policy has been approved, making provision for people with disabilities. The municipal waiting list is linked to the provincial housing demand list. This has enabled the Municipality to actively trace applicants registered at other municipalities. In addition, it has enabled the Municipality to eliminate duplicate names from the system.

Council has approved a 5-year Integrated Human Settlement Plan, which sets out housing delivery in the Municipality.

### 3.12.1 Service statistics: Housing

Performance on housing projects for the year were as follows:

Projects	Revised delivery targets 2021/22		Performance 2022/23	
	Sites	Units	Sites	Units
Worcester Transhex Phase 1(2546 of 3231) services	2 550	0	2 550	0
Worcester Transhex Phase 1 Top (800)	0	0	0	190
ISSP Zwelethemba North Rem Erf 1	0	0	0	0
ISSP Zwelethemba North Ren Erf 1 (NGO)	0	0	0	0
<b>Total</b>	<b>2 550</b>	<b>0</b>	<b>2 250</b>	<b>190</b>

Table: 143 Performance on projects: Housing

### 3.12.2 Service delivery indicators: Housing

The key performance indicators for housing are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL2	Develop an Implementation Plan for the upgrade of the municipal rental units and submit to Council by 31 May 2023	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R
TL3	Spend 90% of the budget allocated for the	% of the budget spent	All	New performance indicator for	New performance indicator for	90.00%	88.02%	O

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	maintenance of the municipal rental units by 30 June 2023 {(total actual expenditure/total budget) x 100}			2022/23. No comparative audited results available	2022/23. No comparative audited results available			
TL4	Spend 90% of the budget allocated for the relocation of outside toilets of all properties that were previously owned by government by 30 June 2023 {(total actual expenditure/total budget) x 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	34.50%	R
TL8	Submit a bi-annual report to Council on the progress of title deed registration	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 144 Service delivery indicators: Housing

### 3.12.3 Households with access to basic housing

The table below indicates the number of households in BVM with access to basic housing:

Year end	Total estimated households (formal and informal settlements)	Estimated households in formal settlements	Percentage (%) of households in formal settlements
2021/22	65 828	49 894 <sup>#</sup>	75.79
2022/23	66 616	50 709*	76.12

<sup>#</sup>Prior year reporting actual

\*Estimated figure derived from the 2023 household statistics presented for BVM in the 2021 Municipal Economic Review & Outlook (MERO)

Table: 145 Households with access to basic housing

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The following table shows the number of people on the housing waiting list:

Housing waiting list	Number of people on housing waiting list	Percentage (%) housing waiting list increase/(decrease)
2021/22	19 938	-1.29
2022/23	20 193	1.28

Table: 146 Housing waiting list

The table above, depicts a marginal increase in the number of persons on the housing waiting list. The increase in 2022/23 is based on data cleansing such as reactivated dormant and cancelled applications in the database.

### 3.12.4 Title Deed Restoration Programme (TRP)

The following table shows the number of title deeds registered for ownership in various projects in 2022/23: Pre – 1994 refers to municipal rental stock while Post – 1994 refers to Project Linked Housing Subsidy Project.

Category	Target	Transferred	Outstanding	Percentage (%)
Pre-1994	437	214	223	48.97
Post-1994	750	0.0	750	0

Table: 147 Title Deed Restoration Programme (TRP)

### 3.12.5 Employees: Housing

The table below indicates the number of employees for housing:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	0	0	0	0	0%
Skilled Technical, Superintendents etc	5	4	4	0	0%
Semi-skilled	10	10	9	1	10%
Unskilled	0	0	0	0	0%
Total	17	16	15	1	6%

Table: 148 Employees: Housing

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.12.6 Capital expenditure: Housing

The table below indicates the amount that was actually spent on housing projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Donated Assets - Buildings	0	17 350 000	17 350 000	0	17 350 000
<b>Total all</b>	<b>0</b>	<b>17 350 000</b>	<b>17 350 000</b>	<b>0</b>	<b>17 350 000</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 149

Capital expenditure 2022/23: Housing

### 3.13 FREE BASIC SERVICES AND INDIGENT SUPPORT

In accordance with the approved indigent policy of the Municipality, all households earning less than R4 500 per month will receive free basic services, as prescribed by national policy. Indigent support includes water, electricity, rates, refuse, sewerage and rental.

#### 3.13.1 Access to Free Basic Services

The access to free basic services is summarised into the different services as specified in the following table:

Free basic services to low income households									
Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2021/22	28 555	9 820	100	9 820	100	9 820	100	9 820	100
2022/23	29 859	7 999	100	7 999	100	7 999	100	7 999	100

Table: 150

Access to free basic services

The tables below identify the number of indigent /households with access to the different free basic services:

Electricity									
Financial year	Indigent households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2021/22	8 510	50	6 346	14 176	0	0	1 310	50	1 104
2022/23	6 862	50	5 640	16 183	0	0	1 137	50	1 789
<i>Please note that 6 814 is supplied by Eskom and 23 045 by BVM resulting in a total of 29 859 households within BVM boundaries having access to electricity</i>									

Table: 151

Free basic electricity services to indigent households

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Water						
Financial year	Indigent households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2021/22	9 820	10	11 241	11 649	6	4 299
2022/23	7 999	10	8 738	12 417	6	3 495

Table: 152 Free basic water services to indigent households

Sanitation						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2021/22	9 820	310.43	22 785	20 925	0	0
2022/23	7 999	327 .83	23 520	21 147	0	0

Table: 153 Free basic sanitation services to indigent households

Refuse removal						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2021/22	9 820	195.65	14 342	20 961	0	0
2022/23	7 999	235.25	14 943	21 181	0	0

Table: 154 Free basic refuse removal services to indigent households per type of service

### COMPONENT B: ROAD TRANSPORT

The White Paper on National Transport Policy (1996) spells out the following vision for South African transport: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”

#### 3.14 ROADS

Breede Valley Municipality consist of the towns of Worcester, Rawsonville, De Doorns and Touwsrivier. Breede Valley Municipality is responsible for the maintenance and operation of the road system within the urban edges of the aforementioned towns. Roads outside the urban edge, are the responsibility of the South African National Roads Agency Limited (SANRAL), the Western Cape Department of Transport and Public Works and the Cape Winelands District Municipality. The focal point of Breede Valley Municipality (BVM) is its major regional settlement of Worcester, followed by Rawsonville, De Doorns and Touwsrivier, which provides support to a series of rural towns and hamlets located across the municipal area and beyond. The main road system in the BVM consists of the N1 linking Rawsonville,



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Worcester, De Doorns and Touwsrivier with each other. Provincial roads include the R60 between Worcester and Robertson, R43 between Worcester and Villiersdorp and R43 towards Ceres.

Approximately 20.63 km of roads, known as Proclaimed Municipal Main Roads, are found within the urban edges of Worcester, De Doorns and Touwsrivier, for which Breede Valley Municipality receives a routine maintenance subsidy from the Western Cape Department of Transport and Public Works on an annual basis. Funds are allocated for maintenance done only on the 'blacktop', where an 80/20 ratio split is provided for by the Western Cape Department of Transport and Public Works and Breede Valley Municipality respectively. A contractor was appointed during the 2022/23 financial year to undertake repairs to the road surface. A total of 17 patches were completed by the end of February 2023 on Proclaimed Municipal Main Roads.

The total length of the paved network within Breede Valley Municipal Area is approximately 296.5 km (286.8 km bituminous, 9.3 km block paving and 0.2 km concrete pavement and 0.3 km roundabout) and a total of 59.2 km of gravel roads, with an estimated replacement value of R1 120 million.

Municipality/Town	Road Type						Grand Total
	Paved - Flexible	Paved - Block	Paved - Concrete	Roundabout	Gravel	Earth	
De Doorns	20.0	2.7	0.0	0.1	22.1	1.2	46.1
Rawsonville	8.3	0.6	0.1	0.0	0.7	0.0	9.7
Touwsrivier	29.6	0.1	0.0	0.0	5.4	0.0	35.1
Worcester	228.9	5.9	0.1	0.2	29.8	0.0	264.9
<b>Grand Total – Breede Valley</b>	<b>286.8</b>	<b>9.3</b>	<b>0.2</b>	<b>0.3</b>	<b>58.0</b>	<b>1.2</b>	<b>355.8</b>

Table: 155 Length (km) of municipal road per road type

The BVM Road Asset Management Plan (RAMP) essentially serves as a network level tool for maintaining of the municipal roads system through an assessment of the network based on methodical visual rating of each road section. Visual assessment forms the basis of evaluating the condition of the road network, coupled with the subsequent identification of specific actions needed. Collected site information such as the type and degree of the defect, traffic volumes, historic information, and public engagements; is processed to inform top management's decision-making process linked to strategic planning and budgeting purposes, proactive maintenance schedules, technical planning and execution purposes. The type of road maintenance required (e.g. routine / normal maintenance and/or heavy rehabilitation), is derived from the specific portion of road. Possible project types range from routine maintenance (e.g. patching, blading, etc.), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction or even upgrade).



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In the context of budgetary constraints, it is important that funds allocated for road repair/maintenance/upgrade are spent at the right place and time to ensure optimum utilisation and impact thereof. The use of the RAMP is generally regarded as an essential tool for determining the maintenance and upgrade needs/programmes for pavements in a network of roads.

These programmes provide a good assessment of the funds required to meet the maintenance needs of the network and, in most cases, the type of maintenance required. The needs of individual projects should, however, be verified by further investigation to allow for additional unrecorded factors.

As stated, the total length of the paved network within Breede Valley Municipal Area (BVM) is approximately 296.6 km (286.8 km bituminous, 9.3 km block paving and 0.2 km concrete pavement and 0.3 km roundabout) with an estimated replacement value of R1 120 million. The surfacing condition of the bituminous network within BVM (68.10% thereof) can be classified as poor to very poor. Of the 68.10%, 50.32% can be classified as poor, whilst 17.78% can be classified as very poor. The estimated funding backlog on the bituminous pavements at this stage is R77 million.

Project prioritisation has become critical in the process of optimally utilising scarce and limited funding resources. It is becoming increasingly important to determine which projects are the most feasible. All projects identified in the RAMP were prioritized together with the BVM representatives where each project was evaluated, scored and ranked. Projects were categorised based on project type and focus areas i.e. road infrastructure upgrade, road maintenance, planning and feasibility.

The availability of own funding for project implementation is limited. The need for rehabilitation and resealing of roads competes for funding with other essential services such as water, housing, sanitation, electricity and health services. In identifying the funding for the prioritised projects over the next 5 years, funding sources include public contributions and donations, borrowing, internally generated funds, capital transfers recognised and direct or indirect national and provincial grants (transfers). A lack of financial resources will adversely impact the ability to maintain and upgrade the requisite infrastructure to address current services backlog as well as cope with an increasing influx of people from other areas and the natural growth in population.

The MIG programme makes a valuable contribution to the funding of infrastructure for the poor communities of BVM, however, the quantum of funding provided is insufficient to address the current backlogs. Increasing the MIG allocations will allow the Municipality to address backlogs in a more economical and aggressive manner.

Projects are implemented by BVM, Directorate Engineering Services who is responsible for the design, tender documentation, supervision and management of the projects. During the 2022/23 financial year a contract for the upgrading of gravel roads at Zwelethemba (Ward 8) was awarded to Gqobo Investments cc. Due to underperformance this contract was terminated, and a new contractor was appointed for the completion of the Works. The anticipated completion of the Works is towards November 2023.

During the 2022/23 financial year approximately 22,97 km surfaced roads were resealed/rehabilitated as indicated in the table below:

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Ward	Town	Suburb	Street Name	Road Length (m)	Surfaced Area (sqm)
4	De Doorns	De Doorns	Barlinka Street	30.70	251.74
			Voortrekker (Barlinka to Kelder)	213.80	3 014.58
			Voortrekker (Barlinka to Kelder)	353.80	884.50
Sub-totals				598.30	4 151.00
5	Worcester	Panorama	Wynland	147.50	1 032.50
			Meerhoff	217.00	1 736.00
			Boschheuwel	310.75	2 725.65
6	Worcester	Bloekombos	Quellerie Rd (North Bound)	759.56	4 877.98
			Quellerie Rd (South bound)	759.56	4 877.98
			Jansen Street	234.60	1 647.30
			Haarlem Street	825.50	6 746.93
			Buren	199.10	1 353.63
7	Worcester	Reunion Park	Protea Rd	218.60	1 566.18
			Siring Ave	50.00	497.90
			Roode Els Rd	153.70	1 274.85
			De La Bat Road (between Roux Road & Oude Meule)	1 060.00	9 010.00
			Olm Avenue	197.70	1 462.98
			Sipres Avenue	211.00	1 561.40
			Populier Avenue	330.00	2 442.00
		Roux Park	Jakaranda Avenue (from the Wilger Street intersection to the Mimosa Road intersection)	336.00	2 452.80
		Paglande	Durban Street (R60 to Riebeeck Street)	602.30	4 457.02
			Combrink Street (Durban to Russel Street)	211.60	1 587.00
10	Worcester	Hex Park	Fischer Street	260.60	2 084.80
			Excelsior Street (Fischer to Concordia)	424.80	2 336.40
			Excelsior Street (Concordia to Lombardi)	239.20	1 315.60
			Excelsior Street (Lombardi to Duncan)	89.10	605.88
			Robey (Excelsior to Eikenhof)	161.20	902.72
			Robey (Eikenhof to Springveld)	100.20	701.40
			Orchard	54.70	300.85
			Orchard	95.30	476.50
			Lafontein	345.40	1 761.54
			Barlinka (Excelsior to Waltham Street).	71.50	393.25
			Duncan Way (Excelsior to Lafontein)	371.30	2 524.84
			De La Haye	128.40	654.84

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Ward	Town	Suburb	Street Name	Road Length (m)	Surfaced Area (sqm)
			Bethel (Excelsior to Eikenhof)	91.40	457.00
			Vreedniet	19.30	98.43
			Vreedniet	322.00	1 642.20
			Milhurst	128.40	654.84
			Milhurst	79.10	435.05
			Concordia	97.40	487.00
			Concordia	53.00	291.50
			Redezvous	84.40	422.00
11	Worcester	Parkersdam	Claude Samuel Street – Parkersdam;	324.70	1 850.80
		Esselen Park	Lyner Street (between Africa- and Gorden Street)	140.00	1 036.00
			Fairbairn Street (Blue Bell to Buitekant)	349.10	2 932.44
			Sohnge Avenue (Grey to Gordon)	435.00	3 219.00
			Van Zyl Avenue (Maywood to Africa)	300.00	1 920.00
			Van Huyssteen Street (Africa to Gordon)	130.00	845.00
			Maywood Street (Sohnge to Van Huyssteen)	175.00	1 137.50
12	Worcester	CBD	Baring (Church to Tulbagh)	176.40	1 905.12
			Baring Parking Bay (Church to Tulbagh)	158.50	697.40
			Church (Baring to Adderley)	223.00	2 408.40
			Church Parking Bay (Baring to Adderley)	192.40	1 154.40
			Adderley (High to Church)	191.40	2 047.98
			Adderley Parking Bay (High to Church)	167.40	1 004.40
			Stockenstrom (High to Russel)	171.00	2 103.30
			Baring (30 Baring Street. Municipal parking bay)	337.63	3 308.80
			Baring (High to Russel)	186.50	1 827.70
			Baring (Russel to Durban)	193.00	1 891.40
			De Wet (Baring to Grey)	178.10	1 282.32
			Russel (Somerset to Rabie)	200.00	1 980.00
			Russel (Rabie to Napier)	220.00	2 178.00
			Russel (Napier to Porter) Parking Bay	56.80	335.12
			Kerkhof (Baring to Grey)	147.90	813.45
			Kerkhof (Baring to Grey) Parking Bays	58.60	263.70
13	Worcester	Johnsons Park 2	Alister Road	563.00	3 828.40
			Mogammad Rd (Duncan to Alister Rd)	316.30	1 581.50
			Dudley Road	252.50	1 287.75

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Ward	Town	Suburb	Street Name	Road Length (m)	Surfaced Area (sqm)
			Hoosain Crescent (Mogammad Rd to Mogammad Rd)	446.60	2 233.00
			Hoosain Crescent 2 (Mogammad to Leonard Rd to Mogammad)	343.00	1 715.00
			Ismail Rd (Duncan to Mogammad Rd)	246.50	1 257.15
			Leonard Rd (Mogammad Rd to Hoosain Crec)	168.00	840.00
			Denise Street from the Denise & Fairbairn intersection - Maranatha Church)	310.20	2 093.85
		Noble Park	Dawood Street	185.00	1 036.00
			Kies Street	260.00	1 456.00
			Curry Street	125.00	700.00
			Ranier (Noble to Kies)	81.00	494.10
15	Worcester	Langerug	Distillery	420.00	3 780.00
			Marius Smit (Distillery to Cilliers)	320.00	2 976.00
			Marius Smit (Cilliers to Cillier Pl)	140.00	1 302.00
			Botha Crescent	240.00	1 488.00
			De Vos (Rabie to Cilliers)	886.00	7 531.00
			De Vos (Cilliers to de Vos Pl)	205.00	1 742.50
			Malan (Cilliers to Du Toit)	560.00	3 976.00
			Dirk Brand (Hugo Naude to Malan)	200.00	1 120.00
			Van Rensburg Cres	780.00	5 616.00
			Hugo Naude Avenue	570.00	4 275.00
Sub-totals				22 371.70	160 328.00
TOTAL				22 970	164 479.00

Table: 156 Roads resealed/rehabilitated

SUMMARY PER WARD				
Ward	Town	Suburb	Road Length (m)	Surfaced Area (sqm)
4	De Doorns	De Doorns	598	4 151
5	Worcester	Panorama	675	5 494
6		Bloekombos	2 778	19 504
7		Reunion Park	2 221	17 815
7		Paglande	814	6 044
7		Roux Park	336	2 453
10		Hex Park	3 217	18 547
11		Parkersdam	325	1 851



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SUMMARY PER WARD				
Ward	Town	Suburb	Road Length (m)	Surfaced Area (sqm)
11		Esselen Park	1 529	11 090
12		CBD	2 859	25 201
13		Johnsons Park 2	2 646	14 837
13		Noble Park	651	3 686
15		Langerug	4 321	33 807
TOTAL			22 970	164 479

Table: 157 Resurfacing of municipal roads – summary per ward



RESURFACING ON MUNICIPAL ROADS

In addition to the resurfacing and upgrading portfolio, the Municipality also prioritised the filling of potholes and the repairs of other defects, throughout the municipal area and commenced with building a database of works conducted in this regard. In this instance, departmental teams have been mobilised and used to conduct pothole and surface patching.



The table and subsequent information below depict the work conducted in relation to the pothole repair project.

Period	Potholes Repaired (square meters)
January 2023	71.34
February 2023	40.35
March 2023	92.54
April 2023	21.08
May 2023	87.97

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Period	Potholes Repaired (square meters)
June 2023	113.69
<b>Total</b>	<b>426.97</b>

Table: 158 Pothole repair statistics

The table below gives a brief description of all the highlights, within the Roads department, achieved during the 2022/23 financial year:

Highlight	Description
Implementation of a routine pothole repair programme	A council adopted pothole repair programme was approved and implemented during the 2022/23 financial year. This ensures that potholes are routinely repaired across all suburbs within BVM
Filling of critical vacancies	Prioritised vacant posts were successfully filled to ensure the rendering of adequate service delivery
Skills development	Limited training was provided to equip internal staff with job specific skills. However, funding must be allocated to ensure development continues to address shortage of skills
Resurfacing of municipal roads	Resurfacing of roads extends the remaining useful live of the asset and reduce the maintenance cost

Table: 159 Roads highlight

The table below gives a brief description of the challenges, within the Roads department, experienced during the 2022/23 financial year:

Challenge	Corrective action
Inadequate resources for effective maintenance	Reprioritization of available resources and funding, and the utilising of external service providers, to provide effective maintenance according to norms and standards.
Insufficient workforce to respond to service complaint timeously.	Expanded Public Works Programmes utilised to supplement labour intensive operations and improve productivity.
High volumes of pipe breaks	An increase in sporadic pipe bursts which causes damage to road infrastructure was observed. These road repairs are prioritised, however this causes a backlog in other-related services.

Table: 160 Roads challenges

### 3.14.1 Tarred (Asphalted) roads

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km tar roads maintained
2021/22	296.2	4	8.4	296.2
2022/23	296.2	0	22.97	296.2

Table: 161 Tarred (Asphalted) roads



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### 3.14.2 Gravelled roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/ maintained
2021/22	59.2*	0	4	55.2
2022/23	55.2	0	0	55.2

\*0.2 km (Earth) added to correct prior reporting error, and align to the actual depicted in the Road Asset Management Plan (RAMP) of 2019

Table: 162

Gravelled roads

### 3.14.3 Construction of speed humps

During the 2022/23 financial year, 56 speedhumps were constructed as indicated in the table below:

Number	Ward	Township	Town	Location
1	1	Steenvliet	Touwsrivier	Viooltjie Street
2	1	Steenvliet	Touwsrivier	Viooltjie Street
3	2	De Doorns	De Doorns East	46 Thambo Street
4	2	De Doorns	De Doorns East	1 Selosia Street
5	2	De Doorns	De Doorns East	Berglelie Street
6	2	De Doorns	De Doorns East	Berglelie Street
7	2	De Doorns	De Doorns East	6 Violet Street
8	4	De Doorns	De Doorns	Voortrekker Street
9	6	Panorama	Worcester	Quellerie Street
10	6	Panorama	Worcester	Quellerie Street
11	6	Roux Park, Hospitaal Heuwel, Bergsig & CBD	Worcester	33 Lyon Street
12	6	Roux Park, Hospitaal Heuwel, Bergsig & CBD	Worcester	45 Heyns Street
13	6	Roux Park, Hospitaal Heuwel, Bergsig & CBD	Worcester	8 Kuhn Street
14	6	Roux Park, Hospitaal Heuwel, Bergsig & CBD	Worcester	15 Kuhn Street
15	7	Meirings Park	Worcester	35 Hugo Street
16	7	Meirings Park	Worcester	2 Harris
17	7	Paglande	Worcester	50 Meiring Street
18	9	Roodewal	Worcester	131 Van Zyl Avenue
19	9	Roodewal	Worcester	18 Rhode Street
20	9	Roodewal	Worcester	44/45 Wentsel
21	9	Roodewal	Worcester	Springveldt Street
22	8	Roodewal	Worcester	27A Hartwig Avenue
23	9	Roodewal	Worcester	119 Hartwig Avenue
24	9	Roodewal	Worcester	132 Van Huyssteen Avenue
25	9	Roodewal	Worcester	132 Lyner Street
26	9	Roodewal	Worcester	Fischer Street
27	11	Riverview & Parkersdam	Worcester	96 Yssel Street
28	11	Riverview & Parkersdam	Worcester	Titus Street

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Number	Ward	Township	Town	Location
29	11	Riverview & Parkersdam	Worcester	20 Brook Street
30	11	Riverview & Parkersdam	Worcester	241 Leipoldt Avenue
31	11	Riverview & Parkersdam	Worcester	324 Buitekant Street
32	13	Johnsons Park	Worcester	11 Harriet Street
33	13	Johnsons Park	Worcester	12 Alister Street
34	13	Johnsons Park	Worcester	10 Faroek Street
35	15	Worcester West	Worcester	Duiker Street
36	15	Worcester West	Worcester	48 Vicky Street
37	15	Worcester West	Worcester	33 Vicky Street
38	15	Worcester West	Worcester	Orange Street
39	15	Langerug	Worcester	16 Malan Street
40	15	Langerug	Worcester	Malan Street
41	15	Langerug	Worcester	Cilliers Street
42	12	Avian Park	Worcester	82 Fisant Street
43	12	Avian Park	Worcester	62 Fisant Street
44	12	Avian Park	Worcester	26/28 Loerie Street
45	12	Avian Park	Worcester	31 Kwartel Street
46	12	Avian Park	Worcester	57/59 Tink Tinkie Street
47	17	Zwelethemba	Worcester	154 Bahumi Street
48	17	Zwelethemba	Worcester	32 Nkentsha Street
49	16	Zwelethemba	Worcester	612 Tyodi
50	16	Zwelethemba	Worcester	10 Mashodi Street
51	8	Zwelethemba	Worcester	19 Bentele
52	16	Zwelethemba	Worcester	Mtwazi Street
53	18	Zwelethemba	Worcester	133/135 Yabo Street
54	8	Zwelethemba	Worcester	154 Bahumi Street
55	21	Avian Park	Worcester	200 Albatros Street
56	21	Avian Park	Worcester	Albatros Street

Table: 163

Speedhumps constructed

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### 3.14.4 Service delivery indicators: Roads

The key performance indicators for roads are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL19	Spend 90% of the capital budget allocated for the resurfacing of roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	All	90%	100%	90.00%	99.10%	G2
TL20	Spend 90% of the capital budget allocated for the construction of speedhumps in the municipal area by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}	% of the budget spent	1; 3; 4; 6; 8; 9; 11; 13; 15; 16; 17; 18; 20; 21	90%	96.46%	90.00%	99.99%	G2
TL21	Spend 90% of the budget allocated for the	% of the budget spent	All	90%	99.76%	90.00%	99.90%	G2

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	upgrade of gravel roads by 30 June 2023 {(total actual capital project expenditure/total capital project budget) x 100}							
TL25	Review the Local Integrated Transport Plan (LITP) and submit to Council for approval by 31 December 2022	Plan reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 164

Service delivery indicators: Roads

### 3.14.5 Capital expenditure: Roads

The table below indicates the amount that was actually spent on roads projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Breede Valley: Roads	1 000 000	3 266	3 266	0	3 266
Resealing of Municipal Roads - Worcester: CRR	1 000 000	3 016 253	2 805 916	210 337	3 016 253
Building of Roads: Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	3 000 000	67 668	67 667	1	67 668
Traffic Circles: (High and Louis Lange)	6 000 000	19 071 849	12 094 878	6 976 971	19 071 849
Roads - Machinery and Equipment	500 000	188 742	187 699	1 043	188 742
Speed Humps	300 000	1 034 356	1 034 255	101	1 034 356
Upgrading of Roads - Ward 1	0	350 000	350 000	0	350 000
Reseal of Municipal Roads - Ward 4	1 000 000	1 000 000	1 000 000	0	1 000 000
Speed Hump - Voortrekker Str	50 000	50 000	50 000	0	50 000
Reseal of Municipal Roads (Nederburg, Meerhoff, Wyland and Boschheuvel)	1 500 000	1 500 000	1 500 000	0	1 500 000
Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	3 000 000	3 000 000	3 000 000	0	3 000 000
Drop off zone (Worcester-East School)	100 000	100 000	0	100 000	100 000

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Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Reseal of Municipal Roads (De La Bat and others)	3 000 000	4 358 487	4 336 107	22 380	4 358 487
Upgrading of Gravel Roads	3 000 000	780 000	776 781	3 219	780 000
Upgrading of Gravel Roads	0	5 046 379	5 046 379	0	5 046 379
Reseal of Roads - Ward 10	1 000 000	2 352 083	2 352 083	0	2 352 083
Reseal of Roads - Ward 11	1 000 000	1 000 000	1 000 000	0	1 000 000
Pedestrian walkway between Yssel and Sampson Street	0	122 558	102 329	20 229	122 558
Reseal of Municipal Roads - Ward 12	5 000 000	5 000 000	5 000 000	0	5 000 000
Drop-off zone - Ward 13	100 000	100 000	0	100 000	100 000
Reseal of Municipal Roads - Ward 13	1 000 000	1 740 910	1 740 909	1	1 740 910
Drop off zone (Worcester Primary School)	100 000	100 000	37 801	62 199	100 000
Reseal of Municipal Roads - Ward 15	3 000 000	3 000 000	3 000 000	0	3 000 000
Upgrading of gravel roads	3 000 000	1 578 844	1 573 921	4 923	1 578 844
Johnsons Park - Roads	0	569 362	569 362	0	569 362
<b>Total all</b>	<b>37 650 000</b>	<b>55 130 757</b>	<b>47 629 351</b>	<b>7 501 406</b>	<b>55 130 757</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 165

Capital expenditure 2022/23: Road

### 3.15 STORMWATER DRAINAGE

The stormwater drainage system forms an integral part of the municipal road network. The system consists of facilities for the collection, conveyance, storage and treatment of stormwater run-off from areas upstream of- and from within the township and discharge to the natural water course(s).

Breede Valley Municipality is responsible for the operation and maintenance of approximately 120 km of stormwater infrastructure. The stormwater infrastructure plays a vital role in the conveyance of stormwater to natural streams, as well as the protection of the road structure.



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The table below give a brief description of the highlights for stormwater during the 2022/23 financial year:

Highlight	Description
Implementation of a proactive stormwater maintenance programme	A council adopted stormwater maintenance programme was approved and implemented during the 2022/23 financial year. This ensures that stormwater infrastructure is routinely cleaned
Improvement of various intersections to effectively convey stormwater	The ponding of stormwater was observed at various intersections. Where improvements such as the construction of concrete channels, installation of additional stormwater inlets and adjustments to the road profile yielded satisfactory in the conveyance of stormwater away from intersections

Table: 166

Stormwater highlights

A proactive stormwater programme was approved and implemented during the 2022/23 financial year, with a crucial consideration for winter preparations. Resources were dedicated to not only undertake the routine cleaning of stormwater infrastructure before the winter season, but also to alleviate the operational deficiencies with regards to the functioning of the stormwater infrastructure. The open stormwater channel at Kolie Nelson Street experienced ponding because of deficiencies in the invert levels of the channel. The profile of the channel was adjusted, where stormwater is conveyed effectively from the channel into the concrete conduits beneath the road. This eliminated the ponding, and odours experienced by residents as a result of long-standing water.



IMPROVED PROFILE OF THE KOLIE NELSON STORMWATER CHANNEL

This example of resolving stormwater deficiencies plays a vital role in the overall operations of the stormwater network and is one of many other links in the network that was restored.

In addition, resources were allocated to improve various intersections to effectively convey stormwater, in order to mitigate ponding within intersections. The ponding of stormwater not only causes aquaplaning, but also results in the

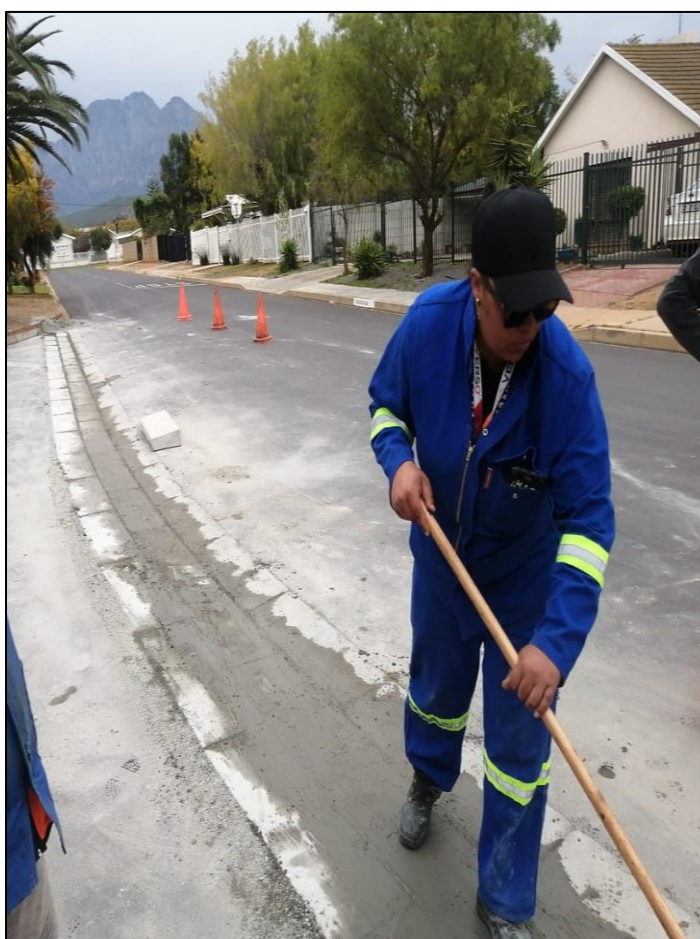
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

formation of potholes and other defects which poses a risk to the road user. Various intersections experienced ponding which was caused by deficiencies in the profile of the intersection, deterioration and damages, and the absence of stormwater infrastructure. The improvements included adjusting the profile of the intersection, installation of additional stormwater inlets and the construction of a concrete channel across the intersection. This initiative has proved to accommodate stormwater adequately and convey stormwater away from the intersection, which eliminated the ponding of water. Intersections improved were at the corner of:

- Bergroos and Aster Street
- Klue and Nerina Street
- Sampson and Crotz Street
- Thomas and Belelie Street
- Mayinjana and Siwengaza Link Street
- Biesenbach and Slabbert Street
- Joubert and Sennet Street
- Abattoir and Traub Street



STONE PITCHING AT THE OPEN STORMWATER CHANNEL ADJACENT TO BREUSING STREET



INSTALLED CONCRETE CHANNEL AT THE CORNER OF ASTER AND BERGROOS STREET

Further improvements to stormwater infrastructure included the stone pitching of open stormwater channels, where erosion and overgrown vegetation hindered the functionality of the infrastructure. The stone pitching prevented scouring



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

at the outlets of conduits and prevented siltation and dense vegetation from blocking the flow in stormwater. Examples of stone pitching are at, but not limited to, Breusing Street, Bergroos Park and Raymond Pollet Drive.

The table below give a brief description of the stormwater challenges during the 2021/22 financial year:

Challenge	Corrective action
Inadequate resources and funding for effective maintenance	Projective budgeting and future planning that incorporates a proactive maintenance regime, reprioritisation of available resources and funding, and utilisation of service providers
Internal vacancies	Fast tracking the filling of critical posts to ensure adequate service delivery and utilisation of Expanded Public Works Programmes

The table below give a brief description of the stormwater challenges during the 2022/23 financial year:

Challenge	Corrective action
Abnormal rainfall	Excessive rainfall and high precipitation were experienced during the 2022/23 financial year. Storm like events has caused damage to various infrastructure. Maintenance and repairs of the damaged infrastructure were successfully completed. Future anticipated rainfall is closely monitored, where a warning system has been established to prepare in advance to mitigate the impacts better
Inadequate resources for effective maintenance	Reprioritization of available resources and funding, and the utilising of external service providers, to provide effective maintenance according to norms and standards
Insufficient workforce to respond to service complaint timeously	Expanded Public Works Programmes utilised to supplement labour intensive operations and improve productivity
Illegal dumping and vandalism of stormwater infrastructure	Initiatives such as awareness campaigns have been launched to sensitise the public on the impacts of illegal dumping and littering. A hotline was established where public complaints can be logged to address vandalised infrastructure to ensure repairs are undertaken timeously

Table: 167

Stormwater challenges

### 3.15.1 Stormwater erosion protection

On 29 June 2021 the South African Weather Service announced a level 6 warning for rain for the periods 29 June 2021 to 01 July 2021 over large parts of the province including parts of the Breede Valley Municipality. During the early hours of 01 July 2021, a significant amount of rain fell in the area. As a result, the Hex River that flows adjacent to Zwelethemba washed the soil away under the access road (Raymond Pollet) / bridge leading to Zwelethemba. Raymond Pollet is the only access road to Zwelethemba from Worcester Town. The damage to Raymond Pollet resulted in the closure of the access road to Zwelethemba by the municipality's emergency services. The latter causing the isolation of approximately 26 774 people due to the road closure.

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Due to the risk to human life, health and wellbeing and, in consultation with the District, Provincial and National Disaster Management Centres, this incident was declared as a Local State of Disaster in terms of section 55(1) of the Disaster Management Act, 2002 (Act 57 of 2002) in accordance with Council Resolution C59/2021 of 1 July 2021. Repairs to the access road to Zwelethemba and construction of Phase 1 of the erosion protection facilities at the Hex River commenced on 12 July 2021 and were completed on 24 January 2022.

Phase 2 of the erosion protection facilities at the Hex River commenced on 23 December 2022. The anticipated completion date of the Works is towards December 2023.

The table below shows the number of new stormwater erosion measures installed:

Financial year	Total number of stormwater erosion measures	Number of new stormwater erosion measures	Number of stormwater erosion measures upgraded	Number of stormwater erosion measures maintained
2021/22	1	0	0	1
2022/23	2	1*	0	1
*Although the entire Hex River Erosion Project is not complete, the Works completed at 30 June 2023 meet the objective of the project. Anticipated Completion date of the project is December 2023.				

The table below give a brief description of the highlights for stormwater erosion protection during the 2022/23 financial year:

Highlight	Description
Construction of Hex River Erosion Protection	Stormwater Erosion Protection of east embankment up stream of the Raymond Pollet Drive Bridge (Zwelethemba Access Road), as well Headwalls at the two (2) bridges

Table: 168

Stormwater erosion protection highlights



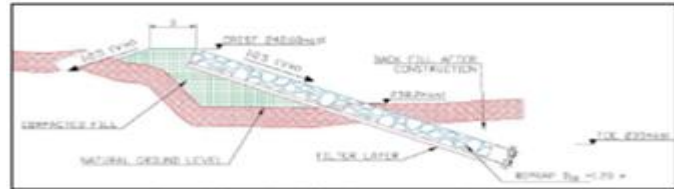
Figure 6: Locality MAP of Erosion Protection at the Hex River



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CONSTRUCTION OF EROSION PROTECTION (RIPRAP) AT THE HEX RIVER



TYPICAL DETAIL OF RIPRAP UPSTREAM OF HEADWALL 1



CONSTRUCTION OF HEADWALLS UPSTREAM AND DOWNSTREAM OF ACCESS BRIDGE TO ZWELETHEMBA



TYPICAL DETAIL OF HEADWALL AT ACCESS BRIDGE TO ZWELETHEMBA

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The table below give a brief description of the stormwater erosion protection challenges during the 2022/23 financial year:

Challenge	Corrective action
Adverse weather conditions (i.e. abnormal rainfall, etc.)	Excessive rainfall and high precipitation were experienced during the 2022/23 financial year. Works were planned and executed to minimize the impact on construction
Flooding of the Works	Excessive rainfall and high precipitation were experienced during the 2022/23 financial year within the catchment area of Hex River, which caused flooding of- and damage to the Works. These events have caused damage to various construction Works. Preventative measures were taken to reduce the impact on construction

Table: 169 Stormwater erosion protection challenges

### 3.15.2 Stormwater infrastructure

The table below shows the total kilometres of stormwater maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2021/22	120	0	0	120
2022/23	120	0	0	120

Table: 170 Stormwater infrastructure

### 3.15.3 Capital expenditure: Stormwater

The table below indicates the amount that was actually spent on stormwater projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	0	18 711 250	0	18 711 250	18 711 250
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	0	34 528 750	30 051 087	4 477 663	34 528 750
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	0	10 310 000	1 930 406	8 379 594	10 310 000
Johnsons Park - Stormwater	0	41 994	41 994	0	41 994
Avian Park Industrial - Stormwater	94 928	94 928	0	94 928	94 928
Somerset Park - Stormwater	94 928	94 928	0	94 928	94 928



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
<b>Total all</b>	<b>189 856</b>	<b>63 781 850</b>	<b>32 023 487</b>	<b>31 758 363</b>	<b>63 781 850</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 171

Capital expenditure 2022/23: Stormwater

### 3.15.4 Employees: Roads and stormwater

The table below indicates the number of employees for roads and stormwater:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	1	1	1	0	0%
Semi-skilled	10	13	9	4	31%
Unskilled	21	35	25	10	29%
Total	35	52	37	15	29%

Table: 172

Employees: Roads and stormwater

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.16 PLANNING

#### 3.16.1 Planning strategies

The table below sets out the main elements of BVM planning strategies:

Strategy	Description
Spatial in-filling	The BVM: SDF identifies key vacant land for in-fill and housing development. We are continuing with this strategy of spatial in-filling and densification. The approved Transhex urban development is based on the superblock-integrated concept. Council also identified land for middle income housing which it intends to develop internally. The Meirings Park and Jonhson Park residential developments are currently being serviced

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Strategy	Description
Historical core preservation	Historical cores of urban centres must be clearly demarcated. Priority should be given to the conservation of heritage buildings and precincts in redevelopment projects. Any proposals for the re-development of existing buildings should consider their heritage value, elements of the vernacular architecture and, where possible, retain these important elements. Similarly, the historical characteristics of existing buildings should be considered to draw from their elements that could be integrated into the design and construction of new buildings. Advertisement signage in these cores must be regulated through bylaws, with input from the said heritage bodies
CBD revival/Urban renewal	Special focus must be placed on CBD revival. This will require increasing the attractiveness of the area to tourist traffic and providing sufficient and attractive signage, landscaping, urban design/building management, security, etc. This initiative must be closely aligned with the strategies of the LED section as CBD revival was identified as a key catalyst in the latest LED Strategy
Land use integration and interfaces/Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed-use nodes, intensification corridors and spatial in-filling with gap housing developments. The intensification areas/corridors are the prime instruments for promoting integration between different areas and is intended to promote a mutually supportive increase in residential (mixed income) and economic (mixed use) activity straddling the major routes of a settlement

Table: 173

Planning strategies

### 3.16.2 Achievements of the Planning Department for 2022/23

The tables below give a brief description of all the achievements in the Planning Division:

#### a) Town planning

Achievement/Highlight	Description
Barlinka Medical Centre	The Oncology Centre in Paglande was completed
Altona Residential Development	3 <sup>rd</sup> Phase of the development is in progress
Altona Retirement Village	The application for the rezoning is currently in process
Transhex Housing Development	First 190 houses were completed

Table: 174

Planning highlights



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### b) Building control

Achievement/Highlight	Description
Transhex Project	Completion/Handover of 190 houses
Nando's & Burger King Restaurants	Completion of buildings – 30 November 2022
Engen Fuel Service Station	Completion of building – 28 April 2023
Barlinka Medical Centre	Practical completion date – 31 December 2022
Checkers – Mountain Mill Mall	Addition and revamp completed – 30 November 2022
Altona Village Development	Phases 1 – 3 of the development still in progress

Table: 175

Building control highlights

### c) GIS

Achievement/Highlight	Description
New Map viewer dedicated to maintenance schedules	The mapping of the maintenance schedules project was completed. A map viewer dedicated to the maintenance schedules of solid waste, parks and roads and storm water was created. This viewer allows the user to interrogate the schedules to determine what service is provided when. This should aid in planning and result in a more efficient and cost-effective service from the relevant user departments
Zoning detail added to spatial data	Additional zoning detail information such as consent uses, and departures were added to the attribute information of the cadastral spatial data. This information will be pulled through to the map viewers allowing the user to determine if there is a consent use and/or departure on a property. Additional detail has also been added such as spot zoning sizes
Additional spatial datasets have been captured and added to the map viewers	Additional spatial datasets have been captured and added to the map viewers. These include the high mast lights along with their coverage and existing pipe cracking of water mains. In addition, the existing roads resurfacing dataset has also been added to the map viewers
Indigent building work analysis	All indigent households were mapped and overlaid with building work statistics. This was done to find all building work greater than R100 000 done on properties classified as indigent
Mapping of refuse removal statistics and wheelie bins	A project has been initiated to map all refuse removal statistics and wheelie bins. This project is being done in coloration with the Rates Department. The number of wheelie bins per property have thus far been mapped. These maps will be provided to the refuse removal team to verify in the field. This will hopefully lead to account verification and revenue recovery

Table: 176

GIS highlights

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.16.3 Challenges of the Planning Department for the 2022/23 financial year

The tables below give a brief description of all the challenges of the Planning Division:

#### a) Town planning

Challenge	Corrective action
Vacant posts in other internal municipal departments. Comments from the internal departments regarding services are not submitted to the Planning Department within the legislated timeframes. The comments from the engineering sections are crucial, as services development contributions are payable for certain applications. Development may also have an impact on the municipal infrastructure which must be determined and evaluated before a decision can be taken in terms of the BVM Land Use Planning By-Law, 2015	Vacancies must be filled
Lack of cooperation between departments has an impact on the processing of land use applications	Standard Operating Procedures (SOP) must be compiled to increase efficiency in internal processes
Cases regarding illegal land uses cannot be processed/finalised if the property is registered in a trust. Information regarding the trustees is not available on SAMRAS	Detailed information must be available regarding the property owners/trusts/person responsible for the payment of the municipal services
Lack of capacity	Appointment of an additional registered town planner

Table: 177

Town planning challenges

#### b) Building control

Challenge	Corrective action
Communication with internal departments	Better collaboration
Illegal building work process delays-of ownership information of late estate-& trust properties	Appointment/delegate official for gathering the information for the Municipal Court Prosecutor
Unhealthy work environment at Building Control Offices	Replace broken air conditioners and service faulty air conditioners for better ventilation
2 vacant posts in Building Control (Building Control Officer and Building Inspector)	Advertise vacant posts in the new financial year 2023/24
Building plan filling safe/room life cycle overdue	Relocate Building Control Offices and construct a bigger safe/room to safeguard building plans for next 10 to 20 years

Table: 178

Building control challenges

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.16.4 Service delivery statistics for building control land use development

#### a) Building control

The table below depicts the application status of building plans:

Detail	Financial Year
	2022/23
Building plan applications received	549
Applications in circulation	28
Applications pending	53
Applications approved at year end	468

Table: 179 Application status of building plans

#### b) Land use planning

The table below displays the applications for land use development:

Detail	Formalisation of townships*		Rezoning**	
	2021/22	2022/23	2021/22	2022/23
Planning application received	28	23	75	57
Determination made in year of receipt	8	7	18	13
Determination made in following year	20	16	57	44
Applications withdrawn	0	0	0	0
Applications outstanding at year end	20	16	57	44
* Formalisation of townships (includes all subdivisions, consolidations and lease areas)				
** Rezoning (Includes all rezonings, consent uses, departures and additional dwellings)				

Table: 180 Applications for land use development

The total number of applications received (i.e. formalisation of townships & rezoning) decreased with approximately 22.3%. The decrease may be due to the current economic climate as people are less likely to invest in large scale developments.

However, there has been an increase in applications for house shops, liquor stores and occupational use/professional use from single residential dwellings. The number of illegal secondary residential uses (guest houses/flats etc.) have also increased. This can be attributed to job losses, the current economic climate and different working arrangements due to the National Covid-19 lockdown as more people are required to find other means to generate an income. The increase in the number of additional dwelling unit applications in the 2021/22 financial year and 2022/23 financial year can be attributed to the fact that parents are making provision for their children to live with them or vice versa.

The date of determination of applications is slightly misleading as most of the applications were received in the last four months of the financial year. A total of 80 applications were approved in this financial year and includes applications

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

which could not be finalised in the previous financial year. There are approximately 80 applications in process that cannot be finalised due to outstanding information and comments from external departments.

The Breede Valley Municipal Land Use Planning By-Law came into effect on the 1st of December 2015. The Municipality is thus the decision-making authority and is investigating certain changes in the By-Law to reduce red tape and to comply with changing trends and planning legislation. All land use applications are processed in terms of the said By-Law and must adhere to strict time frames as prescribed.

The term of the Municipal Planning Tribunal came to end in June 2022. The item for the re-establishment of the Planning Tribunal and appointment of the members was submitted to Council in July 2022. The appointment of the tribunal members was approved per resolution C82/2022 and the appointment was advertised in the Provincial Gazette on the 18<sup>th</sup> of November 2022. The term of office for the tribunal is three years and commenced on the date of publication of the advertisement in the Provincial Gazette.

### 3.16.5 Employees: Town Planning, building control and GIS

The table below indicates the number of employees for town planning, building control and GIS:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100%
Senior Management	1	3	3	0	0%
Middle Management and Professionals	2	5	4	1	20%
Skilled Technical, Superintendents etc	3	5	3	2	40%
Semi-skilled	0	3	3	0	0%
Unskilled	0	0	0	0	0%
Total	7	17	13	4	24%

Table: 181

Employees: Town planning, building control and GIS

### 3.17 LOCAL ECONOMIC DEVELOPMENT (LED)

Local Economic Development entails the systematic identification, development, and utilisation of economic opportunity, to help local businesses and the local population. Municipalities should therefore focus on the implementation of complimentary activities, whilst the private sector must be capacitated to facilitate commercial activities for profit. This work is easier said than done, as local and regional economies are complex and therefore not easy to develop, as the preferences of markets are constantly changing.

Careful decision making is essential to extract the best ideas with the highest probability to achieve a comparative or competitive advantage. Such ideas must help a broad base layer of citizens and should influence decision makers to allocate planning and capital funds in support of such ideas. It is essential that the political and administrative leaders

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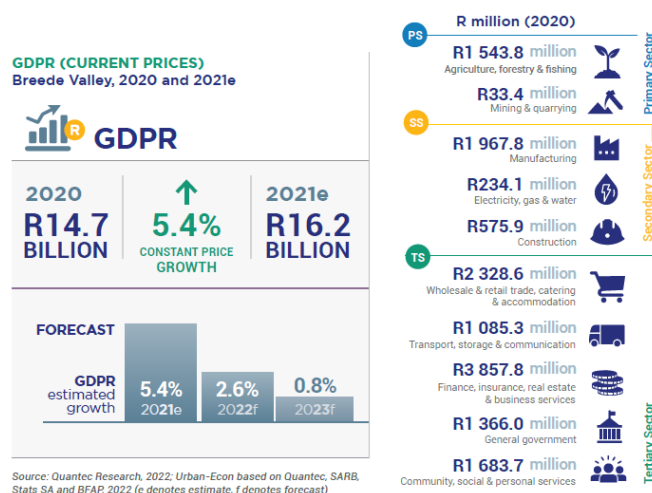
recognize the importance of LED, and to commit whole heartedly to the support projects and programmes to achieve LED outcomes. Besides being concerned about the welfare of citizens, the revenue base of the municipality is a key part to achieve economic growth.

LED is defined by the GIZ (German Agency for Technical Cooperation) as an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society work together to achieve the following:

- Work jointly to create a unique advantage for the locality and its firms,
- Tackle market failures, Remove bureaucratic obstacles for local businesses
- Provide excellent municipal service as it causes business expansion which have a pulling effect for new companies that must invest in the municipal economy.
- Maintain business zones through partnerships initiatives
- Creating infrastructure through capital programmes to ignite economic growth
- Strengthen the competitiveness of local firms/SMEs.

### 3.17.1 Economic activity

The municipal economy is still in the phase of recovery, and some changes such as the increase in finance, retail and business services is noted. The table below illustrate the size of economic contributions, as well as the value of its contribution denoted in rands. As per the 2022/23 Municipal Economic Review and Outlook, which is published by the Western Cape Government, the municipal economy increased by 5.4% from R14.7 billion (current prices) in 2020 to an estimated R16.2 billion in 2021. The growth forecast depicts a declining trend due to the economic contraction and steep inflation in the world.



In the 2022/23 financial year, the department concluded the compilation of the 2022-2027 LED Strategy. Strategy is the process of creating a framework aligned to the overall long-term vision. Planning is there for operational coherence with the medium-term strategic intent. Intended strategy is therefore robust despite uncertainty and the method followed to develop the 2022-2027 LED Strategy:

- Mobilising and engaging local stakeholders with a focus on consulting with local champions of industry and not the general community.
- Analysis of regional competitiveness based on existing information and direct interaction with stakeholders
- Embarking on an idea generating process that will be the basis in how the Breede Valley Municipality builds a strategy.
- Workshops with sector and thereafter with the full Council to effect ownership and thereby effect leadership that will ensure the prioritisation and implementation of this strategy

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- e) The Breede Valley Municipality have an obligation to support economic growth activities. Section 152 of the Constitution prescribes that municipalities must arrange it budgets and resources in such a way to achieve economic development outcomes.

The table below present the long-term project types which must contribute to economic development, these ideas are framed in the 2022-2027 LED strategy development workshops for the Breede Valley Municipality.

Reference	Strategic objectives	Description
1	Investing in infrastructure to unlock economic development	<p>The administrative and the political leadership need to facilitate high level commitment for a capital budget to finance the design and construction of the Eastern Bypass that will connect the R60 with the N1. This bypass is a major informant in the mobility framework and will facilitate investment from the private sector as it will reduce development cost.</p> <ul style="list-style-type: none"> <li>For the short term install bulk Infrastructure for land next to the Worcester prison to accommodate property developers with an immediate need.</li> <li>Implement a project aimed at beautifying Zwelethemba township aimed at building supporting the development of the township economy.</li> <li>Provision of bulk infrastructure that will enable the provision of bulk infrastructure an industrial park or cluster adjacent to the Worcester Prison</li> <li>Compile a land audit and facilitate and encourage a series of infill developments for residential and commercial purposes.</li> <li>Contractor development programmes as SANRAL plan massive road building by introducing another road close to the BVM passing Worcester</li> <li>Continue with our City Improvement and crime prevention activities within the CBD.</li> </ul>
2	Training and Apprenticeships	<ul style="list-style-type: none"> <li>Negotiate partnership to offer practical training and apprenticeship for youth in the BVM and prioritise young people from resource poor town to make them economically mobile</li> <li>Form partnerships with organisation that can improve skills for the local economy</li> </ul>
3	Reorganise informal trade markets and upscale the township economy	<ul style="list-style-type: none"> <li>Do a precinct plan to improve retail and small production facilities in the township economy and the small towns</li> <li>Acknowledge the importance of the informal economy by designing innovative manner in how to position the informal economy as a possibility for new, young, and dynamic people</li> </ul>
4	Ensure regional cooperation on business incubation services	<ul style="list-style-type: none"> <li>Initiate a business incubator that aim to develop entrepreneurs and connect them with large companies. Secondly this incubator can also link small and medium companies with training opportunities.</li> <li>Facilitate learnership and apprenticeships in commensurate with the needs of various businesses</li> </ul>
5	Strive to target LED over all towns in the BVM	<ul style="list-style-type: none"> <li>Initiate a strategy for small town regeneration and township by first designing a precinct plan, table it before Council for support and potential budget provision.</li> <li>Develop a market infrastructure for more access to markets Investments in Clothing and Furniture Shops</li> </ul>



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Reference	Strategic objectives	Description
		<ul style="list-style-type: none"> <li>Replicate a hydroponic project and negotiate access to larger retail stores when</li> <li>Implement a campaign to encourage local buying as well as value adding at small and artisanal scale</li> <li>BVM to support the creation and maintenance of a multi stakeholder forum that will coordinate various economic development initiatives especially those that are driven by the private sector.</li> <li>Investigate the potential of accessing grant to expand the economic productive potential of the Touwsriver area as the town is resource poor.</li> <li>DeDoorns Cleansing department of the BVM facilitate the creation of a recycling plant where waste can be sorted and processed for its value. Develop a tourism hub around the table grapes as there is a lot of visitor and buyers but the area lacks a proper point of entry for buyers and people that just want to visit.</li> <li>Local Business and the local property owners initiate the Central business district to develop a CCTV camera and security response and to beatify the town.</li> <li>Develop a tourism hub around the table grapes as there is a lot of visitor and buyers but the area lacks a proper point of entry for buyers and people that just want to visit.</li> <li>Develop a tourism hub around the table grapes as there is a lot of visitor and buyers but the area lacks a proper point of entry for buyers and people that just want to visit.</li> <li>SMME development, Initiate the Hart of Worcester programme that will focus on how we create awareness such as social media, Printed Media, Video Productions, Active Networking. Trip Advisors, Electronic newsletters, Google Reviews.</li> <li>The private sector and Municipality must appoint an agency that can develop catchy phrases to market our tourism destination</li> </ul>
6	Implement various activities in support of the BVM Tourism development objectives	<ul style="list-style-type: none"> <li>Establish a partnership body that can facilitate dialogue.</li> <li>Develop a new website/portal with functions where bookings and reviews can be done online</li> <li>Breede Valley Broadcaster is about building an electronic website that can that have Multi Usage to allow (Bookings, Promotions, Reviews, Marketing.</li> <li>One platform for multiple destinations and Algorithms to attract searches</li> <li>Well-structured and clearly defined tourism routes We need a structured route to take tourist off the beaten track and to facilitate movement from its A – Z and to incorporate all aspects and experiences and role-player and to promote and showcase and diversify local products</li> <li>Create a competition or recognition and to promote child friendly facilities. By distributing awards to industry leaders.</li> <li>Allocate green flag status to companies that adhere to Care capital goal s by having facilities that is accommodative to the differently abled</li> </ul>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Reference	Strategic objectives	Description
		<ul style="list-style-type: none"> <li>Establish a business incubator facility with proper linkage to bigger business</li> <li>BVM Business workshop Appoint an investment attraction facility to attract big businesses in BVM</li> </ul>
7	Business promotion and development activities	<ul style="list-style-type: none"> <li>Local Business and the local property owners initiate the Central business district to develop a CCTV camera and security response and to beatify the town.</li> <li>SMME development, Initiate the Hart of Worcester programme that will focus on how we create awareness such as social media, Printed Media, Video Productions, Active Networking. Trip Advisors, Electronic newsletters, Google Reviews.</li> <li>The private sector and Municipality must appoint an agency that can develop catchy phrases to market our tourism destination.</li> <li>To develop the business community to create more job opportunities and create Community positive vibe.</li> <li>Big business with small business (Sustainable Job Creation must join hand on Job Creation and sustainability issues such Subcontracting, local money circulation., Create interactive platforms for all businesses and to agree with incentive with the Local Government to incentivize big businesses</li> </ul>

Table: 182

LED strategic objectives

### 3.17.2 Service delivery indicators: LED

The key performance indicators for LED are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL62	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2022	Number of SLA's signed by 30 September 2022	All	4	4	4	4	G
TL58	The number of FTE's created through the EPWP programme by 30 June 2023	Number of FTE's created through the EPWP programme	All	325	443.95	332	339.54	G2
TL63	Review the Local Economic	Final reviewed LED Strategy submitted	All	1	0	1	1	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	Development Strategy and submit to Council for approval by 30 September 2022 (Final)	to Council for approval						
TL67	Develop a Precinct Plan for informal trade and submit to Council for approval by 30 June 2023	Precinct Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R

Table: 183 Service delivery indicators: LED

### 3.17.3 Activities/highlights: LED

The table below gives a brief description of all the activities/highlights for LED during the 2022/23 financial year:

Activities/Highlights	Outcome
The successful hosting of a LED Strategy workshop to craft an economic development vision and action plan for the next 5 years	BVM 2022-27 LED Strategy adopted by Council
The preparation of a draft investment incentive policy that encourage integrated application across municipal departments	BVM investment incentive policy
The steep increase in DORA allocation for public employment programmes from R3 million rand to R5 million rand	EPWP 2023-24 business plan
The successful hosting of another Easter Music Festival that support brand promotion	Hosting quality event to improve the brand
Undertaking from the Department of Rural Development to develop a pig farming project in Touwsrivier	Diversifying the economy of Touwsrivier
Obtain funding to implement an entrepreneurship programmes across all the towns in the BVM	Build entrepreneurship
Successfully host 3 participatory research projects to analyse food systems, identify the short coming and make suggestion for policy interventions	Greater understanding on the degree of inequality
Hosting 2 sessions which aim to improve entrepreneurship in the Breede Valley area	Ensure that capable entrepreneurs receive support

Table: 184 LED activities/highlights

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### 3.17.4 Challenges: LED

The table below gives a brief description of all the challenges for LED during the 2022/23 financial year:

Challenge	Corrective action
Challenges within the vetting of EPWP beneficiaries during recruitment and selection processes	The access to SAMRAS provide us with a lookup function to review the employment history of the beneficiary in the BVM
Insufficient funding to employ a specialist to draft the LED Strategy	LED strategy was drafted internally
Limited destination marketing after the Covid-19 period	We have resumed our marketing activities by attending two major marketing expos to promote the Breede Valley as a tourism destination

Table: 185 LED challenges

### 3.17.5 EPWP job creation

The Expanded Public Works Programme (EPWP) was launched in 2004. EPWP remains an important government intervention for contributing to reducing unemployment and tackling poverty. The EPWP Phase 4 aim is to supply work opportunities and income support to poor and unemployed people through the delivery of public and community assets and services, thereby contributing to development. The community has huge interest thereby in our efforts to be fair, consistent as it effects livelihood and enhance the changes of a participants to receive meaningful employment.



The core focus of EPWP is for those individuals in our communities that are unemployed and vulnerable. The COVID-19 pandemic has had a devastating impact on livelihoods of the poor and most vulnerable, especially woman, youth and persons with disabilities.

The BVM therefore acknowledges the programme as a critical tool to provide a temporary employment safety net, hence, often registers various EPWP projects throughout a particular financial year. Considering the above, our focus is to have each directorate make a systematic effort to target the unskilled and unemployed and develop a plan to utilise their budgets to draw significant numbers of the unemployed into productive work, in such a way that workers are given an opportunity to gain job-specific skills while they work to increase their chances of getting out of the pool of marginalised, unemployed people.

The table below, depicts the overall number of work opportunities (489) and the full-time equivalents (FTE - 339.54) per project registered in the 2022/23 financial period.

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Jobs created through EPWP projects		
Project details	Number of EPWP appointments	
Projects included the following: <ul style="list-style-type: none"> <li>• Solid Waste Worcester</li> <li>• Solid Waste Rawsonville</li> <li>• Solid Waste De Doorns</li> <li>• Cleansing Touwsrivier</li> <li>• Landfill (MERF) Worcester</li> <li>• Recycling (MERF) Touwsrivier</li> <li>• Roads &amp; Stormwater Worcester</li> <li>• Roads &amp; Stormwater Touwsrivier</li> <li>• Roads De Doorns</li> <li>• Roads &amp; Stormwater Rawsonville</li> <li>• Waste Water Treatment De Doorns</li> <li>• Waste Water Treatment Touwsrivier</li> <li>• Waste Water Treatment Worcester</li> <li>• Access Controllers</li> <li>• Nekkies</li> <li>• Electricity</li> <li>• Parks &amp; Cemeteries Worcester</li> <li>• Parks De Doorns</li> <li>• Ward Administrators &amp; Caretakers</li> <li>• Finance Department</li> <li>• Housing</li> <li>• EPWP Data Capturers</li> <li>• Main Building</li> <li>• Buildings</li> <li>• ICT</li> <li>• Fire Department</li> <li>• Traffic - Technical Services</li> <li>• Mechanical Workshop</li> <li>• Law Enforcement</li> </ul>	Work opportunities	
	<b>Target: 947</b>	<b>Performance: 489</b>
	FTEs generated	
	<b>Target: 332</b>	<b>Performance: 339.54</b>

Table: 186 Job creation through EPWP projects

Unemployment and the high demand to participate on EPWP projects impact on the recruitment of participants. Thus, the principle of keeping a database is to ensure that local unemployed individuals are identified and categorized in wards; and their socio-economic conditions are established as defined for each one's status (youth, woman and physically challenged) to ensure transparency in the recruitment of EPWP participants.

The figure below is indicative of the number of people that received EPWP opportunities in relation to the number of individuals registered on the EPWP unemployed data base.



Figure 7: EPWP Employment Absorption

It should be noted that EPWP is one way in which the Municipality attempts to respond to the local unemployment situation. However, EPWP is limited in its ability to address the deeper problem due to the high number of unemployed people in the area.

All EPWP candidates are selected from the Breede Valley Municipality's EPWP Unemployment Database. It is open to unemployed and unskilled women and men, including youth (aged 18 to 35) and to people living with disabilities. Thus, the EPWP Office hosted a community outreach programme in Rawsonville, Worcester, De Doorns and Touwsrivier for people to verify and update their information registered on the unemployment database as well as new applicants to register their details for future EPWP employment opportunities.

### 3.17.6 Employees: LED, tourism and marketing

The table below indicates the number of employees for LED, tourism and marketing:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	0	0	0	0	0%
Skilled Technical, Superintendents etc	3	3	2	1	33%
Semi-skilled	1	1	1	0	0%
Unskilled	0	0	0	0	0%
Total	6	6	5	1	17%

Table: 187

Employees: LED, tourism and marketing



### **3.18 TOURISM**

#### **3.18.1 Aim and function of tourism section**

Tourism and its associated value chain is a fairly big business which present stable cashflows and sources of revenue to businesses during normal times. However, during the COVID-19 pandemic, various companies ranging from tour operators, booking agents, transport companies, accommodations establishments and destinations, were severely and negatively affected. The latest data from ACSA shows a remarkable 36% year-on-year increase in international passengers. This has effectively surpassed pre-Covid levels by 18.7%, indicating a better winter season than in past years. The growth can be attributed to multiple direct flights between Cape Town and other major markets. The lower rand also makes the Western Cape more competitive, attracting more tourists. These trends have also positively impacted the BVM tourism landscape.

The aim of BVM tourism is to facilitate the below mentioned activities:

- Increase the visitor arrivals by implementing our annual operational plan in support of our 5-year strategy for tourism.
- Improve our efficiency as a destination through various training and capacity building programmes.
- Strive to improve the product mix and to appeal to various segments of the tourism market.
- Building the marketing brand of the BVM by supporting a range of events to support our brand and ensure that our destination is indeed very busy and open for visitors.
- Explore new and innovative ideas to lure additional tourist which can sustain more tourism businesses in our destination.
- Compliment and support the work of all four local tourism associations in our municipal area.
- Developing tourist routes within the Breede Valley.

The BVM Tourism department is a structure that function directly under the leadership of the Portfolio Councillor for LED and Tourism, as well as the Manager: LED and Tourism in the BVM. Although the Municipality is legally entrusted with the tourism function, it is implemented in partnership with private sector (which organise themselves into Local Tourism Associations (LTA's)). LTA's primarily generate funds by means of the internal membership fees levied on businesses/organisations affiliated to each LTA (where applicable). However, these fees are not always cost reflective of the operational requirements and capacity requirements linked to hosting key tourism events. On this premise, the Municipality provides annual financial support, which is governed and transferred in terms of a service level agreement entered into with each LTA in terms of Section 67 of the MFMA. The department further conducts marketing and promotion campaigns at tourism trade shows, which seeks to promote and market the Breede Valley as a favourable destination to various tour operators that facilitate the travel arrangements of tourists to pre-packaged tourism destinations.

Furthermore, the department provides leadership and support to the four LTA's called: Worcester Tourism Association, Bredekloof Wine & Tourism, Hex Valley Tourism Association and Touwsrivier Tourism Association. The department's role is predominantly complimentary as it provides support and guidance to the local tourism industry which ultimately benefit from- and are dependent on commercial activities that supply them with much needed cashflows to sustain their

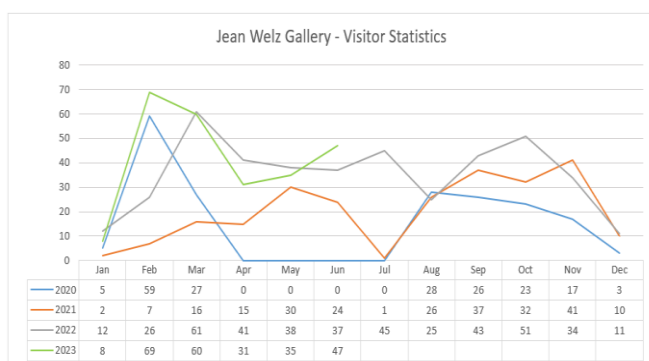
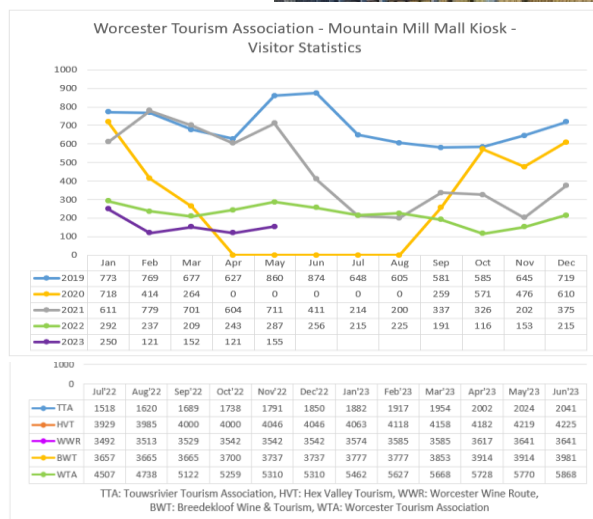
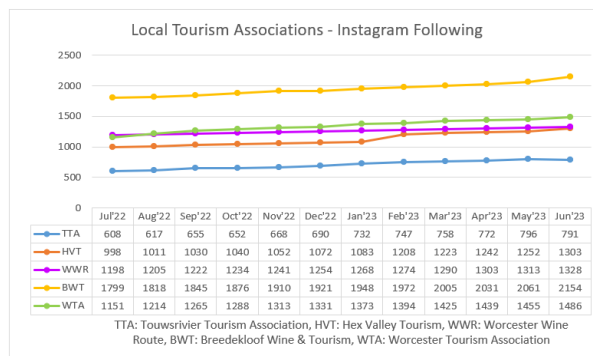
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businesses in tourism. Quarterly engagements are scheduled with LTA's to discuss matters of mutual importance, and LTA's are, in terms of the signed SLA, obliged to report quarterly on their operations. This consultative arrangement is very productive for the coordination and promotion of tourism in the BVM's tourism destination.

The long-term support provided by the Municipality serves as direct enabler for LTA's to function at above average levels. In addition, the support strengthens their capacity to host various tourism events that contribute towards the enhancement of the local tourism brand – a brand synonymous with a vibrant tourism sector that remain responsive to the needs of visitors and locals alike. LTA's are also included in planning engagements linked to annual publicity and marketing events which, amongst others, instils a sense of belonging and pride in its contribution towards building the BVM tourism brand. The work of the BVM Tourism Department is further complimented by the CWDM, in their capacity as the district coordinator of tourism.

### The following activities have been implemented during the 2022/23 financial year:

- Hosted 4 educational field trips for media tour groups in the Breede Valley (Breedekloof, Worcester, Hex Valley & Touwsrivier) to present the destination and its offerings to various journalist and bloggers that work for tourism related media companies
- Tracked followers and activity to LTA's social media pages (Facebook & Instagram)
- Collect and graph statistics monthly from LTA's
- Arranged the upgrade and continuous maintenance work at the Jean Welz Gallery and internal repairs to the building
- Captured and interpreted visitor statistics for Jean Welz Gallery



- Secured & utilised a space/kiosk in the Mountain Mill Mall at which visitor information activities, to the benefit of the Worcester Tourism Association, could be rendered



- Made representations on behalf of BVM at the Cape Winelands/Overberg quarterly RTLC meetings

- Represented the BVM at the Cape Winelands LTA meetings (quarterly)

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- Represented the BVM at the WesGro RTO forums (quarterly)
- Represented the BVM at the WesGro Film & Media: Municipalities Focus Group meetings (Quarterly)
- Hosted BVM LTO meetings (quarterly)
- Represented the BVM at CWDM, WesGro and National Department of Tourism workshops



- Distributed communication information through e-mails, websites and social media platforms regarding the different support schemes available to the industry
- Ongoing administrative duties such as compiling bi-annual reports, quarterly reports and monthly reports, revising internal budget and effecting virements
- Compiled endorsement letters towards funding from WesGro to LTA's (3 applications)
- Represented the BVM as a panel member for the CWDM Business, Retention and Expansion Programme Evaluations (10 applications)
- Compiled and entered into service level agreements with LTA's in terms of Section 67 of the MFMA which include Worcester Tourism Association, Breedekloof Wine & Tourism, Hex Valley Tourism Association and Touwsrivier Tourism Association
- Developed the Zwelethemba Heritage Route – funding received from CWDM



- Compiled and entered into service level agreements in terms of Section 67 of the MFMA with:
- Worcester Tourism Association – Student for the Kiosk
- Jean Welz Art Gallery – Curator Salary



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- Represented the Breede Valley at a Trade Show (World Travel Market)
- Attended Strategic Support Services management meeting (monthly), LED, Tourism, EPWP Staff meetings (monthly) and quarterly Strategic Support Services staff meetings (quarterly)
- Represented the BVM at LTA's Networking Educationals at product owners



- Represented the BVM at LTA's Annual General Meetings



- Represented and assisted CWDM with the Women in Tourism Network event



### 3.18.2 Overview of the Breede Valley tourism product portfolio

The product portfolio of the Breede Valley area consists of nine product types as exhibited in the table below together with a brief descriptive phrase for each category.

Tourism product	Definition of product
4x4 & camping	Routes for 4x4 enthusiasts and camping enthusiasts which attract families that can spend on leisure
Wine routes that encourage food and drink	The Breede Valley boasts with two wine routes. The Bredekloof Wine Route and the Worcester Wine Route. It consists of 32 wineries
Craft beer, gin & brandy	The Breede Valley boasts with 4 craft beer, 4 craft gin and 2 craft brandy breweries
Hiking & cycling	MTB & hiking routes for enthusiasts who love nature and the outdoors
Heritage	The Worcester Museum, Worcester Heritage Route and Hex Valley Heritage Route present excellent

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Tourism product	Definition of product
	opportunities with its historical gems in the form of old buildings and museums
Arts & crafts	Art galleries, local markets and an arts & craft village
Shopping & casino	The Breede Valley boasts with a shopping mall and a casino, as well as a square with artisanal shops
Game reserves	The Breede Valley boasts with a big-five game reserve and numerous other game reserves with game viewing trips
Artisanal products	The Breede Valley boasts with two coffee roasters and an artisanal bakery
MICE (Meetings, Incentives, Conferences and Exhibitions)	Due to our geographic and central location in the Western Cape Province our destination is ideal for various meetings, conferences and training workshops which create downstream value adding income potential
Outdoor living and sports	The mountains, rivers and clear sky make our destination ideal for river rafting, fishing, canoeing and mountain climbing, especially targeting the middle class in Cape Town which is nearby. We are endowed with all the beautiful lakes and irrigation dams that is ideal for aquatic sports and triathlons or simple recreational yachting

Table: 188

Breede Valley tourism product portfolio

The tourism portfolio of Breede Valley is diverse and largely undiscovered. Not surprisingly, eco-tourism takes prime position, supplemented by strengths in adventure, leisure, tourism, and cultural attractions. Serenity, tranquillity, and hospitality are constant themes throughout the region, and it is the combination of these characteristics and the unspoilt and unpolluted environment, which should be maximised to entice tourists to the Breede Valley region. Significant effort has been made to finalise the marketing strategy to inform our plans in how we will market all the events and key propositions of our destination.

### 3.18.3 Training/Development

- Worcester Tourism Social Media in the Tourism Industry Workshop/Training

### 3.18.4 Tourism awareness/events

Annual events in the Breede Valley region included the following:

Annual event	Date
Breede Valley Park Run	Every Saturday
Pure Boland Market – Groen Stoor	Every 1 <sup>st</sup> Saturday of each month
Touwsrivier Spring Clean Event	September 2022
Worcester Tourism Golf Day	November 2022
SANBI Karoo Gardens Outdoor Expo	October 2022

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Annual event	Date
Touwsrivier Tourism Christmas Market	December 2022
Innovation for the Blind – Boss Breakfast	March 2023
Gravel & Grape MTB & Trail Run Event	May & October 2023
Nuy Valley Festival	May 2023
Touwsrivier Tourism Heritage Farm Fair	May 2023
Hex Valley Cape Dwarf Chameleon Geoglyph Arts & Culture Event	June 2023

Table: 189

Tourism awareness/events

### 3.18.5 Expo's

We managed to attend the following expo's which market our destination to tour operators:



Expo	
<ul style="list-style-type: none"> <li>World Travel Market – 03 – 05 April 2023</li> </ul>	
<ul style="list-style-type: none"> <li>Namibia Tourism Expo 03-05 November 2022</li> </ul>	

Table: 190

Expo's attended



### **3.19 INTEGRATED DEVELOPMENT PLAN (IDP)**

The IDP section focused on the following functions:

#### ***Community participation:***

The focus on community participation relates mainly to the participation of the local community in the planning activities of the Municipality, which informs the IDP and budget processes (amongst others).

A schedule of community participation engagements was approved by Council, based on the municipal IDP/budget time schedule and/or process plan. These engagements were published in the local press for community inputs and information. BVM engagements take place in accordance with the approved Public Participation Policy to promote and stimulate participatory democracy.

#### **2022 - 2027 IDP and 2022/23 Budget**

The 5<sup>th</sup> Generation IDP (2022 – 2027) and 2022/23 Budget planning and compilation cycle commenced during the 2021/22 financial period. In accordance with the steady decline in COVID-19 infection rates, coupled with the gradual easing of restrictions (specifically those on public gatherings) the Municipality reverted to the traditionally known mode of engagement. Thus, the 1<sup>st</sup> round of public engagements comprised of in-person engagements, open to all contingents residing within the ward. The engagements were scheduled later than traditionally accustomed to (i.e. November/December 2021) due to the election- and subsequent inauguration of the new Council (1 and 17 November 2021 respectively). Upon conclusion hereof, the Municipality proceeded to facilitate its 1<sup>st</sup> round of engagements, which intended to yield the following outcomes: (1) introduce the newly elected Ward Councillor to his/her constituent; (2) inform the meeting of the process plan and time schedule linked to the establishment of new ward committees; (3) provide feedback, as at quarter 1, on priorities identified for implementation during 2021/22; and (4) engage on the identification of new-, and/or review of existing priorities earmarked for consideration throughout the new term of Council, but specifically the 2022/23 financial period.

In order to implement and facilitate the engagements as contemplated above (specifically point 4), the following methodology was adopted:

- Ward councillors were encouraged to engage their constituencies in order to solicit their (community) inputs on priority need areas for consideration in the new term of Council, particularly the 2022/23 financial period
- Citizens were (in advance) encouraged to submit input on their priority needs (for consideration in the period specified above) to their respective Ward Councillor and/or the municipal office
- Citizens were encouraged to utilize the following mechanisms to submit inputs:
  - Ward Councillor
    - 🌀 via ward Whatsapp groups, e-mail and telephone contact details, verbally, etc.
  - Municipal offices/officials
    - 🌀 via the official IDP e-mail address ([idp@bvm.gov.za](mailto:idp@bvm.gov.za)) or directly at the municipal office(s) for those unable to read and/or write
    - 🌀 via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website

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- ☞ by commenting on the subject matter that was posted on the municipal Facebook page (comments solely relating to ward priority need areas, directly or indirectly, were considered)
- ☞ by completing the municipal questionnaire (populated by means of Google Forms) that was published to enable residents to capture detailed information pertaining to priority need areas within their respective wards. Emphasis was placed on this mechanism, due to its potential of soliciting greater levels of participation and providing a formal database/record of inputs to enhance transparency throughout the process.

All engagements, apart from 1 (ward 21), were successfully implemented and facilitated throughout all wards. The engagement with ward 21 was rescheduled to January 2022 and was successfully concluded. Attendance during the 1<sup>st</sup> round of public engagements, was recorded at 1 025 members comprising of the Ward Councillor and constituents of the ward/community (note that new ward committees were not yet established at that time).

The methodology of in-person public consultations, throughout all wards, also applied as premise for the 2<sup>nd</sup> round of public engagements (March – April 2022). In preparation for the implementation hereof, and subsequent to Council's notification of the draft IDP and budget and approval granted to proceed with public participation, the municipality implemented the following:

- Hard copies of the draft IDP and budget were circulated to each municipal head office per town as well as all libraries. In addition, electronic copies were uploaded on the municipal website for public access and scrutiny;
- An interactive video, providing a concise overview of the 5<sup>th</sup> Generation IDP (2022 – 2027) and 2022/23 budget, was produced and published on all municipal social media platforms as well as the municipal website;
- Citizens/stakeholders were encouraged to scrutinise the documentation/publication and submit their inputs/representations via the following mechanisms:
  - directly to their respective Ward Councillors, ward committee members via the ward Whatsapp groups, e-mail & telephone contact details, verbally, etc. for internal consideration;
  - via the official municipal e-mail addresses:
    - IDP Office;
    - Budget Office;
  - via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website;
  - by commenting on the subject matter that will be posted on the municipal Facebook page (only comments relating to the subject matter and purpose, will be considered); and
  - by visiting designated municipal officials at municipal offices to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above).

All engagements were successfully facilitated and concluded throughout all wards. Attendance during the 2<sup>nd</sup> round of public engagements, was recorded at 851 members comprising of the Ward Councillor, ward committee members and constituents of the ward/community (note that the process of establishing new ward committees were concluded within February 2022).

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### 2023/24 IDP and Budget

The 1<sup>st</sup> Review of the 5<sup>th</sup> Generation IDP (2022 – 2027) and 2023/24 Budget planning and compilation cycle commenced in the 2022/23 financial period. As part of underpinning and stimulating public participation in the review process, two rounds of IDP and budget engagements were scheduled in the referenced financial year. The 1<sup>st</sup> round of engagements comprised of in-person engagements, scheduled with the ward Councillor and his/her ward committee. The purpose of the 1<sup>st</sup> round of engagements intended to yield the following outcomes: (1) provide feedback, as at quarter 1, on priorities identified for implementation during 2022/23; and (2) engage on the identification of new-, and/or review of existing priorities earmarked for consideration throughout the remaining term of Council, but specifically the 2023/24 financial period.

In order to implement and facilitate the engagements as contemplated above (specifically point 2), the following methodology was adopted:

- Ward councillors were encouraged to engage their constituencies (in advance) to solicit their (community) inputs on priority need areas for consideration in the forthcoming financial period (i.e. 2023/24)
- Citizens were (in advance) encouraged to submit input on their priority needs (for consideration in the period specified above) to their respective Ward Councillor and/or the municipal office
- Citizens were encouraged to utilize the following mechanisms to submit inputs:
  - Ward Councillor
  - via ward Whatsapp groups, e-mail and telephone contact details, verbally, etc.
  - Municipal offices/officials
  - via the official IDP e-mail address ([idp@bvm.gov.za](mailto:idp@bvm.gov.za)) or directly at the municipal office(s) for those unable to read and/or write
  - via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website

All engagements, apart from 1 (ward 14), were successfully implemented and facilitated throughout all wards. The engagement with ward 14 did not occur due to the unavailability of the ward Councillor and his/her committee. As the success of the process is reliant on the adherence to strict timeframes, the ward Councillor agreed to engage his constituent directly, and submitted a consolidated priority list to the IDP Office. Attendance during the 1<sup>st</sup> round of public engagements, was recorded at 163 members comprising of the Ward Councillor and members of their respective ward committees (excluding municipal support staff).

Date	Ward	Type	Venue	Attendance (Excl. Support Staff)
03 October 2022	1	Ward Committee	Touwsrivier Municipal Office Community Hall	9
04 October 2022	2	Ward Committee	De Doorns MPC	11
	3	Ward Committee	De Doorns Municipal Office	8
05 October 2022	18	Ward Committee	Zwelethemba MPC	7
06 October 2022	11	Ward Committee	BVM Council Chambers	10
	13	Ward Committee	BVM Smart Boardroom	10

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Date	Ward	Type	Venue	Attendance (Excl. Support Staff)
10 October 2022	16	Ward Committee	Zwelethemba MPC	6
11 October 2022	9	Ward Committee	BVM Council Chambers	8
12 October 2022	7	Ward Committee	BVM Council Chambers	7
17 October 2022	6	Ward Committee	BVM Smart Boardroom	6
	21	Ward Committee	BVM Council Chambers	10
18 October 2022	4	Ward Committee	De Doorns Municipal Office	11
	15	Ward Committee	BVM Council Chambers	8
19 October 2022	5	Ward Committee	De Doorns Municipal Office	7
20 October 2022	8	Ward Committee	Zwelethemba MPC	5
24 October 2022	19	Ward Committee	Rawsonville Municipal Office	10
	20	Ward Committee	VGK Church Hall	9
25 October 2022	10	Ward Committee	BVM Council Chambers	5
	17	Ward Committee	Zwelethemba MPC	11
26 October 2022	12	Ward Committee	BVM Council Chambers	5
	14	Ward Committee (meeting cancelled due to the unavailability of the Ward Councillor and Committee)	BVM Smart Boardroom	0

Table: 191 Ward committee/public meetings held in October 2022

The methodology of in-person public consultations, throughout all wards, also applied as premise for the 2<sup>nd</sup> round of public engagements (March – April 2023). In preparation for the implementation hereof, and subsequent to Council's notification of the draft IDP and budget and approval granted to proceed with public participation, the municipality implemented the following:

- Hard copies of the draft IDP and budget were circulated to each municipal head office per town as well as all libraries. In addition, electronic copies were uploaded on the municipal website for public access and scrutiny;
- An interactive video, providing a concise overview of the 1<sup>st</sup> Review of the 5<sup>th</sup> Generation IDP (2022 – 2027) and 2023/24 budget, was produced and published on all municipal social media platforms as well as the municipal website; and
- Citizens/stakeholders were encouraged to scrutinise the documentation/publication and submit their inputs/representations via the following mechanisms:
  - directly to their respective Ward Councillors, ward committee members via the ward Whatsapp groups, e-mail & telephone contact details, verbally, etc. for internal consideration;
  - via the official municipal e-mail addresses:
    - ✉ IDP Office;
    - ✉ Budget Office;
  - via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website;

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- by commenting on the subject matter that will be posted on the municipal Facebook page (only comments relating to the subject matter and purpose, will be considered); and
- by visiting designated municipal officials at municipal offices to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above).

In terms of the actual public engagements, the municipality adopted a different approach as an attempt to solicit greater public participation in the process. Fundamentally, wards were consolidated in accordance with their geographical spread as well as similarity of priority need areas. Engagements were also commenced earlier, and over a longer period with the intention to attract a broader scope of the community to the engagements. The engagements were also conducted on a more interactive manner, hinging on the principles of a jamboree methodology as a deliberate attempt to encourage more direct participation of all members attending the sessions as opposed to domination of engagements by minority groupings. Prior to implementation, the proposed methodology was duly presented to- and workshopped with Council in order to obtain their views and input as a tool of further refinement.

Notwithstanding good reviews received during certain engagements, there was also a fair share of constructive criticism to the proposed methodology, the primary reason being that wards prefer to be engaged individually, with a full contingent of political and executive leadership in attendance. This contrast in opinion, highlights the complex dynamic of public participation at municipal level, and the need for continuous review and adjustment of processes to find a perfect balance. The municipality noted all positive comments and constructive criticism (lessons learnt) and will apply these in its future planning linked to IDP & Budget public participation engagements.

Fortunately, all engagements were successfully facilitated and concluded throughout all wards. Attendance during the 2<sup>nd</sup> round of public engagements, was recorded at 1 333 members comprising of the Ward Councillor, ward committee members and constituents of the ward/community (excluding municipal support staff).

Date	Wards	Type	Venue	Attendance (Excl. Support Staff)
11 April 2023	1	Public (Ward Cluster Engagements – Touwsrivier Cluster)	Steenvliet Community Hall	250
12 April 2023	2,3,4,5	Public (Ward Cluster Engagements – De Doorns Cluster)	De Doorns MPC	461
13 April 2023	19,20	Public (Ward Cluster Engagements – Rawsonville Cluster)	VGK Goudini Church Hall	276
17 April 2023	5,6,7,12,15	Public (Ward Cluster Engagements – Worcester North Cluster)	BVM Town Hall	12
18 April 2023	12,13,21	Public (Ward Cluster Engagements – Avian Park Cluster)	Somerset High School	119
19 April 2023	9,10,11,13,14	Public	Maranatha Church Hall	52

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Date	Wards	Type	Venue	Attendance (Excl. Support Staff)
		(Ward Cluster Engagements – Worcester South Cluster)		
20 April 2023	8,16,17,18	Public (Ward Cluster Engagements – Zwelethemba Cluster)	Zwelethemba Community Hall	163

Table: 192 IDP/Budget consultation meetings held in April 2023

In summary, public participation processes and platforms remain a heavily debated topic. Recent events have accentuated the role and importance of technology within this process - specifically to bridge the gap, improve public participation processes and promote uninterrupted participation. However, the Municipality takes cognisance of the various challenges presented in this instance. The biggest being access to data/internet and devices to ensure connectivity, particularly within the most vulnerable areas of society. To overcome this, the municipality has rolled out a data-friendly citizen engagement app, which enables ease of citizen interaction. The municipality is also in process of testing an IDP-specific module that will be hosted on the app. This module, seeks to further strengthen the IDP public participation process, built on the foundations of enhanced transparency & oversight, ease of access and maximum participation for all. The municipality anticipates releasing this module onto the production site, early within the new financial period (i.e. 2023/24). In addition, preliminary feasibility investigations, linked to the roll-out of public Wi-Fi in certain public spaces, remains ongoing to potentially overcome the connectivity challenge and promote support for electronic public participation (amongst others).

### 3.19.1 Employees: IDP, PMS and Communication

The table below indicates the number of employees for IDP, PMS and Communication:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	0	0	0	0	0%
Skilled Technical, Superintendents etc	4	2	2	0	0%
Semi-skilled	1	1	1	0	0%
Unskilled	0	0	0	0	0%
Total	7	5	5	0	0%

Table: 193 Employees: IDP, PMS and Communication



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### .20 LIBRARIES

The library service ensures the provision of library and information services to communities in a sustainable manner by promoting a culture of reading, library use and learning. The service is provided in co-operation with the Western Cape Provincial Library Service.

Libraries are resource centres for adults and children. The public can access or borrow books, audio visual material, newspapers and periodicals at all the local libraries. We also offer a new electronic book loan system called Libby – a library reading app by OverDrive. Users must be a registered member of a library to borrow books electronically. Equipment was installed at Goudini Library to serve as an access point for the Library for the Blind/Illiterate users. New more user-friendly devices for the blind/partially sighted/illiterate readers, were received. The RLCP (Rural Libraries Connectivity Project) is a free computer/internet service to the public via the Provincial Library Service. This service is available at all service points except at Overhex Mini Library (due to limited space). Twenty-four (24) Young ICT and Reading Champion YeBoneers were appointed to assist with RLCP and literacy outreach projects at our libraries. YeBoneers are bright, talented youth volunteers who dedicate a year of service while building their personal and professional development journey. The program is a youth service partnership between the Western Cape Government and other private stakeholders.

Libraries maintain and develop information resources and develop staff members with in-service training and other skills. A formal accredited certificate course for 12 library employees continued. The course commenced in January 2020 with a five-day training session at Worcester Library. Due to COVID-19 the next two training sessions were held online on 28-31 July 2020 and 12-15 October 2021. Students passed a formative assessment test and will write a formal external examination. The external examination was written in August 2022. Only 2 employees passed. The other employees will however get the opportunity to re-write the external examination during 2023.

Libraries also develop organised systems with other relevant government departments and community organisations to enhance service delivery to our communities.

Five mini-libraries (community libraries) were established during the past few years and deliver a service to rural areas.

Membership and outreach	2020/21	2021/22
Total circulation statistics (Library material used during the financial year)	<b>166 555</b> (Due to Covid 19 restrictions, libraries were still closed during July 2021 but then gradually opened to the public again)	<b>200 726</b> (The SLIMS system, used for circulation purposes, crashed on 15 November 2022. Circulation statistics have been counted manually since.)
In-house usage (People using libraries during the financial year)	<b>136 786</b> (Due to Covid 19 restrictions, libraries were still closed during July 2021 but then gradually opened to the public again)	<b>213 182</b>
Outreach programs/promotional activities/group visits/displays	<b>783</b> (Due to Covid 19 restrictions, libraries were still closed during July 2021 but then	<b>854</b>

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Membership and outreach	2020/21	2021/22
	gradually opened to the public again)	
New members	<b>1 763</b> (Due to Covid 19 restrictions, libraries were still closed during July 2021 but then gradually opened to the public again)	<b>2385</b> (The SLIMS system, used for circulation purposes, crashed on 15 November 2022. Membership statistics have been counted manually since)

Table: 194 Membership and outreach statistics

### 3.20.1 Highlights: Libraries

The table below gives a brief description of all the highlights for libraries during the 2022/23 financial year:

Highlight	Description
Complete the upgrading of the ramp (Worcester Library): June 2023	Ramp was adjusted to meet regulations (completion of the balustrade remains the only outstanding deliverable)
World Read Aloud Day (1 February 2023)	All libraries organised special outreach activities
UNISA Story Telling Session (May 2023)	Special session with UNISA Library Service and Change Maker group (Male rehabilitation centre in Worcester)
Library Week (20 – 26 March 2023: Libraries telling powerful stories)	All libraries organised special outreach activities
16 Days of Activism against gender-based violence (25 November 2022 – 10 December 2022)	All libraries made awareness displays and organised awareness outreach activities

Table: 195 Library highlights

### 3.20.2 Challenges: Libraries

The table below gives a brief description of the library challenges during the 2022/23 financial year:

Challenge	Corrective action
Vandalism of libraries and equipment	Safeguard air conditioner outside units with proper cages and locks. Beams might have to be installed
Crash of the SLIMS Library System	The entire system, powered by SITA, crashed on 15 November 2022. Information was lost from June 2022. The Provincial Library Service updated all their lost records and BVM public libraries got the opportunity to upload all member records during June 2023. The entire system will only be available for circulation once all public libraries had the opportunity to upload their member records. Libraries managed to carry on by joining members and circulation using manual and modified systems

Table: 196 Library challenges

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### 3.20.3 Service delivery indicators: Libraries

The key performance indicator for libraries is:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL16	Spend 95% of the Library Grant in accordance with the transfer payment agreement by 30 June 2023	% of grant funding spent	All	95%	98.69%	95.00%	100.00%	G2

Table: 197 Service delivery indicators: Libraries

### 3.20.4 Service statistics: Libraries

Type of service	2021/22	2022/23
<b>Libraries</b>		
Number of libraries	8 plus 5 mini libraries	8 plus 5 mini libraries
Library members	8 plus 5 mini libraries	8 plus 5 mini libraries
Books circulated	26 354 (June 2022)	27 116 (June 2023)
Exhibitions held	166 555	200 726
Internet users	586	488
New library service points or Wheelie Wagons	10 885	29 940
Children programmes	No new service points introduced	No new service points introduced
Visits by school groups and crèches	197 (includes all outreach programs – including 49 toy library participants. The toy library only started functioning in April 2022 again)	366 (includes all outreach programs)
Book group meetings for adults	197 (includes all outreach programs -including visits by school groups and creches)	366 (includes all outreach programs)
Primary and secondary book education sessions	197 (includes all outreach programs – including meetings for adults)	366 (includes all outreach programs)

Table: 198 Service statistics: Libraries

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### 3.20.5 Employees: Libraries

The table below indicates the number of employees for library services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	10	10	10	0	0%
Semi-skilled	38	38	37	1	3%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>51</b>	<b>51</b>	<b>50</b>	<b>1</b>	<b>2%</b>

Table: 199

Employees: Libraries

### 3.20.6 Capital expenditure: Libraries

The table below indicates the amount that was actually spent on library service projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Waterloo Library - Air conditioners	48 000	38 920	9 564	29 356	38 920
Waterloo Library - Upgrade ramp	100 000	155 879	155 879	0	155 879
Waterloo Library - Upgrade ramp	0	93 114	0	93 114	93 114
Waterloo Library - ICT equipment	144 000	163 000	161 696	1 304	163 000
<b>Total all</b>	<b>292 000</b>	<b>450 913</b>	<b>327 139</b>	<b>123 774</b>	<b>450 913</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 200

Capital expenditure 2022/23: Libraries

### 3.21 CEMETERIES

There are 14 cemeteries in the Breede Valley area that resort under the jurisdiction of the Municipality. Five cemeteries are operational (one in each of the four towns, as well as Sandhills and Zwelethemba and the pauper cemetery named Hartebees in Worcester), six officially closed and three are full.

Total burials per area for 2022/23 are as follows:

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Cemetery	Air Space	Status		
		Open	Full	Closed
Hartebees	Sufficient	Yes		
De Wet			Yes	
Cemetery (Worcester Prison)				Yes
Old Cemetery Le Seuer Street				Yes
Worcester New Cemetery	Sufficient	Yes		
Touwsrivier (Town Cemetery)				Yes
Steenvliet	70%	Yes		
Zwelethemba	Insufficient burial space (0.3% burial space available)		Yes	
Sandhills	Sufficient	Yes		
Aan De Doorns Cemetery				Yes
Rawsonville Cemetery	Insufficient burial space (0.1% burial space available)		Yes	
De Nova Cemetery				Yes
Weltevrede, De Doorns	Sufficient	Yes		
Old De Doorns Municipal Cemetery				Yes
Total		5	3	6

Table: 201

Status of cemeteries

Total burials per area for 2021/22 are as follows:

Month	Area									
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	Total
July 2022	42	5	2	22	27	9	11	2	0	120
August 2022	37	0	2	12	25	10	13	0	0	99
September 2022	44	0	1	9	24	3	10	2	0	93
October 2022	55	0	2	13	28	3	7	0	0	108
November 2022	30	0	0	14	21	4	10	1	0	80
December 2022	35	0	0	12	17	5	11	1	0	81
January 2023	40	0	3	15	23	6	8	0	0	95
February 2023	46	3	2	14	18	6	7	0	0	96

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Month	Area									
	Nuwe Worcesters	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	Total
March 2023	41	0	2	6	18	0	5	0	0	72
April 2023	54	0	1	12	29	6	7	0	0	109
May 2023	57	0	1	14	12	1	15	0	0	100
June 2023	50	12	5	14	21	7	10	0	0	119
<b>Total</b>	<b>531</b>	<b>20</b>	<b>21</b>	<b>157</b>	<b>263</b>	<b>60</b>	<b>114</b>	<b>6</b>	<b>0</b>	<b>1 172</b>

Table: 202 Total burials per area

The table below gives a brief description of all the highlights for cemeteries during the 2022/23 financial year:

Highlight	Description
Monthly routine maintenance of cemeteries	The implementation of routine maintenance of all cemeteries monthly.

Table: 203 Cemeteries highlights

The table below gives a brief description of the challenges experienced by the cemeteries department during the 2022/23 financial year:

Challenge	Corrective action
High water table at Worcester Cemetery, Zwelethemba, De Doorns & Rawsonville is still a huge challenge during the winter/rain season	Flooding alleviated by installing temporary stormwater channels and mechanical pumping.

Table: 204 Cemeteries challenges

### 3.21.1 Employees: Cemeteries

The table below indicates the number of employees for cemeteries:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100%
Senior Management	1	1	0	1	100%
Middle Management and Professionals	0	1	1	0	0%
Skilled Technical, Superintendents etc	1	1	0	1	100%
Semi-skilled	1	1	1	0	0%
Unskilled	5	13	12	0	0%
Total	9	18	14	3	17%

Table: 205 Employees: Cemeteries



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### 3.21.2 Service delivery indicators: Cemeteries

The key performance indicator for cemeteries is:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL57	Complete the construction of the cemetery fence by 30 June 2023	Project completed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R

Table: 206 Service delivery indicators: Libraries

### 3.21.3 Capital expenditure: Cemeteries

The table below indicates the amount that was actually spent on cemetery projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Fencing of Rawsonville Graveyard	20 000	75 000	0	75 000	75 000
Fencing of Cemeteries - Aan De Doorns	1 000 000	200 000	0	200 000	200 000
Fencing of Cemeteries - De Wet Str.	100 000	100 000	0	100 000	100 000
<b>Total all</b>	<b>1 120 000</b>	<b>375 000</b>	<b>0</b>	<b>375 000</b>	<b>375 000</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 207 Capital expenditure 2022/23: Cemeteries

## 3.22 REGIONAL SOCIO-ECONOMIC PROGRAMME (RSEP)

BVM was selected as one of three municipalities to take part in the RSEP of the Western Cape Department of Economic Affairs and Development Planning (DEA&DP) with Saldanha- and Swartland municipalities. The aim of the programme is to improve personal safety and opportunity in the poorest areas with the highest crime rates. The suburbs of Avian Park, Riverview, Roodewal and Zwelethamba are included in the BVM focus areas.

A big part of the initial focus in the 2015/16 financial year was thrashing out the practical issues of the implementation in a series of workshops with colleagues from DEA&DP, Saldanha- and Swartland municipalities. Several public meetings were held to determine needs and identify projects to address these. On 16 November 2015 Council approved a Portfolio of Interventions for each of the four suburbs in the BVM focus area. DEA&DP also approved the Portfolio of Interventions which enabled BVM to move into the implementation phase of RSEP.

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It soon became clear that the program could not be fully implemented within the four years originally budgeted by the Western Cape Government (WCG). Due to the success of the program in the original three municipalities, the WCG decided to extend the programme to include more municipalities. Further funding to apply for on an annual basis was also made available to the original three municipalities. BVM has been successful with funding applications every year, and as a result RSEP is still being implemented.

During the 2016/17 financial year the following projects were completed:

- The construction of the Riverview neighbourhood centre
- Tar-surfaced netball courts in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- Construction of grassed soccer pitches in Avian Park and Riverview
- Fencing of the above

During the 2017/18 financial year the following projects were completed:

- The fencing of various public facilities created through RSEP, at the communities' request. These include the Roodewal neighbourhood centre, Roodewal netball court, Roodewal mini-soccer astro-turf, Riverview netball court, Riverview mini-soccer astro-turf and Touwsrivier recreation area
- The construction of the Roodewal neighbourhood centre
- The construction of pedestrian walkways in Avian Park, Riverview and Roodewal
- The construction of braai stands with benches in Roodewal and Touwsrivier
- The installation of floodlights in dark passages which were dangerous for pedestrians in Touwsrivier
- The construction of mini-soccer astro-turf pitches in Avian Park, Riverview, Roodewal and Zwelethemba
- The construction of a concrete cricket pitch with a compacted outfield in Roodewal
- The engineering design of a pedestrian bridge over the Donkies River in Touwsrivier
- A review of the Portfolio of Interventions for Avian Park, Riverview, Roodewal and Zwelethemba was done, and one was compiled for Touwsrivier (which had been added to the programme). Both of these were approved by Council and DEA&DP.

During the 2018/19 financial year the following projects were undertaken:

- Construction of three tar-surfaced playing areas in Touwsrivier
- Construction of artificial grass mini-soccer pitches in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- Fencing of the above
- The purchase of steel playground equipment for Touwsrivier
- The upgrade of Mtwazi Street reserve for improved pedestrian, recreational and informal trading facilities (multi-year project earmarked for completion in 2021/22)
- The construction of a pedestrian bridge across the Donkies River in Touwsrivier (multi-year project earmarked for completion in 2021/22)

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During the 2019/20 financial year the following projects were undertaken:

- The completion of the upgrade of Mtwazi Street reserve which commenced in 2019/20
- The completion of the pedestrian bridge across the Donkies Rivier in Touwsrivier which commenced in 2019/20
- Construction of an artificial grass mini-soccer pitch in Steenvliet in Touwsrivier
- The tender for the construction of traffic calming measures in Avian Park, Riverview, Roodewal, Touwsrivier and Zwelethemba (initially earmarked for construction during 2020/21) was only awarded in June 2020 due to delays caused by the Covid-19 pandemic. As a result, a budget roll-over application was submitted to the Provincial Department of Environmental Affairs & Development Planning (DEA&DP) in order to solicit approval and funding for project implementation within the 2020/21 financial year.

During the 2020/21 financial year the following projects were undertaken:

- The construction of a tar-surfaced netball court in De Doorns
- The construction of a grass rugby field in Sunnyside-Orchard
- The upgrade of the sewer connection for the Riverview Neighbourhood Centre and the Women of Hope Soup Kitchen
- The installation of steel playground equipment in Avian Park, Riverview, Roodewal, Zwelethemba and at three locations in Touwsrivier
- The construction of traffic calming measures in Avian Park, Riverview and Zwelethemba

During the 2021/22 financial year the following projects were undertaken:

- Engineering design for the upgrade of pedestrian walkways and parking in a part of Mtwazi Street in Zwelethemba
- Successful application for funding of R800 000 for the above project in 2022/23

During the 2022/23 financial year the following projects were undertaken:

- Upgrade of pedestrian walkways and parking in a part of Mtwazi Street in Zwelethemba

### 3.23 PARKS

The improvements and new developments to parks during 2022/23 can be seen from the table below:

Park	Suburb / Town
Outdoor gym equipment installed	Somerset Park Ward 15 - Worcester

Table: 208 Improvements and developments to parks

The table below gives a brief description of all the highlights for parks during the 2022/23 financial year:

Highlight	Description
Routine maintenance of parks	Implementation of a maintenance schedule of parks which includes cutting of grass, eradication on

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Highlight	Description
	undesirable vegetation, cutting and pruning of trees, fertilization, irrigation

Table: 209 Parks highlights

The table below gives a brief description of the challenges experienced by the parks department during the 2022/23 financial year:

Challenge	Corrective action
Vandalism and theft of our infrastructure	In collaboration with our law enforcement team to regularly patrol the area, asked for community engagement to report any suspicious activity
Illegal garbage dumping at open spaces	Community engagement to report any illegal dumping at the municipality's call centre

Table: 210 Parks challenges

### 3.23.1 Capital expenditure: Parks

The table below indicates the amount that was actually spent on parks for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Parks - Machinery and Equipment	500 000	580 000	342 894	237 106	580 000
Upgrading of Open space - Kleigat	100 000	100 000	0	100 000	100 000
Playparks - Ward 10	60 000	60 000	0	60 000	60 000
Playparks x 2 - Ward 15	100 000	100 000	100 000	0	100 000
Playpark - Ward 19	60 000	60 000	57 500	2 500	60 000
<b>Total all</b>	<b>820 000</b>	<b>900 000</b>	<b>500 394</b>	<b>399 606</b>	<b>900 000</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 211 Capital expenditure 2022/23: Parks

### 3.24 COMMUNITY DEVELOPMENT

The primary goal of the department is to enhance and promote sustainable improvement in the livelihood of the community living in the Breede Valley Area which comprise of the following towns: Touwsrivier, De Doorns, Rawsonville and Worcester as well as the surrounding farms.

Our objective is to provide an overall framework and guidance to Breede Valley Municipality (and other stakeholders) on how best to take a proactive and consistent stance on community development initiatives, whilst also enabling vulnerable communities (throughout the Breede Valley Municipal area) to participate fully and effectively in their development process through:

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- Better and more successful decision-making
- Stronger and more resilient communities
- Stronger partnerships
- Greater mutual understanding
- Decreasing distances

### 3.24.1 Highlights: Community development

The table below gives a brief description of all the highlights for community development during the 2022/23 financial year:

Highlight	Description
Training at ECD Centres	ECD Policy discussions at Breede Valley ECD Centres
Visits to Western Cape Provincial Parliament	Ward Committees and other members of the public visited the Western Cape Parliament where they attended work sessions re the functions and workings of Parliament, participatory democracy and active citizenship
Women's Day program	BVM in partnership with the Department of Correctional Services and other role-players implemented the Women's Day Program during August 2022
Chrysalis Youth Academy Program	Chrysalis Academy visited BVM in August 2022 where they initiated a recruitment drive in partnership with the Community Development Section in the Breede Valley Area
Women Forum Workshop	Community Development Section facilitated workshops in Zwelethemba in order to establish a Women's Forum
Arts and Culture Festival	Department Arts and Culture in partnership with the Community Development Section hosted the annual Arts and Culture Festival for the Western Cape Province
First Aid Training at ECD Centres	BVM Community Development Section provided training for 30 ECD practitioners
Stakeholders Summit Engagement	BVM Community Development Section held a workshop with all partners in preparation for the Social Development Summit
Training on short story writing	BVM Community Development Section in partnership with SASRIA trained community members to write their own stories for publication
Ward Committee Summit	Community Development Section held a Ward Committee Summit
16 Days of Activism Campaign	BVM Community Development Section engaged with stakeholders during a GBV program from 25 November - 10 December 2022 in the different towns
Support of Holiday Programs	BVM community Development Section supported a holiday program in partnership with Local Government Department and Dept Social Development

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Highlight	Description
Western Cape Band Competition – Dec 2022	Assisted Worcester Marching Band to compete in the Western Cape Marching Band Competition
Older person program	Older persons attended an educational session
Youth Café Training	Sign language training for 30 students in BVM area
Human Rights Day program	De Doorns Community Project with arts and culture performances
Rawsonville Youth Development Program	Department Labour registered unemployed youth and Boland College registered youth as prospective students
ECD Stakeholders' Program	BVM Community Development Section assisted
Child Protection Campaign	BVM Community Development Section assisted
Golden Games	Older person program in BVM where BVM Community Development assisted with the Golden Games program
Youth Day Touwsrivier	Assisted with Youth Day program and the establishment of Touwsrivier Youth Forum which will take place in August - September 2023
Youth Day Zwelethemba	Youth Day Event to make youth more aware of different opportunities and the establishment of sport forums and arts and culture
International Substance Abuse Day	BVM Community Development Section in collaboration with stakeholders assisted with an awareness program on substance abuse to enable the establishment of a LDAC process

Table: 212 Community development highlights

### 3.24.2 Challenges: Community development

The table below gives a brief description of the community development challenges during the 2022/23 financial year:

Challenge	Corrective action
Office Space	Create sufficient office space with appropriate furniture, telephone and network
Funding	Available budget must correspond to the agreed pre-approved activities
Human resource	Review of the organogram to make provision of a more appropriate staff establishment
Transport	More appropriate transport to transport people and goods during community development and ward committee programs

Table: 213 Community Development Challenges



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.24.3 Service delivery indicators: Community Development

The key performance indicators for community development are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL13	Implement 8 community development programs at youth centres by 30 June 2023	Number of community development programs implemented	All	8	4	8	22	B
TL14	Implement 90% of the approved projects linked to the Sustainable Social Development Plan by 30 June 2023	% of approved projects implemented by 30 June 2023	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	100.00%	G2

Table: 214

Service delivery indicators: Community development

## COMPONENT E: ENVIRONMENTAL PROTECTION

According to section 156(2) of the Constitution, a municipality may make and administer by-laws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

### 3.25 POLLUTION CONTROL

#### Introduction

The National Environmental Air Quality Act, No. 39 of 2004 (NEMA: AQA) states that air quality monitoring is a local municipality function, and the district municipality manages the licensing of listed activities. BVM must comply with the following statutory requirements:

- Appointment of an Air Quality Officer (AQO)
- Development of an Air Quality Management Plan (AQMP)
- Incorporation of the AQMP in the IDP of the Municipality.

#### Status Quo of Air Quality Management Plan

The AQMP of BVM was developed by the AQO and adopted by MayCo in June 2017 (Resolution EX17/2017). The "Implementation Plan" as described in the AQMP defines its goals and is divided into specific objectives. The following table summarises the current status quo as at 30 June 2023:

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Requirement	Status	Comment
Temporary AQO	In place	Appointed in November 2021 until a permanent Air Quality Officer can be appointed. Position must reflect on the staff establishment and be budgeted for
AQMP	Completed	Adopted by MayCo - June 2017 The existing AQMP is being amended after the Vinaqua pollution incident. Lessons learned must be incorporated into the AQMP to accommodate unique situation in Worcester and zoning for noxious activity
AQMP incorporated in IDP	Yes	Chapter 6, Programme 6.1(i)
Budget allocated for AQ	No	Funds within the Water Services Department are utilised for Air Quality needs currently. Investigation into operational budget seemed challenging and funds must be allocated on capital budget for air quality monitoring equipment. Environmental Management Inspectorate Training will be funded by the National Department of Environmental Affairs: Air Quality
Capacity – Human resources and skills	Limited	<ul style="list-style-type: none"> <li>• New full time Air Quality Officer must be appointed</li> <li>• Co-opt laboratory staff when needed</li> <li>• Air quality monitoring and EMI training needed</li> </ul>
Complaints register	Design of the register in process	Total of 3 complaints attended to during 2022/23. 2 dust and 1 odour complaint 1 of these complaints (Vinaqua Effluent Treatment Plant) are still under investigation and ongoing attention is given to this case
Site visits/inspections	Continuous activity	Only 3 site visits were conducted by the Municipality during the year under review. Site visits to Vinaqua is ongoing
Emission inventory list	In progress	Internal project initiated by AQO to quantify the number of fuel-burning appliances and other emitters within the Municipality. Due to loadshedding this list must be amended because of more generators being used.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Requirement	Status	Comment
Establishment of Local AQO's Forum within the district	Not yet	AQO of Cape Winelands District Municipality to drive this process
Educational awareness in terms of AQ	In progress	Planning on establishing an education and awareness raising working group within the Municipality, comprising of staff members from various departments

Table: 215

Status Quo – AQMP Implementation Plan

### Air Quality By-law

The draft Air Quality By-Law is currently under review and amendment must be made to suit the town specific needs and ensure sustainable monitoring. Recent experience with the Vineaqua air pollution incident has put more focus on punitive regulation and a generic by-law will not suffice.

### Quarterly Air Quality Forums

The table below indicates the meeting/workshops that were attended by BVM officials.

Date	Place	BVM Official
18 August 2022	MS Teams	Abigail Arries
22 November 2022	MS Teams	Abigail Arries
16 February 2023	MS Teams	Abigail Arries
18 May 2023	MS Teams	Abigail Arries

Table: 216

AQ Forum Meetings for the Period 1 July 2022 to 30 June 2023

Month/Year	Industry	Nature of complaint	Outcome
5 October 2022	APL, Worcester Gearbox Centre, V&A Bath, SASKO, GRW	Bad Odour and exposure to gasses e.g. H <sub>2</sub> S	Still under investigation
19 October 2022	Silvorado Meat	Dust	This was resolved by moving the heaps and covering it
8 February 2023	Residence in Leipoldt Avenue	Dust	This was resolved by removing the heaps from the premises

Table: 217

Complaints received for the period 1 July 2022 – 30 June 2023

### Challenges

The major challenges can be split into the following three items:

- Capacity in terms of human resources – The Chief Laboratory Analyst (Laboratory Manager) was appointed in November 2021 and will serve as BVM's temporary AQO until a permanent position is budgeted for and reflects on the staff establishment. A few employees have been identified to assist in AQM, however, training is required in order to ensure that the operational duties can be conducted effectively

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

- Skills training – AQM is a new focus area within BVM and currently “on-the-job-training” experience is the only way to enhance our skill set within the subject matter. EMI (Environmental Management Inspectorate) training will be conducted in October 2023, which will address some of the training needs.
- Aligning the AQMP and by-laws with legislation and specific needs and lessons learned.

### Emissions inventory

During February 2019, the department initiated an internal project relating to the compilation of a database of emission producers (inclusive of boilers, spray booth facilities and generators – particularly as the increased use hereof due to load shedding, result in greater emissions) in the Breede Valley Municipality.

As of January 2021, the Air Quality Survey was initiated (as an interim measure) as part of the industrial effluent applications process. In the industrial effluent application form, there is a section based on air quality emitters at the industries. The air quality section will be extended in the industrial effluent application form as a compulsory section to gather all relevant information required for the air quality survey.

This is to gather information and establish a database of emitters. This process will be followed up with a registration form for those industries that indicated that they are emitters of emissions that could adversely impact the air quality.

Once the registration forms have been checked against a pre-determined list of factors, a letter will be issued to the industry which states that its fuel burning appliance is registered with the Municipality. In addition, the letter also confirms that annual visits/inspections will be conducted to ascertain whether the status quo remains the same as per the completed application form by each respective industry.

As industries grow and upgrade, the emissions inventory list will be updated.

### **3.26 BIODIVERSITY, LANDSCAPE AND OPEN SPACES**

The relevant department is responsible for a large number of functions, including the:

- management and maintenance of trees;
- removal of unwanted and alien trees;
- planting of new indigenous trees;
- irrigation of trees and open spaces, as well as entrances to the towns;
- weeding and cleaning of sidewalks and open spaces;
- beautification of certain focus areas; and
- landscaping and the mowing of parks, open spaces and buffer zones.

Highlights for the year includes the following:

Highlight	Description
Enhanced roll-out of the maintenance/pruning of trees	Pruning of high trees and palms can only be done effectively with a cherry picker, which the department had access to during the last 2 months of the financial year. Maintenance/pruning backlogs could thus be addressed

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Highlight	Description
Implementation of the mowing and cleaning maintenance plan as adopted by Council	Sidewalks and open spaces are regularly maintained – mowed, sprayed or shovelled as part of weed control

Table: 218 Biodiversity, landscapes & open spaces highlights

The challenge for the year includes the following:

Challenge	Corrective action
Resources constraints - both human and capital - resulted in delays of execution of programs	Filling of vacancies
Delays in certain supply chain processes	A more streamlined approach throughout the value chain (i.e. the user department & SCM unit) must be devised and maintained to ensure that planned maintenance works are executed per the approved schedule
Alien clearing has been stopped in BVM pending funding and new application for WFW funding	The application process must be revisited and fast-tracked as far practically possible

Table: 219 Biodiversity, landscapes & open spaces challenges

### COMPONENT F: SECURITY AND SAFETY

#### 3.27 TRAFFIC AND LICENSING

The primary goal of BVM Traffic Services, is to render an effective and high-quality service through a process of transparency in all facets of the traffic services (i.e., traffic regulation & control, traffic licensing and municipal law enforcement & security), and in rendering a service to the community and its visitors by ensuring the free flow of traffic and creating a safe environment. The main priorities of traffic are:

- The testing of applicants for driving licenses, learner's licenses and the application and renewal of professional driving licenses
- The registration and licensing of motor vehicles
- The promotion of road safety and law enforcement
- Traffic road school education and scholar patrol training

##### 3.27.1 Highlights: Traffic and licensing

The table below gives a brief description of all the highlights for traffic and licensing during the 2022/23 financial year:

Highlight	Description
New motorcycle testing equipment was purchased	More testing can be scheduled
Computers was replaced	13 New computers were received
3 Officials received the Examiner of Driving License training	More officials to assist the Driver's License Section
Cash Hall upgrade	More pay points will be made available
Compressor was purchased	The old broken one was replaced

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Highlight	Description
Bulletproof vest and armer plates were issued	Safety of the officers
Law Enforcement vehicle was branded	Visibility to the public
The Superintendent Law Enforcement position was filled	Better management over the traffic officers

Table: 220 Traffic and licensing highlights

### 3.27.2 Challenges: Traffic and licensing

The table below gives a brief description of the traffic and licensing challenges during the 2022/23 financial year:

Challenge	Corrective action
Outdated vehicles	Vehicles needs to be replaced. Possible tender process will be conducted
Misuse of sick leave	Problem was discussed with Director regarding the duration of the process and matters will be discussed with HR
Loadshedding	A generator or solar panels must be purchased, awaiting the process
Insufficient storage space	Need to follow up with records regarding our request to destroy outdated documents

Table: 221 Traffic and licensing challenges

### 3.27.3 Service statistics: Traffic services

The table below gives an indication of the statistics of traffic services for the financial year:

Details	2016/17	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual no.	Actual no.	Actual no.	Actual no.	Actual no.	Actual no.
Number of infringements attended	95 276	16 705	29 220	18 693	10 386	48 375
Number of traffic officers in the field on an average day	18	4	4	5	8	9
Number of traffic officers on duty on an average day	19	12	12	10	16	15
Number of driver's licenses issued*	1 826*	7 537*	2 037	1 335	4 469	1 411
Number of learner's licenses issued	2 719	2 748	2 316	2 206	5 589	5 632
Number of motor vehicle license transactions	126 812	95 363	92 639	95 501	96 080	94 253
*Includes renewals						

Table: 222 Service data for traffic services



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.27.4 Service delivery indicators: Traffic services

The key performance indicators for traffic services are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL1	Plan & conduct 24 roadblocks by 30 June 2023	Number of roadblocks conducted	All	24	24	24	27	G2
TL6	Complete the upgrade of the Traffic Department Cash Office by 30 June 2023	Project completed	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R
TL10	Develop an implementation plan for the Safety Plan and submit to Council for approval by 31 December 2022	Implementation Plan developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 223

Service delivery indicators: Traffic services

### 3.27.5 Employees: Traffic services

The table below indicates the number of employees for traffic services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	10	11	8	0	0%
Skilled Technical, Superintendents etc	33	38	33	0	0%
Semi-skilled	42	20	20	0	0%
Unskilled	13	12	12	0	0%
Total	100	83	75	0	0%

Table: 224

Employees: Traffic services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.27.6 Capital expenditure: Traffic services

The table below indicates the amount that was actually spent on traffic services for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Traffic - Machinery and Equipment	358 000	228 746	172 360	56 386	228 746
Traffic - Furniture and Office Equipment	89 600	160 335	160 334	1	160 335
Traffic - Upgrading of Cash Office	250 000	191 836	170 471	21 365	191 836
<b>Total all</b>	<b>697 600</b>	<b>580 917</b>	<b>503 165</b>	<b>77 752</b>	<b>580 917</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 225

Capital expenditure 2022/23: Traffic services

### 3.28 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

**Vision statement:** *Making Life Safer*

**Mission statement:** *Protecting our community and the environment from fires and other emergencies*

**Our Motto:** *making a difference.... everyday*





#### Key strategies

- Δ Developing our staff and succession planning
- Δ Enhancing our community safety focus
- Δ Building partnerships
- Δ Building emergency response capacity
- Δ Building disaster management capacity
- Δ Planning for the future

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.28.1 Highlights: Fire services and disaster management

The table below gives a brief description of all the highlights for fire services and disaster management during the 2022/23 financial year:

Highlight	Description
<b>Touwsrivier Fire Station</b> 	<p>Fire Fighters from the local community have been trained to provide local fire fighting and rescue capacity in the area. We are currently renovating and converting a municipal house into a Firehouse to provide a 24-hour service from Touwsrivier</p>
<b>Rawsonville Fire Station</b> 	<p>Fire Fighters from the local community have been trained to provide local fire fighting and rescue capacity in the area. We have identified an area at the municipal offices where a Firehouse is going to be established</p>
<b>Fire Safety Activities</b> 	<ul style="list-style-type: none"> <li>• 1103 Regulatory fire inspections conducted:</li> <li>• 188 Business Fire Clearances issued</li> <li>• 26 Public Events cleared</li> <li>• 100 Dangerous Goods classified activities registered (34 Transport permits; 42 Flammable Liquid registrations; 24 LPG Registrations.)</li> <li>• 2956 Fire hydrants tested</li> <li>• 703 Building plans scrutinised</li> <li>• 195 Operational risk visits conducted</li> </ul>
	<p>Five Community Safety Programmes registered with the Department of Public Works EPWP has delivered great success.</p> <p>A total of 11 beneficiaries were approved to participate in these projects.</p> <p>Programme 1: Learner Fire Brigade Reservists Fire Fighters - 2</p> <p>Programme 2: Emergency Communications Operators - 7</p> <p>Programme 3: Fire &amp; Life Safety Educators – 2</p> <p>The participants received training, assisted in various sections and gained invaluable skills in the process.</p> <p>2 Emergency Communications Operators have been permanently employed in the Breede Valley Municipality</p>
<b>Smoke Alarm Research/Fire and Life Safety Educators</b>	<p>The partnership and bond between various stake holders are continuing and have grown since the inception of the project.</p> <p>We have submitted proposals and have received approval for more smoke alarms from the Provincial Disaster Management Centre. Installation is taking place on a continuous basis throughout the Breede Valley community.</p> <p>Smoke alarms have proven to save lives all over the world and this have also been the experience and proven within the area of the Breede Valley.</p> <p>The appointed Fire and Life Safety Educators assist with promoting and the enhancement of this project focusing on the informal settlements in the Breede Valley area such as Geelkampie, Lubisi, Spokies Dorp and New Mandela Square</p>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)





Highlight	Description
<p><b>Partnership with SANTAM</b></p> 	<p>SANTAM has been an invaluable partner to the Breede Valley Fire Department and the community. They have sponsored hundreds of thousands of rands worth of equipment and tools for fire, rescue and disaster management to make our communities safer.</p> <p><b>Wrapping of the vehicle for Fire and Life Safety Education</b></p>  <p><b>Equipment received</b></p> <ul style="list-style-type: none"> <li>• Solaris Pro Flood light 18.2 Li-ion Ah</li> <li>• Water firefighting monitor: - Hemisphere Monitor Top - 2000 lpm</li> <li>• TSI Portable Flowmeter</li> </ul>  
Partnerships built with Western Cape Province Fire Brigade Services	This continuing partnership have created many training opportunities for staff throughout the year in various field of fire, rescue and disaster management
Firebreaks created on Municipal boundaries and other high risk areas	<ul style="list-style-type: none"> <li>• 343 000m<sup>2</sup> cleared and cut</li> <li>• All firebreaks have been maintained.</li> <li>• New areas identified where clearing is required, are cleared.</li> <li>• This is a legal requirement in terms of the Veld and Forest Fire Act</li> </ul>
Flammable Liquid Sites database	All sites required to register their flammable liquid because of the quantities that they keep were put on a database to ensure re-registration of these sites annually. Annual reregistration of the sites is in progress and monitored
Fire and Life Safety Education	<p>The following Fire and Life Safety Programmes are ongoing and coordinated by one of our senior firefighters specialising in this field:</p> <ul style="list-style-type: none"> <li>• Learn not to Burn (Early childhood development)</li> <li>• Remembering When (old age homes and individual elderly residents)</li> <li>• Prepare for emergency (business)</li> <li>• Door-to-Door</li> <li>• Smoke Alarms</li> <li>• Training of local businesses in the use of fire extinguishers, fire safety and awareness</li> </ul>

Table: 226

Fire Services and Disaster Management highlights

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.28.2 Challenges: Fire services and disaster management

The table below gives a brief description of the Fire Services and Disaster Management challenges during the 2022/23 financial year:

Challenge	Corrective action
Filling of key posts	<ul style="list-style-type: none"> <li>Funding required to fill all vacant posts.</li> <li>Fire Safety Officer: Fire safety and event inspections</li> <li>Station Commander Support Services: Managing Emergency Support Service Centre, building, vehicle and equipment maintenance.</li> <li>Disaster Management Officer: Major risk reduction, disaster prevention, preparedness and recovery duties</li> </ul>
Age of the Response Fleet with reduced reliability	<ul style="list-style-type: none"> <li>Older vehicles to be replaced.</li> <li>Funding for a fire engine have been budgeted. The specifications and tender process have been completed and delivery is anticipated in the 2023/24 financial year</li> </ul>
No 4x4 access vehicle for structural fire in rural and informal settlement fires	Funding required
Emergency Call Centre reporting system	<ul style="list-style-type: none"> <li>Synchronising BVM computer reporting programmes.</li> <li>Funding for Call Centre system and software.</li> </ul>

Table: 227 Fire Services and Disaster Management challenges

### 3.28.3 Service statistics: Fire services and disaster management


	Details	2021/22	2022/23
		Actual no.	Actual no.
	Total fires attended in the year	914	<b>890</b>
	Total of other incidents attended in the year	194	<b>375</b>
	Fire-fighters in post at year end	44	<b>44 + 10 Contract</b>

Table: 228 Service data for Fire Services

### 3.28.4 Service delivery indicators: Fire services and disaster management

The key performance indicators for fire services and disaster management are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL7	Purchase a fire engine and equipment by 30 June 2023	Fire engine and equipment purchased	All	New performance indicator for 2022/23. No comparative audited	New performance indicator for 2022/23. No comparative audited	1	0	R

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
				results available	results available			
TL15	Conduct 950 planned inspections in accordance with the Fire Protection Regulations and Fire Safety Bylaw during the 2022/23 financial year	Number of planned inspections conducted	All	500	932	950	1 465	B

Table: 229

Service delivery indicators: Fire services and disaster management

### 3.28.5 Employees: Fire services and disaster management

The table below indicates the number of employees for fire services and disaster management:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	2	2	0	0%
Middle Management and Professionals	6	5	5	0	0%
Skilled Technical, Superintendents etc	36	41	41	0	0%
Semi-skilled	24	16	16	0	0%
Unskilled	1	1	1	0	0%
<b>Total</b>	<b>69</b>	<b>66</b>	<b>66</b>	<b>0</b>	<b>0%</b>

Table: 230

Employees: Fire services and disaster management



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.28.6 Capital expenditure: Fire services

The table below indicates the amount that was actually spent on fire service projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Fire Services - Furniture and Office Equipment	150 000	259 404	191 960	67 444	259 404
Fire Services - De Doorns Communication Equipment	350 000	291 830	216 667	75 163	291 830
Fire Services - Airconditioners	50 000	44 971	44 970	1	44 971
Fire Services - Machinery and Equipment	34 000	345 848	272 774	73 074	345 848
Donated Assets - Vehicles	0	318 900	318 900	0	318 900
Donated Assets - Machinery and Equipment	0	230 000	229 089	912	230 000
<b>Total all</b>	<b>584 000</b>	<b>1 490 953</b>	<b>1 274 361</b>	<b>216 592</b>	<b>1 490 953</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 231

Capital expenditure 2022/23: Fire services

### 3.29 MUNICIPAL COURT

The primary goal of the Municipal Court is to ensure compliance with the National Building Regulations and Municipal By Laws. It also prosecutes and adjudicates traffic related offences received from both the Provincial and Municipal Traffic Departments which were committed within the jurisdiction of the Breede Valley Municipality. The ultimate goal is to empower the Breede Valley community to prosper in a safe and healthy environment.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.29.1 Highlights

The table below gives a brief description of all the highlights for the Municipal Court during the 2022/23 financial year:

Highlight	Description
The Municipal Court was appointed with a new contract Magistrate by the Department of Justice	The Department of Justice allocated a new Magistrate to the Municipal Court during March 2023
The Municipal Court received encroachment matters from the Legal Department for the first time	The matters were placed on the court roll, some of the accused complied and removed the encroachment. Other matters are still on the court roll for compliance
Speeding fines are placed on the court roll by TMT	Speeding fine matters are being processed by the Municipal Court. This will increase the income of the Municipal Court. An additional Court date was allocated to accommodate these matters

Table: 232 Municipal Court highlights

### 3.29.2 Challenges

The table below gives a brief description of the challenges of the Municipal Court during the 2022/23 financial year:

Challenge	Corrective action
Municipal Court building to be maintained	Various leakages occurred during the winter period, which caused damage to court documents. The documents were salvaged
Load Shedding affecting payment	Directing accused to Nedbank around the corner in order to make payment
Provincial Traffic Department could not print Warrants, as their printer was defective/broken. No administration marks could be placed on the E-Natis system	Printer fixed and back dated warrants are being printed and handed to the Magistrate to authorise

Table: 233 Municipal Court challenges

### 3.29.3 Service Statistics: Municipal Court

Month	Income	Municipal Fines on Court Roll	Provincial Fines on Court Roll	Total Warrants Issued
July 2022	R137 652	541	1 560	1 413
August 2022	R483 384	354	939	923
September 2022	R409 756	773	1 136	1 583
October 2022	R485 117	534	1 581	1 888
November 2022	R849 321	499	2 842	3 067
December 2022	R302 022	160	518	640
January 2023	R1 571 834	366	1 801	1 683
February 2023	R612 006	472	2 556	2 677
March 2023	R849 352	979	3 802	3 603
April 2023	R335 551	257	1 720	1 145
May 2023	R1 064 333	358	2 845	2 104

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Month	Income	Municipal Fines on Court Roll	Provincial Fines on Court Roll	Total Warrants Issued
June 2023	R586 394	339	2 745	1 878
<b>Total</b>	<b>R7 686 722</b>	<b>5 632</b>	<b>24 045</b>	<b>22 601</b>

Table: 234

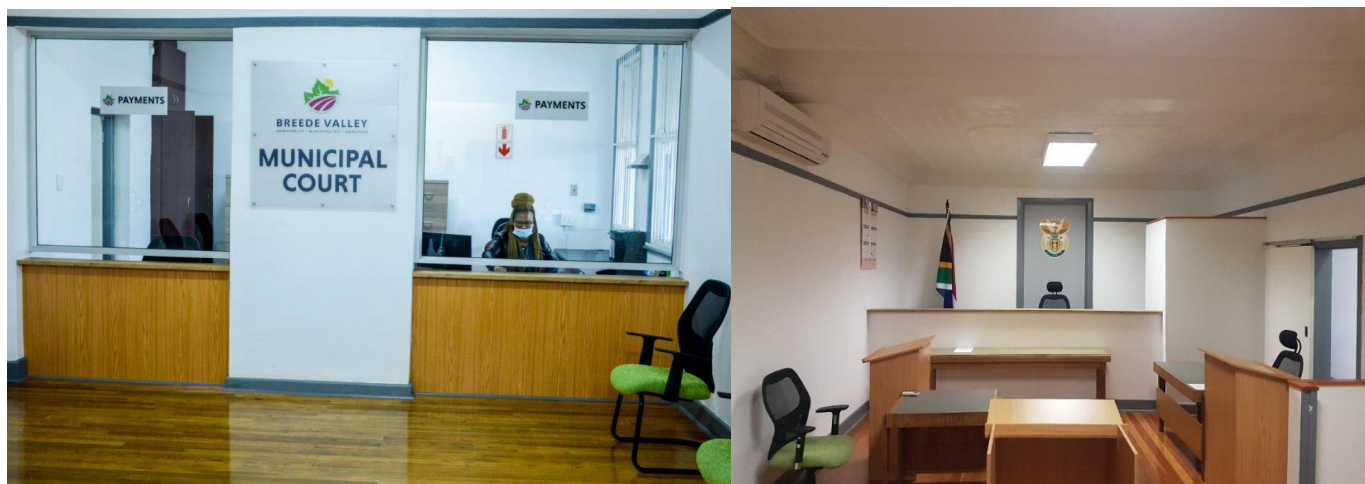
Service statistics Municipal Court

### 3.29.4 Municipal Court appearances

Category	Description	Number
Total court days	Total days the court was operational for the year (days matters were brought before the magistrate in the physical court room)	90
Total matters on court roll	Total matters brought before the Magistrate in court	758
Guilty	Total guilty pleas and accused found guilty after trial before the Magistrate in court	367
Not Guilty	Total accused found not guilty by the Magistrate after plea in court	0
Withdrawn: Complied	Total matters where accused remedied their action by complying with the various by laws and National Building Regulations	33
Postponements	Total matters remanded to future court date	305
Warrants issued in court	Total accused who failed to appear on their postponement date in court. Magistrate issued a bench warrant.	53
Warrants appearing in court	Accused who failed to appear in court, total charge sheets enrolled again	140
Court hours	Total court time spent on matters appearing before the Magistrate in court	137
Representations	Total written applications made by the public, for reduction or withdrawal of the fines	1 550

Table: 235

Municipal Court appearances



## COMPONENT G: SPORT AND RECREATION



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The Municipality has eight sportsgrounds, of which Boland Park and Esselen Park are the biggest. There are also four swimming pools, three in Worcester and one in Touwsrivier. Many sport clubs have been established in the Breede Valley area resulting in a high demand for facilities.

### 3.30 HOLIDAY RESORTS AND CAMPSITES

Nekkies Holiday Resort is an hour outside Cape Town near the town of Worcester. The Meer chalets consist of seventeen self-catering log chalets built on stilts overlooking the lake (Brandvlei Dam) with two bedrooms and two bathrooms, fully equipped kitchen, balcony and fireplace. The campsite has twenty power points for caravans and tents and eighty sites without power. All sites are on grass.

The resort caters for big events such as rock/motorcycle/trance at the grass campsite areas. Income generated from the resort can be summarised as follows:



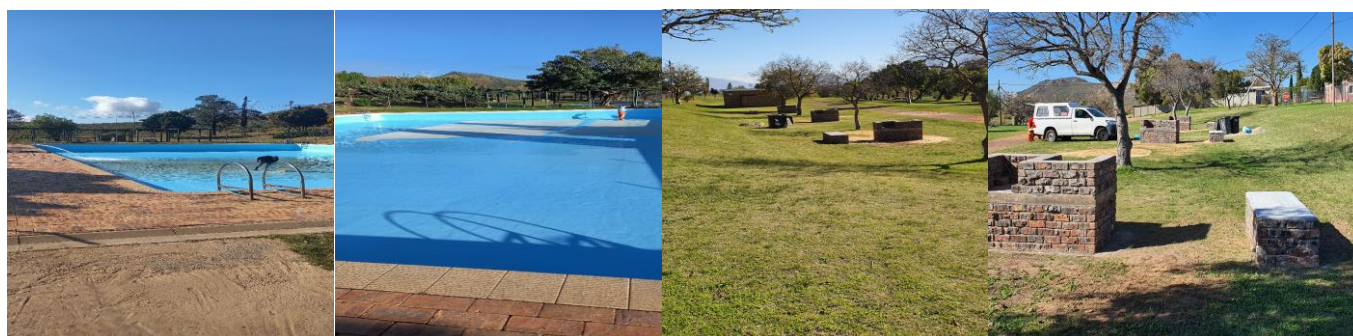
Resort	2021/22	2022/23
Nekkies Meer Chalets	R1 727 861	R 1 766 483
Nekkies Resort	R1 058 090	R 1 363 761

Table: 236 Income generated from the resort

The table below gives a brief description of all the highlights for holiday resorts and campsites during the 2022/23 financial year:

Highlight	Description
Swimming pool	Re-fibre and paint pool blue
Braai stands	Building of brick braai stands for visitors
Easter weekend	Hosting Easter Splash Music Festival
Painting of chalets and Lapa building	Roof repair and paint
Chalet carpet	Chalet 1-7, 13-14

Table: 237 Holiday resorts and campsites highlights



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The table below gives a brief description of the holiday resorts and campsites challenge during the 2022/23 financial year:

Challenge	Corrective action
Budget availability	Cannot accommodate all issues

Table: 238

Holiday resorts and campsites challenges

### 3.30.1 Employees: Building Maintenance and Recreation

The table below indicates the number of employees for building maintenance and recreation:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	0	0	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	1	3	3	0	0%
Semi-skilled	1	2	1	0	0%
Unskilled	13	5	4	0	0%
<b>Total</b>	<b>18</b>	<b>12</b>	<b>10</b>	<b>0</b>	<b>0%</b>

Table: 239

Employees: Building maintenance and recreation

### 3.31 SWIMMING POOLS AND SPORT GROUNDS

BVM has a total of four public swimming pools. Three of these are situated in Worcester, whilst the fourth is situated in Touwsrivier. The pools are available for public use during season, which starts on 1 October and ends on the 31<sup>st</sup> of March the following year.



The table below gives a brief description of the highlight for swimming pools and sportsgrounds during the 2022/23 financial year:

Highlight	Description
Swim gala's	De la Bat

Table: 240

Swimming pools and sportsgrounds highlights

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The table below gives a brief description of the swimming pools and sportsgrounds challenge during the 2022/23 financial year:

Challenge	Corrective action
Vandalism and theft	CCTV cameras installed

Table: 241

Swimming pools and sportsgrounds challenges

### 3.31.1 Service statistics: Swimming pools and sport grounds

Type of service	2021/22	2022/23
Swimming pools, stadiums and sport grounds		
Number of sport grounds/fields	8	8
Number of swimming pools	4	4
Number of stadiums	8	8
Number of complaints addressed – swimming pools	7	5

Table: 242

Statistics: Swimming pools and sport grounds

### 3.31.2 Service delivery indicators: Swimming pools and sport grounds

The key performance indicators for swimming pools and sport grounds are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL5	Complete the construction of the fence of Esslen Park Sport Facility by 30 June 2023	Project completed	All	1	0	1	0	R
TL56	Spend 90% of the budget allocated for the Regional Socio-Economic Programme by 30 June 2023 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	100.00%	G2
TL11	Review the Sport Facilities Infrastructure Master Plan and submit to	Final reviewed Sport Facilities Infrastructure Master Plan submitted to	All	1	1	1	1	G



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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	Council for approval by 31 May 2023 (Final)	Council for approval						
TL12	Complete the upgrade of the De Wet and Rawsonville Sport Fields by 30 June 2023	Number of sport fields upgraded	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	2	0	R

Table: 243 Service delivery indicators: Swimming pools and sport grounds

### 3.31.3 Employees: Swimming Pools and Community Halls

The table below indicates the number of employees for swimming pools and community halls:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	0	0	0%
Middle Management and Professionals	2	0	0	0	0%
Skilled Technical, Superintendents etc	4	5	2	1	20%
Semi-skilled	6	14	9	2	14%
Unskilled	16	15	11	0	0%
<b>Total</b>	<b>30</b>	<b>36</b>	<b>23</b>	<b>3</b>	<b>8%</b>

Table: 244 Employees: Swimming pools and community halls

### 3.31.4 Capital expenditure: Swimming pools and sport grounds

The table below indicates the amount that was actually spent on swimming pools and sports grounds projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Esselen Park: Replacement of fence perimeter	3 000 000	824 651	472 345	352 306	824 651

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Total all	3 000 000	824 651	472 345	352 306	824 651
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Table: 245

Capital expenditure 2022/23: Swimming pools and sport grounds

### COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

#### 3.32 EXECUTIVE AND COUNCIL

##### 3.32.1 Service delivery indicators: Executive and Council

The key performance indicators for Executive and Council are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL65	Submit a request for approval, to dispose official documents, to the Provincial Archive Services by no later than 30 June 2023	Request for approval submitted to the Provincial Archive Services by 30 June	All	1	0	1	1	G
TL9	Submit a bi-annual report to Council on the implementation of the Municipal Court	Number of reports submitted	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G
TL64	Review the Communication Strategy including the Language Policy and submit to Council for approval by 31 May 2023 (Final)	Final reviewed Communication Strategy including the Language Policy submitted to Council for approval	All	1	0	1	1	G
TL70	Develop a Service Charter and submit to Council for approval by 31 May 2023	Service Charter developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited	1	1	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
					results available			
TL66	Review the 5th Generation IDP and submit to Council for approval by 31 May 2023	5th Generation IDP reviewed and submitted to Council for approval	All	1	1	1	1	G
TL71	Review the Performance Management Framework and submit to Council for approval by 31 May 2023	Performance Management Framework reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 246

Service delivery indicators: Executive and Council

### 3.32.2 Employees: Executive and Council

The table below indicates the number of employees for executive and council:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	0	0	0	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	0	0	0	0	0%
Semi-skilled	9	8	8	0	0%
Unskilled	0	0	0	0	0%
Total	11	10	10	0	0%

Table: 247

Employees: Executive and Council

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.32.3 Employees: Office of the Municipal Manager

The table below indicates the number of employees for the office of the municipal manager:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	2	0	0	0	0%
Middle Management and Professionals	0	1	1	0	0%
Skilled Technical, Superintendents etc	1	1	1	0	0%
Semi-skilled	0	0	0	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0%</b>

Table: 248

Employees: Office of the Municipal Manager

### 3.32.4 Capital expenditure: Executive and Council

The table below indicates the amount that was actually spent on executive and council projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Mayco - Furniture and Equipment	5 000	40 000	34 988	5 013	40 000
MM: Furniture and Equipment	5 000	50	0	50	50
Risk Management - Furniture and Office Equipment	30 000	30 000	18 567	11 433	30 000
<b>Total all</b>	<b>40 000</b>	<b>70 050</b>	<b>53 555</b>	<b>16 495</b>	<b>70 050</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 249

Capital expenditure 2022/23: Executive and Council

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.33 FINANCIAL SERVICES

#### 3.33.1 Service delivery indicators: Financial services

The key performance indicators for financial services are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2023 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	45%	15.81%	45.00%	22.00%	B
TL35	Financial viability measured in terms of the outstanding service debtors as at 30 June 2023 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	16.50%	13.53%	16.50%	14.00%	B
TL36	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on	Number of months it takes to cover fix operating expenditure with available cash	All	1.5	2.16	1.5	2	G2

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	Disposal of Assets))							
TL39	Submit the approved financial statements for 2021/22 to the Auditor-General by 31 August 2022	Approved financial statements for 2021/22 submitted to the AG	All	1	1	1	1	G
TL40	Achieve a payment percentage of above 95% as at 30 June 2023 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	92.86%	95.00%	93.81%	O
TL46	The percentage of the municipal capital budget spent on capital projects as at 30 June 2023 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	90%	92.08%	90.00%	67.18%	R
TL30	Provide free basic water to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic water	All	9660	9820	6 500	7 999	G2
TL31	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic electricity	All	9660	9820	6 500	7 999	G2
TL32	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic sanitation	All	9660	9820	6 500	7 999	G2



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL33	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2023	Number of indigent households receiving free basic refuse removal	All	9660	9820	6 500	7 999	G2
TL41	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2023	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	1	1	G
TL42	Achieve an unqualified audit for the 2021/22 financial year by 31 January 2023	Audit report signed by the Auditor-General for 2021/22	All	1	1	1	1	G
TL43	Review the Revenue Enhancement Plan and submit to Council for approval by 31 May 2023	Reviewed Revenue Enhancement Strategy submitted to Council	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 250 Service delivery indicators: Financial services

### 3.33.2 Employees: Financial services

The table below indicates the number of employees for financial services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	8	8	8	0	0%
Middle Management and Professionals	14	14	14	0	0%
Skilled Technical, Superintendents etc	4	9	9	0	0%
Semi-skilled	104	96	92	4	4%
Unskilled	7	6	5	1	17%
Total	138	134	129	5	4%

Table: 251 Employees: Financial services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.33.3 Capital expenditure: Financial services

The table below indicates the amount that was spent on financial services projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
FS Admin - Furniture and Equipment	25 000	20 000	16 119	3 881	20 000
Revenue - Upgrading of Municipal Building	200 000	200 000	37 835	162 165	200 000
Credit Control - Upgrading of Municipal Building -	100 000	100 000	83 160	16 840	100 000
Revenue - Airconditioners	200 000	200 000	49 278	150 722	200 000
Revenue - Machinery and Equipment	400 000	250 000	125 883	124 117	250 000
Revenue - Furniture and Office Equipment	50 000	455 300	355 758	99 542	455 300
FS FP - Safeguarding of Assets	400 000	400 000	326 513	73 487	400 000
FS FP - Insurance claims: Other Assets	400 000	500 000	196 575	303 425	500 000
FS FP - Insurance claims: Mach & Equipment		500 000	0	500 000	500 000
FS FP - Insurance claims: Comp Equipment		100 000	91 246	8 754	100 000
Financial Planning - Upgrading of Buildings	200 000	293 000	273 961	19 039	293 000
SCM - Installation of records room shelving		420 000	12 050	407 950	420 000
<b>Total all</b>	<b>1 975 000</b>	<b>3 438 300</b>	<b>1 568 378</b>	<b>1 869 922</b>	<b>3 438 300</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 252

Capital expenditure 2022/23: Financial services

### 3.34 HUMAN RESOURCE SERVICES

The Human Resources Department deals with issues related to talent acquisition and retention, labour relations, compensation, performance management, organisational development, training and development, occupational health & safety, employee wellness and benefits.

All functionalities within human resources should be underpinned by ethical values which are supported by legislation, policies, rules and regulations. Ethical values are primarily focused on the human element as reflected by the behaviour of the stakeholders. Hence, it becomes essential that all stakeholders i.e. line management, employees and the Human Resources Department operate in a collaborative and inclusive nature to ensure that the work environment is healthy and that a higher level of productivity is the resultant output of everyone's efforts and commitments.

The Human Resources Department must ensure that the right people with the right skills and competencies are appointed in the correct positions. The matching of human capital with the right skills and competencies to the right job will contribute to ensure that the short, medium and long-term objectives are achieved effectively, efficiently and economically.

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The essential nature of human resources should therefore be clearly understood by all the stakeholders involved and it is crucial that there is a greater alignment to the strategic objectives within the integrated development plan of the Municipality.

The Human Resources Department established ten key objectives to provide a quality and professional support service:

- Annual review of the institutional structure (restructuring to ensure maximum efficiency, productivity and job satisfaction with resulting consequences being effective, efficient and economical service delivery);
- TASK grading and job evaluation (job descriptions with profiles, competencies and performance standards);
- Recruitment and selection (proper HR planning ensuring that the right people are appointed for the right jobs, competitiveness, scarcity allowances, succession planning and retention policy to retain staff);
- The implementation of employment equity targets to address the under representation of the designated groups across the various occupational levels within the demographic profile of BVM;
- Training and development of staff capacity (enhancing the current skills of employees, focusing on the development of employees from designated groups to ensure representivity, succession planning and coaching);
- Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps;
- Compile critical HR policies, related procedures and control mechanisms (e.g. overtime management, succession planning, study bursaries for employees);
- Improved discipline management (provide advice and support to line management on how to manage staff, motivation of staff, addressing incapacity due to illness or poor performance);
- Sound and healthy industrial relations (promote and support effective working relationships with unions, maintain and invest in staff morale, address incapacity cases); and
- Health and safety (maintain a safe and healthy work environment, critical safety hazards addressed, maintain low levels of injury on duty, safety audit completed).

The Human Resources Department assisted in creating and maintaining sound working relations between management and unions through regular meetings of the Local Labour Forum and Training Committee, which directly leads to a healthier relation with employees.

### 3.34.1 Highlights: Human resource services

The table below gives a brief description of all the highlights for human resource services during the 2022/23 financial year:

Highlight	Description
Staff Establishment Review	Staff establishment was adopted by Council for review by the MEC
Human Resources Strategy – 5 Year Plan (2022-2027)	Human Resources Strategy in line with Integrated Development Plan was approved by Council
Human Resources Policies Reviewed	Human Resources policies were approved by Council

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Highlight	Description
Job Description Alignment	Aligned job description with competencies of the Local Government: Municipal Staff Regulations
Skills Development and Employee Empowerment	Increase in the number of training interventions provided to employees

Table: 253 Human resource services highlights

### 3.34.2 Challenges: Human resource services

The table below gives a brief description of the challenges for human resource services during the 2022/23 financial year:

Challenge	Description	Corrective Action
Recruitment & Selection	<ul style="list-style-type: none"> <li>Attraction and retention of scarce and critical skills to the organisation</li> <li>Financial and budgetary constraints</li> </ul>	Development of methods to attract and retain scarce and critical skills in line with the Scarce Skills Policy of the Council
Maintenance of Labour Relations	Implementation and maintenance of discipline at the workplace	Provide in-house training to line management on continuous basis
Contradiction between TASK Outcomes and Competency Frameworks	Certain minimum requirements of the Municipal Staff Regulations are not in sync with organisational requirements and operational needs	SALGA will liaise with COGTA to discuss the implications of the implementation of the minimum requirements in the Municipal Staff Regulations for posts in municipalities

Table: 254 Human resource services challenges

### 3.34.3 Service delivery indicators: Human resource services

The key performance indicators for HR are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL59	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during	Number of people employed in the three highest levels of management	All	2	2	2	2	G

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Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
	the 2022/23 financial year							
TL60	Spend 1% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2023	% of the budget spent	All	1%	0.73%	1.00%	0.88%	O
TL61	Limit vacancy rate to 15% of budgeted posts by 30 June 2023 [(Number of funded posts vacant divided by budgeted funded posts) x100]	% vacancy rate	All	15%	13.28%	15.00%	9.45%	B
TL68	Review the Organisational Structure and submit to Council for approval by the end of May 2023	Organisational Structure reviewed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R
TL69	Develop an HR Strategy and submit to Council for approval by 31 May 2023	HR Strategy developed and submitted to Council for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	0	R

Table: 255

Service delivery indicators: Human resources

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### 3.34.4 Employees: Human resource services

The table below indicates the number of employees for human resource services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	0	0	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	6	5	5	0	0%
Semi-skilled	8	6	6	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>17</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>0%</b>

Table: 256

Employees: Human resource services

### 3.35 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Our world has become totally dependent on information and communication technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically and accurately be determined. Should such an outage go beyond one day into days or even weeks, the results can be catastrophic. BVM is similarly as dependent on ICT. The ICT department has therefore endeavoured to provide, within our means, reliable systems, reliable and easily accessible data, and support to the users. During the 2022/23 financial year, we have implemented the following:

- Replacement of production servers and storage
- Upgrade of the Internet Services & Firewall
- Fiber connectivity – De Doorns

As part of the 5-year Strategic Plan, we intend to implement the following during 2023/24:

- Implement Cyber Security tool
- Roll-out Cyber Security Awareness Campaign

The table below gives a brief description of all the highlights for ICT during the 2022/23 financial year:

Highlight	Description
Replacement of production servers and storage	To ensure that aging IT equipment and infrastructure are replaced to avoid failure
Upgrade of the internet services & firewall	To eliminate the dependency of connectivity on the main building and prevent unauthorised access to our network infrastructure



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Highlight	Description
Fibre connectivity – De Doorns	Connecting various buildings via fibre to our network

Table: 257

ICT highlights

The table below gives a brief description of the ICT challenges during the 2022/23 financial year:

Challenge	Corrective action
Staff capacity	Filling specifically targeted positions within the department e.g., Security Officer, Desktop Support Technician

Table: 258

ICT challenges

### 3.35.1 Service statistics: ICT

Details	2021/22	2022/23
	Actual	Actual
	%	
ICT Policy Review	100%	80%

Table: 259

Service statistics: ICT

### 3.35.2 Service delivery indicators: ICT

The key performance indicators for ICT are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL72	Spend 90% of the budget allocated for the replacement of ICT equipment by 30 June 2023 {(Total expenditure / total budget approved) X 100}	% of the budget spent	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	90.00%	95.38%	G2
TL73	Review the ICT Strategy and submit to Council for approval by 31 May 2023	ICT Strategy reviewed and submitted for approval	All	New performance indicator for 2022/23. No comparative audited results available	New performance indicator for 2022/23. No comparative audited results available	1	1	G

Table: 260

Service delivery indicators: ICT

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### 3.35.3 Employees: ICT

The table below indicates the number of employees for ICT:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	2	1	1	0	0%
Skilled Technical, Superintendents etc	3	4	4	0	0%
Semi-skilled	2	0	0	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0%</b>

Table: 261

Employees: ICT

### 3.35.4 Capital expenditure: ICT

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2022/23 financial year:

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
ICT - Computer Equipment	12 000 000	14 340 143	13 758 267	581 876	14 340 143
ICT - Fibre Links	1 500 000	1 296 500	1 296 422	78	1 296 500
Call Center & Telephone (PBX) System	150 000	1 135 435	1 085 435	50 000	1 135 435
Biometric system	150 000	99 387	0	99 387	99 387
ICT - Airconditioner (DR Site)	50 000	50 000	0	50 000	50 000
<b>Total all</b>	<b>13 850 000</b>	<b>16 921 465</b>	<b>16 140 124</b>	<b>781 341</b>	<b>16 921 465</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 262

Capital expenditure 2022/23: ICT

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.36 INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The Municipality has an Internal Audit Unit and an Enterprise Risk Management Unit. Both resort under the Office of the Municipal Manager.

#### 3.36.1 Service delivery indicators: Internal Audit and Enterprise Risk Management

The key performance indicators for internal audit and enterprise risk management are:

Ref	KPI Name	Unit of Measurement	Wards	2021/22		Overall Performance for 2022/23		
				Target	Actual	Target	Actual	R
TL45	Compile a strategic risk report and submit to Council by 31 May 2023	Strategic risk report submitted to Council	All	1	1	1	1	G
TL44	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2023	RBAP submitted to the Audit Committee	All	1	1	1	1	G

Table: 263

Service delivery indicators: Internal Audit and Enterprise Risk Management

#### 3.36.2 Employees: Internal Audit and Enterprise Risk Management

The table below indicates the number of employees for internal audit and enterprise risk management:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	2	2	2	0	0%
Middle Management and Professionals	0	1	0	0	0%
Skilled Technical, Superintendents etc	5	5	4	2	40%
Semi-skilled	2	1	1	0	0%
Unskilled	0	0	0	0	0%
Total	10	10	8	2	20%

Table: 264

Employees: Internal Audit and Enterprise Risk Management

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.37 LEGAL SERVICES

Legal Services render an advisory and support function to Council and Administration which includes *inter alia* providing efficient general legal advice, drafting and vetting of by-laws, policies and contracts as well as the management of litigious matters. Ultimately, the aim is to protect the interests of the Breede Valley Municipality from a legal perspective.

In addition, Legal Services receive and administer municipal property applications (alienations, leases, encroachments etc.) on a continuous basis, which are attended to in accordance with governing legislation and Council policies. The aforementioned requires ongoing in-depth liaison and good relations with the relevant internal user departments to ensure alignment with the constitutional obligations of local government. During this period multiple lease agreements were approved in respect of Early Childhood Development (ECD) utilising municipal property for such purpose. By availing property for ECD purposes, the Municipality equip and empower the relevant stakeholders. Furthermore, the ECD facilities offers a necessary service to the beneficiaries, in line with our Constitutional obligation set out in Schedule 4 B. Council furthermore resolved to alienate municipal properties for various purposes which will enable the community to participate in a competitive bidding process. Examples of the aforementioned is illustrated below in the figures.



Figure 8: Residential Erven – Johnsons Park



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)



Figure 9: Erf availed for various sport codes

Legal Services referred various matters to the Municipal Court for prosecution. These matters relate to the enforcement of the Encroachment By-Law. This resulted in the accused complying by removing the illegal encroachments and in some instances applying for approval of the encroachment from the Delegated Authority.

Legal Services ensures compliance with the Promotion of Access to Information Act, 2 of 2000 (PAIA). It is required that Legal Services reports annually to the Information Regulator in terms of Section 32/Section 83(4) of PAIA. The table below illustrates the PAIA applications received and processed during this period:

#	Description	Volume
1	The number of requests for access received	18
2	The number of requests for access granted in full	6
3	The number of requests for access granted (in terms of section 46)	1
4	The number of requests for access refused in full	8
5	The number of requests for access refused partially	3
6	The number of cases in which the periods were extended (in terms of section 26(1), as stipulated in section 25)	0
7	The number of internal appeals lodged with the relevant authority	0
8	The number of cases in which, as a result of an internal appeal, access was given to a record	0
9	The number of internal appeals which were lodged on the ground that a request 15 for access was regarded as having been refused in terms of section 2	0
10	The number of applications to a court which were lodged on the ground that an internal appeal was regarded as having been dismissed in terms of section 77(7)	0

Table: 265 PAIA Applications Received

It is part of our duties to render legal opinions as to the possible negligence of the Municipality in respect of public liability claims. It is required that we examine whether liability can be attributed to the Municipality under the law of delict. In

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

addition, our department regularly assist in the capacity of initiators and chairperson in various disciplinary and incapacity matters.

From a staffing perspective, Legal Services was capacitated through filling vacancies, which may positively contribute to the enhancement of service delivery throughout the locality.

### 3.37.1 Employees: Legal Services

The table below indicates the number of employees for legal services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Middle Management and Professionals	2	1	1	0	0%
Skilled Technical, Superintendents etc	1	2	2	0	0%
Semi-skilled	3	3	3	0	0%
Unskilled	0	0	0	0	0%
Total	8	8	8	0	0%

Table: 266

Employees: Legal Services

### 3.38 EMPLOYEES: OTHER SERVICES

#### 3.38.1 Employees: Engineering Services: Administration

The table below indicates the number of employees for Engineering Services: Administration:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	0	0	0	0	0%
Middle Management and Professionals	0	0	0	0	0%
Skilled Technical, Superintendents etc	1	1	1	0	0%
Semi-skilled	0	0	0	0	0%
Unskilled	0	0	0	0	0%
Total	2	2	2	0	0%

Table: 267

Employees: Engineering Services: Administration



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.36.2 Employees: Civil Engineering Services

The table below indicates the number of employees for Civil Engineering Services:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	3	3	0	3	100%
Middle Management and Professionals	0	0	0	0	0%
Skilled Technical, Superintendents etc	1	1	1	0	0%
Semi-skilled	0	0	0	0	0%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>60%</b>

Table: 268

Employees: Civil Engineering Services

### 3.38.3 Employees: Administration and property management

The table below indicates the number of employees for administration and property management:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	2	1	0	1	100%
Middle Management and Professionals	1	0	0	0	0%
Skilled Technical, Superintendents etc	0	2	2	0	0%
Semi-skilled	2	11	8	1	9%
Unskilled	0	4	4	0	0%
<b>Total</b>	<b>6</b>	<b>19</b>	<b>15</b>	<b>2</b>	<b>11%</b>

Table: 269

Employees: Administration and property management

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.38.4 Employees: Mechanical workshop

The table below indicates the number of employees for the mechanical workshop:

Occupational Level	2021/22	2022/23			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0%
Senior Management	1	1	0	0	0%
Middle Management and Professionals	1	1	1	0	0%
Skilled Technical, Superintendents etc	3	3	3	0	0%
Semi-skilled	4	4	2	0	0%
Unskilled	1	1	0	0	0%
<b>Total</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>0</b>	<b>0%</b>

Table: 270

Employees: Administration and property management

### 3.39 CAPITAL EXPENDITURE: OTHER SERVICES

#### 3.39.1 Capital expenditure: Community Services: Other

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Community Services: Furniture & Equipment	5 000	14 080	10 320	3 760	14 080
Youth Café - Furniture and Office Equipment	200 000	147 032	138 441	8 592	147 032
Donated Assets - Computer Equipment	0	18 700	18 700	0	18 700
<b>Total all</b>	<b>205 000</b>	<b>179 812</b>	<b>167 461</b>	<b>12 352</b>	<b>179 812</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 271

Capital expenditure 2022/23: Community services: Other

#### 3.39.2 Capital expenditure: Strategic Support: Other

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
SSS - Furniture and Equipment	5 000	157 300	145 811	11 489	157 300
LED - Furniture and Office Equipment	20 000	20 000	15 902	4 098	20 000

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Zwelethemba Economic Facility	1 000 000	800 000	540 679	259 321	800 000
Zwelethemba Economic Facility	800 000	800 000	800 000	0	800 000
Upgrading of municipal building	0	205 593	164 916	40 677	205 593
Supply and Installation of Load Shedding Solution and Solar PV	13 420 000	782 500	751 315	31 185	782 500
Worc Town Hall - Airconditioner	3 420 000	5 055 431	3 086 128	1 969 303	5 055 431
<b>Total all</b>	<b>18 665 000</b>	<b>7 820 824</b>	<b>5 504 750</b>	<b>2 316 074</b>	<b>7 820 824</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 272

Capital expenditure 2022/23: Strategic support: Other

### 3.39.3 Capital expenditure: Civil Engineering Admin

Capital projects	2022/23				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value 2022/23
(R)					
Civil Engineering: Survey Equipment	50 000	38 533	38 533	0	38 533
Civil Engineering: Office Furniture	100 000	240 860	236 586	4 274	240 860
<b>Total all</b>	<b>150 000</b>	<b>279 393</b>	<b>275 119</b>	<b>4 274</b>	<b>279 393</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table: 273

Capital expenditure 2022/23: Civil engineering admin

## COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

### 3.40 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2023/24

The main development and service delivery priorities for 2023/24 forms part of the Municipality's Top Layer SDBIP for 2023/24 and are indicated in the tables below:

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.40.1 SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL2	Develop an Implementation Plan for the upgrade of the municipal rental units and submit to Council by 31 May 2024	Implementation Plan developed and submitted to Council for approval	All	1
TL3	Spend 90% of the budget allocated for the maintenance of the municipal rental units by 30 June 2024	% of the budget spent	All	90.00%
TL4	Spend 90% of the budget allocated for the relocation of outside toilets of all properties that were previously owned by government by 30 June 2024	% of the budget spent	All	90.00%
TL6	Implement 12 community development programs at youth centres by 30 June 2024	Number of community development programs implemented	All	12
TL7	Implement 90% of the approved projects linked to the Sustainable Social Development Plan by 30 June 2024	% of approved projects implemented	All	90.00%
TL9	Spend 95% of the Library Grant in accordance with the transfer payment agreement by 30 June 2024	% of grant funding spent	All	95.00%
TL10	Review the Human Settlement Plan and submit to Council for approval by 31 May 2024	Human Settlement Plan submitted to Council for approval	All	1
TL12	Purchase and installation of a modular library at Overhex by 30 June 2024	Project completed	All	1
TL14	Review the Sport Facilities Infrastructure Master Plan and submit to Council for approval by 31 May 2024	Final reviewed Sport Facilities Infrastructure Master Plan submitted to Council for approval	All	1
TL15	Develop a Maintenance Plan for Resorts and Sport Facilities and submit to Council for approval by 31 May 2024	Maintenance Plan developed and submitted for approval	All	1
TL16	Spend 90% of the capital budget linked to the upgrade of the De Wet and Rawsonville Sport Fields by 30 June 2024	% of the budget spent	Roodewal area and Esselen Park	90.00%
TL17	Spend 90% of the electricity capital budget by 30 June 2024	% of the budget spent	All	90.00%
TL18	Spend 90% of the electricity maintenance budget by 30 June 2024	% of the budget spent	All	90.00%
TL19	Spend 90% of the capital budget allocated for the resurfacing of roads by 30 June 2024	% of the budget spent	All	90.00%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL21	Spend 90% of the budget allocated for the upgrade of gravel roads by 30 June 2024	% of the budget spent	All	90.00%
TL22	Complete the construction of the 20ML service reservoir by 31 December 2023	Project completed	All	1
TL23	Complete the upgrade of the Waste Water Treatment Works in Rawsonville by 31 December 2023	Project completed	Part of the centre of Rawsonville and areas towards N1; Part of the centre of Rawsonville and outlying farming community	1
TL24	Complete the traffic circle in High and Louis Lange by 31 December 2023	Project completed	Paglande, Meiringspark, part of Roux Park, De La Bat Way, Fairy Glen, Industrial area	1
TL25	Complete Phase 2 erosion protection at the Hexriver by 31 March 2024	Project completed	The Chessies and part of Worcester south (Zwelethemba); Zwelethemba; Zwelethemba and farms from Overhex, Nonna etc.	1
TL26	Appoint a contractor for the extension of the Waste Water Treatment Works in Touwsrivier by 31 March 2024	Contractor appointed	All	1
TL27	Number of formal residential properties that are billed for water as at 30 June 2024	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	21 480
TL28	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2024	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 885
TL29	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2024	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	19 245
TL30	Number of formal residential properties that are billed for refuse removal as at 30 June 2024	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	19 281

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL31	Provide free basic water to indigent households earning less than R4500 as at 30 June 2024	Number of indigent households receiving free basic water	All	7 500
TL32	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2024	Number of indigent households receiving free basic electricity	All	7 500
TL33	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2024	Number of indigent households receiving free basic sanitation	All	7 500
TL34	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2024	Number of indigent households receiving free basic refuse removal	All	7 500
TL38	Limit unaccounted electricity losses to less than 10% by 30 June 2024	% unaccounted for electricity	All	10.00%
TL39	Limit unaccounted water losses to less than 25% by 30 June 2024	% unaccounted for water	All	25.00%
TL48	Spend 90% of the capital budget allocated towards the fencing of the De Wet cemetery by 30 June 2024	% of the budget spent	Paglande, Meiringspark, part of Roux Park, De La Bat Way, Fairy Glen, Industrial area	90.00%
TL49	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2023/24 financial year	% water quality level per quarter	All	95.00%
TL50	Review the 5-year Water Service Development Plan IDP Water Sector Input Report and submit to Council for consideration by 31 March 2024	Water Service Development Plan IDP Water Sector Input Report submitted to Council for consideration	All	1
TL51	Spend 90% of the budget allocated towards the pipe cracking projects/works by 30 June 2024	% of budget spent	All	90.00%
TL52	80% of sewage samples comply with effluent standard during the 2023/24 financial year	% of sewage samples compliant	All	80.00%
TL53	Spend 90% of the budget allocated towards the improvement of the sewerage system by 30 June 2024	% of budget spent	All	90.00%
TL56	Spend 90% of the budget allocated for the Regional Socio-Economic Programme by 30 June 2024	% of budget spent	All	90.00%

Table: 274 Service delivery priorities for 2023/24: SO1: To provide and maintain basic services and ensure social upliftment of the Breede Valley community



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.40.2 SO2: To create an enabling environment for employment and poverty eradication through proactive economic development and tourism

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL57	The number of FTE's created through the EPWP programme by 30 June 2024	Number of FTE's created through the EPWP programme	All	339
TL61	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2023	Number of SLA's signed	All	4
TL64	Develop a Precinct Plan for informal trade and submit to Council for approval by 28 February 2024	Precinct Plan developed and submitted to Council for approval	All	1

Table: 275 Service delivery priorities for 2023/24: SO2: To create an enabling environment for employment and poverty eradication through proactive economic development and tourism

### 3.40.3 SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL1	Plan & conduct 32 roadblocks by 30 June 2024	Number of roadblocks conducted	All	32
TL5	Spend 90% of the budget allocated to purchase a fire engine and equipment by 30 June 2024	% of the budget spent	All	90.00%
TL8	Conduct 1000 planned inspections in accordance with the Fire Protection Regulations and Fire Safety Bylaw during the 2023/24 financial year	Number of planned inspections conducted	All	1 000
TL13	Spend 90% of the capital budget linked to the construction of the fence of Esslen Park Sport Facility by 30 June 2024	% of the budget spent	Roodewal area and Esselen Park	90.00%
TL20	Spend 90% of the capital budget allocated for the construction of speedhumps in the municipal area by 30 June 2024	% of the budget spent	All	90.00%
TL54	Recycle 80 tonnage of waste by 30 June 2024	Tonnage of waste recycled	All	80
TL55	Plan and host a Waste Minimisation Summit by 30 June 2024	Waste Minimisation Summit planned and hosted	All	1

Table: 276 Service delivery priorities for 2023/24: SO3: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.40.4 SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI Name	Unit of Measurement	Annual Target	Wards
TL63	Review the 5th Generation IDP and submit to Council for approval by 31 May 2024	5th Generation IDP reviewed and submitted to Council for approval	All	1

Table: 277 Service delivery priorities for 2023/24: SO4: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

### 3.40.5 SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL11	Spend 90% of the budget allocated to purchase traffic vehicles	% of the budget spent	All	90.00%
TL58	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2023/24 financial year	Number of people employed in the three highest levels of management	All	2
TL59	Spend 1% of the municipality's personnel budget on implementing its workplace skills plan by 30 June 2024	% of the budget spent	All	1.00%
TL60	Limit vacancy rate to 15% of budgeted posts by 30 June 2024	% vacancy rate	All	15.00%
TL62	Submit a request for approval, to dispose official documents, to the Provincial Archive Services by no later than 30 June 2024	Request for approval submitted to the Provincial Archive Services	All	1
TL65	Spend 90% of the budget allocated for the replacement of ICT equipment by 30 June 2024 {(Total expenditure / total budget approved) X 100}	% of the budget spent	All	90.00%

Table: 278 Service delivery priorities for 2023/24: SO5: Ensure a healthy and productive workforce and an effective and efficient work environment

### 3.40.6 SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL35	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024	% of debt coverage	All	45.00%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL36	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024	% of outstanding service debtors	All	<b>16.50%</b>
TL37	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024	Number of months it takes to cover fix operating expenditure with available cash	All	<b>1.5</b>
TL40	Submit the approved financial statements for 2022/23 to the Auditor-General by 31 August 2023	Approved financial statements for 2022/23 submitted to the AG	All	<b>1</b>
TL41	Achieve a payment percentage of above 95% as at 30 June 2024	% Payment achieved	All	<b>95.00%</b>
TL42	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2024	MGRO Clean Audit Plan submitted	All	<b>1</b>
TL43	Achieve an unqualified audit for the 2022/23 financial year by 31 January 2024	Audit report signed by the Auditor-General for 2022/23	All	<b>1</b>
TL44	Review the Revenue Enhancement Plan and submit to Council for approval by 31 May 2024	Reviewed Revenue Enhancement Plan submitted to Council	All	<b>1</b>
TL45	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2024	RBAP submitted to the Audit Committee	All	<b>1</b>
TL46	Compile a strategic risk report and submit to Council by 31 May 2024	Strategic risk report submitted to Council	All	<b>1</b>
TL47	The percentage of the municipal capital budget spent on capital projects as at 30 June 2024	% of the municipal capital budget spent	All	<b>90.00%</b>

Table: 279      Service delivery priorities for 2023/24: SO6: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices



# Chapter 4

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The following table indicates the Municipality's performance in terms of the national key performance indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the national key performance area – municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2021/22	2022/23
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	<b>2</b>	<b>2</b>
The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	<b>0.73%</b>	<b>0.88%</b>

Table: 280

National KPIs: Municipal Transformation and Organisational Development

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality employs **888** permanent staff members as at 30 June 2022, comprising of section 57 managers and permanent officials and contracted staff, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of human resource management is to render an innovative HR service that addresses both skills development and an administrative function. The position of Director: Public Services was filled in March 2022, however the position became vacant at 30 June 2022 due to the Director's resignation.

#### 4.1.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the: "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

##### a) Employment Equity Targets/Actual

The Monthly Employment Equity Reports during the 2022-2023 period were submitted to the Local Labour Forum for consultation. Furthermore, The EEA2 and EEA4 reports were submitted to the Department of Labour on 13 January 2023.

##### b) Employment Equity vs. Population

Description	Black African	Coloured	Indian or Asian	White	Total
Population numbers	39 555	113 425	474	23 125	176 579
% population	<b>22.4</b>	<b>64.2</b>	<b>0.3</b>	<b>13.1</b>	<b>100</b>

Source: Stats SA – 2016 Community Survey

Table: 281

EE population 2022/23

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### c) Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	4	0	1	0	0	0	0	5
Senior management	6	16	1	5	0	5	0	4	37
Professionally qualified and experienced specialists and mid-management	9	34	0	15	8	15	1	7	89
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	20	83	1	10	15	28	1	13	171
Semi-skilled and discretionary decision making	40	96	0	1	47	97	0	7	288
Unskilled and defined decision making	65	108	0	2	30	58	0	0	263
<b>Grand total</b>	<b>140</b>	<b>341</b>	<b>2</b>	<b>34</b>	<b>100</b>	<b>203</b>	<b>2</b>	<b>31</b>	<b>853</b>

Table: 282

Occupational levels

### 4.1.2 Vacancy rate

The Municipality's approved organogram as at 30 June 2023, pertaining to the 2022/23 financial year, depicted 1 052 budgeted positions (i.e. budgeted vacant- and filled positions as per the staff establishment). Of these 1 052 budgeted positions, a total of 853 were filled, whilst 199 were vacant. An executive decision was taken in the 2022/23 financial year to defer/postpone the recruitment and selection process of 110 budgeted vacancies to 1 July 2023, informed by the financial sustainability and review of the staff establishment. Subsequently, the total budgeted and fillable vacancies for the referenced financial period tallied to 89; whilst the total budgeted, fillable vacancies coupled with filled positions tallied to 942 for the same period.

Considering the above, the 2022/23 vacancy rate as a % of fillable budgeted posts calculated to 9.45%  $[(89 / 942) * 100]$ . The current vacancy rate is significantly below the 15% and can primarily be ascribed to the executive decision taken to defer/postpone the recruitment and selection of 110 funded vacant positions to the new financial year (1 July 2023).

The table below, depicts the number of positions filled (853) as well as the budgeted and fillable vacancies (89) as at 30 June 2023, by occupational- and functional level respectively.

Per occupational level		
Post level	Filled	Vacant
Top management	5	1
Senior management	37	4



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Per occupational level		
Post level	Filled	Vacant
Professionally qualified and experienced specialists and mid- management	89	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	171	16
Semi-skilled and discretionary decision making	288	33
Unskilled and defined decision making	263	32
<b>Total</b>	<b>853</b>	<b>89</b>
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	11	2
Strategic Support Services	53	4
Financial Services	103	5
Community Services	242	7
Engineering Services	66	13
Public Services	378	58
<b>Total</b>	<b>853</b>	<b>89</b>

Table: 283 Vacancy rate per post (salary) and functional level (June 2023)

The table below indicates the number of staff per senior level expressed as total positions and current vacancies as full-time staff equivalents:

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0
Chief Financial Officer	0	1	0
Other Section 57	1	4	25%
Senior Management	4	44	9.1%
<b>Total</b>	<b>5</b>	<b>50</b>	<b>10%</b>

Table: 284 Vacancy rate per senior salary level

### 4.1.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflect the staff turnover rate within the Municipality. The staff turnover rate indicates a slight increase from 5.07% in 2021/22 to 7.62% in 2022/23.

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The table below indicates the staff turnover rate over the last three years:

Financial year	Total number of employees	New appointments	Terminations (excl. internal- and contractual movements) during the year	Staff turnover rate
2020/21	858	47	57	6.64%
2021/22	888	108	45	5.07%
2022/23	853	35	65	7.62%

Table: 285

Staff turnover rate as at 30 June 2023

The table below shows a breakdown of the different categories of terminations:

Month	Appointments			Terminations						
	Appoint ments	Internal move ments	Total*	Retireme nts	Dismissa ls	Resignati ons	Disability	Death	Contract ual move ments	Total
July 2022	2	2	4	3	2	3	1	2	384	395
August 2022	4	3	7	0	1	4	0	2	4	11
September 2022	1	1	2	1	1	0	0	0	10	12
October 2022	5	1	6	1	0	2	0	0	13	16
November 2022	1	0	1	0	5	1	1	0	20	27
December 2022	1	3	4	2	0	2	1	1	32	38
January 2023	1	2	3	1	0	3	0	1	13	18
February 2023	2	0	2	0	1	5	0	0	25	31
March 2023	0	0	0	1	3	2	2	0	16	24
April 2023	2	0	2	2	0	0	0	0	10	12
May 2023	0	1		0	1	1	1	1	71	75
June 2023	1	2	3	3	1	0	0	0	14	18
<b>Total</b>	<b>20</b>	<b>15</b>	<b>35</b>	<b>14</b>	<b>15</b>	<b>23</b>	<b>6</b>	<b>7</b>	<b>612</b>	<b>677</b>

\*The totals depicted, are aligned to the number of appointments per month and over the reporting period. The internal movements are included in the appointments, and should therefore not be summed horizontally

Table: 286

Termination categories

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### 4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

#### 4.2.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury may result in a loss of man hours and therefore adversely impact financial and productivity performance.

A total of 61 injuries were reported during the period under review, which marks an increase in the number of injuries in comparison to the prior reporting period (i.e. 58 in 2021/22).

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2020/21	2021/22
Municipal Manager	0	0
Strategic Support Services	2	0
Financial Services	4	5
Community Services	5	13
Engineering Service	10	4
Public Services	37	39
<b>Total</b>	<b>58</b>	<b>61</b>

Table: 287 Injuries

Injuries in Community Services and Public Services increased due to (amongst others) a limited number of monthly safety meetings held in the 2022/23 financial period. Lack of safety meetings and trainings may result in staff being unaware and ill-informed of fundamental occupational health & safety practices that must be adhered to during the execution of operational duties.

#### 4.2.2 Sick leave

The number of days sick leave taken by employees has adverse service delivery and cost implications. Regular monitoring of sick leave enables the user departments and HR to proactively identify certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates that the total number of sick leave days taken has decreased during the 2022/23 financial year when compared with the 2021/22 financial year:

Department	2021/22	2022/23
Municipal Manager	63.5	91.5

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Department	2021/22	2022/23
Strategic Support Services	863	852
Financial Services	1 337.5	1 388.5
Community Services	2 839	2 544.5
Public Services	5 056.5	4 868
Engineering Services	289.5	131
<b>Total</b>	<b>10 449</b>	<b>9 875.5</b>

Table: 288

Sick leave

Any evidence which would give an indication of the possible abuse of sick leave should be regarded as very serious by line management. It is imperative for line management to investigate and seek advice from Human Resources with regards to the manner in which it should be dealt with.

The typical indicators of possible abuse of sick leave are as follows, even though each case should be treated on its own merits:

- Sick leave on almost every pay-day or the Monday after pay-day
- Sick leave before or after annual leave
- Sick leave during school holidays
- Regular single day sick leave, especially on a Friday or Monday
- Regular sick leave (day or two days) during each month and/or sick leave before or after a public holiday
- Delay in disability claims

The sick leave pattern of employees has an impact on service delivery backlogs and the costs associated with sick leave delay production at work. During periods of sick leave, it creates additional stress on other employees who have to perform at a higher level of productivity in order to ensure minimal losses on service delivery. The additional resulting impact of excessive sick leave patterns are that staff will have to work overtime and/or will be required to act on behalf of the absent employee. This could result in excessive financial expenditure.

It is critical that proper consultation with the staff member concerned is held to ensure that conclusions are not drawn without ensuring that all the facts are considered. It is important that staff are made aware of the standard of conduct required of them with regards to attending work regularly and discussing your concerns regarding the sick leave pattern with the employee.

The leave section within the Human Resources Department ensures that line management receives a monthly printout of the employees who, in terms of their records are possible sick leave abusers, for further investigation.

Counselling sessions are conducted with employees, recorded and the necessary documentation placed on the personnel files.

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### 4.2.3 HR policies and plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the human resource policies and plans that are approved and that still needs to be developed:

Approved policies		
Name of policy	Status	Responsible department
Acting Allowance Policy	Approved	Strategic Support Services
Attendance and Punctuality Policy	Approved	Strategic Support Services
Employee under the Influence of Intoxicating Substances Policy	Approved	Strategic Support Services
Employment Equity Policy	Approved	Strategic Support Services
Employee Transfer Policy	Approved	Strategic Support Services
Exit Management Policy	Approved	Strategic Support Services
HIV and AIDS Policy	Approved	Strategic Support Services
Incapacity due to Ill Health/Injury Policy	Approved	Strategic Support Services
Incapacity due to Poor Work Performance Policy	Approved	Strategic Support Services
Induction & Onboarding Policy	Approved	Strategic Support Services
Legal Aid Policy	Approved	Strategic Support Services
Occupational Health and Safety Policy	Approved	Strategic Support Services
Overtime Policy	Approved	Strategic Support Services
Organisational Performance Management Policy Framework	Approved	Strategic Support Services
Personnel Protective Equipment Policy	Approved	Strategic Support Services
Probation Policy	Approved	Strategic Support Services
Recruitment and Selection Policy	Approved	Strategic Support Services
Relocation Policy	Approved	Strategic Support Services
Sexual Harassment Policy	Approved	Strategic Support Services
Smoking Policy	Approved	Strategic Support Services
Standby Allowance Policy	Approved	Strategic Support Services
Study Aid for Employees and Study Leave Policy	Approved	Strategic Support Services
Succession Planning Policy	Approved	Strategic Support Services
Telephone and Mobile Communication Devices Policy	Approved	Strategic Support Services
Training and Development Policy	Approved	Strategic Support Services
Transport Allowance Policy	Approved	Strategic Support Services

Table: 289

Approved HR policies

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Policies in process of development/review	
Bursary Policy (Circulating)	Strategic Support Services
Essential Users Scheme Policy (Developing)	Strategic Support Services
Attendance and Punctuality Policy (Reviewing)	Strategic Support Services
Recruitment and Selection Policy (Reviewing)	Strategic Support Services
Rewards and Recognition Policy (Development by SALGA)	Strategic Support Services
Personnel Protective Equipment Policy [PPE] (Reviewing)	Strategic Support Services

Table: 290 HR policies in process of development/review

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

#### 4.3.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S56 and Senior management	Female	7	8
	Male	22	33
Professionals	Female	18	23
	Male	16	24
Technicians and Trade workers	Female	28	12
	Male	71	50
Clerks	Female	139	51
	Male	43	16
Service and sales workers	Female	31	11
	Male	85	45
Plant and machine operators and assemblers	Female	1	1
	Male	45	19
Elementary occupations	Female	58	26
	Male	115	65
Sub total	Female	282	132
	Male	397	252
Total		648	679

Table: 291 Skills matrix



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The supply chain process is lengthy, and it is difficult to get accredited training providers in the different training needs that were prioritised in the Skills Development Plan for the 2022/23 financial year.

The following training was implemented:

Type of training	Details
Formal Qualifications	Bursaries given to employees to achieve their qualifications
Water Reticulation NQF 2, 3 & 4	Water related training to ensure that our staff at Water & Bulk Water Services are adequately trained
Cherry Picker	Training of staff to get their permits to operate the cherry picker
Code EC1 Driver's License	Training staff to safely drive the compactors and heavy vehicles of the Municipality
Maintenance and Repairs of Small Plant	Fixing of brush cutters and other machinery
Plumbing Trade Test	Staff to be qualified as plumbers
High Angle Rescue	Firefighters trained on various high angle rescue techniques
Digger Loader	Staff trained and received permits to operate the digger loaders
Hazard Identification Risk Assessment	Supervisors trained to have a safe and healthy work environment
OHRVS	Necessary training for electrical staff
Examiner of Driver's License	Traffic officers trained
Confined Space Entry	Staff trained to safely enter confined spaces when doing their functions
Truck Mounted Crane	Staff trained to operate the cranes mounted on trucks
ABET	Matriculant qualification training

Table: 292 Details of training implemented

### 4.3.2 Skills development: Training provided

The Skills Development Act (1998) and the Municipal Systems Act (2000) require employers to supply employees with the necessary training to develop its human resource capacity. Section 55(1) (f) states that as head of the administration the Municipal Manager is responsible for the management, utilisation, and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and Senior Managers	Female	7	0	0	8	7	8	7	114%
	Male	35	0	0	33	22	33	22	150%

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
Professionals	Female	36	0	0	23	18	23	18	127%
	Male	43	0	0	24	16	24	16	150%
Technicians and Trade workers	Female	44	0	0	12	28	12	28	42%
	Male	105	0	0	50	71	50	71	70%
Clerks	Female	105	0	0	51	139	51	139	36%
	Male	42	0	0	16	43	16	43	37%
Service and sales workers	Female		0	0	11	31	11	31	35%
	Male		0	0	45	85	45	85	53%
Plant and machine operators and assemblers	Female	4	0	0	1	1	1	1	100%
	Male	42	0	0	19	45	19	45	42%
Elementary occupations	Female	92	0	0	26	58	26	58	44%
	Male	173	0	0	65	115	65	115	56%
<b>Sub total</b>	<b>Female</b>	<b>288</b>	<b>0</b>	<b>0</b>	<b>132</b>	<b>282</b>	<b>132</b>	<b>282</b>	<b>47%</b>
	<b>Male</b>	<b>440</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>397</b>	<b>252</b>	<b>397</b>	<b>63%</b>
<b>Total</b>		<b>728</b>	<b>0</b>	<b>0</b>	<b>384</b>	<b>679</b>	<b>384</b>	<b>679</b>	<b>57%</b>

Table: 293

Skills development

### 4.3.3 Skills development: Budget allocation

The table below indicates that a total amount of R3 830 000 was allocated to the Workplace Skills Plan and that 84% of the total amount was spent in the 2022/23 financial year:

Total personnel budget (excluding remuneration of Councillors) R	Total allocated R	Total spent R	% Spent
366 508 244	3 830 000	3 217 386.93	84

Table: 294

Budget allocated and spent for skills development

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Schedules SA22 and SA23.

#### 4.4.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2021/22	353 442	1 136 012	31.1
2022/23	385 318	1 236 610	31.2

Table: 295 Personnel expenditure

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2021/22	2022/23		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (Political office bearers plus other)				
Salary	14 752	15 819	16 159	15 345
Pension contributions	1 125	1 183	1 217	1 168
Medical aid contributions	237	244	212	228
Motor vehicle allowance	520	482	412	389
Cell phone allowance	1 651	1 673	1 673	1 670
Housing allowance	0	0	0	0
Other benefits or allowances	30	148	0	267
In-kind benefits	0	0	0	0
Subtotal – Councillors	18 315	19 549	19 673	19 066
% increase/(decrease)		6.7%	7.4%	4.1%
Senior Managers				
Salary	5 741	8 711	8 408	5 822
Pension contributions	601	986	801	659
Medical aid contributions	99	104	106	45
Motor vehicle allowance	1 333	1 327	1 332	1 507

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Financial year	2021/22	2022/23		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Cell phone allowance	486	245	346	288
Housing allowance	0	0	0	0
Performance bonus	0	0	0	0
Other benefits or allowances	385	176	332	243
In-kind benefits	0	0	0	0
<b>Subtotal - Senior managers</b>	<b>8 645</b>	<b>11 549</b>	<b>11 324</b>	<b>8 564</b>
<b>% increase/(decrease)</b>		<b>33.6%</b>	<b>31.0%</b>	<b>-0.9%</b>
<b>Other municipal staff</b>				
Basic salaries and wages	200 024	232 684	212 582	204 717
Pension contributions	36 514	43 973	41 968	38 540
Medical aid contributions	20 784	26 191	24 468	22 005
Overtime	23 888	0	16 400	24 355
Motor vehicle allowance	9 131	10 030	10 136	9 789
Cell phone allowance	1 378	1 365	1 375	1 362
Housing allowance	1 613	1 846	1 852	1 680
Other benefits or allowances	26 452	23 158	25 574	28 171
Long service awards	0	0	14 000	20 251
Post-retirement benefit obligations	6 697	0	6 828	6 818
<b>Subtotal - Other municipal staff</b>	<b>326 481</b>	<b>339 247</b>	<b>355 184</b>	<b>357 687</b>
<b>% increase/ (decrease)</b>		<b>3.9%</b>	<b>8.8%</b>	<b>9.6%</b>
<b>Total Municipality</b>	<b>353 442</b>	<b>370 344</b>	<b>386 181</b>	<b>385 318</b>
<b>% increase/(decrease)</b>		<b>4.8%</b>	<b>9.3%</b>	<b>9.0%</b>

Table: 296

Personnel expenditure



# Chapter 5

## CHAPTER 5: FINANCIAL PERFORMANCE

### Component A: Statement of Financial Performance

The statement of financial performance provides an overview of the financial performance and focuses on the financial health of the Municipality.

#### 5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2022/23 financial year:

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Financial Performance						
Exchange Revenue	771 739	806 686	820 921	777 768	-3.58	-5.26
Service charges - Electricity	492 826	536 542	536 542	474 632	-11.54	-11.54
Service charges - Water	104 101	98 700	103 891	105 610	7.00	1.66
Service charges - Waste Water Management	84 271	79 917	85 495	90 274	12.96	5.59
Service charges - Waste management	43 844	46 407	46 407	46 941	1.15	1.15
Sale of Goods and Rendering of Services	5 639	3 757	3 757	5 521	46.93	46.93
Agency services	9 061	9 436	9 436	9 463	0.29	0.29
Interest other	-259	0	0	0	0.00	0.00
Interest earned from Receivables	8 032	8 431	11 327	13 266	57.36	17.12
Interest earned from Current and Non Current Assets	11 227	10 686	12 823	14 384	34.60	12.17
Dividends	0	0	0	0	0.00	0.00
Rent on Land	0	1 567	0	0	-100.00	0.00
Rental from Fixed Assets	8 178	6 489	6 489	7 478	15.25	15.25
Licence and permits	0	0	0	0	0.00	0.00
Operational Revenue	4 818	4 754	4 754	10 197	114.50	114.50
Non-Exchange Revenue	360 508	583 787	587 091	494 314	-15.33	-15.80
Property rates	173 037	175 223	175 223	180 018	2.74	2.74
Surcharges and Taxes	0	0	0	0	0.00	0.00
Fines, penalties and forfeits	28 741	230 513	230 513	94 924	-58.82	-58.82
Licence and permits	2 619	4 056	2 050	3 123	-22.99	52.36
Transfer and subsidies - Operational	153 754	171 058	175 605	171 643	0.34	-2.26
Interest	1 782	1 539	2 301	2 785	80.92	21.01
Fuel Levy	0	0	0	0	0.00	0.00
Operational Revenue	0	0	0	0	0.00	0.00
Gains on disposal of Assets	56	1 399	1 399	118	-91.57	-91.57
Other Gains	519	0	-0	41 703	100.00	100.00



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Discontinued Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 132 247</b>	<b>1 390 473</b>	<b>1 408 012</b>	<b>1 272 082</b>	<b>-8.51</b>	<b>-9.65</b>
Employee related costs	335 127	350 795	366 508	366 251	4.41	-0.07
Remuneration of councillors	18 315	19 549	19 673	19 066	-2.47	-3.08
Bulk purchases - electricity	383 068	422 897	400 111	372 993	-11.80	-6.78
Inventory consumed	41 188	39 422	53 064	51 173	29.81	-3.56
Debt impairment	80 796	198 239	198 239	116 518	-41.22	-41.22
Depreciation and amortisation	88 566	100 988	100 988	94 571	-6.35	-6.35
Interest Charges	20 974	38 001	38 001	19 437	-48.85	-48.85
Contracted services	96 851	104 978	120 155	112 150	6.83	-6.66
Transfers and subsidies	3 767	6 872	10 114	3 419	-50.24	-66.20
Irrecoverable debts written off	0	17	17	0	-100.00	-100.00
Operational costs	50 713	70 227	84 284	78 857	12.29	-6.44
Losses on Disposal of Assets	2 141	3 703	3 703	741	-79.99	-79.99
Other Losses	519	63	2 063	1 434	2194.40	-30.47
<b>Total Expenditure</b>	<b>1 122 025</b>	<b>1 355 751</b>	<b>1 396 920</b>	<b>1 236 610</b>	<b>-8.79</b>	<b>-11.48</b>
<b>Surplus/(Deficit)</b>	<b>10 222</b>	<b>34 722</b>	<b>11 092</b>	<b>35 472</b>	<b>2.16</b>	<b>219.78</b>
Transfers recognised - capital	55 756	70 138	81 473	67 525	-3.73	-17.12
Contributions recognised - capital & contributed assets	0	0	17 918	17 917	0.00	0.00
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>65 978</b>	<b>104 860</b>	<b>110 483</b>	<b>120 914</b>	<b>15.31</b>	<b>9.44</b>
<b><u>Capital expenditure &amp; funds sources</u></b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	55 755	70 138	99 390	85 442	21.82	-14.03
Public contributions & donations	0	0	0	0	0.00	0.00
Borrowing	0	146 238	180 328	104 458	-28.57	-42.07
Internally generated funds	87 342	102 174	130 108	80 918	-20.80	-37.81
<b>Total sources of capital funds</b>	<b>143 097</b>	<b>318 550</b>	<b>409 826</b>	<b>270 819</b>	<b>-14.98</b>	<b>-33.92</b>
<b><u>Financial position</u></b>						
Total current assets	328 256	267 426	210 934	334 772	25.18	58.71
Total non-current assets	2 506 251	2 682 117	2 797 935	2 703 269	0.79	-3.38
Total current liabilities	203 114	154 220	154 220	198 949	29.00	29.00
Total non-current liabilities	378 362	581 169	581 169	464 488	-20.08	-20.08
Community wealth/Equity	2 253 031	2 214 154	2 273 479	2 374 604	7.25	4.45

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b><u>Cash flows</u></b>						
Net cash from (used) operating	138 273	142 598	125 818	114 947	-19.39	-8.64
Net cash from (used) investing	-125 711	-318 500	-409 196	-150 848	-52.64	-63.14
Net cash from (used) financing	-12 820	127 653	161 743	95 565	-25.14	-40.92
<b>Cash/cash equivalents at the year end</b>	<b>-258</b>	<b>-48 248</b>	<b>-121 635</b>	<b>59 664</b>	<b>-223.66</b>	<b>-149.05</b>
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	89 089	101 765	57 454	103 777	1.98	80.63
Application of cash and investments	60 265	18 161	27 868	44 976	147.66	61.39
<b>Balance - surplus (shortfall)</b>	<b>149 355</b>	<b>119 926</b>	<b>85 322</b>	<b>148 753</b>	<b>24.04</b>	<b>74.34</b>
<b><u>Asset management</u></b>						
Asset register summary (WDV)	2 503 638	2 678 902	2 747 873	2 698 000	0.71	-1.81
Depreciation & asset impairment	88 566	100 988	100 988	94 571	-6.35	-6.35
Renewal of Existing Assets	26 276	51 504	110 198	72 664	41.09	-34.06
Repairs and Maintenance	60 900	67 715	87 817	76 832	13.46	-12.51
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	51 316	67 413	67 413	54 637	-18.95	-18.95
Revenue cost of free services provided	7 697	35 514	35 514	8 196	-76.92	-76.92
<b><u>Households below minimum service level</u></b>						
Water:	0	0	0	0	0.00	0.00
Sanitation/sewerage:	0	0	0	0	0.00	0.00
Energy:	0	0	0	0	0.00	0.00
Refuse:	0	0	0	0	0.00	0.00
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1.</i>						

Table: 297

Financial performance 2022/23

The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2021/22	1 363 337	1 188 003	-175 334	-13	1 321 564	1 122 025	199 539	15
2022/23	1 507 403	1 357 524	-149 879	-10	1 396 920	1 236 610	160 309	11

Table: 298

Performance against budgets

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustment budget
	R'000			%		
Vote 1 - Council General	510	118	118	739	525.05	525.05
Vote 2 - Municipal Manager	500	500	500	500	0.00	0.00
Vote 3 - Strategic Support Services	1 276	1 244	1 257	1 024	-17.70	-18.57
Vote 4 - Financial Services	231 224	236 559	243 884	280 419	18.54	14.98
Vote 5 - Community Services	79 632	294 602	312 895	184 098	-37.51	-41.16
Vote 6 - Technical Services	0	0	0	0	0.00	0.00
Vote 7 - Engineering Services	523 655	565 252	565 252	506 514	-10.39	-10.39
Vote 8 - Public Services	351 208	362 335	383 496	384 231	6.04	0.19
<b>Total revenue by vote</b>	<b>1 188 003</b>	<b>1 460 611</b>	<b>1 507 403</b>	<b>1 357 524</b>	<b>-7.06</b>	<b>-9.94</b>

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget*

Table: 299

Revenue by vote

### 5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2022/23 financial year:

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<b>Exchange Revenue</b>	<b>771 739</b>	<b>806 686</b>	<b>820 921</b>	<b>777 768</b>	<b>-3.58</b>	<b>-5.26</b>
Service charges - Electricity	492 826	536 542	536 542	474 632	-11.54	-11.54
Service charges - Water	104 101	98 700	103 891	105 610	7.00	1.66
Service charges - Waste Water Management	84 271	79 917	85 495	90 274	12.96	5.59
Service charges - Waste management	43 844	46 407	46 407	46 941	1.15	1.15
Sale of Goods and Rendering of Services	5 639	3 757	3 757	5 521	46.93	46.93
Agency services	9 061	9 436	9 436	9 463	0.29	0.29
Interest other	(259)	0	0	0	0.00	0.00
Interest earned from Receivables	8 032	8 431	11 327	13 266	57.36	17.12
Interest earned from Current and Non Current Assets	11 227	10 686	12 823	14 384	34.60	12.17
Dividends	0	0	0	0	0.00	0.00
Rent on Land	0	1 567	0	0	-100.00	0.00

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Rental from Fixed Assets	8 178	6 489	6 489	7 478	15.25	15.25
Licence and permits	0	0	0	0	0.00	0.00
Operational Revenue	4 818	4 754	4 754	10 197	114.50	114.50
<b>Non-Exchange Revenue</b>	<b>360 508</b>	<b>583 787</b>	<b>587 091</b>	<b>494 314</b>	<b>-15.33</b>	<b>-15.80</b>
Property rates	173 037	175 223	175 223	180 018	2.74	2.74
Surcharges and Taxes	0	0	0	0	0.00	0.00
Fines, penalties and forfeits	28 741	230 513	230 513	94 924	-58.82	-58.82
Licence and permits	2 619	4 056	2 050	3 123	-22.99	52.36
Transfer and subsidies - Operational	153 754	171 058	175 605	171 643	0.34	-2.26
Interest	1 782	1 539	2 301	2 785	80.92	21.01
Fuel Levy	0	0	0	0	0.00	0.00
Operational Revenue	0	0	0	0	0.00	0.00
Gains on disposal of Assets	56	1 399	1 399	118	-91.57	-91.57
Other Gains	519	0	(0)	41 703	100.00	100.00
<b>Discontinued Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 132 247</b>	<b>1 390 473</b>	<b>1 408 012</b>	<b>1 272 082</b>	<b>-8.51</b>	<b>-9.65</b>

Table: 300

Revenue by source

### 5.1.3 Operational services performance

The table below indicates the operational services performance for the 2022/23 financial year:

Vote description	2021/22	2022/23			2022/23 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Operating cost						
Governance and administration	16 701	-17 843	-38 861	37 197	-308.47	-195.72
Executive and council	-35 108	-35 818	-35 595	-35 327	-1.37	-0.75
Finance and administration	55 308	22 357	619	76 282	241.20	12229.07
Internal audit	-3 500	-4 382	-3 884	-3 757	-14.27	-3.28
Community and public safety	-89 747	-32 968	-18 934	-56 938	72.71	200.71
Community and social services	-18 240	-19 200	-28 204	-24 601	28.13	-12.77
Sport and recreation	-24 841	-18 484	-25 233	-30 352	64.21	20.29

## CHAPTER 5: FINANCIAL PERFORMANCE

Vote description	2021/22	2022/23			2022/23 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Public safety	-48 590	4 706	14 110	-39 131	-931.50	-377.33
Housing	2 008	100	20 483	37 228	37086.78	81.75
Health	-83	-91	-91	-83	-8.57	-8.57
<b>Economic and environmental services</b>	<b>-45 316</b>	<b>-69 492</b>	<b>-66 042</b>	<b>-57 333</b>	<b>-17.50</b>	<b>-13.19</b>
Planning and development	-16 220	-17 790	-17 699	-16 704	-6.11	-5.63
Road transport	-28 951	-51 313	-47 561	-40 179	-21.70	-15.52
Environmental protection	-145	-389	-782	-450	15.71	-42.41
<b>Trading services</b>	<b>184 645</b>	<b>226 058</b>	<b>235 029</b>	<b>198 386</b>	<b>-12.24</b>	<b>-15.59</b>
Energy sources	38 981	58 930	49 420	47 015	-20.22	-4.87
Water management	79 086	56 631	79 728	81 766	44.38	2.56
Waste water management	47 839	86 693	94 388	57 296	-33.91	-39.30
Waste management	18 738	23 805	11 492	12 309	-48.29	7.11
<b>Other</b>	<b>-305</b>	<b>-895</b>	<b>-709</b>	<b>-399</b>	<b>-55.48</b>	<b>-43.78</b>
<b>Total expenditure</b>	<b>65 978</b>	<b>104 860</b>	<b>110 483</b>	<b>120 914</b>	<b>15.31</b>	<b>9.44</b>
<i>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table: 301

Operational services performance

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

### 5.2.1 Executive and Council

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>510</b>	<b>118</b>	<b>618</b>	<b>739</b>	<b>19.51</b>
<b>Expenditure:</b>					
Employees	9 342	898	8 378	10 346	23.49
Contracted Services	789	2 259	2 313	91	-96.05
Other	25 487	32 779	25 522	25 629	0.42
<b>Total operational expenditure</b>	<b>35 617</b>	<b>35 936</b>	<b>36 213</b>	<b>36 066</b>	<b>-0.41</b>
<b>Net Operational (Service)</b>	<b>-35 108</b>	<b>-35 818</b>	<b>-35 595</b>	<b>-35 327</b>	<b>-0.75</b>

Table: 302

Financial performance: Executive and Council

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.2 Finance and Administration

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>235 776</b>	<b>240 927</b>	<b>246 384</b>	<b>287 834</b>	<b>16.82</b>
<b>Expenditure:</b>					
Employees	94 222	105 580	105 813	102 159	-3.45
Contracted Services	31 294	46 539	49 751	39 938	-19.72
Other	54 951	66 451	90 201	69 455	-23.00
<b>Total Operational Expenditure</b>	<b>180 467</b>	<b>218 570</b>	<b>245 765</b>	<b>211 553</b>	<b>-13.92</b>
<b>Net Operational (Service)</b>	<b>55 308</b>	<b>22 357</b>	<b>619</b>	<b>76 282</b>	<b>12229.07</b>

Table: 303

Financial performance: Finance and administration

### 5.2.3 Internal Audit

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total operational revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	3 448	4 096	3 616	3 630	0.38
Repairs and maintenance	95	111	111	94	-15.40
Other	-43	175	157	34	-78.65
<b>Total operational expenditure</b>	<b>3 500</b>	<b>4 382</b>	<b>3 884</b>	<b>3 757</b>	<b>-3.28</b>
<b>Net Operational (Service)</b>	<b>-3 500</b>	<b>-4 382</b>	<b>-3 884</b>	<b>-3 757</b>	<b>-3.28</b>

Table: 304

Financial performance: Internal audit

### 5.2.4 Community and Social Services

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>12 694</b>	<b>12 459</b>	<b>12 619</b>	<b>13 290</b>	<b>5.32</b>
<b>Expenditure:</b>					
Employees	21 154	22 751	25 677	23 828	-7.20
Contracted Services	3 049	6 053	4 764	4 434	-6.93
Other	6 731	2 855	10 382	9 630	-7.25



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Expenditure	30 934	31 659	40 823	37 891	-7.18
Net Operational (Service)	-18 240	-19 200	-28 204	-24 601	-12.77

Table: 305

Financial performance: Community and social services

### 5.2.5 Sport and Recreation

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	3 911	9 249	9 249	3 818	-58.72
<b>Expenditure:</b>					
Employees	19 281	21 009	26 337	20 836	-20.89
Contracted Services	4 917	2 349	2 112	6 379	201.99
Other	4 555	4 375	6 033	6 956	15.30
Total Operational Expenditure	28 753	27 733	34 482	34 170	-0.91
Net Operational (Service)	-24 841	-18 484	-25 233	-30 352	20.29

Table: 306

Financial performance: Sport and recreation

### 5.2.6 Public Safety

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	30 467	230 822	231 299	97 329	-57.92
<b>Expenditure:</b>					
Employees	50 109	49 630	49 638	55 388	11.58
Contracted Services	451	701	4 785	4 076	-14.82
Other	28 497	175 785	162 766	76 997	-52.69
Total Operational Expenditure	79 058	226 116	217 189	136 460	-37.17
Net Operational (Service)	-48 590	4 706	14 110	-39 131	-377.33

Table: 307

Financial performance: Public safety

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.7 Housing

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>21 579</b>	<b>28 695</b>	<b>47 107</b>	<b>56 606</b>	<b>20.17</b>
<b>Expenditure:</b>					
Employees	4 916	5 221	5 549	5 479	-1.26
Contracted Services	3 242	9 551	3 628	3 587	-1.15
Other	11 413	13 822	17 447	10 313	-40.89
<b>Total Operational Expenditure</b>	<b>19 571</b>	<b>28 595</b>	<b>26 624</b>	<b>19 378</b>	<b>-27.21</b>
<b>Net Operational (Service)</b>	<b>2 008</b>	<b>100</b>	<b>20 483</b>	<b>37 228</b>	<b>81.75</b>

Table: 308 Financial performance: Housing

### 5.2.8 Health

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	0	0	0	0	0
Contracted Services	0	0	0	0	0
Other	83	91	91	91	-8.57
<b>Total Operational Expenditure</b>	<b>83</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>-8.57</b>
<b>Net Operational (Service)</b>	<b>(83)</b>	<b>-91</b>	<b>-91</b>	<b>-91</b>	<b>-8.57</b>

Table: 309 Financial performance: Health

### 5.2.9 Planning and Development

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2 119</b>	<b>2 226</b>	<b>2 226</b>	<b>2 515</b>	<b>12.96</b>
<b>Expenditure:</b>					
Employees	15 020	16 658	16 210	15 759	-2.78
Contracted Services	1 636	1 332	1 525	1 397	-8.39
Other	1 683	2 026	2 191	2 063	-5.83

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Expenditure	18 339	20 016	19 926	19 218	-3.55
Net Operational (Service)	-16 220	-17 790	-17 699	-16 704	-5.63

Table: 310

Financial performance: Planning and development

### 5.2.10 Road Transport

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	26 239	14 169	13 214	19 710	49.16
<b>Expenditure:</b>					
Employees	20 922	26 270	24 074	23 502	-2.38
Contracted Services	4 224	4 083	4 835	4 452	-7.93
Other	30 044	35 129	31 866	31 935	0.22
Total Operational Expenditure	55 190	65 482	60 775	59 889	-1.46
Net Operational (Service)	-28 951	-51 313	-47 561	-40 179	-15.52

Table: 311

Financial performance: Road transport

### 5.2.11 Environmental Protection

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
<b>Expenditure:</b>					
Employees	0	0	400	225	-43.81
Contracted Services	222	112	105	61	-41.79
Other	-77	277	277	165	-40.61
Total Operational Expenditure	145	389	782	450	-42.41
Net Operational (Service)	-145	-389	-782	-450	-42.41

Table: 312

Financial performance: Environmental protection

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.12 Energy Sources

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>536 914</b>	<b>565 318</b>	<b>565 318</b>	<b>536 727</b>	<b>-5.06</b>
<b>Expenditure:</b>					
Employees	38 726	38 659	38 415	43 409	13.00
Contracted Services	15 763	13 416	18 992	17 760	-6.48
Other	443 444	454 313	458 491	428 542	-6.53
<b>Total Operational Expenditure</b>	<b>497 933</b>	<b>506 388</b>	<b>515 898</b>	<b>489 712</b>	<b>-5.08</b>
<b>Net Operational (Service)</b>	<b>38 981</b>	<b>58 930</b>	<b>49 420</b>	<b>47 015</b>	<b>-4.87</b>

Table: 313 Financial performance: Energy sources

### 5.2.13 Water Management

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>124 307</b>	<b>126 788</b>	<b>132 678</b>	<b>131 118</b>	<b>-1.18</b>
<b>Expenditure:</b>					
Employees	12 339	13 499	14 126	13 674	-3.21
Contracted Services	2 141	2 651	2 645	2 548	-3.69
Other	30 740	54 007	36 178	33 130	-8.43
<b>Total Operational Expenditure</b>	<b>45 220</b>	<b>70 157</b>	<b>52 950</b>	<b>49 351</b>	<b>-6.80</b>
<b>Net Operational (Service)</b>	<b>79 086</b>	<b>56 631</b>	<b>79 728</b>	<b>81 766</b>	<b>2.56</b>

Table: 314 Financial performance: Water management

### 5.2.14 Waste Water Management

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>128 833</b>	<b>160 679</b>	<b>177 516</b>	<b>138 551</b>	<b>-21.95</b>
<b>Expenditure:</b>					
Employees	23 230	24 580	24 681	24 106	-2.33
Contracted Services	16 160	10 361	17 857	16 745	-6.23
Other	41 604	39 045	40 590	40 404	-0.46

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Expenditure	80 994	73 986	83 128	81 255	-2.25
Net Operational (Service)	47 839	86 693	94 388	57 296	-39.30

Table: 315

Financial performance: Waste water management

### 5.2.15 Waste Management

Description	2020/21	2021/22			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	64 568	69 161	69 161	69 274	0.16
<b>Expenditure:</b>					
Employees	22 417	21 944	23 594	23 846	1.07
Contracted Services	12 816	5 249	6 383	10 583	65.80
Other	10 598	18 164	27 693	22 536	-18.62
Total Operational Expenditure	45 830	45 356	57 669	56 965	-1.22
Net Operational (Service)	18 738	23 805	11 492	12 309	7.11

Table: 316

Financial performance: Waste management

### 5.2.16 Other

Description	2021/22	2022/23			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	87	0	13	13	0.00
<b>Expenditure:</b>					
Employees	0	0	0	67	0.00
Contracted Services	52	211	350	6	-98.28
Other	340	684	372	338	-9.13
Total Operational Expenditure	392	895	722	412	-42.99
Net Operational (Service)	-305	-895	-709	-399	-43.78

Table: 317

Financial performance: Other

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.3 GRANTS

#### 5.3.1 Grant performance

The table below indicates the grant performance for the 2022/23 financial year:

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>193 327</b>	<b>221 767</b>	<b>232 077</b>	<b>222 618</b>	0.38	-4.08
Equitable share	131 552	147 822	147 822	147 822	0.00	0.00
Expanded Public Works Programme	2 965	3 301	3 301	3 301	0.00	0.00
MIG - Project Management Unit	36 260	44 987	44 987	44 987	0.00	0.00
Electricity Integrated National electrification project	21 000	15 000	15 000	14 999	0.00	0.00
Energy Efficiency and Demand-Side Management Grant	0	4 000	4 000	3 752	0.00	-6.20
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
Water Services Infrastructure Grant	0	5 107	5 107	4 275	0.00	-16.28
Municipal Disaster Recovery Grant	0	0	10 310	1 930	0.00	-81.28
<b>Provincial Government:</b>	<b>13 685</b>	<b>18 309</b>	<b>22 881</b>	<b>19 089</b>	4.26	-16.57
Title Deeds	0	0	2 505	2 866	0.00	14.40
Proclaimed roads	90	190	190	96	-49.73	-49.73
Local Government Internship grant	0	0	0	0	0.00	0.00
Municipal Accreditation and capacity building grant	450	513	440	513	0.00	16.59
Library Grant	10 777	11 114	11 256	11 254	1.26	-0.01
Local Gov Public Employer Support grant	0	0	0	0	0.00	0.00
Financial Management Support Grant	0	0	0	0	0.00	0.00
Disaster Management grant	58	118	215	200	0.00	0.00
Housing	373	5 330	5 488	0	-100.00	-100.00
Thusong centre	150	150	150	150	0.00	0.00
CDW grant	18	94	188	119	0.00	-36.77
RSEP Projects	69	800	800	921	15.09	15.09



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
LG Public Employment Support Grant	1 700	0	0	1 700	0.00	0.00
Municipal Water Resilience Grant	0	0	700	321	0.00	-54.16
Emergency Municipal Load-Shedding Relief Grant	0	0	950	950	0.00	0.00
<b>Other grant providers:</b>	<b>1 720</b>	<b>1 120</b>	<b>20 037</b>	<b>19 659</b>	1655.27	-1.88
Seta	704	500	500	704	0.00	0.00
Cape Winelands District Municipality	587	620	1 500	1 038	0.00	0.00
Fire Service capacity	0	0	120	0	0.00	-100.00
Private Enterprise: Donated Assets	0	0	19	19	0.00	0.00
CWD donated assets	429	0	548	548	0.00	0.00
Provincial Government: Donated Assets	0	0	17 350	17 350	0.00	0.00
Donated assets - capital portion	0	0	0	0	0.00	0.00
<b>Total Operating Transfers and Grants</b>	<b>208 732</b>	<b>241 196</b>	<b>274 995</b>	<b>261 366</b>	<b>8.36</b>	<b>-4.96</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget.</i>						

Table: 318

Grant performance for 2022/23

### 5.3.2 Conditional grants (excl. MIG)

The performance in the spending of conditional grants is summarised as follows:

Details	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Equitable share	131 552	147 822	147 822	147 822	0.00	0.00
Expanded Public Works Programme	2 965	3 301	3 301	3 301	0.00	0.00
Electricity Integrated National electrification project	21 000	15 000	15 000	14 999	0.00	0.00
Energy Efficiency and Demand-Side Management Grant	0	4 000	4 000	3 752	-6.20	-6.20
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
Water Services Infrastructure Grant	0	5 107	5 107	4 275	0.00	-16.28
Municipal Disaster Recovery Grant	0	0	10 310	1 930	0.00	-81.28

## CHAPTER 5: FINANCIAL PERFORMANCE

Details	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust-ments Budget
	R'000				%	
Title Deeds	0	0	2 505	2 866	0.00	14.40
Proclaimed roads	90	190	190	96	0.00	0.00
Municipal Accreditation and capacity building grant	450	513	440	513	0.00	0.00
Library Grant	10 777	11 114	11 256	11 254	1.26	-0.01
Disaster Management grant	58	118	215	200	69.56	-6.78
Housing	373	5 330	5 488	0	0.00	0.00
Thusong centre	150	150	150	150	0.00	0.00
CDW grant	18	94	188	119	26.46	-36.77
RSEP Projects	69	800	800	921	0.00	15.09
LG Public Employment Support Grant	1 700	0	0	1 700	0.00	0.00
Municipal Water Resilience Grant	0	0	700	321	0.00	-54.16
Emergency Municipal Load-Shedding Relief Grant	0	0	950	950	0.00	0.00
Seta	704	500	500	704	0.00	40.86
Cape Winelands District Municipality	587	620	1 500	1 038	0.00	-30.80
Fire Service capacity	0	0	120	0	0.00	-100.00
Private Enterprise: Donated Assets	0	0	19	19	0.00	0.00
CWD donated assets	429	0	548	548	0.00	0.00
Provincial Government: Donated Assets	0	0	17 350	17 350	0.00	0.00
Total	172 472	196 209	230 008	216 379	10.28	-5.93
Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget.						

Table: 319 Conditional grant (excl. MIG)

No grants have been held back over the financial year. All unspent grants after roll-over approval will be included in programs for the 2022/23 financial year.

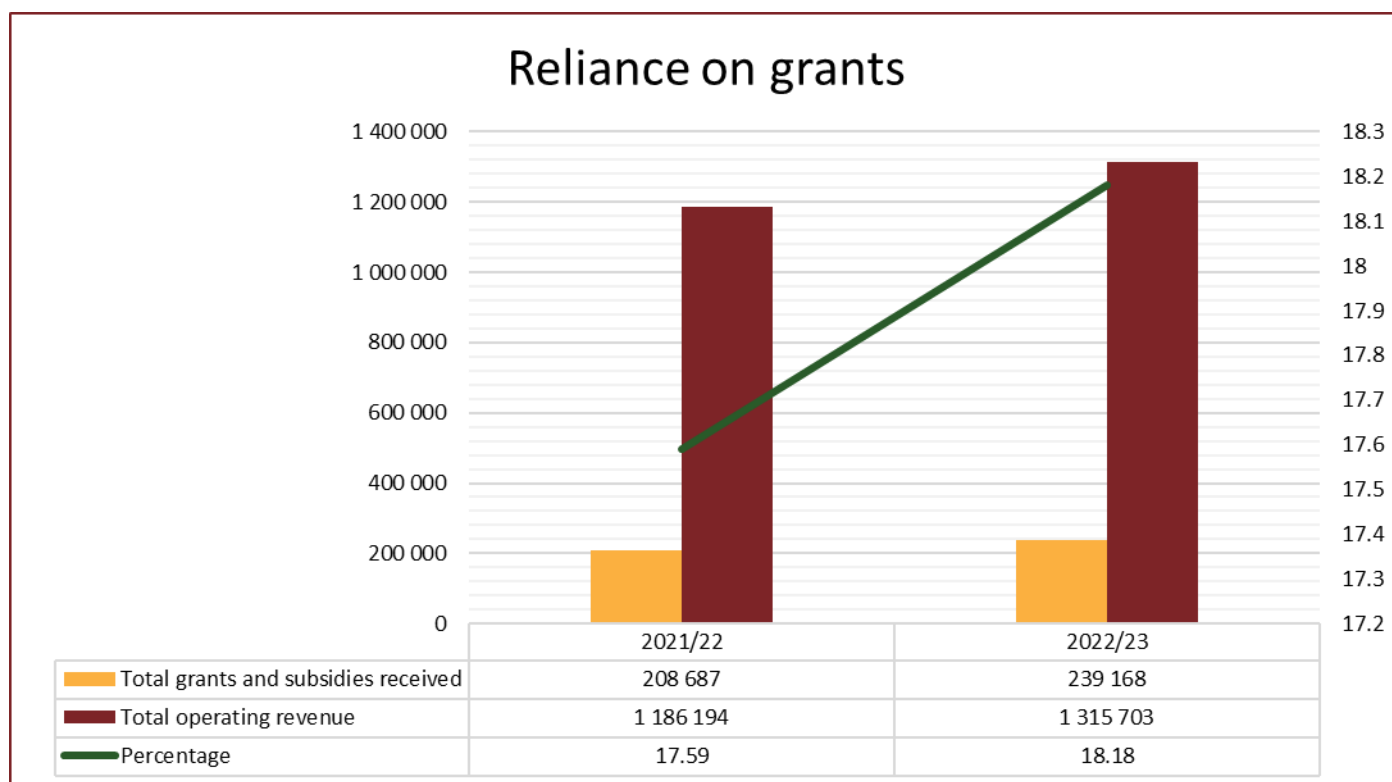
### 5.3.3 Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2021/22	208 687	1 186 194	<b>17.59</b>
2022/23	239 168	1 315 703	<b>18.18</b>

Table: 320 Reliance on grants

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the Municipality's reliance on grants for the last two financial years:



Graph 10: Reliance on grants

### 5.4 ASSET MANAGEMENT

The assets of the Breede Valley Municipality (BVM) are managed in accordance with the Asset Management Policy.

The policy is drawn up in line with the relevant statutory and regulatory frameworks and the relevant GRAP standards as set out by The Accounting Standards Board.

**The key elements are:**

**Responsibilities of:**

1. The Accounting Officer (Municipal Manager) - overall responsible for the assets of BVM
2. The Chief Financial Officer (Director: Finance) - delegated to ensure safeguarding of assets
3. The Asset Manager - accountable for asset under his/her directorate
4. The Asset Champions - senior officials responsible per department
5. The Asset Management Division - maintenance of the asset register, review and verifications
6. The Budgetary Division - providing detail on capital expenditure and funding

**Financial management:**

1. Planning
2. Funding
3. Acquisition

## CHAPTER 5: FINANCIAL PERFORMANCE

### Accounting:

1. Capitalisation
2. Classification of the assets
3. Costing process
4. Depreciation method; impairment
5. Disclosure

### Internal control:

1. Asset register
2. Transfer
3. Safeguarding – Lost, theft, destruction
4. Verification and review

### Disposal

### Key issues under development

The constant development in GRAP and the addition of GRAP 21 and 26 on impairment request reviews in the policy.

#### 5.4.1 Treatment of the three largest assets

Asset 1		
Name	Worcester Waste Water Treatment Works	
Description	WWTW	
Asset type	Infrastructure (Sewer)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	2021/22 R million	2022/23 R million
	218 937	211 633
Capital implications	Augmentation of works	
Future purpose of asset	Treatment of sewerage water in order to comply with legislation	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan	

Table: 321

Summary of largest asset

## CHAPTER 5: FINANCIAL PERFORMANCE

Asset 2		
Name	Reservoir Stettynskloof	
Description	Stettynskloof Water	
Asset type	Infrastructure (Water)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Operational and maintenance	
Asset value	2021/22 R million	2022/23 R million
	153 378	150 963
Capital implications	Augmentation of water supply system	
Future purpose of asset	Supply of potable water to the communities of Worcester and Rawsonville	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan, Operational Plan, Safety Plan, Plant Operating Plan	

Table: 322

Summary of 2nd largest asset

Asset 2		
Name	Residential Consumers Pre-paid	
Description	Electric Pre-paid Meters	
Asset type	Infrastructure (Electricity)	
Key staff involved	Senior Manger Electrical Services	
Staff responsibilities	Operational and maintenance	
Asset value	2021/22 R million	2022/23 R million
	37 172	35 216
Capital implications	Augmentation of works	
Future purpose of asset	Revenue protection for municipality; ensure income	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Customer Care Policy, Municipal Bylaw, Asset Management Policy	

Table: 323

Summary of 3rd largest asset

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

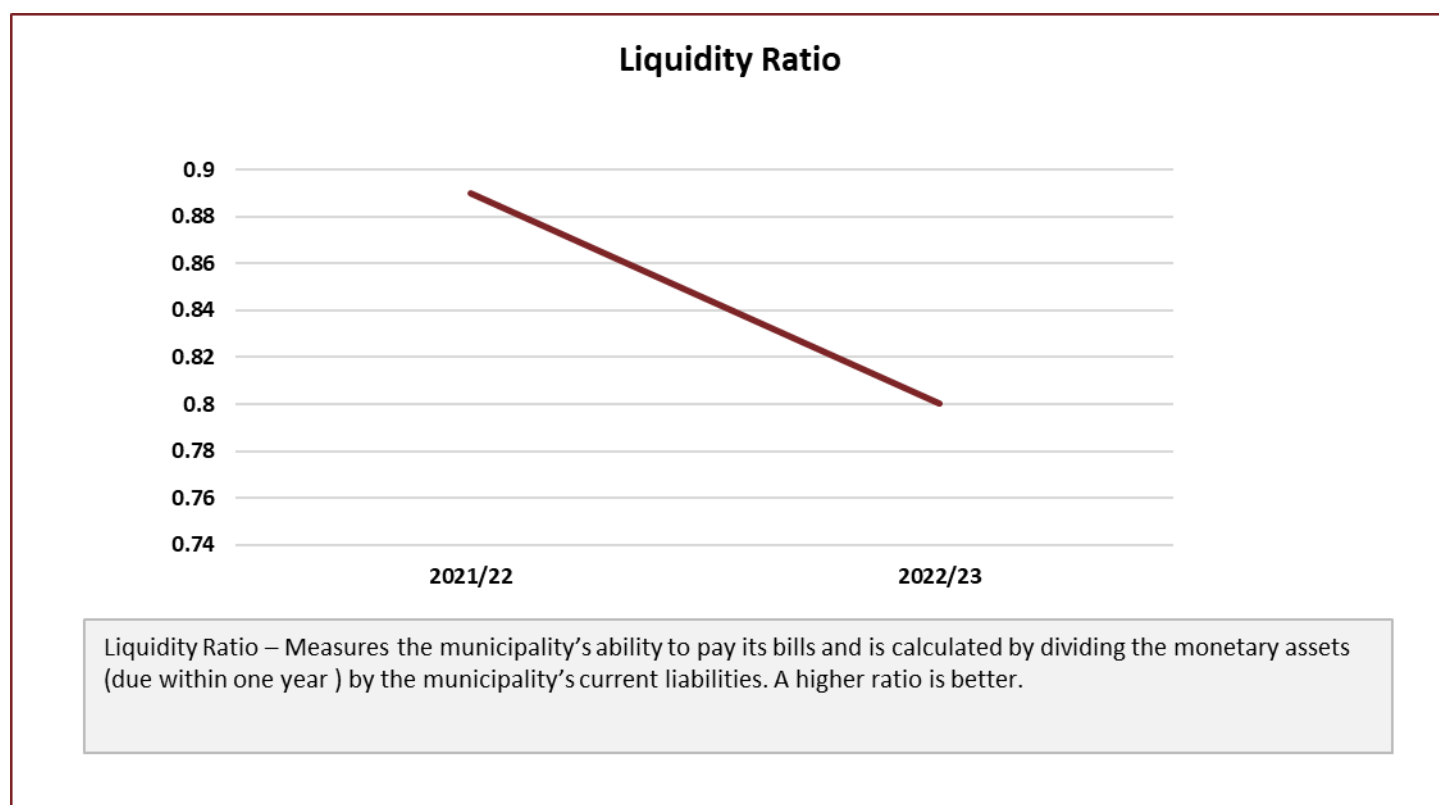
#### 5.5.1 Liquidity ratio

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Current ratio	Current assets/current liabilities	1.62	1.68
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.54	1.63
Liquidity ratio	Monetary assets/current liabilities	0.89	0.80

Table: 324 Liquidity financial ratio

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Breede Valley's current ratio is 1.68:1 in 2022/23 which is above the norm and indicates that Council has sufficient cash on hand to meet its short-term liabilities.

The following graph indicates the liquidity financial ratio for 2022/23:



Graph 11:Liquidity ratio

#### 5.5.2 IDP regulation financial viability indicators



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	2.23	1.74
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	13.40%	14.00%
Debt coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	0.16	0.22

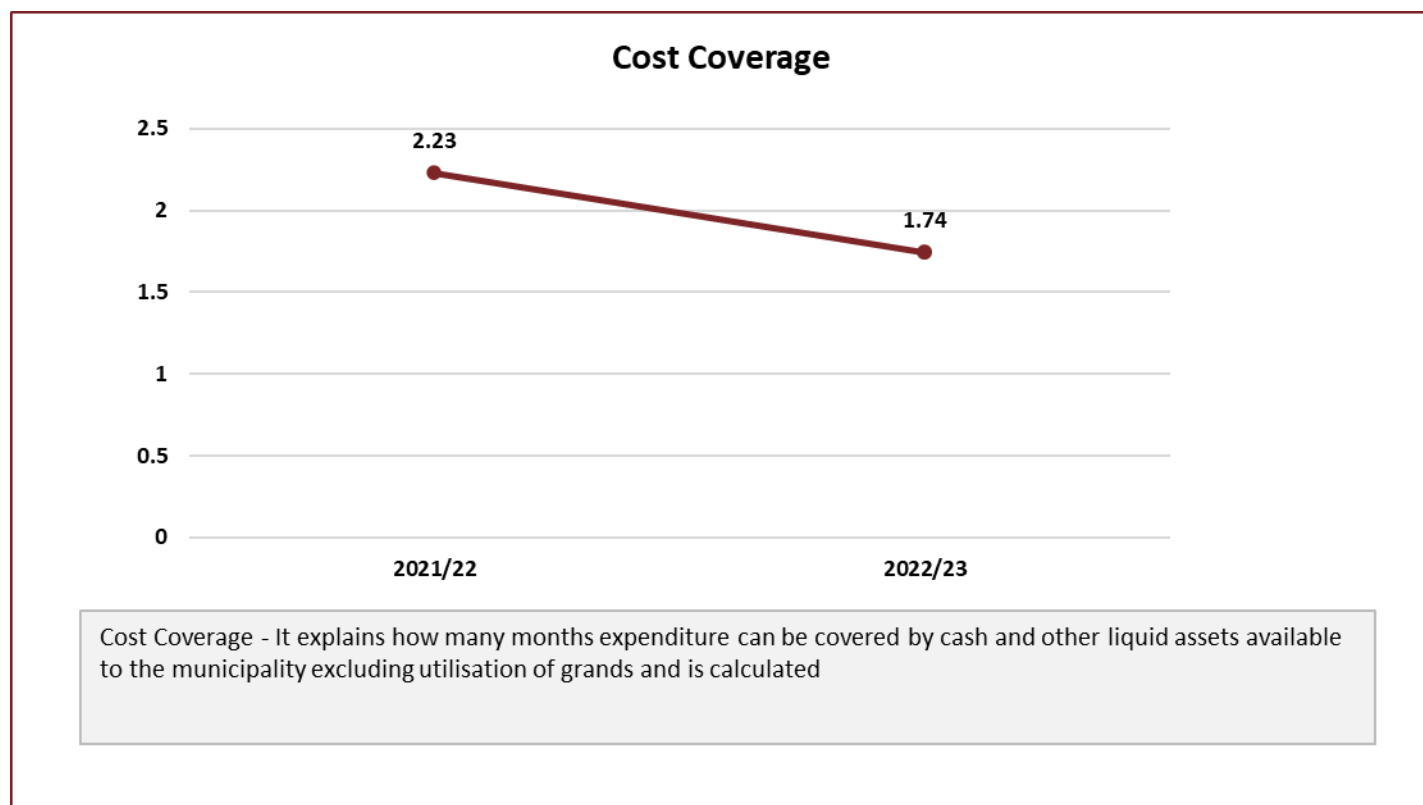
Table: 325

Financial viability national KPAs

### a) Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1 with 1.74:1 being an acceptable ratio, because the ratio is even more than 1:1. The Municipality might even consider reducing its cash levels to pay back its debt. However, this ratio should be read in conjunction to other ratios

The following graph indicates the cost coverage financial viability indicator:



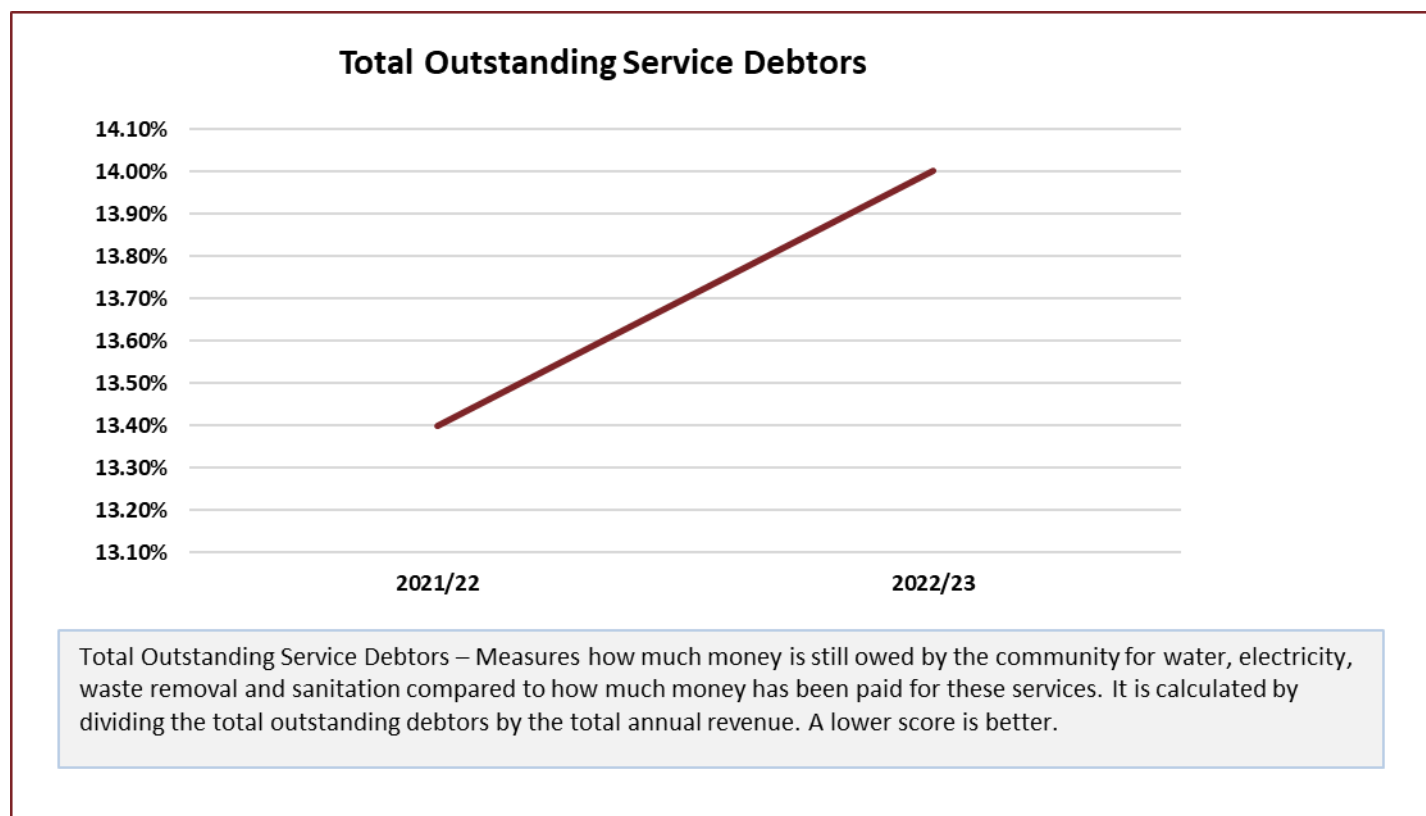
Graph 12: Cost coverage

### b) Outstanding Service Debtors to Revenue

## CHAPTER 5: FINANCIAL PERFORMANCE

This ratio indicates how effective revenue collection is being executed by the Municipality. The current outstanding debt is 14% of revenue. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

The following graph indicates the outstanding service to revenue financial viability indicator:



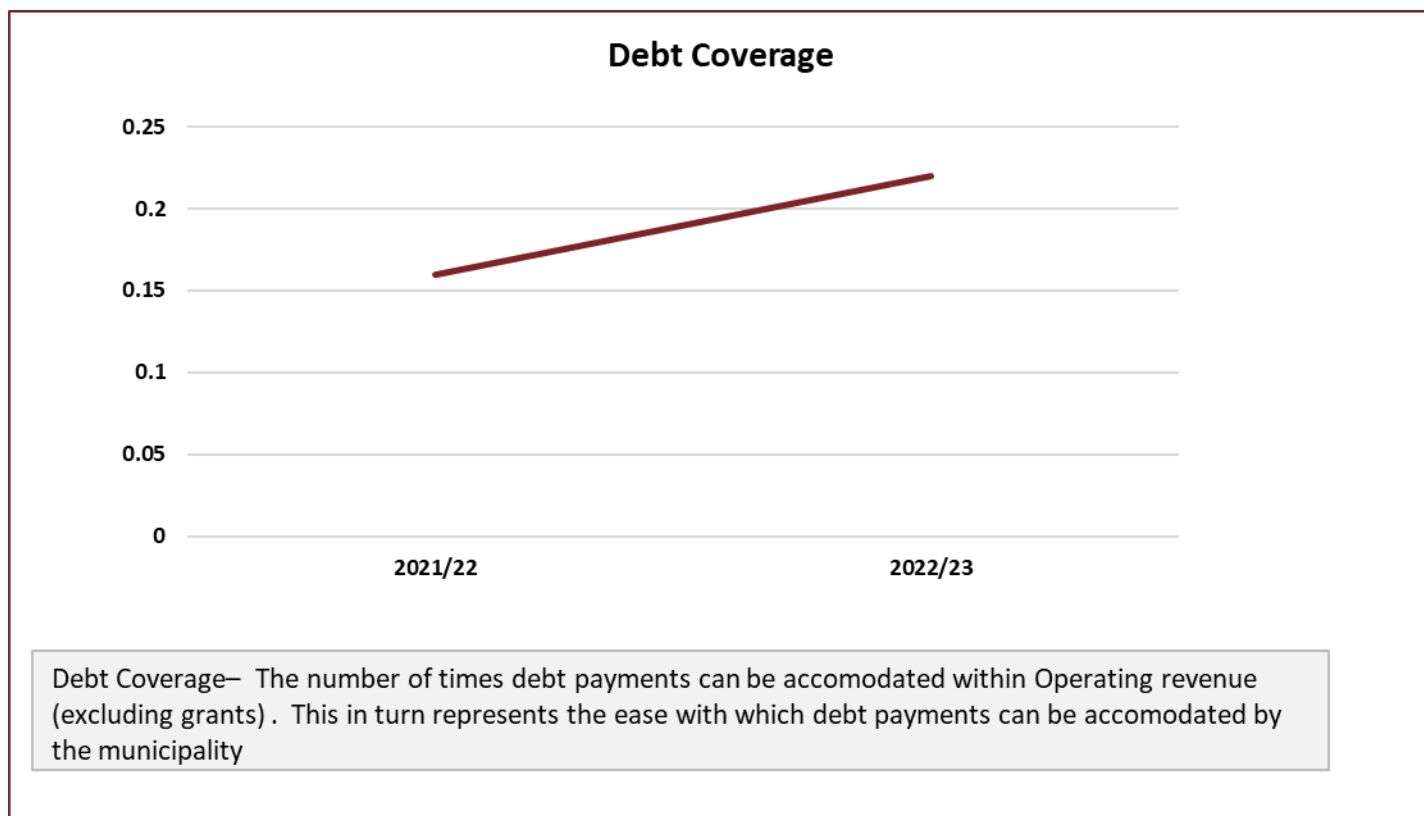
Graph 13: Total outstanding service debtors

### c) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the debt coverage financial viability indicator:



Graph 14: Debt coverage

### 5.5.3 Creditors management

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Creditors system efficiency	% of creditors paid within terms (within MFMA Section 65(e))	100%	100%

Table: 326 Creditors management

### 5.5.4 Borrowing management

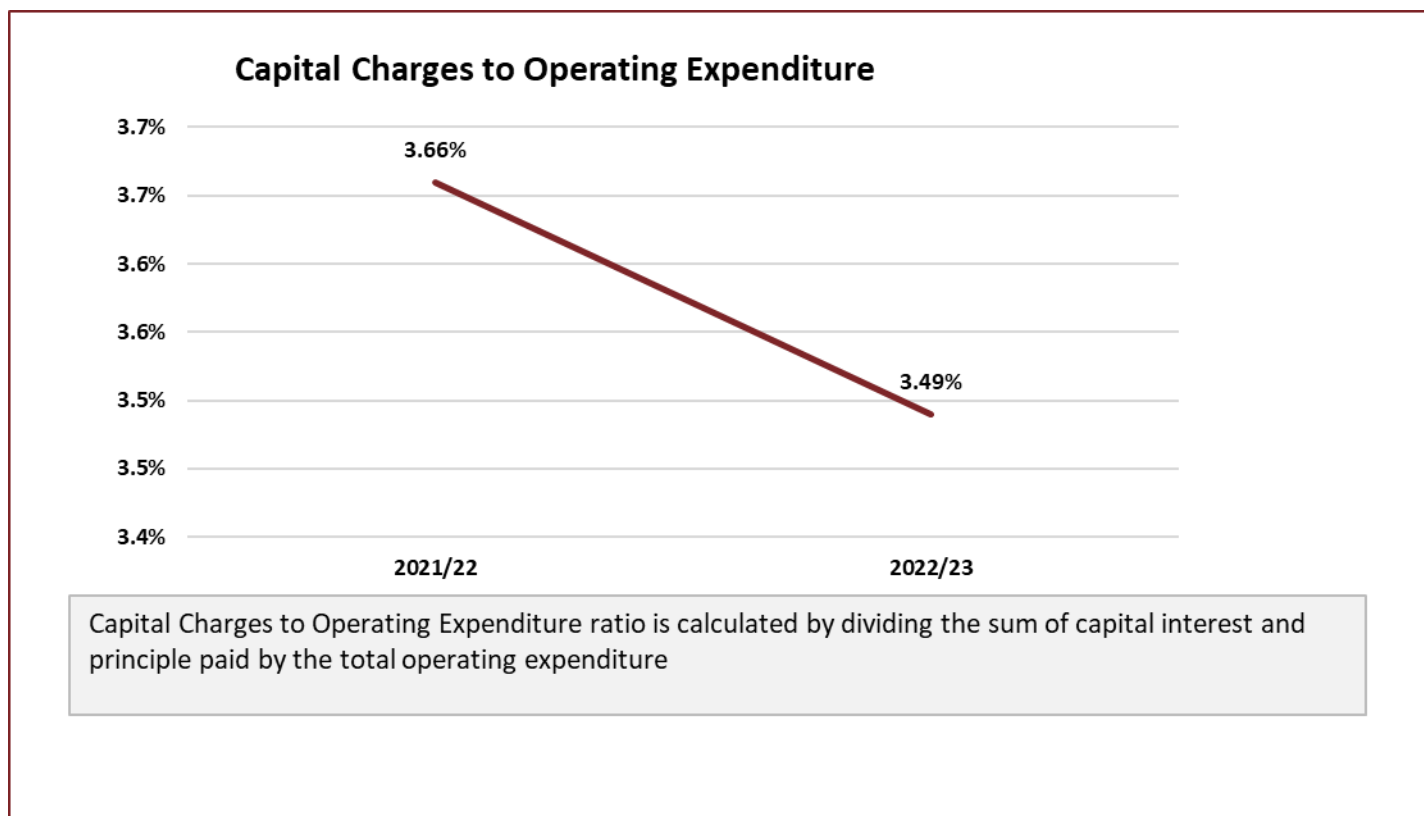
Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	3.66%	3.49%

Table: 327 Borrowing management

The ratio gives an indication of the total percentage paid on external loans. The ratio decreased from 3.66% in 2021/22 to 3.49% in 2022/23 which is within the norm of 18%.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the ratio of capital charges to operating expenditure:



Graph 15: Capital charges to operating expenditure ratio

### 5.5.5 Employee costs

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	31.94%	29.34%

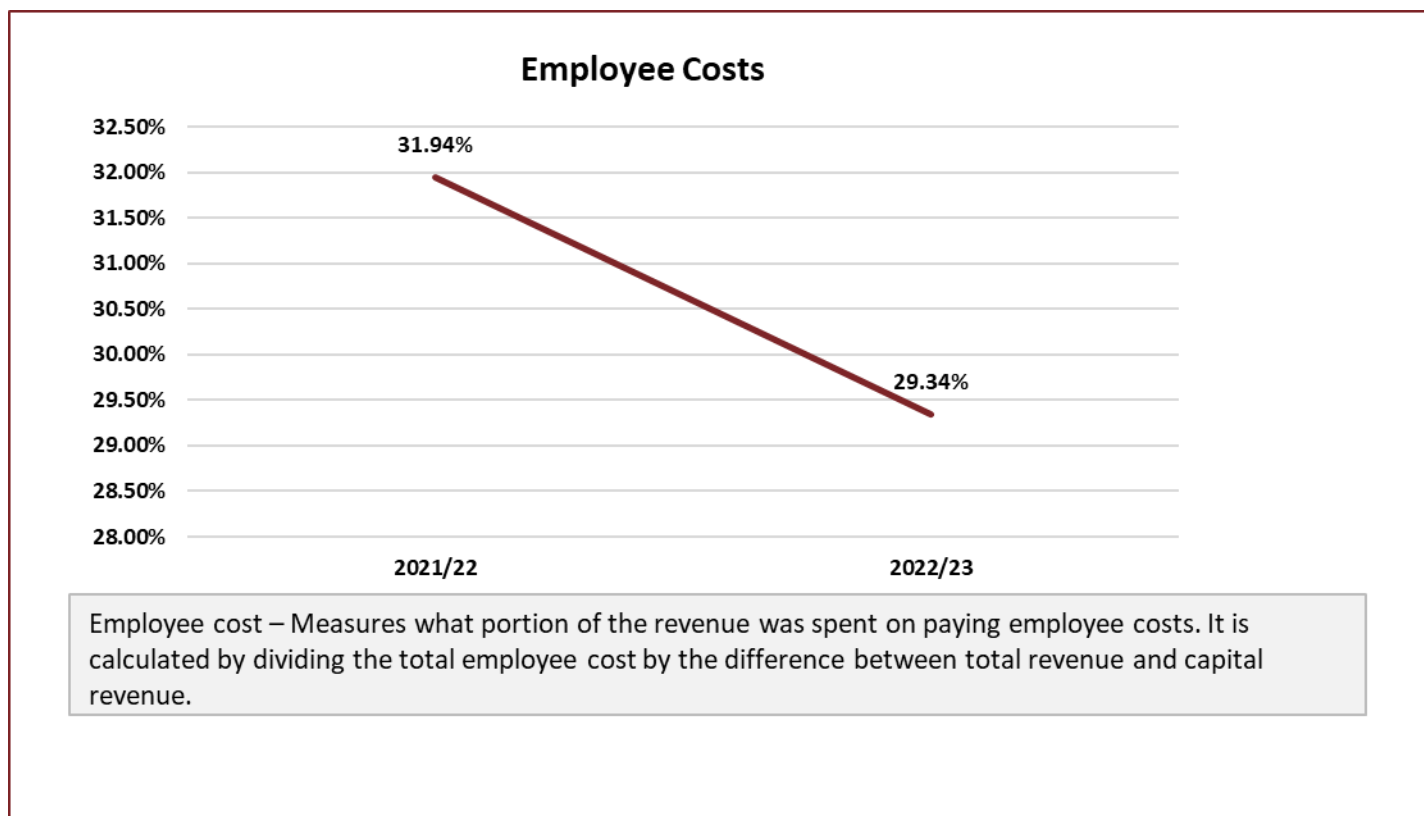
Table: 328

Employee costs

The ratio gives an indication of the total percentage paid on employee cost. The ratio decreased from 31.94% in 2021/22 to 29.34 % in 2022/23 and is still within the norm of 35%.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the employee costs ratio:



Graph 16: Employee costs ratio

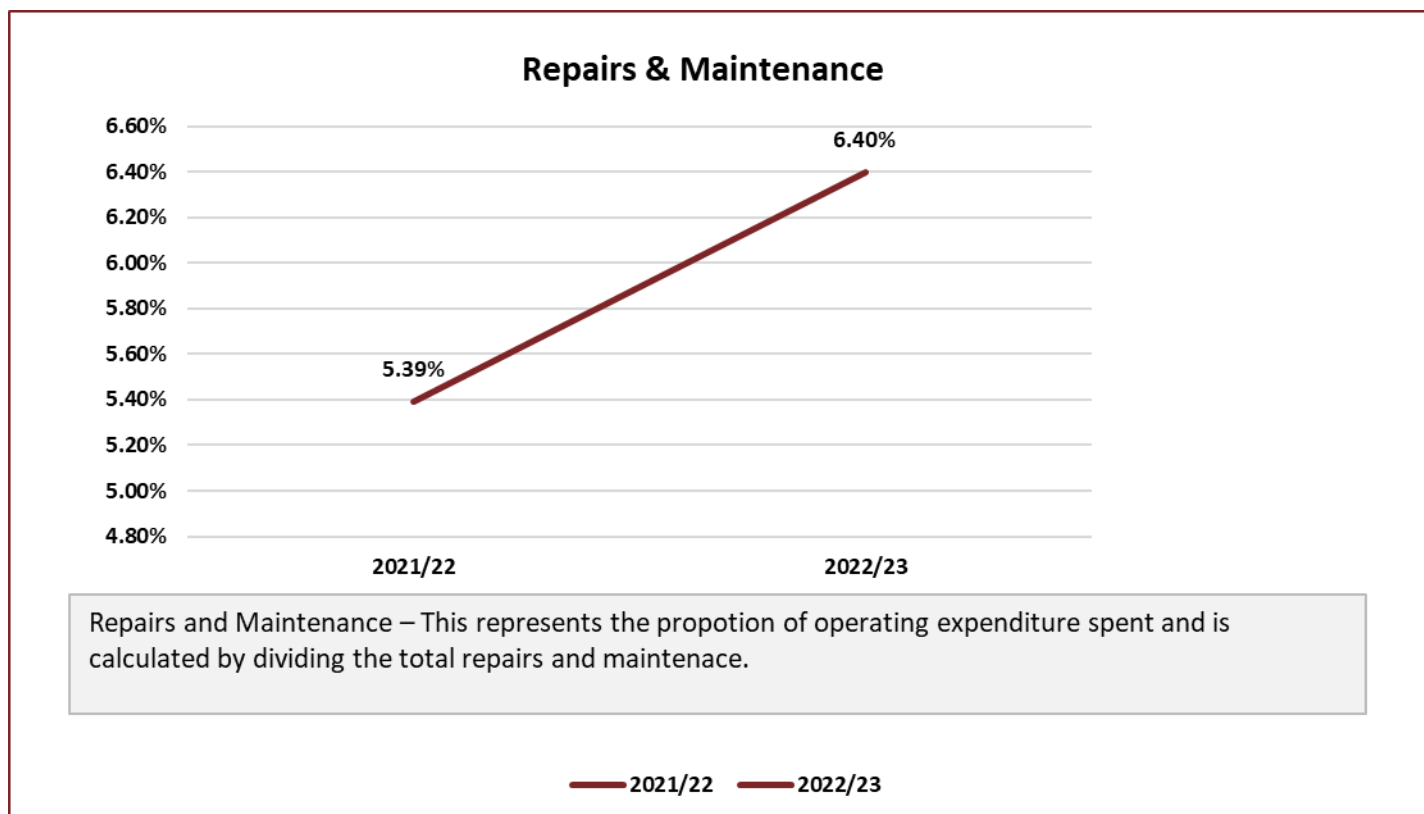
### 5.5.6 Repairs and maintenance

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audit outcome
Repairs and maintenance	RandM/ (Total revenue excluding capital revenue)	5.39%	6.40%

Table: 329 Repairs and maintenance

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the ratio of repairs and maintenance:



Graph 17: Repairs and maintenance ratio

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities can spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent.

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.6 CAPITAL EXPENDITURE

#### 5.6.1 Capital expenditure by new assets programme

Description	2021/22	Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>66 887</b>	<b>186 543</b>	<b>173 808</b>	<b>109 939</b>	<b>65 739</b>	<b>56 349</b>	<b>57 899</b>
Roads Infrastructure	1 559	7 875	21 029	13 790	1 750	600	1 000
Roads	147	1 000	573	573	100	100	500
Road Structures	1 412	6 875	20 456	13 217	1 650	500	500
Road Furniture	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Storm water Infrastructure	179	190	232	42	195	100	500
Drainage Collection	0	0	0	0	100	100	500
Storm water Conveyance	179	190	232	42	95	0	0
Attenuation	0	0	0	0	0	0	0
Electrical Infrastructure	39 183	50 630	46 318	27 885	25 318	23 400	48 500
Power Plants	0	0	0	0	0	0	0
HV Substations	0	0	0	0	0	0	0
HV Switching Station	0	0	0	0	0	0	0
HV Transmission Conductors	0	6 900	0	0	0	0	6 900
MV Substations	12 530	15 050	15 050	10 392	1 300	0	0
MV Switching Stations	0	0	0	0	0	0	0
MV Networks	0	10 000	11 800	117	0	0	0
LV Networks	26 653	18 180	18 818	17 057	24 018	22 700	41 600
Capital Spares	0	500	650	319	0	700	0
Water Supply Infrastructure	15 555	91 702	65 239	37 839	8 125	8 979	5 719
Dams and Weirs	0	4 379	0	0	0	0	0
Boreholes	0	0	0	0	0	0	0
Reservoirs	15 070	73 481	59 562	35 425	0	0	0
Pump Stations	0	0	0	0	0	0	0
Water Treatment Works	0	10 330	2 357	2 123	5 160	6 160	2 000
Bulk Mains	0	0	0	0	0	0	0
Distribution	486	3 011	3 321	291	2 965	2 819	3 719
Distribution Points	0	0	0	0	0	0	0
PRV Stations	0	0	0	0	0	0	0



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26
<i>Capital Spares</i>	0	500	0	0	0	0	0
Sanitation Infrastructure	10 261	34 496	38 558	28 001	30 291	23 210	2 120
<i>Pump Station</i>	0	5 000	0	0	14 000	0	0
<i>Reticulation</i>	1 150	1 996	11 058	3 601	2 096	1 220	2 120
<i>Waste Water Treatment Works</i>	9 111	27 500	27 500	24 400	14 195	21 990	0
<i>Outfall Sewers</i>	0	0	0	0	0	0	0
<i>Toilet Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Solid Waste Infrastructure	0	0	0	0	0	0	0
<i>Landfill Sites</i>	0	0	0	0	0	0	0
<i>Waste Transfer Stations</i>	0	0	0	0	0	0	0
<i>Waste Processing Facilities</i>	0	0	0	0	0	0	0
<i>Waste Drop-off Points</i>	0	0	0	0	0	0	0
<i>Waste Separation Facilities</i>	0	0	0	0	0	0	0
<i>Electricity Generation Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Rail Infrastructure	0	0	0	0	0	0	0
<i>Rail Lines</i>	0	0	0	0	0	0	0
<i>Rail Structures</i>	0	0	0	0	0	0	0
<i>Rail Furniture</i>	0	0	0	0	0	0	0
<i>Drainage Collection</i>	0	0	0	0	0	0	0
<i>Storm water Conveyance</i>	0	0	0	0	0	0	0
<i>Attenuation</i>	0	0	0	0	0	0	0
<i>MV Substations</i>	0	0	0	0	0	0	0
<i>LV Networks</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Coastal Infrastructure	0	0	0	0	0	0	0
<i>Sand Pumps</i>	0	0	0	0	0	0	0
<i>Piers</i>	0	0	0	0	0	0	0
<i>Revetments</i>	0	0	0	0	0	0	0
<i>Promenades</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Information and Communication Infrastructure	150	1 650	2 432	2 382	60	60	60
<i>Data Centres</i>	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26
Core Layers	0	0	0	0	0	0	0
Distribution Layers	150	1 650	2 432	2 382	60	60	60
Capital Spares	0	0	0	0	0	0	0
<b>Community Assets</b>	<b>17 179</b>	<b>2 040</b>	<b>2 018</b>	<b>1 601</b>	<b>2 070</b>	<b>0</b>	<b>0</b>
Community Facilities	648	2 040	2 018	1 601	2 070	0	0
Halls	0	0	0	0	0	0	0
Centres	0	0	0	0	0	0	0
Crèches	0	0	0	0	0	0	0
Clinics/Care Centres	0	0	0	0	0	0	0
Fire/Ambulance Stations	0	0	0	0	0	0	0
Testing Stations	0	0	0	0	0	0	0
Museums	0	0	0	0	0	0	0
Galleries	0	0	0	0	0	0	0
Theatres	0	0	0	0	0	0	0
Libraries	0	0	0	0	850	0	0
Cemeteries/Crematoria	0	20	75	0	0	0	0
Police	0	0	0	0	0	0	0
Parks	0	220	220	158	1 220	0	0
Public Open Space	648	0	123	102	0	0	0
Nature Reserves	0	0	0	0	0	0	0
Public Ablution Facilities	0	0	0	0	0	0	0
Markets	0	1 800	1 600	1 341	0	0	0
Stalls	0	0	0	0	0	0	0
Abattoirs	0	0	0	0	0	0	0
Airports	0	0	0	0	0	0	0
Taxi Ranks/Bus Terminals	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Sport and Recreation Facilities	16 532	0	0	0	0	0	0
Indoor Facilities	0	0	0	0	0	0	0
Outdoor Facilities	16 532	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
<b>Heritage assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
Monuments	0	0	0	0	0	0	0
Historic Buildings	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26
Works of Art	0	0	0	0	0	0	0
Conservation Areas	0	0	0	0	0	0	0
Other Heritage	0	0	0	0	0	0	0
<b><u>Investment properties</u></b>	<b>0</b>	<b>0</b>	<b>17 350</b>	<b>17 350</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Generating	0	0	17 350	17 350	0	0	0
<i>Improved Property</i>	0	0	17 350	17 350	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
Non-revenue Generating	0	0	0	0	0	0	0
<i>Improved Property</i>	0	0	0	0	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
<b><u>Other assets</u></b>	<b>234</b>	<b>400</b>	<b>400</b>	<b>327</b>	<b>400</b>	<b>400</b>	<b>400</b>
Operational Buildings	234	400	400	327	400	400	400
<i>Municipal Offices</i>	234	400	400	327	400	400	400
<i>Pay/Enquiry Points</i>	0	0	0	0	0	0	0
<i>Building Plan Offices</i>	0	0	0	0	0	0	0
<i>Workshops</i>	0	0	0	0	0	0	0
<i>Yards</i>	0	0	0	0	0	0	0
<i>Stores</i>	0	0	0	0	0	0	0
<i>Laboratories</i>	0	0	0	0	0	0	0
<i>Training Centres</i>	0	0	0	0	0	0	0
<i>Manufacturing Plant</i>	0	0	0	0	0	0	0
<i>Depots</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
<i>Staff Housing</i>	0	0	0	0	0	0	0
<i>Social Housing</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
<b><u>Biological or Cultivated Assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biological or Cultivated Assets	0	0	0	0	0	0	0
<b><u>Intangible Assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Servitudes	0	0	0	0	0	0	0
Licenses and Rights	0	0	0	0	0	0	0
<i>Water Rights</i>	0	0	0	0	0	0	0
<i>Effluent Licenses</i>	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +3 2025/26
<i>Solid Waste Licenses</i>	0	0	0	0	0	0	0
<i>Computer Software and Applications</i>	0	0	0	0	0	0	0
<i>Load Settlement Software Applications</i>	0	0	0	0	0	0	0
<i>Unspecified</i>	0	0	0	0	0	0	0
<b><u>Computer Equipment</u></b>	<b>0</b>	<b>294</b>	<b>182</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computer Equipment	0	294	182	180	0	0	0
<b><u>Furniture and Office Equipment</u></b>	<b>1 078</b>	<b>685</b>	<b>1 836</b>	<b>1 138</b>	<b>480</b>	<b>30</b>	<b>10</b>
Furniture and Office Equipment	1 078	685	1 836	1 138	480	30	10
<b><u>Machinery and Equipment</u></b>	<b>6 427</b>	<b>21 737</b>	<b>9 292</b>	<b>6 368</b>	<b>21 734</b>	<b>14 507</b>	<b>7 000</b>
Machinery and Equipment	6 427	21 737	9 292	6 368	21 734	14 507	7 000
<b><u>Transport Assets</u></b>	<b>5 110</b>	<b>2 000</b>	<b>319</b>	<b>319</b>	<b>2 620</b>	<b>1 620</b>	<b>1 000</b>
Transport Assets	5 110	2 000	319	319	2 620	1 620	1 000
<b><u>Land</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Land	0	0	0	0	0	0	0
<b><u>Zoo's, Marine and Non-biological Animals</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
<b><u>Living resources</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Mature	0	0	0	0	0	0	0
<i>Policing and Protection</i>	0	0	0	0	0	0	0
<i>Zoological plants and animals</i>	0	0	0	0	0	0	0
Immature	0	0	0	0	0	0	0
<i>Policing and Protection</i>	0	0	0	0	0	0	0
<i>Zoological plants and animals</i>	0	0	0	0			
<b>Total Capital Expenditure on new assets</b>	<b>96 916</b>	<b>213 698</b>	<b>205 203</b>	<b>137 222</b>	<b>93 043</b>	<b>72 906</b>	<b>66 309</b>

Table: 330

Capital expenditure: New assets programme

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2022/23 financial year:

Details	2021/22	2022/23			2022/23 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Source of finance						
External loans	0	146 238	180 328	104 458	0.00	-42.07
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	55 756	70 138	99 390	85 442	21.82	-14.03
Own funding	87 342	102 174	130 108	80 918	-20.80	-37.81
Total	143 097	318 550	409 826	270 819	-14.98	-33.92
Percentage of finance						
External loans	0	46	44	39		
Public contributions and donations	0	0	0	0		
Grants and subsidies	39	22	24	32		
Own funding	61	32	32	30		
Capital expenditure						
Water and sanitation	37 028	160 918	145 854	87 041	-9.36	-36.55
Electricity	46 877	66 230	75 143	48 544	13.46	-40.16
Housing	0	0	17 350	17 350	0.00	0.00
Roads and storm water	36 074	54 426	55 712	48 133	2.36	-13.93
Other	23 119	36 976	115 767	69 751	213.09	-124.45
Total	143 097	318 550	409 826	270 819	28.65	-43.64
Percentage of expenditure						
Water and sanitation	26	51	36	32		
Electricity	33	21	18	18		
Housing	0	0	4	6		
Roads and storm water	25	17	14	18		
Other	16	12	28	26		

Table: 331

Capital expenditure by funding source

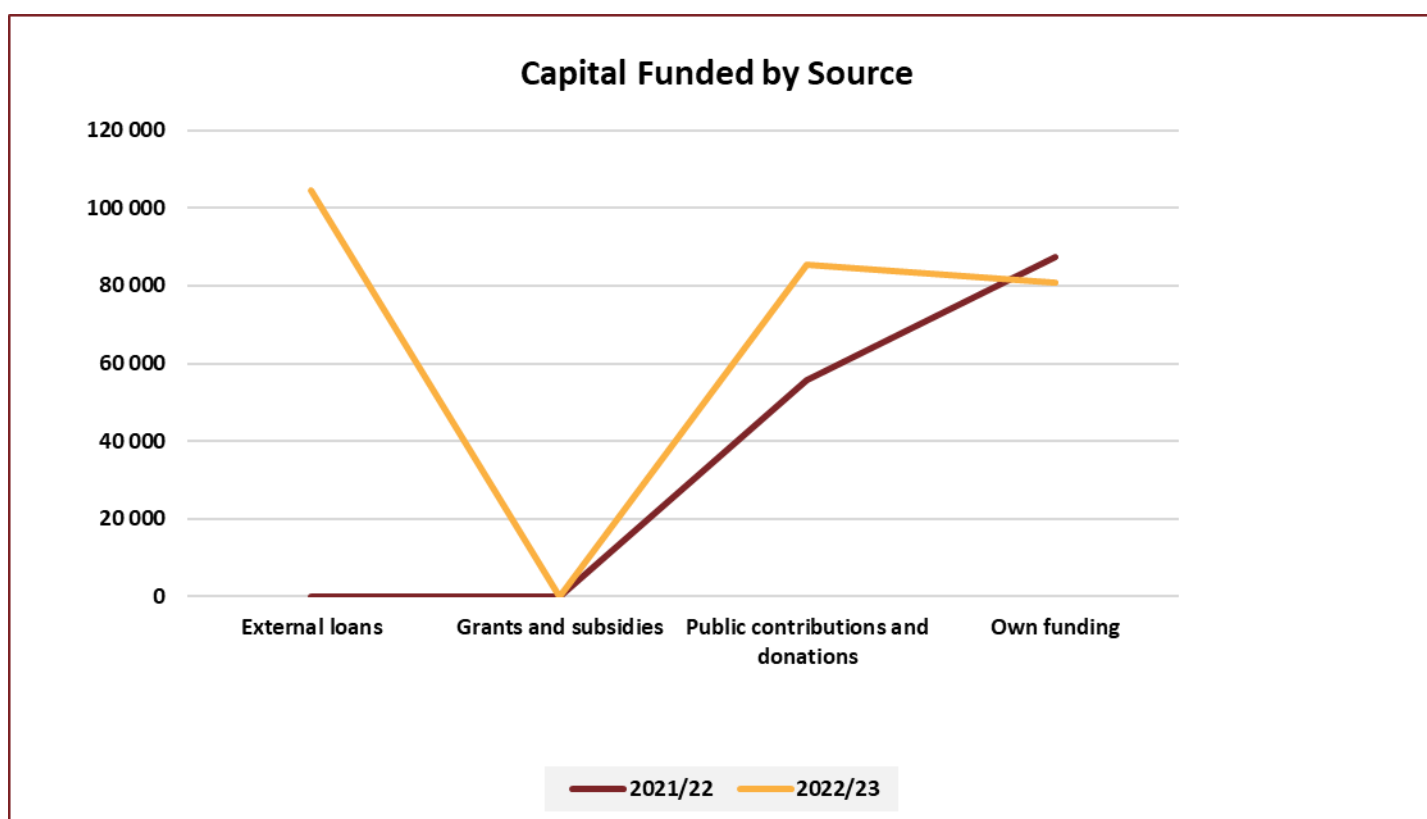
## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.7.1 Capital funded by source

Description source	2021/22	2022/23
	R'000	
External loans	0	104 458
Grants and subsidies	0	0
Public contributions and donations	55 756	85 442
Own funding	87 342	80 918
<b>Total capital expenditure</b>	<b>143 097</b>	<b>270 819</b>

Table: 332 Capital funded by source

The following graph indicates capital expenditure funded by the various sources:



Graph 18: Capital funded by source

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2022/23

Name of project	2022/23			Variance current year: 2022/23	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Extension of WwTW (0,24 MI/day)	0	63 550	31 981	0.00	-49.68
Altona new Electrical Substation	73 481	59 562	35 425	51.79	-40.52
Pre-loads Reservoir	27 000	27 000	23 909	11.45	-11.45
Upgrading of Gravel Road	6 000	19 072	12 095	-101.58	-36.58
Transhex : Electrical Reticulation	0	19 000	14 587	0.00	-23.23

Table: 333 Capital expenditure on the 5 largest projects

### 5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

#### 5.9.1 Municipal Infrastructure Grant (MIG) expenditure on service backlogs

Municipal Infrastructure Grant (MIG)* Expenditure 2022/23 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjust- ments Budget
	R'000			%	%
Infrastructure - Water	30 176 593	4 561 871	4 561 871	-84.88	0.00
Reticulation	3 921 924	0	0	-100.00	0.00
Water purification	7 773 398	0	0	0.00	0.00
Reservoirs	18 481 271	4 561 871	4 561 871	0.00	0.00
Infrastructure - Sanitation	500 000	500 000	490 778	-1.84	0.00
Reticulation	0	0	0	0.00	0.00
Sewerage purification	500 000	500 000	490 778	0.00	0.00
Infrastructure: Road transport - Total	14 310 407	39 925 129	35 447 466	0.00	-11.22
Roads, Pavements & Bridges	13 353 593	5 396 379	5 396 379	0.00	0.00
Storm water	956 814	34 528 750	30 051 087	0.00	0.00
Infrastructure - Refuse removal	0	0	0	0.00	0.00
Waste Processing Facilities	0	0	0	0.00	0.00
Infrastructure - Electricity	0	0	0	0.00	0.00
Reticulation	0	0	0	0.00	0.00
Street Lighting	0	0	0	0.00	0.00
Community Assets	0	0	0	0.00	0.00



## CHAPTER 5: FINANCIAL PERFORMANCE

Municipal Infrastructure Grant (MIG)* Expenditure 2022/23 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
Fire/Ambulance Stations	0	0	0	0.00	0.00
Other Specify: Recreational facilities	0	0	0	0.00	0.00
Outdoor Sport facilities	0	0	0	0.00	0.00
Operating	0	0	4 486 886	0.00	0.00
Total	44 987 000	44 987 000	44 987 000	0.00	0.00

Table: 334

Municipal Infrastructure Grant (MIG) expenditure on service backlogs

### Component C: Cash flow management and investments

- BVM ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets.
- Obtain an optimal balance between available cash and cash investments.
- Attain the highest possible return at the lowest risk on investments
- Ensure the safety of public funds by proper stewardship and accountability of cash resources.
- Collect all monies as soon as possible after they become payable and deposit it into a bank account.
- Ensure effective control over expenditure and proper planning of payments.
- Cash receipts are balanced daily.
- All monies are banked promptly.
- Adequate internal control systems exist.
- Assets are safeguarded to prevent theft and fraud.
- Audit checks are carried out regularly.
- Bank reconciliations are prepared and certified regularly.
- Payment of creditors and salaries are controlled.

### 5.10 CASH FLOW

Description	2021/22	2022/23		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	873 517	935 069	941 187	890 984
Government – operating	151 359	171 058	174 213	165 922
Government – capital	57 360	70 138	81 398	85 442
Interest	17 288	20 656	26 452	26 964

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23		
	Audited outcome	Original budget	Adjusted budget	Actual
<b>R'000</b>				
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	-936 333	-1 011 634	-1 051 618	-1 031 105
Finance charges	-21 336	-35 817	-35 817	-19 841
Transfers and Grants	-3 582	-6 872	-9 999	-3 419
<b>Net cash from/(used) operating activities</b>	<b>138 273</b>	<b>142 598</b>	<b>125 818</b>	<b>114 947</b>
<b>Cash flow from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1 213	0	0	2 085
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) in other non-current receivables	(892)	50	50	(4 482)
Decrease (increase) in non-current investments	11 414	0	0	81 794
<b>Payments</b>				
Capital assets	-137 447	-318 550	-409 246	-230 245
<b>Net cash from/(used investing activities)</b>	<b>-125 711</b>	<b>-318 500</b>	<b>-409 196</b>	<b>-150 848</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	146 238	180 328	110 000
Increase (decrease) in consumer deposits	220	100	100	101
<b>Payments</b>				
Repayment of borrowing	-13 041	-18 685	-18 685	-14 536
<b>Net cash from/(used) financing activities</b>	<b>-12 820</b>	<b>127 653</b>	<b>161 743</b>	<b>95 565</b>
<b>Net increase/(decrease) in cash held</b>	<b>-258</b>	<b>-48 248</b>	<b>-121 635</b>	<b>59 664</b>
Cash/cash equivalents at the year begin	<b>89 348</b>	<b>150 013</b>	<b>179 089</b>	<b>89 089</b>
Cash/cash equivalents at the year-end	<b>89 089</b>	<b>101 765</b>	<b>57 454</b>	<b>148 753</b>
<i>Source: MBRR SA7</i>				

Table: 335

Cash flow

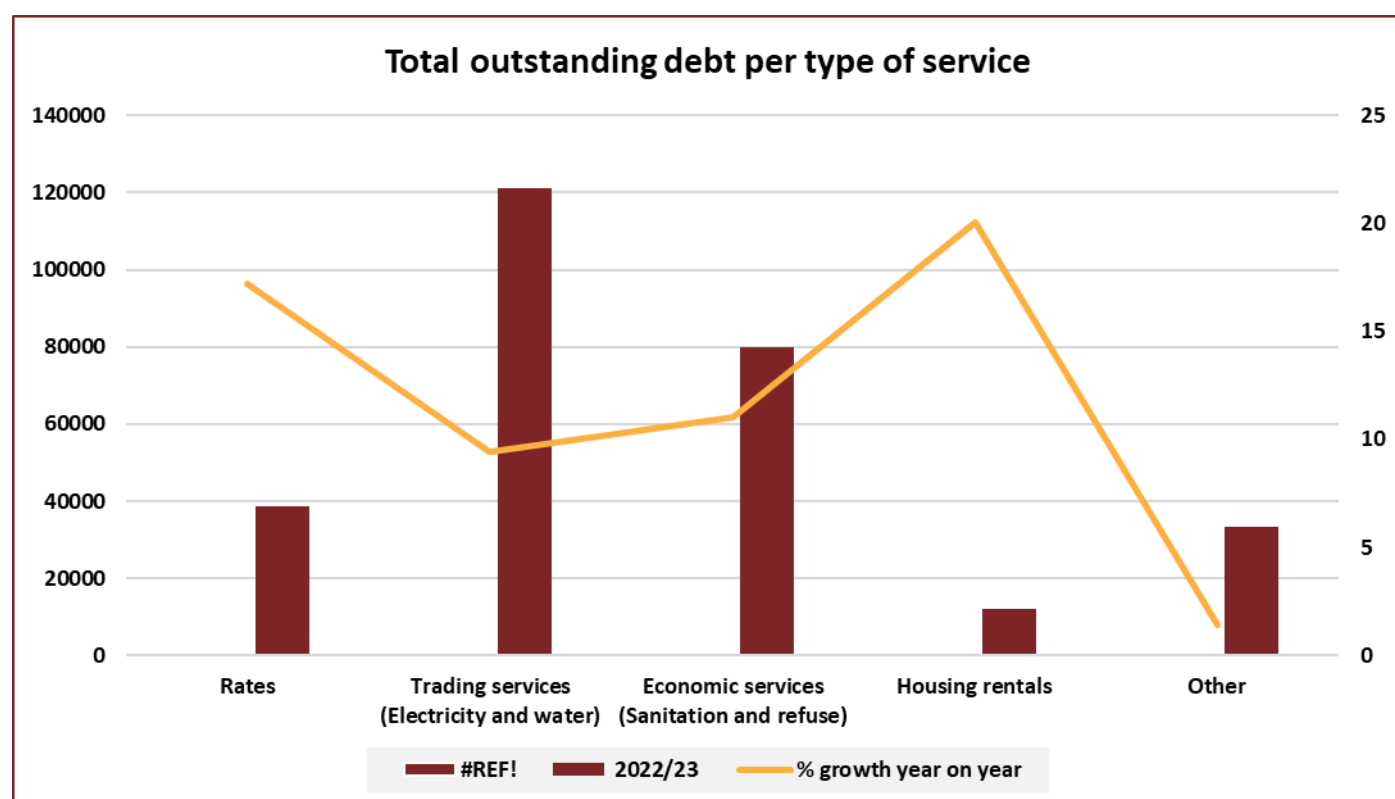
## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000					
2020/21	38 766	121 267	79 967	12 167	33 232	285 399
2021/22	45 438	132 682	88 768	14 607	33 705	315 200
Difference	6 673	11 415	8 801	2 440	473	29 802
% growth year on year	17	9	11	20	1	10
Note: Figures exclude provision for bad debt						

Table: 336 Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service and the increase from 2021/22 to 2022/23:



Graph 19: Debt per type of service

## CHAPTER 5: FINANCIAL PERFORMANCE

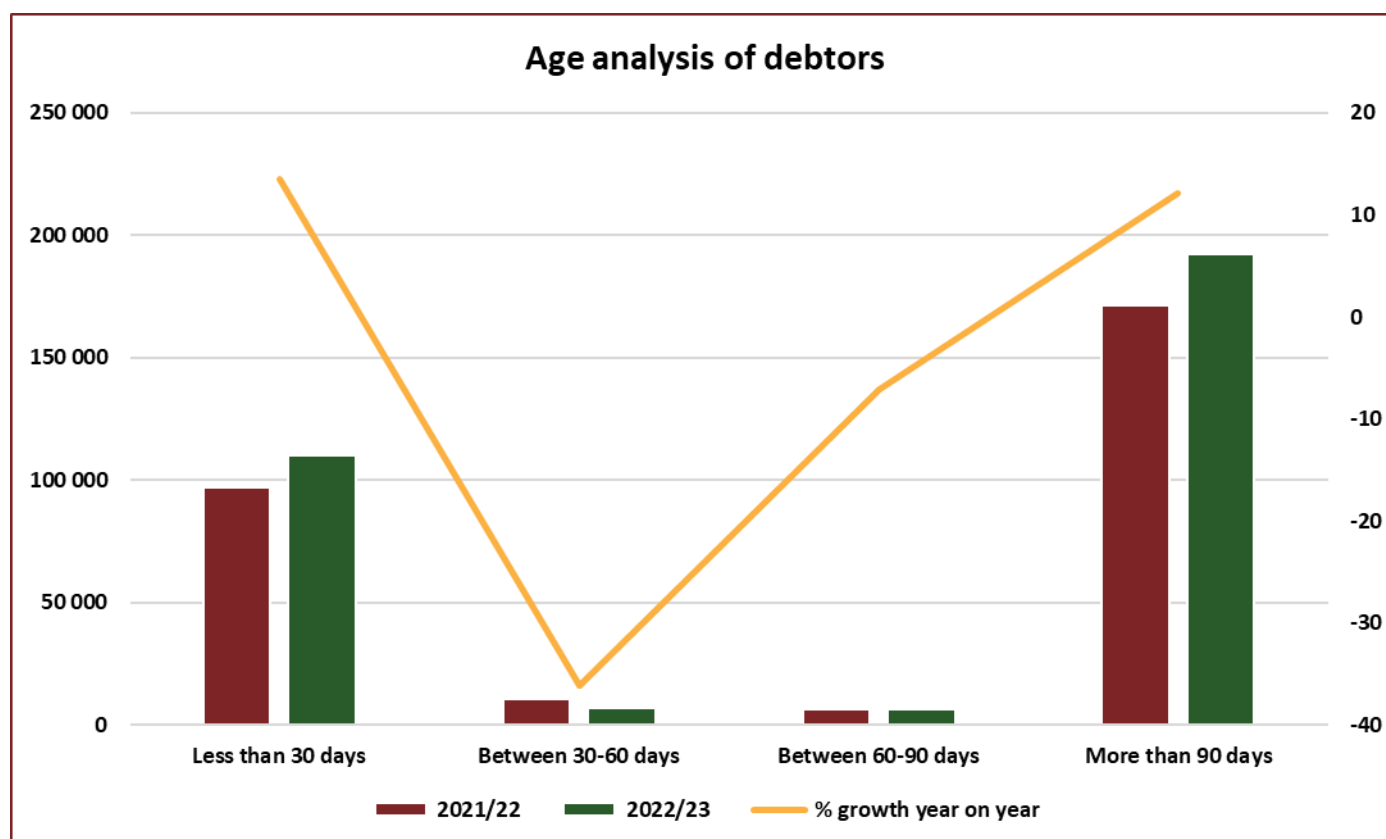
### 5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2021/22	96 954	10 441	6 611	171 393	285 399
2022/23	110 110	6 669	6 145	192 277	315 200
<b>Difference</b>	13 156	-3 772	-466	20 884	29 802
<b>% growth year on year</b>	<b>14</b>	<b>-36</b>	<b>-7</b>	<b>12</b>	<b>10</b>

*Note: Figures exclude provision for bad debt*

Table: 337 Service debtor age analysis

The following graph indicates the age analysis of debtors and the increase/decrease from 2021/22 to 2022/23:



Graph 20: Age analysis of debtors

### 5.13 BORROWING AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 month to 12 months.

The Investment Policy is approved and gives effect to regulations.

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.13.1 Actual borrowings

Instrument	2021/22	2022/23
	R'000	
Long-term loans (annuity/reducing balance)	252 462	164 603
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	0	0
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
<b>Municipality total</b>	<b>252 462</b>	<b>164 603</b>

Table: 338 Actual borrowings

### 5.13.2 Municipal investments

Investment* type	2021/22	2022/23
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0
Deposits – Bank	10 000	10 000
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0
<b>Municipality total</b>	<b>10 000</b>	<b>10 000</b>

Table: 339 Municipal investments

## CHAPTER 5: FINANCIAL PERFORMANCE

The table below indicates the declaration of loans and grants made by the Municipality for the 2022/23 financial year:

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Value 2022/23	Total Amount committed over previous and future years
		R'000	
ACW Bolieland Creche	Financial Assistance: Community Development	10	0
Association for the Sensory Disabled	Financial Assistance: Community Development	10	0
Be the Change	Financial Assistance: Community Development	10	0
Breede Valley Community Cricket Association	Financial Assistance: Community Development	10	0
Compassionate Hearts Touwsrivier	Financial Assistance: Community Development	10	0
Doodle Pops Daycare	Financial Assistance: Community Development	10	0
Elim Creche	Financial Assistance: Community Development	10	0
FAMSA Boland Overberg	Financial Assistance: Community Development	10	0
FEB Disable Care	Financial Assistance: Community Development	10	0
Haasdas Educare	Financial Assistance: Community Development	10	0
Heavenly Doors for Little Angels	Financial Assistance: Community Development	10	0
Hexvallei Gemeenskapdienste t/a Repelsteeltjie Dagsorgsentrum	Financial Assistance: Community Development	10	0
Hoerskool Montana	Financial Assistance: Community Development	10	0
Kidz at Peace Ministries t/a Brave Heart Home	Financial Assistance: Community Development	10	0
Kingdom Community Ministries	Financial Assistance: Community Development	10	0
Laetitia Daycare	Financial Assistance: Community Development	10	0
MoreThanMeeras NPC	Financial Assistance: Community Development	10	0
Nehemia Community Project	Financial Assistance: Community Development	10	0
Nuwe Begin Skuiling	Financial Assistance: Community Development	10	0
Pioneer Printers	Financial Assistance: Community Development	10	0
Rachels Care and Development Ministries	Financial Assistance: Community Development	10	0
Skyeworx	Financial Assistance: Community Development	10	0
Sonstralletjie Uit Die Vallei Community Care	Financial Assistance: Community Development	10	0
Touwsrivier Cricket Club	Financial Assistance: Community Development	10	0
Worcester House of Hope	Financial Assistance: Community Development	10	0
Worcester Spurs	Financial Assistance: Community Development	10	0
<b>Total</b>		<b>260</b>	<b>0</b>

Table: 340

Declaration of loans and grants

### COMPONENT D: OTHER FINANCIAL MATTERS

#### **5.14 SCM**

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005. The BVM has a fully operational SCM committee system and no councillor is a part of the SCM process or committee system. The Municipality is also focusing on the effective functioning of the SCM officials and enrolled the SCM manager, heads and accountants for the municipal minimum competency training.

#### **5.15 GRAP COMPLIANCE**

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005. The BVM has a fully operational SCM committee system and no councillor is a part of the SCM process or committee system. The Municipality is also focusing on the effective functioning of the SCM officials and enrolled the SCM manager, heads and accountants for the municipal minimum competency training.

#### **5.15 GRAP COMPLIANCE**

BVM comply with the following GRAP statements:

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statement
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchanges rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate financial statements
- GRAP 7: Investments in associates
- GRAP 8: Interests in joint ventures
- GRAP 9: Revenue from exchanges transactions
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Contraction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after the reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment
- GRAP 18: Segment Reporting
- GRAP 19: Provisions, contingent liabilities and contingent assets
- GRAP 20: Related parties
- GRAP 21: Impairment of Non-Cash Generating Assets
- GRAP 23: Revenue from Non-exchange Transactions



## CHAPTER 5: FINANCIAL PERFORMANCE

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- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 25: Employee Benefits
- GRAP 26: Impairment of Cash Generating Assets
- GRAP 27: Agriculture
- GRAP 31: Intangible Assets
- Grap 32 : Service Concessions arrangement
- GRAP 100: Non-current assets held for sale and discontinued operations
- GRAP 103: Heritage Assets
- GRAP 104: Financial Instruments
- GRAP 105: Transfer of Functions Between Entities Under Common Control
- GRAP 106 : Transfer of Functions Between Entities Not Under Common Control
- GRAP 107: Mergers
- GRAP 108 :Statutory Receivables
- Grap 109 Accounting by Principals and Agents
- Grap 110 Living and Non-living Resources
- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue

### **5.16 COST CONTAINMENT MEASURE AND ANNUAL COST SAVING**

#### **5.16.1 Municipal cost Containment Regulations (MCCR)**

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comment/input hereon was received from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities, and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2020.

#### **5.16.2 Municipal cost Containment Policy**

The MCCR does not apply retrospectively, hence, contracts concluded prior to 1 July 2020 will not be impacted and/or applicable in this context. However, if municipalities and municipal entities decided to extend current contracts, these would have to be aligned with the principles outlined in the MCCR and SCM Regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. Breede Valley Municipality adopted its Cost Containment Policy on 30 September 2019 and conducts annual reviews thereof as part of the core budget-related policies.

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.16.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment						
Cost Containment Measure	2021/22			2022/23		
	Budget	Total Expenditure	Saving	Budget	Total Expenditure	Saving
	R			R		
Use of consultants	10 852 047.00	3 979 979.54	6 872 067.46	12 923 254.23	11 000 690.53	1 922 563.70
Vehicles used for political office-bearers	0.00	0.00	0.00	0.00	0.00	0.00
Travel and subsistence	370 108.00	204 697.26	165 410.74	1 118 860.00	889 631.73	229 228.27
Domestic accommodation	86 610.00	31 661.93	54 948.07	144 996.00	68 895.64	76 100.36
Sponsorships, events, and catering	1 666 900.00	1 526 626.68	140 273.32	1 872 170.00	1 743 244.71	128 925.29
Communication	3 553 639.00	3 158 940.93	394 698.07	3 970 314.00	3 153 630.99	816 683.01
Other related expenditure items	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>16 529 304.00</b>	<b>8 901 906.34</b>	<b>7 627 397.66</b>	<b>20 029 594.23</b>	<b>16 856 093.60</b>	<b>3 173 500.63</b>

Table: 341 Cost containment measure and annual cost saving



# Chapter 6

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2021/22

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

#### 6.1 AUDITOR-GENERAL REPORT 2021/22

##### 6.1.1 Financial performance 2021/22

Auditor-General Report on Financial Performance 2021/22	
<b>Audit Report Status:</b>	<b>Unqualified with no findings</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b>Emphasis of matter:</b>	
<b><u>Material Impairment of receivables:</u></b>	
<p>As disclosed in note 4 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions to the amount of R133 908 162 (2020-21: R113 142 355).</p> <p>As disclosed in note 5 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions to the amount of R49 122 577 (2020-21: R46 245 999)</p>	<p>The Municipality continuously aims to strengthen credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms.</p> <p>The Municipality furthermore has a very conservative approach in writing-off debt and strive to create a culture of payment. Debt is only written-off when all available options have been followed. In the past years mostly, indigent debtors have been written-off.</p> <p>The Municipality are in the process of implementing an indigent vetting system to minimise fraudulent indigent applications which will result in positive cashflow</p>
<b><u>Restatement of corresponding figures</u></b>	
<p>As disclosed in note 53 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022</p>	<p>The Municipality strives to do prior period corrections within the set prescripts of the Accounting Framework with specific reference to Accounting Standards that deals therewith</p>
<b><u>Contingent liability</u></b>	
<p>With reference to note 45 of financial statements, the municipality is a defendant in a number of contractual claims amounting to R37 596 523 (2020-21: R40 071 492). The municipality is opposing the claims. The ultimate outcome of the matters cannot presently be determined</p>	<p>The matter is dormant. The status quo remains the same</p>

Table: 342

AG report on financial performance 2021/22

##### 6.1.2 Service delivery performance for 2021/22

The Auditor-General in its audit report as at 30 June 2023, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO1 – To provide and maintain basic services and ensure social upliftment for the Breede Valley community

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### COMPONENT B: AUDITOR-GENERAL OPINION 2022/23

#### 6.2 AUDITOR-GENERAL REPORT 2022/23

##### 6.2.1 Financial performance 2022/23

Auditor-General Report on Financial Performance 2021/22	
<b>Audit Report Status:</b>	<b>Unqualified with no findings</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b><u>Emphasis of matter:</u></b>	
<b><u>Material Impairment of receivables:</u></b>	
As disclosed in note 4 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions to the amount of R150 569 822 (2021-22: R133 908 162). As disclosed in note 5 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions to the amount of R119 587 538 (2021-22: R49 122 577)	Strict credit controls are implemented to ensure revenues are collected despite adverse economic conditions. The debt collection rate improved from the prior year. The Municipality successfully implemented the vetting system and the indigents were decreased from 10 000 to 8 000
<b><u>Restatement of corresponding figures</u></b>	
As disclosed in note 53 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.	The Municipality strives to adhere to the accounting framework in order to minimise prior period errors. However when prior period errors are detected corrections are done within the set prescripts of the Accounting Framework with specific reference to Accounting Standards that deals therewith
<b><u>Contingent liability</u></b>	
With reference to note 45 of financial statements, the municipality is a defendant in a number of contractual claims amounting to R38 096 482 (2021-22: R37 596 523). The municipality is opposing the claims. The ultimate outcome of the matters cannot presently be determined	The matter is dormant. The status quo remains the same

Table: 343

AG report on financial performance 2021/22

##### 6.2.2 Service delivery performance for 2022/23

The Auditor-General in its audit report as at 30 June 2023, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO1 – To provide and maintain basic services and ensure social upliftment for the Breede Valley community

## ABBREVIATIONS

### ABBREVIATIONS

<b>AG</b>	Auditor-General
<b>ALD</b>	Alderman
<b>APD</b>	Association for People with Disabilities
<b>AQMP</b>	Air Quality Management Plan
<b>AQO</b>	Air Quality Officer
<b>B-BBEE</b>	Broad-based Black Economic Empowerment
<b>BVFD</b>	Breede Valley Fire Department
<b>BVM</b>	Breede Valley Municipality
<b>CAPEX</b>	Capital Expenditure
<b>CASIDRA</b>	Cape Agency for Sustainable Integrated Development in Rural Areas
<b>CBD</b>	Central Business District
<b>CBP</b>	Community Based Planning
<b>CCTV</b>	Closed-circuit Television
<b>CDW</b>	Community Development Worker
<b>CFO</b>	Chief Financial Officer
<b>CLLR</b>	Councillor
<b>COVAX</b>	COVID-19 Vaccine
<b>CSF</b>	Community Safety Forum
<b>CSIR</b>	Council of Scientific & Industrial Research
<b>CWP</b>	Capital Works Program
<b>CWDM</b>	Cape Winelands District Municipality

<b>DCAS</b>	Department of Cultural Affairs and Sport
<b>DCF</b>	District Co-ordinating Forum
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DLG</b>	Department of Local Government
<b>DoA</b>	Department of Agriculture
<b>DoE</b>	Department of Education
<b>DoH</b>	Department of Housing
<b>DoRA</b>	Division of Revenue Act
<b>DoRD</b>	Department of Rural Development
<b>DPLG</b>	Department of Provincial and Local Government
<b>DSD</b>	Department of Social Development
<b>DSBD</b>	Department of Small Business Development
<b>DTI</b>	Department of Trade and Industry
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>ECD</b>	Early Childhood Development
<b>EE</b>	Employment Equity
<b>EIA</b>	Environmental Impact Assessment
<b>EM</b>	Executive Manager
<b>EME's</b>	Exempt Micro Enterprises
<b>EPWP</b>	Extended Public Works Programmes
<b>ERM</b>	Enterprise Risk Management
<b>EXECMAN</b>	Executive Management
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GDP</b>	Gross Domestic Product

## ABBREVIATIONS

<b>GDPR</b>	Gross Domestic Product Rate	<b>MEC</b>	Member of the Executive Committee
<b>GIS</b>	Geographic Information Systems	<b>MERO</b>	Municipal Economic Review and Outlook
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>HH</b>	Household	<b>MGRO</b>	Municipal Governance Review Outlook
<b>HOD</b>	Head of Department	<b>MHS</b>	Municipal Health Services
<b>HR</b>	Human Resources	<b>MIG</b>	Municipal Infrastructure Grant
<b>HVWUA</b>	Hex Valley Water Users Association	<b>MinMay</b>	Minister and Mayoral
<b>ICT</b>	Information and Communication Technology	<b>MM</b>	Municipal Manager
<b>IDP</b>	Integrated Development Plan	<b>MMC</b>	Member of Mayoral Committee
<b>IFRS</b>	International Financial Reporting Standards	<b>MPAC</b>	Municipal Public Accounts Committee
<b>IGR</b>	Intergovernmental Relations	<b>MPPR</b>	Multiple Procedure Payment Reduction
<b>IMFO</b>	Institute for Municipal Finance Officers	<b>MRF</b>	Material Recovery Facility
<b>IWMP</b>	Integrated Waste Management Plan	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>IZS</b>	Integrated Zoning Scheme	<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>JDA</b>	Joint District Advisory	<b>MTBPS</b>	Medium Term Budget Policy Statement
<b>JOC</b>	Joint Operations Council/Committee/Communication	<b>MTECH</b>	Medium Term Expenditure Committee
<b>KPA</b>	Key Performance Area	<b>MTOD</b>	Municipal Transformation and Organisational Development
<b>KPI</b>	Key Performance Indicator	<b>MTREF</b>	Medium Term Revenue and Expenditure Framework
<b>LED</b>	Local Economic Development	<b>NGO</b>	Non-Governmental Organisation
<b>LTA</b>	Local Tourism Association	<b>NT</b>	National Treasury
<b>LG</b>	Local Government	<b>NQF</b>	National Quality Framework
<b>MayCo</b>	Executive Mayoral Committee	<b>NWMS</b>	National Waste Management Strategy
<b>MBRR</b>	Municipal Budget and Reporting Regulations	<b>OPEX</b>	Operating Expenditure
<b>MCCR</b>	Municipal Cost Containment Regulations		



## ABBREVIATIONS

<b>QME's</b>	Qualifying Small Enterprises	<b>SCM</b>	Supply Chain Management
<b>RAMP</b>	Road Asset Management Plan	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>PHP</b>	Provincial Housing Plan	<b>SDF</b>	Spatial Development Framework
<b>RML</b>	Remote Pilot License	<b>SEDA</b>	Small Enterprise Development Agency
<b>PMS</b>	Performance Management System	<b>SEFA</b>	Small Enterprise Finance Agency
<b>PPE</b>	Personal Protective Equipment	<b>SIME</b>	Strategic Integrated Municipal Engagement
<b>PPP</b>	Public Private Partnership	<b>SLA</b>	Service Level Agreement
<b>PPPCOM</b>	Provincial Public Participation and Communication Forum	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>PT</b>	Provincial Treasury	<b>STATSSA</b>	Statistics South Africa
<b>RBAP</b>	Risk Based Audit Plan	<b>TASK</b>	Tuned assessment of skills and knowledge
<b>ROC</b>	Remote Operator Certificate	<b>VPN</b>	Virtual Private Network
<b>RSEP</b>	Regional Socio-Economic Programme	<b>VTS</b>	Vehicle Tracking Software
<b>SAI</b>	Supreme Audit Institute	<b>VUCA</b>	Volatility, Uncertainty, Complexity, Ambiguity
<b>SALGA</b>	South African Local Government Association	<b>WCDP</b>	Western Cape Department of Planning
<b>SAMDI</b>	South African Management Development Institute	<b>WCDLG</b>	Western Cape Department of Local Government
<b>SANRAL</b>	South African National Roads Agency Limited	<b>WESGRO</b>	Western Cape Tourism, Trade and Investment Promotion Agency
<b>SAMRC</b>	South African Medical Research Council	<b>WWTW</b>	Waste Water Treatment Works
<b>SAPS</b>	South African Police Services		
<b>SASRIA</b>	South African Special Risks Insurance Association		

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# Annexure A



**BREED VALLEY MUNICIPALITY**  
Annual Financial Statements  
for the year ended 30 June 2023

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## General Information

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### Nature of business and principal activities

The main business operation of the municipality is to engage in local governance activities, which includes promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public.

### Mayoral committee for the year ended 30 June 2023

Executive Mayor

Antoinette Steyn

Mayoral committee members

J. Von Willingh ( Deputy Executive Mayor)

J.F Van Zyl (Speaker)

P.H Marais (Chief Whip)

V.A Bedworth

J.R Jack

J.P Kritzinger

W.R Meiring

N.Nel

P.C Ramokhabi

E. van der Westhuizen

F.Vaughan

Accounting officer

D. McThomas

Chief Financial Officer (CFO)

R.Ontong

Registered office

Baring Street  
Worcester  
6850

Postal address

Private Bag X3046  
Worcester  
6849

Bankers

Nedbank Limited

Auditors

Auditor-General of South Africa

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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## Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Index

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COD	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

## Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

The annual financial statements are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Breede Valley Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The annual financial statements set out on pages 6 to 111, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023.



**Accounting Officer**  
**31 August 2023**





## Report of the Auditor General

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To the Provincial Legislature of BREEDE VALLEY MUNICIPALITY

**Auditor-General of South Africa**  
**Registered Auditors**  
**Partner's name**  
**Additional description**  
**Additional description**

**01 March 1900**

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Officer's Report

---

The accounting officer submits his report for the year ended 30 June 2023.

### 1. Review of activities

#### Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3 833 sq. km and is home to 176 578 people as per the 2016 community survey.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The financial position of the municipality is described to be sound, with an accumulated surplus of R2 374 603 847 (2022: R2 253 380 700) at year-end.

Net surplus of the municipality was R120 913 802 (2022: net surplus R65 977 952). The overall summarised operating results for the municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflect a summary of income and expenditure.

### 2. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus of R 2 374 603 847 and that the municipality's assets exceed its total liabilities by R 2 374 603 847.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis show that assets cover the liabilities by 457.92% (2022 : 487.47%). The coverage indicates that the municipality operates as a going concern. Refer to note 57 of the annual financial statements.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

### 4. B-BBEE Performance

In terms of Section 13G read with regulation 12 of the B-BBEE Act, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment within their Annual Financial Statements and Annual Report. Refer to note 63 of the annual financial statements.

### 5. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 6. Borrowing, investments and cash

The accounting officer may after approval of the Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt increased in the year ended 30 June 2023. In the financial year ended 30 June 2023 the municipality redeemed interest-bearing debt of R14 535 651. The interest paid on borrowings as a percentage of total expenditure is 1.74% (2022: 1.95%).

Investments as at 30 June 2023 amounted to R10 232 534 (2022: R91 794 251). Investments and cash and cash equivalents decreased from R180 883 586 to R158 985 717. Additional information regarding cash and cash equivalents, investments and loans are provided in notes 3, 10, 19 and Appendix A to the financial statements.

### 7. Capital expenditure

The capital expenditure incurred during the year 2023 amounted to R270 825 267 (2022: R143 097 329) that represented 66.08% (2022: 92.08%) of the approved capital budget of R409 826 108 (2022: R155 412 070). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix H (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Officer's Report

---

### 8. Cash flow analysis

Details of major changes in the nature of the municipality during the year were as follows:

Summary of net cash flows	2023	2022
Net cash flow from operating activities	114 946 608	138 272 756
Net cash flow from investing activities	(150 847 906)	(125 710 912)
Net cash flow from financing activities	95 565 146	(12 820 253)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>59 663 848</b>	<b>(258 409)</b>

### 9. Credit rating

The municipality was rated by Moody's Investor Services during the 2019/20 financial year. Their rating and outlook for the municipality was a Ba2.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factors. At 30 June 2023 and 30 June 2022 the current ratio was 1.68 and 1.62 respectively. This reflects an increase in the ratio.

### 10. Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
D. McThomas	South African

### 11. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	148 753 183	89 089 335
Receivables from exchange transactions	4	101 496 560	98 084 507
Statutory Receivables	5	40 684 495	25 073 499
Other receivables from non exchange transactions	6	2 326 795	1 894 588
Other receivables from exchange transactions	7	10 668 820	7 989 972
Inventories	8	15 605 176	11 821 383
Short term investments	10	10 232 534	91 794 251
Long term receivables	15	4 662 834	2 147 556
Operating lease asset	9	341 391	361 087
		<b>334 771 788</b>	<b>328 256 178</b>
<b>Non-Current Assets</b>			
Investment property	11	96 156 600	63 286 633
Property, plant and equipment	12	2 561 275 241	2 399 706 857
Intangible assets	13	3 937 318	4 013 732
Heritage assets	14	36 631 059	36 631 059
Long term receivables	15	5 268 910	2 612 889
		<b>2 703 269 128</b>	<b>2 506 251 170</b>
<b>Total Assets</b>		<b>3 038 040 916</b>	<b>2 834 507 348</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	16	100 459 951	123 494 866
Consumer deposits	17	4 687 970	4 587 173
Unspent conditional grants and receipts	18	16 423 060	4 227 344
Long term liabilities	19	26 781 010	19 580 156
Employee benefit obligation	20	47 436 261	48 139 959
Provisions	21	3 160 365	3 084 771
		<b>198 948 617</b>	<b>203 114 269</b>
<b>Non-Current Liabilities</b>			
Long term liabilities	19	252 462 043	164 603 202
Employee benefit obligation	20	148 015 000	158 535 000
Provisions	21	64 011 409	55 224 177
		<b>464 488 452</b>	<b>378 362 379</b>
<b>Total Liabilities</b>		<b>663 437 069</b>	<b>581 476 648</b>
<b>Net Assets</b>		<b>2 374 603 847</b>	<b>2 253 030 700</b>
Accumulated surplus		<b>2 374 603 847</b>	<b>2 253 030 700</b>

\* See note 53

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	22	710 366 337	718 276 538
Sales of Goods and rendering of services	23	5 520 542	5 638 898
Income from agency services	24	9 690 278	9 449 678
Licenses and permits		3 123 467	2 619 982
Rental income	25	7 478 117	6 683 602
Operational Revenue	26	9 970 027	5 252 186
Finance Income	27	27 650 417	19 259 515
<b>Total revenue from exchange transactions</b>		<b>773 799 185</b>	<b>767 180 399</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Availability Charges		7 091 912	6 766 308
Property rates	28	180 017 883	173 036 896
Property rates - penalties imposed and collection		2 784 887	1 782 296
<b>Transfer revenue</b>			
Government grants & subsidies	29	239 168 397	208 687 115
Fines, Penalties and Forfeits	30	94 924 009	28 741 119
Donations in-kind	56	17 916 689	-
<b>Total revenue from non-exchange transactions</b>		<b>541 903 777</b>	<b>419 013 734</b>
<b>Total revenue</b>		<b>1 315 702 962</b>	<b>1 186 194 133</b>
<b>Expenditure</b>			
Employee related costs	31	(366 251 127)	(361 117 739)
Remuneration of councillors	32	(19 066 405)	(18 315 230)
Depreciation and amortisation	34	(94 571 263)	(88 566 291)
Bulk purchases	35	(372 992 719)	(383 068 449)
Finance costs	36	(19 436 796)	(20 973 934)
Inventory consumed	8	(50 877 550)	(41 234 443)
Contracted services	37	(109 354 531)	(96 850 686)
Operating lease		(9 185 135)	(9 036 064)
Grants and subsidies paid	38	(3 419 195)	(3 581 533)
Operational Costs	39	(65 945 843)	(48 129 122)
Agency fees paid	40	(6 521 026)	(5 550 010)
<b>Total expenditure</b>		<b>(1 117 621 590)</b>	<b>(1 076 423 501)</b>
<b>Operating surplus</b>		<b>198 081 372</b>	<b>109 770 632</b>
Gain/(loss) on disposal of assets and liabilities		(623 094)	(2 085 040)
Fair value adjustments	41	14 716 643	1 235 625
Actuarial gains/(losses)	20	25 710 286	37 808 361
Debt Impairment	33	(116 517 766)	(80 796 424)
Inventory gains/(losses)		(453 639)	44 798
<b>Total other gains or (losses)</b>		<b>(77 167 570)</b>	<b>(43 792 680)</b>
<b>Surplus for the year</b>		<b>120 913 802</b>	<b>65 977 952</b>

\* See note 53

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	2 187 087 517	2 187 087 517
Prior year adjustments	(350 000)	(350 000)
<b>Balance at 30 June 2021 as restated*</b>	<b>2 186 737 517</b>	<b>2 186 737 517</b>
Changes in net assets		
Net income (losses) recognised directly in net assets (previously reported)	14 310 794	14 310 794
Correction of error	(13 995 563)	(13 995 563)
Surplus for the year (previously reported)	51 982 390	51 982 390
Correction of error	13 995 563	13 995 563
Net income (losses) recognised directly in net assets	315 231	315 231
Surplus for the year *	65 977 952	65 977 952
Total recognised income and expenses for the year	66 293 183	66 293 183
Total changes	66 293 183	66 293 183
<b>Restated* Balance at 30 June 2022</b>	<b>2 253 030 696</b>	<b>2 253 030 696</b>
Changes in net assets		
Net income (losses) recognised directly in net assets	659 349	659 349
Surplus for the year	120 913 802	120 913 802
Total changes	121 573 151	121 573 151
<b>Balance at 30 June 2023</b>	<b>2 374 603 847</b>	<b>2 374 603 847</b>

\* The surplus for the 2021/22 year has been restated. Refer to note 53 for the prior period error corrections.

\* See note 53

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash flows from services and rate payers		890 983 840	873 516 734
Cash flows from government and other grants		251 364 113	208 718 846
Finance income: investing activities		26 964 198	17 288 499
		<u>1 169 312 151</u>	<u>1 099 524 079</u>
<b>Payments</b>			
Cash paid to employees		(370 830 943)	(358 531 133)
Cash paid to suppliers		(660 273 955)	(577 802 270)
Finance costs		(19 841 450)	(21 336 387)
Grants paid		(3 419 195)	(3 581 533)
		<u>(1 054 365 543)</u>	<u>(961 251 323)</u>
<b>Net cash flows from operating activities</b>	43	<u><b>114 946 608</b></u>	<u><b>138 272 756</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(230 245 261)	(137 446 540)
Proceeds from sale of Investment properties	11	2 085 000	1 212 744
Long term receivables		(4 481 896)	(891 570)
Increase/ decrease in investment		81 794 251	11 414 454
<b>Net cash flows from investing activities</b>		<u><b>(150 847 906)</b></u>	<u><b>(125 710 912)</b></u>
<b>Cash flows from financing activities</b>			
Proceeds from long term liabilities		110 000 000	-
Repayment of long term liabilities		(14 535 651)	(13 040 715)
Movement in consumer deposits		100 797	220 462
<b>Net cash flows from financing activities</b>		<u><b>95 565 146</b></u>	<u><b>(12 820 253)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>59 663 848</b></u>	<u><b>(258 409)</b></u>
Cash and cash equivalents at the beginning of the year		89 089 335	89 347 744
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>148 753 183</b></u>	<u><b>89 089 335</b></u>

\* See note 53



BREED VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2023  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
WC025 Breede Valley - Reconciliation of Table A1 Budget Summary

Description	2022/23								2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Variance	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9
<b>Financial Performance</b>									
<b>Revenue</b>									
Exchange Revenue	806 688	14 235	820 921	-	-	820 921	777 768	(43 153)	771 739
Service charges - Electricity	536 542	-	536 542	-	-	536 542	474 832	(61 709)	492 828
Service charges - Water	98 700	5 191	103 891	-	-	103 891	105 610	1 720	104 101
Service charges - Waste Water Management	79 917	5 578	85 495	-	-	85 495	90 274	4 780	84 271
Service charges - Waste management	46 407	-	46 407	-	-	46 407	48 941	534	43 844
Sale of Goods and Rendering of Services	3 757	0	3 757	-	-	3 757	5 521	1 763	5 639
Agency services	9 436	-	9 436	-	-	9 436	9 483	27	9 061
Interest other	-	-	-	-	-	-	-	-	(259)
Interest earned from Receivables	8 431	2 897	11 327	-	-	11 327	13 266	1 939	8 032
Interest earned from Current and Non Current Assets	10 688	2 137	12 823	-	-	12 823	14 384	1 561	11 227
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	1 567	(1 567)	-	-	-	-	-	-	-
Rental from Fixed Assets	6 489	-	6 489	-	-	6 489	7 478	989	8 178
Licence and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	4 754	0	4 754	-	-	4 754	10 197	5 443	4 818
<b>Non-Exchange Revenue</b>	<b>583 787</b>	<b>3 304</b>	<b>587 091</b>	<b>-</b>	<b>-</b>	<b>587 091</b>	<b>494 314</b>	<b>(92 777)</b>	<b>360 908</b>
Property rates	175 223	-	175 223	-	-	175 223	180 018	4 795	173 037
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	230 513	-	230 513	-	-	230 513	94 924	(135 589)	28 741
Licence and permits	4 056	(2 006)	2 050	-	-	2 050	3 123	1 073	2 619
Transfer and subsidies - Operational	171 058	4 547	175 605	-	-	175 605	171 643	(3 962)	153 754
Interest	1 539	762	2 301	-	-	2 301	2 785	484	1 782
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	1 399	0	1 399	-	-	1 399	118	(1 281)	56
Other Gains	-	(0)	(0)	-	-	(0)	41 703	41 703	519
<b>Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 390 473</b>	<b>17 539</b>	<b>1 408 012</b>	<b>-</b>	<b>-</b>	<b>1 408 012</b>	<b>1 272 082</b>	<b>(135 930)</b>	<b>1 132 247</b>
<b>Expenditure</b>									
Employee related costs	350 795	18 558	369 354	-	(2 845)	366 508	366 251	(257)	335 127
Remuneration of councillors	19 549	124	19 673	-	-	19 673	16 066	(606)	18 315
Bulk purchases - electricity	422 897	-	422 897	-	(22 786)	400 111	372 993	(27 118)	383 068
Inventory consumed	39 422	1 131	40 553	-	12 511	53 064	51 173	(1 890)	41 188
Debt impairment	198 239	-	198 239	-	-	198 239	116 518	(81 721)	80 796
Depreciation and amortisation	100 988	-	100 988	-	-	100 988	94 571	(5 416)	88 566
Interest Charges	38 001	-	38 001	-	-	38 001	19 437	(18 565)	20 974
Contracted services	104 978	8 070	113 048	-	7 107	120 155	112 150	(8 005)	96 851
Transfers and subsidies	6 872	3 127	9 999	-	116	10 114	3 419	(6 695)	3 767
Irrecoverable debts written off	17	-	17	-	-	17	-	(17)	-
Operational costs	70 227	12 101	82 328	-	1 956	84 284	78 857	(5 427)	50 713
Losses on Disposal of Assets	3 703	(0)	3 703	-	-	3 703	741	(2 962)	2 141
Other Losses	63	0	63	-	2 000	2 063	1 434	(629)	519
<b>Total Expenditure</b>	<b>1 355 751</b>	<b>43 110</b>	<b>1 398 862</b>	<b>-</b>	<b>(1 942)</b>	<b>1 396 920</b>	<b>1 238 610</b>	<b>(160 309)</b>	<b>1 122 025</b>
<b>Surplus/(Deficit)</b>	<b>34 722</b>	<b>(25 571)</b>	<b>9 150</b>	<b>-</b>	<b>1 942</b>	<b>11 092</b>	<b>35 472</b>	<b>24 379</b>	<b>10 222</b>
Transfers and subsidies - capital (monetary allocations)	70 138	11 335	81 473	-	-	81 473	67 525	(13 948)	55 756
Transfers and subsidies - capital (in-kind)	-	17 918	17 918	-	-	17 918	17 917	(1)	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>10 431</b>	<b>65 978</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>10 431</b>	<b>65 978</b>
Share of Surplus/(Deficit) attributable to Joint Ventures	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Associates	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>10 431</b>	<b>65 978</b>
<b>Reconciliation to statement of financial performance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) per the statement of financial performance</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>10 431</b>	<b>65 978</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - capital	70 138	29 252	99 390	-	-	99 360	85 442	(13 949)	55 755
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	146 238	34 090	180 328	-	-	180 328	104 458	(75 870)	-
Internally generated funds	102 174	27 354	129 528	-	580	130 108	80 918	(49 189)	87 342
<b>Total sources of capital funds</b>	<b>318 550</b>	<b>90 696</b>	<b>409 246</b>	<b>-</b>	<b>580</b>	<b>409 826</b>	<b>270 819</b>	<b>(139 007)</b>	<b>143 097</b>
<b>Financial position</b>									
Total current assets	267 426	(56)	210 934	-	-	210 934	334 772	123 838	328 258
Total non current assets	2 682 117	116	2 797 935	-	-	2 797 935	2 703 269	(94 666)	2 506 251
Total current liabilities	154 220	-	154 220	-	-	154 220	198 949	44 729	203 114
Total non current liabilities	581 169	-	581 169	-	-	581 169	464 488	(116 681)	378 362
Community wealth/Equity	2 214 154	58	2 273 479	-	-	2 273 479	2 374 604	101 124	2 253 031
<b>Cash flows</b>									
Net cash from (used) operating	142 598	(16 781)	125 818	-	-	125 818	114 947	(10 871)	138 273
Net cash from (used) investing	(318 500)	(90 696)	(409 196)	-	-	(409 196)	(150 488)	(258 348)	(125 711)
Net cash from (used) financing	127 653	34 090	161 743	-	-	161 743	95 565	(66 178)	(12 620)
<b>Cash/cash equivalents at the year end</b>	<b>101 765</b>	<b>(44 311)</b>	<b>57 454</b>	<b>-</b>	<b>-</b>	<b>57 454</b>	<b>148 753</b>	<b>91 299</b>	<b>89 089</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	101 765	(44 311)	57 454	-	-	57 454	103 777	46 323	89 089
Application of cash and investments	18 161	9 707	27 868	-	-	27 868	44 576	17 108	60 265
<b>Balance - surplus (shortfall)</b>	<b>83 605</b>	<b>(54 018)</b>	<b>29 587</b>	<b>-</b>	<b>-</b>	<b>29 587</b>	<b>58 802</b>	<b>29 215</b>	<b>28 824</b>
<b>Asset management</b>									
Asset register summary (WDV)	2 678 902	68 971	2 747 873	-	-	2 747 873	2 639 000	(49 873)	2 503 638
Depreciation	100 988	-	100 988	-	-	100 988	94 571	(5 416)	88 566
Renewal of Existing Assets	51 504	50 346	101 850	-	8 349	110 199	72 664	(37 534)	28 278
Repairs and Maintenance	57 715	7 085	64 801	-	13 017	77 817	76 832	(10 985)	60 900
<b>Free services</b>									
Cost of Free Basic Services provided	67 413	-	67 413	-	-	67 413	54 837	(12 776)	51 316
Revenue cost of free services provided	35 514	-	35 514	-	-	35 514	8 196	(27 319)	7 697
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

**BREDE VALLEY MUNICIPALITY**  
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**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2023**

Description	Final Budget 30 June 2023	Revenue/ Opex/ Capex 30 June 2023	Variances greater than 10%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
<b>Operating Revenue</b>					
Service charges - Electricity	536 541 700,00	474 632 367,41	-11,54	The effects of load shedding has resulted in a reduced demand for electricity either because clients leaving the grid or less electricity needs due to extended hours of outages.	
Sale of Goods and Rendering of Services	3 757 410,00	5 520 682,49	46,93	Services such as gate takings, valuation services, cementry and burial were more than anticipated.	
Interest earned from Receivables	11 327 400,00	13 266 410,12	17,12	The increase in interest rates as well as growth in Debtors resulted in more interest than anticipated.	
Interest earned from Current and Non Current Assets	12 823 440,00	14 384 007,34	12,17	More funds were available for investments throughout the year which resulted in more interest received on investments received,	
Rental from Fixed Assets	6 488 700,00	7 478 116,69	15,25	There were more rentals revenue from resorts and the transfer of flats from the provincial government.	
Operational Revenue	4 753 910,00	10 197 228,18	114,50	There were more administrative handling fees than anticipated.	
Fines, penalties and forfeits	230 513 100,00	94 924 008,19	-58,82	It was anticipated that with the appointment of a traffic speed monitoring service provider there would be more fines issued. The result was less than anticipated.	
Licence and permits	2 050 000,00	3 123 465,59	52,36	More licenses and permits were issued than anticipated.	
Interest	2 301 300,00	2 784 887,24	21,01	There was more cash available to invest during the year. There were also favourable interest rates.	
Gains on disposal of Assets	1 398 740,00	117 966,68	-91,57	Proceeds on sale of assets was less than anticipated.	
Other Gains	-40,00	41 702 972,18	100,00	Other gains like actuarial gains were more than anticipated,	
Transfers and subsidies - capital (monetary allocations)	81 472 879,00	67 525 256,46	-17,12	Not all capital grants was spent due to some capital grants that were received late in the financial year.	
<b>Operating Expenditure</b>					
Debt impairment	198 239 200,00	116 517 765,67	-41,22	Debt impairment for 2022/2023 are less than anticipated.	None
Interest Charges	38 001 400,00	19 436 796,31	-48,85	External loan was not fully taken up during the 2022/2023 financial year.	None
Transfers and subsidies	10 114 487,00	3 419 195,00	-66,20	Expenditure on Housing Projects are less than anticipated.	Negative
Irrecoverable debts written off	17 300,00		-100,00	Irrecoverable debts written off for 2022/2023 are less than anticipated.	None
Losses on Disposal of Assets	3 703 070,00	741 060,31	-79,99	Losses on Disposal of Assets for 2022/2023 are less than anticipated.	None
Other Losses	2 062 530,00	1 434 000,04	-30,47	Water losses for 2022/2023 are less than anticipated.	None
<b>Capital Expenditure</b>					
<b>Engineering Services and Public Services</b>					
<b>Not Allocated to Wards</b>					
<b>Rawsonville WwTW</b>					
Rawsonville WwTW: Extension of WwTW (0,24 Ml/day)	27 000 000	23 909 227,64	3 090 772,36	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Reservoirs</b>					
Reservoirs: Pre-loads	55 000 000	30 863 271,82	24 136 728,18	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Upgrading of Sewer Network</b>					
Upgrading of Sewer Network: External Loan	15 000 000	5 696 997,28	9 303 002,72	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Resealing of Municipal Roads - Worcester</b>					
Resealing of Municipal Roads - Worcester: CRR	3 016 253	2 805 915,73	210 337,27	Saving	None
<b>Traffic Circles</b>					
Traffic Circles: (High and Louis Lange)	19 071 849	12 094 878,09	6 976 970,91	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Networks</b>					
Pipe cracking (all wards)	6 218 833	2 481 203,90	3 737 629,10	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Electricity (8112)</b>					
Refurbishment of electrical system	3 900 000	111 131,20	3 788 868,80	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Refurbishment of substations	7 000 000	6 076 954,05	923 045,95	Project implemented. Saving	None
Robertson Road Substation	5 000 000	677 172,28	4 322 827,72	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Alternative Electricity Supply Zwelothamba	11 800 000	117 381,28	11 682 618,72	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Roux Park capacity/equipment upgrade	3 200 000		3 200 000,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Upgrading of High Mast Lights	1 400 000	1 281 116,00	118 884,00	Saving	None
Upgrading of Street Lights	2 600 000	2 471 083,50	128 916,50	Saving	None
<b>Refurbishment of electrical system (NERSA)</b>					
Altona new Electrical Substation	10 000 000	9 714 510,56	285 489,44	Saving	None

**BREDE VALLEY MUNICIPALITY**  
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**Statement of Budget Comparison**

Material Variance Explanations 30 June 2023					
Description	Final Budget 30 June 2023	Revenue/ Opex/ Capex 30 June 2023	Variances greater than 10%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
<b>Project Management</b>					
Worcester Town Hall - Airconditioner	5 055 431	3 086 127,55	1 969 303,45	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>SOLID WASTE MANAGEMENT</b>					
<b>WORCESTER</b>					
Wheeliebins	1 000 000	553 823,44	446 176,56	Phase of project completed. Saving	None
Solid Waste - Radios	222 000	168 060,69	53 939,31	Saving	None
<b>Waste Water Treatment Works</b>					
Pump station upgrading and refurbishment	2 000 000	513 000,00	1 487 000,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Parks and Cemeteries</b>					
Parks - Machinery and Equipment	580 000	342 894,39	237 105,61	Saving	None
Fencing of Cemeteries - Aan De Doorns	200 000		200 000,00	Project to be considered for implementation during the 2023/24 Adjustments Budget	None. Project relate to the house of the official at the cemetery
<b>Water and Sewerage</b>					
Upgrading of Offices (Fairbairn Street)	1 610 000	300 029,41	1 309 970,59	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None.
Upgrading of Rawsonville sewer line	19 000 000	14 586 743,45	4 413 256,55	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Upgrading of various sewer pumpstations	12 000 000	5 021 097,33	6 978 902,67	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Construction of Kwinana Street Bypass sewer	9 500 000	3 601 437,62	5 898 562,38	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Ward Priorities</b>					
Fencing of Substations	510 000	381 661,40	128 338,60	Saving	None
High Mast lights	1 410 776	331 366,71	1 079 409,29	Funding was transferred to this project to finance High Mast Lights at Transhex. Project to be considered for implementation in the 2023/24 financial year.	Visibility in the area is affected at night.
<b>Ward 1</b>					
Augmentation of Water treatment works (MIG Counter funding)	2 357 000	2 123 308,86	233 691,14	Project in final stage of implementation. Severe weather conditions restricted access to the site. The supplier experienced a shortage in the supply of solar panels due to a higher than anticipated demand for solar panels in the market. Subject to rollover process.	None. Project in final stage of implementation. Generators are currently used to power the plant
<b>Ward 2</b>					
De Doorns WWTW Reactor	2 750 000	2 152 182,90	597 817,10	Project completed. Savings	None
<b>Ward 4</b>					
Upgrading of Open space - Kleigat	100 000		100 000,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Ward 6</b>					
Fencing of Substation (corner of Van der Merwe- and Lyons Street)	50 000		50 000,00	Saving	None
<b>Erosion Protection of Hex River (Zweletemba)</b>					
Erosion Protection of Hex River : Phase 2 ( 300m @ R13,333.33/m)	18 711 250		18 711 250,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of current implementation phase.
Erosion Protection of Hex River : Phase 2 ( 300m @ R13,333.33/m)	34 528 750	30 051 086,74	4 477 663,26	VAT on project. Total MIG claimed. Transferred to Operating Income	None
Erosion Protection of Hex River : Phase 2 ( 300m @ R13,333.33/m)	10 310 000	1 930 406,45	8 379 593,55	Funding transferred late during the 2022/23 financial year. Application for rollover to the 2023/24 financial year to be submitted by 31 August 2023.	None. Project in final stage of current implementation phase.
<b>Ward 7</b>					
Drop off zone (Worcester-East School)	100 000		100 000,00	It was established that a Drop-off zone will not address the problem. Solution will be determined and be considered in the 2023/24 financial year	None
Fencing of Cemeteries - De Wet Str.	100 000		100 000,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Ward 10</b>					
Playparks - Ward 10	60 000		60 000,00	SCM process followed. Tendered amounts greater than budget.	Basic services not affected. Delay in implementation and use of facility.
<b>Ward 13</b>					
Drop-off zone - Ward 13	100 000		100 000,00	Project to be considered for implementation during the 2023/24 Adjustments Budget	Delay in implementation and availability for use
<b>Ward 15</b>					
Drop off zone (Worcester Primary School)	100 000	37 801,14	62 198,86	Drop-off zone on school property. Only costs incurred was for the lowering of curbs. saving	None.
<b>Ward 17</b>					
High Mast Light -Ward 17	650 000	318 806,68	331 193,32	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation



**BREDE VALLEY MUNICIPALITY**  
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**Statement of Budget Comparison**

Material Variance Explanations 30 June 2023					
Description	Final Budget 30 June 2023	Revenue/ Opex/ Capex 30 June 2023	Variances greater than 10%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
<b>Ward 20</b>					
Fencing of Rawsonville Graveyard	75 000		75 000,00	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
<b>Land Infill Developments</b>					
Avian Park Industrial - Water	146 043		146 043,00	Implementation based on progress of infill development	None
Avian Park Industrial - Stormwater	94 928		94 928,00	Implementation based on progress of infill development	None
Somerset Park - Water	146 043		146 043,00	Implementation based on progress of infill development	None
Somerset Park - Sewer	438 005		438 005,00	Implementation based on progress of infill development	None
Somerset Park - Stormwater	94 928		94 928,00	Implementation based on progress of infill development	None
Somerset Park - Electricity	439 831	289 433,43	150 397,57	Implementation based on progress of infill development	None
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>					
Sewer Connections	1 120 000		1 120 000,00	Budgeted on a needs basis. No needs for full budget. Savings	None
Electricity Connections	1 400 000	998 610,66	401 389,34	Budgeted on a needs basis. No needs for full budget. Savings	None
Water Connections	2 929 440	191 520,00	2 737 920,00	Budgeted on a needs basis. No needs for full budget. Savings	None
<b>Community Services</b>					
<b>SPORT: Esselen Park</b>					
SPORT: Esselen Park: Replacement of fence perimeter	824 651	472 344,90	352 306,10	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Current perimeter structure in place
<b>WATERLOO LIBRARY - 4506</b>					
Waterloo Library - Upgrade ramp	93 114		93 114,00	Savings	None
<b>TRAFFIC</b>					
<b>Buildings</b>					
Traffic - Machinery and Equipment	228 746	172 360,10	56 385,90	Savings	None
<b>FIRE DEPARTMENT: ADMIN - 4203</b>					
Fire Services - Furniture and Office Equipment	259 404	191 950,36	67 443,64	Orders issued but wrong furniture delivered. Items sent back to the supplier	None
Fire Services - De Doorns Communication Equipment	291 830	216 667,34	75 162,66	Rollover to 2023/24 financial year. Commitment in respect of the rollover amount	None. Project in final stage of implementation
Fire Services - Machinery and Equipment	345 848	272 774,20	73 073,80	Savings	None
<b>FINANCIAL SERVICES</b>					
<b>Financial Planning</b>					
FS FP - Safeguarding of Assets	400 000	326 512,83	73 487,17	Budgeted on a needs basis. No needs for full budget. Savings	None
FS FP - Insurance claims : Other Assets	500 000	196 575,17	303 424,83	Budgeted on possible claims. No needs for full budget. Savings	None
FS FP - Insurance claims : Mach & Equipment	500 000		500 000,00	Budgeted on possible claims. No needs for full budget. Savings	None
<b>Revenue</b>					
Revenue - Upgrading of Municipal Building	200 000	37 834,99	162 165,01	Initial planning was for upgrade and renewal but majority of the cost related to repair and maintenance. Costs also less than anticipated.	None
Revenue - Airconditioners	200 000	49 277,51	150 722,49	Project cost less than anticipated. Savings	None
Revenue - Machinery and Equipment	250 000	125 883,08	124 116,92	Savings	None
Revenue - Furniture and Office Equipment	455 300	355 757,60	99 542,40	Savings. Costs less than anticipated	None
<b>Supply Chain Management</b>					
SCM - Installation of records room shelving	420 000	12 050,00	407 950,00	The successful bidder experienced challenges / delays in sourcing materials.	None
<b>STRATEGIC SUPPORT SERVICES</b>					
<b>Local Economic Development</b>					
Zwelethamba Economic Facility	800 000	540 678,95	259 321,05	Savings	None
<b>INFORMATION TECHNOLOGY - 2114</b>					
ICT - Computer Equipment	14 340 143	13 758 267,05	581 875,95	Phase of project completed. Savings	None
Call Center & Telephone (PBX) System	1 135 435	1 085 434,79	50 000,21	Savings	None
Biometric system	99 387		99 387,00	As when required basis. Based on various needs	None
ICT - Airconditioner (DR Site)	50 000		50 000,00	Delays experienced, electrical wiring in the building not safe.	None

**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2023**

Description	Final Budget 30 June 2023	Revenue/ Opex/ Capex 30 June 2023	Variances greater than 10%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
Veriments to Final Adjustment Budget (Reconciliation of Budget Summary)					
Operating Revenue					
Transfer and subsidies - Operational	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 24 April 2023: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2022/2023.				
Gains on disposal of Assets					
Operating Expenditure					
Employee related costs	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 24 April 2023: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2022/2023.				
Bulk purchases - electricity					
Inventory consumed					
Contracted services					
Transfers and subsidies					
Operational costs					
Other Losses					
Capital Expenditure					
Total Capital Expenditure	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 24 April 2023: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2022/2023.				
Cash Flow					
Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 24 April 2023: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2022/2023.				

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied except where exemption has been granted, are disclosed below.

The accounting policies applied are consistent with those used to present the previous year's financial statements.

The financial statements have been prepared on a going concern basis.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. The calculation of the impairment of trade receivables is based on a payment percentage assessment of the individual debtors of the municipality. If an individual debtor has a payment percentage of more than 80%, impairment is not considered. In instances where the payment percentage is less than 80% the individual debtor is impaired based on the actual non-payment percentage of the outstanding debt.

##### Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value at the end of each reporting period. An allowance is made to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell of certain inventory items. The write down is included in the surplus.

##### Fair value estimation

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the prime interest rate.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

#### Value in use of cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Non-cash generating assets are assets other than cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Provisions

Provisions were raised and management determined an estimate based on the following information:

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites, as well as the remaining useful life of each Landfill site. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

#### Useful lives of Property, Plant and Equipment and Other Assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

At the end of each reporting period the municipality assesses whether there is any indication that the municipality's expectations about the residual value and the useful life of Property, Plant and Equipment has changed since the preceding reporting period. If any such indication exists, the municipality revises the useful life and/or the residual value. These changes are accounted for as a change in accounting estimate and are disclosed in the notes to the financial statements relating to the change in estimates in terms of the Standard of GRAP on accounting policies, changes in estimates and errors.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Post-retirement benefits and other long-term benefits

The present value of the post retirement obligation and other long-term employee obligations is actuarially determined by independent qualified actuaries on an annual basis. The present value depends on a number of factors, including but not limited to discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases, that are determined on an actuarial basis. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the municipality considers market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term employee obligations are based on current market conditions. Additional information is disclosed in note 20.

#### Long Service Awards

Long Service Awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans are valued by independent qualified actuaries on an annual basis and the corresponding liability is raised. Payments are set off against the liability, including notional interest, resulting from the actuarial valuation and are recognized in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the adjustments and changes in actuarial assumptions is recognized in the Statement of Financial Performance in the period that it occurs.

#### Staff Leave Accrual

The Municipality provides for annual leave as they accrue to employees. The liability is based on the total amount of leave days accrued to employees at year end and the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current year's entitlement is not used in full. The provision will be realized as employees take leave or when employment is terminated, whereupon the leave accrued to the employee that has not been used, is paid out.

#### Performance Bonus Accrual

The Municipality recognizes a provision relating to the anticipated costs of performance bonuses payable to Section 57 employees, as the costs accrue to the specific employees. Municipal bonus provisions are based on the employment contract stipulations and previous performance bonus trends.

#### 13th Cheque Accrual

The Municipality recognizes a provision relating to the anticipated costs of 13<sup>th</sup> Cheques as they accrue to employees. The liability at year end is based on the bonus accrued to each employee at year-end.

#### Effective Interest Rate

The municipality used the prime rate to discount future cash flows.

#### Allowance for impairment

On receivables an impairment loss is recognized in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value.

#### Fair value

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (See Note 11)

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	
• Buildings		10 - 100 years
• Recreational facilities		15 - 100 years
Infrastructure	Straight line	
• Cemeteries		25 - 60 years
• Electricity		5 - 25 years
• Housing		20 - 100 years
• Landfill sites		1 - 55 years

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

### 1.4 Property, plant and equipment (continued)

• Pedestrian Malls	20 years
• Roads and paving	50 - 80 years
• Security	3 - 25 years
• Sewerage	15 - 75 years
• Water	15 - 100 years
Other property, plant and equipment	Straight line
• Furniture and fixtures	2 - 20 years
• Special property, plant and equipment	5 - 20 years
• Specialist vehicles	5 - 30 years
• Other equipment	5 - 20 years
• Other vehicles	5 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (see note 12).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements. See Note 12.

### 1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially measured at cost.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Right to access water	99 years
Computer software, other	3-5 years

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

### 1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

#### Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term receivables	Financial asset measured at fair value
Short term receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from non exchange transaction	Financial asset measured at amortised cost
Other receivables from exchange transaction	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent Conditional grants	Financial liability measured at amortised cost

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

#### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.9 Leases (continued)

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

### 1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991).

### 1.12 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.12 Construction contracts and receivables (continued)

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

### 1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Include the criteria how non-cash generating assets are distinguish. This is a specific GRAP requirement

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.



# BREED VALLEY MUNICIPALITY

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## Accounting Policies

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### 1.15 Provisions and Contingencies

Provisions are recognised when:

the municipality has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is an:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- present obligation that arises from past events but is not recognised because:
  - it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.15 Provisions and Contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, are accounted for as follows:

The related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

#### Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

# BREEDE VALLEY MUNICIPALITY

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## Accounting Policies

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### 1.16 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered services to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise of assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.16 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.16 Employee benefits (continued)

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses;
- past service cost; and
- the effect of any curtailments or settlements.

#### Termination benefits

The entity recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes (as a minimum):

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.17 Statutory receivables

#### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

#### Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

#### Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.17 Statutory receivables (continued)

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognises the receivable; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.18 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.18 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

### 1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (continued)

#### Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

#### Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (continued)

#### Concessionary loans received

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

### 1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.21 Accounting by principals and agents

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.21 Accounting by principals and agents (continued)

#### Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

### 1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.25 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.27 Grant in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given rise to the transfer occurred.

### 1.28 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2022 to 30 June 2023.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Remuneration of management includes remuneration derived for services provided to the municipality in their capacity as members of the management team.

The remuneration for councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position closed.

Municipal service are provided to key management and councillors based on the approved tariffs that was advertised to the public.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.31 Compound instruments

Compulsory convertible preference shares [Compulsory convertible debentures] are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the municipality, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest rate method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

### 1.32 Segment information

A segment is an activity of a municipality:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the municipality's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the municipality's financial statements.

### 1.33 Living and non-living resources

Living resources are those resources that undergo biological transformation.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### Living and non-living resources (continued)

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an municipality of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

The residual value of an asset is the estimated amount that an municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an municipality, or the number of production or similar units expected to be obtained from the asset by an municipality.

GRAP 110 Living and Non-living Resources became effective on 1 April 2020 and, in accordance with the transitional provisions for the Standard provided in Directive 3, entities were not required to recognise and/or measure living resources for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP subject to the provisions in Directive .3

The Municipality does not have any material living resources and therefore, no disclosures required by GRAP 110 has been made in respect of Living Resources. The municipality has however disclosed information about Non-living Resources in note 63.

### 1.34 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of the municipality after deducting all of its liabilities.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.35 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 53 for detail.

### 1.36 Reclassifications

Reclassification of certain accounts were made in order to comply with the requirements of Municipal Standard Chart of Accounts (MSCOA). The reclassifications have no impact on the net asset value of the municipality.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 53.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

The municipality has not adopted any new standards for the current financial year that are relevant to its operations. The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

Reference	Topic	Effective Date
GRAP 25	Employee benefits	Unknown
GRAP 104	Financial Instruments	1 April 2025
IGRAP 7	The limit on a defined benefit asset, minimum funding requirement and their interaction	Unknown
IGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023
Guideline	Landfill sites	1 April 2023
Guideline	Application of Materiality of Financial Statements	Unknown

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	13 105	13 109
Bank balances	148 740 078	89 076 226
	<b>148 753 183</b>	<b>89 089 335</b>

For the purpose of the Cash Flow Statement, Cash and cash equivalents includes Cash on hand and cash in banks. Refer to note 61 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank is disclosed.

### Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at banks and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

<b>Credit rating</b>		
Current Account (P-1)	148 947 883	89 076 226
Nedbank (P-1)	-	40 813 582
Standard Bank (P-1)	-	30 662 781
ABSA (P-1)	5 116 438	15 248 353
FNB (P-1)	5 116 096	5 069 535
	<b>159 180 417</b>	<b>180 870 477</b>

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short term debt obligations.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>4. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	69 213 515	64 619 752
Housing rental	14 606 974	12 166 935
Housing Selling Schemes	257 532	252 680
Refuse	33 820 824	30 454 974
Sewerage	54 947 311	49 511 806
Sundries	15 751 886	18 339 094
Water	63 468 344	56 647 429
	<b>252 066 386</b>	<b>231 992 670</b>
<b>Less: Allowance for impairment</b>		
Electricity	(7 838 978)	(4 527 594)
Housing Selling schemes	(182 222)	(141 203)
Housing rental	(12 765 559)	(10 768 699)
Refuse	(27 332 080)	(24 651 133)
Sewerage	(44 050 344)	(39 466 727)
Sundries	(11 590 459)	(13 774 370)
Water	(46 810 184)	(40 578 437)
	<b>(150 569 826)</b>	<b>(133 908 163)</b>
<b>Net balance</b>		
Electricity	61 374 537	60 092 158
Housing rental	1 841 415	1 398 236
Housing selling schemes	75 310	111 477
Refuse	6 488 744	5 803 841
Sewerage	10 896 967	10 045 079
Sundries	4 161 427	4 564 724
Water	16 658 160	16 068 992
	<b>101 496 560</b>	<b>98 084 507</b>
<b>Electricity</b>		
Current (0 -30 days)	64 199 077	58 061 770
31 - 60 days	286 376	1 224 607
61 - 90 days	225 340	542 753
91 - 120 days	202 930	378 276
121 - 365 days	4 299 793	4 412 345
Less: Provison for impairment	(7 838 978)	(4 527 593)
	<b>61 374 538</b>	<b>60 092 158</b>
<b>Water</b>		
Current (0 -30 days)	16 487 756	16 514 170
31 - 60 days	2 028 677	2 209 295
61 - 90 days	2 169 740	2 126 398
91 - 120 days	2 477 810	1 824 202
121 - 365 days	40 304 361	33 973 364
Less: Provison for impairment	(46 810 184)	(40 578 437)
	<b>16 658 160</b>	<b>16 068 992</b>
<b>Sewerage</b>		
Current (0 -30 days)	8 241 702	5 796 528
31 - 60 days	1 452 750	1 583 801
61 - 90 days	1 277 205	1 403 667
91 - 120 days	1 274 191	1 312 727
121 - 365 days	42 701 464	39 415 084

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>4. Receivables from exchange transactions (continued)</b>		
Less: Provision for impairment	(44 050 345)	(39 466 728)
	<b>10 896 967</b>	<b>10 045 079</b>
<b>Refuse</b>		
Current (0 -30 days)	4 815 831	3 335 550
31 - 60 days	865 751	928 010
61 - 90 days	775 280	829 628
91 - 120 days	757 674	799 804
121 - 365 days	26 606 288	24 561 982
Less: Provision for impairment	(27 332 080)	(24 651 133)
	<b>6 488 744</b>	<b>5 803 841</b>
<b>Housing Selling Schemes</b>		
Current (0 -30 days)	3 267	5 569
31 - 60 days	8 754	1 802
61 - 90 days	551	1 282
91 - 120 days	518	1 263
121 - 365 days	244 442	242 764
Less: Provision for impairment	(182 222)	(141 203)
	<b>75 310</b>	<b>111 477</b>
<b>Housing rental</b>		
Current (0 -30 days)	936 899	326 786
31 - 60 days	278 547	224 703
61 - 90 days	202 813	221 533
91 - 120 days	228 848	205 305
121 - 365 days	12 959 868	11 188 608
Less: Provision for impairment	(12 765 560)	(10 768 699)
	<b>1 841 415</b>	<b>1 398 236</b>
<b>Sundries</b>		
Current (0 -30 days)	2 520 612	2 469 461
31 - 60 days	469 860	2 035 286
61 - 90 days	252 282	237 493
91 - 120 days	500 204	176 301
121 - 365 days	12 008 928	13 420 552
Less: Provision for impairment	(11 590 459)	(13 774 369)
	<b>4 161 427</b>	<b>4 564 724</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	79 658 075	71 193 536
31 - 60 days	4 417 605	6 754 391
61 - 90 days	4 018 104	4 413 296
91 - 120 days	4 459 777	3 866 134
121 - 365 days	114 010 790	104 691 732
	<b>206 564 351</b>	<b>190 919 089</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	229 459	27 126 355
31 - 60 days	2 399 832	1 072 083
61 - 90 days	2 968 378	403 520
91 - 120 days	2 141 699	510 495
121 - 365 days	33 327 698	8 678 412
	<b>41 067 066</b>	<b>37 790 865</b>
<b>National and provincial government</b>		
Current (0 -30 days)	24 780	2 356 340
31 - 60 days	259 166	93 127
61 - 90 days	320 565	35 052
91 - 120 days	231 289	44 344
121 - 365 days	3 599 173	753 853
	<b>4 434 973</b>	<b>3 282 716</b>
<b>Total</b>		
Current (0 -30 days)	97 205 145	86 509 833
31 - 60 days	5 390 714	8 207 504
61 - 90 days	4 903 211	5 362 755
91 - 120 days	5 442 176	4 697 879
121 - 365 days	139 125 136	127 214 699
	252 066 382	231 992 670
Less: Allowance for impairment	(150 569 822)	(133 908 163)
	<b>101 496 560</b>	<b>98 084 507</b>
<b>Less: Allowance for impairment</b>		
31 - 60 days	(5 241 332)	(7 554 511)
61 - 90 days	(4 767 338)	(4 936 092)
91 - 120 days	(5 291 368)	(4 324 114)
121 - 365 days	(135 269 784)	(117 093 446)
	<b>(150 569 822)</b>	<b>(133 908 163)</b>
<b>Total debtor past due but not impaired</b>		
31 - 60 days	149 382	652 992
61 - 90 days	135 873	426 663
91 - 120 days	150 808	373 765
121 - 365 days	3 855 287	10 121 253
	<b>4 291 350</b>	<b>11 574 673</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 4. Receivables from exchange transactions (continued)

#### Receivables from exchange transactions impaired

As at 30 June 2023, receivables from exchange transactions with an amount of R 150 569 822 (2022: R 133 908 162) impaired and provided for.

#### Reconciliation of allowance for impairment

Balance at beginning of the year	(133 908 163)	(113 142 345)
Contributions to allowance	(42 905 753)	(50 314 278)
Debt impairment written off against allowance	26 244 094	29 548 461
	<b>(150 569 822)</b>	<b>(133 908 162)</b>

#### Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable. It is expected that the trade receivables not impaired will be received by the municipality.

As of 30 June 2023 receivables from exchange transactions of R 4 291 350 (2022: R11 574 673) were past due not impaired.

#### Credit quality of receivables from exchange transactions

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>5. Statutory Receivables</b>		
<b>Gross balances</b>		
Rates	45 438 498	38 765 597
Traffic fines	108 044 905	30 192 450
Vat receivable	6 788 630	5 238 029
	<b>160 272 033</b>	<b>74 196 076</b>
<b>Less: Allowance for impairment</b>		
Rates	(26 958 790)	(23 536 355)
Traffic fines	(92 628 748)	(25 586 222)
	<b>(119 587 538)</b>	<b>(49 122 577)</b>
<b>Net balance</b>		
Rates	18 479 708	15 229 242
Traffic fines	15 416 157	4 606 228
Vat receivable	6 788 630	5 238 029
	<b>40 684 495</b>	<b>25 073 499</b>
<b>Rates</b>		
Current (0 -30 days)	11 913 278	9 811 838
31 - 60 days	925 881	1 864 707
61 - 90 days	899 557	901 727
91 - 120 days	732 142	792 392
121 - 365 days	30 967 640	25 394 933
Less: Provision for impairment	(26 958 790)	(23 536 355)
	<b>18 479 708</b>	<b>15 229 242</b>
<b>Summary of rates receivables by customer classification: Rates</b>		
<b>Consumers</b>		
Current (0 -30 days)	9 286 702	7 996 342
31 - 60 days	721 748	1 519 678
61 - 90 days	701 228	734 879
91 - 120 days	570 723	645 774
121 - 365 days	24 140 061	20 696 082
	<b>35 420 462</b>	<b>31 592 755</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	2 493 125	1 582 810
31 - 60 days	93 213	300 808
61 - 90 days	127 683	145 463
91 - 120 days	90 921	127 826
121 - 365 days	4 237 002	4 096 619
	<b>7 041 944</b>	<b>6 253 526</b>
<b>National and provincial government</b>		
Current (0 -30 days)	133 451	84 201
31 - 60 days	110 920	42 241
61 - 90 days	70 647	27 936
91 - 120 days	70 498	25 619
121 - 365 days	2 590 577	739 319
	<b>2 976 093</b>	<b>919 316</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>5. Statutory Receivables (continued)</b>		
<b>Total</b>		
Current (0 -30 days)	11 913 278	9 811 837
31 - 60 days	925 881	1 864 707
61 - 90 days	899 557	901 727
91 - 120 days	732 142	792 392
121 - 365 days	30 967 640	25 394 934
	<u>45 438 498</u>	<u>38 765 597</u>
Less: Allowance for impairment	(26 958 790)	(23 536 355)
	<b>18 479 708</b>	<b>15 229 242</b>
<b>Less: Allowance for impairment</b>		
Current (0 -30 days)	-	-
31 - 60 days	(744 533)	(1 515 811)
61 - 90 days	(723 365)	(733 009)
91 - 120 days	(588 741)	(644 131)
121 - 365 days	(24 902 151)	(20 643 404)
	<u>(26 958 790)</u>	<u>(23 536 355)</u>
<b>Total debtor past due but not impaired</b>		
31 - 60 days	181 348	348 897
61 - 90 days	176 192	168 718
91 - 120 days	143 401	148 261
121 - 365 days	6 065 489	4 751 529
	<u>6 566 430</u>	<u>5 417 405</u>
<b>Reconciliation of Traffic Fines</b>		
Balance at beginning of the year	6 107 152	6 821 190
Issued Fines	94 752 615	28 121 550
Withdrawals/Write Offs	(6 483 080)	(26 571 340)
Payment of Fines	(10 417 080)	(3 014 710)
Payment of old fines	(68 543 450)	750 462
	<u>15 416 157</u>	<u>6 107 152</u>
<b>Statutory receivables impaired</b>		
As of 30 June 2023, statutory receivables were impaired by R 119 587 538 (2022: R49 122 577) and provided for.		
<b>Reconciliation of allowance for impairment: Rates</b>		
Balance at beginning of the year	23 536 356	21 410 239
Contribution to allowance	4 972 781	4 074 806
Debt impairment written off against allowance	(1 550 346)	(1 948 689)
	<u>26 958 791</u>	<u>23 536 356</u>
<b>Reconciliation of allowance for impairment: Traffic Fines</b>		
Balance at beginning of the year	25 586 222	24 835 760
Contribution to allowance	73 525 606	27 321 802
Debt impairment written off against allowance	(6 483 080)	(26 571 340)
	<u>92 628 748</u>	<u>25 586 222</u>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 5. Statutory Receivables (continued)

#### Credit quality of statutory receivables

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

#### Statutory receivables general information

##### Transaction(s) arising from statute

Property rates transactions arises from the Property Rates Act, Traffic fines transactions arises from the AARTO Act and Vat transactions arises from the VAT Act of 1991.

##### Determination of transaction amount

Property rates amounts are determined through tariffs approved yearly by council. Traffic fines amounts are derived from a standardised table of fines which is determined by a magistrate.

##### Interest or other charges levied/charged

Interest is charges on overdue consumer debtors (including property rates) at prime plus 1%.

##### Basis used to assess and test whether a statutory receivable is impaired

The calculation in respect of the impairment of property rates receivable is based on an assessment per account holder taking into account the payment rate, levies billed and payments made. An account with a payment rate of less than 80% is deemed to be impaired and an impairment is raised as the difference between the actual payment rate and 100%. The total collectability of property rates and other services were 93.81% (2022:92.86%).

The calculation in respect of the impairment of fines receivable is based on an assessment of the past payment history of fines per category. The total average collectability of fines were:

Section 341 Notice	5,17%	3,24%
Section 56 Notice	25,64%	21,05%
Traffic Management Technologies	12,67%	100%
Provincial Authority	10,13%	9,19%

### 6. Other receivables from non exchange transactions

#### Gross balance

Availability Charges	17 695 575	14 640 252
Traffic revenue receivable	24 670	24 670
	<b>17 720 245</b>	<b>14 664 922</b>

#### Less: Allowance for impairment

Availability charges	(15 393 450)	(12 770 334)
Traffic revenue receivable	-	-
	<b>(15 393 450)</b>	<b>(12 770 334)</b>

#### Net balance

Availability Charges	2 302 125	1 869 918
Traffic revenue receivable	24 670	24 670
	<b>2 326 795</b>	<b>1 894 588</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>6. Other receivables from non exchange transactions (continued)</b>		
<b>Availability charges</b>		
Current (0 -30 days)	991 746	632 538
31 - 60 days	352 245	368 587
61 - 90 days	341 936	346 152
91 - 120 days	342 093	335 718
121 - 365 days	15 667 554	12 957 258
Less: Allowance for impairment	(15 393 450)	(12 770 334)
	<b>2 302 124</b>	<b>1 869 919</b>
<b>Summary of receivables by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	991 746	632 538
31 - 60 days	352 245	368 587
61 - 90 days	341 936	346 152
91 - 120 days	342 093	335 718
121 - 365 days	15 667 554	12 957 258
	<b>17 695 574</b>	<b>14 640 253</b>
<b>Total</b>		
Current (0 -30 days)	991 746	632 538
31 - 60 days	352 245	368 587
61 - 90 days	341 936	346 152
91 - 120 days	342 093	335 718
121 - 365 days	15 667 554	12 957 258
	17 695 575	14 640 252
Less: Allowance for impairment	(15 393 450)	(12 770 334)
	<b>2 302 125</b>	<b>1 869 919</b>
<b>Less: Allowance for impairment : Availability Charges</b>		
Current (0 -30 days)	-	-
31 - 60 days	(324 612)	(336 028)
61 - 90 days	(315 112)	(315 574)
91 - 120 days	(315 257)	(306 062)
121 - 365 days	(14 438 469)	(11 812 670)
	<b>(15 393 450)</b>	<b>(12 770 334)</b>
<b>Total receivables past due but not impaired: Availability Charges</b>		
31 - 60 days	27 633	32 559
61 - 90 days	26 824	30 578
91 - 120 days	26 836	29 656
121 - 365 days	1 229 085	1 144 587
	<b>1 310 378</b>	<b>1 237 380</b>
<b>Other receivables from non-exchange transactions impaired</b>		
As of 30 June 2023, other receivables from non-exchange transactions of R15 393 450 (2022: R12 770 334) were impaired and provided for.		
<b>Reconciliation of allowance for impairment: Availability Charges</b>		
Balance at beginning of the year	(12 770 333)	(9 966 152)
Contributions to allowance	(2 740 418)	(2 853 612)

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>6. Other receivables from non exchange transactions (continued)</b>		
Debt impairment written off against allowance	117 301	49 431
	<b>(15 393 450)</b>	<b>(12 770 333)</b>

### Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

### 7. Other receivables from exchange transactions

Loans granted	12 355	4 767
Other receivables	2 541 780	584 730
PAYE	1 145 403	1 145 403
Prepaid expenses	5 466 830	5 220 526
Recoverable expenses	516 441	476 705
Auxiliaries	48 590	93 255
Interest receivable	970 030	516 345
Less: Allowance for impairment	(32 609)	(51 759)
	<b>10 668 820</b>	<b>7 989 972</b>

The credit quality of other receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external ratings (if available) or to historical information about default rates.

### Reconciliation of allowance for impairment

Opening Balance	(51 759)	(3 848)
(Increase)/ decrease in provision for the year	19 150	(47 911)
	<b>(32 609)</b>	<b>(51 759)</b>

### 8. Inventories

Consumable stores	15 122 557	11 080 679
Water stock	482 619	740 704
	<b>15 605 176</b>	<b>11 821 383</b>
Inventory Consumed	50 877 550	41 234 443

The amount disclosed for inventory consumed are inclusive of inventory expensed from the stores during the year and other materials and supplies.

### Inventory pledged as security

None of the above Inventory has been pledged as security.

### 9. Operating lease asset (accrual)

Lease asset	341 391	361 087
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### Operating leases - as lessor (income)



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 9. Operating lease asset (accrual) (continued)

Certain of the municipality's properties are held to generate rental income. The escalation clauses for the lease income varies between 6% to 10%. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease. The straight-lining of leases resulted in an increase in income of R19 686 (2022: Increase of R57 940).

#### Minimum lease payments Receivable

-within one year	70 280	75 173
-in second to fifth year inclusive	122 398	145 705
	<b>192 678</b>	<b>220 878</b>

### 10. Short term investments

Other fixed deposits	10 232 534	91 794 251
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#### Current assets

Short term portion of investment	10 232 534	91 794 251
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Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 5.40 % and 8.50% per annum.

### 11. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	96 156 600	-	96 156 600	63 286 633	-	63 286 633

#### Reconciliation of investment property - 2023

	Opening balance	Additions	Disposals	Transfers received	Fair value adjustments	Total
Investment property	63 286 633	17 350 000	(2 607 033)	2 314 326	15 812 674	96 156 600

#### Reconciliation of investment property - 2022

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	63 525 500	(1 733 367)	1 494 500	63 286 633

#### Pledged as security

None of the above investment property have been pledged as security.

#### Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 11. Investment property (continued)

#### Details of valuation

The effective date of the revaluations was Friday, 30 June 2023. Revaluations were performed by an independent valuer, Mr Coenraad Botha of HCB Property Valuations. Mr Botha is a Professional Valuer registered at SACVP. HCB Property Valuations is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

#### Reconciliation of valuation obtained and the valuation included in the financial statements

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	751 098	542 038
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#### Maintenance of investment property

In the current year the expenditure on investment property was incurred in one department which managed all repairs and maintenance of the municipality's structures and therefore an accurate split of operating expenditure incurred relating to investment properties could not be made.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 12. Property, Plant and Equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Buildings	344 092 180	(203 485 177)	140 607 003	341 043 101	(196 619 071)	144 424 030
Infrastructure	3 402 203 151	(1 316 009 610)	2 086 193 541	3 184 856 182	(1 249 201 338)	1 935 654 844
Land	228 698 883	-	228 698 883	229 870 137	-	229 870 137
Other property, plant and equipment	184 898 872	(79 123 058)	105 775 814	157 139 965	(67 382 119)	89 757 846
<b>Total</b>	<b>4 159 893 086</b>	<b>(1 598 617 845)</b>	<b>2 561 275 241</b>	<b>3 912 909 385</b>	<b>(1 513 202 528)</b>	<b>2 399 706 857</b>

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Buildings	144 424 030	2 878 608	-	170 471	-	(6 866 106)	140 607 003
Infrastructure	1 935 654 843	222 653 314	-	2 423 246	-	(74 537 862)	2 086 193 541
Land	229 870 138	1 143 072	-	(2 314 326)	-	-	228 698 884
Other property, plant and equipment	89 757 846	26 793 623	(101 060)	(170 471)	2 586 756	(13 090 880)	105 775 814
<b>Total</b>	<b>2 399 706 857</b>	<b>253 468 617</b>	<b>(101 060)</b>	<b>108 920</b>	<b>2 586 756</b>	<b>(94 494 848)</b>	<b>2 561 275 242</b>

### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Buildings	143 273 028	8 105 846	(508 141)	(109 551)	-	(6 337 152)	144 424 030
Infrastructure	1 893 944 521	115 048 874	-	(1 416 497)	-	(71 922 055)	1 935 654 843
Land	230 882 268	-	(1 012 130)	-	-	-	229 870 138
Other property, plant and equipment	78 425 788	19 942 609	(44 154)	109 550	1 554 723	(10 230 670)	89 757 846
<b>Total</b>	<b>2 346 525 605</b>	<b>143 097 329</b>	<b>(1 564 425)</b>	<b>(1 416 498)</b>	<b>1 554 723</b>	<b>(88 489 877)</b>	<b>2 399 706 857</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 12. Property, Plant and Equipment (continued)

#### Pledged as security

None of the above property, plant and equipment has been pledged as security.

#### Work in progress

The work in progress balances included in the property plant and equipment balance are as follows:

Buildings	2 436 507	464 544
Infrastructure	502 151 185	371 585 616
Other Assets	3 817 772	76 800
	<b>508 405 464</b>	<b>372 126 960</b>

Work in progress balances were mainly as result of projects being multi-year projects and funding challenges experienced.

The following expenditure was incurred to repair and maintain property plant and equipment:

#### Repair and Maintenance per allocation to asset type

Infrastructure	52 803 024	36 946 998
General Vehicles	11 052 657	8 439 141
Plant and Equipment	7 092 753	6 477 014
Furniture and other Office Equipment	548 621	2 110 616
Other Building	8 370 380	6 925 908
	<b>79 867 435</b>	<b>60 899 677</b>

#### Repair and Maintenance per nature of expense

Contracted Services	59 446 440	44 109 460
Employee Cost	3 035 445	2 599 969
Inventory Consumed	17 385 550	14 190 248
	<b>79 867 435</b>	<b>60 899 677</b>

#### Change in Accounting Estimate

The effect of the change in accounting estimate is disclosed in note 52.

#### Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 13. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 088 817	(785 130)	303 687	1 088 817	(751 467)	337 350
Right of use of water	4 275 264	(641 633)	3 633 631	4 275 264	(598 882)	3 676 382
<b>Total</b>	<b>5 364 081</b>	<b>(1 426 763)</b>	<b>3 937 318</b>	<b>5 364 081</b>	<b>(1 350 349)</b>	<b>4 013 732</b>

#### Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	337 352	(33 665)	303 687
Right of use of water	3 676 381	(42 750)	3 633 631
	<b>4 013 733</b>	<b>(76 415)</b>	<b>3 937 318</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	371 014	(33 662)	337 352
Right of use of water	3 719 133	(42 752)	3 676 381
	<b>4 090 147</b>	<b>(76 414)</b>	<b>4 013 733</b>

#### Pledged as security

None of the above intangible assets have been pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 14. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art	12 575 100	-	12 575 100	12 575 100	-	12 575 100
Books	585 959	-	585 959	585 959	-	585 959
Land	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
<b>Total</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>

#### Reconciliation of heritage assets 2023

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
	<b>36 631 059</b>	<b>36 631 059</b>

#### Reconciliation of heritage assets 2022

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
	<b>36 631 059</b>	<b>36 631 059</b>

#### Other information

The municipality assessed whether there is an indication that heritage assets need to be impaired. No impairment loss on heritage assets was recognised for the period under review.

No expenditure was incurred to repair and maintain heritage assets.

None of the above heritage assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>15. Long term receivables</b>		
<b>Housing selling schemes loans</b>		
Housing selling schemes	76 095	83 203
Less: Provision for impairment	(62 398)	(49 037)
	<b>13 697</b>	<b>34 166</b>
<b>Housing loans - personnel</b>		
Housing personnel	44 206	58 971
<b>Arrangements</b>		
Arrangements	13 540 396	11 563 849
Less: Provision for impairment	(3 666 555)	(6 896 540)
	<b>9 873 841</b>	<b>4 667 309</b>
<b>Less: Current portion transferred to current receivables</b>		
Housing selling schemes	(6 254)	(4 700)
Housing personnel	(9 265)	(6 258)
Arrangements	(6 380 082)	(5 300 555)
	<b>(6 395 601)</b>	<b>(5 311 513)</b>
<b>Less: Current Portion of allowance for impairment transferred to current receivables</b>		
Housing selling schemes	(5 128)	(2 770)
Arrangements	(1 727 639)	(3 161 187)
	<b>(1 732 767)</b>	<b>(3 163 957)</b>
<b>Non-current assets</b>		
Long term receivables- non current portion	5 268 910	2 612 889
Long term receivables - current portion	4 662 834	2 147 556
	<b>9 931 744</b>	<b>4 760 445</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 15. Long term receivables (continued)

#### Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

#### Housing loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

#### Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods of up to 30 years.

As of 30 June 2023 long term receivables of R1 996 185 (2022: R3 781 620) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period.

The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.

### 16. Payables from exchange transactions

Credit balances closed	36 960	36 960
Ex Retentions	290 039	290 039
Other payables	2 245 388	4 797 655
Payments received in advance	12 066 921	8 366 510
Retentions	14 289 406	8 817 605
Sundry deposits	850 227	840 999
Trade payables	70 681 010	100 345 098
	<b>100 459 951</b>	<b>123 494 866</b>

# BREED VALLEY MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>17. Consumer deposits</b>		
Electricity	2 242 859	2 189 515
Water	2 445 111	2 397 658
	<b>4 687 970</b>	<b>4 587 173</b>
<b>Guarantees</b>		
Guarantees held in lieu of Electricity and Water deposits	20 500	20 500
Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. Council policy dictates that all accounts are owner accounts. Consumer deposits are refunded to the owner when a house is sold after the municipality has issued a clearance certificate. A clearance certificate will only be issued to the existing owner if the municipal account is up to date.		
<b>18. Unspent conditional grants and receipts</b>		
<b>Balances at year end</b>		
<b>Unspent conditional grants and receipts</b>		
Unspent grants	16 423 060	4 227 344
<b>Movement during the year</b>		
Balance at the beginning of the year	4 227 344	4 195 613
Total Government receipts	106 181 102	79 287 429
Conditions met- capital grants	(67 525 256)	(55 755 517)
Conditions met- operating grants	(23 821 141)	(21 424 423)
Repayments during the year	(2 638 989)	-
Included in other receivables	-	(3 085 540)
Income recognition during the year	-	1 009 782
	<b>16 423 060</b>	<b>4 227 344</b>
The allocations and subsidies received from National and Provincial Government as well the District Municipality, have been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. Also refer to Appendix D for further detail regarding unspent conditional grants.		
<b>19. Long term liabilities</b>		
<b>At amortised cost</b>		
Annuity loans	279 243 053	184 183 358
<b>Reconciliation of long term liabilities</b>		
Opening balance	184 183 358	197 586 526
Additional loans taken	110 000 000	-
Loans redeemed	(14 535 651)	(13 040 715)
Interest accrued	4 639 851	5 044 505
Interest accrued prior year	(5 044 505)	(5 406 958)
	<b>279 243 053</b>	<b>184 183 358</b>
<b>Non-current liabilities</b>		
At amortised cost	252 462 043	164 603 202
<b>Current liabilities</b>		
At amortised cost	26 781 010	19 580 156

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023 2022

### 20. Employee benefit obligation

Reconciliation of employee benefits - 2023	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	148 572 000	(2 971 701)	(6 817 299)	138 783 000
Long service awards	18 909 000	2 666 414	(2 321 414)	19 254 000
Performance bonus	1 037 177	1 099 875	(1 052 735)	1 084 317
Staff leave accrual	31 225 864	480 731	(2 390 184)	29 316 411
13th cheque accrual	6 930 915	82 615	-	7 013 530
	<b>206 674 956</b>	<b>1 357 934</b>	<b>(12 581 632)</b>	<b>195 451 258</b>

Reconciliation of employee benefits - 2022	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	162 505 000	(7 236 630)	(6 696 370)	148 572 000
Long service awards	21 518 000	(1 029 731)	(1 579 269)	18 909 000
Performance bonus	1 037 177	1 037 177	(1 037 177)	1 037 177
Staff leave accrual	32 102 956	1 595 764	(2 472 856)	31 225 864
13th cheque accrual	6 418 350	512 565	-	6 930 915
	<b>223 581 483</b>	<b>(5 120 855)</b>	<b>(11 785 672)</b>	<b>206 674 956</b>

#### Non-current employee benefits

Provision for Post-retirement medical aid benefits	131 697 000	141 663 000
Long service awards	16 318 000	16 872 000
	<b>148 015 000</b>	<b>158 535 000</b>

#### Current employee benefits

Provision for Post-retirement medical aid benefits	7 086 000	6 909 000
Long service awards	2 936 000	2 037 000
Performance bonus	1 084 318	1 037 177
Staff leave accrual	29 316 412	31 225 865
13th cheque accrual	7 013 531	6 930 917
	<b>47 436 261</b>	<b>48 139 959</b>

#### Post-Retirement medical aid benefit: Movements

Opening balance	148 572 000	162 505 000
Benefits paid	(6 817 299)	(6 696 370)
Net expense recognised	(2 971 701)	(7 236 630)
	<b>138 783 000</b>	<b>148 572 000</b>

#### Post-Retirement medical aid benefit: Net expense recognised

Current service cost.	4 763 000	5 613 000
Interest cost	17 135 000	20 136 000
Actuarial Gains	(24 869 701)	(32 985 630)
	<b>(2 971 701)</b>	<b>(7 236 630)</b>

#### Long service awards: Movements

Opening balance	18 909 000	21 518 000
Benefits paid	(2 321 414)	(1 579 269)
Net expense recognised	2 666 414	(1 029 731)
	<b>19 254 000</b>	<b>18 909 000</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 20. Employee benefit obligation (continued)

#### Long service awards: Net expense recognised

Current service cost	1 514 000	1 520 000
Interest cost	1 993 000	2 273 000
Actuarial Gains	(840 586)	(4 822 731)
	<b>2 666 414</b>	<b>(1 029 731)</b>

#### Defined benefit plan

##### Post retirement medical aid plan

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2023: 75% (2022: 69%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

##### Long service awards

All permanent employees are entitled to a specified number of days additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2023: 14.25% (2022:12.20%) of the employees qualified for long service awards.

##### Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Chanan Weiss (BSc FASSA) from ARCH Actuarial Consultants was the expert for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2023:

Post Retirement Medical Aid Benefit: Discount rate	12,42 %	11,80 %
Post Retirement Medical Aid Benefit: Healthcare cost inflation	8,03 %	8,42 %
Long service awards: Discount rates	Yield curve	Yield curve
Long service awards: Discounts salary inflation	CPI+1%	CPI+1%

The nominal and real zero curves as at 30 June 2023 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 20. Employee benefit obligation (continued)

#### Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	5 916 000	3 873 000
Effect on defined interest cost	19 719 000	15 023 000
Effect on defined benefit obligation	157 847 000	123 033 000
	<b>2023</b>	<b>2022</b>
Experience adjustments on plan liabilities	138 783 000	148 572 000
Experience adjustments on plan assets	-	-
	<b>138 783 000</b>	<b>148 572 000</b>

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	1 640 000	1 401 000
Effect on defined interest cost	2 122 000	1 876 000
Effect on defined benefit obligation	20 361 000	18 248 000
	<b>2023</b>	<b>2 022</b>
Experience adjustments on plan liabilities	19 245 000	18 909 000
Experience adjustments on plan assets	-	-
	<b>19 245 000</b>	<b>18 909 000</b>

#### Defined contribution plan

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 20. Employee benefit obligation (continued)

It is the policy of the municipality to provide retirement benefits to all 842 (2022: 876) of its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the Municipal Workers Retirement Fund (Previously the SAMWU National Provident Fund) was done on 30 June 2021.

The last valuation of the SALA Pension Fund was done on 1 July 2021.

The last valuation of the Consolidated Retirement Fund for Local Government (previously Cape Joint Retirement Fund) was performed on 30 June 2022.

The last valuation of the LA Retirement Fund (previously Cape Joint Pension Fund) was performed on 30 June 2022.

The valuers of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R 36 826 207 (2022: R 34 943 794).

Councillors who are elected are members of different pension schemes. The contributions have been expensed which amounted to R1 168 080 (2022: R1 124 750).

#### Contributions to medical aid funds

Contributions to medical aid funds for employees	22 048 089	20 882 328
Contributions to medical aid funds for councillors	227 606	236 605
Contributions to medical aid funds for pensioners	6 819 243	6 696 370
	<b>29 094 938</b>	<b>27 815 303</b>

### Consolidated Retirement Fund

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

The last statutory valuation performed as at 30 June 2022 revealed that the funding level of the share account was 100.4 % and the pension account was 131.6%. At the valuation date the municipality had 823 members (Fund: 52 507 members) and nil pensioners (Fund: 483 pensioners) belonging to the fund.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 21. Provisions: Landfill Site

#### Reconciliation of provisions - 2023

	Opening Balance	Change in provision	Utilised during the year	Reversed during the year	Total
Provision for the rehabilitation of landfill site	55 224 177	2 586 756	-	6 200 476	64 011 409
Closure site	3 084 771	-	75 594	-	3 160 365
	<b>58 308 948</b>	<b>2 586 756</b>	<b>75 594</b>	<b>6 200 476</b>	<b>67 171 774</b>

#### Reconciliation of provisions - 2022

	Opening Balance	Change in provision	Utilised during the year	Reversed during the year	Total
Provision for the rehabilitation of landfill site	61 698 272	(12 440 851)	-	5 966 756	55 224 177
Closure site	2 944 160	-	140 611	-	3 084 771
	<b>64 642 432</b>	<b>(12 440 851)</b>	<b>140 611</b>	<b>5 966 756</b>	<b>58 308 948</b>

Non-current liabilities	64 011 409	55 224 177
Current liabilities	3 160 365	3 084 771
	<b>67 171 774</b>	<b>58 308 948</b>

The provision for landfill site for De Doorns was done for a 16 year period and the Worcester site for a period of 14 years. Touwsriver is a closure site and is expected to be closed in the following 5 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by JPCE (Pty) Ltd (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year amounting to R6 200 476 (2022: R 5 966 756) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost as a contribution to the provision of R75 594 (2022: provision of R 140 611).



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>22. Service charges</b>		
Electricity	472 095 946	491 843 609
Water	104 272 763	101 432 999
Sewerage and sanitation	88 069 363	82 141 193
Refuse removal	45 928 265	42 858 737
	<b>710 366 337</b>	<b>718 276 538</b>

The above service charges are net of free basic services and rebates for the different services. The total rebates provided to consumers amounts to R 62 832 475 (2022:R59 013 954).

### 23. Sales of Goods and Rendering of Services

Advertisement	116 877	106 253
Building Plan Approval	1 408 382	1 577 316
Camping Fees	322 890	209 550
Cemetery and Burial	1 496 356	1 568 326
Clearance Certificate	246 026	232 321
Entrance Fees	1 344 337	1 175 753
Fire Services	247 141	339 714
Photocopies and Faxes	62 841	40 047
Prints	32 437	18 623
Tender Documents	9 800	7 000
Sub-division and Consolidation Fees	113 015	242 825
Recycling of Waste	11 430	10 806
Valuation Services	109 010	110 364
	<b>5 520 542</b>	<b>5 638 898</b>

### 24. Agency services

Vehicle Registration	9 463 077	9 061 357
Insurance	227 201	388 321
	<b>9 690 278</b>	<b>9 449 678</b>

The municipality entered into an arrangement with the Department of Transport and Public Works to collect revenue in respect of the registration and licencing of motor vehicles. The municipality has assessed the criteria set out in GRAP 109 par 25 as well as the arrangements entered into and concluded that the municipality is an agent for both of the arrangements. At reporting date the municipality had no amounts receivable for the vehicle registration.

#### Reconciliation of the carrying amount of the receivable:

Opening balance	-	-
Revenue received	55 328 920	53 466 211
Payments made to the department	(55 328 920)	(53 466 211)
	<b>-</b>	<b>-</b>

### 25. Rental income

<b>Premises</b>		
Housing Rentals	4 989 637	4 078 759
Other rental revenue	2 488 480	2 604 843
	<b>7 478 117</b>	<b>6 683 602</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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<b>26. Operational revenue</b>		
Incidental Cash surpluses	2 252	1 819
Breakages and losses recovered	6 611	8 483
Administrative handling fees	6 382 262	3 782 237
Insurance refund	1 825 139	498 435
Merchandising jobbing and contracts	2 908	32 521
Municipal information and statistics	6 407	7 319
Development Charges	1 669 270	822 023
Staff Recoveries	75 148	90 330
Request for information	30	9 019
	<b>9 970 027</b>	<b>5 252 186</b>
<b>27. Finance income</b>		
<b>Interest revenue</b>		
Bank	14 384 007	11 227 441
Outstanding debtors	13 266 410	8 032 074
	<b>27 650 417</b>	<b>19 259 515</b>
<b>28. Property rates</b>		
<b>Rates received</b>		
Residential Properties	87 277 266	82 243 492
Mining, Business and Commercial Properties	43 130 808	44 093 942
Public Service Purposes Property	20 108 718	19 115 633
Agricultural Properties	17 288 811	16 400 876
Public Service Infrastructure and Public Benefit Organisation	1 258 526	1 116 668
Industrial Properties	10 953 754	10 066 285
	<b>180 017 883</b>	<b>173 036 896</b>
<b>Valuations</b>		
	<b>R'000</b>	<b>R'000</b>
Land	11 050 825	11 292 429
Improvements	22 012 759	21 573 537
	<b>33 063 584</b>	<b>32 865 966</b>

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas. Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2021. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, subdivision and categories.

Rates are levied on an annual and monthly basis with the annual date for payment being 30 September 2023. Interest at prime plus one per annum and a collection fee, is levied on rates outstanding two months after due date. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rates for the above mentioned areas were charged for land and improvements at 0.008118 c/R (2022: 0.0077 c/R) and for industrial and commercial sites at 1.6236 c/R (2022: 1.5400 c/R).

# BREEDE VALLEY MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>29. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	147 822 000	131 552 000
Financial management grant	1 550 000	1 550 000
Other grants and donations	3 301 000	2 965 000
Provincial government	18 970 140	16 864 598
	<b>171 643 140</b>	<b>152 931 598</b>
<b>Capital grants</b>		
Capital grants	67 525 256	55 755 517
<b>Total Government grants &amp; subsidies</b>	<b>239 168 396</b>	<b>208 687 115</b>
<b>Conditional and Unconditional</b>		
Included in above are the following grants and subsidies received:		
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Balance unspent at beginning of year	-	-
Current-year receipts	147 822 000	131 552 000
Transferred to revenue	(147 822 000)	(131 552 000)
	<b>-</b>	<b>-</b>
<b>Financial Management Grant</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	1 550 000	1 550 000
Conditions met - transferred to revenue	(1 550 000)	(1 550 000)
	<b>-</b>	<b>-</b>
<b>EPWP</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	3 301 000	2 965 000
Conditions met - transferred to revenue	(3 301 000)	(2 965 000)
	<b>-</b>	<b>-</b>
<b>Housing projects</b>		
Balance unspent at beginning of year	2 460 493	2 505 318
Current-year receipts	2 505 000	328 000
Conditions met - transferred to revenue	(360 412)	(372 825)
Other	(2 460 493)	-
	<b>2 144 588</b>	<b>2 460 493</b>

Conditions still to be met - remain liabilities (see note 18).

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>29. Government grants and subsidies (continued)</b>		
<b>LGWSETA Staff Development Grant</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	762 580	704 311
Conditions met - transferred to revenue	(762 580)	(704 311)
Other	-	-
	<u>-</u>	<u>-</u>
<b>Provincial government</b>		
Balance unspent at beginning of year	752 098	507 454
Current-year receipts	16 303 521	15 489 981
Conditions met - transferred to revenue	(12 322 213)	(15 245 337)
Other	(377 670)	-
	<u>4 355 736</u>	<u>752 098</u>
Conditions still to be met - remain liabilities (see note 18).		
<b>Cape Winelands</b>		
Balance unspent at beginning of year	895 049	520 000
Current-year receipts	605 000	962 000
Conditions met - transferred to revenue	(1 038 050)	(586 951)
	<u>461 999</u>	<u>895 049</u>
Conditions still to be met - remain liabilities (see note 18).		
<b>Capital Grants</b>		
Balance unspent at beginning of year	74 878	618 016
Current-year receipts	99 070 689	57 360 000
Conditions met - transferred to revenue	(85 441 945)	(55 755 517)
Other	(4 242 885)	(2 147 621)
	<u>9 460 737</u>	<u>74 878</u>

Conditions still to be met - remain liabilities (see note 18).

### Services in kind

The municipality received services in kind under voluntary or non voluntary schemes which included free training, workshops, cleaning services and technical assistance from government departments and entities. These services have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives. The cost and fair value of these services in-kind could also not be measured reliably

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>30. Fines, penalties and forfeits</b>		
Damaged meters	243 320	139 935
Library	17 729	8 320
Traffic fines	94 662 960	28 592 864
	<b>94 924 009</b>	<b>28 741 119</b>
<b>31. Employee related costs</b>		
Basic Salary	210 538 876	205 764 989
Group life insurance	2 552 575	2 857 086
Bonus	16 895 669	15 783 805
Medical aid contributions	28 867 332	27 578 699
Unemployment Insurance Fund	1 784 053	1 580 791
Service Related Benefits	20 454 922	26 317 737
Travel and car allowances	11 296 713	10 464 447
Overtime payments	21 825 450	21 609 425
Acting allowances	2 566 626	2 053 179
Housing benefits and allowances	1 679 538	1 612 661
Other Allowances	10 374 617	9 959 530
Contribution to employee benefits	37 414 756	35 535 390
	<b>366 251 127</b>	<b>361 117 739</b>
<b>Municipal Manager: D Mc Thomas</b>		
Annual Remuneration	1 481 592	1 406 964
Car Allowance	288 369	221 666
Performance Bonuses	241 367	237 800
Contributions to UIF, Medical and Pension Funds	62 210	57 074
Group life insurance	12 588	14 767
	<b>2 086 126</b>	<b>1 938 271</b>
<b>Chief Financial Officer: R Ontong</b>		
Annual Remuneration	1 089 157	952 148
Car Allowance	242 882	304 528
Performance Bonuses	202 842	199 844
Contributions to UIF, Medical and Pension Funds	211 630	210 807
Other	12 885	15 135
	<b>1 759 396</b>	<b>1 682 462</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 31. Employee related costs (continued)

#### Director - Engineering Services: J Steyn

Annual Remuneration	1 228 139	1 187 459
Car Allowance	326 290	240 000
Performance Bonuses	202 842	199 844
Contributions to UIF, Medical and Pension Funds	2 125	1 898
	<b>1 759 396</b>	<b>1 629 201</b>

#### Director - Strategic Support Service: R Esau

Annual Remuneration	956 633	888 405
Car Allowance	373 973	322 202
Performance Bonuses	202 842	199 844
Contributions to UIF, Medical and Pension Funds	225 948	228 389
Group Life Insurance	-	13 589
	<b>1 759 396</b>	<b>1 652 429</b>

#### Director - Public Services: D. Naidoo

Annual Remuneration	-	284 590
Car Allowance	-	52 754
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	-	708
	-	<b>338 052</b>

#### Director - Community Service: S. Swartz

Annual Remuneration	1 066 083	1 021 470
Car Allowance	275 973	192 000
Performance Bonuses	202 842	199 844
Contributions to UIF, Medical and Pension Funds	201 897	201 087
Group Life Insurance	12 601	14 801
	<b>1 759 396</b>	<b>1 629 202</b>

### 32. Remuneration of councillors

Executive mayor	829 188	812 757
Deputy Executive Mayor	671 251	660 672
Chief whip	737 608	660 919
Speaker	664 555	629 276
Mayoral committee members	5 217 069	4 737 126
Councillors	9 551 048	9 453 125
Councillors pension contribution	1 168 080	1 124 750
Councillors medical aid contribution	227 606	236 605
	<b>19 066 405</b>	<b>18 315 230</b>

#### Remuneration of Councillors:

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022		
32. Remuneration of councillors (continued)				
Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	697 338	131 850	139 468	968 656
Deputy Executive Mayor				
JJ Von Willingh	563 811	107 440	113 279	784 530
Speaker				
JF Van Zyl	599 877	64 678	119 975	784 530
Chief Whip				
PH Marais	690 808	46 800	-	737 608
Mayco Members				
VA Bedworth	565 808	46 800	125 001	737 609
JR Jack	589 952	75 112	73 744	738 808
JP Kritzinger	569 760	55 096	113 952	738 808
WR Meiring	571 200	53 368	114 240	738 808
N Nel	583 510	85 050	70 249	738 809
PC Ramokhabi	650 117	48 000	40 691	738 808
E van der Westhuizen	575 811	56 873	106 123	738 807
F Vaughan	642 612	48 000	48 720	739 332
	4 748 770	468 299	692 720	5 909 789



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>32. Remuneration of councillors (continued)</b>		
<b>Councillors</b>		
WM Blom	291 356	46 800
MN Bushwana	228 822	93 372
GL Daames	291 356	46 800
R Farao	212 883	83 896
MA Goedeman	271 029	46 800
EN Isaacs	250 946	69 589
C Ismail	245 984	93 372
RT Johnson	271 029	46 800
MR Jacobs	159 776	24 474
J Joseph	271 029	46 800
D Judge	291 356	46 800
SK Madlolo	286 274	46 800
ZM Mangali	271 029	48 000
TS Manuel	271 029	46 800
SJ Mei	260 754	48 000
JM Mokgosi	291 356	46 800
CT Nyithana	291 356	46 800
J Pieters	291 356	46 800
A Pietersen	261 746	57 979
O Ralehoko	291 356	46 800
M Sampson	252 111	63 000
TP Sibozo	291 356	46 800
SS Steenberg	291 356	46 800
M Swartz	291 356	46 800
HC Titus	347 821	46 800
LG Willemsse	113 305	15 867
MT Williams	291 356	48 000
CF Wilskut	271 029	48 000
NJ Wullschleger	271 029	48 000
LR Yayi	291 356	46 800
	<b>8 013 897</b>	<b>1 537 149</b>
		<b>330 245</b>
		<b>9 881 291</b>

Remuneration costs as percentage of total expenditure for 2023 is 34.48% (2022: 35.24%). The industry norm is between 25-40%. This figure includes employee related cost and the remuneration of councillors, as disclosed in note 31 and 32 to the Financial Statements.

The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

### 33. Debt impairment

#### Impairments

Receivables from exchange transactions	36 767 878	48 571 663
Receivables from non-exchange transactions	79 749 888	32 224 761
	<b>116 517 766</b>	<b>80 796 424</b>

### 34. Depreciation and amortisation

Property, plant and equipment	94 494 848	88 489 877
Amortisation: Intangible assets	76 415	76 414
	<b>94 571 263</b>	<b>88 566 291</b>

### 35. Bulk purchases

Electricity - Eskom	372 992 719	383 068 449
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# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>36. Finance costs</b>		
External borrowings	19 436 796	20 973 934
<b>37. Contracted services</b>		
<b>Consultants and Professional Services</b>		
Accounting and Auditing	3 965 642	2 625 718
Audit Committee	93 824	94 850
Human Resources	1 136 244	8 250
Legal Advice and Litigation	6 077 411	1 097 569
Medical Examinations	28 292	20 690
Research and advisory	448 270	940 412
Laboratory Services	13 691	-
Infrastructure and planning	896 374	-
	<b>12 659 748</b>	<b>4 787 489</b>
<b>Outsourced Services</b>		
Administrative and Support Staff	-	211 832
Alien Vegetation Control	-	671 630
Burial Services	936 900	1 244 960
Business and Advisory	468 884	277 524
Call Centre	48 000	47 400
Catering Services	529 528	192 611
Clearing and Grass Cutting Services	443 032	928 285
Cleaning Services	174	13 000
Drivers Licence Cards	805 958	696 780
Litter Picking and Street Cleaning	4 086 112	3 401 314
Hygiene Services	308 710	270 575
Personnel and Labour	21 867 632	22 136 039
Refuse Removal	1 578 593	1 517 209
Sewerage Services	11 044 725	7 464 423
Security Services	-	18 592
Translators Scribes and Editors	108 129	104 742
Valuer	311 174	1 067 643
Transport Services	381 002	101 496
	<b>42 918 553</b>	<b>40 366 055</b>
<b>Contractors</b>		
Catering Services	9 000	19 295
Electrical Services	12 342 428	11 155 009
Employee Wellness	-	-
Event Promoters	1 203 491	1 296 819
Gardening Services	86 529	77 925
Graphic Designers	336 801	11 700
Maintenance of Buildings and Facilities	3 513 349	3 646 902
Maintenance of Equipment	10 395 175	10 695 295
Maintenance of Unspecified Assets	11 636 757	11 934 391
Medical Services	89 931	5 685
Pest Control and Fumigation	6 000	7 393
Plants Flowers and Other Decorations	-	4 790
Prepaid Electricity Vendors	-	1 198 753
Tracing Agents and Debt Collectors	-	234 856
Safeguard and Security	14 156 769	11 408 329
Mint of decorations	-	-
	<b>53 776 230</b>	<b>51 697 142</b>
	<b>109 354 531</b>	<b>96 850 686</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>38. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Grants in aid	3 419 195	3 581 533
<b>39. Operational cost</b>		
Achievements and Awards	24 674	235 678
Advertising, Publicity and Marketing	212 817	494 997
Assets less than the Capitalisation Threshold	221 269	318 336
Drivers Licences and Permits	18 644	10 442
Bank Charges	1 961 798	1 832 554
Bargaining Council	113 141	108 056
Cleaning services	7 050	17 174
Communication - Postage/Stamps	1 275 541	1 575 764
Communication - Telephone and fax	1 359 627	1 740 041
Courier and Delivery Services	1 361	507
Entertainment	12 147	8 053
External Audit Fees	4 734 889	2 723 915
External Computer Service	14 163 991	13 600 038
Resettlement Cost	-	8 150
Full Time Union Representative	217 333	53 326
Hire Charges	7 183 344	6 751 428
Insurance (Premiums)	6 084 467	4 419 025
Insurance (excess payments)	382 015	352 180
Learnerships and Internships	1 949 992	1 517 909
Licences (Radio and Television)	6 986	7 755
Motor Vehicle Licence and Registrations	939 932	956 908
Municipal Services	2 601 854	2 135 522
Printing Publications and Books	84 955	61 976
Professional Bodies Membership and Subscription	3 725 110	3 387 432
Provisions for rehabilitation of landfill sites	6 276 070	(7 888 196)
Registration fees	28 246	20 149
Remuneration to Ward Committees	1 207 200	787 050
Vehicle Tracking	-	214 080
Protective clothing	1 798 024	1 730 069
Skills Development Fund Levy	3 808 791	3 679 297
Travel and Subsistence	991 370	258 537
Water Resource Management Charges	698 744	1 487 878
Workmen's Compensation Fund	1 942 529	3 766 399
Bursaries	1 379 014	1 605 423
System Access and Information Fees	-	28 940
Communication - SMS Bulk Message Service	532 918	122 330
	<b>65 945 843</b>	<b>48 129 122</b>
<b>40. Agency fees paid</b>		
Prepaid electricity - Syntell	-	3 298 669
Prepaid electricity - Ontec	3 391 820	1 892 474
Easypay	334 026	358 867
Traffic Fine Management	2 795 180	-
	<b>6 521 026</b>	<b>5 550 010</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 40. Agency fees paid (continued)

The Municipality is the principal in arrangements with various service providers. The following service providers acted as agents on behalf of the municipality:

#### Prepaid electricity vending:

The municipality is the principal in arrangements with different service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction. Syntell acted as an agent on behalf of the municipality up until 31 October 2021 after which Ontec has been appointed by the municipality to act on its behalf.

#### Easypay:

Easypay has been appointed by the municipality to act as an agent in the 3rd party collection of municipal services. All monies collected by Easypay are paid over to the municipality. Easypay issues an invoice to the municipality for the transaction fees owed to them.

#### Traffic Fine Management (TMT):

TMT has been appointed by the municipality for the provision of speed law enforcement and related back office services. TMT issues an invoice to the municipality for the transaction fees owed to them.

There are no resources of the municipality under custodianship of the agents.

There are no cost implication for the municipality at termination of the contracts.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>41. Fair value adjustments</b>		
Fair value adjustment on investment property	15 812 674	1 494 500
Other financial assets		
• Discounting of long term receivables: Movement for the year	(1 096 031)	(258 875)
	<b>14 716 643</b>	<b>1 235 625</b>
<b>42. Service related benefits</b>		
Performance Bonus	1 099 875	1 037 178
Post retirement medical aid benefit	(9 789 000)	(13 933 000)
Long service awards	2 666 414	(1 029 731)
Provision for leave payments	480 731	1 595 764
Provision for 13th cheques	82 615	512 565
Actuarial gain/(loss)	25 710 286	37 808 361
In kind benefits : Senior Management	204 000	326 600
	<b>20 454 921</b>	<b>26 317 737</b>
<b>43. Cash generated from operations</b>		
Surplus	120 913 802	65 977 952
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	94 571 261	88 566 292
Loss/ (Profit) on sale of assets and liabilities	623 094	2 085 040
Fair value adjustments	(14 716 643)	(1 235 625)
Operating lease straight lining	19 696	57 940
Debt impairment	116 517 766	80 796 424
Actuarial gain/loss	(25 710 286)	(37 808 361)
Movements in retirement benefit assets and liabilities	27 068 224	32 687 506
Rehabilitation	6 276 070	(7 888 196)
Inventory losses	453 639	(44 798)
Donated assets	(17 916 689)	-
Other non-cash items	659 344	315 231
<b>Changes in working capital:</b>		
Inventories	(6 660 677)	(1 714 787)
Receivables from exchange transactions	(48 646 325)	(80 298 431)
Receivables from non-exchange transactions	(86 075 958)	(4 640 723)
Construction contracts and receivables	-	-
Short term investments	(232 534)	(1 794 251)
Interest	(404 655)	(362 453)
Other receivables from non exchange transactions	(5 715 022)	31 620
Payables from exchange transactions	(45 691 581)	15 296 315
Unspent conditional grants and receipts	12 195 716	31 731
Employee benefit obligation	(12 581 634)	(11 785 670)
	<b>114 946 608</b>	<b>138 272 756</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>44. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Infrastructure	132 375 757	178 275 076
• Community	-	-
	<b>132 375 757</b>	<b>178 275 076</b>
<b>Total capital commitments</b>		
Already contracted for but not provided for	<u>132 375 757</u>	<u>178 275 076</u>
All capital commitments excludes VAT		
This committed expenditure relates to infrastructure projects and will be financed through external loans, reserves and grants.		
<b>This Expenditure will be financed from:</b>		
External loans	36 616 694	52 354 411
Government grant	54 399 117	80 432 106
Capital replacement reserve	41 359 946	45 488 559
	<u><b>132 375 757</b></u>	<u><b>178 275 076</b></u>
<b>45. Contingent liabilities</b>		
<b>Guarantees</b>		
Guarantee Eskom (Nedbank)	63 400	63 400
Guarantee South Africa Post Office Limited (Nedbank)	180 000	180 000
	<u><b>243 400</b></u>	<u><b>243 400</b></u>
<b>Legal Matters</b>		
Worcester Land Trust/BVM Case No.3168/6- Contractual claim against the municipality	31 037 841	31 037 841
Public Liability Insurance claims based on quotations and could result in a lesser amount or more. It is the view of management that it is unlikely that these claims will be paid out but might realise due to past experiences.	1 761 927	1 098 049
Ngadlala / BVM - brought a review application in the Cape High Court for an order against certain decisions taken by BVM i.r.o the valuation of the above property	16 767	16 767
Cartrack / BVM - The plaintiff is claiming the amount for fleet services rendered to the municipality	-	433 876
Belani & Matolla / BVM - Permanent disability and death claim dispute	-	700 000
BVM//Dippenaar Trust - Walling Project	-	4 309 990
	<u><b>32 816 535</b></u>	<u><b>37 596 523</b></u>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 46. Disclosures made in terms of Supply Chain Management Regulation 45

The following disclosures were made in terms of Supply Chain Management Regulation 45.

#### Awards and payments to persons with relatives in the service of Breede Valley Municipality

Company name	Names of Directors which are related to municipal officials	Municipal Officials's name	Relationship with municipal official	Family member employment details		
Kiewiet Petrus Oliphant	Kiewiet Petrus Oliphant	Candice Joslyn Oliphant	Daughter to Kiewiet Petrus Oliphant	Traffic Officer at the Breede Valley Municipality	18 000	-
Mahdie & Daughters	Zeenat van der Merwe	Lyle Gerard van der Merwe	Spouse to Lyle Gerard van der Merwe	Housing Inspector at Breede Valley Municipality	15 000	-
Golimas	Goliath Jacobs	Brumilda Jacobs	Daughter of Goliath Jacobs	Internal Auditor at the Breede Valley Municipality	-	128 949
Hexvallei Sekuriteit BK	Marius Pheifer	Marinda Pheifer	Spouse of Marius Pheifer	Senior Clerk: Revenue at the Breede Valley Municipality	-	4 636
Lee-Handro	Sheryl Kock	Frederick Kock	Spouse to Sheryl De Kock	Process Controller at WWTW Breede Valley Municipality	95 950	-
Nuop (Pty) Ltd	Gerald Cremon	Danielle Opperman	Spouse of Gerald Cremon	Storekeeper at the Breede Valley Municipality	-	845 913
CJ Nasson Maintenance	Cecil Jacobus Nasson	Jeswill Nasson	Son of Cecil Jacobus Nasson	General Worker at the Breede Valley Municipality	-	153 100
Lynette Minaar Psychologist K2020067664 (SOUTH AFRICA) T/A GR Cleaning and Supply X-Zito Entertainment	Lynette Minaar Gerald Leisa Xolile Vas	Melissa Kafaar Letitia Leisa Nontando Vas	Daughter of Lynette Minaar Sister of Gerald Leisa Spouse to Xolile Vas	Superintendent at solid waste Breede Valley Municipality Senior Clerk SCM at Breede Valley Municipality Clerk at HR Office	4 450 831 284 4 800	- 400 851 -
					<b>969 484</b>	<b>1 533 449</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

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### 46. Disclosures made in terms of Supply Chain Management Regulation 45 (continued)

#### Awards and payments to persons with relatives in the service of other Municipalities:

Company name	Name of Directors which are related to employee in service of the state	Name of employee in service of the state	Relationship to employee in service of the state	Family member employment details		
LEOS Foundation	Tesna Palvie	Gerhard Palvie	Spouse of Tesna Palvie	Gerhard Palvie is an employee at the City of Cape Town	-	Rate based
Vuyani Electrical Supplies	Julia Aghulas	Marvin Aghulas	Son of Julia Aghulas	Electrician at the City of Cape Town	-	173 167
					-	-
					-	173 167

#### Awards and payments to persons with relatives in other state departments :

Company name	Name of Directors which are related to employee in service of the state	Name of employee in service of the state	Relationship to employee in service of the state	Family member employment details		
Fairbridges Werheim Becker Attorneys	Adela Petersen	Saheed Hofmeester	Brother of Adela Petersen	Educator at the Western Cape Education Department	-	Rate based
Masiqhame Trading 77 cc	Sandile Gxilishe	Bongiwe Gxilishe	Daughter of Sandile Gxilishe	Officer at Department of Agriculture and Forestry	-	Rate based
Sannicare cc	Izak Majiet	Charlton Majiet	Son of Izak Majiet	Supervisor at the Department of Transport	115 442	-
Total Client Services	Lindikhaya Sipoyo	Rachel Tsipa-Sipoyo	Spouse of Lindikhaya Sipoyo	CEO at the Western Cape Department of Transport	-	Rate based
XKK Corporation (Pty) Ltd	Xola Magwevana	Noxolo Magwevana	Sister to Xola Magwevana	Correctional Officer at the Department of Correctional Services	68 325	72 585
Fancy Affairz	Ash Maharaj	Clarke Marais	Spouse of Ash Maharaj	Police Officer at the South African Police Service	56 595	4 800
JVZ Construction (Pty) Ltd	Marissa Matthee	Mr R.E Matthee	Spouse to Marissa Matthee	Correctional Officer at the Department of Correctional Services	52 340 962	-
Elton Shortles Attorneys Inc	Elton Shortles	Anthea Shortles	Spouse of Elton Shortles	Lecturer at the CPUT	10 732	Rate based
Canopy Country BK	Schalk Fourie	Madeline Fourie	Daughter of Schalk Fourie	Clerk at Department of Health	-	54 631

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand					2023	2022
<b>46. Disclosures made in terms of Supply Chain Management Regulation 45 (continued)</b>						
EL Zeek Construction and Services Civils 2000 (Pty) Ltd	Elton Phukule	Jillian Phukule	Spouse to Elton Phukule	Teacher at Department of Education	-	40 374
	Tania Hendricks	Alton Dampun	Father to Tania Hendricks	Colonel at the South African Police Service	-	21 194 341
Calm Services and Supplies	Marsha Mdabuli	Andries Mdabuli	Spouse of Marsha Mdabuli	Officer at Department of Sport and Cultural Affairs	-	27 500
M & B Cleaning and Contractor Services	Marshallen Jansen	Abdukader Jansen	Spouse of Marshallen Jansen	General worker at the Department of Education	-	18 000
A4 Building and Civil	Ashley Wayne Petersen	Adriane Petersen	Spouse to Ashley Petersen	IMP Manager at the Department of Health	-	61 974
Terence Harker Architecture	Terence Harker	Jeanette Harker	Spouse of Terence Harker	Educator at the Western Cape Education Department	36 800	111 090
Delta Rewinds	Adburagmaan Daniels	Mishka Human	Daughter of Adburagmaan Daniels	Clerk: Department of Water and Sanitation: Bellville	-	773 419
Malherbe Tubb Faure Inc	Louis Faure	Caro Faure	Son of Louis Faure	Educator at the Western Cape Education Department	Rate based	
Motheo Construction	Lettie Mashau	Martin Ndlovu	Brother of Lettie Mashau	Statistician at the Department of Statistics	2 422 662	91 784 164
Awam K	Awamodien Karriem	Majieda Karriem	Spouse to Awamodien Karriem	Lecturer at Boland College	6 000	-
Lungisapho	Vusumzi Mooi	Luyanda Mooi	Brother to V Mooi	Correctional Officer at the Department of Correctional Services	26 500	-
Harry Upholestry	Willie Du Toit	Bertronise April	Daughter to Willie Du Tiot	Traffic Officer at Provincial Traffic	102 196	-
Elzeek Construction and Servcies	Elton Phukule	Jillian Phukule	Spouse to Elton Phukule	Teacher at Avainpark Primary at Department of Education	87 000	-
Indecon	Trevor Barnard	Lizette Barnard	Spouse of Director Trevor Barnard	Teacher at De Hoop Primary at Department of Education	57 489	-
Mindspring Computing	Renata Hendriks	Brintley Hendriks	Spouse to Renata Hendriks	Artisan at City of Capetown	55 189	-
Nedbank Limited	Stanley Subramoney	Venisha Subramoney	Spouse to Stanley Subramoney	Educator at the Gauteng Education Department	Rate based	
Adapt IT	Nombail Mbambo	Dudley Muziwamadod a Mbambo	Spouse to Nombali Mbambo	Operation Manager at Sanral	195 163	-
Webber Wenzel Attorneys	Sheena Dias	Nicolas Dias	Spouse to Sheena Dias	Senior Legal Advisor at City of Cape Town	37 088	-

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand					2023	2022
<b>46. Disclosures made in terms of Supply Chain Management Regulation 45 (continued)</b>						
Ian Dickie	Marcia Samuels	Deon Samuels	Spouse to Maria Samuels	Warrant Officer at SAPS	205 820	-
					<u>55 823 963</u>	<u>114 142 878</u>
					<u><b>56 793 447</b></u>	<u><b>115 849 494</b></u>

The total SCM regulation 45 awards amounted to R 56 793 447 (2022: R115 849 494) and are inclusive of rate based awards of which the value cannot be determined upfront.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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Figures in Rand	2023	2022
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### 47. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure were incurred during the financial year. There were no fruitless and wasteful expenditure balance as at 30 June 2023.

### 48. Unauthorised expenditure

No unauthorised expenditure were incurred during the financial year. There were no unauthorised expenditure balance as at 30 June 2023.

### 49. Irregular expenditure

No irregular expenditure were incurred during the financial year. There were no irregular expenditure balance as at 30 June 2023.

### 50. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them in the next council meeting and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R43 130 815 (2022: R23 684 161) were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Accounting Officer that considered them and subsequently approved the deviation from the normal supply chain management regulations. The reasons were categorised as sole suppliers, emergency as well as exceptional and impractical cases. The deviations are inclusive of awards that are rate based. The rate based deviations are kept at anticipated cost and available budget. In the individual deviations the anticipated cost and budget will be detailed.

A detailed list of deviations is disclosed in Appendix J and available on the municipality's website.

#### Deviations for year

Emergencies	10 223 553	15 584 532
Sole provider	21 191 483	122 370
Impractical or impossible to follow the SCM process	11 715 779	7 977 259
	<b>43 130 815</b>	<b>23 684 161</b>

# BREEDE VALLEY MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>51. Material losses</b>		
<b>Water distribution losses</b>		
Units supplied	14 119 937	14 168 718
Units sold	(12 102 246)	(11 741 327)
	<b>2 017 691</b>	<b>2 427 391</b>
<b>Electricity distribution losses</b>		
Units bought	247 318 166	282 707 483
Units sold	(232 221 706)	(261 457 970)
	<b>15 096 460</b>	<b>21 249 513</b>
<b>Percentage loss in distribution</b>		
Water distribution losses	14.29%	17.13%
Electricity distribution losses	6.10%	7.52%

## 52. Change in estimate

### Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2022 and therefore the depreciation charge was applied prospectively from 1 July 2022 over the remaining useful life of these assets.

	2022	2023	2024
Decrease/(Increase) in depreciation on other assets for the year	(104 620)	(44 093)	(17 375)
Decrease/(Increase) in depreciation on infrastructure for the year	(266)	(266)	(266)
	<b>(104 886)</b>	<b>(44 359)</b>	<b>(17 641)</b>

The effect in future periods is not disclosed because estimating it is impracticable as the useful life is assessed annually.

### Property, plant and equipment -Review of Landfill Site available Airspace

During the year experts were appointed to evaluate the available airspace remaining on the landfill sites being used by the municipality to store solid waste. The review of the airspace resulted in a decrease of the estimated number of years for the Worcester landfill site from 15 years to 14 years and a decrease in the De Doorns landfill site from 17 years to 16 years. The decrease in the remaining number of years resulted in an increase of depreciation of R598 176 (2022:R355 378).

The effect on the current year is an decrease in the carrying amount of property, plant and equipment by R242 799 and increase the depreciation expense by R242 799.

The effects of the change in estimate provision for landfill sites has been disclosed in note 21.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 52. Change in estimate (continued)

#### Statutory receivables - Traffic fines reductions

During the current financial year the municipality received representations from drivers who has been fined for various road traffic law infringements. After consideration of the representations a decision was made to reduce some of the fines with an amount of R 1 744 685

The effect on the current year is a decrease in Fines, Penalties and Forfeits income by R1 744 685 and a decrease in Debt Impairment expenditure by R1 744 685.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 53. Prior Period Errors

Due to incorrect accounting treatment of the following financial transactions, the figures of the prior year had to be restated:

Error 1: During a Salary reconciliation performed It was found that in the prior year a salary correction was made against an incorrect account number. This incorrect account number formed part of note 7 - Other receivables from exchange transactions in the prior year. Whereas the correct account number was supposed to be part of Payables from exchange transactions. The correction therefore resulted in a decrease in Note 7 - Other receivables from exchange transactions of R1 442 106 and a decrease in Note 16 - Payables from exchange transactions of R1 442 106.

Error 2 :During the prior year the municipality incorrectly recognised the I-Grap 2 adjustment of R13 995 563 directly in Nett Assets instead of the in the Surplus/Deficit (Operational Cost). In the current year the municipality corrected this error. The correction resulted in a decrease of Operational Cost by R13 995 563 and a increase of the Surplus/Deficit recognised by R13 995 563..

Error 3: During the year the municipality found that Investment Property with a bookvalue of R350 000 was sold in the 2020/21 financial year but not disposed from the municipality's asset register. No proceeds was received for the sale of the property. The municipality corrected this error by disposing the investment property from the Municipality's asset register retrospectively. This disposal resulted in a decrease in Investment Property of R350 000 and a decrease in the Accumulated Surplus of R350 000 .

Error 4: The municipality previously incorrectly disclosed one of the categories of Financial Instruments. The correction resulted in long term receivables to be reclassified from amortised cost to fair value. Furthermore the municipality incorrectly disclosed the long term loans in the risk management note at discounted cashflows. The correction of the disclosure error resulted in the long term loans of the prior year to be restated from R184 183 358 to R295 317 648.

#### Reclassifications:

Error 5: Development Charges of R822 023 previously classified as Sales of goods and rendering of services has been reclassified to Operational Revenue .

Error 6: The line items of the payables from exchange transactions has been reclassified due to parameter changes. The line item other payables of R1 985 248 was reclassified to trade payables. The closing balance remained unchanged.

Statement of financial performance Revenue	Balance as previously reported	Prior period error	Reclassified	Total
Service Charges	718 276 538	-	-	718 276 538
Sales of goods and rendering of services	6 460 921	-	(822 023)	5 638 898
Income from agency services	9 449 678	-	-	9 449 678
Licenses	2 619 982	-	-	2 619 982
Rental income	6 683 602	-	-	6 683 602
Operational revenue	4 430 163	-	822 023	5 252 186
Finance Income	19 259 515	-	-	19 259 515
Availability charges	6 766 308	-	-	6 766 308
Property rates	173 036 896	-	-	173 036 896
Property rates - penalties imposed and collection	1 782 296	-	-	1 782 296
Government grants and subsidies	208 687 115	-	-	208 687 115
Fines, penalties and forfeits	28 741 119	-	-	28 741 119
	<b>1 186 194 133</b>	<b>-</b>	<b>-</b>	<b>1 186 194 133</b>
<b>Expenses</b>				<b>Total</b>
Employee related cost	(361 117 739)	-	-	(361 117 739)
Remuneration of councillors	(18 315 230)	-	-	(18 315 230)
Depreciation, amortisation and impairment	(88 566 291)	-	-	(88 566 291)
Bulk purchases	(383 068 449)	-	-	(383 068 449)
Finance cost	(20 973 934)	-	-	(20 973 934)
Inventory consumed	(41 234 443)	-	-	(41 234 443)
Contracted services	(96 850 686)	-	-	(96 850 686)
Operating leases	(9 036 064)	-	-	(9 036 064)
Grants and subsidies paid	(3 581 533)	-	-	(3 581 533)
Operational cost	(62 124 685)	13 995 563	-	(48 129 122)
Agency fees paid	(5 550 010)	-	-	(5 550 010)
	<b>(1 090 419 064)</b>	<b>13 995 563</b>	<b>-</b>	<b>(1 076 423 501)</b>



# BREEDE VALLEY MUNICIPALITY

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## Notes to the Annual Financial Statements

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Operating (deficit)/surplus	95 775 069	95 775 069		
Gains on disposal of assets	(2 085 040)	(2 085 040)		
Fair value adjustment	1 235 625	1 235 625		
Actuarial gains	37 808 361	37 808 361		
Debt impairment	(80 796 424)	(80 796 424)		
Inventory gains(losses)	44 798	44 798		
<b>Surplus for the year</b>	<b>51 982 389</b>	<b>65 977 952</b>		
<b>Statement of financial position</b>				
<b>Current assets</b>	<b>Balance as previously reported</b>	<b>Prior period error</b>	<b>Reclassified</b>	<b>Total</b>
Cash and Cash Equivalents	89 089 335	-	-	89 089 335
Receivables from exchange transactions	98 084 508	-	-	98 084 508
Statutory receivables	25 073 499	-	-	25 073 499
Other receivables from non exchange	1 894 588	-	-	1 894 588
Other receivables from exchange transactions	9 432 078	(1 442 106)	-	7 989 972
Inventory	11 821 383	-	-	11 821 383
Short term investments	91 794 251	-	-	91 794 251
Long term receivables	2 147 556	-	-	2 147 556
Operating lease asset	361 087	-	-	361 087
	<b>329 698 285</b>	<b>(1 442 106)</b>	<b>-</b>	<b>328 256 179</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment property	63 636 633	(350 000)	-	63 286 633
Property, plant and equipment	2 399 706 857	-	-	2 399 706 857
Intangible assets	4 013 732	-	-	4 013 732
Heritage assets	36 631 059	-	-	36 631 059
Long term receivables	2 612 889	-	-	2 612 889
	<b>2 506 601 170</b>	<b>(350 000)</b>	<b>-</b>	<b>2 506 251 170</b>
<b>Current liabilities</b>				
Payables from exchange transactions	124 936 972	(1 442 106)	-	123 494 866
Consumer deposits	4 587 173	-	-	4 587 173
Unspent conditional grants and receipts	4 227 344	-	-	4 227 344
Long term liabilities	19 580 156	-	-	19 580 156
Employee benefit obligation	48 139 959	-	-	48 139 959
Provisions	3 084 771	-	-	3 084 771
	<b>204 556 375</b>	<b>(1 442 106)</b>	<b>-</b>	<b>203 114 269</b>
<b>Non-current liabilities</b>				<b>Total</b>
Long term liabilities	164 603 202	-	-	164 603 202
Employee benefit obligation	158 535 000	-	-	158 535 000
Provision	55 224 177	-	-	55 224 177
	<b>378 362 379</b>	<b>-</b>	<b>-</b>	<b>378 362 379</b>
<b>Nett Assets</b>				
Accumulated surplus	2 253 380 701	-	-	2 253 380 701
Investment property	-	(350 000)	-	(350 000)
	<b>2 253 380 701</b>	<b>(350 000)</b>	<b>-</b>	<b>2 253 030 701</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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Due to the changes as reflected above in the Statement of Financial Performance and Statement of Financial Position, the cashflow statement had to be restated. Please refer to details of each reclassification below for the nature and impact of the reclassification.

Error 1 : Cash flows from services and rate payers was restated with R13 857 528 due to the incorrect treatment of landfill site in the prior year and the movement of Long term receivables of R370 301 which was incorrectly classified as cash flows from services and rate payers rather than Cash flows from investing activities. This correction also resulted in the cashflow from investing activities to increase with R370 301.

Error 2 : Finance income:investing activities increased with R1 355 517 due to accrued income for receivables incorrectly classified as a cash item in the prior year.

Error 3 : Cash paid to suppliers decreased with R14 288 810 due to the correction relating to Landfill Sites adjustments of R13 995 563 which was previously included in Cash Flows from Services , Inventory transferred to PPE not previously included as a non-cash item under Cash paid to suppliers as well as the correction to the Payables balance of R1 442 106.

Error 4: During the prior year the opening balance of Accrued Interest was not taken into account. The full interest accrued balance was included in the cash flow, and the opening balance of R5 406 958 was included under Repayment of Borrowings. The correction of the error resulted in Finance costs to increase with R5 406 958 and Repayment of long term liabilities to decrease with R5 406 958.

Error 5: Purchase of property, plant and equipment was restated with R2 980 915 due to PPE disposals ,PPE Transfers and Investment Property disposals not correctly accounted for in the prior year cashflow calculation.

Error 6: Proceeds from sale of PPE and Investment properties was restated with R1 564 419 due to Statement of Financial Performance amount which was incorrectly used in the prior year instead of the proceeds amount . In addition, a cash outflow was incorrectly reported in prior year calculation, instead of a cash inflow from proceeds.

Cashflow Statement	Balance previously reported	Prior period error	Reclassified	Total
Cashflow form operating activities: Receipts	-	-	-	-
Cash flows from services and rate payers	887 197 497	(13 857 528)	-	873 339 969
Cash flows from government and other grants	208 718 846	-	-	208 718 846
Finance income:investing activities	16 109 747	1 355 517	-	17 465 264
	<b>1 112 026 090</b>	<b>(12 502 011)</b>	<b>-</b>	<b>1 099 524 079</b>
<b>Payments</b>				<b>Total</b>
Cash paid to employees	(358 531 133)	-	-	(358 531 133)
Cash paid to suppliers	(592 091 080)	14 288 810	-	(577 802 270)
Finance costs	(15 929 429)	(5 406 958)	-	(21 336 387)
Grants paid	(3 581 533)	-	-	(3 581 533)
	<b>(970 133 175)</b>	<b>8 881 852</b>	<b>-</b>	<b>(961 251 323)</b>
<b>Cashflow from investing activities:</b>				<b>Total</b>
Purchase of property, plant and equipment	(134 465 625)	(2 980 915)	-	(137 446 540)
Proceeds from sale of PPE and Investment properties	(351 673)	1 564 419	-	1 212 746
Long term receivables	(521 269)	(370 301)	-	(891 570)
Increase/ decrease in investment	11 414 454	-	-	11 414 454
	<b>(123 924 113)</b>	<b>(1 786 797)</b>	<b>-</b>	<b>(125 710 910)</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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<b>Cashflow from financing activities:</b>			<b>Total</b>
Repayment of long term liabilities	(18 447 673)	5 406 958	- (13 040 715)
Movement in consumer deposits	220 462	-	- 220 462
	<b>(18 227 211)</b>	<b>5 406 958</b>	<b>- (12 820 253)</b>
 			<b>Total</b>
Net increase/(decrease) in cash and cash equivalents	(258 409)	-	- (258 409)
Cash and cash equivalents at the beginning of the year	89 347 744	-	- 89 347 744
	<b>89 089 335</b>	<b>-</b>	<b>- 89 089 335</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 54. Financial instruments disclosure

#### Categories of financial instruments

#### 2023

##### Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	-	148 753 183	148 753 183
Receivables from exchange transactions	-	101 496 560	101 496 560
Other receivables from non- exchange transactions	-	2 326 795	2 326 795
Other receivables from exchange transactions	-	5 201 990	5 201 990
Long term receivables	9 931 744	-	9 931 744
Short term investments	-	10 232 534	10 232 534
	<b>9 931 744</b>	<b>268 011 062</b>	<b>277 942 806</b>

##### Financial liabilities

	At amortised cost	Total
Long term Liabilities	279 243 053	279 243 053
Consumer deposits	4 687 970	4 687 970
Payables from exchange transactions	88 393 031	88 393 031
Unspent conditional grants	16 423 060	16 423 060
	<b>388 747 114</b>	<b>388 747 114</b>

#### 2022

##### Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	-	89 089 335	89 089 335
Receivables from exchange transactions	-	98 084 508	98 084 508
Other receivables from non- exchange transactions	-	1 894 588	1 894 588
Other receivables from exchange transactions	-	2 769 446	2 769 446
Long term receivables	4 760 445	-	4 760 445
Short term investments	-	91 794 251	91 794 251
	<b>4 760 445</b>	<b>283 632 128</b>	<b>288 392 573</b>

##### Financial liabilities

	At amortised cost	Total
Long term Liabilities	184 183 358	184 183 358
Consumer deposits	4 587 173	4 587 173
Payables from exchange transactions	115 128 355	115 128 355
Unspent conditional grants	4 227 344	4 227 344
	<b>308 126 230</b>	<b>308 126 230</b>

### 55. Risk management

#### Liquidity risk

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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### 55. Risk management (continued)

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	88 393 031	-	-	-
Consumer deposits	4 687 970	-	-	-
Long term liabilities	55 082 469	50 502 519	144 218 526	252 164 387
Unspent conditional grants	16 423 060	-	-	-
	-	-	-	-
	164 586 530	50 502 519	144 218 526	252 164 387
At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	115 128 355	-	-	-
Consumer deposits	4 587 173	-	-	-
Long term liabilities	39 421 606	68 754 203	95 932 125	91 209 715
Unspent conditional grants	4 227 344	-	-	-
	-	-	-	-
	163 364 478	68 754 203	95 932 125	91 209 715

### Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer receivables, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables arise from a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	101 496 560	98 084 508
Other receivables from non-exchange transactions	2 326 795	1 894 588
Receivables from non-exchange transactions	5 201 990	2 769 446
Long term receivables	9 931 744	4 760 445
Short term investments	10 232 534	91 794 251
Cash and cash equivalents	148 753 183	89 089 335
	277 942 806	288 392 573

# BREEDE VALLEY MUNICIPALITY

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### 55. Risk management (continued)

#### Market risk

#### Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

The municipality has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

#### Price risk

The municipality is not exposed to price risk.

### 56. Donations in-kind

Provincial Government	17 350 000	-
Cape Winelands DM	547 989	-
Other – Private enterprises	18 700	-
	<u>17 916 689</u>	<u>-</u>

During the 2022/23 financial year the Municipality received the following in kind donations:

Investment Property of R17 350 000.

Vehicles, office and other equipment of R566 689.

### 57. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 58. Events after the reporting date

No other adjusting events which may have financial implications for the municipality and warrants disclosure in the financial statements occurred after 30 June 2023.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 59. Segment information

#### General information

##### Identification of segments

The Accounting Standard for Segment Reporting has been recognised in the Annual Financial Statements of the municipality as at 30 June 2023 in terms of GRAP 18

The municipality has developed Accounting Policies to fully comply with GRAP 18 (Segment Reporting). Previously the Accounting Standard was not applicable to municipalities.

Management has assessed the requirements of GRAP 18 and identified the following shortcomings preventing full disclosure in terms of the Accounting Standard:

The municipality's accounting system has limitations that does not allow for segmental reporting on financial position, net assets and cash flow.

The municipality is broadly organised into business units based on the nature of operations and the services they provide and the accounting system allows for reporting on these units on financial performance and capital assets.

The municipality does not monitor segments geographically.

Based on the above, management has concluded that the municipality will be able to report separate segments subject to the limitations listed above.

Management has evaluated the requirements of the Standard and found that no adjustments affecting Financial Position, Financial Performance, Net Assets or Cash Flows needs to be made. Accordingly, the segmental information for Capital Assets and Financial Performance of the municipality is disclosed in the Annual Financial Statements. It is not practical to segmentize Financial Position and Cash Flow operations.

No individually material operating segments have been aggregated to form the reportable operating segments

The municipality is organised and reports to management on the basis of six major functional areas, governance and administration; community and public safety, economic and environmental services, energy sources, water management, waste water management and waste management. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 59. Segment information (continued)

#### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

#### Reportable segment

Governance and administration  
Community and public safety  
Economic and environmental services  
Energy sources  
Water management  
Waste water management  
Waste management

#### Goods and/or services

Governance and administrative services  
Community and public services  
Economic and environmental services  
Electricity  
Water  
Sewerage and sanitation  
Refuse removal

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 59. Segment information (continued)

#### Segment surplus or deficit

2023

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>Revenue</b>									
Service charges	-	-	-	472 095 946	104 272 763	88 069 363	45 928 265	-	710 366 337
Sales of goods and rendering of services	549 923	3 506 142	1 453 187	-	-	-	11 290	-	5 520 542
Income from agency services	227 201	-	9 463 077	-	-	-	-	-	9 690 278
Licences and permits	1 627	481 407	2 640 433	-	-	-	-	-	3 123 467
Rental Income	1 154 350	6 323 767	-	-	-	-	-	-	7 478 117
Operational revenue	7 531 900	12 580	844 373	275 189	769 319	536 666	-	-	9 970 027
Finance Income	26 375 977	1 274 440	-	-	1 337 719	2 205 086	1 012 686	-	27 650 417
Availability Charges	-	-	-	2 536 421	-	-	-	-	7 091 912
Property rates	180 017 883	-	-	-	-	-	-	-	180 017 883
Property tax and penalties	2 784 887	-	-	-	-	-	-	-	2 784 887
Government grants & subsidies	44 145 201	48 728 546	7 823 500	26 885 569	59 428 153	47 739 667	22 321 400	13 049	257 085 085
Fines, penalties and forfeits	-	94 680 688	-	243 321	-	-	-	-	94 924 009
<b>Total segment revenue</b>	<b>262 788 949</b>	<b>155 007 570</b>	<b>22 224 570</b>	<b>502 036 446</b>	<b>165 807 954</b>	<b>138 550 782</b>	<b>69 273 641</b>	<b>13 049</b>	<b>1 315 702 961</b>

#### Expenditure

Bulk purchase	-	-	-	(372 992 719)	-	-	-	-	(372 992 719)
Contracted services	(42 378 498)	(13 424 799)	(5 909 442)	(17 654 904)	(2 652 884)	(16 745 140)	(10 582 861)	(6 003)	(109 354 531)
Depreciation and amortisation	(6 625 764)	(8 307 426)	(27 869 002)	(19 146 401)	(13 560 873)	(14 858 368)	(4 202 761)	(668)	(94 571 263)
Employee related cost	(118 382 445)	(99 300 590)	(43 466 628)	(27 402 219)	(29 680 452)	(24 105 804)	(23 845 813)	(67 175)	(366 251 126)
Finance cost	(211 648)	(284 695)	(1 248 635)	(5 766 152)	(2 218 624)	(9 671 958)	(35 084)	-	(19 436 796)
Grants and subsidies paid	(1 320 580)	(1 395 230)	(540 000)	-	-	-	-	(163 385)	(3 419 195)
Inventory Consumed	(17 603 619)	(4 306 499)	(2 673 407)	(9 053 066)	(14 065 045)	(2 178 691)	(977 252)	(19 971)	(50 877 550)
Operating lease	(1 767 950)	(4 183 895)	-	(3 048)	-	-	(3 230 242)	-	(9 185 135)
Operational cost	(42 262 210)	(8 435 130)	(1 493 202)	(1 801 596)	(2 008 726)	(2 527 983)	(7 263 169)	(153 828)	(65 945 844)
Remuneration of councillors	(19 066 405)	-	-	-	-	-	-	-	(19 066 405)
Agency fees paid	(334 026)	(2 795 180)	-	(3 391 820)	-	-	-	-	(6 521 026)

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>59. Segment information (continued)</b>									
<b>Total segment expenditure</b>	(249 953 145)	(142 433 444)	(83 200 316)	(457 211 925)	(64 186 604)	(70 087 944)	(50 137 182)	(411 030)	1 117 621 590
<b>Total segmental surplus/(deficit)</b>									<b>198 081 372</b>
Gain/(loss) on disposal of assets and liabilities									(623 094)
Fair value adjustment									14 716 643
Actuarial gains									25 710 286
Debt impairment									(116 517 766)
Inventory losses									(453 639)
<b>Total surplus (deficit) for the period</b>									<b>120 913 802</b>

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>2022 Revenue</b>									
Service charges	-	-	-	-	-	-	-	-	-
Sales of goods and rendering of services	500 404	3 352 013	1 775 674	491 843 609	101 432 999	82 141 193	42 858 737	-	718 276 538
Income from agency services	388 321	-	9 061 357	-	-	-	10 807	-	5 638 898
Licences and permits	226	407 331	2 212 425	-	-	-	-	-	9 449 678
Rental Income	1 027 140	5 656 462	-	-	-	-	-	-	2 619 982
Operational revenue	3 253 559	23 870	1 155 048	176 161	379 035	264 513	-	-	6 683 602
Finance Income	18 533 337	726 178	-	-	-	-	-	-	5 252 186
Availability Charges	-	-	-	2 361 029	1 289 976	2 130 257	985 047	-	19 259 515
Property rates	173 036 896	-	-	-	-	-	-	-	6 766 309
Property tax and penalties	1 782 296	-	-	-	-	-	-	-	173 036 896
Government grants & subsidies	37 521 450	28 316 490	14 153 319	28 619 962	34 978 006	44 297 397	20 713 540	86 951	208 687 115
Fines, penalties and forfeits	-	28 601 183	-	139 936	-	-	-	-	28 741 119
<b>Total segment revenue</b>	<b>236 043 629</b>	<b>67 083 527</b>	<b>28 357 823</b>	<b>523 140 697</b>	<b>138 080 016</b>	<b>128 833 360</b>	<b>64 568 131</b>	<b>86 951</b>	<b>1 186 194 134</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>59. Segment information (continued)</b>									
<b>Expenditure</b>									
Bulk purchases	-	(12 345 733)	-	(383 068 449)	-	-	-	-	(383 068 449)
Contracted services	(32 652 258)	(7 449 455)	(4 921 309)	(15 817 970)	(2 085 843)	(16 160 204)	(12 815 511)	(51 858)	(96 850 686)
Depreciation and amortisation	(4 922 115)	(85 069 165)	(25 990 491)	(18 105 412)	(13 447 777)	(14 581 272)	(4 069 093)	(676)	(88 566 291)
Employee related costs	(143 425 765)	(293 308)	(38 515 035)	(21 909 107)	(26 970 493)	(22 946 002)	(22 327 044)	44 872	(361 117 739)
Finance costs	(258 899)	(1 354 625)	(1 452 214)	(6 179 313)	(2 368 627)	(10 385 429)	(36 144)	-	(20 973 934)
Grants and subsidies paid	(1 471 927)	(3 110 924)	(517 695)	-	-	-	-	(237 286)	(3 581 533)
Inventory consumed	(12 746 094)	(4 174 827)	(2 394 079)	(6 869 043)	(13 467 755)	(1 496 002)	(1 131 433)	(19 113)	(41 234 443)
Operating lease	(964 997)	(6 942 687)	(152 830)	(102 765)	(38 795)	(24 886)	(3 534 238)	(42 726)	(9 036 064)
Operational Costs	(37 694 693)	(18 315 230)	(2 288 561)	(2 118 062)	(3 706 000)	(1 976 438)	6 682 429	(85 110)	(48 129 122)
Remuneration of councillors	(18 315 230)	-	-	-	-	-	-	-	(18 315 230)
Agency fees paid	(358 867)	-	-	(5 191 143)	-	-	-	-	(5 550 010)
<b>Total segment liabilities</b>	<b>(252 810 845)</b>	<b>(120 740 724)</b>	<b>(76 232 214)</b>	<b>(459 361 264)</b>	<b>(62 085 290)</b>	<b>(67 570 233)</b>	<b>(37 231 034)</b>	<b>(391 897)</b>	<b>1 076 423 501</b>
Gain/(loss) on disposal of assets and liabilities									(2 085 040)
Fair value adjustments									1 235 625
Actuarial gains/(losses)									37 808 361
Debt impairment									(80 796 424)
Inventory gains/(losses)									44 798
									<b>65 977 953</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 59. Segment information (continued)

#### Segmental Analysis of Capital Expenditure 2023

	Original Budget	Total Budget Adjustments	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Executive and Council	10 000	30 050	40 050	(5 063)	87	350	-
Budget and treasury office	32 635 000	(10 864 930)	21 770 070	(2 721 996)	88	58	-
Corporate services	-	-	-	-	-	-	-
Community and Social Services	4 832 000	1 273 637	6 105 637	(2 508 755)	59	75	-
Sport and Recreation	3 820 000	(2 095 349)	1 724 651	(751 912)	56	26	-
Public safety	639 000	851 953	1 490 953	(216 592)	86	199	-
Housing	-	17 350 000	17 350 000	-	-	-	-
Health	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-
Planning and Development	1 820 000	(200 000)	1 620 000	(263 419)	84	75	-
Road Transport	54 426 193	1 285 481	55 711 674	(7 579 158)	86	88	-
Trading Services	-	-	-	-	-	-	-
Electricity	66 230 000	8 912 890	75 142 890	(26 598 985)	65	73	-
Water	94 687 879	(23 976 551)	70 711 328	(32 214 334)	54	41	-
Waste Water Management	58 249 680	98 625 175	156 874 855	(65 623 092)	58	157	-
Waste Management	1 200 000	84 000	1 284 000	(524 185)	59	63	-
	<b>318 549 752</b>	<b>91 276 356</b>	<b>409 826 108</b>	<b>(139 007 491)</b>	<b>66</b>	<b>85</b>	<b>-</b>

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# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 59. Segment information (continued)

#### Segmental Analysis of Capital Expenditure 2022

	Original Budget	Total Budget Adjustments	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Executive and Council	10 000	65 000	75 000	61 608	(13 392)	82	616
Budget and treasury office	6 995 000	5 135 185	12 130 185	5 337 600	(6 792 585)	44	76
Corporate services	-	-	-	-	-	-	-
Community and Social Services	728 000	332 945	1 060 945	480 674	(580 271)	45	66
Sport and Recreation	22 600 000	(5 629 698)	16 970 302	16 450 544	(519 758)	97	73
Public safety	500 000	-	500 000	431 532	(68 468)	86	86
Housing	-	80 000	80 000	-	(80 000)	-	-
Health	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-
Planning and Development	-	40 000	40 000	10 850	(29 150)	27	-
Road Transport	51 600 511	(16 170 795)	35 429 716	36 073 695	643 979	102	70
Electricity	45 480 114	1 642 987	47 133 101	46 877 151	(255 950)	99	103
Water	7 307 887	12 853 794	20 161 681	15 555 220	(4 606 461)	77	213
Waste Management	14 482 607	7 002 521	21 485 128	21 472 442	(12 686)	100	148
Waste Water Management	1 516 145	(1 170 133)	346 012	346 012	-	100	23
	151 230 264	4 181 806	155 412 070	143 097 328	(12 314 742)	92	95

#### Information about geographical areas

Although the municipality operates in a number of geographical wards, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 60. Non living resources

The municipality is the owner of various non living resources. The following dams has been extracted for the municipality:

Dam name	Owner	Date	Volume %	Volume m3	Location (S)	Location (E)
Stettynskloof Dam	BVM	31 October 1986	100	15 000 000	33 50'11"	19 15' 7"
Fairy Glen Dam	BVM	17 November 1986	100	516 000	33 33'32,8"	19 26'0.20"
Bokrivier Storage Dam	BVM	26 March 1987	100	90 000	33 20' 51"	19 45'40"

The following boreholes has been extracted for the municipality:

Town	Owner	Borehole Number	Yield/ Year m3	Location (S)	Location (E)
DeDoorns	BVM	DeDGGBH3	154 176	33 29,186	19 40,033
DeDoorns	BVM	DeDGGBH2	157 680	33 29,202	19 40,035
DeDoorns	BVM	DeDGGBH1	157 680	33 29,218	19 40,027



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022	
<b>61. Additional disclosure in terms of Municipal Finance Management Act</b>			
<b>Municipal bank accounts</b>			
<b>Bank statement balances</b>	30 June 2023	30 June 2022	30 June 2021
Nedbank - Worcester Branch Cheque Account	147 458 730	89 310 162	91 481 689
<b>Cash book balances</b>	30 June 2023	30 June 2022	30 June 2021
	148 740 078	89 076 226	89 334 611
<b>Membership fees: SALGA</b>			
Current year subscription / fee		3 622 912	3 299 266
Amount paid - current year		(3 622 912)	(3 299 266)
		-	-
<b>Audit fees</b>			
Opening balance		-	-
Current year subscription / fee		4 734 889	2 723 915
Amount paid - current year		(4 734 889)	(2 723 915)
		-	-
<b>PAYE and UIF</b>			
Opening balance		5 025 760	4 226 943
Current year subscription / fee		56 711 215	55 020 542
Amount paid - current year		(52 149 884)	(49 994 782)
Amount paid - previous years		(5 025 760)	(4 226 943)
		4 561 331	5 025 760
<b>Pension and medical aid deductions</b>			
Opening balance		414 119	518 211
Current year subscription / fee		106 217 020	101 182 740
Amount paid - current year		(105 839 352)	(100 768 621)
Amount paid - previous years		(414 119)	(518 211)
		377 668	414 119
<b>VAT</b>			
VAT receivable		6 788 630	5 238 029

All VAT returns have been submitted by the due date throughout the year.

### Councillors' arrear consumer accounts

As at 30 June 2023 there were no Councillors with arrear consumer accounts outstanding for more than 90 days.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 61. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be reported to the Council.

A detailed list of deviations is available in Appendix J and on the municipality's website.

### 62. Related parties

#### Compensation to related parties:

Compensation made to key management and councillors are disclosed in notes 31 and 32.

#### Outstanding balances:

As at 30 June 2023 there were no key management or councillors with outstanding consumer accounts for more than 90 days.

The consumer debtors are in accordance with approved tariffs that was advertised to the public.

### 63. BBBEE Performance

#### Additional disclosure in terms of Broad Based Black Economic Empowerment Act

Information on the compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Mun Ref.		Fin Inst. Ref.	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:					Less:	Add:	Balance as at 30/06/2023 3011103001x 3011203097x		Carrying Value
						Balance as at 30/06/2022	Received	Redeemed	Interest Paid	Interest Accrued Previous Year	Interest Current Year	Interest as per Lenders			
EXTERNAL LOANS															
ANNUITY & STOCK LOANS															
3-9901-60725199															
8															401 137 264,34
Loans redeemed															935 804,26
DBSA: @ 10.55%	556		14/07/2005	21 736 259,25	31/03/2014	179 138 853,43	110 000 000,00	14 535 651,02	19 841 450,56	(5 044 504,87)	4 639 850,62	4 639 850,62	274 603 202,41		6 660 313,51
DBSA: @ 10.891%	557		14/11/2005	22 000 000,00	31/03/2015										9 711 108,00
DBSA: @ 10.40%	558				31/03/2009										10 206,08
DBSA: @ 11.00%	559		26/06/1997	9 179 000,00	31/03/2014										1 107 762,62
DBSA: @ 12.00%	560	10647/102	02/11/1999	3 000 000,00	31/03/2017	0,00									256 013,27
DBSA: @ 12.00%	561	10736/102	25/07/1997	7 000 000,00	31/03/2017										939 138,81
ABSA: @ Variable rate	562				30/06/2009										4 007 573,22
DBSA: @ 8.69%	2569	102124/1	21/08/2006	25 000 000,00	30/09/2016	0,00									11 244 159,04
INCA/FNB: @ 10.21%	2991		29/09/2006	50 000 000,00	30/09/2016										25 770 497,18
INCA/FNB: @ 10.14%	2992		29/09/2006	5 000 000,00	30/09/2012										621 097,28
DBSA: @ 5.00%	5027	102831/1	31/03/2008	23 000 000,00	31/03/2018										12 749 933,07
DBSA: @ 9.46%	5028	10283/2	31/03/2008	40 000 000,00	31/03/2018										26 220 938,40
DBSA: @ 9.46%	5029		31/03/2008	2 000 000,00	31/03/2015										52 643,94
DBSA: @ 6.75%	11097	103649/2	09/03/2010	21 000 000,00	31/03/2030	11 584 108,77		1 135 186,18	763 175,18	(194 946,27)	175 842,48	175 842,48	10 448 922,59		15 286 245,76
DBSA: @ 12.08%	11098	103649/1	09/03/2010	29 000 000,00	31/03/2030	18 972 285,90		1 519 522,25	2 247 609,85	(571 393,27)	525 629,43	525 629,43	17 452 763,65		21 700 842,94
DBSA: @ 11.326%	11099	103649/3	16/07/2010	50 000 000,00	31/03/2030	33 170 898,16		2 736 254,14	3 682 075,66	(936 660,74)	859 395,97	859 395,97	30 434 644,02		36 428 045,88
DBSA: @ 11.5%	11100	103649/4	29/06/2011	50 000 000,00	31/03/2030	33 705 756,99		2 760 478,31	3 799 517,71	(966 385,61)	887 239,29	887 239,29	30 945 278,68		38 533 305,41
DBSA: @ 12.14%	11101	103649/5	20/06/2013	51 000 000,00	31/03/2030	36 139 267,46		2 895 411,43	4 302 893,49	(1 093 821,76)	1 006 489,45	1 006 489,45	33 253 856,03		42 507 519,99
DBSA: @ 11.431%	19975	61007341	20/05/2016	38 500 000,00	31/03/2036	34 126 388,09		1 073 859,88	3 871 527,44	(972 574,95)	941 970,80	941 970,80	33 052 528,21		31 956 969,74
DBSA: @ 10.824%	19976	61007374	20/05/2016	21 500 000,00	31/03/2026	11 440 148,06		2 424 938,83	1 174 651,23	(308 722,27)	243 283,20	243 283,20	9 015 209,23		10 071 112,37
ABSA: @ 12.38%	20022	3058749730	30/06/2023	110 000 000,00	30/06/2038		110 000 000,00						110 000 000,00		104 366 033,57

BREDE VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2023  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2022									
	Opening balance as previously stated 30-06-2022	Prior period error	Restated opening balance 30-06-2022	Additions	Grat 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30-06-2023
LAND	229 870 137		229 870 137	1 143 072,00			(2 314 326)			228 698 883
BUILDINGS	341 043 101		341 043 101	2 878 608			170 471			344 092 180
INFRASTRUCTURE	3 184 856 182		3 184 856 182	222 653 314	2 423 246				(7 729 590)	3 402 203 151
HERITAGE ASSETS	36 631 059		36 631 059	-						36 631 059
OTHER ASSETS	157 139 965		157 139 965	26 793 623			-170 471	2 586 756	(1 451 001)	184 898 872
INTANGIBLE ASSETS	5 364 081		5 364 081							5 364 081
INVESTMENT PROPERTY	63 636 633	(350 000)	63 286 633	17 350 000		15 812 674	2 314 326		(2 607 033)	96 155 600
TOTAL	4 018 541 189	(350 000)	4 018 191 158	270 818 617	2 423 246	15 812 674	0	2 586 756	-11 787 625	4 298 044 826

**BREDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2023  
**APPENDIX B: FIXED ASSET RECONCILIATION**

Classification of Assets	Cost/Revaluation 2021									
	Opening balance as previously stated 30-06-2021	Prior period error	Restated opening balance 30/6/2021	Additions	Grasp 12 Transfer	Fair value adjustment	Transfers	Restoration of Assets	Disposals	Closing Balance 30-06-2022
LAND	230 882 268		230 882 268						(1 012 130)	229 870 137
BUILDINGS	334 100 728		334 100 728	8 105 846			(109 550)		(1 053 922)	341 043 101
INFRASTRUCTURE	3 071 223 805		3 071 223 805	115 048 874	(1 416 497)					3 184 856 182
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059
OTHER ASSETS	152 591 025	(16 761 069)	135 829 957	19 942 609			109 550	1 554 723	(296 874)	157 139 965
INTANGIBLE ASSETS	5 364 081		5 364 081							5 364 081
INVESTMENT PROPERTY	63 875 500	(350 000)	63 525 500			1 494 500			(1 733 367)	63 286 633
<b>TOTAL</b>	<b>3 894 668 465</b>	<b>(17 111 069)</b>	<b>3 877 557 396</b>	<b>143 097 329</b>	<b>-1 416 497</b>	<b>1 494 500</b>	<b>0</b>	<b>1 554 723</b>	<b>-4 096 293</b>	<b>4 018 191 159</b>

**BREDE VALLEY MUNICIPALITY**  
**Annual Financial Statements for the year ended 30 June 2023**  
**APPENDIX B: FIXED ASSET RECONCILIATION**

Classification of Assets	Accumulated Depreciation 2022										
	Opening balance as previously stated 30-06-2022	Prior period error	Restated opening balance 30-06-2022	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30-06-2023	Carrying Value 30-06-2023	
LAND	-		-							228 698 883	
BUILDINGS	196 619 071		196 619 071	6 866 106					203 485 177	140 607 003	
INFRASTRUCTURE	1 249 201 338		1 249 201 338	74 537 862		(7 729 590)			1 316 009 610	2 086 193 541	
HERITAGE ASSETS	-		-							36 631 059	
OTHER ASSETS	67 382 119		67 382 119	12 492 704		(1 349 941)	598 176		79 123 058	105 775 815	
INTANGIBLE ASSETS	1 350 348		1 350 348	76 415					1 426 763	3 937 318	
INVESTMENT PROPERTY	-		-							96 156 600	
TOTAL	1 514 552 875	0	1 514 552 875	93 973 087	0	-9 079 531	598 176	-	1 600 044 607	2 698 000 219	

**BREDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2023  
**APPENDIX B: FIXED ASSET RECONCILIATION**

Classification of Assets	Accumulated Depreciation 2021										
	Opening balance as previously stated 30-06-2021	Prior period error	Restated opening balance 30-06-2021	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30-06-2022	Carrying Value 30-06-2022	
LAND	-		-							229 870 137	
BUILDINGS	190 827 700		190 827 700	6 337 152		(545 781)			196 619 071	144 424 030	
INFRASTRUCTURE	1 177 279 283		1 177 279 283	71 922 055					1 249 201 338	1 935 654 844	
HERITAGE ASSETS	-		-						-	36 631 059	
OTHER ASSETS	67 530 889	(10 126 721)	57 404 169	9 875 292		(252 720)	355 378		67 382 119	89 757 846	
INTANGIBLE ASSETS	1 273 934		1 273 934	76 414					1 350 348	4 013 733	
INVESTMENT PROPERTY	-		-						-	63 286 633	
<b>TOTAL</b>	<b>1 436 911 807</b>		<b>1 426 785 086</b>	<b>88 210 913</b>	<b>0</b>	<b>-798 504</b>	<b>355 376</b>	<b>0</b>	<b>1 514 552 875</b>	<b>2 503 638 283</b>	



## BREED VALLEY MUNICIPALITY

## APPENDIX C

## STATISTICAL INFORMATION

(1)	General Statistics		2023	2022	2021
	(a) Population.	(b) Valuation.			
(2)	(a) Number of users	(i) Taxable	27 653	27 653	27 653
	(b) Units bought	(ii) Non Taxable	247 318 165,53	282 707 482,87	283 637 188
	(c) Units sold	Improvements	232 221 706,30	261 714 667,80	263 626 881
	(d) Units lost in distribution	Land	15 096 459,23	20 992 815,07	20 010 307
(3)	(e) Percentage of units lost in distribution		6,10%	7,43%	7,05%
	(f) Cost per unit bought		1,825060	4,091803	1,4349653
	(g) Loss in distribution		27 551 948	85 898 464	28 714 096
	(h) Cost per unit sold		1,943705282	4,420017	1,5438847
(4)	(i) Income per unit sold		2,043876	1,882817	1,637952
	(a) Area in km <sup>2</sup>		3 833	3 833	3 833
	(b) Previous election		70 002	70 002	70 002
	(c) % poll				
(5)	(d) Building survey:				
	(i) Building plans		550	690	620
	(ii) Number passed		589 780 300	632 151 000	411 805 000
	(iii) Value passed (R '000)		4504	4284	4 464
(6)	(a) Housing		2 498	1 760	2 688
	(i) Number of dwelling units		2 451	5 280	630
	(ii) Number of people acc		20 123	19 000	20 207
	(iii) Number of people on waiting list				

BREEDS VALLEY MUNICIPALITY																			
Annual Financial Statements for the year ended 30 June 2023																			
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED																			
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2022	Quarterly Receipts				Quarterly Expenses				Balance 30 June 2023	Grants and subsidies delayed/ withheld				Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest IDOA	Reason for Non-Compliance	
			Sept 2022	Dec 2022	March 2023	June 2023	Sept 2022	Dec 2022	March 2023	June 2023		Sept 22	Dec 22	March 23	June 23				
Equitable Share	National	-	57 650 000	48 781 000	41 391 000	-	57 650 000	48 781 000	41 391 000	-	-	-	-	-	-	Not applicable	Yes	None	
Financial Management grant	National	-	1 550 000	-	-	-	50 689	52 015	50 500	1 386 795	-	-	-	-	-	Not applicable	Yes	None	
EPWP: National	National	-	826 000	1 486 000	989 000	-	826 000	1 488 000	988 000	-	-	-	-	-	-	Not applicable	Yes	None	
Municipal Infrastructure Grant	National	-	7 758 000	10 237 000	26 992 000	-	4 431 836	11 708 791	6 892 058	21 954 315	-	-	-	-	-	Not applicable	Yes	None	
Integrated National Electrification Grant	National	-	5 000 000	10 000 000	-	-	-	16 765	-	14 982 705	530	-	-	-	-	Not applicable	Yes	Saving on Project	
Energy Efficiency and Demand-Side Management Grant	National	-	1 000 000	2 000 000	1 000 000	-	-	-	1 655 238	2 086 962	247 801	-	-	-	-	Not applicable	Yes	Project ongoing	
Water Services Infrastructure Grant	National	-	1 107 000	2 300 000	1 700 000	-	705 370	947 040	871 388	1 751 693	831 508	-	-	-	-	Not applicable	Yes	Saving on Project	
Municipal Disaster Recovery Grant	National	-	-	-	-	10 310 000	-	-	-	1 930 406	8 379 594	-	-	-	-	Not applicable	Yes	Project ongoing	
Public Libraries- Operational	Provincial	147 796	3 434 000	3 878 000	3 677 000	-	2 606 218	2 701 158	2 828 318	2 821 102	-	-	-	-	-	Not applicable	Yes	None	
Public Libraries- Capital	Provincial	74 878	244 000	-	-	-	-	-	116 991	200 583	1 304	-	-	-	-	Not applicable	Yes	Saving on Project	
National Roads Agency	Provincial	-	-	-	-	95 521	-	-	-	95 521	-	-	-	-	-	Not applicable	Yes	None	
CDW Grant	Provincial	106 838	-	94 000	-	-	-	12 838	42 132	83 803	82 065	-	-	-	-	Not applicable	Yes	Project ongoing	
LG Public Employment Support	Provincial	-	-	-	1 700 000	-	-	-	-	1 700 000	-	-	-	-	-	Not applicable	Yes	None	
Financial Management Capacity Building Grant	Provincial	280 000	-	-	200 000	-	-	-	-	-	480 000	-	-	-	-	Not applicable	Yes	Project ongoing	
RSEP Operational	Provincial	120 732	-	-	-	-	120 732	-	-	800 000	-	-	-	-	-	Not applicable	Yes	None	
RSEP Capital	Provincial	-	800 000	-	-	-	-	-	-	800 000	-	-	-	-	-	Not applicable	Yes	None	
Thusong Centre	Provincial	-	-	-	150 000	-	-	-	107 572	42 428	-	-	-	-	-	Not applicable	Yes	None	
Municipal Water Resilience Grant	Provincial	-	-	-	700 000	-	-	-	-	320 886	379 114	-	-	-	-	Not applicable	Yes	Project ongoing	
Municipal Accreditation & Capacity Building Grant	Provincial	-	513 000	-	-	-	-	217 059	158 863	136 458	-	-	-	-	-	Not applicable	Yes	None	
Provincial Earmarked (Accelerated)	Provincial	-	-	-	3 400 000	-	-	-	-	-	3 400 000	-	-	-	-	Not applicable	Yes	Project ongoing	
Disaster Management Grant	Provincial	96 632	-	118 000	-	-	-	-	-	209 075	14 557	-	-	-	-	Not applicable	Yes	Project ongoing	
Maintenance of Fire Equipment	Provincial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Not applicable	Yes	None	
Title Deeds	Provincial	2 505 318	-	-	2 505 000	-	-	2 505 318	-	360 412	2 144 538	-	-	-	-	Not applicable	Yes	Project ongoing	
Emergency Municipal Load-Shedding Relief Grant	Provincial	-	-	-	950 000	-	-	-	-	950 000	-	-	-	-	-	Not applicable	Yes	None	
LOWSETA	Other	-	108 912	230 337	115 825	249 237	108 912	230 337	115 825	249 237	-	-	-	-	-	Not applicable	Yes	None	
CWDR: Operational	Other	895 050	-	-	605 000	-	-	-	-	1 036 050	462 000	-	-	-	-	Not applicable	Yes	Project ongoing	

BREDE VALLEY MUNICIPALITY															
Annual Financial Statements for the year ended 30 June 2023															
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED															
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2022	Quarterly Receipts			Quarterly Expenses			Balance 30 June 2023	Grants and subsidies delayed / withheld				Reason for delay / withholding of funds	Reason for Non-Compliance
			Sept 2022	Dec 2022	March 2023	June 2023	Sept 2022	Dec 2022	March 2023	June 2023	Sept 22	Dec 22	March 23	June 23	
Provincial Government: Donated Assets	Donation	-	-	-	-	17 350 000	-	-	-	17 350 000	-	-	-	-	None
CWDM: Donated Assets	Donation	-	-	-	-	547 889	-	-	-	547 889	-	-	-	-	None
Private Enterprises: Donated Assets	Donation	-	-	-	-	18 700	-	-	-	18 700	-	-	-	-	None
		4 227 344	70 900 912	78 924 337	88 074 825	28 571 447	68 580 758	68 749 021	55 218 906	70 688 120	16 423 061				
SUMMARY		Balance 01/07/22	Sept 2022	Dec 2022	March 2023	June 2023	Sept 2022	Dec 2022	March 2023	June 2023	Balance 30/06/2023				
		4 227 344		273 561 521					261 365 805		16 423 061				
Register summary	Unutilised Balance - 01/07/2022	Debit Balance 01/07/2022	Recalculated 01/07/2022 - 30/06/2023	Other Income	Capital Donated	Written - off	Conditions met Income statement Operating	Conditions met Income statement Capital	Refunded	To Other Debtors	Balance 30/06/2023				
	4 227 344	-	254 003 102	-	17 916 089	-	(171 643 141)	(85 441 945)	(2 638 888)	-	16 423 061				
		4 227 344		271 910 791			(256 724 074)				16 423 061				

Appendix E A2  
WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2022/23						2021/22	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Restated Audited Outcome
<b>R thousands</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Revenue - Standard</b>								<b>9</b>
<i>Governance and administration</i>	241 045	6 657	247 702	-	(700)	247 002	288 573	41 571
Executive and council	118	-	118	-	500	618	739	121
Finance and administration	240 927	6 657	247 584	-	(1 200)	246 384	287 834	41 451
Internal audit	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	281 225	19 049	300 274	-	(0)	300 274	171 044	(129 230)
Community and social services	12 459	160	12 619	-	-	12 619	13 290	671
Sport and recreation	9 249	-	9 249	-	-	9 249	3 818	(5 431)
Public safety	230 822	477	231 299	-	-	231 299	97 329	(133 969)
Housing	28 695	18 412	47 107	-	(0)	47 107	56 606	9 499
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	16 395	(955)	15 440	-	-	15 440	22 225	6 784
Planning and development	2 226	-	2 226	-	-	2 226	2 515	289
Road transport	14 169	(955)	13 214	-	-	13 214	19 710	6 496
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	921 945	22 028	943 973	-	700	944 673	875 669	(69 004)
Energy sources	565 318	-	565 318	-	-	565 318	536 727	(28 591)
Water management	126 788	5 191	131 978	-	700	132 678	131 118	(1 561)
Waste water management	160 679	16 838	177 516	-	-	177 516	138 551	(38 965)
Waste management	69 161	-	69 161	-	-	69 161	69 274	113
Other	-	13	13	-	-	13	13	0
<b>Total Revenue - Standard</b>	<b>1 460 611</b>	<b>46 792</b>	<b>1 507 403</b>	<b>-</b>	<b>-</b>	<b>1 507 403</b>	<b>1 357 524</b>	<b>(149 879)</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	258 889	26 956	285 844	-	18	285 863	251 376	(34 487)
Executive and council	35 936	6 868	42 804	-	(6 591)	36 213	36 066	(147)
Finance and administration	218 570	20 386	238 956	-	6 809	245 765	211 553	(34 212)
Internal audit	4 382	(298)	4 084	-	(200)	3 884	3 757	(127)
<i>Community and public safety</i>	314 183	8 727	322 920	-	(3 712)	319 208	227 983	(91 226)
Community and social services	31 659	737	32 396	-	8 427	40 823	37 891	(2 932)
Sport and recreation	27 733	461	28 194	-	6 288	34 482	34 170	(312)
Public safety	226 116	5 870	231 986	-	(14 797)	217 189	136 460	(80 729)
Housing	28 595	1 658	30 253	-	(3 630)	26 624	19 378	(7 245)
Health	91	-	91	-	-	91	83	(8)
<i>Economic and environmental services</i>	85 887	(985)	84 902	-	(3 420)	81 482	79 558	(1 925)
Planning and development	20 016	(98)	19 918	-	7	19 926	19 218	(707)
Road transport	65 482	(849)	64 632	-	(3 857)	60 775	59 889	(886)
Environmental protection	389	(37)	352	-	430	782	450	(331)
<i>Trading services</i>	695 887	8 536	704 423	-	5 221	709 644	677 283	(32 362)
Energy sources	506 388	1 520	507 908	-	7 989	515 898	489 712	(26 186)
Water management	70 157	(962)	69 195	-	(16 244)	52 950	49 351	(3 599)
Waste water management	73 986	5 411	79 397	-	3 731	83 128	81 255	(1 873)
Waste management	45 356	2 568	47 924	-	9 745	57 669	56 965	(704)
Other	895	(123)	772	-	(50)	722	412	(310)
<b>Total Expenditure - Standard</b>	<b>1 355 751</b>	<b>43 110</b>	<b>1 398 862</b>	<b>-</b>	<b>(1 942)</b>	<b>1 396 920</b>	<b>1 236 610</b>	<b>(160 309)</b>
<b>Surplus/(Deficit) for the year</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>10 431</b>

# Appendix F A3

WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Description	2022/23								2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Variance	Restated Audited Outcome
<b>R thousands</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Revenue by Vote</b>									
Vote 1 - Council General	118	-	118	-	-	118	739	621	510
Vote 2 - Municipal Manager	500	-	500	-	-	500	500	-	500
Vote 3 - Strategic Support Services	1 244	13	1 257	-	-	1 257	1 024	(233)	1 276
Vote 4 - Financial Services	236 559	8 024	244 584	-	(700)	243 884	280 419	36 535	231 224
Vote 5 - Community Services	294 602	18 293	312 895	-	(0)	312 895	184 098	(128 797)	79 632
Vote 6 - Technical Services	-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services	565 252	0	565 252	-	-	565 252	506 514	(58 739)	523 655
Vote 8 - Public Services	362 335	20 461	382 796	-	700	383 496	384 231	735	351 208
<b>Total Revenue by Vote</b>	<b>1 460 611</b>	<b>46 792</b>	<b>1 507 403</b>	<b>-</b>	<b>-</b>	<b>1 507 403</b>	<b>1 357 524</b>	<b>(149 879)</b>	<b>1 188 003</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council General	28 540	6 816	35 357	-	806	36 162	36 061	(101)	34 874
Vote 2 - Municipal Manager	14 278	(448)	13 830	-	(200)	13 630	13 225	(405)	8 847
Vote 3 - Strategic Support Services	70 780	10 803	81 583	-	10 756	92 339	87 601	(4 738)	70 851
Vote 4 - Financial Services	128 388	13 357	141 744	-	(1 934)	139 810	111 927	(27 884)	100 801
Vote 5 - Community Services	320 204	9 702	329 907	-	(21 209)	308 697	220 679	(88 018)	155 923
Vote 6 - Technical Services	-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services	518 086	(608)	517 479	-	(20 370)	497 108	465 925	(31 184)	465 756
Vote 8 - Public Services	275 475	3 488	278 963	-	30 210	309 172	301 192	(7 980)	284 964
<b>Total Expenditure by Vote</b>	<b>1 355 751</b>	<b>43 110</b>	<b>1 398 862</b>	<b>-</b>	<b>(1 942)</b>	<b>1 396 920</b>	<b>1 236 610</b>	<b>(160 309)</b>	<b>1 122 017</b>
<b>Surplus/(Deficit) for the year</b>	<b>104 860</b>	<b>3 681</b>	<b>108 541</b>	<b>-</b>	<b>1 942</b>	<b>110 483</b>	<b>120 914</b>	<b>40 431</b>	<b>65 986</b>

# Appendix G A5

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Description	2022/23								2021/22	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Variance	Restated Audited Outcome	
<b>R thousands</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure</b>										
Vote 1 - Council General	5	35	40	-	-	40	35	(5)	20	
Vote 2 - Municipal Manager	5	200	205	-	(205)	0	-	(0)	1 859	
Vote 3 - Strategic Support Services	15 575	(988)	14 587	-	5 065	19 652	16 990	(2 662)	3 147	
Vote 4 - Financial Services	-	-	-	-	-	-	-	-	-	
Vote 5 - Community Services	5	9	14	-	-	14	10	(4)	15 771	
Vote 6 - Technical Services	-	-	-	-	-	-	-	-	-	
Vote 7 - Engineering Services	58 400	(26 275)	32 125	-	18 265	50 390	26 708	(23 682)	36 392	
Vote 8 - Public Services	178 476	22 698	201 175	-	23 020	224 194	142 677	(81 517)	42 781	
<b>Capital multi-year expenditure</b>	<b>252 466</b>	<b>(4 321)</b>	<b>248 146</b>	<b>-</b>	<b>46 145</b>	<b>294 291</b>	<b>186 421</b>	<b>(107 870)</b>	<b>99 969</b>	
<b>Single-year expenditure</b>										
Vote 1 - Council General	-	-	-	-	-	-	-	-	-	
Vote 2 - Municipal Manager	30	-	30	-	-	30	19	(11)	-	
Vote 3 - Strategic Support Services	16 940	(7 000)	9 940	-	(4 850)	5 090	4 655	(435)	400	
Vote 4 - Financial Services	1 975	1 093	3 068	-	370	3 438	1 568	(1 870)	1 667	
Vote 5 - Community Services	5 379	15 193	20 572	-	291	20 863	20 084	(779)	2 411	
Vote 6 - Technical Services	-	-	-	-	-	-	-	-	-	
Vote 7 - Engineering Services	3 330	34 626	37 956	-	(19 264)	18 692	17 433	(1 258)	6 847	
Vote 8 - Public Services	38 430	51 104	89 533	-	(22 112)	67 422	40 638	(26 783)	31 803	
<b>Capital single-year expenditure</b>	<b>66 083</b>	<b>95 017</b>	<b>161 100</b>	<b>-</b>	<b>(45 565)</b>	<b>115 535</b>	<b>84 397</b>	<b>(31 138)</b>	<b>43 128</b>	
<b>Total Capital Expenditure - Vote</b>	<b>318 550</b>	<b>90 696</b>	<b>409 246</b>	<b>-</b>	<b>580</b>	<b>409 826</b>	<b>270 819</b>	<b>(139 007)</b>	<b>143 097</b>	
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>	<b>32 645</b>	<b>(7 651)</b>	<b>24 994</b>	<b>-</b>	<b>(3 184)</b>	<b>21 810</b>	<b>19 083</b>	<b>(2 727)</b>	<b>5 399</b>	
Executive and council	10	235	245	-	(205)	40	35	(5)	62	
Budget and treasury office	32 635	(7 886)	24 749	-	(2 979)	21 770	19 048	(2 722)	5 338	
Corporate services	-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>	<b>9 291</b>	<b>16 714</b>	<b>26 005</b>	<b>-</b>	<b>666</b>	<b>26 671</b>	<b>23 194</b>	<b>(3 477)</b>	<b>17 363</b>	
Community and social services	4 832	1 086	5 918	-	188	6 106	3 597	(2 509)	481	
Sport and recreation	3 820	(2 770)	1 050	-	675	1 725	973	(752)	16 451	
Public safety	639	1 049	1 688	-	(197)	1 491	1 274	(217)	432	
Housing	-	17 350	17 350	-	-	17 350	17 350	-	-	

**Appendix G A5**

**WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Description	2022/23							2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Restated Audited Outcome
<b>R thousands</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Health	—	—	—	—	—	—	—	9
<b>Economic and environmental services</b>	<b>56 246</b>	<b>7 719</b>	<b>63 965</b>	—	(6 633)	57 332	49 489	(7 843)
Planning and development	1 820	(200)	1 620	—	—	1 620	1 357	(263)
Road transport	54 426	7 919	62 345	—	(6 633)	55 712	48 133	(7 579)
Environmental protection	—	—	—	—	—	—	—	—
<b>Trading services</b>	<b>220 368</b>	<b>73 915</b>	<b>294 282</b>	—	<b>9 731</b>	<b>304 013</b>	<b>179 052</b>	<b>(124 961)</b>
Electricity	66 230	8 998	75 228	—	(85)	75 143	48 544	(26 599)
Water	94 688	(27 195)	67 492	—	3 219	70 711	38 497	(32 214)
Waste water management	58 250	92 040	150 290	—	6 585	156 875	91 252	(65 623)
Waste management	1 200	72	1 272	—	12	1 284	760	(524)
<b>Other</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure - Standard</b>	<b>318 550</b>	<b>90 696</b>	<b>409 246</b>	<b>—</b>	<b>580</b>	<b>409 826</b>	<b>270 819</b>	<b>(139 007)</b>
<b>Funded by:</b>								
National Government	69 094	10 310	79 404	—	—	79 404	65 458	(13 946)
Provincial Government	1 044	18 375	19 419	—	—	19 419	19 418	(1)
District Municipality	—	549	549	—	—	549	548	(1)
Other transfers and grants	—	19	19	—	—	19	19	—
<b>Transfers recognised - capital</b>	<b>70 138</b>	<b>28 252</b>	<b>99 390</b>	<b>—</b>	<b>—</b>	<b>99 390</b>	<b>85 442</b>	<b>(13 949)</b>
<b>Public contributions &amp; donations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Borrowing</b>	<b>146 238</b>	<b>34 090</b>	<b>180 328</b>	<b>—</b>	<b>—</b>	<b>180 328</b>	<b>104 458</b>	<b>(75 870)</b>
<b>Internally generated funds</b>	<b>102 174</b>	<b>27 354</b>	<b>129 528</b>	<b>—</b>	<b>580</b>	<b>130 108</b>	<b>80 918</b>	<b>(49 189)</b>
<b>Total Capital Funding</b>	<b>318 550</b>	<b>90 696</b>	<b>409 246</b>	<b>—</b>	<b>580</b>	<b>409 826</b>	<b>270 819</b>	<b>(139 007)</b>



# Appendix H Budget Cash Flow

WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2022/23								2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final Adjustments budget (24 April 2023)	Shifting of Funds (i.t.o. MFMA s31)	Virements (Budget Virement Policy 2022/2023)	Final Budget	Actual Outcome	Variance	
R thousands	1	2	3	4	5	6	7	8	9
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	935 069	6 119	941 187	-	-	941 187	890 984	(50 204)	873 517
Government - operating	171 058	3 155	174 213	-	-	174 213	165 922	(8 291)	151 359
Government - capital	70 138	11 260	81 398	-	-	81 398	85 442	4 044	57 360
Interest	20 656	5 796	26 452	-	-	26 452	26 964	512	17 288
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(1 011 634)	(39 984)	(1 051 618)	-	-	(1 051 618)	(1 031 105)	20 513	(936 333)
Finance charges	(35 817)	-	(35 817)	-	-	(35 817)	(19 841)	15 975	(21 336)
Transfers and Grants	(6 872)	(3 127)	(9 999)	-	-	(9 999)	(3 419)	6 579	(3 582)
NET CASH FROM/(USED) OPERATING ACTIVITIES	142 598	(16 781)	125 818	-	-	125 818	114 947	(10 871)	138 273
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	2 085	2 085	1 213
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	50	-	50	-	-	50	(4 482)	(4 532)	(892)
Decrease (Increase) in non-current investments	-	-	-	-	-	-	81 794	81 794	11 414
Payments									
Capital assets	(318 550)	(90 696)	(409 246)	-	-	(409 246)	(230 245)	179 001	(137 447)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(318 500)	(90 696)	(409 196)	-	-	(409 196)	(150 848)	258 348	(125 711)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	146 238	34 090	180 328	-	-	180 328	110 000	(70 328)	-
Increase (decrease) in consumer deposits	100	-	100	-	-	100	101	1	220
Payments									
Repayment of borrowing	(18 665)	-	(18 685)	-	-	(18 685)	(14 536)	4 149	(13 041)
NET CASH FROM/(USED) FINANCING ACTIVITIES	127 653	34 090	161 743	-	-	161 743	95 565	(66 178)	(12 820)
NET INCREASE/ (DECREASE) IN CASH HELD									
Cash/cash equivalents at the year begin:	(48 248)	(73 387)	(121 635)	-	-	(121 635)	59 664	181 299	(258)
Cash/cash equivalents at the year end:	150 013	29 076	179 089	-	-	179 089	89 089	(90 000)	89 348
Cash/cash equivalents at the year end:	101 765	(44 311)	57 454	-	-	57 454	148 753	91 299	89 089

BREDE VALLEY MUNICIPALITY													
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023													
APPENDIX I: INVESTMENTS													
Date Invested	Institution	ID	Account Number	Confirmation Received	Rate	Period	Amount	Maturity Date	Withdrawn	Date Received	Receipt Number	Expected Interest	Interest Received
												0,00	
25/Nov/21	NEDBANK	437	03/7881531576/308	YES	5,40%	242	5 000 000	25/Jul/22	5 000 000	25/Jul/22	2000345369	179 013,70	179 013,70
27/Jan/22	STANDARD	441	288460898-084	YES	5,400%	182	5 000 000	28/Jul/22	5 000 000	28/Jul/22	4000452568	134 630,14	134 630,14
												0,00	
													313 643,84
												0,00	
25/Nov/21	STANDARD	438	288460898-083	YES	5,575%	272	5 000 000	24/Aug/22	5 000 000	24/Aug/22	5000437721	207 726,03	207 726,03
27/Jan/22	STANDARD	442	288460898-085	YES	5,600%	214	5 000 000	29/Aug/22	5 000 000	29/Aug/22	5000437791	164 164,38	164 164,38
29/Mar/22	FNB	448	74942029064	YES	5,40%	153	5 000 000	29/Aug/22	5 000 000	29/Aug/22	5000437792	113 178,08	113 178,08
												0,00	
													485 068,49
												0,00	
24/Feb/22	STANDARD	444	288460898-087	YES	5,850%	214	5 000 000	26/Sep/22	5 000 000	26/Sep/22	5000438785	171 493,15	171 493,15
24/Feb/22	NEDBANK	445	03/7881531576/310	YES	5,90%	214	5 000 000	26/Sep/22	5 000 000	26/Sep/22	5000438784	172 958,90	172 958,90
29/Mar/22	ABSA	449	2080331271	YES	5,82%	181	10 000 000	26/Sep/22	10 000 000	26/Sep/22	5000438786	288 608,22	288 608,22
27/Jan/22	NEDBANK	443	03/7881531576/309	YES	5,80%	243	5 000 000	27/Sep/22	5 000 000	27/Sep/22	4000454275	193 068,49	193 068,49
24/Feb/22	ABSA	446	2080268458	YES	5,66%	215	5 000 000	27/Sep/22	5 000 000	27/Sep/22	4000454274	166 698,63	166 698,63
29/Mar/22	NEDBANK	450	03/7881531576/312	YES	6,05%	184	10 000 000	29/Sep/22	10 000 000	29/Sep/22	5000438920	304 986,30	304 986,30
												0,00	
													1 297 813,69
												0,00	
24/Feb/22	NEDBANK	447	03/7881531576/311	YES	6,05%	242	5 000 000	24/Oct/22	5 000 000	24/Oct/22	5000439591	200 561,64	200 561,64
29/Mar/22	NEDBANK	451	03/7881531576/313	YES	6,25%	216	5 000 000	31/Oct/22	5 000 000	31/Oct/22	5000439780	184 931,51	184 931,51
29/Mar/22	STANDARD	452	288460898-088	YES	6,150%	216	5 000 000	31/Oct/22	5 000 000	31/Oct/22	5000439781	181 972,60	181 972,60
												0,00	
													567 465,75
												0,00	
24/Aug/22	ABSA	455	2080612780	YES	6,47%	90	5 000 000	22/Nov/22	5 000 000	22/Nov/22	5000440838	79 767,12	79 767,12
29/Mar/22	STANDARD	453	288460898-089	YES	6,350%	245	5 000 000	29/Nov/22	5 000 000	29/Nov/22	2000350187	213 116,44	213 116,44
												0,00	
													292 883,56
												0,00	
24/Aug/22	NEDBANK	456	03/7881531576/315	YES	6,80%	125	5 000 000	27/Dec/22	5 000 000	22/Dec/22	2000351129	116 438,36	116 438,36
24/Aug/22	NEDBANK	456	03/7881531576/315	YES	6,80%	1		28/Dec/22		3/Jan/23	5000441715	931,50	931,50
29/Mar/22	NEDBANK	454	03/7881531576/314	YES	6,60%	275	5 000 000	29/Dec/22	5 000 000	22/Dec/22	2000351128	248 630,14	248 630,14
												0,00	
													366 000,00
												0,00	
14/Dec/22	STANDARD	467	288460898-095	YES	8,025%	33	5 000 000	16/Jan/23	5 000 000	16/Jan/23	4000458489	36 277,40	36 277,40
24/Aug/22	ABSA	457	2080612887	YES	6,97%	152	5 000 000	23/Jan/23	5 000 000	23/Jan/23	4000458596	145 128,77	145 128,77
24/Aug/22	STANDARD	458	288460898-090	YES	6,950%	153	5 000 000	24/Jan/23	5 000 000	24/Jan/23	4000458609	145 664,38	145 664,38
												0,00	
													327 070,55
												0,00	
14/Dec/22	NEDBANK	468	03/7881531576/318	YES	7,78%	62	5 000 000	14/Feb/23	5 000 000	14/Feb/23	4000459559	66 076,71	66 076,71
14/Dec/22	FNB	469	76201870188	YES	7,73%	61	5 000 000	14/Feb/23	5 000 000	14/Feb/23	4000459557	64 593,15	64 593,15
						1				14/Feb/23	4000459569	1 058,90	1 059,12
24/Aug/22	NEDBANK	459	03/7881531576/316	YES	7,30%	184	5 000 000	24/Feb/23	5 000 000	24/Feb/23	5000443225	184 000,00	184 000,00
24/Aug/22	STANDARD	460	288460898-091	YES	7,250%	184	5 000 000	24/Feb/23	5 000 000	24/Feb/23	5000443206	182 739,73	182 739,73
												0,00	
													498 468,71
												0,00	
14/Dec/22	ABSA	470	2080807927	YES	7,93%	90	5 000 000	14/Mar/23	5 000 000	14/Mar/23	4000460618	97 767,12	97 767,12
14/Dec/22	STANDARD	471	288460898-096	YES	8,300%	90	5 000 000	14/Mar/23	5 000 000	14/Mar/23	4000460619	102 328,77	102 328,77
14/Dec/22	NEDBANK	472	03/7881531576/319	YES	7,88%	91	5 000 000	15/Mar/23	5 000 000	15/Mar/23	4000460673	98 230,14	98 230,14
22/Nov/22	STANDARD	465	288460898-094	YES	7,650%	120	5 000 000	22/Mar/23	5 000 000	22/Mar/23	5000443991	125 753,42	125 753,42
24/Aug/22	NEDBANK	461	03/7881531576/317	YES	7,50%	212	5 000 000	24/Mar/23	5 000 000	24/Mar/23	5000444019	217 808,22	217 808,22
24/Aug/22	STANDARD	462	288460898-092	YES	7,450%	212	5 000 000	24/Mar/23	5 000 000	24/Mar/23	5000444018	216 356,16	216 356,16
27/Sep/22	ABSA	463	2080668943	YES	7,96%	181	5 000 000	27/Mar/23	5 000 000	27/Mar/23	5000444099	197 364,38	197 364,38
27/Sep/22	STANDARD	464	288460898-093	YES	7,900%	181	5 000 000	27/Mar/23	5 000 000	27/Mar/23	5000444062	195 876,71	195 876,71
												0,00	
													1 251 484,92
												0,00	
22/Nov/22	ABSA	466	2080770932	YES	7,92%	153	5 000 000	24/Apr/23	5 000 000	24/Apr/23	5000445036	165 994,52	165 994,52
23/Mar/23	STANDARD	473	288460898-097	YES	8,175%	33	5 000 000	25/Apr/23	5 000 000	25/Apr/23	5000445037	36 955,48	36 955,48
												0,00	
													202 950,00
												0,00	
23/Mar/23	ABSA	474	2080984438	YES	7,97%	60	5 000 000	22/May/23	5 000 000	22/May/23	5000445810	65 506,85	65 506,85
23/Mar/23	NEDBANK	475	03/7881531576/320	YES	7,83%	61	5 000 000	23/May/23	5 000 000	23/May/23	5000445892	65 428,77	65 428,77
												0,00	
													130 935,62
												0,00	
23/Mar/23	ABSA	476	2080984250	YES	8,39%	90	5 000 000	21/Jun/23	5 000 000	21/Jun/23	5000446694	103 438,36	103 438,36
23/Mar/23	NEDBANK	477	03/7881531576/321	YES	8,27%	91	5 000 000	22/Jun/23	5 000 000	26/Jun/23	5000446706	103 091,78	103 091,78



BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2023						
Appendix J: DEVIATIONS FOR THE 2022/2023 FINANCIAL YEAR						
No	Deviation registered (reference Generated)	Department	Reason for Deviation (category)	Short Summary of Deviation	Approved Value	Service Provider/ Contractor/ Supplier
1	BVD 537	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	RENTAL OF MULTIFUNCTION MACHINES	480 000,00	BIDVEST OFFICE T/A KONICA MINOLTA
2	BVD 538	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	IMPLEMENTATION AND COMMISSIONING OF THE NETWORK CONNECTIVITY UPGRADES WITHIN BVMM	140 359,80	MTN
3	BVD 539	COMMUNITY SERVICES	EXCEPTIONAL CASE	PROVISIONING OF SECURITY SERVICES TO SITES AND BUILDINGS	1 000 000,00	CAPITAL SECURITY BOLAND
4	BVD 540	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	PROVISION AND MAINTENANCE OF INTERNET AND RELATED SERVICES	155 726,10	LINUX BASED SYSTEMS DESIGN
5	BVD 541	PUBLIC SERVICES	EMERGENCY	CONSULTANT SERVICES CIBMISSION OF ANNUAL IMPROVEMENT PLAN	229 471,00	CARA CREATIVE SOLUTIONS
6	BVD 542	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	PROVISION OF HR SYSTEM SAGE	750 000,00	APPLICO
7	BVD 543	PUBLIC SERVICES	EMERGENCY	EMERGENCY REPAIR TO PRELOADS RESERVOIR TO ENSURE THE SUPPLY OF DRINKING WATER TO WORCESTER	1 057 512,40	MURRAY & DICKSON CONSTRUCTION
8	BVD 544	OFFICE OF THE MM	EXCEPTIONAL CASE	PROFESSIONAL MECHANICAL CONSULTANT SERVICES	283 185,99	AFRICAN DYNAMIC QUALITY ENGINEERING PROJECTS
9	BVD 545	PUBLIC SERVICES	EMERGENCY	EMERGENCY REPAIRS AVIAN PARK PUMP STATION	410 088,85	NOVA VIDA PUPS
10	BVD 546	OFFICE OF THE MM	EXCEPTIONAL CASE	IRMSA CONFERENCE 12-14 SEPTEMBER 2022 FOR INTERNAL AUDITORS	7 500,00	ACFE
11	BVD 547	OFFICE OF THE MM	EXCEPTIONAL CASE	IRMSA ANNUAL CONFERENCE 27/28 SEPTEMBER 2022 FOR INTERNAL AUDITORS	4 028,00	THE INSTITUTE OF RISK MANAGEMENT
12	BVD 548	OFFICE OF THE MM	EXCEPTIONAL CASE	ANNUAL MEMBERSHIP FEES FOR INTERNAL AUDITORS	3 420,00	ACFE
13	BVD 549	ENGINEERING SERVICES	EXCEPTIONAL CASE	REGISTRATION FEES FOR IMESA CONFERENCE	7 500,00	IMESA
14	BVD 550	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	ADVERTS FOR VACANT POSTS WITHIN BVM IN THE DIFFERENT MEDIA	160 000,00	MEDIA 24, INDEPENDENT NEWSPAPER AND ARENA HOLDINGS
15	BVD 551	COMMUNITY SERVICES	EXCEPTIONAL CASE	NEWSPAPER SUBSCRIPTION	3 837,31	MEDIA 24
16	BVD 552	FINANCIAL SERVICES	EXCEPTIONAL CASE	ADVERTS FOR FINANCIAL ISSUES WITHIN BVM IN THE DIFFERENT MEDIA	50 860,04	MEDIA 24
17	BVD 553	PUBLIC SERVICES	EMERGENCY	INSTALL OF WATERMETERS AT TRANS HEX WORCESTER HOUSING.	210 240,00	TSSN CARRIERS
18	BVD 554	STRATEGIC SUPPORT SERVICES	EXCEPTIONAL CASE	NEWSPAPER ADVERTS TO INFORM THE COMMUNITY OF PUBLIC FUNDING AVAILABLE IN THE ORGANIZATION	40 000,00	MEDIA 24
19	BVD 555	PUBLIC SERVICES	EMERGENCY	EMERGENCY REPAIRS OF DE DOORNS WWTW. URGENT REPAIRS ARE NEEDED SO THAT THE ULTRAFILTRATION PLANT CAN SUPPLEMENT THE DE DOORNS DRINKING WATER.	2 526 240,54	GW TRAUTMAN

BREDE VALLEY MUNICIPALITY							
Annual Financial Statements for the year ended 30 June 2023							
Appendix J: DEVIATIONS FOR THE 2022/2023 FINANCIAL YEAR							
	Deviation registered (reference Generated)	Directorate	Department	Reason for Deviation (category)	Short Summary of Deviation	Approved Value	Service Provider/ Contractor/ Supplier
No							
20	BVD 556	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY REPAIRS/ SAVEGUARDING SANTA WEIDA PUMPS AFTER VANDALISM. REPAIR ELECTRICAL PANEL AND PUMPS	473 807,77	ZANI MANZI
21	BVD 557	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY REPAIRS/ SAVEGUARDING SANTA WEIDA PUMPS AFTER VANDALISM. SAFEGUARDING PUMPSTATION BY SULLYING AND INSTALLING SAFETY GATES	35 400,00	CJ NASSON
22	BVD 558	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EXCAVATION OF CANAL TO PREVENT PROPERTY DAMAGE	46 000,00	WINTERBACH BROERS
23	BVD 559	STRATEGIC SUPPORT SERVICES	ITC	EXCEPTIONAL CASE	RENEWAL OF GUARDIAN MANAGER CONTROL	72 000,00	MEYCOM
24	BVD 560	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	SOLE SUPPLIER	REPLACEMENT OF STOLEN AND BROKEN MANHOLE COVERS	41 642,88	SMARTLOCK
25	BVD 561	STRATEGIC SUPPORT SERVICES	HUMAN RESOURCES	EXCEPTIONAL CASE	REHABILITATION ON SUBSTANCE ABUSE TO AN EMPLOYEE	28 520,00	TOEVLUG
26	BVD 563	ENGINEERING SERVICES	ENGINEERING SERVICES	EMERGENCY	EMERGENCY REPAIRS AT MERINDOL SUBSTATION	23 073,00	DE KOCK & CRONJE
27	BVD 564	COMMUNITY SERVICES	HUMAN RESOURCES	EXCEPTIONAL CASE	CERTIFICATES FOR LIFESAVERS FOR SEASONAL PERIOD	122 335,00	LIFESAVINGS SA
28	BVD 565	PUBLIC SERVICES	GIS	EXCEPTIONAL CASE	IMQS SOFTWARE ANNUAL LICENSE AND SOFTWARE MAINTENANCE 2 YEAR PERIOD	156 411,37	IMQS SOFTWARE
29	BVD 566	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY REPAIRS ON COLLAPSED PIPELINE AT SANTA WEIDA PUMPSTATION	45 646,45	ERA LIGHTNING
30	BVD 567	COMMUNITY SERVICES	LIBRARY	EXCEPTIONAL CASE	LIASA MEMBERSHIP FOR PERSONAL ASSOCIATION FOR LIBRARY SERVICES	3 425,00	LIASA
31	BVD 568	COMMUNITY SERVICES	TRAFFIC, LAW ENFORCEMENT AND SECURITY SERVICES	SOLE SUPPLIER	LEARNERS LICENCE MATERIAL FOR DRIVING LICENCE TESTING CENTRE	8 575,86	MINDMUZIK MEDIA
32	BVD 569	STRATEGIC SUPPORT SERVICES	LEGAL SERVICES	EXCEPTIONAL CASE	PAYMENT FOR LEGAL MATTER	37 087,50	WEBBER WENTZEL ATTORNEYS
33	BVD 570	STRATEGIC SUPPORT SERVICES	LEGAL SERVICES	EXCEPTIONAL CASE	PAYMENT FOR LEGAL MATTER	10 732,95	ELTON SHORTLES
34	BVD 571	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY REPAIRS OF LEIWAER- SPECIAL FITTING OF DAMI PIPE	5 500,00	BRANDWACHT BESPROEIJING
35	BVD 572	STRATEGIC SUPPORT SERVICES	IDP	EXCEPTIONAL CASE	ADVERTISEMENTS IN LOCAL NEWSPAPER	25 000,00	MEDIA 24
36	BVD 573	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	EMERGENCY REPAIRS TO ROAD PAVEMENT- DE DOORNS	140 607,05	EYETHU
37	BVD 574	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	EMERGENCY SERVICES - CLEANING OF VARIOUS LOCATIONS BY MEANS OF MECHANICAL PLANT	119 370,00	EYETHU
38	BVD 575	STRATEGIC SUPPORT SERVICES	ITC	EXCEPTIONAL CASE	RENEWAL OF SOPHOS LICENCE (ANTI-VIRUS SYSTEM)	223 906,15	INFINETIXCONNECT
39	BVD 576	STRATEGIC SUPPORT SERVICES	HUMAN RESOURCES	EXCEPTIONAL CASE	PROVISION OF HR SYSTEM SAGE (REINSTATEMENT OF E-RECRUITMENT SYSTEM)	834 532,00	APPLICO
40	BVD 577	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	REPAIR AND SAFEGUARDING OF SANTA WEIDA PUMPSTATION	24 253,65	CAPITAL SECURITY BOLAND



**BREDE VALLEY MUNICIPALITY**

**Annual Financial Statements for the year ended 30 June 2023**

**Appendix J: DEVIATIONS FOR THE 2022/2023 FINANCIAL YEAR**

No	Deviation registered (reference Generated)	Directorate	Department	Reason for Deviation (category)	Short Summary of Deviation	Approved Value	Service Provider/ Contractor/ Supplier
41	BVD 578	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	EMERGENCY CONTRACTED SERVICES -REPAIR TO STORMWATER INFRASTRUCTURE- DE DOORNS	211 310,20	EYETHU
42	BVD 579	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	EMERGENCY CONTRACTED SERVICES -REPAIR TO ROAD PAVEMENT AT BARLINKA STREET- DE DOORNS	9 881,95	EYETHU
43	BVD 580	ENGINEERING SERVICES	ENGINEERING SERVICES	EXCEPTIONAL CASE	LAND SURVEYOR SERVICES FOR REGISTRATION OF ERVEN AT JOHNSONS PARK	18 312,60	GL GEOMATICS
44	BVD 581	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY HIRE OF WATER TANKER FOR DE DOORNS AFTER HEAVY STORM	204 631,00	RAINBOW PLANTHIRE
45	BVD 582	OFFICE OF THE MM	INTERGRATED RISK MANAGEMENT	EXCEPTIONAL CASE	ANNUAL MEMBERSHIP TO THE INTERNAL INSTITUTE OF RISK MANAGEMENT	2 585,00	THE INSTITUTE OF RISK MANAGEMENT
46	BVD 583	ENGINEERING SERVICES	ENGINEERING SERVICES	EXCEPTIONAL CASE	ANNUAL FEES	4 937,37	SACPCMP
47	BVD 584	PUBLIC SERVICES	WATER SERVICES	EXCEPTIONAL CASE	IMPRACTICAL- REPAIR OF IAN DICKIE SELF PRIMING DIAPHRAGM SLUDGE PUMPS FOR WATE BURST PIPE REPAIRS	64 811,28	IAN DICKIE & CO.(PTY) LTD
48	BVD 585	ENGINEERING SERVICES	ELECTRICAL SERVICES	EMERGENCY	EMMERGENCY REPAIRS OF COMMUNICATION MAST BATTERY BACK-UP	37 354,30	BREERIVIER KOMMUNIKASIE BK
49	BVD 586	PUBLIC SERVICES	WATER SERVICES	EMERGENCY	EMERGENCY HIRE OF WATER TANKER FOR DE DOORNS WITH RAW WATER SUPPLY RESTRICTIONS	179 612,75	RAINBOW PLANTHIRE
50	BVD 587	PUBLIC SERVICES	WATER SERVICES	EMERGENCY	EMERGENCY REPAIRS AND SAFEGUARD OF BOREHOLES FOR DE DOORNS WITH RAW WATER SUPPLY RESTRICTIONS	46 394,22	WM SPILHOUSE
51	BVD 588	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	EMERGENCY- CONTRACTED SERVICES: REPAIRS TO STORMWATER INFRASTRUCTURE ON ERF 311, DE DOORNS	286 036,05	EYETHU ALPHA
52	BVD 589	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY CLEANING OF DE WET CANAL SUPPLYING DRINKING WATER TO FARMS AND SMALL HOLDINGS	58 500,00	LEE-HANDRO ENTERPRISES/ CLC CONSTRUCTION
53	BVD 590	COMMUNITY SERVICES	TRAFFIC SERVICES	EXCEPTIONAL CASE	PROVISIONING OF SECURITY SERVICES TO SITES AND BUILDINGS	3 488 919,11	CAPITAL SECURITY BOLAND
54	BVD 591	COMMUNITY SERVICES	TRAFFIC SERVICES	EXCEPTIONAL CASE	PROVISIONING OF SECURITY SERVICES TO SITES AND BUILDINGS	2 611 524,00	FIDELITY
55	BVD 592	FINANCIAL SERVICES	FINANCIAL PLANNING	EXCEPTIONAL CASE	PROCUREMENT OF CASEWARE LICENSES TO COMPILE ANNUAL FINANCIAL STATEMENT OF MUNICIPALITY	195 163,02	ADAPT IT
56	BVD 593	PUBLIC SERVICES	WATER AND WASTEWATER TREATMENT	EMERGENCY	EMERGENCY HIRE OF WATER TANKER FOR DE DOORNS WITH RAW WATER SUPPLY RESTRICTIONS	357 190,00	RAINBOW PLANTHIRE
57	BVD 594	PUBLIC SERVICES	ROADS AND STORMWATER	EMERGENCY	FLOOD DAMAGE REPAIR OF STORMWATER INFRASTRUCTURE, KRIGE STREET WORCESTER	273 252,78	EYETHU ALPHA
58	BVD 595	PUBLIC SERVICES	SOLID WASTE	EMERGENCY	RENTAL OF REFUSE COMPACTORS	605 475,00	TRANSTECH
59	BVD 596	COMMUNITY SERVICES	LIBRARY	EXCEPTIONAL CASE	NEWSPAPER SUBSCRIPTION	17 127,52	MEDIA 24
60	BVD 597	STRATEGIC SUPPORT SERVICES	ICT	EXCEPTIONAL CASE	RENEWAL OF RED HAT LINUX OPERATING SYSTEM LICENCE	143 985,63	DATATEGRA

## Annual Financial Statements for the year ended 30 June 2023

## Annual Financial Statements for the year ended 30 June 2023

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# Annexure B

# Report of the auditor-general to the Western Cape Provincial Parliament and council of the Breede Valley Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Breede Valley Municipality set out on pages 8 to 111, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Material impairment of debtors

7. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R150 569 822 (2021-22: R133 908 162).

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transaction of R119 587 538 (2021-22: R49 122 577).

#### Restatement of corresponding figure

9. As disclosed in note 53 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2023.

#### Contingent liabilities

10. With reference to note 45 of the financial statements, the municipality is the defendant in a number of contractual claims amounting to R38 096 482 (2021-22: R37 596 523). The municipality is opposing the claims. The ultimate outcomes of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

#### Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### Unaudited supplementary schedules

13. The supplementary information set out on pages 112 to 130 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

#### Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.



## Responsibilities of the auditor-general for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected an objective that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Purpose
Strategic objective 1: to provide and maintain basic services and ensure social upliftment of the Breede Valley community	18-26	The primary focus of Breede Valley Municipality as a local municipality is to create a municipality where every citizen has access to all basic services and to live in a safe, caring and well-managed environment.

20. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

21. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

23. I did not identify any material findings on the reported performance information for the selected objective.

### **Other matter**

24. I draw attention to the matter below.

### **Achievement of planned targets**

25. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

<b>Report on compliance with legislation</b>
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26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
29. I did not identify any material non-compliance with the selected legislative requirements.

#### Other information in the annual report

30. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
31. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. The other information I obtained prior to the date of this auditor's report excludes the executive summary and governance sections, which is expected to be made available to me after 30 November 2023.
34. If, based on the work I have performed on the other information which I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
35. When I do receive and read the executive summary and governance sections, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.



## Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
37. I did not identify any significant deficiencies in internal control.

*Auditor General*

Cape Town

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected objective and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Section 1 – paragraph (a), (b) &amp; (d) of the definition: irregular expenditure</p> <p>Section 1 – definition: service delivery and budget implementation plan</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1)</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b)</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i)</p> <p>Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b)</p> <p>Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e)</p> <p>Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1)</p> <p>Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii)</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a)</p> <p>Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a)</p> <p>Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b)</p> <p>Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c)</p> <p>Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43</p> <p>Regulations 44, 46(2)(e), 46(2)(f)</p>

Legislation	Sections or regulations
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b)  Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a)  Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a)  Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8)  Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2)  Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)





# Annexure C

## Report of the Audit and Performance Audit Committee

### Committee members and attendance

The audit and performance audit committee consisted of three members listed hereunder. The committee should meet at least four times per year according to its approved terms of reference. During the 2023 year 5 meetings were held:

Name of Member	Number of meetings attended
June Williams (CA(SA))	5
Mariaan Roos	5
Shahied Allie (Resigned from the Committee on 21 April 2023. He was not replaced until 23 October 2023.	3

This report of the Audit and Performance Audit Committee of Breede Valley Municipality is in respect of the 2022/2023 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities in accordance with the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King IV report on Corporate Governance.

The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, head of Internal Audit, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

### Execution of Functions

The Audit and Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Council's accounting, internal auditing, internal control, governance, risk management and financial reporting practices.

During the year under review, the Committee, amongst other matters,

#### 1.1 In respect of the External Auditors and the External Audit

- i. Reviewed the External Auditors' (Auditor-General of RSA) terms of engagement, the audit plan and budgeted audit fees payable.
- ii. Discussed the draft management (and audit) report of the Auditor General at the Audit and Performance Audit Committee meeting of 22 November 2023. The final results of the audit became known on 30 November 2023.
- iii. Considered the (expected but not known) audit outcome of the Municipality and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the retained Clean Audit Outcome.

#### 1.2 In respect of the Annual Financial Statements (AFS)

- i. Confirmed the going concern as the basis of preparation of the annual financial statements;

- ii. Examined, reviewed and interrogated the annual financial statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
- iii. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- iv. Considered the appropriateness of the accounting policies adopted by Management;

### **1.3 In respect of Internal Control and Internal Audit**

- i. Reviewed and approved the internal audit mandate, annual and three-year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- ii. Considered reports of the Internal and external auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- iv. Reviewed significant differences of opinion between the internal audit function and Management and noted that there were no material issues of difference raised and all matters were addressed and resolved;
- v. Assessed the adequacy of the performance of the internal audit function and found it to be effective in providing assurance;
- vi. Reviewed and monitored the quality assurance and improvement plan submitted by internal audit as required by the IIA Standards;
- vii. Assessed the adequacy and sufficiency of available internal audit resources and found these to be limited, as more resources would be required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe; Currently the internal audit plan is unable to be executed in one year due to limitations on resources.
- viii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof; and
- ix. In addition, the Committee noted Management's insufficient responses to conclude on internal audit findings from the prior and current year as reported in the internal audit follow up reports.

### **1.4 In respect of Legal and Compliance with Laws and Regulations**

- i. Reviewed with management matters that could have a material impact on Council;
- ii. Monitored compliance with the MFMA and other key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
- iii. Reviewed reports from the internal and external auditors detailing the extent of compliance.

### **1.5 In respect of Risk Management, Combined Assurance and Information Technology**

During the period under review, Management presented Strategic and Operational Risk profiles for the Municipality to the Audit and Performance Audit Committee who considered and reviewed reports from Management on risk management, including fraud risks as they pertain to financial reporting and the going concern assessment;

In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;



## **1.6 In respect of Pre-Determined Objectives (PDO's)**

The Audit and Performance Audit Committee noted:

- i. The quality of submitted performance information in the Management report is indicated as satisfactory. There were no material findings reported on performance information by the Auditor General and Internal Audit, respectively.
- ii. Internal audit has also provided the Audit and Performance Audit Committee with reports on performance on a quarterly basis and no critical or significant findings have been raised.

## **1.7 In respect of the Finance Function**

The Audit and Performance Audit Committee:

- i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and has noted that the improvement year on year on the quality of the annual financial statements submitted to the Committee and the AGSA. Another aspect which is apparent, is the reduction in reliance on consultants in the compilation of the annual financial statements over the years. The number of misstatements corrected on the annual financial statements is noted. Management intend to report via an action plan in this respect.

## **1.8 Independence of the External Auditors**

The Audit and Performance Audit Committee is satisfied that the Auditor General of RSA (AGSA) were independent of the Council.

## **1.9 General**

- i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters were addressed and mostly resolved. For the matters raised in the 2022/23 audit outcome, repeat-findings did occur from the prior year. The Audit and Performance Committee has raised its concern around this aspect and other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2023/2024 financial year.
- ii. The Audit and Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

